

THE PAYMENTS SHOW

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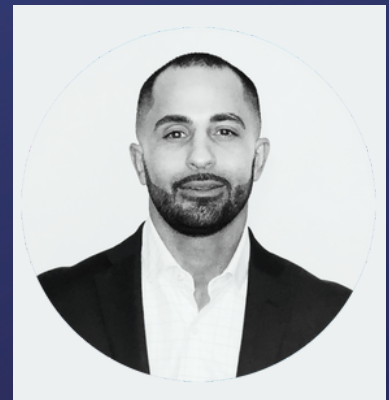


E91:

Tech on Tap: Payment Modernization for SMBs with Swoop Finance

GUEST

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HOSTED BY

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[Important]

- This transcript was produced with machine learning and has many *errors and omissions*
- These timestamps are for the *audio version* of the podcast

(00:00) Introduction

(00:00) **Satwant:** Hi, I'm your host Satwant, and welcome to this episode with George Csahioni from Swoop Finance. If you'd like to watch the video version of this podcast, or download the PDF transcript, Please either click the link in the show notes or visit thepaymentsshow.substack.com. Enjoy the show.

(00:22) Start

(00:22) **Satwant:** George, welcome to The Payments Show.

(00:24) **George:** Yeah, thanks, Sat, for having me. I really appreciate it.

(00:26) **Satwant:** Great to have you on. Where are you joining from in the world?

(00:29) **George:** I am joining from Chicago, Illinois, over here in the U. S.

(00:34) **Satwant:** Excellent stuff. Is that where you're headquartered?

(00:37) **George:** It is our headquarters just north of Chicago, in a smaller town called Long Grove, Illinois, about 30 minutes north, northwest of Chicago. Yeah, we have a nice office building here, and that's kind of where our global headquarters is.

(00:51) **Satwant:** Nice. Well, I haven't tried the famous Chicago pizza yet what's your favorite joint?

(00:56) **George:** I like Lou Malnati's, which is a, it's a larger group, but they that's definitely my favorite is Lou Malnati's deep dish. I also like the thin crust. If you're really looking for Chicago pizza, the thin crust is what's really known in the city. It's not necessarily the deep dish, just FYI.

(01:11) **Satwant:** Okay. That's good to know. Definitely. I love the food tips though. Thank you.

(01:16) Introduction to Swoop Finance

(01:16) **Satwant:** Well, let's get straight into it. I'm going to give you an intro.

So George Csahioni, you are the CEO of Swoop Finance. And Swoop basically provides financing solutions to businesses so that they can upgrade, replace, or acquire new technology for a monthly payment plan. Is that an accurate description of your company? That's correct.

(01:40) **George:** Yeah, that's mostly accurate. I appreciate the, the intro. It, you know, we primarily deal with the small. To medium size, even all the way through enterprise level businesses for alternative technology financing and SaaS point of sale, as well as hardware point of sale. Giving business owners an opportunity to upgrade, replace, or add new technology that seems to be becoming more and more robust every day in that space.

Yeah,

(02:06) The Growing Market of POS and PaaS

(02:06) **Satwant:** well, I want to set the scene because there's some amazing stats that I've got which is why you're in this business. And I just want to reel off some of those cause they're pretty eye opening to me, especially. So the global market size for POS terminals is just over a hundred billion. And it's growing around eight plus percent a year.

And. The global PaaS software market is worth 13 billion and that's pro that's forecasted to grow almost double to 30 billion by 2032. So some huge numbers there. And. Mobile POS terminals, which is a fast growing category that's expected to reach 41 billion in 2024. So some massive numbers there. Hence why I'm guessing you got into the business.

You, you founded Swoop and you got into this yourself, right?

(02:57) **George:** I've been in the payment space for about 17 years. And, you know, the entire time also directly connected with, with finance. So, yes, I helped to found and launch Swoop. I originally started in 2017, but just to kind of touch on some of those stats. You know, it's, you know, the market obviously is moving to more and more digital and contactless payments.

And at the same time, you know, there's really been a technology revolution, both in many industries, but in the payment space, especially for like the last 12 to 15 years. So as that technology has become more and more robust, plus things moving to more contactless payments. And if you add in a final ingredient of cross border payments, you know, payments across, you know, different.

You know platforms and countries that it is really kind of creating the ingredients for massive growth in the payments and fintech space.

(03:48) **Satwant:** Yeah.

(03:50) What Sets Swoop Apart in the Marketplace

(03:50) **Satwant:** One really important point I wanted you to discuss right up front is what differentiates you in the marketplace because. I would have assumed prior to this call that if I need a POS system or solution, I would go to whatever company I'd shortlisted and they'd have their own financing solution. So what makes Swoop unique in this part of the equation?

(04:14) **George:** Yeah, that's a great question. So, you know, there's, there's specific finance companies in the space that do leasing of hardware primarily in the point of sale technology space, which, you know, we've worked with many of those companies in the past, but we felt that. We were born as an ISO or an independent sales organization in the merchant services side.

And while we've always done financing, we became a direct lender in our own finance direct company to deploy capital in the market space because we felt that there was a lot of holes in what some of the offerings were with regards to the finance companies that previously existed.

(04:50) Exploring Swoop's Innovative Financing Solutions

(04:50) **George:** One of the things that we did, we spent about the last five years or so innovating. Going through the legal and beta testing in the market with merchants, you know, instead of doing a lease finance opportunity, and we do intake leases, we absolutely, there is a place for those that we think it's a good fit, but we've innovated that to a SaaS finance model.

So we offer a subscription based finance model that is, number one, a lot more palatable for the merchant but number two creates a lot more flexibility. And the key difference there really is that instead of financing the hardware as an asset on a lease agreement, for example, or an equipment finance agreement, right, where you're financing the hardware as the asset, we finance the SaaS injection of the point of sale technology into any device.

And what that does is it really opens it up to both the hardware space as well as to the software or software only space, which things like payment gateways, you know, you're thinking of like your, your NMI's, your authorized dot Nats, even like your stripes as an example. But also your point of sale technology that includes some of the peripheral fintech items such as, you know, CRM systems, marketing, inventory controls, you know, and that, as that becomes more of a business in a box type of a software, there's more and more need for integration, software financing, You know, API and software build outs.

And that's really why we, where we kind of step into the place to fill that, that hole in the market.

(06:20) **Satwant:** So literally all the pieces you'd have to piece together and maybe finance those all individually. You do the whole lot.

(06:26) **George:** Yeah, correct. We're able to finance the whole lot. And what it really does too, for a lot of business owners, you know, at the end of the day, without getting super granular just yet, but what it does is it gives them a lot more value as far as an overall package as the merchant. You know, you're able to finance things like soft costs.

It could even be wiring and technician costs. It could be API along with the software technology. And typically speaking, the hardware that comes with that will be included or, or have, you know, placed for free, if you will, in that overall bundled package. And what it's doing is, you know, previous to that with like a lease or an equipment finance agreement is very difficult to digest for a business owner.

You know, why am I paying, you know, X amount of dollars per month for a hardware that I can maybe go buy at Amazon, right? And, and, and it only costs a few hundred or a few thousand dollars. Here, they're getting an overall complete package. And it also allows for the resellers, the ISOs and those companies to sell it.

As a complete package with confidence that the financing for all the components that need to be installed, deployed, or activated for that business owner are going to be covered financially. So that's really the intention there.

(07:35) **Satwant:** Excellent. To talk to your, or talk about your solution in a bit more detail. I want to explain the main industries that use your services. So restaurants, retail, e commerce, and then automotive, grocery, petrol, gas and mobile businesses. So, Again, coming back to some stats restaurants spend an average of over 9, 000 on upfront POS costs.

And a lot of businesses, the trend at the moment is omni channel integration and order management. And things like, buy online, pick up in store. There's a lot going on, so it would be good for you to talk about The key elements of your solution in relation to your customers and, and what's trending right now.

(08:22) **George:** Yeah. Well, first and foremost, yeah. You, you mentioned the industries, which I think is important. And while we can work with any. One man or woman shop as small as an individual business owner, all the way up to, you know, the, the very large institutional or enterprise level organizations. You know, we can do all that and everything in between, but who we love to work with and who we really try to cater as an ideal client profile is the small to medium sized business owner.

You know, a lot of times they're the ones that have the biggest need, but on Main Street versus on Wall Street, right? You know, they have the biggest need to get access to the technology, upgrade the technology, need education for technology. You know, a lot of these business owners are family run or just, you know, one location or just a handful of location type of businesses, you know, anywhere from a million to maybe 10 million dollars annually in sales you know, in, in USD.

And, you know, and they're the ones that are kind of, you know, Capital, but also in need of educational guidance. So we love working with those merchants. And that's really how we, you know, we try to cater the tools primarily for a market that, you know, can't necessarily tap a JP Morgan or Bank of America or whoever on the shoulder to get whatever financing they need in like a retail bank.

So that would be number one. Now, then moving to the technology as a secondary. You know, a lot of these business owners, especially with all the chatter on AI, automation, you know, all that kind of good technology talk that's out there and it's needed and it's needed and a lot of these business owners that are on Main Street, they need to be able to, in order to compete and not get flushed out and, you know, and, and, and just to keep the American, you know, Dream alive over here in the US as well for the mainstream business owners.

They have to be able to upgrade. And a lot of reasons why that's happening in those industry types is obviously there's inflation. So cost of goods of sold are up. The cost of employment is up. It's more difficult to find employees that are willing and or capable or both to be able to fill that row.

So, you know, those business owners, again, on Main Street having to pay more there. And you know, so really the need and automation and AI and kind of having the CRM or a point of sale system that can bundle all those types of technologies to eliminate human error and some of that. Cost of goods, you know, being sold or operational, that's really the key.

So, you know, an omni channel type of a service that you mentioned is really important. So, anything that's online where you can do ordering and pickup you have a robust website that's pleasing. There's minimal payment friction to be able to order product and select product with clarity on your website, have that feed into your actual housing of your point of sale technology itself in house.

And then also be able to stream that data or push that data anywhere there, you know, anywhere you're operating as a business owner, you may not be on site all the time. So having a cloud based system where all of that is effective you know, and it should include these days from my perspective in our perspective, things like your accounting connection.

Should include your inventory management, and it should include consumer profiles and marketing any menu items, you know, and that should be basically a one stop shop for all of your KPIs and indicators for your business.

(11:40) **Satwant:** Yeah, totally agree. Actually talking about Omni channel, I had a terrible experience only a few weeks ago. I bought my first camera since 2004. iPhones are great, but in the evenings in low light, they're pretty bad as I'm sure you know. And it was really interesting. I'm not going to mention the name of the camera chain here in the UK. , I wanted to do click and collect. And They're not digital first. So they had to order stuff at head office and then they had to allocate it to one of their stores across the UK. And then that store had to pack it and ship it to me. And it was at the back end, it was just crazy.

(12:16) **George:** Sure.

(12:17) **Satwant:** And you know, they're not small by any means. They're not huge, like a Best Buy equivalent in the UK, but they're not exactly small either. And there's a lot of work to do there. That's just one example.

(12:27) **George:** Sure. Yeah. No, that's a great example. You know, you actually just made me think of a key role that we fill. And not to cut you off on that story, but it's very similar. You know, a lot of independent sales organizations or payment processors, even if they're not financing the technology to a business owner, which obviously that's an option, they can, they can absorb the monthly payment themselves if they wanted to and service the account that way. Or they can also sell technology for cash, which many of them do. Right, that huge outlay of cash, as you mentioned, for restaurants of around 9, 000 plus per point of sales station. That's very common, right? So, but, you know, the problem with selling it for cash or when they have to, you know, essentially absorb the cost and then monetize those payments over time.

So maybe a point of sale hard cost is 3, 000, but they need, you know, they, it's going to take them a few years to offset that in monthly payments as the reseller, you know, what that forces the ISOs to do without a proper financing tool, where they can receive upfront funding while also given it as a monthly payment to their, to their merchants.

What often happens is, is then they start to shortcut steps. It keeps it all the components decentralized where, you know, they're, they're not necessarily willing or able to cover that the technology install or deployment. Right. They're not able to get the ancillary parts of hardware or software that's really going to allow the connectivity, kind of like the camera store I think maybe that

you're, you're, you're kind of alluding to there on that, on that purchase. And you know, what we're trying to do is also correct behavior by allowing the financing tool to really bridge those gaps where if I'm a reseller, I don't have to be concerned about, you know, subsidizing my cost of technology while I try to accelerate a sale into the marketplace, if that makes sense. And I think, you know, the camera story you just mentioned, I think that's common for a lot of businesses in the technology space.

(14:19) **Satwant:** yeah, I agree. I mean, just click and collect. Most businesses just can't do it.

(14:24) **George:** Right?

(14:25) **Satwant:** my experience. Cause I don't like having stuff shipped home in case I'm out and then it's on the doorstep. I just not comfortable with having stuff on the door, you know, as I'm sure most not.

(14:35) Swoop's Impact on SMBs: Lowering Payment Processing Costs

(14:35) **Satwant:** I'd like to talk about your payment processing so you've got Swoop Business Solutions, just to lower business payment processing costs in general, then you've got Swoop Zero Processing, so paying zero processing fees. And then you've got Smart Processing as well. So saving up to 30 percent with the wholesale rate program that you offer.

Do you want to talk about those three and how that can really help those SMBs you're talking about to lower their costs?

(15:03) **George:** Yeah, Supe Business Solutions is really the parent company that houses the payment processing as well as the finance company. So that's kind of, you know, how we go to market as far as an overall high level brand. The Supe Smart Processing is a interchange plus or a cost plus payment processing program.

On that program, essentially what Supe does that's different than some of the other folks. You know, there's three primary pricing models currently in the marketplace, at least here in the U. S. and really internationally as well, but right now here in the U. S. it is a interchange plus or a cost plus, right, which is the most transparent type of pricing.

It's Visa, MasterCard, interchange, hard costs, plus any surcharge of basis points from the dealer or the ISO. Right, the payment processing company themselves. There's a tiered pricing program which assesses risk based on whether the card's present, not present, or if it's an online transaction. Right, so usually that tiers up with level of risk.

And then there's surcharging or cash discounting, sometimes dual pricing. All essentially the same those verbs kind of get used usually incorrectly and interchangeably. But basically what that means is you're passing the fees on to the business owner. John the Merchant, let's say John at John's Pizza, hypothetically, would pass on the payment processing fees of, let's say, 3 percent or 3.

5 percent to the end consumer, therefore offsetting my payment processing costs. So, the Swoop Smart Processing, what we do that's a little bit different is, you know, Swoop will carry more risk on behalf of the merchant. You know, we know the industry as well, we know the data, we know the trends, so we'll operate things that are maybe An over the phone transaction, or a Modo transaction, mail or telephone order type of a transaction, we'll do that at the same level of risk as a retail transaction.

We'll also do that for certain industries on an eCommerce transaction as well. You know, oftentimes these companies are underwritten incorrectly. which in turn leads them to merchants getting shut down down the road because they weren't underwritten correctly and or having their rates raised or things just not being very transparent because of, you know, not doing proper due diligence on getting that account approved in the first place.

So, we'll assume more risk there. Typically, that leads to about a 20 to 30 percent savings versus the market. So, we'll And our Cost Plus or Interchange Plus program for us, you know, the average effective rate, bottom line, all in of all fees for the S& B market currently in the U. S. is about 3. 2%. And we typically will land somewhere around 2. 1 to 2. 4 percent depending on the industry. So, a good amount of savings there. And then on the SuperZero, yeah, sorry, go ahead.

(17:49) **Satwant:** no, that, that's a big saving going from 2. I think stripe and square around there to 2. 4 seems small, but it's huge amounts of money,

(17:58) **George:** Yeah, if you're talking about 20 to 40 basis points, right, on, on, on that spread, I mean, you know, you can start doing the math if you're doing, you know, 50, 000 a month, 100, 000 a month, so on and so forth. You know, that, that definitely starts to add up. You know, other than, typically, other than a mortgage or rent, the payment processing fees are usually the, the third, second or third highest expense for a business owner that's a small to medium sized business.

So, definitely very important. Every, every basis point counts really at the end of the day. And then to lead to that, it's not just about the rates themselves, sometimes optimizing and speaking with a payment processing company that understands the difference of the value of like a debit card interchange network, a credit card interchange network, really taking a look at how many transactions are being done online over the phone in person.

There's lots of ways to optimize if you, you know, if you, if someone can accurately understand the market. And read the merchant statements there to give a side by side comparison with the business owner. So, you know, the skill set of who you're working with is also important, I would say.

But on the, on the SuperZero processing, really what that is, is it's a bundled program, right? So what we're doing, what we're doing there is we're saying for a flat monthly fee, And obviously we're at market with several hundred partners, you know, on the soup finance side as well as for ISOs and retailers, but through our own direct sales channel, what we're offering there is we're saying, again, just using Susie at Susie's Nail Salon or John at John's Pizza, we're saying, you know, here's your point of sale system.

It's free. It's included. Here is your pricing. We're going to inject that hardware with the point of sale software. It's going to come with X, Y, Z different tools and benefits, right? The marketing, the

inventory, et cetera. And it's going to have those rates. Those rates are going to be locked and fixed. Whether it's a cost plus or zero processing rate, and we're going to give you, you know, any ancillary benefits that could be like gift cards or loyalty or, you know, any type of additional software or hardware that we want to tether to that opportunity.

And we're going to say it's for one flat fixed monthly payment. You know, maybe it's 100 a month. Maybe it's 300 a month, right? But typically speaking, most of them fall between 100 to 400 a month for a small to medium sized business owner. And what it does for the business owner is they get a bundle deal.

With full value, it eliminates their payment processing because we're going to pass that fee on, inject it with the software to pass that fee on to the consumer in an automated fashion. It's going to give them all the technology they need. All the hardware would be included and they get complete transparency on the pricing.

They're not having to pick up their merchant statement and then try to read through the haziness that these processing companies employ. Essentially because they have financial interest in raising those fees whenever possible. So that, that's kind of how we approach the market in that fashion.

(20:52) **Satwant:** Yeah, no, that's great. You just, unless you're looking at something every day, you're not going to be able to decipher that stuff. Right.

(20:58) **George:** Yeah, they don't, they don't make it easy to read on purpose. Let's just say that.

(21:02) **Satwant:** Yeah. And I, you know, from my experience, even just from a, my own personal bank accounts, you try and export a CSV or something, and you're not going to be And to just do some basic analysis and it, the formatting is awful. It's all deliberate, right? I mean, that you can't work it out. Yeah. I'm sure it's the same on, on that end as well.

(21:20) **George:** Yeah, they don't make it easy. That's for sure. And that's what we're trying to do is make it easy. Clarity, transparency, you know exactly what you're going to get. You know exactly what you're going to pay every month. It's not going to change or it's not going to, You know, move around on you unexpectedly.

That's really what we're trying to cure both in our direct sales channel, but also really nationally in the payment space. You know, it's, it's really going through, you know, the payment processing from my perspective is kind of like, I don't know, you know, the automotive industry in the nineties and early two thousands, and maybe even before.

You really kind of pre internet if you were, where you kind of had like the shady used car salesperson. You didn't really know what the price of a car was or what the trade in value was going to be until the internet came out and all the data was like readily available. And, you know, over like the last 10 to 15 years, the payment space has kind of gone through a bit of a revolution that way as well.

And now with the technology. So, you know, but we're, we're, we're trying to be a part of that solution to make even further clarity to, especially for the S& B market and a lot of the enterprise companies that have the buying power or the wherewithal and the resources to, you know, negotiate

the deal that they need, they have a little more clarity, but, you know, John and John's Pizza may not be good at accounting or payments or, or technology for that matter. And that's, that's who we're trying to help for that reason.

(22:37) **Satwant:** Great!

(22:40) The Benefits of Swoop's Solutions for End Users

(22:40) **Satwant:** I want to talk about the benefits for end users of your solution. So as we discussed before I hit the record button, what was close to my heart in starting this podcast was helping businesses to convert more and lower their costs. And you, you, you really help in those areas in four ways.

So more sales. So you mentioned on your website that many of your clients are often overlooked by traditional financial institutions. So you guys really help them to sell more. Fast transactions.

(23:09) Exploring Flexible Financing Solutions

(23:09) **Satwant:** I think you offer same day credit decisions for businesses that need the help. You're helping them preserve profit margins, as you mentioned, because of the lower transaction costs.

And you've got 12 to 60 month leases. So. That's a lot you're doing for those companies. So yeah, it'd be good for you to talk about that. Maybe some great stories you've got that you might be able to share.

(23:30) **George:** Yes. Yeah, absolutely.

(23:31) Customized Lease Terms and Micro Lending

(23:31) **George:** So yeah, we, I mean, we, you know, as far as terms go, we offer 12, 24, 36, 48, and 60 months, and we're really flexible there because every business owner is unique and different. They also have a different, you know, the one, and you mentioned also the, the overlooking of larger banks for this market, and really they're overlooked because of the size of the accounts.

You know, a lot of time we're really in the micro lending space to be frank, right? You know, we're looking at an average ticket. Use your average ticket. It actually mirrors the restaurant, you know, average cost of the point of sale, which is about 9,000. We usually float somewhere between 10,000 to like 12,000 on an average ticket.

But many accounts may be 1,500 in financing or 5,000 in financing and others are 40K or 50K or 60K, but you know, there's a lot of smaller tickets being had here for the business owner.

(24:25) The Challenge of Small Business Financing

(24:25) **George:** You know, it's not, it's not easy to go do, you know, Wells Fargo or JPMorgan Chase and say, you know, I'm John at John's Pizza and I need 6,000 for my new POS station and technology.

Can I borrow that? And if they do, the rates are exorbitant. You know, you're going to, you're looking at 20 or 30 percent rates. You're looking at maybe getting components again, instead of not getting a complete package. So it is, you know, it's an unrelated finance tool also is another issue with that.

So you know, making sure that you're having financing from the space of the product that you're looking to acquire makes it a lot more palatable. And as you mentioned, a faster turnaround time. We know the market, right? We know the business owner. We know what their areas of opportunity are. What their challenges often are, so we can underwrite that space.

And being that we're in the payment side, along with the financing side, we have the data with regards to, you know, what is John and John's pizza average ticket? How many transactions can we expect? What is the revenue cashflow of the electronic transactions taking place? What does that typically look like?

You know, restaurants, automotive, Grocery, gas station, et cetera. And that's one of the reasons why we play in that space is that we're a lender that is, you know, very familiar with, with our client. So that, that's very helpful in that regard.

(25:48) Comprehensive Financing Beyond Technology

(25:48) **George:** I would also say though, too, one of the things that we do to help support these business owners and, you know, there's other companies like us out there but one of the things that we do is, We're just trying to give them flexibility.

So we've talked a lot about the direct technology lending on the point of sale software and hardware, but we also do things like lines of credit, term loans you know, we can even do merchant cash advances or invoicing, but we really try to focus on the, the lines of credit and the term loans because they can get much better rates than going to a bank. You know, and there's different, different tools that are good for different scenarios and different business types.

(26:24) Emergency Funding and Business Expansion Support

(26:24) **George:** But, you know, we usually have a finance tool of some kind to support that business owner and for that business owner, you know, if they have an act of God, right, there's an emergency, there's a tree that fell on the roof of the business, you know, which has actually happened with one of our clients before.

And, you know, they had the, they basically had to deal with either we fixed the roof. Immediately or we're out of business for the next 60 to 90 days while we're you know Slowly getting it fixed and what that will do is probably put us out of business because we can't afford to not have the cash Flow, you know a lot of these businesses are in that type of a scenario where?

they they they're their order their inventory order to inventory order and You know, paycheck to paycheck, right? They, they order costs or they order goods and they have to unload it as fast as they can. And they're trying to not just thrive, but survive a lot of times. So, acts of God, we, you know, we, we help support that expansion.

if they're looking to add, they did a really good job at their first location. They want to open up a second or a third, you know, we have some lending for that. And then lastly, to buy inventory so it can relieve that stress. A lot of these companies, whether it's for technology or inventory and sometimes even marketing, they don't offer these business owners more than like a net seven or a net 15, sometimes a net 30, but you know, we have a, we have revolving lines of credit they can use for those types of items to relieve that stress and, or if they need to order less.

Or more, they know that it's on a revolving line, so we can take what they're ordering of their products and goods sold, and we can plug it into a system that's a lot easier to manage for them from a cashflow perspective by giving them that financing tool. So again, we're not just in the technology space.

We're really in the small to medium sized lending space. And, you know, we're just trying to give these folks the fuel to their fire to grow their business. Yep.

(28:19) **Satwant:** Yeah, that's great.

(28:20) Real-World Business Scenarios and Solutions

(28:20) **Satwant:** Actually, that reminds me of something a friend of mine told me. His family have got like a homewares, big sort of warehouse type store. And a couple of years ago, we're just talking about business risk or something like that. And I said, what's one of the things. You know, that you worry about.

And he said, it's caught me totally off guard. He said, well, the day before a public holiday, you don't want your electronic shutters to fail. I said, what? That keeps you up at night? He said, yeah, you can't get them on the best of days when, when you needed them in an emergency. But he said the day before a public holiday, just forget it.

Because if, if your shutters get stuck, you have to have somebody there physically then 24 hours a day until somebody turns up. And I would never have thought of that.

(29:03) **George:** Sure. Yeah. Yeah. Those one off scenarios are very interesting. That's funny that you, you bring that up. You know, we hear a lot of that kind of stuff with you know, business owners and, you know, and, and how they operate. There's a business owner in, in New York that actually operates a very large pizza shop.

They do about a million dollars a month in sales. So it's a very, they're out on Long Island actually. And you know, they, interestingly enough, you know, we, they're actually closed. They're closed. You know, days of the week that we didn't think would be, would be, you know, normal for them. So like they're closed Monday through Wednesday and they do all their business Thursday through Sunday, which makes sense that they're on the weekends, but the Tuesday and Wednesday that they were being closed was a little bit shocking to us.

And, you know, it turns out that the population half the year goes to either the Hamptons or they're commuting to work. From Long Island to the city and and there's like a, there's a navigation or migration of folks there that. You know, we're a good amount of the population is not in town Monday through Wednesday.

And I was like, Oh, you got, you don't really know that trend unless you, you hear it directly. And you know, we were able to accommodate their systems for that as well, as far as cost and like the technology as well. But yeah, no, the, the one off scenarios are very fun to get into and to problem solve for.

(30:21) **Satwant:** Yeah, it's that kind of behavioral economic stuff, which I find fascinating.

(30:25) **George:** Sure, sure. Same.

(30:27) **Satwant:** We talked about a lot there. Is there anything you wanted to mention and get across to somebody that I've maybe missed?

(30:33) Optimizing Payment Processing and Technology Upgrades

(30:33) **George:** Yeah, I would just, you know, the one thing that I would say is that, you know, you should take the time if you're a business owner and a merchant to inspect what you expect. Right? You know, don't, you know, take, I would highly encourage business owners to look at their merchant statements from payment processing at a very least on a quarterly basis.

You know, does it make sense? Can it be optimized? You know, again, using 3 percent as a national average, are you above that 3 percent effective rate in total fees versus processing volume? Are you below that? The other thing I would suggest is, you know start with your point of sale company or your payment processing company and Just find out, do you have all the technology that you need?

can you upgrade? What's that upgrade look like? And then make sure you shop it around, make sure you shop it around and you find a solution. When it comes to upgrading technology the one best practice I would say is that, you know, do a thorough demo. Two or three times, run it past your team, you know, get key leaders on the team to actually, you know, play around with the system and the technology.

Is it going to be easily digested? Is it easily adopted? You know, from an organizational standpoint, and then get some feedback. You know, I think, I think it's important to, I think some folks make decisions, especially in the S and B market. They make some decisions very quickly on the technology.

Okay. without making sure they have all the solution they need, or they're maybe they're buying too much solution, if that makes sense. So some quick best practices for there that I always like to share with the market.

(32:02) **Satwant:** Excellent.

(32:04) Acquiring Customers and Implementing Solutions Quickly

(32:04) **Satwant:** And on that note, you know, if somebody wants to start a project with you folks first of all, how do you get most of your customers? And secondly, when, when they decide to sign up, how long does it take typically to, to, to implement a solution that you recommend?

(32:19) **George:** Yeah. So that's a great question. So we, we primarily get most of our merchants. That we do business with or support from a financing standpoint or payment standpoint from ISO. So, ISO stands for Independent Sales Organization. Those are essentially dealers, agents, and brokers of point of sale technology or payment processing.

So, we work in collaboration. with those groups and again are oftentimes either the backend payment processing company or the financing company to help the business owner at the end of the day. So, that's where a lot of that happens but if you're working with an ISO agent or type of a reseller group and you're, and you are looking to upgrade technology or do your payment processing or get better rates in the payment processing.

We typically turn things around in a matter of hours. You know, we can do a financing deal of anywhere from, you know, we'll, we'll have a pre approval. We have some online tools. that can be sent out either by the dealer or directly to the merchant where you can get a pre approval on financing or underwriting for payment processing in 15 minutes.

As far as how long does it take to actually order the technology or have it delivered and deployed and then maybe installed at the location, the average turn time is usually anywhere from five to ten business days, I would say, depending on the product. So it's pretty quick, right? We can turn it around pretty quick unless it's something.

That is maybe of a larger company that needs, you know, lots of points of sale with a significant integration. But for your average small to medium sized business owner, it's a very quick turn in that regard. And, and if anybody wants to consult with us or reach out with us, we're, you know, swoopbusinesssolutions.com you know, is a great place to find us, or info@swoopfinancing.com. Is a great place to find us, but we love to just chat too. I mean, our, we have a very experienced team. They've been in the industry for a long time. Feel free to give us a call. Even if you're not planning on doing business with us, you want some questions answered.

We're happy to, we're happy to help support that.

(34:18) **Satwant:** That's great stuff. Yeah. I'll definitely put all the links to your, that you mentioned on, on the, in the show notes. Yeah, definitely.

(34:24) **George:** Sure. Sure.

(34:26) **Satwant:** Okay.

(34:26) Future Trends in Payment and Retail Spaces

(34:26) **Satwant:** So I like to, towards the end of the show, I'd like to talk about some of the future and trends that you're seeing. So yeah, it'd be great to hear some predictions over the next 12 months and what, what, what you think is going to happen in the payment space and what are you seeing on the ground right now?

Especially if you're seeing transactions at such a large level any, anything happening in the economy that may be. Wallstreet will find out about it in 90 days time.

(34:49) **George:** Yes. That's a great question. I think we're going through a couple of different things that are happening in the payment space. The obvious or the most highest level, you know, being, you know, some of the stats that we rattled off earlier in the conversation, you know, mobile point of is growing. at an incredible rate.

I don't quite think that we know exactly what that means in the S& B market. I think we look at it a lot of times from an e commerce, but as we kind of mentioned or briefly touched on, you know, these small to medium sized business owners are trying to take control back on their online ordering, their website ordering, their If they're doing drop shipping type of businesses, you know, but just focusing for a moment on retail and or the restaurant space.

A lot of those companies became very dependent on, you know, your Postmates, your Uber Eats or your Uber type of product delivery, those types of outfits. And they're charging very large fees, 20 to 30%. You know, and it's scraping the margin off the bottom line for these businesses owners. And not only were they, the fees high, But slowly, but surely, you started to become dependent as a business owner on the marketing of those platforms, right?

So now, now you become reliant and almost submissive to those organizations. And, you know, and what we're starting to see is a take back from the retail and or the restaurant space, which is always good to see, but they're starting to take ownership. They're finding innovative ways To do delivery with decentralized organizations or drop shipping with, you know, more sophisticated logistical shipping types of pro uh, methods.

And they're, they're doing that omni channel type of business. So the, the, the mobile application that they can now curate for, the dollar, you know, just going even just pre COVID a mobile application for a business might be 50, a hundred thousand dollars. They can essentially do that for, you know, a few thousand dollars, if not less, they can they can finance that product now.

They could do the Omni type of a channel. So it could be mobile application, online ordering, and then connect it all to their POS. So I don't think we quite know what that means just yet, as far as what it's going to do to the bottom line of some of these businesses. And I think the other X factor is really going to be, you know, AI and or automation integration.

As the technology becomes more and more robust and sophisticated in the payment space. So that's all kind of happening at the same time. So kind of hard to predict, but one thing I can say for sure that is that it's absolutely going to streamline and accelerate sales. And I think for the small to medium sized business owners that are on top of it, are excited about it.

are learning that it can be made affordable. So they're not scared of it, right? Scared of the change. I think that the, you're going to see a huge transition back to the small mop op shop businesses and shopping local. And they're going to feel like they're gaining confidence over the next 12 months or so.

Sure.

(37:49) **Satwant:** It's really funny you say that because I'm feeling, and I've got no evidence to back this up. I'm just feeling that there's going to be a shift back to businesses other than Amazon. I mean, I used to work there. I loved it. It was amazing. I worked at AWS. I don't have anything bad to say. I had a great time there, but I do feel.

As an Amazon retail customer though, you know, there's so much junk on the site, sponsored ads, like even if you just type in a brand name, you get about seven other products first that you're not interested in before you get to what you're looking for. And that's if you can find it on the list. So I was thinking if I'm experiencing that, surely other people are getting fed up too.

And you're saying that potentially that's basically right. Yeah. I mean, you were talking more on the food side, but I'm talking that just buying stuff online. Are you seeing the same there?

(38:40) **George:** yeah, a hundred percent. And I think that feeling is, is, is real. So if you're feeling that as a consumer, which I think a lot of us are, and it's, it's a shift of thinking to the mass scale type of products, mass scale shopping, you know, where, you know, cause it, and the reason why we went to the Amazons and many other companies like that is because they were the first to do it.

They scaled it. The biggest, the fastest, you know, the Amazons, the Walmarts, right. And, and what was left, you know, and then what COVID caused, especially all over the world, it caused a shutdown of the mom pop shops, primarily opening and closing, reopening and closing, you know stifling their businesses.

But those are the products that we love the most. Those are the ones that were the most bespoke and the most, you know, you also get that friendly interaction in person. And what's happening now with the technologies, people still desire that and they still want to be supportive of their communities. The question is just, how could we do that using technology where you still might pop into the store and freak with them face to face, you know, and be on site.

But, Can, can the previous, the business owners didn't have the buying power of the small mom pop shops that have the same type of technology and everything was decentralized. You had to go through, have your own server, build your own technology on a vertical standpoint to be on a website, to have the mobile applications, have it connect to your POS.

But now today it's accelerated, the technology has accelerated to the point that any business owner. John at John's Pizza or Susie at Susie's Nail Salon can now have the same type of technology set up as a Walmart, as an Amazon. So, you know, it's going to really be, that's definitely something that's happening.

I think that feeling is justified and I think that the business owners are becoming more and more aware of it. And that's really, The fire we're trying to fuel, as I mentioned before.

(40:34) **Satwant:** Yeah, that's really good. In fact, a couple of years ago, when I looked at setting up a Shopify store for an idea that I had, you know how you can buy themes. There's one called Empire, which is basically the Amazon theme. So I thought that was quite cool. I haven't seen it in the real world, but I'm sure somebody out there is using it. Yeah. So that's,

(40:53) **George:** Sure. Yeah. Yeah,

(40:55) **Satwant:** Great stuff. Well, that's been a fascinating overview of your company. So thank you so much for that, George.

(41:00) Chit Chat

(41:00) **Satwant:** One thing I love to finish on each episode is to know what you're reading or watching or listening to right now that you're finding interesting. It doesn't have to be business related.

Oh

(41:12) **George:** I, I digest a ton of content. I'm really, I've gone back to Jim Rohn you know, classic author, speaker, motivational, you know, one of the earlier ones, and this content is just so good and original and I'm, you know, things like what YouTube, you can, you know, Digest 5, 10, 15 minutes at any moment.

So that's something that I think is great. You know, I recently re read As a Man Thinketh, that's by James Allen. You know, that small booklet that he did on thoughts and thinking. And I like to go back to some of the older content often because it's really, if it's not broken, don't fix it. And I think a lot in today's world, you know, it's information overload.

Everybody wants to be a coach, you know, and everybody, everybody's a mentor and everybody's got a coaching website. So I kind of like to go back to, you know, the, the core fundamental stuff. And so yeah, that's kind of what I'm into right now. A lot of Jim Rohn. And you know, even like going back to like Napoleon Hill, Laws of Success.

I picked that up again recently. That's, that's the larger book, not the Think and Grow Rich, but the larger book there. It's more of like process orientated, which is one of the reasons why I really like it. I'm very process orientated. Basically, it's a map. Here's what you could do each day. And so stuff like that.

(42:25) **Satwant:** That's interesting that you say that because I've just picked up The Success Principles Again by Jack Canfield. I read it about six years ago and I just picked that up. So we must be on the same wavelength. That's good to hear.

(42:36) **George:** Yeah, totally. Awesome.

(42:39) **Satwant:** Great stuff. Well, thank you so much, George. I know your time is very valuable, so appreciate it. And I'll put the links for everyone who's listening to, to get in touch with you guys.

(42:48) **George:** Thanks a lot, Sat. I really appreciate it as well.

(42:50) **Satwant:** Thanks. All the best.