

2025 TRANSFORMATIONAL INNOVATION LEADER

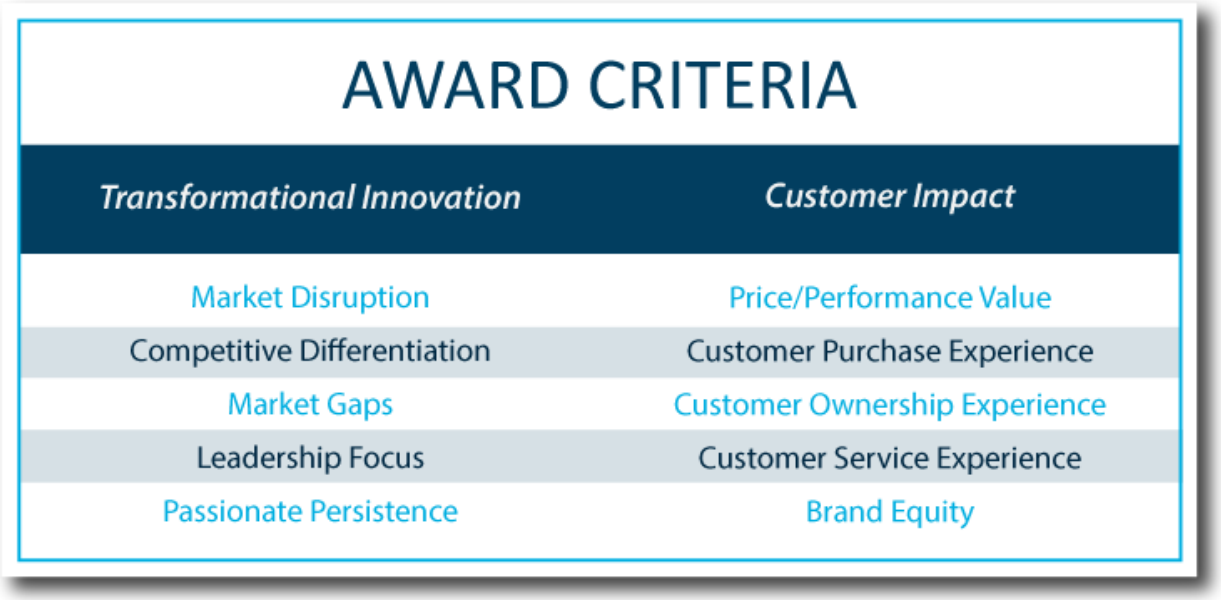
Accelerating Innovation to Zero Across the Global Ecosystem

RECOGNIZED FOR BEST PRACTICES IN THE UNITED STATES BUSINESS-TO-BUSINESS DIGITAL PAYMENT INDUSTRY

FROST & SULLIVAN

Best Practices Criteria for World-Class Performance

Frost & Sullivan applies a rigorous analytical process to evaluate multiple nominees for each award category before determining the final award recipient. The process involves a detailed evaluation of best practices criteria across two dimensions for each nominated company. Checkbook excels in many of the criteria in the B2B digital payment space.



The Evolving B2B Digital Payments Market

The United States (US) business-to-business (B2B) digital payment industry is growing with the rising demand for seamless digital payments options as companies transition from paper checks and manual approaches. Many industries aim to simplify, automate, and digitalize their practices, including streamlining accounts payable operations. Advanced technologies, such as open application programming interfaces (API) and cloud-based models, are key drivers in shifting towards electronic processes, laying the foundation for the future of B2B payments. The rise of small and medium-sized enterprises (SME) is expected to propel the market growth as they expand customer reach and adopt digital solutions to improve operational efficiency.[1] Additionally, US government initiatives aim to support SMEs through pro-SME policies that promote digital adoption, further enhancing business processes.[2]

Various trends are transforming this rapidly evolving market. Next-generation payment platforms include innovative features such as payments as a service, bulk payments, and real-time transactions. Moreover, emerging technologies such as blockchain and cryptocurrency are gaining traction, offering faster and more secure transaction methods. These advancements are essential for companies navigating cybersecurity and cross-border payment challenges. Payment service providers that meet these needs set themselves apart in this competitive market.

[1] Growth Opportunities in the Asia-Pacific B2B Payments Market, Forecast to 2025 (Frost & Sullivan, March 2020)

[2] https://www.trade.gov/sites/default/files/2023-06/SME_Digital_Tools.pdf

Checkbook: Revolutionizing Digital Payments with a Streamlined Approach

Founded in 2015 and headquartered in California, US, Checkbook leads the B2B digital payment transformation by delivering a solution that challenges traditional payment methods. The company's platform offers businesses a more efficient and reliable way to manage payments without the payee's prior enrollment. This one-sided payment system revolutionizes the process by eliminating the need for recipients to provide any details upfront. By enabling payments through email or phone numbers, Checkbook reduces onboarding friction for recipients, accelerating the payment process. The platform also integrates real-time payments into everyday business operations, offering companies efficient and reliable payment solutions. This focus on simplifying the payee experience fills a long-standing gap in the B2B payment space where pre-enrollment is typically required.

> *"Frost & Sullivan recognizes Checkbook for addressing key industry pain points. Its platform reduces onboarding friction and enables real-time payments, enhancing operational efficiency and agility. The company enhances operations and workflows by simplifying the payment process (including bulk payments), positioning it as a leader in driving digital payment advancements."*
>
> ***- Ain Sarah Aishah***
> ***Best Practices Research Analyst***

Furthermore, the removal of payee enrollment requirements saves significant operational costs, reducing the typical expenses from hundreds of dollars to less than one dollar per payment.[3] The platform also allows operation across multiple payment rails, including digital checks, automated clearing house (ACH) and card-based payments. With Checkbook, businesses can access a full payment suite without relying on various vendors for different payment types, providing a more efficient and unified system. This cost-effective and streamlined approach offers a solution that balances speed, quality, and security, solidifying the company's position as a market disruptor.

Additionally, SMEs often face unique challenges in managing payments to multiple recipients, especially freelancers or independent contractors. Checkbook's platform offers a tailored solution by allowing businesses to send out bulk payments seamlessly through a comma-separated values file upload or API integration. This functionality and the flexibility of various disbursement methods enable businesses to manage payout processes efficiently. The company also enhances recipient's experience by giving them control over how they receive their funds, whether by digital check, ACH transfer, or other methods, ensuring a smoother process, improving overall satisfaction.

The platform's open API also allows businesses to integrate Checkbook into their existing systems, facilitating automation and tracking of payments. This capability is especially significant for industries that rely heavily on freelance workforces, where efficient payment processing directly impacts operational effectiveness. By automating these processes, SMEs can reduce manual errors, save time, and improve cash flow management. This integration significantly boosts operations scalability in industries heavily reliant on freelance workers.

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[3] Frost & Sullivan's Interview with Checkbook (October 2024)

company enhances operations and workflows by simplifying the payment process (including bulk payments), positioning it as a leader in driving digital payment advancements.

Ensuring Payment Efficiency and Security through Advanced Technology

Checkbook strengthens its digital payment process by implementing rigorous security measures that build trust between businesses and payees. Partnering with providers such as Plaid and Yodlee ensures that all transactions undergo stringent verification procedures to confirm alignment between bank account details and payee information. This capability significantly reduces the risk of misdirected payments or fraud. Conventional payment methods often lead to mismatches between personal information and banking details, whereas Checkbook's automated verification system ensures accuracy and security while avoiding unnecessary steps for users.

Checkbook offers flexibility by allowing users to input their details, giving them control with additional verification at the recipient's end. This approach provides security and ease of use, addressing the common challenge of maintaining a balance between protection and convenience in digital payments. This infrastructure plays a critical role in the company's differentiation from competitors, setting a new standard for digital payments, particularly in sectors where secure transactions are essential.

Checkbook complies with payment card industry data security standards and employs tokenization for sensitive card data, ensuring that transactions remain secure from start to finish.[4] This comprehensive security framework positions the company as a reliable and efficient solution in the digital payment industry.

Additionally, by integrating Visa Direct, the company enhances the speed and security of its payment processes. Visa Direct facilitates the delivery of funds to over three billion eligible cards and bank accounts globally, playing a crucial role in securing real-time transactions for Checkbook's clients.[5] The partnership between Checkbook and Visa reinforces the company's commitment to offering fast, efficient, and secure payments, delivering funds quickly and safely.

Frost & Sullivan commends Checkbook for its strategic partnerships, commitment to compliance, and comprehensive security framework. The company delivers a secure and efficient solution by prioritizing security without compromising speed or flexibility.

Scaling Growth through Innovation and Revenue Strategy

Checkbook operates under a software as a service (SaaS) model that drives significant but steady and scalable revenue while maintaining high profitability. This approach keeps transaction fees manageable for clients. By relying on SaaS as its primary financial strategy, the company allows businesses to access its services without incurring extra costs. Additionally, one-third of Checkbook's revenue comes from transactional fees.[6]

This balanced revenue model highlights Checkbook's innovative approach to financial sustainability. The company's commitment to fixed and transparent pricing, without percentage-based fees or hidden costs,

[4] https://checkbook.io/company/security/

[5] https://www.businesswire.com/news/home/20240228825130/en

[6] Frost & Sullivan's Interview with Checkbook (October 2024)

enhances its value proposition further. The company provides a value-driven service that boosts business productivity by keeping transaction costs low and allowing businesses to focus on operations. This commitment to transparency and affordability strengthens Checkbook's leadership.

Since its establishment, Checkbook consistently outpaces competitors in terms of growth, more than doubling its transaction volume and revenue year-over-year. Its innovative product offerings and strategic partnerships with major players (e.g., Chase and Visa) fuel this growth, allowing the company to maintain a competitive edge in delivering a holistic payment solution. The multi-year collaboration with Visa, particularly through Visa Direct, has transformed the company's capacity to offer real-time payments, expediting disbursements across millions of endpoints. By leveraging Visa's global network, Checkbook provides seamless and secure client payment experiences, meeting industry expectations for payment speed and accessibility.

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- Dewi Rengganis
Senior Industry Analyst

Moreover, Checkbook's open API and integration with key accounting software such as QuickBooks, Sage Intacct, and AccountingSeed drive operational efficiency for businesses. This incorporation allows companies to track and reconcile payments while eliminating the complexities of managing multiple payment platforms. This operational synergy is important for companies looking to streamline financial processes.

While Checkbook focuses on the US and Canadian markets, its progressive approach includes plans for international expansion, targeting Europe and Asia. This growth strategy is built on a solid foundation of success in current markets, where the demand for digital transformation in payments continues to rise. By consistently innovating and adapting to new markets, Checkbook sustains its leadership.

Frost & Sullivan acknowledges Checkbook's growth initiatives, innovative partnerships, and revenue strategy in positioning the company for sustainable success. By continuously enhancing its offerings and expanding into new markets, the company remains a leader in driving the future of digital payments.

Building Long-term Success through Customer Satisfaction

Checkbook builds its success on a strong focus on outstanding customer service. The company tracks customer satisfaction through Net Revenue Retention (NRR) and Customer Satisfaction (CSAT) scores, both consistently rank at high levels. With an NRR exceeding 90% and CSAT scores between 4 and 5, Checkbook demonstrates a relentless focus on meeting customer needs.[7] This focus extends to direct customers and their end users, ensuring that all aspects of the payment process are smooth and efficient.

Maintaining customer satisfaction in the digital payments industry can be challenging, particularly with complex, large-scale transactions. However, Checkbook's streamlined process and customer support system ensure that users can rely on the platform for fast, secure, and flexible payments. This emphasis

[7] Ibid.

on smooth user experience and reliable service builds long-term client relationships, driving Checkbook's growth further. By ensuring that customers can manage payments effortlessly, the company strengthens its position as a trusted provider in the digital payment sector, making customer satisfaction a pillar of its business strategy.

Frost & Sullivan applauds Checkbook's high customer satisfaction rates as a reflection of its dedication to delivering reliable, efficient, and user-friendly payment solutions. This commitment to excellence is a key driver of the company's continued leadership in the digital payments space.

Conclusion

Checkbook's innovative solution ensures seamless and secure payment processes, positioning it as a frontrunner in the business-to-business (B2B) digital payments space. Its platform's one-sided payment system, streamlined bulk payment solutions, and stringent security measures set it apart in the competitive market. By addressing common pain points in traditional payment methods, the company enables businesses to manage transactions more efficiently and at reduced costs. Its strategic partnerships, integration capabilities, and software as a service revenue model support its growth and operational stability, reinforcing the company's leadership. As Checkbook expands its reach and continues to innovate, it is well-poised to meet the future demands of a global digital economy.

Checkbook earns Frost & Sullivan's 2025 United States Transformational Innovation Leadership Award for its strong overall performance in the B2B digital payment industry.

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What You Need to Know about the Transformational Innovation Leadership Recognition

Frost & Sullivan's Transformational Innovation Leadership Award recognizes the best up-and-coming, potentially disruptive market participant.

Best Practices Award Analysis

For the Transformational Innovation Leadership Award, Frost & Sullivan analysts independently evaluated the criteria listed below.

Transformational Innovation

Market Disruption: Innovative new solutions have a genuine potential to disrupt the market, render current solutions obsolete, and shake up competition

Competitive Differentiation: Strong competitive market differentiators created through a deep understanding of current and emerging competition

Market Gaps: Solution satisfies the needs and opportunities that exist between customers' desired outcomes and their current market solutions

Leadership Focus: Company focuses on building a leadership position in core markets and on creating stiff barriers to entry for new competitors

Passionate Persistence: Tenacity enables the pursuit and achievement of seemingly insurmountable industry obstacles

Customer Impact

Price/Performance Value: Products or services provide the best value for the price compared to similar market offerings

Customer Purchase Experience: Quality of the purchase experience assures customers that they are buying the optimal solution for addressing their unique needs and constraints

Customer Ownership Experience: Customers proudly own the company's product or service and have a positive experience throughout the life of the product or service

Customer Service Experience: Customer service is accessible, fast, stress-free, and high quality

Brand Equity: Customers perceive the brand positively and exhibit high brand loyalty

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About Frost & Sullivan

Frost & Sullivan is the Growth Pipeline Company™. We power our clients to a future shaped by growth. Our Growth Pipeline as a Service™ provides the CEO and the CEO's growth team with a continuous and rigorous platform of growth opportunities, ensuring long-term success. To achieve positive outcomes, our team leverages over 60 years of experience, coaching organizations of all types and sizes across 6 continents with our proven best practices. To power your Growth Pipeline future, visit Frost & Sullivan at http://www.frost.com.

The Growth Pipeline Engine™

Frost & Sullivan's proprietary model to systematically create ongoing growth opportunities and strategies for our clients is fuelled by the Innovation Generator™.
Learn more.

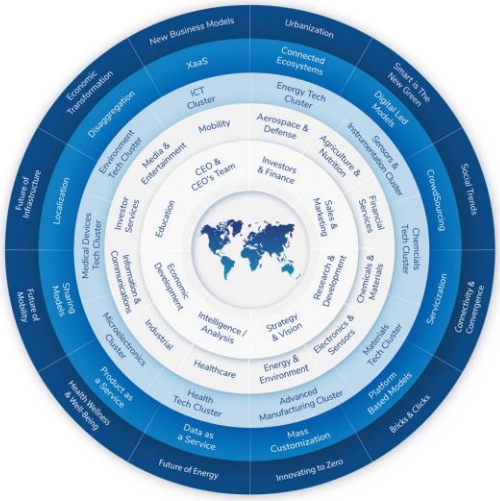


Key Impacts:

- **Growth Pipeline:** *Continuous Flow of Growth Opportunities*
- **Growth Strategies:** *Proven Best Practices*
- **Innovation Culture:** *Optimized Customer Experience*
- **ROI & Margin:** *Implementation Excellence*
- **Transformational Growth:** *Industry Leadership*

The Innovation Generator™

Our 6 analytical perspectives are crucial in capturing the broadest range of innovative growth opportunities, most of which occur at the points of these perspectives.



Analytical Perspectives:

- Mega Trend (MT)
- Business Model (BM)
- Technology (TE)
- Industries (IN)
- Customer (CU)
- Geographies (GE)