



Experience, Relationships & Know-How Give Leading E-commerce Company The Strategy, Tools & Support To Launch Payments Aggregation Model

Company Profile

Shopify is an e-commerce platform that allows individuals and businesses to easily create online stores. It hosts 50,000+ active online retailers and counts many big name merchants among its customers. Since launching in 2006, the company has received \$22 million in Series A & B funding.

Situation

Shopify wanted to match its easy online store set-up with a simplified payments solution that would enhance the overall merchant experience and drive incremental revenue.

“ Being new to payments, Double Diamond Group and Rich Consulting helped us to fully understand the underwriting and compliance side of things, and provided an outstanding overview of the competitive landscape. ”

Russ Jones
Chief Financial Officer
Shopify

Situation

As an e-commerce platform that makes it easy for merchants to set up online stores, Shopify previously only offered card processing via PayPal or integrated with a merchant's payments gateway. The company wanted to enhance its user experience by offering its own payments solution that was faster and simpler for merchants to implement. They also wanted to capture a revenue stream that was previously going to other acquirers. While Shopify is an expert in building e-commerce sites, it lacked card processing experience. Company leaders knew it needed help navigating the complexities of establishing and managing an acquiring business as a Payment Service Provider (PSP).

Solutions From Double Diamond Group & Rich Consulting

The team of Double Diamond Group and Rich Consulting came highly recommended as payments professionals with the right mix of acquiring experience, industry relationships, in-depth knowledge about merchant aggregation, and underwriting, risk and compliance expertise.

“The consulting team not only had the specialized experience we needed, they also quickly understood our business and had an appreciation for our customer base,” says Russ Jones, CFO for Shopify.

The team was engaged to provide a package of services that supported the launch of Shopify Payments.

The outcomes included executing an RFI process that identified a diverse group of bank/processing sponsors that understand and support PSPs. The RFI results were presented in an easy-to-understand format, with an “apples to apples” comparison of the costs and benefits of working with each provider. The RFI overview, coupled with a compelling competitive analysis of other e-commerce platforms offering their own payments solution, provided Shopify a “very clear idea of how to move ahead,” says Jones.

The consulting services also included a thorough grounding on merchant acquiring along with development of custom policies and procedures for underwriting, fraud and risk management. These elements helped Shopify establish the critical foundation it needed to secure a processing sponsor and begin offering payments.

Results:

Shopify is now a PSP that offers its merchants automated onboarding, better reporting and an easy, one-stop online shop builder with an overall improved customer experience. By leveraging a competitive RFI process targeted at the right processing partners, Shopify garnered a significant cost savings over preliminary estimates. Today, Shopify operates with confidence knowing it understands its risk due to the strong underwriting, risk and fraud policies and procedures in place.

Quick Look Solutions:

- Comprehensive competitive analysis
- Consultative overview of aggregation and industry best practices
- Initiated and managed merchant acquiring sponsor RFI process
- Comparable cost/benefit analysis of RFI responses
- Retail pricing strategy overview and options
- Designed custom policies and procedures for underwriting,
- Risk and fraud management



“ We appreciated how professionally the Double Diamond Group and Rich Consulting team managed the project. They were genuinely interested in our success, and worked as partners throughout the entire process by continually looking for ways to provide value. ”

Russ Jones
Chief Financial Officer
Shopify



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