



Choosing the right payments partner starts with a successful RFP.

The 20 must-ask questions for an effective payments RFP process



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The right payments partner can help your business grow.

Your enterprise business is ready for its next growth opportunity.

Global aspirations, evolving customer preferences, and high volumes of payments moving through multiple markets may have you wondering whether your current payments ecosystem is equipped to handle your ambitions.

The explosion of digital commerce and payments solutions has caused payment processing to evolve from an unavoidable cost of doing business to a powerful and strategic choice for innovation.

You need a payments partner that can scale with you, and ultimately help you meet and exceed your new business goals. As you review your options, you can consider issuing a payments request for proposal (RFP).



This ebook can help guide you as you start the process, offering recommendations for an effective payments RFP and 20 must-ask questions for your payments partner.

Guidelines for a successful RFP.

A successful RFP process requires prep work from you and your team. The more you prepare, the better the outcome will likely be.

RFP or RFI?

First you'll need to decide whether you're ready to issue an **RFP** or a request for information (**RFI**).

Companies typically release an **RFI** when they're looking for preliminary information about the payments landscape and the key players. This occurs ahead of an RFP to help you understand the high-level capabilities of prospective partners and the invited short list. Some companies bypass this step if they feel they already have a solid understanding of the landscape and the partners they want to invite.

An RFP is a deeper dive into prospective partners' capabilities. It's a larger commitment for you as the issuing company and the partners responding. The RFP you issue will ask specific questions targeted towards the solutions you need, so you can judge the partner's fit for your business. Unlike an RFI, an RFP includes specific budgets and timelines.

The decision to issue an **RFP** can be a critical one. You're not just evaluating a payment partner's breadth of tools, technology, and expertise. You're assessing the people who'll help you reach your business goals today and in the future.

RFP process

When you're ready to move forward, you will either manage the RFP process on your own, or may meet with your company's procurement team who will help manage the entire process. They can write the formal RFP business document, select and contact the companies that you would like to invite to the process, and handle the incoming proposals.

Sharing information and needs

To allow prospective partners to create a proposal with relevant solutions, you'll need to share your business' specific needs in the RFP document. We've outlined examples of helpful information to provide prospective partners, with the understanding that they have signed a non-disclosure agreement.

Must-share information to start the RFP process right.

We recommend including answers to the following questions in your RFP

Company overview

Provide an overview of your company to help ensure prospective partners have the right expertise to support your business and customers.

- ✔ What is your business model?
- ✔ Are you exploring new ways to generate revenue?
- ✔ Who are your customers?
- ✔ What are your company values?

Payment capabilities

Provide an overview of your current payment processing capabilities so prospective partners can highlight how their solutions compare.

- ✔ How does your business currently process payments?
- ✔ Within which markets do you process payments?
- ✔ How do you handle data privacy and security?

Top priorities and challenges

Highlight your top priorities and challenges so prospective partners can know how to help you.

- ✔ Do you want one payments partner to manage all vendors in your payments ecosystem?
- ✔ Are you targeting a particular percentage point boost in authorization rates?
- ✔ Are you looking for new ways to reduce fraud?

Revenue opportunity

Estimate the eligible revenue opportunity so prospective partners understand the size and financial impact of this opportunity.

- ✔ What payment processing volume are you expecting in North America?
- ✔ Do you have estimates for other regions?

RFP timeline

Share a realistic timeline to use everyone's time efficiently and ensure prospective partners are able to provide comprehensive responses.

- ✔ What does the full timeframe look like from end to end?
- ✔ How and when can payments partners ask clarifying questions before responding to the RFP opportunity?

Asking the right questions.

It's time to ask questions specific to your business goals and needs.

Asking the right questions will help you understand the capabilities different payments partners can provide to meet your needs. Failing to do so can hinder the RFP process, or worse, saddle your company with a payments partner that simply cannot support your business.

We've assembled 20 questions that are critical to ask during any RFP process. They're designed to help you determine if a potential partner can help grow your business, optimize operations, and protect your bottom line – without adding complexity.

How to find the right payments partner

By asking these 20 questions, you'll have a better understanding of the partners who can deliver these important capabilities.

- ✓ **End-to-end functionality** with deep ecosystem connections and extensibility.
- ✓ **Intelligent commerce insights** based on data to minimize fraud and drive personalized marketing solutions.
- ✓ **A trusted and proven brand** to instill confidence and keep customers coming back.

Ultimately, some of the best payments partner will have the tools, technology, and expertise to guide your business today and for years to come – helping you process payments and generate revenue.

The 20 must-ask questions for an effective payments RFP process

Payment processing basics.

The ideal payments solution supports your business model, integrates well with your infrastructure, and helps you accomplish your business objectives. Rather than using separate vendors for shopping cart, payment processing, security, compliance, and other payment services, your payments partner should act as a one-stop shop for your payment needs. The payments partner should be future-ready and offer a growing number of regular enhancements to help drive conversion across channels and markets.

Integration

Integration shouldn't be complicated for your developers. To get a sense of how integration would work with a particular payments partner, explore each candidate's developer documentation. This can help narrow down your list of potential payments partners. Consider whether the payments partner has the right resources and support to ensure a successful integration on a realistic timeline. Flexible and interoperable technology that works with your preferred partners, developer-friendly SDKs and APIs, and white-glove integration support can help get you up and running quickly.

Payment orchestration

Consider a partner with a payments infrastructure that can manage your payments ecosystem – including current and future payments relationships – on your behalf. The partner should be able to handle the technical lift of streamlining your existing relationships and processes into one solution.

Consider looking for an all-in-one solution that can handle more than payment processing. Some payments partners can also serve as merchant accounts and payment gateways, as well as manage related services like fraud prevention, reporting, and billing. When there are fewer players to individually manage within your ecosystem, there's less architectural complexity for the back end of your business.

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Authorization rate performance

To reduce the likelihood of customers abandoning their carts, [optimizing the back-end authorization process](#) is just as important as delivering a frictionless, front-end checkout. The ideal payments partner should help optimize transaction authorization rates and drive revenue while maintaining customer satisfaction and reducing customer churn.

Your payments partner should have the tools, technology, relationships, and data to help you minimize declined transactions and fraud. Tools like payment vaults, account updater, and network tokenization can do just that, helping keep card data fresh to drive higher authorization rates.

Ideal partners may also have direct card network connections and data sharing with issuers to stay ahead of industry changes and anticipate future challenges, which ultimately benefit your business.



Questions to ask

- 1 Do you have a full-stack payment processing solution? If so, describe the solution's capabilities, integration process, and how it can deliver value to both our business and our consumers?
- 2 What benefits will our business gain through your payments platform?
- 3 What are your tools for optimizing authorization rates, such as network tokenization, automatic updating of cardholder information, routing strategies, and retry strategies?



Modern payment options.



Digital Wallets

Digital wallet payments made up nearly half of online transactions worldwide in 2021 – a rate that’s expected to hit 53% by 2024.¹ Beyond offering customers quick, easy ways to pay, digital wallet solutions can [help businesses reach new audiences](#), drive conversion, and increase authorizations. The ideal payments partner should have the capabilities to easily add new digital wallet solutions and other payment methods as your business grows.



Pay Later

Driven by increased adoption and per-user spend, **buy now, pay later (BNPL)** payment volume is expected to grow at a fast pace – rising almost 90% between 2022 and 2026.² Giving your customers the choice to spread out their payments isn’t just about being a good business that meets [changing customer needs](#). It can help your business reach more customers, increase their cart sizes, and keep them coming back – all driving incremental growth and revenue. For most enterprises, it just makes sense – and dollars.

When considering a payments partner, review their BNPL offerings – short-term installments, monthly payments, and deferred-interest credit – and consider which would appeal to your target customers. There are a [few things to consider when choosing your partner](#): its global reach, the customer experience it provides, fees, and whether it’s a trusted brand.



Payouts

Seamless payouts experience for your customers is essential when running a global business. Your payments partner should be able to easily disburse money to your customers in multiple currencies and on a schedule that works for your business. Identify who you want to pay and how you want to pay them – your partner should handle the rest. A streamlined payouts process should boost customer engagement and improve retention.



Partnership Marketing

A payments partner should have the expertise and tools to help you develop and execute a multichannel marketing strategy that can attract new and repeat shoppers to your various channels. Ready-to-send email templates, website banners, seasonal promotions, and targeted campaigns can help boost your own brand awareness, convert new customers, and strengthen shoppers’ loyalty.



Questions to ask

- 4 How do you engage, convert, and retain consumers across all demographics?
- 5 What are your BNPL solutions? Explain your installment plans, integration approach, approval rates, and ability to navigate the evolving landscape.
- 6 How can you help promote BNPL to our customers?
- 7 How can your solution help deliver payouts at scale when a card is present for transactions? What about when the card isn’t available?

Data security.

Global organizations are increasingly experiencing data breach threats.³

No matter the size of your company, the responsible and secure handling of customer data and payment transactions should be a top priority. Compliance with regulations from card networks, governing bodies, payment processors, and private organizations is essential when accepting and storing payment methods. Compliance can be costly and time-consuming to implement and maintain, but a payments partner should have the resources and support to help respond to changing risk and compliance requirements.

Look for a payments partner that adheres to payment card industry (PCI) compliance standards – helping your business remain compliant and secure when accepting card payments. Your partner should handle the data protection requirements when processing payments and storing financial data. Some payments partners even ensure your customers' sensitive data never reaches your company's servers – possibly helping reduce your regulatory requirements.

Global reach, local support.

Reach customers and manage risk.

To thrive in today's global economy, your business should be able to reach customers wherever they live or shop, handle international and cross-border transactions, and help you manage risk and regulatory changes.

Your partner should be able to assure you they've laid a foundation that can handle global growth, including accepting payments in preferred and local currencies and providing flexible currency settlement options. You deserve to feel secure knowing that your time-tested partner can help improve performance, offer reliable guidance when navigating global expansion, and keep your customers' payment information secure.



Questions to ask

- 8 What is your approach to meeting PCI compliance standards?
- 9 How do you comply with privacy regulations that differ across regions?
- 10 What is your competitive advantage when it comes to supporting global expansion?
- 11 How does your payments solution integrate with global vendors?
How will it help reduce disruptions to our business?

Settlements and disbursements.

Insight into the transaction lifecycle can help you understand the timing of settlements and disbursements – critical for maintaining cash flow.

Settlement and disbursement times can vary significantly based on different business factors. How and when funds are paid out to you will often depend on the payment method used, the type of account you have with your payments partner, and that partner's banking relationships.

Some businesses use separate vendors for their merchant account, payment gateway, and payments processor. Choosing a partner with all three solution capabilities can help improve efficiencies and drive top-line growth.

Reporting and reconciliation.

Transaction-level insights can help businesses manage their day-to-day operations.

A payments partner should offer ample reporting around disbursements and reconciliation. Think about how often you would like to reconcile your accounts – daily, weekly, or monthly – and whether your partner can deliver those reports with that frequency.

It can be critical to have data transparency throughout the transaction life cycle – not only to ensure cash flow, but also to maintain accurate financial records. Data transparency can also help identify optimization opportunities and prevent fraud.



Questions to ask

- 12 What is the settlement time frame after a completed transaction?
- 13 Does your solution allow for multiple settlements without additional costs for each settlement?
- 14 Do you offer disbursement flexibility to ensure fast access to our funds?
- 15 What are your standard and custom reporting options?
- 16 What kind of data transparency do you offer?

Fraud management and cost optimization.

Fraud management

With the continued growth in online shopping comes the increased risk of fraud. Curbing fraud while clearing the way for real customers to shop remains a top priority for businesses. After all, their profits and reputations are on the line. In a study commissioned by PayPal, the organizations surveyed said they lose an average of \$3.7 million per year due to fraudulent online transactions.⁴

Enterprises must strike a balance between effectively managing fraud risk and achieving high conversion rates. Many already devote internal resources like security and fraud teams to help stop fraud, but more can be done to prevent lost sales.

A payments partner should have the technological capabilities to help you fight fraud while delivering smooth shopping experiences for customers. If too many barriers are put in the customer's way, the friction could lead to cart abandonment and impact sales. Look for a payments partner who can implement strong fraud detection alongside a great checkout experience.

Cost optimization

The right payments partner should help optimize your costs on the front end and back end. On the front end, can they help reduce friction and cart abandonment by offering multiple payment methods, BNPL solutions, and a seamless, speedy checkout experience? In addition to increasing authorization rates and curbing fraud on the back end, can they help you reduce transaction and chargeback costs?

An all-in-one payments solution should serve as a centralized hub that can connect with your existing payments partners – improving operational inefficiencies and saving on the costs that come with multiple integrations.

Consider whether the prospective partner has the strategies to help optimize your costs throughout every part of the payments process. The partner should have the expertise to interpret your transaction data and help identify opportunities for added value and reduced cost.



Questions to ask

- 17 What are your real-time fraud and risk management tools?
How can they reduce business costs?
- 18 What cost optimization consulting and strategies can you provide to help us reduce our cost of payment?

Brand recognition and trust.

Offering secure and trusted payment options can help improve shoppers' confidence and buying power.

Lack of trust ranks just as highly as long, complicated checkouts: 18% of consumers report abandoning their cart because they didn't trust the site with their credit card information.⁵

A time-tested payments partner with a strong reputation has the potential to drive sales. And a partner that adapts to your business infrastructure and offers the right tools, reliable guidance, and consistent support can give you confidence in an ever-changing world.

You can feel secure with your choice of a proven partner that has gained the trust of millions.



Questions to ask

- 19 What are you known for in the payments space? Share your company history and recognition.
- 20 What are your company values? How can they help us reach our own environmental, social, and governance targets?

PayPal opens opportunities.

Your payments partner will help drive value for your business.

Look for a partner that can address your specific challenges and has the expertise to solve them – a payments partner like PayPal.

By leveraging technology to make financial services and commerce more convenient, affordable, and secure, the PayPal platform is empowering more than 430 million active accounts in 200+ markets.

We're unique because we're both a payment processor and a payment method. We're able to see both the consumer and merchant side of transactions – across payment methods, channels, and markets. And we use this end-to-end knowledge to create an ever-expanding portfolio of solutions that can help you minimize checkout distractions, deliver a customer-focused shopping experience, and reinforce trust.

PayPal's platform can grow with you. Turn on the features you want, connect with the partners in your payments ecosystem, and keep the rest in your back pocket for whatever comes next. Explore our developer documentation to understand how our flexible and interoperable technology can help simplify integration.

When you work with PayPal, you're partnering with a reliable and trusted fintech leader that lives its values and puts customers at the center of everything it does.



PayPal can give you the tools to optimize today, prepare for tomorrow, and unlock the potential of the digital economy.



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- 9 How do you comply with privacy regulations that differ across regions?
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Ready to learn more?

Get in touch with
our sales team.



The content of this ebook is provided for informational purposes only.

You should always obtain independent business, tax, financial,
and legal advice before making any business decision.

1. Statista, [Digital wallet payments as a share of total e-commerce transactions worldwide](#), June 2022.

2. Insider Intelligence: Spotlight US Buy Now Pay Later Forecast 2022.

3. Statista, [Number of data records exposed worldwide from 1st quarter 2020 to 3rd quarter 2022 \(in millions\)](#), Nov 2022.

4. Ponemon Institute, commissioned by PayPal. The 2022 True Cost of Online Fraud Global Study. Ponemon Institute surveyed 3,739 individuals in the United States (442), Canada (468), Australia (475), United Kingdom (471), France (462), Germany (453), and European Cluster (968). Aug 2022.

5. Statista, [Main reasons consumers abandon the checkout process](#), June 2022.