

# Pushing the boundaries

International payments provider Adyen has developed more than 75 payment processing methods for its 1,500 customers in Latin America, Europe and the US. **Maryrose Fison** speaks to chief commercial officer Roelant Prins about cross-continental payment servicing

There is a saying that the most successful ideas in life are often the most simple. For international payments provider Adyen, this could not be truer. The company's vision was founded on one single, straightforward principle.

"We started with the idea that the payments industry needed much more innovation," says Roelant Prins, chief commercial operator.

"What exactly that meant wasn't 100% worked out. We knew we had so much experience, the right technology and thought: let's do this."

Five years later and this single idea – to improve the payments arena – has spawned a company responsible for processing millions of transactions every month from countries as far afield as Brazil and Germany.

This year, the company is working towards becoming a global player. Adyen has invested €5m (\$6.9m) in developing its global payment proposition this year and recently invested €250,000 in a new mobile payment offering which launched to the public last month.

"We want to continue to invest and build the development of our global payment proposition," Prins says.

"This means that we will invest in building local offices and local teams across Asia, Latin America and the US.

"Furthermore, we will continue to add more and more functionality that will help merchants accept payments across these global markets.

"This will include developing more connections to banks and adding more payment methods in markets across the globe."

## Limbering up

While strategy and focus have played a role in the company's seemingly unstoppable rise to success, it is arguably Adyen's ability to adapt to wildly different environments which has enabled it to grow at such a stellar pace.

Between January and December 2010, the volume of transactions processed rose by 400%. So far this year, volumes have risen at an average of 10% per month.

At the heart of this growth rate is the sheer diversity of payment methods Adyen operates for its myriad account holders which

include Vodafone, Photobox and Hyves.

Last year, it had 40 methods, this year there are 75. Prins says it is necessary to keep diversifying because of geographical differences in credit card usage, types of credit card available and banking patterns.

"Credit card penetration in many markets outside of the US and the UK is typically quite low," he says.

"For example, credit card penetration across Europe is less than 50%. This is very much driven by the historical cultural differences. Dutch people and German people tend to be very adverse to buying credit.

"In the Netherlands and Germany, more than 80% of online payments are made with alternative payment methods to credit cards like internet banking methods or direct debit. This is the case for many other markets."

But being able to facilitate payments has as much to do with card acquirers as it has to do with consumers' habits, Prins adds.

"In Europe, for example, one acquirer can typically service a merchant with a solution for accepting Visa and MasterCard for the whole of Europe," he says. "Therefore as a merchant you only need to work with one bank for accepting Visa and MasterCard.

"But in Latin America this is different. If you wish to accept Visa and MasterCard in Argentina you will need to work with one acquirer for Visa and a different one for MasterCard.

"Should you also wish to take payments in Brazil in local currency, you will need to also work with a local acquirer that is based in Brazil."

## Big business

In line with its proliferating technical proposition, Adyen has also executed an ambitious growth plan. At inception in December 2006, the company had one office in Amsterdam and was comprised of eight members of staff: four founding directors and four developers.

Today it counts offices in San Francisco, Boston, Berlin and Sao Paolo and has 75 members of staff. Prins also plans to set up a base in Shanghai over the coming years to better tap into the Asian market and envisages hiring between 5 and 10 members of staff to work there.

## ■ ADYEN

### Growth in customers

Year	Accounts held
2007	100
2008	300
2009	700
2010	1,300
2011 (to date)	1,500

Source: Adyen

## Asian appetites

But Prins is under no illusions when it comes to the challenges of integrating a payment system into an entirely different business environment.

"In the Netherlands, we are very direct and much more specific," he says. "In Asia, there are strong cultural differences in the way that business partnerships are formed.

"When developing specifications of new payment methods and bank connections across Asia, we found it more challenging to get a full understanding of what the different partners and banks we are talking to can offer us in terms of functional features and a partnership model."

However challenging, Prins is confident of the company's abilities to adapt to the Eastern market. And his belief is well-founded. When Adyen set up its office in Sao Paolo, the company faced a number of challenges which is successfully overcame.

"We started out with a number of international companies that wanted payment solutions in the region," he says. "One thing we noticed was the significant transaction volumes of online payments in Latin America.

"We also realised that you need to work with the local banks instead of international card acquirers and that is why we started working with the local banks.

"Once we did that, we saw the refusal rate of payments reduce along with currency conversion issues and previous difficulties supporting local debit cards."

In five years Adyen has made its mark on the payments industry. If the company maintains its momentum, the sky may just be the limit. ■