

# Three fintechs improving SMB payments and cash flow

## Article

**The news:** Three companies announced new solutions that streamline payments for small and medium-sized businesses (SMBs), focusing on cash flow and invoice automation.

- SMB-focused fintech **Plastiq** launched Plastiq Pay, which offers a host of features including automated invoice data capture and short-term financing that can extend funding and invoice

payment options. It also offers integration into top platforms like **QuickBooks**, a cash flow dashboard, and a mobile app.

- Sweden-based B2B payments provider **Qred raised €10 million (\$11.4 million)** and unveiled a virtual card in partnership with Visa that will offer eligible SMBs up to 45 days of interest-free credit to extend invoice payments. The card will also enable supplier payments to businesses that don't typically accept cards.
- And **Raistone**, which provides SMBs with working capital, partnered with **Mastercard** to launch a virtual card that helps businesses simplify supplier payments through automated financing. It will also streamline approval processes to make funding more accessible to SMBs.

**The opportunity:** SMBs are a huge market opportunity, which is pushing payment providers to zero in on them and solve their pain points.

- SMBs compose **99.9% of all US employer businesses**, per Insider Intelligence estimates based on US Census Bureau data. As these businesses digitize, there are more opportunities for payment providers to reach them and tap an underserved market.
- The pandemic exacerbated historic cash flow challenges, per the Fed. Solutions that improve bookkeeping, making payments, and getting paid can attract new SMB customers and tighten relationships with current ones.

Four in 10 US SMB decision-makers feel their payable and receivable technology needs updating, per an October 2021 Bill.com survey conducted by Wakefield Research. Offering better solutions that tackle cash-flow pain points can help providers tap into the considerable demand for these types of products: Digital B2B payments are on the rise, and **cards in particular will grow 8.3%** this year, per our forecasts.

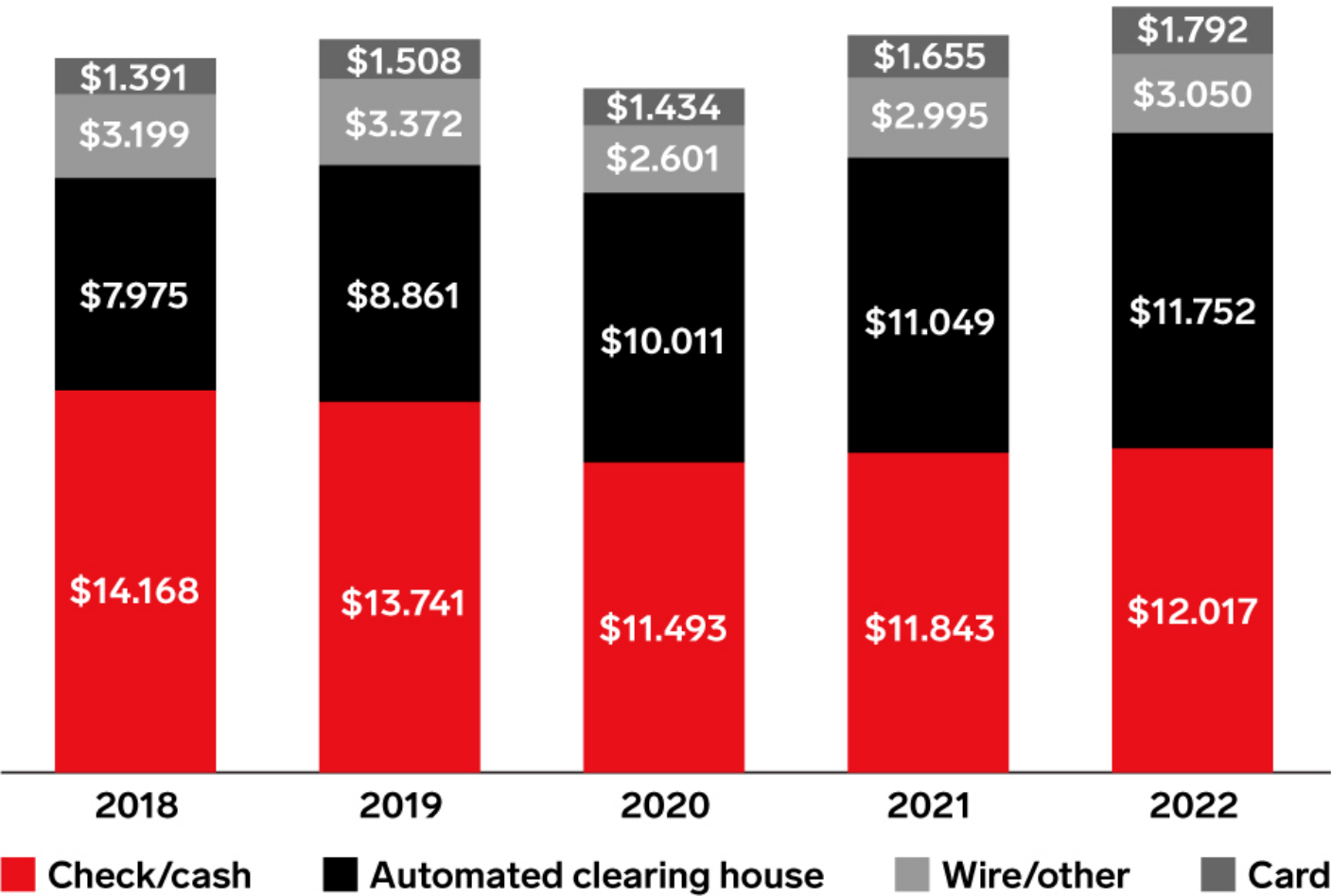
**What's next?** Other providers are likely to follow suit with solutions that improve cash flow related to B2B payments.

Broadly, SMB payment players are building all-in-one ecosystems that let their clients access payments, value-added services, and other tools. Tools like these are prime candidates for integration into those ecosystems, so we'll likely see forward momentum in the space this year. That should result in not only innovations from industry titans but also partnerships with fintechs—like the integrations that Plastiq announced.

**Coming soon:** Keep an eye out for our upcoming report on SMB Payment Disruptors, which focuses on how providers can best serve their small-business clients in the current ecosystem.

# US B2B Payment Value, by Transaction Method, 2018-2022

trillions



*Note: card includes credit cards, prepaid or non-prepaid debit card; excludes cash advances, balance transfers, and chargebacks; check and cash excludes ACH*  
*Source: Insider Intelligence, July 2021*

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