

How integrated payments can help South African SMEs reduce costs and improve efficiencies

Managing bulk payments to a diverse range of suppliers, employees, statutory bodies and creditors is an inflexible, manual exercise for many SMEs.

That is driving demand in the market for secure, integrated payments solutions that streamline and automate payment processes that are often more time-consuming and error-prone than it should be, says Donovan Marais, Channel Manager at Sage Pay.

He says that many small companies find the Internet banking and batch file upload solutions available from the major banks to be expensive and cumbersome for their needs. They also introduce the risk of someone tampering with exported data before it is uploaded into the banking system. These solutions are sometimes difficult to use and require the installation of specialised software, export and import of data, and manual reconciliations.

For these reasons, SMEs are increasingly looking for alternatives that make it safe and simple to capture details for recurring and once off payments directly on one system which is accessible anywhere at any time, and processes fast, secure payments to all South African banks and account types.

Says Marais: “For many SMEs, transacting with traditional online banking can quickly become expensive and time consuming when they have many creditors to pay. They also find the costs of immediate or same day clearance payment of salaries and wages to all banks simultaneously to be high. What’s more, they usually don’t have access to payment solutions that integrate seamlessly with their business software.”

“The reality is that there are many SMEs that are too small to benefit from the high-end services banks offer for corporate customers, yet have grown too big for traditional Internet banking to be efficient for them. This is a gap that integrated payments providers are plugging with more efficient services.”

Such services offer business owners a simple and easy to understand pricing structure without any hidden charges. They also integrate with a range of connected services and enterprise business solutions to automate work that needed to be done manually in the past.

For example, some solutions can validate that bank account numbers

are valid and verify the identity of the specified company or person with a quick online check, directly from within your own software. This guarantees zero bank rejections for payments and collections, saving time and money for the company as well as minimising incorrect and fraudulent payments, says Marais.

And they also integrate with payroll and accounting software to eliminate the need to recapture payment data – nullifying data capture errors. Paying an employee straight from the payroll software or a creditor from the accounting system becomes as simple as a mouse-click, says Marais. Companies also save time through automatic reconciliation of transactions.

Marais says: “Entrepreneurs can benefit hugely from a few small value-added services within a payment process. For example, instant access to detailed payment records older than three months and same day clearance payments to all banks at no additional cost. These services can make a massive difference in efficiency.

“This level of technology was once affordable only too large companies, but now it is within reach for any business. SMEs can save time and money by using online services to handle tasks in a more automated manner. This saves them time and money, and also allows them to keep focused on growing their business rather than on doing paperwork and trying to avoid fraudulent payment transactions.”