

**Innovating Cross-Border Payments: What US And UK Businesses Need To Know**, a PYMNTS and Visa collaboration, provides an overview of the most pressing cross-border payments frictions faced by businesses in the United States and the United Kingdom. Our analysis draws from a survey of 456 decision-makers from businesses across 22 industries to determine the most common frictions they face when transacting across borders and the digital innovations they plan to implement to mitigate these frictions.

This study of a representative cross-section of 456 businesses in the U.S. and U.K that all sent and received payments from abroad was conducted between Nov. 12, 2020, and Dec. 4, 2020, and serves as a useful insight into the issues that keep cross-border trade from flowing as seamlessly as it could and a useful guide into what decision-makers say they need to truly seize the cross-border opportunity.

A PYMNTS AND VISA COLLABORATION

# INNOVATING CROSS-BORDER PAYMENTS

What **US And UK**  
Businesses  
Need To Know

MARCH 2021

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VISA

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## ACKNOWLEDGMENT

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# EXECUTIVE SUMMARY

**M**ore than \$120 trillion in payments volume flows each year between business trading partners, and \$10 trillion of that volume is cross-border trade.<sup>1</sup> The opportunity for businesses to look beyond their own domestic markets for new trading partners is vast but not without challenges. Many of the frictions that trading partners face when making and receiving payments from other businesses in their local markets are amplified when doing business on a global stage: Paper-based workflows, delays in receiving payments, matching payments to remittance data, fraud and a lack of faster payments alternatives for payers and receivers are just some examples.<sup>2</sup>

In collaboration with Visa, PYMNTS set out to examine the state of cross-border payments in two large economies — the U.S. and the U.K — as well as corporates' interest in using new payment tools and tech to digitize and streamline those flows.

<sup>1</sup> B2B: How the next payments frontier will unleash small business. Goldman Sachs. 2018. [https://knowen-production.s3.amazonaws.com/uploads/attachment/file/3460/Global%2BTechnology\\_%2BB2B\\_%2BHow%2Bthe%2Bnext%2Bpayments%2Bfrontier%2Bwill%2Bunleash%2Bsmall%2Bbusiness%2B.pdf](https://knowen-production.s3.amazonaws.com/uploads/attachment/file/3460/Global%2BTechnology_%2BB2B_%2BHow%2Bthe%2Bnext%2Bpayments%2Bfrontier%2Bwill%2Bunleash%2Bsmall%2Bbusiness%2B.pdf). Accessed March 2021.

<sup>2</sup> We asked respondents in our survey to cite the challenges that tend to impact the efficiency of their cross-border payments flows. Our study refers to these factors as either "frictions" or "pain points."

What we found was predictable yet stunning: It takes 55 percent longer for surveyed U.S. and U.K. businesses to receive cross-border payments than it takes them to receive domestic payments.

What we found was also pragmatic — payors recognize the importance of paying suppliers faster and are investing in real-time payments and digital wallets to close that payables gap and expand receiver account endpoints. Suppliers also recognize that part of accelerating payments is embracing digital invoicing tools and payments enabling those

invoices, and they are making investments in both. Both payors and suppliers are keenly aware of the risks that fraud and payments credential theft pose to their bottom lines and their reputations with trading partners.

Payment decision-makers<sup>3</sup> also recognize they cannot go it alone — only with help from partners can they streamline business payment workflows and optimize the cross-border opportunity that, according to our research, already drives more than a quarter of their sales on average.

<sup>3</sup> Respondents in our study are classified as "payment decision-makers," which may refer to cash flow managers, chief financial officers, corporate treasurers and accounts payable and accounts receivable professionals, to cite a few examples.

This study of a representative cross-section of 456 businesses in the U.S. and the U.K.<sup>4</sup> that sent and received payments from abroad was conducted between Nov. 12, 2020, and Dec. 4, 2020. It examines the issues that keep cross-border trade from flowing as seamlessly as it could and what decision-makers say they need to truly seize the cross-border opportunity.

## The U.S./U.K. cross-border business profile

**T**he businesses in our survey receive cross-border B2B payments from an average of four different countries or regions at any given time, and both U.S. and U.K. businesses primarily receive those cross-border payments from their closest geographic neighbors.<sup>5</sup>

<sup>4</sup> Our sample included payment decision-makers from 303 businesses located in the U.S. and 153 businesses located in the U.K.

<sup>5</sup> The "countries or regions" in our study may refer to any of the following: Africa, Australia or New Zealand, Canada, Central America, China, Continental Europe, Eastern Europe, India, Mexico, the Middle East, Nordic countries, Russia, South America, South Asia (excluding India and China), the United Kingdom, the United States and Western Europe (excluding the U.K.).

**TABLE 1:**

**The countries from which U.S. and U.K. businesses receive cross-border payments**

The profile of the average U.S. or U.K. business that receives cross-border payments

	 U.S. BUSINESS	 U.K. BUSINESS
<ul style="list-style-type: none"> <li><b>Regions from which the average international business receives cross-border payments</b></li> </ul>	Canada: 60.7%  Central America: 56.1%  56.1%	Western Europe (excluding UK): 74.5%  United States: 5.6%  Eastern Europe: 49.7%
<ul style="list-style-type: none"> <li><b>Average size</b> (in annual revenue generated both domestically and internationally)</li> </ul>	\$357.2M	\$344.4M
<ul style="list-style-type: none"> <li><b>Average share of total sales that are generated internationally</b></li> </ul>	26.3%	25.2%
<ul style="list-style-type: none"> <li><b>Average payment speed</b> (DSO)</li> </ul>	32.9	30.1

Source: PYMNTS.com

Surveyed U.S. businesses primarily receive cross-border payments from Canada, Central America and South America, for example. Surveyed U.K. businesses, meanwhile, are most likely to receive their cross-border B2B payments from Western Europe, the U.S. and Eastern Europe.

Larger businesses — those with annual sales of greater than \$500 million — report that 30 percent of their sales come from cross-border activities. That share is slightly smaller for businesses generating \$100 million to \$500 million per year (mid-sized businesses), at 26 percent. For businesses with sales between \$50 million and \$100 million per year (smaller businesses), cross-border activities account for 21 percent.

## Part I:

# UNDERSTANDING CROSS-BORDER PAYMENTS PAIN POINTS

## INNOVATING CROSS-BORDER PAYMENTS

What US And UK  
Businesses  
Need To Know

**Cross-border sales represent an average of 26 percent of the total sales of U.S. and U.K. businesses but take 55 percent longer for them to receive than domestic payments.**

U.S. businesses wait an average of 33 days to receive payments from their cross-border business partners, while U.K. businesses wait an average of 30 days.

**O**ne in five of the B2B payments that surveyed U.S. and U.K. businesses receive are cross-border payments, accounting for 18 percent of businesses' total payments and 26 percent of their total sales, on average.<sup>6</sup>

Cross-border payments take far longer to receive than domestic payments, however, potentially putting a strain on cash flow for those businesses that increasingly rely on sales outside their domestic markets. The average days sales outstanding (DSO) reported for domestic B2B payments received by the businesses in our sample was 21 days; for cross-border business payments it is 32 days — 55 percent longer.

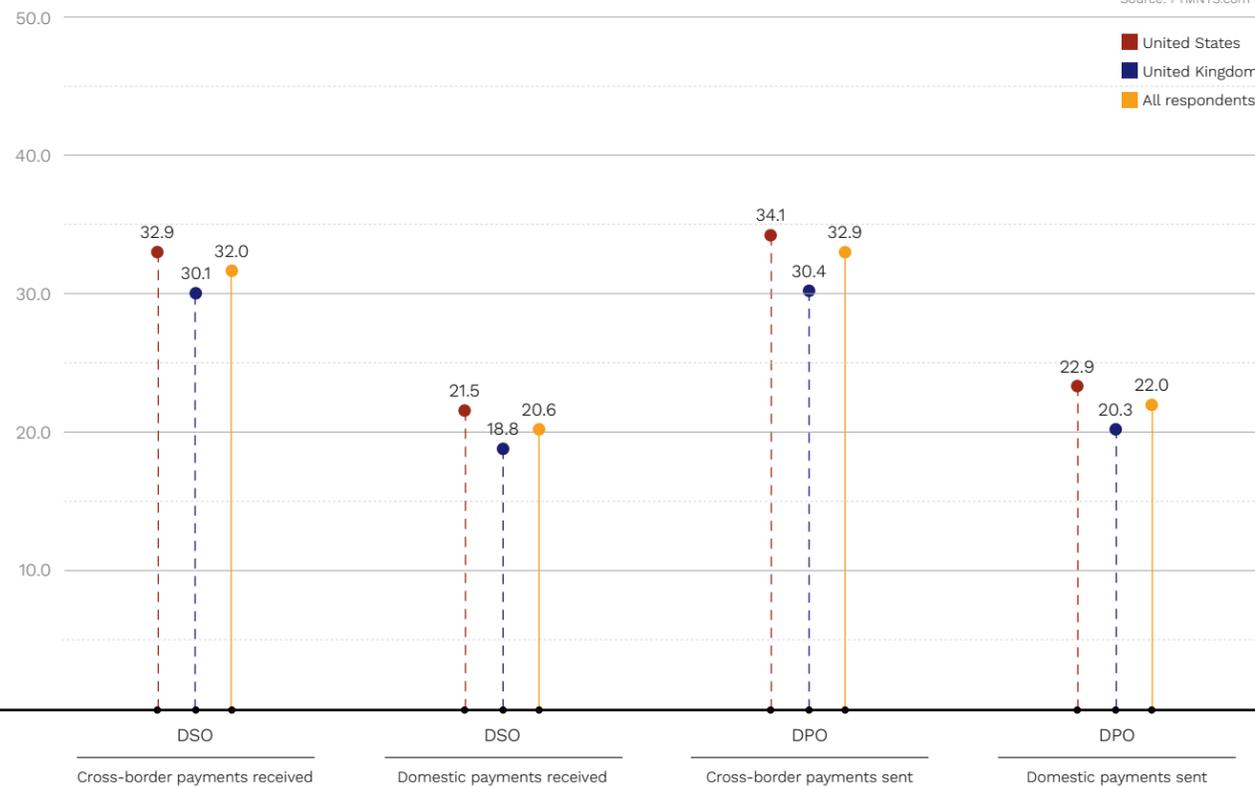
<sup>6</sup> In the context of our survey, "cross-border payments" refer to payments that are made and received across national borders. Payments made between the U.K. and any of the 27 member nations of the European Union are therefore considered cross-border payments.

U.S. and U.K. businesses have different payments experiences, as the average U.S. business waits three days longer to receive its payments, highlighting the differences in the payments rails and infrastructures that are available to businesses and their trading partners to move money between bank accounts across borders.

**FIGURE 1:**  
**How long businesses wait to receive domestic versus cross-border payments**

The average DSO or DPO<sup>7</sup> experienced by surveyed businesses receiving domestic and cross-border payments, by location

Source: PYMNTS.com



<sup>7</sup> The term "DPO" serves as an acronym for "days payable outstanding," referring to the number of days it takes for businesses to complete payments to their business partners.

**TABLE 2:**

**How DSO varies depending on the countries and regions from which businesses receive cross-border payments**

The average DSO experienced by surveyed businesses receiving cross-border payments from select countries and regions

Main country partner for payments received	ALL RESPONDENTS		UNITED STATES		UNITED KINGDOM	
	N	DSO	N	DSO	N	DSO
• CANADA	80	33.8	72	34.0	8	31.9
• WESTERN EUROPE (EXCLUDING UK)	61	28.6	17	25.1	44	30.0
• CENTRAL AMERICA	52	32.3	52	32.3	0	—
• SOUTH AMERICA	43	33.0	43	33.0	0	—
• UNITED KINGDOM	34	30.9	34	30.9	N/A	—
• SOUTH ASIA (EXCLUDING INDIA AND CHINA)	34	31.1	22	34.4	12	25.0
• UNITED STATES	29	31.3	N/A	—	29	31.3
• MIDDLE EAST	23	28.4	13	28.3	10	28.5
• AUSTRALIA/NEW ZEALAND	18	33.3	10	31.5	8	35.6
• CONTINENTAL EUROPE	17	36.6	6	37.5	11	36.1
• NORDIC COUNTRIES	15	26.5 <sup>1</sup>	1	52.5 <sup>2</sup>	14	24.6 <sup>1</sup>
• MEXICO	13	39.8	13	39.8	0	—
• EASTERN EUROPE	12	28.8	2	22.5 <sup>1</sup>	10	30.0
• AFRICA	11	26.6	7	26.8	4	26.3
• CHINA	8	41.3	8	41.3	0	—
• INDIA	4	37.5	2	45.0	2	30.0
• RUSSIA	2	52.5 <sup>2</sup>	1	52.5 <sup>2</sup>	1	52.5 <sup>2</sup>

<sup>1</sup> Shortest DSO  
<sup>2</sup> Longest DSO

Source: PYMNTS.com

## More than half of U.K. and U.S. businesses cite fraud – including theft of payment credentials – as a concern.

The smaller the business, the more acute the concern.



60%

### PAYMENT FRAUD

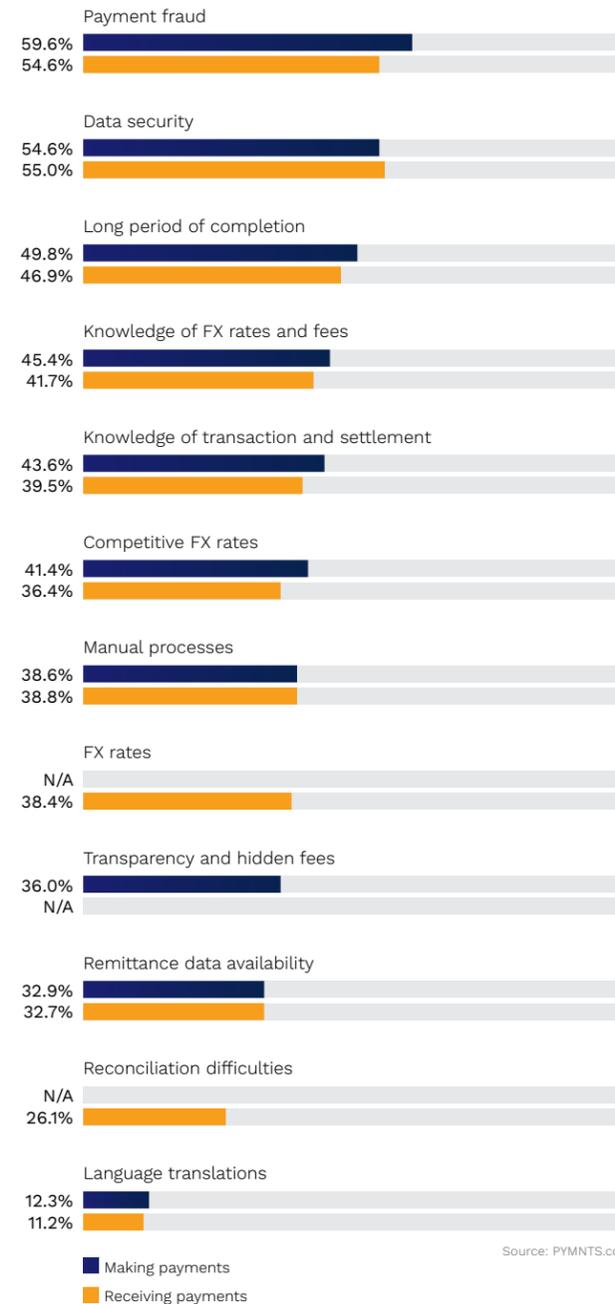
Sixty percent of firms cite payment fraud as a chief concern when making cross-border payments.

**B**usinesses in the U.S. and the U.K. report theft of both funds and payment credentials — though two very different challenges — as key concerns when making and receiving cross-border payments. These concerns, not surprisingly, are most commonly expressed by smaller businesses. Fifty-two percent of surveyed businesses generating less than \$50 million in annual sales cite payments fraud and theft as a key cross-border friction.

FIGURE 2:

### The primary cross-border payments frictions that businesses face

Share of surveyed businesses that experience select payments pain points



### CORRESPONDENT BANKING

Correspondent banking is responsible for several of the most common payments frictions faced by U.S. and U.K. businesses, from translation to added fees to FX fluctuation.

A lack of transparency into the payments experience can also exacerbate cross-border frictions for businesses in both countries, leading to uncertainty for payment decision-makers who, absent that visibility, are unable to accurately forecast their cash positions. Correspondent banking fees and FX fluctuations can also contribute to this lack of clarity, and each friction was noted as a concern by 42 percent of U.S. businesses and 41 percent of those in the U.K. when receiving payments.

**TABLE 3:**  
**The primary payments frictions that businesses face**  
 Share of surveyed businesses that experience select payments pain points, by location

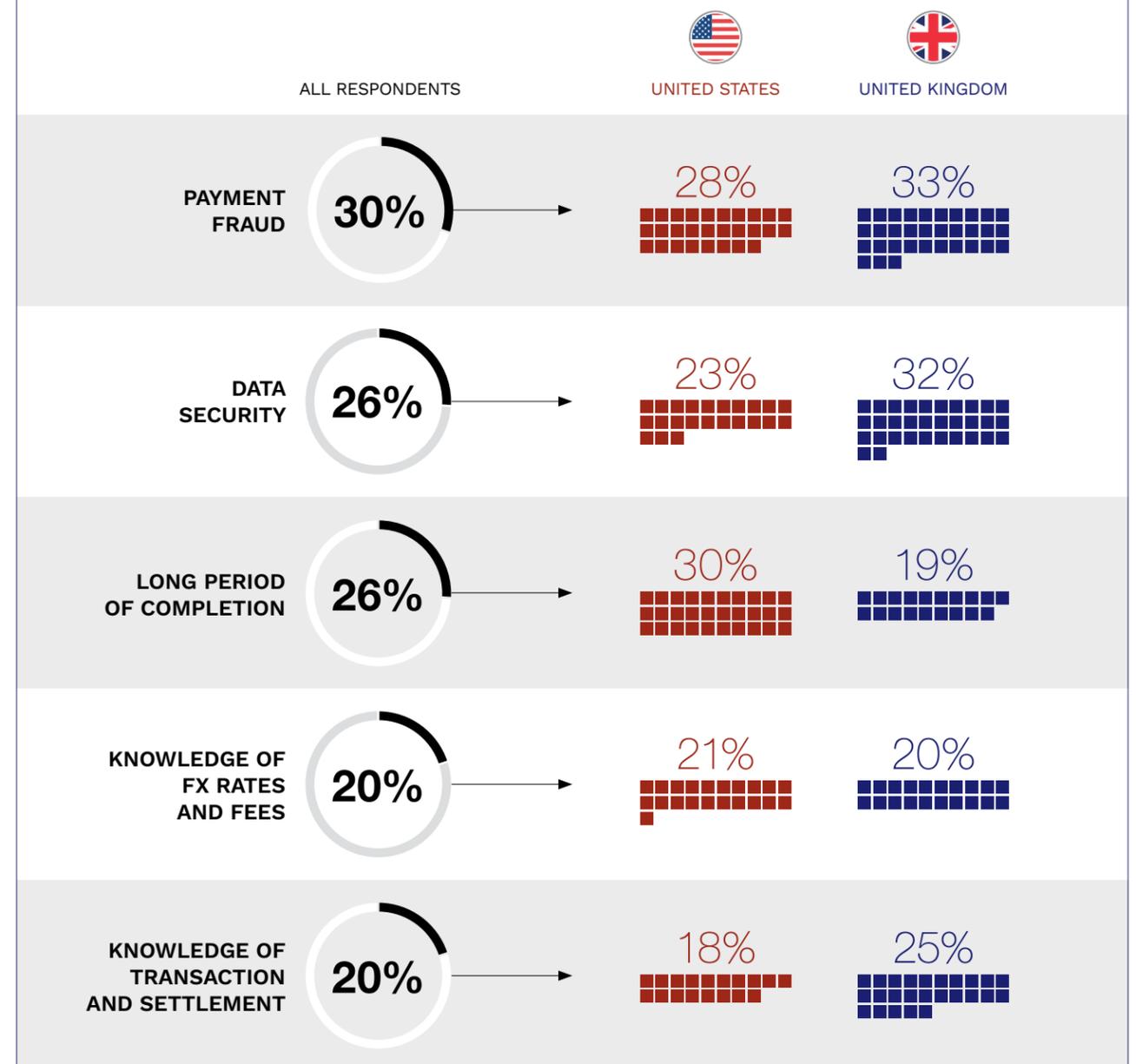
	 UNITED STATES		 UNITED KINGDOM	
	Making	Receiving	Making	Receiving
• PAYMENT FRAUD	58.7%	52.5%	61.4%	58.8%
• DATA SECURITY	54.8%	56.4%	54.2%	52.3%
• LONG PERIOD OF COMPLETION	53.1%	50.5%	43.1%	39.9%
• KNOWLEDGE OF FX RATES AND FEES	46.2%	41.9%	43.8%	41.2%
• KNOWLEDGE OF TRANSACTION AND SETTLEMENT	43.2%	39.9%	44.4%	38.6%
• COMPETITIVE FX RATES	41.6%	38.9%	41.2%	31.4%
• MANUAL PROCESSES	38.0%	38.6%	39.9%	39.2%
• FX RATES	—	39.9%	—	35.3%
• TRANSPARENCY AND HIDDEN FEES	34.3%	—	39.2%	—
• REMITTANCE DATA AVAILABILITY	37.0%	33.0%	24.8%	32.0%
• RECONCILIATION DIFFICULTIES	—	25.4%	—	27.5%
• LANGUAGE TRANSLATIONS	15.8%	12.9%	5.2%	7.8%

Source: PYMNTS.com

Generally speaking, U.S. businesses in our sample express more trepidation about most types of cross-border payments frictions than their counterparts in the U.K., with the exception of payments theft and fraud. More than half of U.S. and U.K. businesses cite payment theft or fraud as a primary area of concern when it comes to sending and receiving cross-border payments. Fifty-two percent of U.S. businesses and 59 percent of U.K. businesses in the sample report experiencing concerns over payments fraud or theft when receiving payments, highlighting the importance of the need for more security.

## Payment decision-makers’ “big five” cross-border pain points

The five most common cross-border payments frictions faced by U.S. and U.K. businesses. These are the share of respondents that report experiencing select pain points, by location.



## Suppliers wait seven days more than average to receive payments from payors who rely on correspondent bank networks to transmit funds.

The lack of adequate remittance data is cited as a pain point by more than a third of U.S. and U.K. businesses.

The use of correspondent bank networks to move payments across borders increases days sales outstanding by seven days for suppliers and is an acute pain point for smaller U.S. businesses. These same businesses also cite language translation issues and excessive fees as pain points, a byproduct of using correspondent bank networks to support the cross-border payments flows received from their payors.

The added time and effort it takes to transfer funds through a web of correspondent banks also increases their FX risk, and the U.S. and U.K. busi-

nesses in our study that cite FX rates as a payments friction also report waiting seven days longer to receive payments than average.

Remittance data — the inability to attach detailed remittance data to a payment and the time spent reconciling payment to invoices — is a pain point cited by more than a third of mid-sized businesses in both of our studied countries. Depending on the type of payment, the business consequence is a delay in being able to post payments to a supplier’s bank account and a need to devote resources to manual reconciliation.

# 7 DAYS



### LACKING TRANSPARENCY

Businesses that cite transparency and hidden fees as a key friction point wait seven days longer to make payments than those that do not, on average.

# 6 DAYS



### TRANSLATION

Businesses that cite language translation as a key friction they face wait six days longer to receive payments than those that do not, on average.

TABLE 4:

### How DSO and DPO times relate to businesses’ primary payments pain points

Average difference in DSO and DPO times experienced by businesses that cite select factors as payments pain points

	Extra DSOs	Extra DPOs
• PAYMENT FRAUD	1.7 <sup>1</sup>	-0.9 <sup>2</sup>
• DATA SECURITY	-1.9 <sup>2</sup>	0.8 <sup>1</sup>
• LONG PERIOD OF COMPLETION	-0.4 <sup>2</sup>	2.1 <sup>1</sup>
• KNOWLEDGE OF FX RATES AND FEES	1.0 <sup>1</sup>	0.6 <sup>1</sup>
• KNOWLEDGE OF TRANSACTION AND SETTLEMENT	0.6 <sup>1</sup>	-1.2 <sup>2</sup>
• COMPETITIVE FX RATES	3.1 <sup>1</sup>	1.1 <sup>1</sup>
• MANUAL PROCESSES	-4.3 <sup>2</sup>	-6.4 <sup>2</sup>
• FX RATES	6.8 <sup>1</sup>	—
• TRANSPARENCY AND HIDDEN FEES	—	6.8 <sup>1</sup>
• REMITTANCE DATA AVAILABILITY	2.1 <sup>1</sup>	3.0 <sup>1</sup>
• RECONCILIATION DIFFICULTIES	-0.8 <sup>2</sup>	—
• LANGUAGE TRANSLATIONS	6.8 <sup>1</sup>	6.0 <sup>1</sup>

1. More days  
2. Less days

## Part II:

# THE THREE-YEAR INNOVATION OUTLOOK

## INNOVATING CROSS-BORDER PAYMENTS

What US And UK  
Businesses  
Need To Know

### Automating and streamlining payment flows is on the three-year roadmap for nearly all U.S and U.K. payment decision-makers.

Larger businesses are prioritizing push payments and payments to digital wallets, while smaller businesses are focused on enabling payments from invoices.

**B**oth U.S. and U.K. businesses report that they plan to implement a number of cross-border payment innovations in the next three years to streamline and automate payments and payments flows.

Getting paid starts with submitting an invoice, and 41 percent of all businesses in our sample are planning to digitize their invoice processes, including adding pay-by-invoice functionalities, over the next three years. Nearly a third are planning to automate receivables.

Larger payors recognize the importance of offering a seamless payment experience to their suppliers and are making investments consistent with that focus. Twenty-six percent of businesses in our sample in both the U.S. and U.K. plan to begin allowing suppliers — particularly smaller business suppliers — to choose how to receive payments so the businesses can meet a broader swath of suppliers' payment preferences and match their current payment capabilities.

**TABLE 5:**  
**The three-year digital cross-border payments innovation agenda**  
Share of surveyed businesses that plan on innovating select areas over the next three years

	ALL RESPONDENTS	UNITED STATES	UNITED KINGDOM
<b>RECEIVING PAYMENTS INNOVATIONS</b>			
• <b>ENABLE PAYMENT FROM INVOICE</b>	<b>41.3%</b>	40.5%	<b>42.9%<sup>2</sup></b>
• <b>AUTOMATE RECEIVABLES</b>	<b>32.4%</b>	35.5%	<b>26.3%<sup>1</sup></b>
• <b>RECEIVING REAL-TIME PAYMENTS</b>	<b>27.6%</b>	27.9%	27.1%
<b>MANAGING PAYMENTS INNOVATIONS</b>			
• <b>SPEND MANAGEMENT/EXPENSE CONTROLS</b>	<b>35.7%</b>	37.0%	33.1%
• <b>RULES-BASED DECISION</b>	<b>34.2%</b>	34.0%	<b>34.6%<sup>2</sup></b>
• <b>DYNAMIC DISCOUNTING</b>	<b>22.3%</b>	25.2%	16.5%
• <b>STRAIGHT-THROUGH PROCESSING</b>	<b>26.1%</b>	25.2%	27.8%
• <b>APIs</b>	<b>23.8%</b>	19.5%	32.3%
• <b>AI FRAUD PREVENTION</b>	<b>20.8%</b>	16.8%	28.6%
• <b>BLOCKCHAIN TECHNOLOGY</b>	<b>17.2%</b>	<b>16.4%<sup>1</sup></b>	18.8%
<b>SENDING PAYMENTS INNOVATIONS</b>			
• <b>PUSH PAYMENTS</b>	<b>40.5%</b>	41.2%	39.1%
• <b>AUTOMATE PAYABLES</b>	<b>31.1%</b>	30.9%	31.6%
• <b>PAYMENTS TO DIGITAL WALLETS</b>	<b>39.5%</b>	<b>42.7%<sup>2</sup></b>	33.1%
• <b>SENDING REAL-TIME PAYMENTS</b>	<b>25.1%</b>	24.8%	25.6%
• <b>MORE EFFICIENT SUPPLIER ONBOARDING</b>	<b>22.0%</b>	20.2%	25.6%
• <b>ENABLING BUSINESSES TO CHOOSE PAYMENT</b>	<b>25.8%</b>	25.6%	26.3%
• <b>VIRTUAL CARDS</b>	<b>11.4%</b>	<b>9.2%<sup>1</sup></b>	15.8%

■ 1. Lowest  
■ 2. Highest

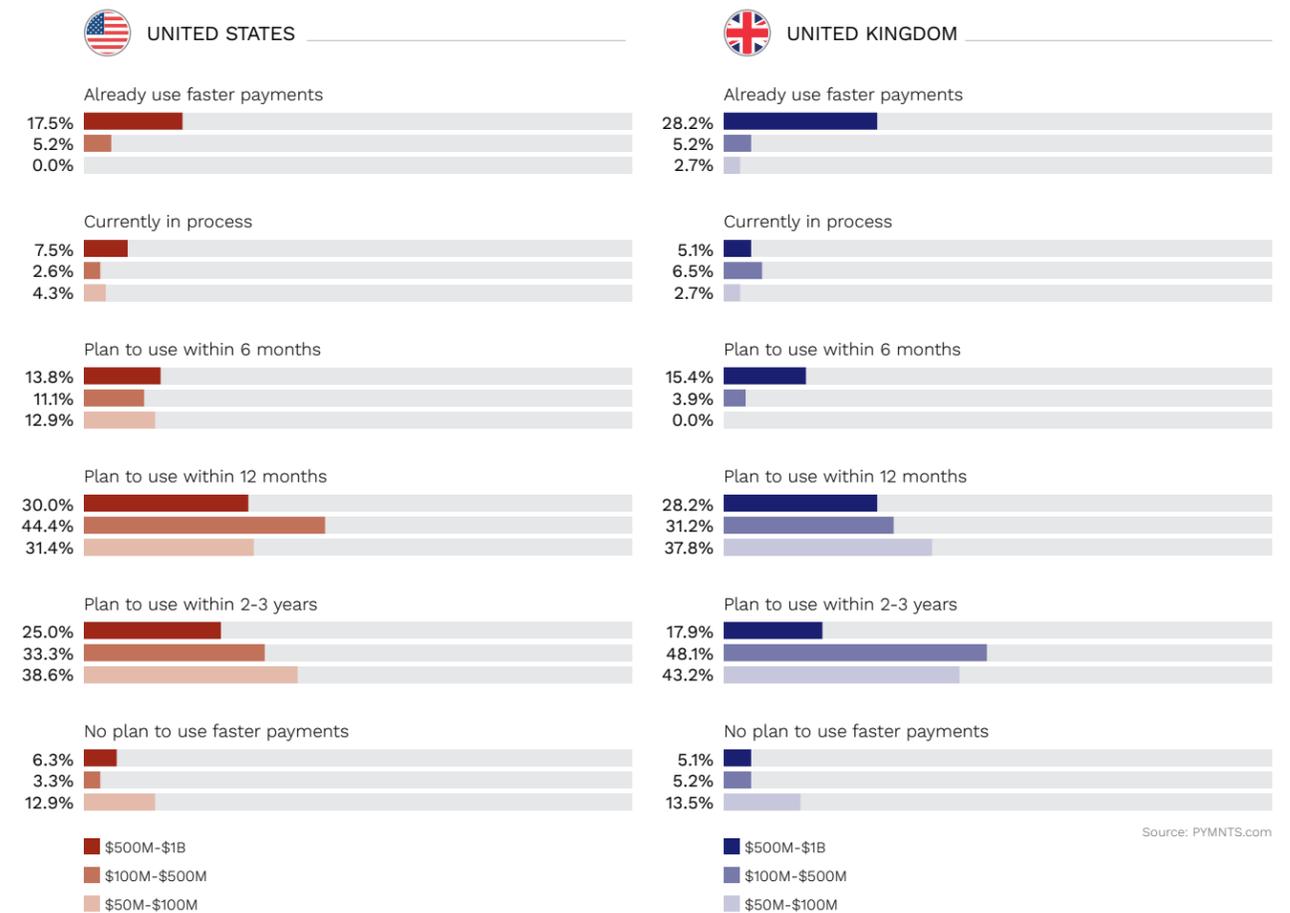
Source: PYMNTS.com

Forty-four percent of the largest businesses in our sample report plans to offer real-time payments in the next 12 months but have not yet begun implementing them. Meanwhile, 25 percent of the largest U.S. businesses and 33 percent of the largest U.K. businesses say their implementations are already underway or live.

Not surprisingly, the innovation agendas of U.S. and U.K. businesses vary by the size of the businesses and reflect where each is in its cross-border payments evolution.

**FIGURE 3:**  
**How businesses of different sizes are prioritizing real-time payments innovation**

Share of surveyed businesses that plan to enable real-time payments in select time frames, by location and annual revenue



Larger businesses are more likely to already enable faster payments options and are thus turning their attention to innovations that can help them more effectively manage their cross-border payments operations. A higher share of larger businesses in both the U.S. and the U.K. plan to prioritize API innovations, for example. Thirty-three percent of larger businesses plan to optimize and use APIs within the next three years, while 22 percent of mid-sized businesses and 17 percent of smaller businesses plan to do the same.

These larger businesses may have moved beyond focusing on improving their own real-time payment acceptance capabilities, but they understand that many of their smaller business suppliers are still lacking. They are thus prioritizing payments innovations that can reduce DPO and help mid-sized and smaller businesses stave off cash flow shortages. For example,

when sending payments, 47 percent of larger businesses and 39 percent of mid-sized businesses are prioritizing payments to digital wallets.

Mid-sized businesses, for their part, are also putting emphasis on innovations that can help them receive funds quicker. Forty-six percent of mid-sized businesses are prioritizing automated payments from invoices to improve their speed of payment receipt, while one-third plan to automate their receivables to enable speed of collections and cash application.

Two innovation priorities are more common among smaller businesses than among larger and mid-sized ones: automated receivables and dynamic discounting. Businesses generating less than \$50 million in annual sales are the most likely to invest in automated receivables over the next three years and dynamic discounting in an effort to automate early-payments discounts for their suppliers.

**TABLE 6:**

**Digital cross-border payments innovations on different-sized businesses' three-year agendas**

Share of surveyed businesses that plan on innovating select business aspects over the next three years, by annual revenue

	\$50M-\$100M	\$100M-\$500M	\$500M-\$1B
<b>RECEIVING PAYMENTS INNOVATIONS</b>			
• <b>ENABLE PAYMENT FROM INVOICE</b>	41.1%	<b>46.0%<sup>2</sup></b>	32.4%
• <b>AUTOMATE RECEIVABLES</b>	33.7%	32.8%	30.4%
• <b>RECEIVING REAL-TIME PAYMENTS</b>	<b>23.2%<sup>1</sup></b>	25.3%	36.3%
<b>MANAGING PAYMENTS INNOVATIONS</b>			
• <b>SPEND MANAGEMENT/EXPENSE CONTROLS</b>	37.9%	<b>38.4%<sup>2</sup></b>	28.4%
• <b>RULES-BASED DECISION</b>	28.4%	36.4%	35.3%
• <b>DYNAMIC DISCOUNTING</b>	28.4%	22.7%	15.7%
• <b>STRAIGHT-THROUGH PROCESSING</b>	16.8%	25.8%	35.3%
• <b>APIs</b>	16.8%	22.2%	33.3%
• <b>AI FRAUD PREVENTION</b>	16.8%	21.2%	23.5%
• <b>BLOCKCHAIN TECHNOLOGY</b>	<b>13.7%<sup>1</sup></b>	15.7%	23.5%
<b>SENDING PAYMENTS INNOVATIONS</b>			
• <b>PUSH PAYMENTS</b>	42.1%	38.4%	43.1%
• <b>AUTOMATE PAYABLES</b>	34.7%	27.3%	35.3%
• <b>PAYMENTS TO DIGITAL WALLETS</b>	32.6%	38.9%	<b>47.1%<sup>2</sup></b>
• <b>SENDING REAL-TIME PAYMENTS</b>	22.1%	19.2%	39.2%
• <b>MORE EFFICIENT SUPPLIER ONBOARDING</b>	21.1%	21.2%	24.5%
• <b>ENABLING BUSINESSES TO CHOOSE PAYMENT</b>	17.9%	25.3%	34.3%
• <b>VIRTUAL CARDS</b>	12.6%	<b>9.6%<sup>1</sup></b>	13.7%

■ 1. Lowest  
■ 2. Highest

Source: PYMNTS.com

**Middle-market businesses appear to be in the sweet spot for cross-border payments innovation, viewing cross-border trade as a key growth opportunity.**

**M**iddle-market businesses, many of which see international sales as an important growth opportunity, appear to be in the sweet spot for cross-border payments innovation for making, receiving and managing their payments. More than two-thirds of middle-market businesses in the U.S and U.K. report plans to innovate their cross-border payments processes. Almost half plan to enable digital invoice capabilities in the next three years.

When it comes to making payments, 49 percent of U.S. and U.K. businesses in our sample that generate annual

sales between \$100 million and \$500 million that do not yet have real-time payment capabilities are the most likely group to enable them within the next 12 months.

Mid-sized businesses are also often eager to adopt digital invoice capabilities, expense-management controls and rules-based automatic payments. Our research shows that 46 percent of mid-sized businesses plan to enable payments from digital invoices in the next three years, for example. Just 41 percent of the smallest businesses and 32 percent of the largest businesses plan to do the same.



Part III:

# THE ROLE OF THIRD-PARTY PROVIDERS

## INNOVATING CROSS-BORDER PAYMENTS

What US And UK Businesses Need To Know

**Nearly two-thirds of businesses say they need help from third parties to innovate cross-border payments processes.**

**S**ixty-three percent of all surveyed businesses would be interested in partnering with third-party providers to help digitize their cross-border payments processes in the next three years. In fact, the most interested businesses are those with the highest and the lowest annual revenues. Sixty-seven percent of the largest businesses in our survey are “very” or “somewhat” interested in enlisting help from third-party providers to digitize their B2B payments, as are 71 percent of smaller businesses in our survey. Only 58 percent of surveyed mid-sized businesses are “very” or “somewhat” interested in using third-party providers to help digitize their B2B payments. The majority of U.S. and U.K. businesses see third-party partnerships as essential to adopting real-time payments capabilities.



**THIRD-PARTY ASSISTANCE**

Two-thirds of larger businesses are “very” or “somewhat” interested in enlisting third-party help on innovation going forward.



**SEARCHING FOR HELP**

Sixty-three percent of all businesses are “very” or “extremely” interested in enlisting help from third parties on innovation.

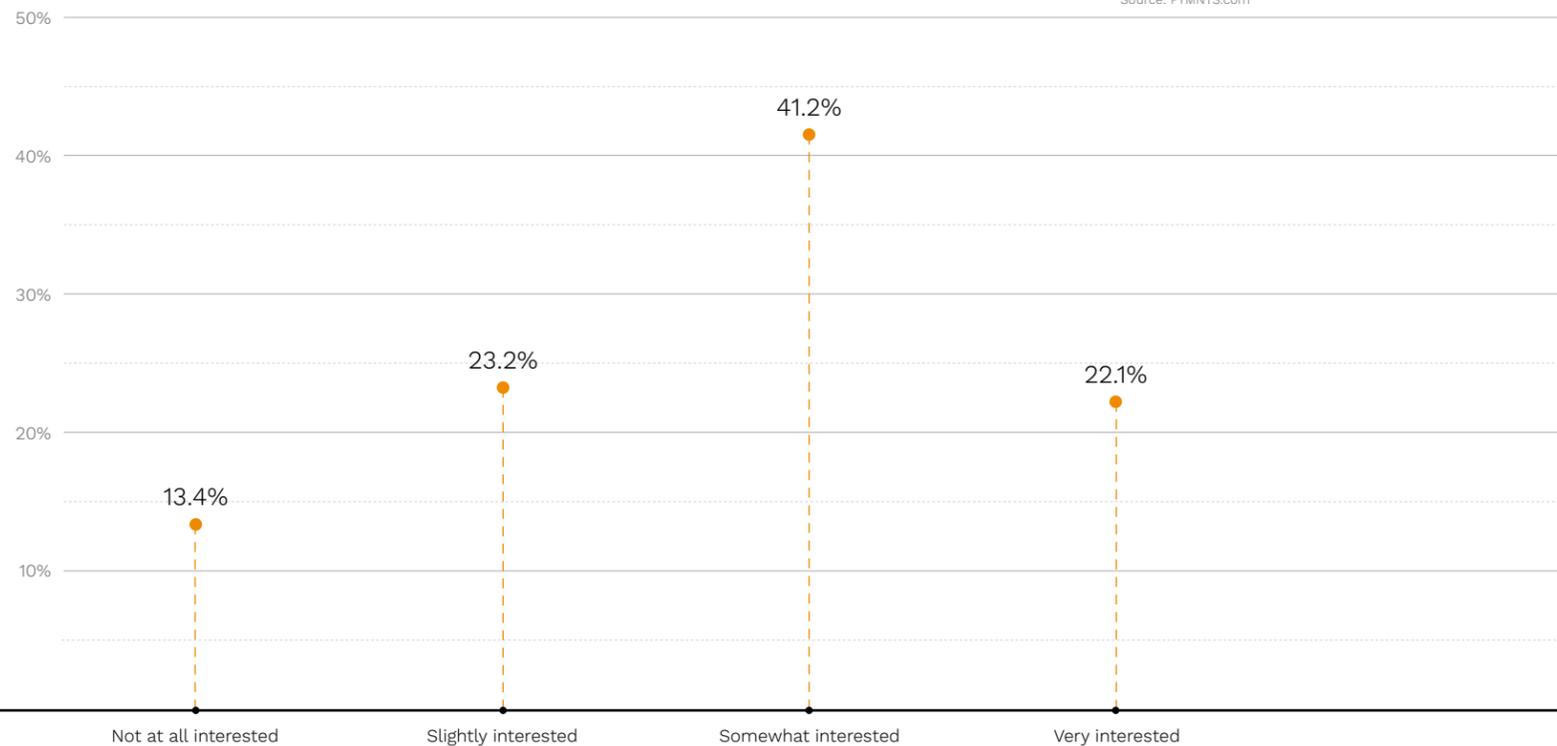


**HELP IN THE UK**

Sixty-five percent of businesses in the U.K. are “very” or “extremely” interested in enlisting third-party help on innovation.

**FIGURE 4:**  
**The role third parties will play in businesses’ three-year innovation agendas**  
Share of surveyed businesses expressing interest in seeking third-party assistance on innovation

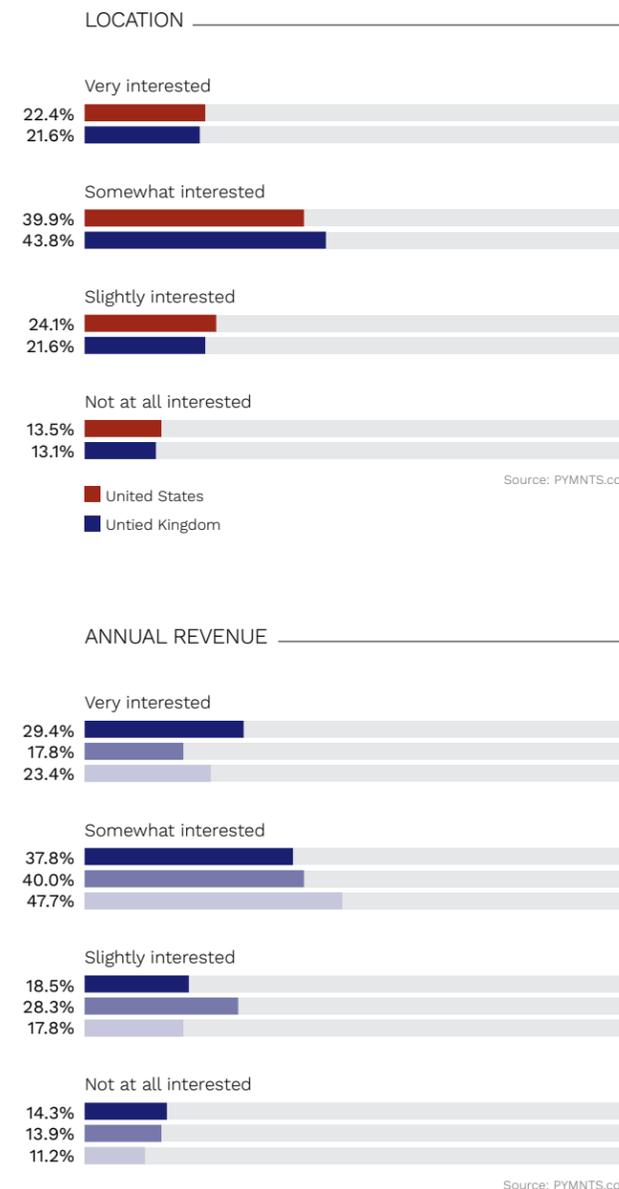
Source: PYMNTS.com



**FIGURE 5:**

**How U.S. and U.K. businesses are prioritizing real-time payments innovation**

Share of surveyed businesses expressing interest in seeking third-party assistance on innovation, by location and annual revenue



We see similar levels of interest among both U.S. and U.K. businesses in using third-party providers in this capacity. Sixty-two percent of surveyed businesses in the U.S. and 65 percent of surveyed businesses in the U.K. would be “very” or “somewhat” interested in using third-party providers to digitize their B2B payments. This suggests that the demand for digital B2B payments options is high on both sides of the Atlantic and highlights a massive opportunity for providers willing to help enable such capabilities.

# THE B2B CROSS-BORDER PAYMENTS INNOVATION CHECKLIST

## IT STARTS WITH THE INVOICE.

Expediting cross-border payments from global trading partners starts with digitizing and payment-enabling the invoice. The faster a payor gets an invoice — and the easier it is for them to pay from it — the faster those cross-border funds will flow. Innovative businesses are making this a high priority.

## MAKE CROSS-BORDER PAYMENTS A STRAIGHT LINE.

Relying on correspondent bank networks to move payments from a payer to a supplier adds seven days and additional fees to the process. Push payments, real-time payments and straight-through processing are key priorities for payors who wish to accelerate payments to their suppliers.

## AUTOMATION MAKES DATA MORE ACCESSIBLE AND ACTIONABLE.

Whether automating receivables, using AI to enable dynamic pricing and terms or tapping real-time payments networks that move data with the payment, access to the right data at the right time can clear the shortest path to cash for cross-border trading partners.

## SECURE THE PAYMENT AND THE DATA.

Payments data breaches are a pain point that more than half of U.S. and U.K. businesses cited — more than the share that cited fraud related to the payment itself. Managing fraud, therefore, is not just about authenticating payors and suppliers and the payments workflow but securing payments credentials stored by those payors and suppliers.

## ONE PAYMENTS SIZE DOES NOT FIT SMALLER SUPPLIERS.

Making payments faster is of critical importance to smaller suppliers that lack the cash reserves to fund larger payor trade receivables. Larger payors recognize this and are not only investing in real-time payments capabilities to accelerate order-to-cash processes for these suppliers but also investing in enabling payments to digital wallets that smaller suppliers use to run their businesses.

## FIND YOUR FRICTION — THEN PHONE A FRIEND.

The cross-border commerce opportunity is as exciting as it is daunting, given the number of options available to businesses that want to do business on a global stage. As simple as it may sound, the best place to start is to first find the friction or pain point that is complicating your cross-border trade process and then find a partner that is best equipped to help you find the right path.

# CONCLUSION

**B**eing able to send and receive cross-border payments has always been essential to doing business in the global, digital-first economy, but the current financial crisis has exacerbated long-standing inefficiencies. Businesses across the U.S. and the U.K. must therefore invest in digital cross-border payments innovations that can help mitigate the frictions that increase the cost and time needed to make and receive cross-border payments. Doing so means not only addressing their own operational limitations but also embracing payments innovations such as real-time payments capabilities, push payments,

payments to digital wallets and automated payables and receivables that can also benefit current and potential suppliers.

Partnering with third-party providers can help businesses supercharge their innovation efforts. Leveraging their expertise and resources can relieve the financial burden that businesses must expend to send and receive cross-border payments efficiently. As businesses of different sizes and geographic locations turn their focus to innovations, third-party providers can play a key role in turning their innovation roadmaps into reality.

## METHODOLOGY

PYMNTS surveyed 456 decision-makers at businesses located throughout the United States and the United Kingdom in November and December 2020 to learn about the most common frictions they experience when making and receiving cross-border payments and how those frictions impact their DSO. We asked respondents about the types of digital innovations they plan to enable in the next three years to help alleviate these frictions to provide an overview of surveyed businesses' three-year cross-border innovation agendas. *Innovating Cross-Border Payments: What US And UK Businesses Need To Know* details the findings of our extensive research. Respondents hailed from businesses in 22 different industries, including educational services, utilities, real estate and transportation, to cite just a few examples. Responses were limited to professionals with employment at businesses with more than 10 employees and generating annual revenues of between \$50 million and \$1 billion. Only respondents whose businesses made or received cross-border B2B payments were included in our final sample.

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# ABOUT

## PYMNTS.com

[PYMNTS.com](#) is where the best minds and the best content meet on the web to learn about “What’s Next” in payments and commerce. Our interactive platform is reinventing the way in which companies in payments share relevant information about the initiatives that shape the future of this dynamic sector and make news. Our data and analytics team includes economists, data scientists and industry analysts who work with companies to measure and quantify the innovation that is at the cutting edge of this new world.

## VISA

Visa Inc. (NYSE:V) is a global payments technology company that connects consumers, businesses, financial institutions and governments in more than 200 countries and territories to fast, secure and reliable electronic payments. The company operates one of the world’s most advanced processing networks — VisaNet — that is capable of handling more than 65,000 transaction messages a second, with fraud protection for consumers and assured payment for merchants. Visa is not a bank and does not issue cards, extend credit or set rates and fees for consumers. Visa’s innovations, however, enable its financial institution customers to offer consumers more choices: pay now with debit, pay ahead with prepaid or pay later with credit products. For more information, visit [usa.visa.com/about-visa](https://usa.visa.com/about-visa).

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