

THE PAYMENTS SHOW

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E90:

Settle Now. Pay Later: Fueling Strategic Growth with Settle

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

Overview of Settle: Revolutionizing E-commerce Growth

(00:57) **Satwant:** I'll give you an intro so we can get straight into it.

So Warren, you're the head of product at Settle. And from what I gather on your website and various social media, Settle helps e-commerce brands to finance and manage their growth through payments, purchase orders, working capital. So they're the sort of main areas you focus on.

And in summary, Settle makes it easier to take control of a company's cashflow. And, and they can concentrate on growing their brand. Is that an accurate description of what you guys do?

(01:31) **Warren:** hired, Satwant, that was fantastic. Yeah, no, I think

(01:35) **Satwant:** Well, give a promotion to your website guy!

(01:36) **Warren:** There we go, exactly. No, that's that's very much what we're all about. It's, you know, really fundamentally about helping brand builders who are building e-commerce brands in that half a million to 50 million plus range automate, simplify their operations, and then access the capital that they need to grow.

(01:55) **Satwant:** Sure.

Settle's Impact and Growth Trajectory

(01:55) **Satwant:** So you're quite a small and young company, I gather. Is that right?

(01:59) **Warren:** Well, I wouldn't call it small anymore, but you know, so we're, you know, we're, we're 70 people strong founded in 2019 with a, you know, great set of venture capital investors, you know, had a great kind of a record breaking 2023 in terms of revenue growth and customer growth. And so we're, we're helping three, 400 CPG brands at any given moment in time with their, with their growth.

So doing pretty well. Yeah.

(02:24) **Satwant:** Excellent. Well, I did look at some stats before for some prep and I can just throw some out there. So you've processed 2 billion in payments so far. You've got, I think 380 plus percent of growth year on year for the, for the various brands that you work with you give loans up to 20 million, so quite a significant set of stats there, any, ones you wanted to, to concentrate on?

The Product Side: Unlocking Growth for Customers

(02:51) **Warren:** Yeah, I mean, I think for, you know, for me, especially kind of being on the product side, you know, a lot of my focus is on how do we understand our, you know, our customers businesses and how do we understand what do we need to do with software or with capital. to unlock growth for them. You know, and so I think that the 385 percent growth is, I think to me, is the one that that I get most excited about and, and, and enjoy the most because that's, you know, that's a sign of, obviously the, the team, the brands themselves are doing a great job, but if we can be giving them more time back in their week to spend more time on marketing or more time on product development and less time on, Admin and Payments and Purchase Orders, then that helps grow their business.

If we can be getting them the capital that they need to make that bigger inventory purchase or to make that bigger media spend and that then allows them to, you know, to grow top line, we know we're, we know we're working in the right space and we're solving the right problems. And so that's, that to me is the the exciting part.

You know, and I've kind of been relatively new at Subtle, but I've been working in this, in this B2B. Enablement space for, you know, for a long time. One of my early jobs was microfinance and so it was lending to, you know micro entrepreneurs in developing countries. And you saw the impact that, that a little bit of capital at the right time can make in, in the, in, in the growth of someone's business.

And we see that. We're seeing that every day at settle, which is really, really fun.

(04:14) **Satwant:** Fantastic. When you said micro entrepreneur, I was thinking of a really short entrepreneur just then. clearly clearly not what you mean.

(04:21) **Warren:** Some, some of those two, I suppose, but yeah.

(04:24) **Satwant:** Short people are normally billionaires though, right?

(04:26) **Warren:** Yeah. There we go. Exactly. Hmm.

Exploring Settle's Core Solutions: A Deep Dive

(04:30) **Satwant:** on sort of the three key parts of your solution. So you've got the working capital.

So Settle Now, Pay Later is kind of how you brand it, I think. Secondly, you've Accounts Payable Automation, and thirdly, around being able to customize and effortlessly create purchase orders. So if you could give us a bit of a whirlwind tour of those three and maybe give us an idea of how big each piece of that pie is and

(04:55) **Warren:** Yeah, yeah.

(04:56) **Satwant:** else you want.

(04:57) **Warren:** You bet. No, I mean, I think, you know, especially kind of given that, you know, given the payments focus of these conversations, you know, if you sort of start, you start from the payment

and work backward, right? As you know, so these, these growing brands are, And, you know, are, are paying bills to their, to their manufacturers, to their raw material suppliers to mar, you know, meta and others for marketing, et cetera.

And, and you say, oh, well that's a, that's a fairly simple process that, you know, can log into my bank bill pay and, and, and, and, and move the money. But what you, what you quickly learn is that, you know, the, all of the touch points that happen that need to happen prior to and around and after that payment are what make the difference between the Business Running Efficiently and The Business Running Not Efficiently.

The Power of Automation and Financing in Operations

(05:39) **Warren:** And that's really what we've tried to solve for with the software. And so it's from the moment that a CPG brand is placing a purchase order with their manufacturer, a lot of folks will start out managing that in a spreadsheet.

And then they need to be updating that spreadsheet. And then they need to be updating that spreadsheet with five or ten more pieces of information. And then they hire a few people. And then now everyone is Logging into the spreadsheet and is the information structured? Is it up to date? Do I remember when I need to make it, when I need to make that deposit?

And it just, it just, as the business grows, as the number of skews grow, as the number of channels grow, the complexity grows and what, you know, what we've tried to do with Settle is build the software that allows folks to keep all the information together in one place create that PO, issue it to the to the vendor right on platform.

Keep track of, there's often, you know, a 20 or 30 percent payment up front due, another payment due when, you know, when the order ships, another payment due, maybe net 30, keep track of when are those payments due along with other expenses and just be able to have visibility into what are the cash outflows that are coming up and then the easy ability to pay those directly or pay with Settle, you know, and I think one of the really innovative things that Settle does is, We're both this kind of workflow automation software platform, but then also a really convenient financing mechanism.

And so if you've got a 100, inventory order, you know, and the cash conversion cycle for that, for that business might be 90 or 120 days. Money goes out the door to the vent, to the manufacturer, and you're not churning that into cash for, you know, for can be as much as four or five months. What Settle, what Settle helps folks with is right in the moment of paying that invoice.

They just choose pay with Settle and that then allows them to select a repayment plan. Very similar to the Buy Now Pay Later that you see on consumer websites, the Firms and Klarna and that sort of thing. So they can choose to spread it out over 120 days. Do it as a bullet payment. So just pay interest, you know, for the period and then and then repay the full amount at the end.

Or break it up into, you know, equal payments over the time. And what we just find is that that, that's a huge access to that spreading capability makes a huge impact on working capital for growing businesses. But even more importantly is the convenience, right? It's the application is super fast.

The decision to use the the product is, is also super fast. And so what we find is that folks are excited about the access to capital, but even more excited that they don't have to spend a lot of time. to get access to the capital, if that makes sense.

Transitioning from Traditional Tools to Settle

(08:27) **Satwant:** Yeah, even just some of those scenarios you mentioned earlier would be hell on enough to manage in the spreadsheet when you said, you know,

(08:33) **Warren:** Although I

will tell you, some of it in a certain amount of days and do this then and that, then it would be a nightmare.

I am, I'm always very impressed though at the, the, the depth and the degree to which folks push the limits of, of Excel and Airtable in, in, in trying to create an operational system that, that works for them. But we're always just glad to help folks ditch the spreadsheet and, and, you know, kind of level up.

(08:57) **Satwant:** Well, I did read an interesting article yesterday that the Bank of England you know, to set interest rate decisions, they were saying that their, their IT is so outdated and antiquated that just to get the dashboard they need to make an interest rate decision, most of the staff at the Bank of England are just going to Getting the data ready to do the actual analysis. And I think the, the, the article was in the paper yesterday, cause it's must have reached a very critical situation. Um,

(09:26) **Warren:** That instance, right? But I think really true, and I think it's true across the B2B, you know, across the B2B space is that, you know, these growing brand builders whose most scarce commodity is time you know, spend way too much of their time just trying to pull You know, in our case, it's the sales data from, from their Shopify account.

It's the inventory data from a WMS or a 3PL they use for fulfillment. And pay, you know, bank and payment data, just pulling that all together to get a clear understanding of where do I stand takes too much time, you know? And instead of focusing on the, what do I do? What do I do about it? We're focused, they're focused on the, where am I?

Right? And that's in, you know, and we kind of view our mission from a product standpoint is how do we use software to eliminate and simplify those processes so that the data is all together in one place and we're surfacing those insights to help folks focus on the, on the more important thing of like making good decisions and running a business.

(10:30) **Satwant:** before I talk about your case studies, you've got some great ones.

The Origin Story of Settle

(10:33) **Satwant:** I wanted to ask if you could maybe explain the origins of the company. You mentioned earlier, it was founded in 2015.

(10:40) **Warren:** 2019. 2019.

(10:41) **Satwant:** Oh, 2019. Oh, okay. Was it? You know, a lot of startups are founded because a couple of folks found some issue and they solved it.

Is that kind of what happened here?

(10:50) **Warren:** Yeah, I mean, I think it's, I think it's actually a great story. I think it's a combination of two things. Alec, our founder you know, worked at a firm for a long time. So saw the power of, you know, kind of the buy now, pay later concept in, in helping consumers you know, manage cashflow left and had, and had an e commerce ID.

He wanted to, wanted to build a, wanted to build a brand and started and started to build his own e commerce company and was just struck by how hard it was to, I'm going to pull all the data together, manage all of the, you know, all of the open POs and, and, and just, and the, the working capital challenge.

And he said, you know, wait a second, I've seen this before in a different context in the consumer context. There has to be a better way. And so company was basically founded on. That combination of having seen it done before in a different context and then feeling the pain directly of, you know, in, in, in the process of building a brand and saying, we can do better, you know, and, and we've been on that run.

And it's been you know, I think it's been a really powerful kind of growth trajectory you know, when you, for me, I just, I, I love getting a chance to work with All of these brand builders. I mean, these are hustling entrepreneurs with passionate about their idea, whether it's, you know, the greatest ice cream cookie you've ever tasted or a new, you know, or, or a new shampoo or conditioner product, or you know, a more, a more environmentally friendly, um, you know, cleaning product.

It's, it's the, the passion and the energy is just inspiring. Like it's really, really fun to, fun customer base to work with.

(12:20) **Satwant:** Yeah, it rubs off.

(12:21) **Warren:** Yeah, exactly. Exactly.

Target Audience: Startups, Scale-ups, and Accountants

(12:23) **Satwant:** Because you, you, your company has highlighted that the kind of organizations you folks work best with are startups, scale ups and accountants. If I read rightly on your site, is that correct?

(12:36) **Warren:** Yeah, no, that's exactly right. You know, so we kind of view ourselves for the brands that we work with. You know, we say, you know, if you're in that, you know, if you've gotten up and running, you're in that kind of half a million to all the way to 50 plus million in annual revenue. You have the pain points that we, that we help with, right.

You know, and especially if you've built that spreadsheet and it's served you for the first year or so of your, of your growth. But it's starting to break down because you're hiring a few more people. You're just at, you've just added your first wholesale account. You know, it's a big deal when a brand gets stocked in Whole Foods or in, or in Target or Walmart.

And that often means they have to jump to a level of scale that they haven't managed before. And that window of time is off, is very often when we see people say, I need help, you know, and I don't want to put my scarce dollars into. Admin finance team members. I want to keep, I want to use those dollars for hiring sales and marketing folks.

And so they hire, settle, and we help automate the back office.

The Role of Accountants in Settle's Ecosystem

(13:40) **Warren:** But what we've learned is that, you know, another the accountants are, you know, are really key to that process too, because right about that same time brands are saying, I need, you know, I need help making sure. My, you know, that my books are in great shape so I can present them to, to lenders, to equity investors, et cetera.

And so there'll be hiring accountants to, to help manage the process. And when we talk to those accountants, you know, they say, Hey, the existing tools out there, not only don't, you know, don't help the brands manage to manage their business, they don't help accountants do their job efficiently. And so we've kind of recognized this and said, you know what?

(14:16) **Satwant:** They end up with the spreadsheet from hell. Right.

(14:19) **Warren:** Yeah, exactly. You know, and so, and so, you know, our mission is, is, is not just to make the brand's life easier, but to say, when you are an accountant to a, you know, fast growing inventory based business, we understand some of the pain points it takes to, you know, calculate the cost, the cost of inventory to manage, you know, a big and diverse vendor base and in the U.

S., you know, collect W 9 information and issue 1099. There's just, there are a bunch of nuanced little details, but that they're the difference for an accountant between spending, you know, tens of hours on a client every month and spending, you know, only a few hours on a client to have, to have, have them with clean books.

And so we spend a good amount of our product time building great software for brands and then also building great software for clients. For accountants and, and that, and they, you know, they then say, Hey, this is, this is the software that I want all of my clients to use. And, and that helps us grow.

Yeah.

(15:18) **Satwant:** point that I learned recently that they're struggling to recruit accountants here in the UK. And I'd imagine it's similar in the U S perhaps because it's very, it's just that boring drudgery of writing out receipts and doing all the stuff you said rather than actually doing the accounting.

(15:35) **Warren:** Well, and I think I think I always separate the bookkeeping from the accounting, right? And, you know, the bookkeeping is reconciling every transaction and making sure every transaction is in, is in the accounting system of record. And as you say, it's drudgery, you know, I mean, it's necessary. If, if, if it doesn't get done, then the information isn't isn't clean.

But that's a big part of what we do with software is how do we automate the, The bookkeeping side of it. You know, a great example, we just launched in March our, our three way match capability, and for folks who aren't in the, in an inventory business, it's not an obvious problem to solve, but when you're ordering a lot of inventory, it turns out that it's pretty common that the number of units that you, you know, that you receive into your warehouse may be different than the number of units that you ordered, may be different than the number of units you're being invoiced for.

Pricing on the invoice doesn't always match pricing that should, you know there should have been mistakes get made. You know, there's a, there's a lot of moving parts. Generally not an intentional mistake, but you know, if you thought you received a thousand units and you only received and you only received, you know, 450 or even 490 and, and now your systems are out of date, you might, you might get an order for that, you know, for those last 10 units.

And try and fulfill it and not, and, and not have them in stock. And so that pro, that process historically is a very, very manual process of a human being. Taking a PDF of a, of a, of a purchase order, taking a PDF of a of an invoice and taking a PDF of a, of a bill of lading, or, you know, the goods receive notice and line and literally going line item by line item manually or in a spreadsheet in order to check quantities and check prices. That's just a lot of human effort. It matters. It's important, but boy, no one wants to do that job, right? You know, and so we, you know, we basically took that process, automated the collection of those documents, and so we automatically link up the PO with the invoice with the the bill of lading, automatically process all the line items, match them, and just surface the, here's the two or three where there's an issue, you know?

And, and The human being still needs to get involved to deal with the issue, but we take up, we, you know, we have one accountant talks and say, you know, literally, you're literally saving me three to five hours a week you know, on this one, on the, on just this one task with this, with this automation, you know, and that, and that's where we say that's putting valuable time back in, you know, in people's, in people's

(18:08) **Satwant:** Is that how your organization gets a lot of its sales through recommendations from accountants, or is it a mixture of inbound and outbound and

(18:16) **Warren:** so definitely a mix. You know, we have a great you know, we have a great go to market team that is out, you know on social and, and, and bringing in, and bringing in direct business. We get a lot of referrals from brands themselves. And so, you know, a brand will be using Settle and love working with Settle and talk to their friend who's building a different brand.

And so that's, that's a big source for us. But the account channel is certainly, is very much a big one. You know, we. We're adding 20, you know, accounting firm, you know, accounting firms, a month to the platform and they then refer clients in. Yeah.

Case Studies: Real-world Success Stories

(18:52) **Satwant:** I'd love for you to talk about a couple of case studies that you've got. I'm going to talk about two that I particularly liked and feel free to add any of your own. So I love the story that they're both in food, actually. One was Ladybird Provisions. So they sell non GMO foods. So they said they had 70 percent revenue growth supported by your solution.

And another one I really liked was Truvani and they make plant protein and they fueled their retail expansion to 4, 000 stores in a year. So those are just a couple that I liked and perhaps you want to talk a bit more in depth about those or some, maybe some newer, newer ones that you've got.

(19:27) **Warren:** Yeah. No. Very, very happy to. And like I said, this is kind of one of the most fun things about the job is that we're, We're working with these dynamic brands who are hustling and growing and playing our small part in helping that happen, which is just really, really fun and exciting. But Ladybird's really great.

It's you know, Sarah and Nicole are the co founders down in, down in Austin, Texas. Really fun brand builders who are like, they're focused on wellness and nutrition. And so they've created this supplement for your morning coffee. So environment, very environmentally conscious, but they're coffee bombs, dry bombs that, you know, deliver healthy fats and proteins as an additive to your morning coffee.

Brilliant idea, fun, you know, fun and exciting. And what we saw with them is in order to make these, these coffee bombs, they're dealing with. And then hundreds of different vendors for this piece of packaging, this, this raw material ingredient, all of that comes together into, into, you know, the finished product, but they were literally making hundreds of payments a month.

And when you follow, when you sort of track the process, each of those payments required 10 plus touches to verify this invoice was accurate with this PO or, you know, and so it wasn't just 10, it wasn't just hundreds of payments, it was hundreds of payments times 10 plus touches, now thousands of, you know, thousands of monthly activities that need to happen just to run the, the basic, you know, the basic operations of the business.

We got them on, we got them on Settle. And we're able to automate a lot of those touches, automate a lot of those processes and then also get them access to working capital because they, they had a cash conversion cycle. I think it was you know, over a hundred days. And so money goes out and you're, and you're waiting, you're waiting for the money to come back in for, for over a hundred days.

We were able to use the, you know, the extended payment plan that we talked about earlier to help them spread that out. And the combination of time, you know, the time savings from automating a lot of those back office processes and the working capital, you know, gave them a big boost in terms of being able to spend their time on opening new channels and make sure they've got the inventory in stock when, when folks are ordered.

So just a really, yeah, fun fun example. To see, you know, to see how the combo of the software and the capital can really help drive growth. Yeah, actually another good one. You didn't mention it, but a brand that we really love, Branch you know, for, for all of us who are who are working remote now, you know, that they've built, you know, built this great business with direct to, you know, direct to consumer in a lot of cases, and then direct to business.

Office furniture, great chairs, desks, et cetera. It's a Greg and Verity and Sib, super business. And they were, they were just expanding into a new sales channel. And we see this a lot where brands will start by building their Shopify or direct to consumer presence, and then they'll get a bit, a big growth opportunity with with a wholesale account.

So sell a big amount of volume you know, via a new channel. And they knew this was a great opportunity to grow the business. And they knew they needed to hire a bunch of new team members to support it. And, and would be delegating responsibilities that the founders had previously been, you know, been, been doing themselves.

And that, you know, that's often when the kind of spreadsheet based systems really break down, you know, is how do you have the controls in place to make sure that someone who's new, who's new to your, to your company that you're building is doing the right thing without having to do it yourself, you know.

And so we, you know, we, we put them on the software platform and it's just like fun combination of savings. Like they They were able to expand up to 40 full time employees who are now processing over I think it's 150 payments a week. And you know, able to focus much more of those employees on go to market sales, you know, versus on ops and finance.

And at the same time grow revenue 70x, you know, and so we like, we like those outcomes. You know, and, And they were one of the folks who are early, one of our early beta users in the PO and three way match capability. And you know the feedback was, again, it's, you're saving me three to five hours, you know, three to five hours a week that just gives me, gives me time to put back into other parts of the business.

(23:49) **Satwant:** Yeah. I saw with Branch, they saved 150 hours a year on PO matching alone.

(23:53) **Warren:** That's right. You know, and again, in our day to day, we don't, we don't necessarily think about, you know, about why would you need to spend that much time? But again, it's, if you're not getting the right amount, or if you're being charged, you know, charged the wrong amount that adds up over time. And so it's a, it's a, an accountability mechanism that needs to get done.

And as an accountant, you know, you, you, you want your, you want your clients doing that work. But it's work that no one, no one really, you know, looks forward to sitting down and pulling and

pulling paper documents together and matching line items. So we say, well, we can write software to solve that problem.

Yeah.

The Transition Process to Settle's Platform

(24:30) **Satwant:** Actually I wanted to follow up on a couple of those scenarios where it seems like both, you know, we're approaching the limits of, hard limits of Excel. So if, if, if somebody's facing the Armageddon situation, how, how quick is it to get started with your solution and flip over to it?

Because I'd imagine if it was a net new installation, it would be super easy. But, but if you're transitioning and a business is already running, is it? Is it reasonably straightforward still?

(24:58) **Warren:** You know, you know, the good news is, is we've, we have, we've had a lot of practice at it, you know, cause as you say, Super easy if you want if you get started right from right from day one, but most of our brands who are onboarding are you know, they have something in place and we're, you know, and we're transitioning them on to settle.

You know, it's a combo of tech and, you know, tech and, and, and white glove, you know, human support. And so, you know, one of the things we see a lot of folks is they'll, you know, They'll get started for AP automation using bill. com. It's kind of the big incumbent in the, in the space. Get frustrated with all manner of things on that platform and want to transition to Settle for managing AP and AP automation.

And we've gotten that process down to, it's, you know, less than three hours you know, and, and most of that is effort on Settle's side. We're able to, you know, take vendor lists histories, migrate them over pick a date, and then as of that date, settle as the system of record for bills and payments.

We're synced up with their QuickBooks or, you know, or Xero or NetSuite accounting software. And so from a, from an accounting accuracy standpoint, we don't miss a beat. And the switch, and the switch goes very simply. You know, and then on the working capital side, I think one of the, one of the things that.

We, we spend a lot of time on and, and pride ourselves on is how, is we know that, you know, brands are busy, you know, brand, you know, founders, they're busy. They've got a lot of things to pay attention to and getting a, you know, getting a clear answer on, can you support me with working capital? And, and, and for how much matters, but they don't want to invest weeks and weeks or months of back and forth on documents and things like that.

That's often the case if you're going to a bank. And so we've gotten our underwriting process where we're usually getting answers back you know, inside, you know, inside, inside a week to folks. And it's a clear, you know, it's a clear cut. This is what we can do. And then when they want, when they want to use the, the working capital, as I said, in the software, they're looking at the invoice.

They just hit the pay with settle button, choose the terms for, you know, from what they've been approved for. And the vendor gets paid and payment plan gets set up. And so we've really tried to make it to recognize that time is such a precious commodity and, and, and tried to make it really easy for them.

(27:22) **Satwant:** Great.

Settle's Customer Base and International Payments

(27:22) **Satwant:** And you're mainly, your customers are all in the States or Canada as well or other

(27:26) **Warren:** Yeah. So, so our brands themselves are, are are all us based today. We, you know the payments rails that we run on, the banking rails that we run on, you know work best with us based companies. We certainly help them. Pay vendors all over the world, you know, so probably 20 to 30% of our payment volume is international.

And a and a decent chunk of that is in local currencies. Like we have, we have great FX rates and help folks save money on, on FX rates versus, versus, you know, paying a, a vendor in Italy or a vendor in in Peru in local currency. But yeah, today, today, our, our, our brand customers are all in the U S we'll, we'll see that expand over time, I'm sure, but

(28:08) **Satwant:** And just out of interest, that currency under the hood, is that, are you linking to other startups like, well, they're not startups now, companies like Wise and these modern sort of FX providers?

(28:18) **Warren:** Yeah, that's right. So we, so, you know, we've built a partnering with, you know, with some of the, kind of the, the, the leaders in the space in terms of you know, payment platforms, both for domestic and then, and then international. We sit on top of those rails and so we're able, you know, we're able to, inside the software, you indicate, you know, I need to make an ACH, you know, a fast ACH, a domestic wire, international wire, and USD or international wire and local currency and simple workflow on the front end, but then we're then, we've done, you know, done the work to feed that through you.

You know, modern treasury on the back, on the back end and our bank partners through that. And it's, you know, it's one of those where it's so much easier now in the fintech world to, you know, to build banking and payments infrastructure than it was, you know, 10 years ago with so many partners who built, you know, built the infrastructure pieces.

Up from, you know, to a level of maturity that makes it still work, of course, but a lot easier to do now than it used to be.

(29:21) **Satwant:** Yeah, definitely agree with that. God bless the API.

(29:24) **Warren:** Indeed. Oh gosh, yeah.

(29:25) **Satwant:** Okay. We can talk about a lot more case studies and, and, and your company, but I wanted to finish that part by saying, you know, is there anything you really wanted to get across to people looking at a solution like yours, maybe I haven't discussed or I've completely missed them out.

You want to mention anything?

(29:42) **Warren:** Yeah, no, that's great. That's a great point. I mean, I think, I think the thing I would want to, would want to highlight and just call out is, is, you know, we've been talking around around it a little bit, but it's just the for brand builders out there or friends of brand builders or folks who, you know, who are in the e-commerce or inventory based business space, you know, if, you know, as if you're feeling that pain of the spreadsheets not working for me anymore or boy, I need to hire, you know, I need to hire, you know, a new group of folks and how do I, how do I manage delegation of responsibilities and, and, and, and make sure I can get the efficiencies I'm looking for?

Those are, you know, you're not alone, right? You're not alone in that struggle. And that's really, you know, and that's kind of our mission in terms of what we those are the problems that we, that we were, that we really try and solve for folks. And so yeah, we're really excited about, as I mentioned, the, the, the PO and three way match launch that we've just you know, just put out for folks.

If you're, you know, if you're doing that job of. Pulling together invoices and and POs and bills of lading manually matching line items or, or putting them in spreadsheets. Boy, let's talk, you know, because I would love to, I would love to help take that out of more people, more people's weeks, if that makes sense.

Yeah,

(31:04) **Satwant:** who've been doing that same process probably for decades. I'd imagine that's definitely on your radar, but not a prime focus right now. Would that be accurate?

(31:14) **Warren:** you know, so it's, I think like we def, we definitely focus mostly on the, on the, on the folks in that, in that growth curve. We just find that, You know, when you're, when you're trying to grow and maybe haven't hired those people yet, or, you know, or haven't you know, made the big commitment to invest in a bit in a, in a massive ERP investment boy, like let's, let's, let's get you in a, in a, in a tailor made solution before you, you know, before you spend a hundred thousand dollars configuring and that's, you know, a NetSuite implementation, you know,

(31:44) **Satwant:** Yeah. The reason I mentioned, I mean, it's because precisely what you're alluding to there. I mean, the kind of person that's going to be doing that drudgery of You know, three way matching all day. It's kind of like that office space movie where it'll be a big company and they hate their life, but, but, but they've got no purchasing authority or any kind of authority really.

(32:04) **Warren:** Yeah, yeah. No, you know, and so it's, you know, before you, before you hire that person and create that job in your company, let, you know, like, let's let's, let's, let's, let's help prevent the need for, for the need for that. Right. Yeah, no, it and I think that actually isn't a final point that's worth highlighting is, you know, a lot of, a lot of brands as they're, you know, five, maybe 10 and growing into 20 million in annual revenue, you start having the conversation of, do we need an ERP?

Right? And what we've seen in a lot of cases is maybe, sure but that often What they need is the, you know, is the digitized workflows, especially around, around inventory that connect to accounting in order to support the growth of the business. But the ERPs are generally designed for much more massive situations.

And so if, if that's, you know, for folks who are having that conversation, we just find we can often at a much, you know, at a much more convenient price point get folks the automation and the, and, and the digitization of information. In their end to end procurement process without the massive, you know, the massive time and dollar investment to go all the way to an ERP.

We can help push that decision out, you know, farther down the road.

(33:17) **Satwant:** I mean, the best ERP implementation I've ever seen. I used to work, my first ever job was at Intel

(33:24) **Warren:** Oh, is it right?

(33:25) **Satwant:** and they ran SAP and their implementation was amazing. But because that was my first ever job, I just thought that that was the norm. I didn't realize till many years later that, you know, it's only because they have billions of dollars, they can get it like that.

(33:39) **Warren:** Yeah, no, that's right. You know, and, and, and, and listen, there's a time and a place for, for ERPs, don't get me wrong, but we, we just find that for this, for this segment of the population, especially in that, in that growth curve phase, there's It's often overkill, but, you know, if the choice is spreadsheet or, you know, or, you know, or software, software is the right choice.

We just feel like there's a, you know, especially finding a piece of software that's tailor made for e commerce and tailor made for CPG is often a better fit.

(34:09) **Satwant:** Great stuff. Well, before we move on to a few lighter things I wanted to tell people where they can find you guys. So your website is Settle. com and on Twitter, you guys are at Settle, all one word. That's the best way to engage, I guess,

(34:24) **Warren:** Yeah, absolutely. Yeah. If folks are, you know, so if you're a, you know, an accounting firm that deals with a lot of inventory based businesses. And frustrated with the, you know, with the tools available to help man, you know, manage those businesses. Boy, we've got a whole team dedicated to serving our accounting channel.

If you're a brand in the, in the space and, and growing and feeling any of those pain points reach out, you know, absolutely. Yeah. Yeah.

(34:51) **Satwant:** about the future.

Future Goals and Predictions for the Payment Space

(34:52) **Satwant:** What are the company's sort of biggest goals and aims right now? Any new services coming and maybe predictions for the rest of this year and maybe 2025 in the payment space?

(35:02) **Warren:** a big believer, you know, starting from the high level, I'm a big believer in. The sort of vertical, vertical SaaS operating system model and the embedding of payments inside that. So think, think like in the U S here, Toast for restaurants, you know, what Toast has done for restaurants of starting with building a great POS solution, but then saying, now that we have our restaurant owners inside a piece of software, how do we build the rest of the things that they need to do to run their business together in one place?

And make that work seamlessly. I just, I, having worked with a lot of different business owners in a lot of different industries, I think that's, you know, that's what, that's what business owners want. And so for Subtle you'll see us continue to build out the feature functionality of the software so that we can automate and simplify more and more of, for the next year or so, the kind of back end supply chain processes.

So we'll. Allow folks to move off their, their spreadsheet of their item master, like the, the product, you know, their, their product listing and bills of materials and all, and all of that information is another thing that we see that creates complex spreadsheets that are hard to manage over time. And so we'll, you'll see us you know, building into that space and really allowing folks to have one place to store and manage the information and then, and then have it sync across into their.

Their direct to consumer channels sink across into their warehouse management fulfillment channels and just create that visibility. You know, like, like I said, our mission is how do we spend less time on pulling the data? How do we help folks spend less time pulling the data together and more time understanding what it means and making better decisions?

You know, and then even their opportunity to say, Some of these decisions we can probably help make them for you. Like it's, you know, the choices are relatively straightforward. And so I think there's going to be some fun investments in you know, leveraging AI to kind of automate some of those vendor, indirect vendor interactions.

And just, again, take more time off, you know, off the brand builders, brand builders plates. But I, you know, I really, I really think you're going to see You know, a big, I think a big thing happening just, just last week here in the U. S. was the, you know, was the MasterCard Visa settle, you know, settlement and, you know, not likely to change interchange rates, but you are going to see, you know, merchants starting to be able to either, you know, create incentives either with discounts or with surcharges to move consumers off of paying with with expensive, with expensive, you know, rewards based cards.

And so I think That's gonna, that's gonna, you know, hit in our world of like, can we, you know, can we help support that and can we help, you know, how can we help our brands get paid in a convenient way and still, you know, and still get access to the access to the cash quickly, but at lower cost, you know, and I think that, you know, figuring out how do we, how do we help folks minimize the cost of payment processing while still getting all of the convenience of, you know, You know, of same day or next day settlement.

I think there's just big opportunity there, you know, yeah, even the Fed now, you know, Fed now kind of continuing to roll out, still not, you know, still not being used actively for, you know, for, for a lot of these B2B transactions, but I think we'll see, we'll see more and more of that and opportunity to to speed up payments, you know, and when you're placing, placing an order for inventory.

Sometimes the production run doesn't start until the cash is in the bank account. And, you know, even saving a couple of days and getting a production run started can matter. And so, I'm a big believer that, you know, faster and more direct payments with better data attached to it will you know, solve a lot of problems in our space.

(38:46) **Satwant:** Yeah. That's a really good point you raised about the Visa MasterCard thing, I wasn't aware of that.

(38:51) **Warren:** You know, it's, it'll take some time to, to, to play out in the marketplace, but it, it, it's a big change. It's a big change, I think.

(38:57) **Satwant:** yeah, it seems that, you know, wherever you look in the world, that somebody's always having a crack at those guys and trying to introduce more competition, but the convenience is so huge, right?

(39:09) **Warren:** Yeah, no, that's right. You know, and listen, like, you know, they, you know, they have built an incredible, you know, an incredible set of networks and, and do, you know and the convenience is, is powerful, right? And I think that one of the challenges is, you know Attaching data to those transactions and really understanding the data in those transactions can be hard or can take a lot of effort, you know, and that's where I come back to the, I think, the value of the vertical, the vertical SaaS, you know, operating system for, you know, for a vertical, we have, you know, we know that that payment is associated with this PO and it's associated with this bill of lading and it's associated with this which, which tracks back to these line items, which means that, you know, We can allocate that into the landed costs, which means that we can save the accountant time in calculating the value of inventory every month.

You know, it's, the payment itself is a single event, but there's so many other workflows and events that tie to it that historically some human being needs to manually tie them together. And I think, you know, what we're seeing is increasingly either the payment rails themselves or the software that sits on top of the payment rails.

Connecting the data with the payment in order to, you know, in order to simplify life for the accountant or simplify life for the business.

(40:23) **Satwant:** Great stuff. Yeah. I think you're going to see it more and more in consolidation because It reminds me of what's happening in the aerospace industry. You know, years ago, you could, you choose your Boeing or your Airbus plane, and then you've got three engine providers, right? GE, Rolls Royce, Pratt Whitney, and that's it.

But now because of the systems are so integrated that now if you choose a certain plane, you have to, you only have one engine choice because everything's so integrated, you can't swap it out

(40:50) **Warren:** it's, how do you, how do you, you know, how do you create the benefits of integration while still getting, while still giving folks the flexibility to, you know, to have choice. Right. Yeah. A hundred percent. A hundred percent.

(41:02) **Satwant:** Excellent.

Chit Chat

(41:03) **Satwant:** So let's finish on a lighter question. So I always like to finish with the same one. What are you reading, watching, or listening to right now that you're enjoying?

(41:12) **Warren:** Yeah, you bet. Let's see. So

(41:15) **Satwant:** have to be a business related.

(41:16) **Warren:** Yeah, so on the, on the personal side the the Netflix series, The Three Body Problem, I don't know if you, I don't know if you've been watching this at all,

(41:23) **Satwant:** Somebody else mentioned that. I don't know what it's about though.

(41:26) **Warren:** So it's it's based on a, I guess a, a, a Chinese novel originally that's been adapted. There's some controversy over the adaptation, you know political controversy over it, but just a super interesting kind of thought process, you know, version of, you know, You know alien arrival on earth, but like, but, but, you know, in it with a very kind of intellectual and thoughtful, you know, angle on it.

So I won't, won't, won't have plenty spoilers, but I've just it's engaging, thought provoking, and, and and fun to watch. I kind of can't wait for the next for the next season.

(41:57) **Satwant:** Great. Well, I've just started watching Griselda, which you may have seen on Netflix. It's.

(42:02) **Warren:** Yeah, actually, I haven't, I haven't been watching that. Are you enjoying it? Yeah.

(42:05) **Satwant:** Yeah, it's really good. I've just watched episode one. So if anyone listening doesn't know, it's kind of that narcos type of show where they focus on a female who was very powerful in the drug cartel world. So yeah, it's it's like a four or five part series. It's pretty good. So looking

(42:20) **Warren:** There we go. All

right. Got some I've got some new stuff to queue up. That's fantastic.

(42:25) **Satwant:** got to brush up on my drug smuggling skills, you know, after watching Narcos and

(42:30) **Warren:** was gonna say, yeah, careful how you process the payments for that, you know.

(42:33) **Satwant:** Yeah, absolutely.

(42:35) **Warren:** Yeah,

(42:36) **Satwant:** Great stuff. Well, thanks so much, Warren. Really appreciate it and wish you all the best in your future growth plans and maybe see you soon one day.

(42:44) **Warren:** that'd be, that'd be fantastic. Great to great to connect. Thanks so much.

(42:47) **Satwant:** Thanks.

(42:48) **Warren:** Cheers.