

# The people behind payments

Crisis of confusion



**Cashflows**



# Understanding the people behind payments



## Introduction

Between the economic impact of Brexit and the COVID-19 pandemic, and now the cost-of-living crisis, it has been a challenging few years for small and medium sized businesses in the UK.

The accelerated adoption of eCommerce and payments technologies, such as contactless and Apple Pay, by both businesses and consumers, proved to be a lifeline for organisations, enabling them to continue making sales even when they couldn't interact with customers face-to-face.

However, as the demand for innovative payments technologies continues to rise, along with the need for teams to improve and manage these solutions, our research reveals a significant barrier to development: a lack of adequately skilled and satisfied payments decision makers.

At Cashflows, we know that business is personal. Living by that mantra means that we don't just want to understand the challenges our customers are facing, but our customers' customers too. As such, we surveyed 250 individuals in charge of payments within businesses with annual turnover of £250,000-£50m to find out about the people behind payments'

motivations and pain points. These individuals come from various job functions - Finance, Marketing, Operations, eCommerce and Payments, and Others - but all had responsibility for their organisation's payment acceptance.

In this first chapter, we explore the payments skills gap; why so many payments decision makers are considering moving jobs; and how business leaders can motivate them to stay.



*Hannah Fitzsimons*

Hannah Fitzsimons, Cashflows CEO

## A widening skills gap

Delivering commercially viable innovation using payments requires two key things as a business: an understanding of your target customers wants and needs, and an understanding of the ecosystem you are operating within.

The level of complexity in the payments industry has increased dramatically over the last decade, so it is understandable that decision makers have found it challenging to keep up. This could create significant difficulties for small and medium sized businesses, particularly as the cost of doing business continues to ramp up, because ensuring the payment process is as efficient as possible is highly important for minimising spend and maximising profit. This is made even more challenging as the majority of decision makers within this space are not only responsible for payments.

For the majority of those we surveyed, payments was not their main role, nor was it associated with the job title, meaning payments only makes up a very small part of their day-to-day activities and does not have that much time devoted to it. In order for those managing payment acceptance to select the best partners and solutions for their business, they need a good understanding of how the industry operates, which is currently lacking. Decision makers also have little time to focus on payments, compounding the issue of a lack of knowledge and clarity.

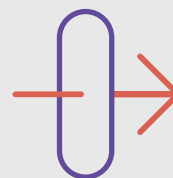
We asked our survey respondents within small and medium businesses (SMBs) whether they understand the UK payment industry, with 72% saying that they did. However, when asked to place different parts of the payment value chain in order to show how a transaction is handled, 96% answered incorrectly.

This spells trouble ahead for the payments industry. There is a fundamental lack of understanding of basic processes, such as payment flows, and there are many ways that this lack of knowledge could negatively impact businesses. Without an understanding of the different processes and stakeholders involved in accepting a payment, it can be difficult to identify which of the many solutions available are right for a particular business.

The data above also suggests that payments decision makers aren't aware of their knowledge gap, meaning that they won't be trying to rectify it. 78% of payment leaders do readily admit, however, that they don't know how to conduct a search for a new payment provider. Ultimately, all of this can lead to small and medium businesses working with payments partners that do not offer all the payment methods that their customers expect, for example, or even paying over market value for a middle of the road solution.

More education and ways to make it easier to compare payment solutions are clearly needed, and we believe the onus is on providers to deliver this and take a more transparent approach.

The Payment Systems Regulator (PSR) identified some of these issues in its 2022-2023 investigation. As well as outlining a need for increased transparency, the regulator initially proposed that standardised language should be used by all merchant acquirers and payment processors when describing products, costs, and features, to make it easier for payments decision makers to compare solutions and choose the best provider for their business.



**78%**

**of payments decision makers don't know how to conduct a search for a new payments provider.**

## The not-so-great resignation

The good news for UK SMBs is that 95% of their payment decision makers enjoy managing payments acceptance as part of their role. However, 10% of those with eCommerce and payments job titles - as opposed to those in finance or marketing teams tasked with managing payments - said they do not enjoy it.

This is significantly more than finance (2%) and marketing/website management (2%) professionals, which is concerning as they are likely to be the individuals with the most specialist payments knowledge. The highest level of dissatisfaction came from operations professionals, of whom 12% reported not enjoying this aspect of their role.

This may cause problems for small and medium sized businesses wanting to retain employees. Despite broad satisfaction with the payment acceptance component of their role, nearly half (43%) of those in charge of payments acceptance at small and medium sized businesses are thinking about moving jobs in the next 12 months. This is significantly higher than the national figure, which is 25%.

Operations professionals were most likely to report wanting to change roles, with over half (56%) responding to this in the affirmative.



# 43%

of those in charge of payments acceptance at small and medium sized businesses are thinking about moving jobs in the next 12 months.







## Why some professionals don't enjoy managing payments

This potential mass departure risks stalling the growth of many SMBs across the UK. To prevent this, businesses must be mindful of their employee needs to prevent high team turnover.

We asked respondents that said they did not enjoy managing payments as part of their role, why that was. For operations professionals, there's no one, stand-out answer on why they are unhappy. Our respondents reported a variety of issues, including the stress of being responsible for a key business function, a lack of interest in payments acceptance, and a lack of formal training, as well as the inability to directly compare different payments providers.

Our research found that 100% of those working in finance job functions felt that their lack of enjoyment in managing payments was due to an inability to directly compare different payments providers as a result of different jargon being used by providers. This corresponds directly to the PSR's recent recommendations, highlighting the need for clarity and uniformity in terminology.



# 100%

of those in finance job functions said that their lack of enjoyment was a result of an inability to compare payments providers.

# Harnessing motivation

We wanted to understand how businesses could best create working environments that give payments professionals what they need to thrive in their role, rather than looking elsewhere.

In terms of what motivates small and medium sized business payments decision makers to do their job, there is no runaway winner. However, when split by primary job function, there are clear differences that should be considered by small and medium sized business leaders to retain and develop their talent.

41% of marketing and website management professionals said that being given opportunities for learning and professional development is the most motivating factor. This compared to just 16% of eCommerce and payments professionals, who were more driven by opportunities for upwards progression (26%).

Another significant difference was that 42% of operations professionals reported that doing a good job is what motivates them. This compared to just 18% of finance professionals answering the same.

These findings illustrate that there is no one size fits all approach to providing the ideal working environment for payments professionals. Business leaders must ensure that they are considering the diverse needs of different team members and job functions to reduce employee turnover.

## What now?

Although our research indicated that SMBs are on the cusp of a crisis within their payments function, it also provided some guidance on how they can mitigate this challenge.

- Are you investing in payments education and training for those in charge of payment acceptance?
- Are you supporting their ambitions and providing other opportunities for professional development?
- Are you working with payments partners that provide support and guidance? Do they have easily-reachable customer support teams based in the UK?
- Are your payments partners actively taking steps to align with the PSR's aims of increasing transparency across the payments industry? This includes using language that you can easily understand, transparent pricing with no hidden fees, making you aware of when your contract is due for renewal, and giving you enough time to consider whether you want to switch providers or not.
- Are you facilitating a culture that celebrates good work and offers upwards progression?

The overarching call to action is to talk to the team members managing your payment acceptance. Ask them about their pain points and how the business can better support them. And when they talk, listen.

# Cashflows Payment School



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## Research methodology

This survey was conducted by Censuswide, among a sample of 250 people in charge of payments within SMEs with annual turnover of £250,000-£50m, with an equal split across the following job functions: Finance, Marketing, Operations, eCommerce and Payments, and Others.

The survey was conducted from a random sample of UK adults. Fieldwork was carried out in June 2022. Censuswide abides by and employs members of the Market Research Society which is based on the ESOMAR principles.



# About Cashflows

Cashflows is a new breed of fintech payments company that makes it easy for small corporates and SMEs to accept card and digital payments – online, in store and on the move.

Through our own acquiring platform and gateway, Cashflows provides a safe, secure ecosystem for processing payments right across Europe. Cashflows products and services are built with the latest technology and the future in mind, always to meet the specific needs of partners and customers.

With Cashflows, business is always personal. Our people work hard to understand our partners, customers and industries, inside out. Our people steer our business, transforming challenges, ideas, and technology into uncomplicated payment solutions that are easy to use and make perfect sense for businesses.

Learn more at [www.cashflows.com](http://www.cashflows.com)



