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## Billtrust: Paper trail a bumpy road

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Photo by Tim Larsen

*Flint A. Lane, president and CEO of Billtrust in West Windsor, believes his company has an advantage over the competition because of its ability to provide paperless and paper billing.*

### **Billtrust: Paper trail a bumpy road Company says it can pave way for electronic billing**

WEST WINDSOR - Electronic billing saves time, money and effort for businesses and their customers, yet many companies have chosen to delay their transition from paper.

Now, a West Windsor-based company called Billtrust is working hard to convince such firms to take the digital plunge by starting a major sales campaign and promising to make the switch-over as painless as possible.

Flint A. Lane, the company's president and CEO, thinks Billtrust will have an advantage over its competitors since it is one of a few businesses to offer customers both paperless and paper billing - a service combination that allows Billtrust to ease customers into electronic billing.

Financial technology experts say companies such as Billtrust are likely to grow quickly because the online bill payment services industry is still in the early stage of development.

"Banks offering online bill payment services are reporting penetration rates between 5 to 15 percent," said John Kraft, a

financial technology company analyst at Portland, Ore.-based D.A. Davidson & Co. "I think the penetration rates can go a lot higher than 5 to 15 percent."

Kraft said the main benefits for consumers to convert would be the timesavings, but for billers it would mean money.

"A paper bill can cost several dollars and if you do it electronically you don't have to pay for the paper or the stamp," he said.

Billtrust estimates companies can save as much as 50 percent from decreased billing expenses when customers are converted to e-billing.

Lane said the cost savings increases proportionally with the number of customers.

Lane said Billtrust will continue targeting small businesses, or those with fewer than 500,000 bills per month, during its rollout campaign.

"The savings are there for the businesses of all sizes," he said.

Although Kraft believes Internet security issues were probably discouraging some from converting to an e-billing system, he expects that such problems will eventually become less of a concern.

Here in West Windsor, Billtrust officials think they've already got the security problem licked. The company uses the highest level of commercially available encryption software to send private information via the Internet.

"We also assure our customers that their customer information is not going anywhere, it's not being sold to anybody," Lane said.

Before he founded Billtrust in June 2001, Lane, 36, cofounded Paytru\$t.com, an online bill-paying service for consumers.

"It worked quite well, we signed up 100,000 customers across the country," he said.

Paytru\$t.com, formerly based in Lawrence, was acquired by a Milwaukee-based bank named Metavante in 2002.

Lane said he left the company to open Billtrust because he thinks Billtrust is going to be "a bigger opportunity."

Over the past two years, Billtrust has signed up about 100 customers, and Lane expects to sign up many more over the course of the ongoing sales drive.

As for Billtrust revenues, Lane would not give specifics, other than to say that contracts vary.

In addition to offering companies the opportunity to switch to online billing, Billtrust also guarantees a one business day turnaround for paper bills on receipt of a company's billing information.

That feature enticed the management at Watchung Spring Water in Lakewood to give Billtrust a try.

Scott Woods, a controller at Watchung, said payments are coming in faster since the company started using Billtrust.

The average day to pay is 18 days compared to 28 days under its former billing printer that would send them out within seven days.

"Billtrust enabled us to get statements out faster," Woods said.

Now, Watchung is trying to convince its customers to switch to electronic bills.

When the company advertised a free case of water for each customer who converted, "everything went bananas," Woods said.

He said 80 percent of the converted customers did so because of the gift incentive.

With that amount Woods said the company is saving as much as 20 percent.

Woods said receipt of payment is even quicker with the e-billing customers, since many automatically pay on receipt of the e-mail.