

The Inflection Point of B2B Payments

B2B payments account for \$120 trillion in payment volume, yet only 7% of transactions are conducted digitally. Paper checks and ACH have typically been the hallmark of B2B payments. But the tide is shifting, thanks to the rise of online commerce, the digitalization of payments and Gen Z purchasing preferences. Experts believe that B2B payments are at an important inflection point in system and process modernization, creating a completely untapped market for software vendors, gateways and new payment platforms.

B2B Transaction Volume Growth

Goldman Sachs expects B2B payment volume to reach \$200 trillion by 2028. Growth is expected from the rise in SaaS solutions and the adoption of digital payments, which will streamline processing.

Transaction Growth



Digital Payments: Huge Untapped Market in B2B Payments, Manhattan Venture Partners, 2022

SaaS as a Driver

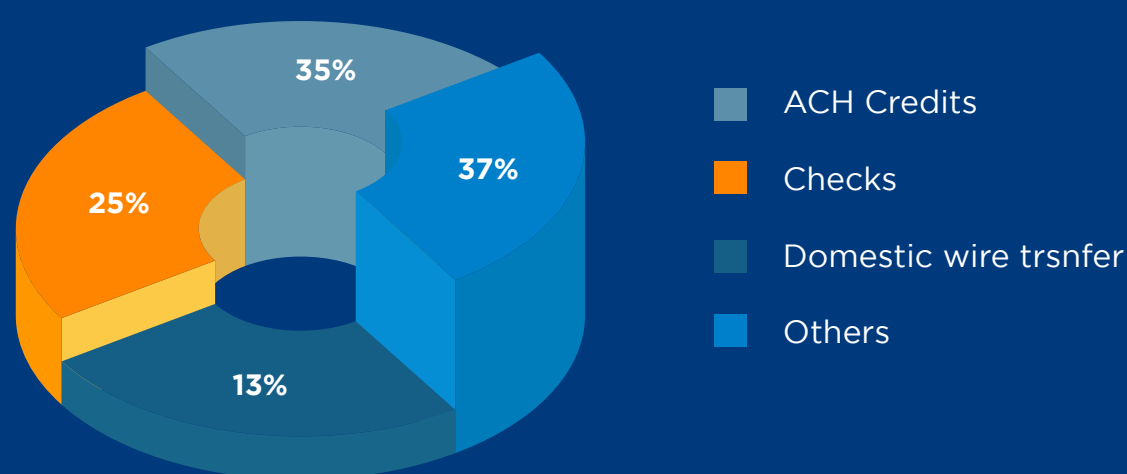
A BCG survey of more than 100 B2B SaaS companies found that while the SaaS industry is growing at about 17% per year, SaaS B2B companies are growing at more than 10 times that rate, with revenue rising by 179% in 2022 due to high demand.

Tech Is Cooling Off. B2B SaaS Is Not. BCG, 2023

Challenges with B2B Payments

Unlike the B2C channel, B2B has been slow to adopt new payment methods and more efficient payment systems.

B2B Payment Methods



2022 AFP Digital Payments Survey, Association of Financial Professionals, 2022

B2B Payment Challenges

- High processing costs
- Payment timing delays
- Human error
- Manual AP processing
- Fraud risk

Propelling B2B Payments Forward

Thanks to changing demographics, faster payment infrastructure and new software – the future of B2B payments will be digital and real-time, conducted anytime or anywhere.

