

Revenue Driven Payments

TSG Case Study



CASE STUDY #1:

The Company

An **independent software vendor (ISV)** processed billions of dollars through its solution every year and wanted to drive revenue in payments. The company, which had no experience in payment processing, wanted to provide an integrated payment solution that would provide a seamless customer experience, increase tenure, and provide additional revenue opportunities.

Outcome: Recurring Revenue in Excess of

\$10 Million

This ISV is reaping the financial benefits through payment processing and through increased adoption and tenure of its existing clients. Utilizing TSG's full suite of consulting services, this initiative was producing revenue in less than 12 months from the inception to the execution.

The Process

Educate

Provided detailed information to the key stakeholders including the Board of Directors, Executive Management, Product team and Technology Group.

Discovery

Reviewed the solution, the technology, market, and strategy to begin the development of an integrated solution.

Assess

Evaluated the offering from payment providers regarding all aspects of the partnerships including partnership structure, sales support, customer service, technology offering, and value.

Implement

Provided onsite support to enable the client to implement this solution immediately while they were building out a team to support this initiative.

Operate

Provided ongoing strategic and tactical support of the client to assist in driving revenue through pricing, sales operations, technology infrastructure enhancements, and seamless product integration.

TSG IS AN INDEPENDENT AND OBJECTIVE CONSULTANCY

Consulting is our business. TSG provides advice that is free from entanglements or incentives from third parties. We want to do what is best for clients and our client's success has allowed us to become the largest consultancy that specializes in payments.

CASE STUDY #2:

The Company

A **SaaS provider** for the manufacturing industry was seeking to streamline their payments acceptance process and drive additional revenue. As a result of TSG's efforts, the business generated about \$200 million annually in new payment volume which had not been digitalized before.

Outcome: **New Annual Revenue of Nearly**

\$2 Million

was realized between the Acquirer and the Payment Facilitator.

The Partnership Terms

1. The merchant acquirer gives a buy rate of 0.04% and \$0.06, per transaction
2. The SaaS company registers and launches as a payment facilitator
3. The payment facilitator business sets the price for sub-merchants and keeps 100% of the above buy rate
4. Other responsibilities taken on by the payment facilitator include:
 - Risk underwriting and all subsequent processing risk
 - Sales, boarding, education and servicing
 - Settlement to sub-merchants
5. The offer included a menu of options for allocating the above roles for additional fees

The Financial Terms

Average Ticket	\$2,200	
Per Ticket %	0.04%	
Per Ticket \$	\$0.06	
Annual Volume	\$200,000,000	
Interchange + Assessments	2.10%	
	Acquirer Revenue	Payment Fac. Revenue
Ticket Revenue	\$80,000	(\$80,000)
Ticket Revenue	\$5,455	(\$5,455)
Interchange + Assessments	\$0	(\$4,200,000)
MDR @3.00%	\$0	\$6,000,000
Total (New) Annual Revenue	\$85,455	\$1,714,545

CASE STUDY #3:

The Company

A **SaaS provider** for the travel and recreation industry was seeking to grow and expand their payments business. As a result of TSG's efforts, the provider was able to generate more revenue through the monetization of \$900 million in additional payment volume on their platform.

Outcome: **New Annual Revenue of**

\$8.1 Million

was realized between the Acquirer and the Payment Facilitator.

The Partnership Terms

1. The merchant acquirer charges \$0.0225 per payment authorization and 0.04% per settled transaction
2. The payment facilitator sets the price for sub-merchants and keeps 100% of the above buy rate
3. Other responsibilities taken on by the payment facilitator include:
 - Risk underwriting and all subsequent processing risk
 - Sales, boarding, education and servicing
 - Settlement to sub-merchants
4. The offer included a menu of options for allocating the above roles for additional fees

The Financial Terms

Average Ticket	\$860	
Per Ticket %	0.04%	
Per Ticket \$	\$0.02	
Annual Volume	\$900,000,000	
Interchange + Assessments	2.10%	
	Acquirer Revenue	Payment Fac. Revenue
Ticket Revenue	\$360,000	(\$360,000)
Ticket Revenue	\$23,547	(\$23,547)
Interchange + Assessments	\$0	(\$18,900,000)
MDR @3.00%	\$0	\$27,000,000
Total (New) Annual Revenue	\$383,547	\$7,716,453

About TSG



TSG (*The Strawhecker Group*) is a globally recognized analytics and consulting firm that supports the entire payments ecosystem, serving over 1,000 clients from Fortune 500 leaders to dozens of the world's most valuable brands. Trusted by industry leaders, TSG's strategic services, market intelligence, and analytics merge to empower clients with actionable and accessible information.

 [Contact Us](#)



20+

YEARS AVERAGE ASSOCIATE EXPERIENCE IN THE PAYMENTS INDUSTRY



1000+

CLIENTS ADVISED, INCLUDING MANY IN THE FORTUNE 500

~4M

CARD-ACCEPTING MERCHANTS IN TSG'S AIM ANALYTICS PLATFORM, DRIVING MILLIONS OF DOLLARS IN ROI FOR ITS USERS



250+

COMPLETED PAYMENTS COMPANY EVALUATIONS; AS WELL AS ~30 BUY/SELL/INVESTMENT ADVERTISEMENTS



40+

OF THE TOP 50 MERCHANT ACQUIRERS SERVED, INCLUDING 9 OF THE TOP 10



COMPLETED MARKET INTELLIGENCE ANALYSES ON THE GLOBAL PAYMENTS LANDSCAPE, UNCOVERING HUNDREDS OF THOUSANDS OF DATA POINTS