

International business to business payments

With the huge amounts of business transacted online, there is a growing concern amongst businesses about managing payments. Business to business (B2B) payments at the international level is a major concern since the amounts tend to be larger and the charges are appreciable. This results in some loss in profits, which makes global commerce less attractive. From the smallest business operating on the web to huge conglomerates that transfer large amounts of funds internationally, everyone wants cost efficiency in their payment system. The issue is, of course, larger in the international payment segment because there is the currency rate to consider as well. So both types of losses, in currency and in transfer charges, need to be kept to a minimum.

Third party e-Payment systems:–

These are popular but require the user to open an account, similar to a bank account. Finding the most efficient one for your size of company is also a little tricky. They come in many sizes from consumer-oriented Pay Pal and 2checkout.com to Orbian for large businesses. These e-Payment systems work fairly well and charge up to 5% of funds transferred.

Wire transfer:–

This is the good, old fashioned method of transferring money directly from bank account to bank account. It is completed by the bank and requires the swift code of the recipient's bank and their account number. This is considered to be a safe and fairly efficient way to make international B2B payments. However, banks can charge quite a hefty amount in fees and charges. You must find out the currency rate as well, if that is a concern. Additionally one thing that is required to be kept in mind is to make absolutely certain that the company to whom the payment is being made is a legitimate and an authentic company as once the funds has left your account, they are not recoverable.

Credit cards/ corporate credit cards:–

Many companies are less than willing to hand out corporate credit cards and employees will not use their personal ones for company business. So, unless you are a small business, the use of credit cards is rare in international business to business payments. It can also be fairly expensive.

Check:–

Unless you have an already existing relationship with the businesses you are selling to, a check may not be the best way to receive payments from B2B sales on the internet. There are hardly any successful online businesses that are known to conduct business with this method of payment. However, this form of payment can be viable where a low transaction fee is important and the product does not have to be delivered immediately. Remember, you can never be certain of receiving the payment until the check is cleared and payment is credited to your account.

If you have an online business, be sure to check which form of payment integrates best with your business. For example, if you are selling online software, the consumer may want to make payment and download the product right away. A wire transfer may not be the best option. For subscription based or recurring payments, a platform like Pay Pal offers incomparable functionality. It allows you to automatically charge customers on a monthly basis and also sends you intimations of payment failures.

There are many options for receiving international payments. Your best bet would be to keep a couple of options open and decide on a case by case basis which suits you best for a particular B2B transaction.

About the Author

William King is the director of [UK Wholesale Drop Shippers Trade Suppliers](#), [Wholesale Supplies Trade Directory](#) and [Buy & Sell Pakistan Property](#). He has 18 years of experience in the marketing and trading industries and has been helping retailers and startups with their product sourcing, promotion, marketing and supply chain requirements.