

# Business Development Assignment

# case study



Our client is an established payment processor. It manages card transactions from hotels and hospitals where customers pay for services such as bedside television, phone calls and internet.

The processor delivered its processing services using its state of the art technical platforms. It wanted to develop its business by exploiting the strengths of its payment system and delivering payment services to a broader customer base. The client had sizeable and highly experienced technical and operations teams and so could cope with additional transaction volumes. However, its sales and marketing teams were small. One of the main challenges facing the organisation was how to deliver new business opportunities without significantly increasing the size of its sales team.

The client approached Polar Moment to help it develop and implement a new commercial proposition.

Polar Moment has a proven track record in delivering new business opportunities in the payments sector and was well known to the client's management team. Staff within Polar Moment have worked in senior roles within major acquiring banks and retail system providers. Members of the team were also responsible for introducing Chip and PIN to large tier 1 retailers across the UK. Polar Moment's knowledge and experience working in the payments industry enabled it to help the client to deliver a unique internet solution to the market.

## **eCommerce proposition**

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Polar Moment identified that the client could significantly increase the size of its business if it could win even a small market share in the eCommerce sector. The eCommerce market was already crowded, with a number of existing providers offering very similar services. The challenge was how to deliver a differentiated offering that could be sold by its small sales team to open up an additional revenue stream.

# Wholesale approach

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Polar Moment examined the different organisations an eCommerce retailer would work with to implement a payment solution. Typically they would engage a web designer to build their site which would incorporate 'shopping cart' software from a third-party vendor. The third-party vendor would integrate their software with a range of payment systems. The payment system providers would then send the transactions to the acquiring banks.

During its research of the market, Polar Moment found that the shopping cart vendors often experienced difficulties in integrating with the payment solution providers. They had to frequently update their software and received no income from the transaction processing.

Polar Moment identified that the leading shopping cart vendor had a strong market lead. The top four vendors accounted for a large majority of the UK internet market and the top ten virtually covered the whole market for small and medium sized internet retailers.

Using its contacts across the payment industry, Polar Moment networked into the leading shopping cart vendor, three of the top four vendors, and seven out of the top ten. The consultants used this opportunity to build rapport with the vendors and discuss their expectations and needs from payment processors. Polar Moment then worked with the vendors to identify an attractive eCommerce proposition.

What emerged was a demand for a 'wholesale' proposition. The shopping cart vendors wanted to work with a payment processor who would charge a wholesale price for their services. This would allow the vendors to add a retail margin, providing them with a new income stream.

Polar Moment worked with the client to build this wholesale model and then introduced them to the leading shopping cart vendors. Our client's new proposition was warmly received by shopping cart vendors, resulting in straightforward sales closures.

The wholesale approach provided the client with a new market to service using a channel delivery model. The client could easily support this new model with a small sales team.

# Outcome

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With the help of Polar Moment, the client successfully entered the eCommerce market and established itself as a leading wholesale PSP provider. The client has long-term relationships with the UK's leading cart vendors, including the market leader.

Polar Moment demonstrated strong business acumen, a creative approach to business development and an ability to build strong relationships with potential partners and customers.