

Executive Interview Series

A Supplement to the First Annapolis Navigator

A Conversation with Bobbi Leach, CEO of FuturePay

We recently spoke with Bobbi Leach, CEO of FuturePay, a digital payment solution for the omnichannel shopper. In this Q&A format we discuss e-commerce growth trends that led to the development of FuturePay, the company's positioning, and elements of its strategy.

As an e-commerce veteran and natural-born problem solver, Bobbi recognized an opportunity to streamline the payment process. She decided to cater to the growing demographic of online shoppers – and millennials – embracing a cashless lifestyle.

Bobbi has been recognized as Executive of the Year by the 2015 Viatic Technology Awards, Female Executive of the Year in Canada by the 2016 Stevie Awards, and Female Executive of the Year by the 2016 Golden Bridge Awards. Her thought leadership has appeared in many prominent payments and retail media publications, including RIS News, Paybefore, Total Retail, PaymentsSource and PYMNTS.

FuturePay's buy now, pay later option offers shoppers instant credit while shopping online or on mobile devices. FuturePay is the simplest way for merchants to offer affordable instant credit to their customers at point of purchase. With upfront payments and an easy integration, retailers can start attracting new customers instantly.

In early 2017, FuturePay launched a new data study called, "The Big Ticket: What's Stopping Shoppers?," which examined current online shopping and payments trends based on a survey of 1,500 U.S. consumers. Results from the report were published on CNBC.com and in USA Today, among other outlets.

To learn more about FuturePay, visit www.futurepay.com.

1. What led you and your team to develop FuturePay? What needs or trends did you see in the market that you felt were not being addressed by other payment options?

Our team had been in the e-commerce industry for more than a decade, so we were very familiar with the importance of alternative payment options to increase cart conversions and revenue growth. We were particularly interested in non-credit card payment options in the U.S., and the only visible player at the time was Bill Me Later. When we dissected the BML product, we saw plenty of opportunity for a modernized application.



There were two growth trends we identified that made us think the timing was right to build an instant credit business:

- The growth of e-commerce, including the number of retailers going online. Take Shopify as an example: They grew from 41,000 retailers in 2012 to 145,000 in 2014. We wanted to make it easy for the growing number of online retailers to offer instant credit at the point of purchase.
- The projected growth of mobile shopping. While mobile payments have started gaining real traction this past year, mobile trends have influenced our business from its inception. Whether online or in-store, we wanted to make it easy for retailers to offer a mobile-friendly payment option.

2. At the most fundamental level, what is FuturePay's core value proposition to merchants and consumers?

FuturePay is a buy now pay later payment method that doesn't require a credit card. With more than a decade of experience in e-commerce, the founders of FuturePay knew that controlling the checkout flow was extremely important for retailers and developed an instant credit solution that didn't push the shopper off-site to complete an application.

FuturePay's real-time application qualifies and approves shoppers for a FuturePay tab of up to \$3,000 in seconds, without the customer ever leaving the retailer's shopping cart. By bringing traditional paper-based financing online, FuturePay has given online businesses an effortless way to cater to shoppers' growing demand for flexible payment options.

3. There is a lot of activity in the retail credit space with newer entrants citing changing consumer preferences (e.g., Millennials), enhanced underwriting, improved transparency, etc. What do you believe differentiates FuturePay?

The most unique aspect of FuturePay is the simple, transparent fee structure for shoppers. A FuturePay tab only costs a shopper \$5 per \$500 in balance per month, a fraction of the cost of high-interest rate loans or credit cards. There are no complicated interest equations.

The honest and transparent structure of FuturePay allows shoppers to easily calculate their monthly fee and control their financial future. Retailers love this because they know shoppers can understand FuturePay's terms and won't be surprised with unexpected fees. Retailers can trust that their brand is protected and they aren't sacrificing their customer experience to make a sale, which in turn builds customer loyalty.

4. FuturePay has forged an impressive number of relationships with e-commerce platforms. How do these relationships simplify integration for the typical merchant in terms of time, systems development, etc.?

Our goal at FuturePay is to make enterprise-level financing accessible to businesses of any size. Instead of forcing retailers to integrate FuturePay themselves, we decided to integrate with more than a dozen popular e-commerce platforms like Shopify and Magento, making merchant onboarding quick and easy. By building FuturePay right into popular e-commerce platforms, hundreds of thousands of retailers can add the power of instant credit to their online store in less than five minutes without a developer.

5. Does FuturePay support “back office” needs that arise with retail credit – for example, do you help retailers execute returns, etc.

Because FuturePay is already pre-integrated with more than a dozen e-commerce platforms, retailers can easily navigate the “back office” interface as it’s seamlessly built into their existing processes. For retailers who want more granular information, FuturePay’s Merchant Dashboard allows for more in-depth analysis. Plus, FuturePay provides both retailer and shopper support to handle everything from walking shoppers through a checkout to answering billing inquiries.

6. What type of merchant (e.g., size, average ticket, retail segment) would find the most value in FuturePay?

Our top merchants represent a wide range of verticals, from consumer electronics to health and beauty. Retailers of any size with average order values between \$500 and \$3,000 typically see the most value with FuturePay. However, those businesses that target Millennials see success with AOVs as low as \$100.

7. Does your longer-term strategy contemplate supporting larger merchants, brick and mortar retailers?

Last year, we launched our integrations for both Magento 2 and Hybris, specifically to cater to enterprise-level retailers. In addition to making it easier for larger retailers to add FuturePay to their online stores, we can also support retailers with physical stores by enabling purchases through their point of sale system, supporting their omnichannel presence and making FuturePay available wherever their shoppers are ready to buy.

We are excited to increase the frequency and the type of content we share. For access to the latest industry news and perspectives, follow First Annapolis on LinkedIn & Twitter @FirstAnnapolis



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Credit Card Issuing
Payments Strategy and Innovation
Merchant Acquiring
Retailer Services
Mobile / Alternative Payments
Commercial Payments

Services

Management Consulting
Partnership Finance
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Strategy Development /Implementation
Rewards Program Support

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