



CPA Group in Deal for Small, Midsize Business Payments

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By [Steve Bills](#)

A start-up payments company has formed an alliance with the American Institute of Certified Public Accountants to help small and midsize companies manage their accounts payable online.

CPA2Biz Inc., the institute's marketing and technology services arm, announced the alliance Monday with the payables management outsourcer Bill.com Inc. of Palo Alto, Calif.

Erik Asgeirsson, CPA2Biz' president and chief executive officer, said his organization typically works with larger, more established providers but was willing to work with Bill.com because of its management team, which has several veteran payments executives.

"We're approached all the time to form partnerships," Mr. Asgeirsson said. "Based on the track record of the people there, we feel very confident in working with Rene and his organization."

Rene Lacerte, Bill.com's founder and CEO, founded the online payroll service PayCycle in 1999 and before that worked at Intuit Inc. and PricewaterhouseCoopers. Other Bill.com executives came from eBay Inc.'s PayPal unit, Billpoint, and Salesforce.com.

Bill.com meets a need the market has not addressed, Mr. Lacerte said. "There is no established player out there," he said. "There's nobody doing what we're doing."

Bill.com targets small and midsize companies with a hosted service that combines accounts payable, document management, bill payment, and cash management. Office managers can transmit vendors' invoices to the service via data upload, e-mail, or fax. Companies can review invoices and schedule payments to capture early payment discounts or to manage cash flow.

CPA2Biz estimates that more than 50% of CPA firms offer clients some combination of basic accounting services, including bill management or bookkeeping.

"This service will add efficiencies to the CPA firm and will add new capabilities to the small-business clients," Mr. Asgeirsson said.

Other organizations also want to promote back-office automation at smaller companies.

Nacha, the electronic payments association, has been studying the small-business market to try to find ways to promote the use of the automated clearing house system for business-to-business transactions. The group expects to have a strategy in place by yearend.

Bill.com's strategy takes a different tack. The company's technology has the ability to transmit payments over the ACH network, but its primary approach is to debit the client's account, then produce checks drawn on its own accounts to pay the seller, Mr. Lacerte said.

This approach provides protection to the customer's account, he said. More to the point, many of the companies that he plans to target are not equipped to receive payments electronically, he said. "There are probably 3,000 companies out there that are willing to accept electronic payments."

"That is something we're working on," he said. "Once we have the customer base, building out the payment electronically will be a simpler thing."

Bill.com technology integrates now with Intuit's QuickBooks and QuickBooks Online software, and the company plans to offer integration later this year with other accounting packages, he said.

CPA2Biz already offers a variety of services that accountants can sell to their clients.

Chase Paymentech Solutions LLC, for example, offers card processing services to accountants and their clients through CPA2Biz. (JPMorgan Chase & Co. said last month that it and longtime partner First Data Corp. would break up the joint venture by yearend.)

The payroll processing outsourcer Paychex Inc. announced last week that more than 20,000 accounting firms have enrolled in the program it established with the AICPA in late 2003.

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