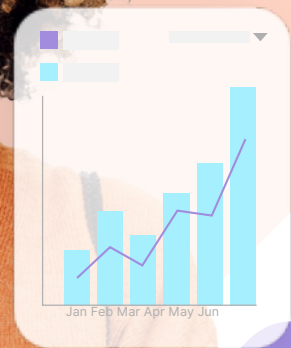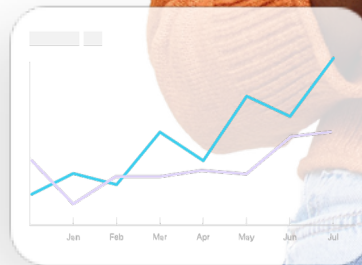worldpay
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A COMPLETE GUIDE TO

Software-led payments.

How software companies can deliver embedded
payment experiences that fuel hypergrowth
and drive customer loyalty.

SOFTWARE PAYMENTS

The era of commerce we're currently living in is indisputably unique.

It's made evident by rapidly evolving technology, changing online and offline consumer behavior, and the emergence of new ways to pay. Behind the complete transformation of the payment experience are the expectations and demands of the consumer.

In search of ways to deliver these experiences, businesses look to their operating systems for solutions. And as a result, software companies are becoming more acquainted with the world of software-led payments, a facet of business capable of fulfilling both customer experience expectations and their own business goals.

The best payment experiences are now the ones that are so seamless, they're barely detectable.

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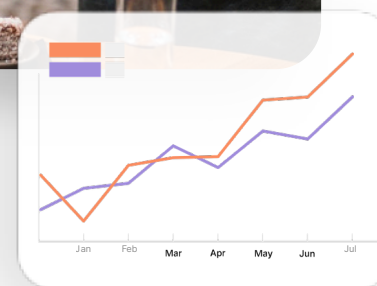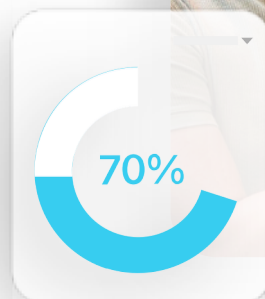
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# The value of embedded software payments in the customer experience.

Historically, payments have functioned as a cost center for software companies, and for a long time have generally been outsourced to third-party independent sales organisations (ISO) or payment processors.

And while many software companies have successfully monetised payments as an additional revenue stream using ISOs, they didn't have much control over the experience for their customers, which put them at the mercy of their third-party partners.

Not until recently have software companies realised the value of having more control over their payments, and have started looking for other options.

Today, merchants rely on vertical-specific software to power the day-to-day operations of their business. That includes everything from financial services like payments, to scheduling, business insights reporting and planning, and marketing.

Naturally, you want your customers to think of your software as their go-to operating system for doing business. To drive engagement and increase long term value (LTV), you want to ensure that you're providing not only all of the services your merchants want, but that you're also offering them as a unified customer experience.

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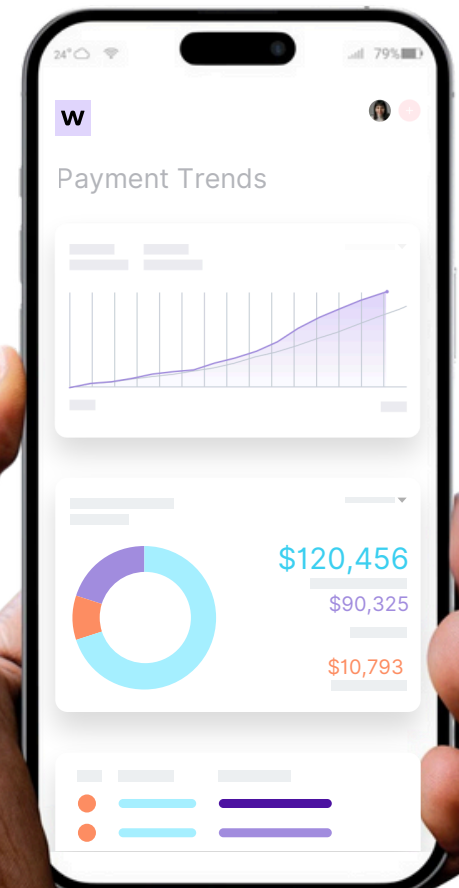
SOFTWARE PAYMENTS

The bottom line is, CX matters — it can drive customer loyalty, and engagement — and that's the ultimate goal, right?

To accomplish this, software companies are now taking a more active role in payments. Payments have become one of the most important parts of the customer experience — and it can also be a game changer for software companies. With the power to simplify and transform the journey for your subscribers and their customers, embedding the right payments solution can become one of your biggest differentiators.

According to a report from Gartner, customer experience (CX) drives more than two-thirds of customer loyalty, outperforming brand and price combined.

Learn more

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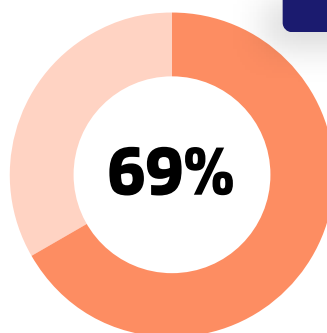
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In this **eBook**, we'll cover:

- Software-led payments
- Benefits of PayFac–as–a–Service
- Payments and the customer experience
- Advice for evaluating and implementing your best payment strategy

By the end, we hope you'll have a better understanding of your payments options, so you can begin assessing the right solution for your software company.

$120,456

$90,325

$10,793

PayFac–as–a–Service offers - the "sweet spot" between risk and reward.

Leveraging PayFac-as-a-Service (PFaaS) offers your software company the infrastructure you need to offer payments to your customers as a white-label solution.

To your customers, the payments experience is seamless — and is fully integrated with your software and your brand.

It looks and feels like your company is processing the payments, but your PFaaS partner is managing the risk, compliance, operational costs, and the other complexities of handling payments in-house.

65%

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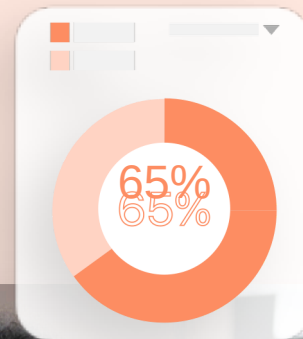
Benefits of a PayFac-as-a-Service model

For many software companies, PFaaS offers an elegant balance of customisation, control, and time-to-value.

PFaaS provides an advantageous blend of both payment monetisation opportunities and the ability to integrate the customer experience with your brand.

You can earn recurring revenue from the share of processing fees and when speed-to-market and technology investment concerns are a priority, embedding payments via PFaaS increases your time to value.
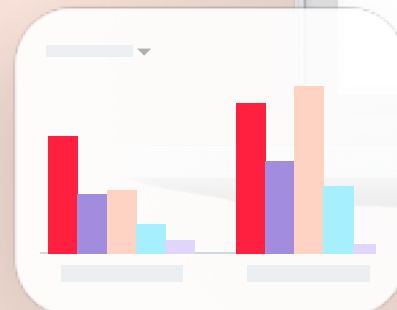
Benefits of PayFac-as-a-Service

Benefits ✓

- You choose your level of control
- White-labeling available
- Seamless integration into your software
- Fast and efficient merchant onboarding
- Decreased time to market
- More revenue from customisable processing pricing
- Minimal risk (most assumed by payments partner)
- Opens future opportunity to become a full PayFac® developer

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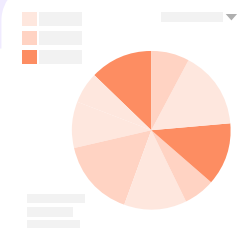
What is my role with PayFac-as-a-Service?

Within the PFaaS model, you take an active role in your payment processing, with the ability to customise the best payment experience for your customers. without the heavy investment or stress of managing risk, compliance, and annual audits.

Want to know how the responsibilities are shared between you and the payment processor?
See the breakdown on the right.

Quarterly growth

Mar Apr May Jun
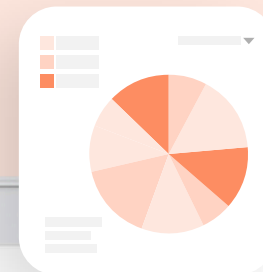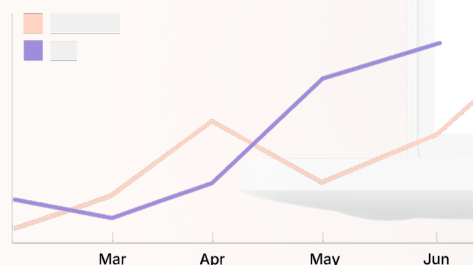
Who's responsible for what in the PayFac-as-a-Service model?

You (A software company)		Payment processor
✓	Sales	
	Merchant underwriting	✓
✓	Merchant onboarding	✓
	Risk and compliance	✓
✓	Customer experience and support	
✓	Merchant Billing and funding	✓
✓	Pricing and contracts execution	
✓	Branding	

How does PayFac-as-a-Service
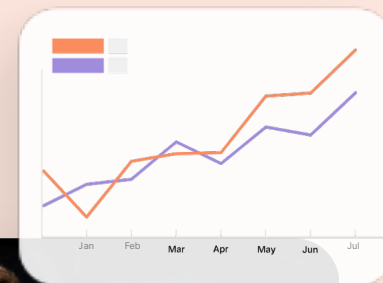## impact customer experience?

The PFaaS payment model is inherently flexible, leaving your software company's level of involvement in the customer experience up to you.

You can choose how much or how little control over onboarding and customer service you want. Naturally, this model supports a superior payment experience by delivering seamlessness and brand continuity. However, not all PFaaS providers are created equal

When researching a partner, it's important to look behind the technology and APIs.

Some providers who claim to be "technology-first" leave their software customers with self-guided, trial-and-error-driven developer documentation, making it hard to know where to begin, what best practices to implement, and how to onboard your customers to start processing.

Work with a team who will help you build an implementation strategy that suits your business goals.

# Worldpay for Platforms offers more control over your customer experience.

Worldpay for Platforms is a leading PFaaS partner. We help create the most frictionless customer experiences for software companies accepting payments.

Our platform offers you the ability to create a white-labeled payments experience, giving you more control over your customer experience and the ability to price it and sell it your way.

Worldpay for Platforms aims to be a long-term partner to your overall payment strategy, making sure that the customer experience comes first — and that the experience stays true to your brand.

Our solution acts as a seamless extension of your operations, providing powerful technology that delivers the exact payments look and feel that you want for your subscribers and their customers.

Worldpay for Platforms benefits:
- ✓ White-labeled
- ✓ Bespoke program and customer experience
- ✓ White-glove support

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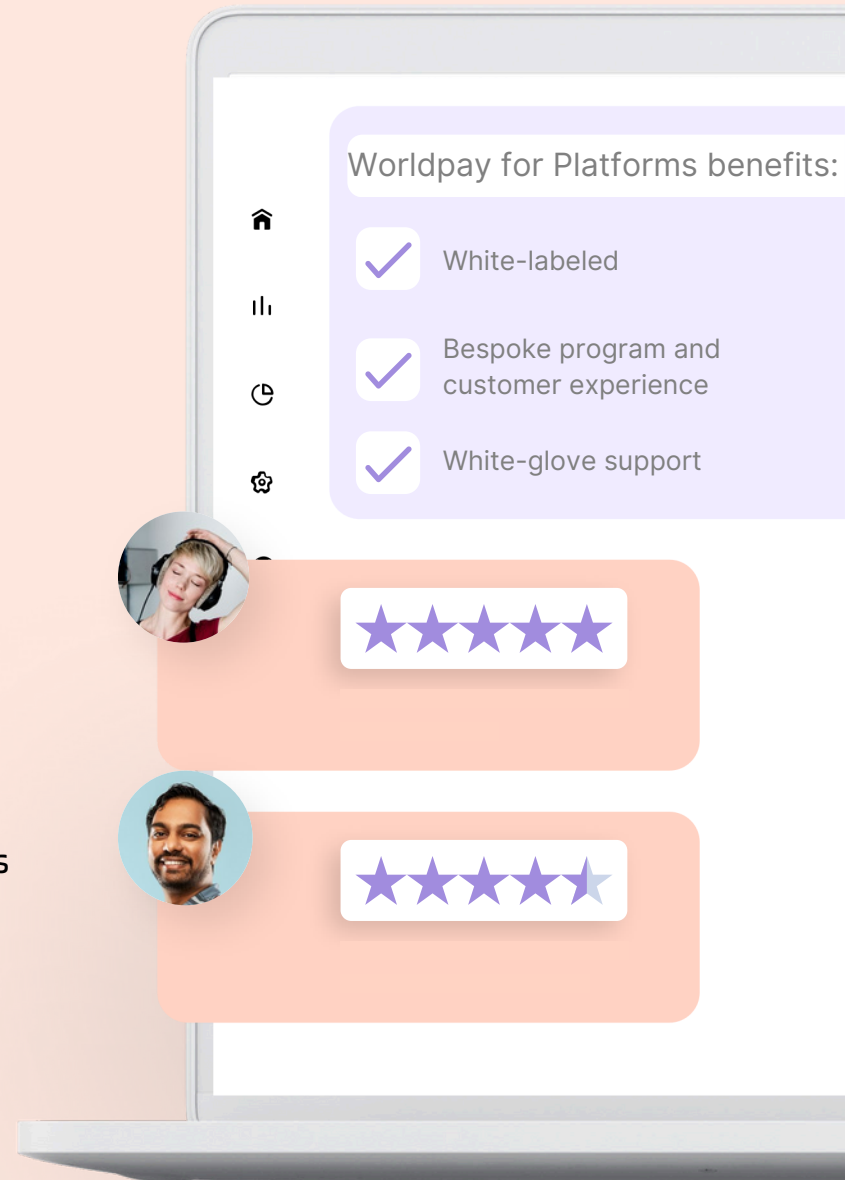
# Worldpay for Platforms Pay-Fac-as-a-service includes:

Our service offers a white glove support model with our payment experts on hand to help you get the most value out of payments, while offering competitive rates.

Our payments expertise allows us to anticipate your needs and guide you through the successful creation of a bespoke, end-to-end payments program, with services including:

+ Transparent merchant onboarding

+ Reduced rates of fraud

+ Flexible fees and billing

+ White-labeled merchant portal and sign-up

+ Variety of card-present options

+ Ownership of the customer relationship

+ Support of a dedicated success team

+ Payment expertise and consulting

+ Go-to-market training and support

Quarterly growth

Mar   Apr   May   Jun

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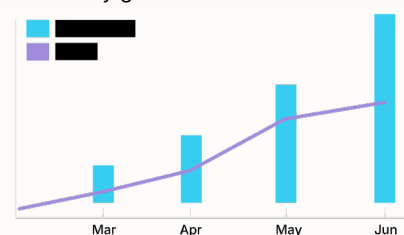
The service you can expect

All of this is built specifically for your software company, so you can offer a better experience for your customers, get to market faster, and capture more value. Here's a sample breakdown of what to expect from PayFac-as-a-Service:

	PayFac-as-a-Service
Payment Revenue	0.50% - 1.00%
Annual Revenue Opportunity (per $10,000,000 GMV) $50k - $100k	$50k - $100k
Salary Expenses	$0 - $125k
Customer onboarding	Fully Integrated
Control Medium	Medium
Customer branding	White Label
Risk	Hybrid Minimal
Regulatory burden	Embedded and Managed
KYC, AML and Risk Tools	Low
Technology investment	Worldpay for Platforms
Registered PF	3 Weeks - 3 Months
Time to deploy	

In a recent Forrester Total Economic ImpactTM study software companies using the platform reported these benefits

- ✓ Return on investment (ROI) up to 264% over three years
- ✓ Increased 'stickiness' and loyalty of customers
- ✓ Improvements to customer onboarding
- ✓ Reduced time for customers to begin transacting
- ✓ Reduced customer service issues
- ✓ Greater satisfaction with transaction speed
- ✓ Overall increased customer experience scores

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How to develop your
best payments strategy.

Your software payments model is part of your greater payments strategy — one of the most vital pieces of scaling your software company. If you don't have a clear cut payments strategy, that's okay.

Now is the perfect time to take a step back and think about the bigger picture. When it comes down to it, there are two main reasons to implement a payments strategy for your software:

1 **To enhance the customer experience and drive LTV**

2 **To monetise payments as an additional revenue stream so you can scale**

You may be focused on one or both of these.

Wherever you are in your payments journey, the right partner can meet you where you are to support your vision, enhance your business strategy, and collaborate with you to accomplish your goals.

Your payments partner will ask the right questions and help you identify your best opportunities.

Your partner should also have the ability to grow with you. If they match your needs today, great — but it's important to make sure they can also meet your needs in the future.

Ask yourself this ...

Before engaging with a payments partner, there are some questions you also have to ask yourself, including these:

What outcomes do you want to drive for your subscribers and their customers? Remember that every business has unique needs and a unique customer base.

What do you want the experience for your customers to be? Start with the customer challenges you're trying to solve.

How are you thinking about payments within your overall business strategy? Are you willing to build it yourself, or work with a partner?

How much of the value chain do you want to capture with software-led payments? This will help determine which partner, will serve your strategy best.

Are you expanding to global markets? A partner with established global reach can align with your business goals and help you scale and manage the diversity of regional payment methods including compliance, risk, and regulatory considerations, as well as help you consolidate and aggregate volume with as few partners as possible.

Does their solution align with your business plan? The right payments partner should be creating a solution that works with your business plan — not the other way around.

SOFTWARE PAYMENTS

Transform your software into the ultimate hub for every interaction and transaction.

With decades of payments and software experience, we're a supporting partner that can provide you with a dedicated implementation and strategy team to help you drive deeper engagement with your customers, increase revenue, and scale your operations.

We'll help you delight your customers — and your financial stakeholders — by creating a differentiated product that will seamlessly fit within your software platform, help your brand stand out from the competition, and drive future growth.

Through our expertise, innovation and a relentless focus on user experience, we help you move faster and more efficiently than your competitors.

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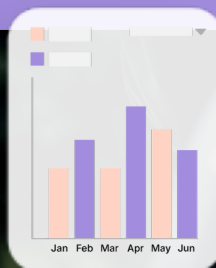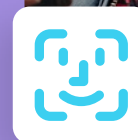
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