



The Better Way to Pay.

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Are B2B Payments at a Tipping Point?

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Anyone who has been following the B2B (Business to Business) payments has been watching the conversion from cheques to electronic bill payment. Although the number of cheques being issued has declined in Canada and worldwide, business has not fully embraced electronic payments because of some of the challenges that go with it. These challenges being; the availability and quality of the information sent with the payment, the inability to pay anyone without obtaining bank information, along with addressing double entry.

Telpay Bill Payment Service, has successfully solved most of the problems that have held back development of Business to Business (B2B) payments. Telpay now processes in the order of 18 million payments worth \$13.1 billion per year. While not all business have recognized that Telpay has reached the tipping point for electronic payments, Telpay is more than ready when they do.

Telpay initiated telephone bill payment service in Canada in 1985. Through the following twenty five years it has served over 200 financial institutions and their consumer customers with high quality electronic bill payment services. In the late 1990s Telpay recognized that business payments also needed attention. Consumer payments were directed to a limited number of regular monthly billers. Businesses needed a much broader list of payees and needed more information than just an account number in order to properly credit the customer's account. They needed the ability to pay anyone. Those and other reasons encouraged Telpay to develop a software service that would allow the company to collect its payment data on its own premises and just send the payment file to Telpay.

Creating and maintaining a biller list so individuals could pay their monthly bills was a challenge. Businesses, on the other hand, had to be able to pay anyone. Such a list would have to accommodate in the hundreds of thousands of billers and their banking information. Establishing a system that would allow billers to be added and qualified on the fly was the biggest challenge. Telpay enlisted the bill payers themselves to help advance that process but that required tight procedures at the Telpay end to ensure that fraudulent payments did not sneak

through. Telpay now has that system operating with thousands of companies across Canada.

Another problem was integration with the business accounting system. Whether the company was importing to Telpay from its accounts payable system or entering its payments directly into the Telpay system, interfaces were needed. Many of those have now been developed. Telpay runs into few new situations. Many other solutions had to be found to meet the needs of businesses for proper control over their payments: multiple authorization, remote authorization, backup, availability of funds to cover payments, confirmation of payments and so on.

During this time bill presentment was becoming the next sought after application. Telpay recognized that businesses would have a problem with electronic billing. While individuals may not need paper records, businesses needed more or less permanent records for audit and tax purposes. If they had to print the bill why not let the biller print it. So Telpay developed a method of importing electronic bills into the software, paying the bills and storing the bill image with the paid bill data base itself. The need to print the bill was eliminated.

Government remittances generally require special information. Arrangements with these agencies allow Telpay to fulfill their needs within the system. International payments are dealt with by making arrangements with Foreign Exchange service providers. Direct deposit of payroll funds is dealt with by accepting a file from the company's payroll system. Thus, the system can meet all the payment needs of any small to medium size company. Telpay suggests to larger companies that they use multiple systems to handle their volumes.

To maximize the efficiency of the system internally for itself and externally for its customers, Telpay consolidates each payment session so that there is only one debit to their bank account. This saves bank fees and simplifies bank reconciliations. Telpay also consolidates the payments to the billers. They receive by file or other method all the payments for the day as one posting list and one credit to their bank account.

Telpay is constantly renewing their to do list to satisfy newly recognized needs of its customers. The biggest to do though is to get the word out that electronic billing and payment has finally reached the tipping point.