# Checklist: What to look for in a modern payment service provider

To meet evolving customer expectations and keep up with industry leaders, businesses are increasingly recognizing the importance of a flexible, dynamic payment service provider (PSP). The right payments provider allows you to quickly add new payment methods, create new revenue models, expand to more markets, and stay ahead of changing regulatory and compliance requirements. Without these capabilities, you risk falling behind and losing customers in a crowded, competitive market.

This checklist highlights the most important capabilities you should look for in a modern PSP. This isn't an exhaustive list; instead, these are the features that our customers have told us they wish they had prioritized when evaluating previous providers.

## Capture more revenue

A modern payments system not only supports a wide range of payment methods, but also improves conversion and authorization rates while reducing declines, ensuring that you capture more revenue from your customers.

You should be able to:

### Offer relevant payment methods

- [ ] Enable new payment methods without additional integration work.
- [ ] Dynamically surface the right payment methods depending on where your customers are located or which device they're using.
- [ ] Provide the ability to configure payment methods and write custom rules for when they appear.
- [ ] Offer buy now, pay later payment methods, which allow customers to immediately finance purchases and pay them back in fixed installments over time.
- [ ] Offer an accelerated checkout.
- [ ] Offer the ability to process bank payments with the same benefits as credit cards.
- [ ] Optimize the performance of local payment methods, including running A/B tests.

## Improve authorization rates

- ☐ Prompt your customer for another payment method, or obtain authorization to retry the transaction at a later date, when the original payment method is more likely to have adequate funds.
- ☐ Automatically update your customers' expired or renewed card numbers with a **card account updater**, **network tokenization**, or a similar service.
- ☐ Use a fraud prevention and management tool to help detect and block illegitimate charges.
- ☐ Use machine learning or AI to optimize authorization rates.
- ☐ Improve performance based on the nuances of your business, offering a transparent view into authorization rate uplift.
- ☐ Partner with issuers to improve acceptance rates and fraud detection.

## Use advanced fraud capabilities to reduce declines

- ☐ Collect more relevant information during checkout. For example, collecting customer names and email addresses will help you better verify their legitimacy.
- ☐ Offer digital wallets that require additional customer verification (such as biometrics, SMS, or a passcode) to complete a payment, which result in lower dispute rates.
- ☐ Customize fraud rules to manage how your business handles incoming payments, and block any that you would consider suspicious.
- ☐ Calculate risk scores using machine learning.
- ☐ Customize how the machine learning algorithm works for your business.
- ☐ Create custom fraud rules to manage how your business handles suspicious activity.
- ☐ Offer machine learning–based recommendations for charges to refund based on the likelihood they will result in disputes.
- ☐ Optimize and automate dispute responses.
- ☐ Integrate with network solutions like Verifi and Ethoca to help mitigate the risk of disputes.

## Reduce operating costs

Business leaders don’t just want to drive revenue—46% of CFOs we surveyed said they also want to cut costs. However, many businesses with outdated PSPs also have to spend more money purchasing and integrating with multiple point solutions to expand their capabilities and support their growth.

Investing in a single, powerful PSP reduces costs by meeting your current and future needs.

You should be able to:

### Access streamlined data and automated reconciliation

- [ ] Get transaction-level details, available in the requisite formats and with the possibility for custom reports, ad hoc queries, and integration into your existing systems.
- [ ] Use a range of reporting options that fit the needs of all levels of your organization. For example, prebuilt reports in a dashboard can be updated in a timely manner for executive summaries; custom reports ensure your payments team tracks your unique KPIs; and data integrated with your accounting ledger, ERP, or other business intelligence tools ensures teams throughout the organization can get access to the necessary payments data.
- [ ] Create aggregate and individual transaction reports, with clear information on refunds, chargebacks, offsets, and fees.
- [ ] Consolidate all payment methods (cards, bank transfers, and others) to ease the reconciliation process.
- [ ] Pipe data into your systems of choice, such as your CRM, ERP, and even custom systems with custom reporting requirements to fit your needs.
- [ ] Offer a unified view of all payments, including diverse payment methods, to improve reporting and reconciliation.

### Find a provider with reliable infrastructure to prevent downtime

- [ ] Maintain consistently high uptime, and offer a transparent view of real-time platform health metrics.
- [ ] Access failover procedures for any unplanned outages, and conduct maintenance without the need for downtime.

## Support your growth

Growing your business requires thinking big and challenging the status quo. However, outdated PSPs can stifle this kind of growth because they lack the capabilities to support cutting-edge business models or enable international expansion. A modern PSP, however, has all of these components built in, which means you can quickly launch when and where it matters most.

You should be able to:

### Test and launch new business models

#### For a recurring revenue business model

- [ ] Offer a variety of pricing models, such as flat-rate, flat-fee plus overage, tiered pricing, credit drawdown pricing, per-seat pricing, metered pricing, and pay-as-you-go pricing.
- [ ] Stay compliant by automatically calculating and collecting sales tax and VAT on subscriptions or invoices.
- [ ] Offer payment flexibility; for example, prepay for a subscription before it starts, schedule a subscription for a future date, backdate a subscription, and bill in installments.
- [ ] Enable customers to start a subscription and upgrade from monthly to annual plans at checkout.
- [ ] Automatically pull transaction data into revenue recognition tables and charts (e.g., a revenue waterfall) and account reports (e.g., balance sheets, income statements, debit and credit journals).
- [ ] Offer a billing solution that integrates with your existing CRM or ERP.
- [ ] Provide a dedicated portal for your customers to manage their subscriptions and invoices and view and update payment details.

#### For a marketplace or platform business

- [ ] Offer progressive onboarding capabilities, allowing customers (merchants, sellers, and service providers) to provide the minimum compliance details at initial account creation and fill out additional information later.
- [ ] Offer tools that support seller identity verification.
- [ ] Offer prebuilt dashboards and reports for your platform or marketplace as well as for your customers.
- [ ] Analyze your volume, revenue, and costs and see how pricing changes impact your margins.
- [ ] Support the ability to fully white-label the solution, allowing you to customize branding and own the end-to-end customer experience.
- [ ] Offer different payout schedules including instant payouts.
- [ ] Offer tools to help you manage risk, refunds, and disputes.
- [ ] Offer multicurrency settlement to better manage foreign exchange liabilities.
- [ ] Embed and monetize additional payments and financial services like in-person payments, instant payouts, and financing.
- [ ] Monetize payments with a revenue share or a buy-rate.

## Expand globally

- ☐ Access local acquiring and the ability to settle funds locally.
- ☐ Receive support navigating local regulations to maximize authorization rates and minimize compliance.
- ☐ Dynamically optimize your checkout flow by displaying the right language, payment methods, currencies, and form conventions based on the customer's location.
- ☐ Enable locally relevant payment methods without additional integration work.
- ☐ Take on the risk of foreign exchange rate fluctuations between the charge and settlement.

## How Stripe can help

Unlock the full potential of your business with Stripe, the modern payments and finance automation platform that helps business leaders increase revenue, minimize cost, and accelerate growth. Recognized as a Leader in the **2024 IDC MarketScape** for its global payments capabilities and broad functionality as a full-stack platform, Stripe is designed to adapt to today's rapidly changing landscape.

Unlike managing numerous disparate systems or outdated payment service providers, with Stripe you can access modular financial infrastructure that streamlines payments. Whether you want prebuilt, no-code solutions that require little to no developer resources or flexible custom integrations, Stripe's platform offers both optionality and extensibility to simplify the overall implementation process and deploy Stripe efficiently.

If you'd like to learn more about Stripe's top integrations, read our guide, ***How to integrate the power of Stripe with your existing systems***, or **contact sales** to get a recommendation based on your business's needs.

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