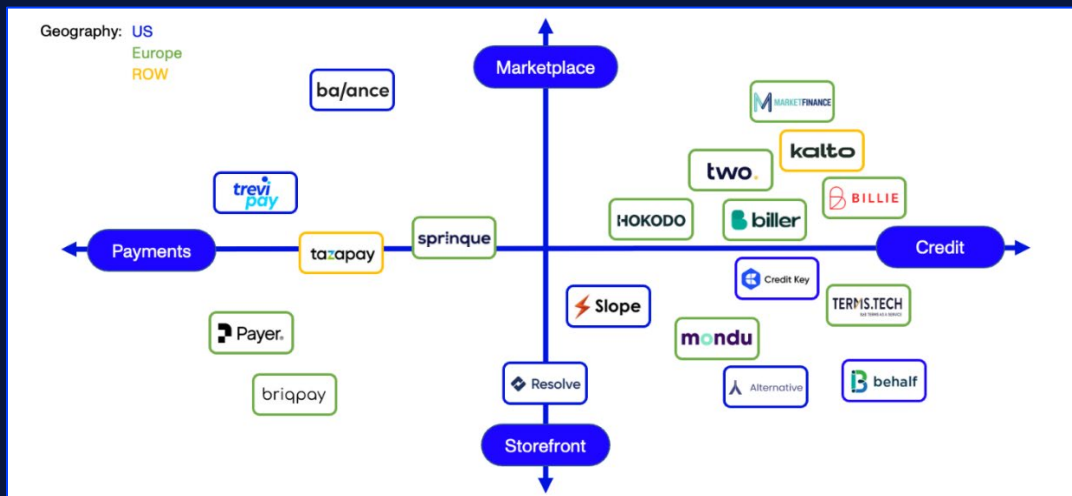




B2B Checkout Report

Check this Out – Part 2

JJ Brink, Max Thoeny, and Andrew Steele



Q1 2023

Check this Out, Part II

A Deep Dive on Checkout Challengers

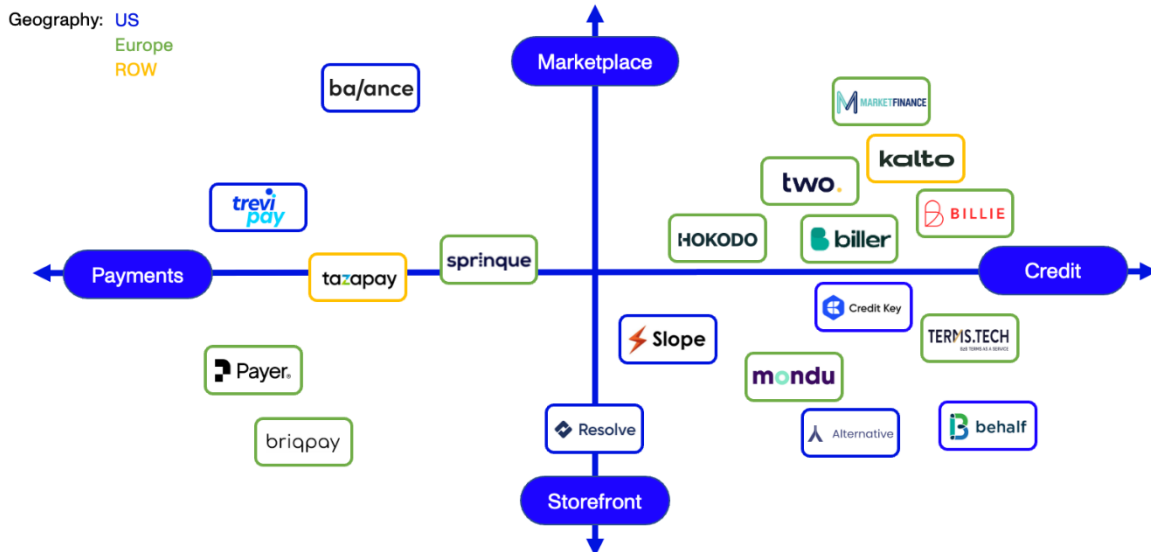
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The B2B checkout universe in the midst of a Cambrian explosion. We've identified 19 players in our market map; the median founding date of which is just 2020. It's clear why so many companies are emerging so quickly; the pain is real, and the opportunity to solve it is huge. [Catch up on why in Part I here.](#)

B2B Checkout

ACTIVANT MARKET MAP



Our market map is a work-in-progress. If you have thoughts or disagree with our perspective, [we want to hear it.](#)

These companies are all racing to build a scaled B2B checkout player. Each team is taking their approach to the product and go-to-market within the context of their geography and end-user profile. But ultimately, we see two distinct approaches, highlighted on the X Axis:

- Optimizing for **distribution** with a **credit** product as the primary value proposition (think B2B BNPL). These solutions tend to sit in a merchant's existing checkout flow alongside other payment options.
 - Pros: Speed to market, complementary rather than rip and replace
 - Cons: Company's product is one of multiple options in checkout flow (for now)
- Optimizing to own more of the **payment** stack by building a **deeper product**. These companies tend to handle the flow of funds – and thus risk – themselves. They aim to provide a one-stop-shop for merchants, with many ways to pay (credit, ACH, wire transfer, BNPL), from a single provider, and enterprise-grade features like escrow accounts, cross-border support, and trade insurance.
 - Pros: Support all of a merchant's ecommerce payments, especially larger customers with more complex needs.
 - Cons: Slower speed-to-market, must potentially displace a merchant's existing PSP (payment service provider) in order to own all of checkout.

This is a classic trade-off in the world of rapidly scaling companies. The traditional playbook in Fintech over the last decade has been to develop an initial product, win customers and thus distribution, and use that footing as a beachhead to roll out a broader suite of products. But in a rapidly changing macroeconomic market, product depth arguably matters more than ever. While digital B2B commerce is growing – and is a decades-long trend – in today's market, every vendor relationship will come under scrutiny. No one is immune. Ensuring that your product is a need-to-have, not a nice-to-have, is critical.

Feature Spectrum

Each company's feature set reflects their strategy, and where they fall on the spectrum between the distribution-biased **credit** angle and the product-rich **payment** approach:

B2B Checkout

ACTIVANT FEATURE TABLE

		Payments																Credit		
		Paycom	taoapay	briapay	trypay	bo/once	m.ndu	Resolve	Merchant	behalf	BILLIE	Slope	Alternative	biller	kaltio	sprinqe	two	HOKODO	TECHSTOCK	Chex Key
Market	B2B Marketplace	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Respoke	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
General	Founded	2007	2020	2020	1990	2020	2021	2019	2011	2011	2016	2021	2021	2021	2021	2020	2018	2020	2016	
	Employees (LinkedIn)	33	79	9	74	81	121	56	132	41	198	20	16	70	22	63	82	6	54	
	Total funding	\$5M	\$2.4M	Acquired 2020	\$85M	\$15M	\$15M	\$15M	\$725M	\$425M	\$18M	\$15M	Acquired by	-\$2M	\$2M	\$2M	\$25M	Incubated @	\$15M	
	Last round size	\$5M	\$2.4M	(Corsair)	\$65M	\$15.3M	\$15M	\$15M	\$105M	\$105M	\$15M	\$15M	Not disclosed	-\$2M	\$2M	\$2M	\$42M	Finance	\$15M	
	Last round type	Private	Seed	Seed	Capital	Series B	Debt	Series A	Debt finance	Debt	Series C	Debt	Not disclosed	Series C	Seed	Seed	Series B	Finance	Venture	
	Last round date	Mar-21	Aug-21	Aug-21	\$100M	Jul-22	Oct-22	Dec-21	Oct-22	Jul-21	Oct-21	Oct-22	Oct-21	Oct-21	Oct-21	Apr-21	Jan-22	Oct-22	Oct-22	
Headquarters	Stockholm	Singapore	Stockholm	Overland Park	Tel Aviv, Israel	Berlin	Oakland	London	New York	Berlin	San Francisco	New York	Amsterdam	Mexico City	Amsterdam	Norway	London	Brussels	Los Angeles	
Regional focus	EUROPE	ROW	EUROPE	US	ROW	EUROPE	US	UK	US	EUROPE	US	US	US	EUROPE	LATAM	EUROPE	EUROPE	EUROPE	US	
Product	B2B Checkout	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
	Payments	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
	Cards	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
	ACH	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
	Wire	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
	Escrow	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
	Features	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
	Crossborder	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
	Credit	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
	Buy Now Pay Later	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
	Increased conversion	27%	AD	AD	47%	AD	35%	AD	AD	25%	64%	AD	AD	AD	25%	AD	20%	40%	AD	
	Approval rates	AD	AD	AD	AD	AD	8%	AD	AD	AD	8%	AD	AD	AD	AD	AD	8%	AD	AD	
Other:	APAR automation	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		
Trade credit insurance	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		

Highlighting the Challengers

United States

In the U.S., San Francisco-based [Slope](#) is focused on delivering a consumer-grade BNPL solution for B2B customers. They have an emphasis on machine learning to deliver fast underwriting of buyers at the point of purchase. While their team's background is serious – rooted in deep learning for self-driving cars – they keep it casual with a no shoes in the office policy.

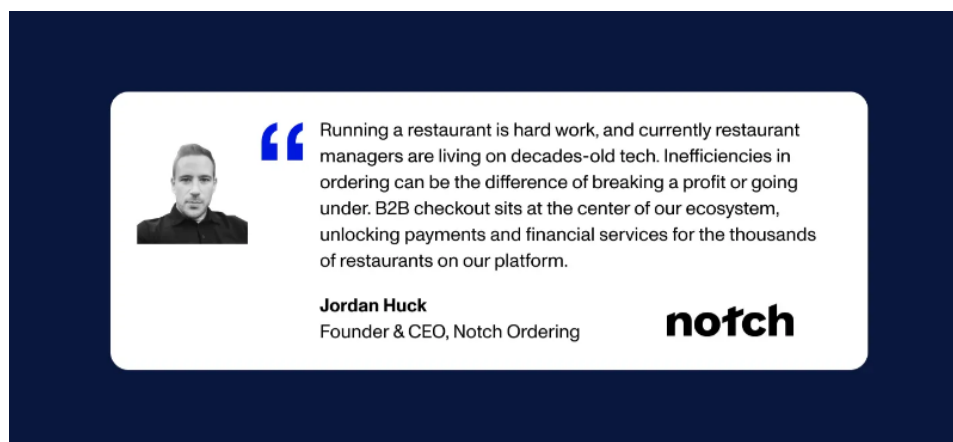
[Balance](#) aims to build the full checkout stack with a go-to-market focus on powering the upcoming generation of digital marketplaces; on marketplaces, it's especially important to have a seamless experience, as counterparties are discovering and transacting for the first time.


[Credit Key's](#) approach is in the name. Their credit-forward solution offers up to 12-month terms, a unique value prop in the space. This blurs the line between a transaction-based loan (BNPL), and a term loan. We're excited to cover this nuance more in an upcoming report on embedded lending.

[Resolve](#) was spun out of consumer BNPL giant Affirm in 2019, and naturally takes a credit-led approach as well. This raises an interesting question – why didn't Affirm build B2B BNPL themselves? With a strong consumer brand and low cost of capital, they appear well positioned to do so. We can only speculate as the exact reasoning – but from our perspective, it's down to the customer experience. While the experience to the user might *feel* similar, the underlying product requirements are sufficiently different.


Customer Profile: Notch Ordering.

Notch is disrupting wholesale food service, the backbone of restaurants around the globe, with a B2B commerce platform that brings ordering, invoices, communication, and payments online.




 “Running a restaurant is hard work, and currently restaurant managers are living on decades-old tech. Inefficiencies in ordering can be the difference of breaking a profit or going under. B2B checkout sits at the center of our ecosystem, unlocking payments and financial services for the thousands of restaurants on our platform.

Jordan Huck
 Founder & CEO, Notch Ordering



Europe

Across the Atlantic, Berlin-based [Billie](#) announced a [major partnership with Klarna](#) last year. Klarna will make Billie's B2B BNPL product available to its base of 250,000 businesses to use for their supplier and vendor transactions. This unlocks distribution for Billie and a deeper product suite for Klarna and its merchants.

The European market presents its own challenges and opportunities. With so many countries, currencies, governing bodies, and regional payment methods, scaling across the continent is a challenge. But mastering the complexity of Europe often prepares companies well for broader international expansion, as they've dealt with the challenges of internationalization (regulation, language translation, regional nuances) and fiscalization (ensuring tax reporting and compliance for payment) and ready to compete on the global stage.

One of the benefits for checkout startups building in Europe is the high adoption of open banking platforms in the region, like [SEPA](#), which allow for easy API connections to financial institutions and promote low cost and rapid money transfers directly between bank accounts. Often in the U.S., consumers and businesses are forced to make a trade on digital transactions: optimize for speed on card rails (with an associated 3% transaction fee), or low cost on via ACH, (with an associated 3-day wait).¹ In Europe, users don't have to make this trade, at least as often as they do in the U.S. This not only provides a better checkout experience to business customers but presents a more attractive potential margin profile for European checkout platforms.

Data – specifically business information data – is more widely available in Europe, notably in the Nordics. Oslo-based [Two](#) and Stockholm-based [Payer](#), can access publicly government databases for business information. This means their product can pre-fill forms and more quickly verify businesses, which leads to a faster checkout. Contrast that with the U.S., where municipal business data lives in thousands of filing cabinets across the country. Identity infrastructure companies like [Middesk](#) are working on changing that.

Policy-Led Protocols

Governments around the world are using policy to advance modern payment protocols. From the aforementioned [SEPA](#) in Europe, to [RTP](#) in the U.S., to [UPI](#) in India, and [PIX](#) in Brazil – the list goes on. Their common goal is to reduce cost, increase speed, and drive digitization of payments to encourage trade and economic growth. They have the added benefit of introducing traceability, which especially for cash-dominated economies like India, can bolster income and sales tax

¹ Sardine is changing that in the U.S – read more here for how

compliance. But why does this matter for checkout players? These policies present the opportunity to ride the tailwind of nationwide digital payments adoption, which are especially powerful in developing markets.

LatAm

In regions like LatAm, where [Kalto](#) is focused, card adoption is low (17%)², fraud rates are high (2-5%), leading to 50%-70% acceptance transaction acceptance rates. But digital commerce is still growing at 18% CAGR through 2025³; imagine how fast it would grow if checkout was a solved problem! Note that Activant portfolio company [Deuna is working on the consumer side of this opportunity](#).

Orchestration

B2B payment flows get complicated, especially for larger merchants that have operations in multiple geographies, with many bank accounts, holding various currencies, which are moved across a series of rails. It's a multifactorial optimization problem. If founders want to build the perfect checkout platform, they will need payments orchestration to do so. Activant portfolio company Gr4vy is working on this - [more on the orchestration opportunity here](#).

Trade Credit Insurance

B2B transactions are large, not just the transaction size, but often the physical size too. Imagine the complexities involved in moving two dozen 10-foot-tall industrial steel coils from a mill in the U.S. to an auto factory in Germany. Plenty can go wrong along the way. Transactions of this dollar and physical size are an exercise in risk management, for which **trade credit insurance** is a useful tool. This provides protection to a business in the case that its customers fail to pay, whether due to cash flow issues, insolvency, or regional instability. Checkout platforms like [Hokodo](#) and [Kriya](#) offer trade credit insurance as a feature within their product flow, while [Bondaval](#) offers it to merchants as-a-service.

Cross-Border

The U.S. alone [imports \\$3 trillion worth of goods](#), whilst 25% (or \$25 trillion) of all B2B payment flows are cross-border. International transactions, like our steel example, are as complicated as it

²Central Banks, RS Global Payments Reports, IMF, Mastercard, Visa, Berstein estimates and analysis

³LatAm E-Commerce Market Projections (2025) - Statista

gets. They involve cross-border payments, sophisticated logistics, and escrow accounts. We have seen this firsthand, working on payment solutions with our portfolio company [Tridge](#), a global vertical B2B marketplace for food and agriculture based in Korea. Based in Singapore, [Tazapay's](#) mission is to enable digital international payments; checkout is just one feature within their product suite that spans across escrow and treasury management. Founded by former Stripe and PayPal veterans, Tazapay is empowering sellers across 173+ countries.

Taking Stock

Let's step back: B2B Commerce is a \$100+ trillion market that is in the rapid process of digitizing. While there's plenty of challengers, we believe opportunity set is massive and the market can support many large winners. We're excited to watch the market evolve; if you're working the space, [please get in touch](#).