

# Money matters

Ezidebit is helping thousands of businesses across Australia to better manage their cash flow through its suite of payment options. By **Andrea O'Driscoll**

**A RECENT REPORT** by the Australian Securities and Investments Commission revealed that 40 per cent of Australian businesses fail because of inadequate cash flow. While most businesses are aware that cash is still king, ensuring that invoices are paid promptly can be a time consuming exercise.

Brisbane-based electronic payment company Ezidebit has helped thousands of businesses ease their cash flow problems

through its custom-created direct debit function. Founded in 1998, the company currently processes over half a million transactions per month on behalf of more than 5000 businesses across multiple industry sectors including childcare, health and fitness, property management and tourism.

"Our client base is predominantly SMEs," explains Ezidebit's CEO Charlie Holland. "We do have some large corporate clients, but they can typically be broken down into smaller SME-like units, such as large groups of childcare centres, or a big gym company. We do a lot of work for franchises."

But Ezidebit's service isn't exclusive to the SME market. "We do take on anyone," says Holland. "We have personal trainers on our books who are sole traders doing very small volumes of transactions, right up to big corporates. Our revenues are based on a 'per transaction' set fee, however, so we do try to target areas where we can get some transactional volume."

Traditionally those areas have been childcare and health and fitness centres, but the system works across any business that receives regular repeat payments. "It definitely benefits any business that has a recurring client base, rather than companies that receive one-off payments," says Holland.

"If you sell t-shirts, for example, that's not really our space. But if you have clients that use your service again and again, or a subscription-based model, those are areas that we can help with."

Ezidebit has expanded its offering in recent years to include a range of payment options, but its core business remains the same. "The company is still based around the direct debit function," explains Holland. "And by direct debit I mean the ability to take money from someone's bank account or credit card and deposit it into a business account."

"But we've grown our capabilities to handle other payment options such as Bpay. We became a master biller for Bpay, which means that we can issue Bpay numbers on behalf of a business. We've also moved into phone payments, where you can dial a 1300 number and pay an outstanding invoice over the phone using a credit card. We also offer a similar service for online payments."

By expanding its range in this way Ezidebit has been able to market itself as a complete payment solution provider. "We've moved towards more of a 'solutions sell' in the past 12 to 18 ►

Photographer: Richard Waugh.



*Ezidebit CEO Charlie Holland whose electronic payment systems have eased cash flow problems for many SMEs*

months," says Holland, "and through that solution we provide cash flow mechanisms for business. We try to educate our clients on how our facilities can help them. One of the immediate benefits of moving clients on to paying by direct debit, for instance, is that the business gains far greater control over when they receive their revenue."

Moving clients on to direct debit payments means a business can manage by exception, so you only have to monitor those payments that fail, instead of having to keep an eye on all the invoices that are owing. "We don't help businesses chase late payments as such, but we give them the tools to identify those late payments quickly," explains Holland.

"When you have a large volume of your clients paying by direct debit you have a much higher collection rate. It makes everything much more manageable and you can chase outstanding payments much more quickly. We do customised reporting on a daily basis so you can identify those transactions that have failed."

Holland joined the company in June 2008, shortly after the last of its founders had moved on to new projects. He was charged with refocusing the business on a period of organic growth, which has seen him grow Ezidebit's sales team and take its products out into the market. "The business had gone through a stage of growing through acquisition, but its new owners wanted to see us go back to promoting its core functions," he says.

One of those acquisitions saw the company move into New Zealand, in addition to its offices in Brisbane, Sydney and Melbourne. "We bought a company in

New Zealand that had been operating there for at least 10 years," says Holland. "It rebranded as Ezidebit roughly two years ago."

In order to get its message out, Ezidebit has upped its investment in advertising and marketing in the past year. "We advertise heavily on the web," says Holland. "We monitor that quite closely and make sure we're high on the right search engines. We also direct market to certain groups through direct mail, and we do a lot of conference work and advertise in the leading industry magazines."

These tactics are beginning to pay off. Ezidebit experienced approximately 20 per cent growth in the past financial year and expects to repeat that figure in the coming year. In the area of childcare alone it has taken on more than 2000 childcare centres and a further 1200 health and fitness centres, including Curves and Jetts Fitness.

In addition to its sales push it has partnered with a number of leading software developers to align their CRM products with Ezidebit's payment solutions. "We can be embedded into other people's software," explains Holland. "For example, in a childcare centre you have a software that handles the management of the centre's enrolments and attendances and those kinds of things. Thanks to our partnerships that software can now handle the billing and payments as well which makes the entire platform more efficient."

It's an arrangement that benefits both parties. The software developers are able

to make their product more beneficial for users by including a payment engine, while Ezidebit is able to ensure that its payment solutions are widely available and simple to use. "One of the biggest enhancements is that it significantly improves efficiencies administration wise," explains Holland. "For the client that often translates into cost savings across the board."

Similarly, Ezidebit's payment engine can sit in the back of a website, which means that online businesses can also benefit from its payment options. "We have the technology in-house to enable our systems to work within a website via its shopping cart services," says Holland. "We can work with both real-time payments and web portals that have been set up for paying invoices and that kind of thing. It's one of the areas where we believe we will begin to see growth."

Traditionally, Ezidebit has dealt predominantly with bricks and mortar businesses, but the sheer volume of transactions that now take place on the web mean the potential for growth in that area can no longer be ignored. "The liability and risk involved in dealing with online payments is still high," admits Holland. "But more and more payments are being made online these days so it is an area that we plan to become more involved with. You have to invest heavily to maintain the risk profile and that is one of the responsibilities we assume on behalf of our clients." ●

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