



PayStand Helps Online IT Firm Chart A Path to Growth



*Remote PC repair service **Break Logic** was getting bogged down by high fees, reserve requirements and chargebacks. Founder Sameer Seth partnered with PayStand to analyze BreakLogic's fees and improve their customer onboarding processes, putting them back on track for global expansion.*

The Customer: Break Logic

Founded in 2011, Break Logic is an online tech support and hardware repair service with a worldwide presence in the U.S. and India, with plans to expand to the U.K., Australia and New Zealand in the near future.

The Challenge

With Break Logic's success came growing pains, especially with their payment processing. Because they were a new business with a remote service business model, founder Sameer Seth encountered skepticism when trying to set up a merchant account. "They wanted us to put a large amount of funds in reserve before we could withdraw them," recalls Sameer. As a bootstrapped enterprise, "that made it really difficult to reinvest our revenues and grow the business."

Sameer was also confused about the fees being charged by their processor. "When we signed up with our first payment processor, they advertised a low rate but behind the scenes we were paying a lot more," he explains. "We were processing about \$30,000 per month. **When I looked at our statement, I discovered that fewer than 10% of transactions were being charged at the advertised rate.**"

Break Logic was facing the standard payment industry practice of charging variable rates based on the interchange fee (the baseline fees charged by the card issuers) plus a percentage that fluctuates based on a wide range of factors, including the perceived risk of the merchant's business. So while they may have been quoted an "as low as" rate, in practice most of their transactions were incurring higher fees. "This had been going on for seven months--we were growing so fast, I never paid any attention," recalls Sameer.



Location:
Reston, VA



Industry:
Remote PC Repair



Transaction volume:
\$30,000 + per month



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The Solution



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The Solution

Sameer's business partner had been "on his case" to look at PayStand as an alternative. As he tells the story, "I had been putting it off, but one day I finally looked at PayStand and liked what I saw. The funny part is, I wasn't even there. I was driving someplace, but my team got it set up in less than 10 minutes, and we moved 40% of our traffic right then and there."

It's no surprise that Sameer's team of IT pros got PayStand running quickly, but what about the fluctuating fees they had been charged with their other payment processor? Sameer points to PayStand's transparent, flat-rate subscription model as one of the key reasons they made the switch. "The flat-rate payment plan helps us bigtime. With the volume we are doing, it helps us keep our costs under control and be able to plan the future." Sameer also gained complete visibility into Break Logic's transaction fees via his PayStand statements. "My old merchant statement was very confusing, but PayStand's is crystal clear."

Reducing Chargebacks through Customer Satisfaction

Next on Sameer's to-do list was to reduce the number of customer chargebacks that were hurting their bottom line. "Our customers were confused and didn't feel comfortable calling more than once for the same issue, because they were worried they would get double-billed. Then they would dispute the charge because their issue wasn't resolved." PayStand's customer success team offered to analyze Break Logic's customer onboarding practices, and noticed that there was a discrepancy between Break Logic's promise of "one-month guaranteed support" on their website, and the language in their customer agreements, which promised only a "one-time fix."

Following PayStand's recommendation, Sameer's team updated their contracts to match their one-month guarantee, and also invested in a dedicated customer service team. "One of the things we're grateful to PayStand for is their advice to proactively reach out to new customers to make sure our repairs have been successful--**we've seen 80% less chargebacks as a result.**"

The Result

With a clear understanding of their costs and better customer retention, Break Logic is poised for a big expansion of their business this year, and is even attracting interest from investors. "PayStand took the time to understand our business and suggest concrete ways to improve our bottom line. It's been a win-win—PayStand wants us to be successful so we can have a long-term partnership."

"PayStand's flat-rate payment plan helps us bigtime, and helps us plan the future."

- Sameer Seth, Founder

Description		
VISA RETURNS DISCOUNT	.021900 DISC RATE TIMES	\$399.98
MASTERCARD MID-QUAL SALES DISC	.041800 DISC RATE TIMES	\$499.97
VISA MID-QUAL SALES DISCOUNT	.041800 DISC RATE TIMES	\$4,264.80
MASTERCARD NON-QUAL SALES DISC	.041800 DISC RATE TIMES	\$2,614.92
VISA NON-QUAL SALES DISCOUNT	.041800 DISC RATE TIMES	\$1,025.95
VISA DEBIT SALES DISCOUNT	.021900 DISC RATE TIMES	\$249.99
VI DEBIT NON-QUAL SALES DISC	.041800 DISC RATE TIMES	\$80.00
MC DEBIT MID-QUAL SALES DISC	.041800 DISC RATE TIMES	\$549.96
VI DEBIT MID-QUAL SALES DISC	.041800 DISC RATE TIMES	\$3,149.86
DISCOVER MIDQUAL SALES DISC	.041800 DISC RATE TIMES	\$1,449.92
DISCOVER NONQUAL SALES DISC	.041800 DISC RATE TIMES	\$169.99

Before: Sameer discovered most of his transactions were being charged at **4.18%** with his old processor



Credit & Debit Card

Your customers can pay with any major credit card: Visa, MasterCard, Discover, and American Express.

Costs: **2.49% + \$0.30** (and going down)

After: With PayStand, Sameer pays one low rate for all credit card types, currently **2.49% + \$0.30**



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