Finally B2B gets a payments platform that matches the internet age.



No one loves a bank except bankers and bank robbers. And sometimes not even the bankers.

The founder of Traxpay worked for Deutsche Bank for more than 10 years. There, in the Payments Department, in the middle of the profitable B2B payments section, one could make a good bank career churning out bank profits-- if one could suffer the typical complaints and frustrations of customers.

The banks, not just Deutsche Bank for sure, but all banks today give a horribly antiquated service, a service that basically ignores the needs of quickened supply chains. A service that's slow by modern internet-enabled business standards... and yet expensive by any standard.

Think about how long it still takes bank transfers. Our own bank, for example, still charges 24 euro if you would like a 24-hour guaranteed transfer. Another one of our banks takes three days to clear an incoming transfer. All this aggravation and cost still prevails in the age of internet, the era of simultaneous communication.

We are lulled into expecting this low level of service because banks are incumbent in a business designed long before internet. **Yet all of our businesses are tied to banks from birth by an invisible umbilical cord** .

Convinced you could never change the conservative banking business from within, **Traxpay** was formed with an ambitious intent: to create a business platform that could replace banks for business transactions, much in the way PayPal has given consumers another choice.

Privately held (and headquartered in California with R&D operations in Germany), Traxpay set about to redefine the B2B payment landscape with an enterprise-level solution that sends and receives corporate payments in real time (and with full “rich” data that’s unheard of in traditional B2B payment methods).

First, they imagined, engineered and filed for patents for a next generation platform for financial transactions that could operate at the speed of today’s business. Payments would be possible in real time-- and 24/7-- instead of just during banker’s hours.

Full “rich” data-- in any form-- whether be it structured ERP data or unstructured in the form of notes, photos, contacts, discount schedules—would be included to add value for members of the supply chain and for financial departments who need to integrate their payments with multi-vendor CRM, ERP and other systems already in-house. Traxpay would also add email and data collaboration tools. And then they would have to address financial and data security and compliance requirements including fraud protection, money-laundering and related security aspects.

All this, to provide 24/7 real time-access, would have to be cloud-enabled. The user would be able to access Traxpay through a simple HTML5 client, very simple and very easy.

After three years in the laboratory to build the platform and forge critical relationships across the financial ecosystem, Traxpay’s final goal was full visibility and transparency, and to be collateralized by the Central Bank. Once this was in place, Traxpay even recruited a special data centre that's well-known and accredited for banking.

In July this year, Traxpay entered the marketplace to service entire supply chains—large, medium and small. The era of internet software-driven B2B financial transactions had arrived...you might call it “the end of the Dark Ages of business payments.”

This Renaissance in banking is enabled by software’s great ability to disrupt traditional business, to turn an industry upside-down (or right-side up) by re-inventing business process.

Software is a great disruptor-- it has killed the video rental store, destroyed the music business, turned book publishing head-over-spine, and made a new journey for the travel industry. Now banking is set for disruption.

To be a disruptor, you have to be an outsider. Otherwise legacy businesses just hold you back.



John Bruggeman, CEO at Traxpay, explains, "We are a software company, and not a legacy banking business. As the supply chain accelerates, the flow of money must accelerate, too. Otherwise things get stuck. We have digital goods and digital money—but the money is not moving faster than it was 20 years ago...some might say even 400 years ago. The objective of our revolutionary payments paradigm is to speed up transactions, to make them real-time—and in doing so accelerate the entire business cycle. In this day and age, companies should not have to wait for their money, and Traxpay has made it possible to remove time from the equation when it comes to financial transactions."

"PayPal came along and was built for consumer transactions, for transactions like a book sale at $9.99. B2B doesn't work the same way. You have the 'four-eyes principle' where it takes two executives to approve a company transaction. Or you might have tiered-signing privileges... where the CEO approves anything after $10,000 and the Board approves anything over a million. You may need ERP integration and multiple invoice reconciliation. That makes B2B business aspects very different than consumer transactions. If your payments platform is not built to optimize for business use, you're useless to industry."

One important part of Traxpay's approach is recognizing Accounts Payable and Accounts

Receivable are important and can't be separated from payments. “We didn't separate banking for normal business processes. We integrate well into SAP, Oracle, and others... so we can move related data with the payment,” notes Bruggeman.

The European market historically has been a first-mover in the area of digital financial solutions. Traxpay’s first successes come from traditional customers, large corporates with big supply chains to manage.

One such customer is EOS Group, Europe's largest debt collector. A company like Coca-Cola in Europe collects payments directly from their top 20 accounts but after that they hire a company like EOS.

EOS scales the collection of these smaller accounts and rolls up an aggregate monthly payment to Coke. Inside this service, maybe 1000 accounts will pay...but what is each payment for? Some are payments in full, some in part and some payments with interest. How could a company sort through and close their books?

With Traxpay, EOS Group can not only move the payments faster but the Traxpay platform allows the important data to be transmitted with each transaction. Each payment and its nature could be identified readily.

In additional to traditional corporate customers,Traxpay are adding digital marketplaces. The Traxpay platform and its payment application have recently been selected by European-based
Restposten
and
Debitos
digital marketplaces.

Using the Traxpay platform, B2B digital marketplaces can offer their business customers the option to easily and instantly settle financial transactions after an electronic purchase. In turn, B2B digital marketplaces are able to provide frictionless and secure trading 24x7, driving differentiation and increasing revenues.

On the **Resposten** platform, Traxpay is now a premier payment method that enables registered buyers on the international wholesale site to conduct transactions with each other.

“Traxpay enables an instant real-time payment capability, allowing our customers to immediately settle financial transactions with the click of a button,” says Stefan Grimm, head of sales, **Restposten**, a leading B2B Internet marketplace for wholesale, overstocks and consumer goods. “Through a payment via Traxpay, buyers benefit by sending funds without transaction limitations in seconds to the seller. Sellers benefit through safe transactions that cannot be cancelled, such as credit cards or other payment methods can, by the buyer. And, due to the low transaction costs of Traxpay, no unnecessary costs are generated by the payment system, making it ideal for wholesale businesses where low margins and high trading volumes are standard.”

Sound familiar? “Wholesale businesses where low margins and high trading volumes are standard...” That’s just like high tech today.

Another one of Traxpay’s new customers, Debitos, is the first auction-based online platform that allows companies to actively trade their accounts receivable. Traxpay enables the immediate payment between **Debitos** companies trading receivables payable in the future, trading of bad accounts receivable as well as non-performing loans.

“Our goal is to provide the right infrastructure to deliver efficient, real-time transactions for our corporate customers,” says Hajo Engelke, managing director at **Debitos**. “We want to help our customers have access to exactly the amount of working capital that they need at the conditions they need it at. As a result, time is of the essence. With its real-time financial engine, Traxpay allows us to offer our customers the highest level of control over their payments.”

Just as ecommerce marketplaces such as Ebay and Amazon have changed the way consumers shop and pay for goods, digital marketplaces with B2B exchanges have emerged, spurring a need for similar change—and Traxpay will be their digital engine for transactions.

Restposten and **Debitos** and their combined network consist of more than 30,000 trading partners. That’s 30,000 active buyers and sellers and a potential of 400,000 transactions a month at an average of 2500 euro per transaction. One billion euro a month of cash flow moving

through faster...

Each trading partner needs to create an account. Once signed up, when you have an account, you press enter and go on to your transaction.

In our high tech industry, imagine this type of service as a distributor, vendor, broker, large retailer or B2B e-Commerce site. Instant transactions, internationally and with data tags that integrate in your ERP whether you are a small, medium or large organization.

“It took us three years to build Traxpay platform,” says Bruggeman, “Because to succeed you have to mirror a bank system with all its complexity and its safeguards. You've got to integrate your platform into ERP. That's a barrier-to-entry that anyone following us will have to confront.”

Bruggeman concludes, “This is a paradigm shift in B2B payments. We have to evangelize this new approach.”

Evangelize? Of course, Traxpay is actively spreading the word. Yet with this very clear and very useful business proposition, retailers, etailers, distributors and other B2B companies will be standing in line to sign up.

No one loves a bank...but so many love a David and Goliath story and even more could learn to love an internet software company that lets you cut out the cost of that umbilical cord to the banks.

Go Traxpay