

BlueSnap's All-in-one Payment Platform Empowers Businesses to Accept Payments, Reduce Costs and Increase Sales



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"We like to call ourselves the Salesforce of payments. Our solution is packaged together in a way that it becomes a service for them to be able to turn on and off based on how they are accepting payments and based on where they are selling, and that should be done in an easy configurable way through APIs. That is why we renamed our platform the All-in-one Payment Platform."

- Ralph Dangelmaier

CEOCFO: *Mr. Dangelmaier, according to your website "BlueSnap is the All-in-one Payment Platform, Accelerating Commerce." How are you doing that?*

Mr. Dangelmaier: BlueSnap has built a robust technology platform that helps merchants do several things. First, we believe that we can accelerate or help the merchant or business get more sales. Second, we think that we can reduce their cost in attaining those sales. We do that in two ways, one is by the cost they would spend on IT development resources and building out checkout functionality and the other is the cost that they would pay to accept payments. That is the goal of our platform for the business of the merchant.

CEOCFO: *What is the platform?*

Mr. Dangelmaier: We have a platform that allows the merchant to accept payments online, mobile, through subscriptions, using call centers and accepting payments through invoicing. That is all in one spot. Then, what we have the ability to do is route the transactions to the acquiring bank that will get the highest amount of conversion for the least amount of declines of those payments.

CEOCFO: *Where is the grey area that might be in-between accept and decline or higher rate of acceptance?*

Mr. Dangelmaier: Very few merchants will test different banks with their products. They usually will sign up with some payment provider not knowing who the acquiring bank is behind the scenes and they will not be able to test the difference in the acceptance or declines between multiple banks. Many times how you code to the payment provider, depending on your product whether you are requiring zip code, or whether you are letting people check-out with the tokenized services like Apple Pay, this will increase or decrease your acceptance with the acquiring banks. It is a function of two things, who is the bank and what advice you have been given when you are coding to the payment provider. Many of the payment providers do not offer any advice, it is sort

of a self-service model for how you are supposed to code the payments. We found that when we bring people when they are ready to graduate off of self-service models like maybe Stripe or PayPal, we find that we can help them significantly increase their sales and reduce declines by giving them advice on what they should code, and trying multiple banks on their behalf.

CEOCFO: *Are companies turning to BlueSnap because they recognize the depth of your offering?*

Mr. Dangelmaier: We find that not many merchants know what to do or about the offering. They know that maybe their declines have crept up, they may know they have to code to multiple payment providers to now accept invoicing or to do a call center. They may know they have to code to multiple providers to get different check-out wallets. They hear this buzz the all-in-one platform and they say maybe there is a better way to do it. We like to say there is a better way to do payments and we start educating them on some of the mistakes that they have made or a better way of doing things and they learn through the process. I would say that most merchants actually have coded incorrectly to their payment provider, especially in the middle market or SMB space. It is not optimized, is another way to put it.

CEOCFO: *How are you reaching out?*

Mr. Dangelmaier: We have a sales team that reaches out directly to merchants. So that is one way. The second way is we reach out through partners and lately a lot of those partners have been providers of platforms in the technology or physical space. People that have platforms that do shopping carts and events and education. There is this term called ISV (Integrated Service Vendor) those folks actually sell platforms to different industries and they have coded to us so because of that they are recommending BlueSnap as a better way to do payments. One is a direct model and one is an indirect model through partners.

CEOCFO: *In February you introduced a new fraud and risk management component. Would you tell us about that?*

Mr. Dangelmaier: We call that our Fraud and Risk Stack. What that does is it is part of our All-in-one Platform and what it says is hey business, you do not have to worry about fraud, refunds, chargebacks, things like 3D secure, we have coded all that into our platform. Because we have done that, you now have the ability to turn on and off whichever services you need to help mitigate or advocate sales in whatever geography you are selling into. You do not have to worry about selling your product into South Africa, Mexico, Australia, outside the United States because we have the ability for you to manage your fraud, risk, refunds and chargebacks all from one place because we have integrated these tools into our product. These tools are used by some of the biggest companies in the world so you are getting the best of breed in one spot on our platform.

CEOCFO: *What else would you like to add to the offering?*

Mr. Dangelmaier: The latest things we have been adding into the product have been these new wallets. A lot of people may not understand what the wallet is. Things that store your credit card digitally such as Apple Pay, Visa Checkout, MasterPass, PayPal, all are wallets that we have added into our product so the merchant does not have to code separately to provide those checkout functionalities to their shoppers. We believe the evidence that is popular by the analysts and

that by 2021 almost half of all internet purchases will be done through a mobile wallet. That will require a lot of coding by the merchant to provide the wallet, to keep them all updated, so we feel that is a big advantage to our platform.

CEOCFO: *BlueSnap has grown ten times in size over the last year. How have you done this and how do you continue?*

Mr. Dangelmaier: We think that the word is getting out kind of like Paul Revere did here in Boston, about our platform. Most of our business is coming from referrals which we think is a strong indication that we are doing something right. Once we start signing up software platforms and verticals like education, events, fashion, digital as well as physical goods, those platforms have hundreds of thousands of merchants and they start talking within their communities about a better way to do payments so that has provided a lot of organic growth for us. We have found that the middle market is severely underserved in payments globally. We feel there are quite a few choices for small, small businesses and entrepreneurial startups, and a lot of choices for companies the size of Starbucks and Amazon and eBay. But the person in the middle just does not have a way to optimize his payments and really get a trusted advisor for that middle market, and that has been a big focus of ours, and that has led to a lot of success.

CEOCFO: *How do you get the mid-market to believe there really is a trusted advisor in payment processing?*

Mr. Dangelmaier: The only way to do it is to take a page out of Missouri the Show Me State, you got to show them, and we show people. We do not make them sign any restrictive contracts that commit them to long-term. We tell them that once you sign up with us we will prove to you that we can make your payment experience much better. Back to our main tenets of reducing your declines and reducing your overall costs, that is the best way, and the great news is they tell somebody else and they tell somebody else and that is why our referral business is so great and why we lose very few clients, I mean I can count them on one hand that leave BlueSnap every year and most of them are because of acquisitions actually.

CEOCFO: *How do you spend your time as CEO?*

Mr. Dangelmaier: I enjoy setting the strategy for the company and doing a lot of what I think is thought leadership around payments and watching the trends and the data in the business and figuring out what is going to happen next. I believe firmly in what the famous hockey player, Wayne Gretzky, said, "Skate to where the puck is going, not where it has been." I spend a lot of time trying to analyze the data and making sure that we are going to the right spot. The other thing is getting to work with a great team of people. We are growing and hiring and it is great to spend time with the people and see what we are doing on a day-to-day basis and how easy and hard it is to get things working. Lastly, I spend my time with customers and tell the BlueSnap story and vision we have for businesses. Strategy and thought leadership, spending time with employees, and spending time with customers. Those are the three things I spend time on.

CEOCFO: *Why choose BlueSnap?*

Mr. Dangelmaier: I think we talked a little about this earlier but we believe that the middle market particularly needs a product or platform where they can get everything they need in one spot. We like to call

ourselves the Salesforce of payments. Our solution is packaged together in a way that it becomes a service for them to be able to turn on and off based on how they are accepting payments and based on where they are selling, and that should be done in an easy configurable way through APIs. That is why we renamed our platform the All-in-one Payment Platform.

The logo for BlueSnap, featuring the word "BlueSnap" in a sans-serif font. "Blue" is in blue and "Snap" is in orange. A registered trademark symbol (®) is located to the upper right of the "p".

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