



Payments | Toronto, ON | Founded: 2006 | Employees: 77 | <https://www.VersaPay.com/>

BLOOMBERG: <https://www.bloomberg.com/research/stocks/private/snapshot.asp?privcapId=41131949>
LINKEDIN: <https://www.linkedin.com/company/VersaPay/>
FACEBOOK: <https://www.facebook.com/VersaPay>

COMPANY OVERVIEW

VersaPay is a publicly listed Toronto-based Accounts Receivable (AR) automation company. VersaPay's main product, ARC, is an end-to-end solution that enables SMBs and large enterprises to cut costs in areas such as manual payment processing and bad debt expenses. ARC integrates with companies' accounting and ERP systems and provides various services including invoice presentment, credit & collection management, payment processing, and cash application automation. VersaPay sells its ARC product through a direct salesforce, reselling partnerships, and other means, such as white-labelling. VersaPay also offers a secondary product called ProPay that enables individuals and businesses to securely make and receive payments.

SENIOR MANAGEMENT

Craig O'Neil: CEO (2013-Present). Previously: Independent Consultant, LakeEdge Inc. (2012-2013); SVP Product Strategy and Development, Temenos (2011-2012); SVP Corporate Development & President North America, Odyssey Financial (2008-2011); CEO, Xeye (2000-2007). Education: BSc, Computer Science, University of Toronto.

Kevin Short: Co-founder and CIO (2006-Present). Previously: Senior Security Architect, Bell Security Solutions Inc. (2005-2006); Siteminder Architect, Enbridge Pipelines (2004-2005), Sun SuperComputer Specialist, TELUS (2003-2004). Education: BComm, Economics and Finance, University of Toronto. Education: BSc, Computer Engineering, Southern Alberta Institute of Technology.

Shouvik Roy: CFO (2018-Present). Previously: Director of Finance, FreshBooks (2015-2018); Controller, Linamar (2012-2015); Operations Finance Manager, Nike (2008-2012). Education: BBA, Accounting and Business Management, Wilfrid Laurier University.

Jason Read: Chief Product Officer (2017-Present). Previously: COO, TrackX (2016-2017); Regional Vice President – Western Region USA, Descartes Systems Group (2014-2016); Vice President Application Solutions, Descartes Systems Group (2007-2014). Education: MSc, Systems Design Engineering, University of Waterloo.

HISTORY

Michael Gokturk and Kevin Short founded VersaPay in 2006 in Vancouver, BC to develop a proprietary B2B and B2C payment processing solution. They initially established a strategic partnership with Chase Paymentech to process electronic payments through common methods and leveraged their more renowned brand to gain reputability for their new product¹. In 2010, VersaPay began trading on the TSX-V and subsequently went on to form a variety of partnerships with companies such as MasterCard, TD Merchant Services, and RBC¹. In January 2017, VersaPay sold its Merchant Services division for \$11 million to BluePay in order to focus on its B2B SaaS model².

FUNDING

Since (and including) its IPO on the TSX on April 29, 2016, VersaPay has raised \$23.9 million over three rounds. During its IPO, VersaPay raised \$4 million; on October 13, 2017, they raised \$10.7 million in a non-brokered private placement; and on October 28, 2018, they raised \$9.2 million in a bought deal public offering.

KEY CORPORATE DEVELOPMENTS

Press releases: <https://www.VersaPay.com/news/>
Aug 14, 2018: [VersaPay Launches New Mobile App](#)
May 18, 2018: [VersaPay Appoints New CFO to Support Accelerated Growth](#)

¹ <https://www.newswire.ca/news-releases/VersaPay-and-chase-paymentech-to-market-payment-processing-services-in-canada-533519281.html>

² <https://www.VersaPay.com/news/VersaPay-announces-closing-sale-merchant-services-business/>

Nov 16, 2017:	VersaPay Hires Chief Revenue Officer to Drive Growth
Mar 14, 2017:	ARC Achieves Oracle Validated Integration with Oracle's JD Edwards EnterpriseOne
Feb 2, 2017:	VersaPay Announces Closing of Sale of Merchant Services Business

BUSINESS HIGHLIGHTS

STRATEGY³

VersaPay seeks to continue to create more effective ways to automate the four components of a typical company's AR process: invoice presentment, collections, payment processing, and cash application. As such, they place a great emphasis on research and development to be at the forefront of advancement in this area. From a sales and marketing perspective, VersaPay maintains close relationships with its existing customers and penetrates different market verticals through its direct salesforce and channel partners. VersaPay currently operates in Canada and the US and focuses on customers in Trucking & Logistics, Commercial Real Estate, Business Services, Wholesale Distribution, and Manufacturing.

PRODUCTS / PRICING

- **ARC** – Versapay's main product is their B2B AR automation solution, ARC. The product is targeted at both SMBs and large enterprises and offers a value proposition of lower costs due to less manual processing and lower DSO (days sales outstanding). The product offers an attractive front-end solution where companies have a centralized portal to view all invoices, and offers a suite of services such as delivery tracking and safe payments⁴. ARC generates revenue through monthly fees, transaction fees, and credit card processing. With no fixed price, fees are based on four factors: volume of invoices, connectors to the ERP system, number of users, and the version (or edition) of ARC³.
- **PayPort** – PayPort is an online payments tool that enables businesses to electronically send/receive payments, and enables other applications to become electronic-payment-enabled³.

TECHNOLOGY

PayPort and ARC share a secure cloud-based application that enables companies from anywhere in North America to utilize their product. Furthermore, PayPort includes a flexible API that allows third parties to apply payments to their products. ARC is created such that it is integrable into most companies' accounting and ERP systems.

DISTRIBUTION / LOGISTICS

VersaPay distributes its product through either direct sales or channel partners within the United States and Canada. Products are distributed to both SMBs and large enterprises, with the former being served by third-party distribution and the latter being served by a direct sales team³. All production implementation and customer support functions are currently handled by VersaPay as opposed to channel partners.

MARKETING

VersaPay advertises its product to different market verticals through its salesforce and by leveraging its channel partners' access to other customer bases. Furthermore, VersaPay has various partnerships with other companies such as RBC, Ricoh, and Oracle JD Edwards for promotion. For example, VersaPay received Oracle Validated Integration in March 2017. VersaPay also has white-label and reseller partnerships.

COMPETITORS

1. **Ash Conversions** – (Woodbridge, ON) Ash Conversions offers a suite of workflow automation products and has a directly-competing product called the AR Assistant. The AR assistant is an automated cloud-based remittance processing solution that reduces manual payment allocation and reduces bank charges⁵.
2. **Billtrust** – (NJ, United States) Billtrust's flagship product, Billtrust Quantum, is a cloud-based multi-channel AR software that is integrable with any ERP. It offers invoicing, secure payments, and cash application.

³ VersaPay Annual Information Form – 28 September 2018

⁴ <https://www.versapay.com/invoice-presentment/>

⁵ https://www.ashconversions.com/wp-content/uploads/2017/12/ACI_AR_01.pdf