How a Fintech-as-a-Service platform is disrupting global mass payments

with Sarel Tal, VP of EMEA, Rapyd.

Maddie Duke 00:06
You're listening to *The State Of Work*, the podcast by Lano. *The State Of Work* is about finding your place in the changing world of work as an individual or an organization. In each episode, we dive into some of the benefits and limitations we face when it comes to remote and flexible work. We discuss how we work, how we hire and manage people and how we live in this increasingly global workplace. I'm your host Maddie Duke and in this episode, I'm joined by Sarel Tal, VP EMEA for Rapyd, the world's largest local payments network. Sarel leads Raypd's growth strategy and operations across Europe, the Middle East and Africa. And he shared some insights about the current state of global payroll trends, the technology behind Raypd's APIs, and how Raypd is working with the global developer community to come up with new ideas for FinTech and payment solutions. The continued increase in remote work and businesses expanding globally creates significant market development to the global payments industry as people look for payment solutions that juggle multiple jurisdictions and currencies. Founded in 2016, Rapyd is on a mission to "power frictionless global commerce". Enabling businesses to enter new markets, they serve over 5000 business clients, including e-commerce, tech companies and marketplaces. I promise I only make one pun about Rapyd's rapid growth in this episode. Okay, that officially makes it two. Happy listening! Welcome, Sarel Thanks so much for joining me today on *The State Of Work*. It's great to be speaking with you.

Sarel Tal 01:46
Pleasure being with you here today.

Maddie Duke 01:49
So where are you joining us from today?

Sarel Tal 01:52
Well, basically, I'm joining you from our Amsterdam office, Rapyd as a global company with multiple offices across the world. And I run the Rapyd I run the main, the main business on typically our central office Center in New Europe is the Amsterdam office. We do have some other locations in Europe, including London, Paris, and also Reykjavik in Iceland, where we've

recently acquired a local credit acquiring company and we have a relatively large facility there as well.

Maddie Duke 02:26
Great, it sounds like things are moving "rapidly", sorry. Indeed, in your position, you said you cover, kind of, the EMEA area. So you've got the Europe, the whole of Europe, Middle East and Africa in that region. You know, you've got quite a distributed team there in a number of different time zones, I'm sure you've got, like, management teams and things that are all working in different countries and offices around the world. Like, what's your experience of working with distributed teams? Is it something that you kind of just fell into an embrace through your career? Or is that something that you've had to kind of adapt to with Rapyd?

Sarel Tal 03:08
No, I think all of I think all of my career, was kind of international working with international teams and started out as an electrical engineer working for Motorola out of their Tel Aviv office where my team was actually in Schaumburg, and in the US. So, you know, really used to work with global teams when I was the CEO of Voltaire, which was an Israeli startup. We had offices in the US. Yeah, you know, so I've been involved in global operations throughout my career. Obviously, last year, this last year was a completely different challenge when managing international teams. Prior to this, we used to travel every week and meet the people and you know, for the last year and a half, we, we physically did not meet, you know, most of the teams

Maddie Duke 04:08
Usually have all teams come together for an event, you know, once a year or so, or is that something Rapyd does?

Sarel Tal 04:15
Rapyd does - we do have an annual company event, where all employees get together for like, an off site, where everybody meets or for a few days of fun and some business and get to get together and some training. We do have quarterly management meetings, physical meetings around the world, obviously. You know, we did not have one until a few weeks ago, so we did not meet as even as a management physically meet for like your four months, I think.

Maddie Duke 04:48
When that comes together in the end, and you finally got everyone in 3D, right in front of you takes a moment to get used to right?

Sarel Tal 04:56
Yeah, it takes more than a minute. There are also people that have joined the company and have never met the rest of the team, which is a big challenge. Or what is probably one of the biggest challenges of onboarding new employees and especially new management during this last, you know, 14 or 16 months?

Maddie Duke 05:17

Yeah, definitely. That is something that a lot of different businesses and leaders have been facing recently, isn't it? Um, so before, I really want to talk to you today about obviously Rapyd and how Rapyd is enabling global business growth and providing solutions. Could you give us a quick intro to Rapyd what, what Rapyd is as a business and your role there?

Sarel Tal 05:42
Sure, happy to do so. So Rapyd is authentic as a service provider, or probably more modern named today, although Rapyd is just a five year old company. But I think the common term today is embedded Fintech or we support embedded Fintech and Rapyd enables global businesses to collect, hold and disburse funds across the world. So any financial service a global company would need instead of going out and sourcing these services from multiple providers across multiple jurisdictions, multiple regulations, different integrations, and then running all of these contracts have these fund flow reconciliation of the funds across multiple providers. Rapyd provides this under one agreement, one API, on a global basis. So we can collect funds in all available payment methods across the world, or at least most available payment methods across the world. Anything ranging from cash to cards, to vouchers, wallets, whatever have you. We can hold funds under our own regulations, or partners' regulations in different parts of the world. For businesses and for consumers, and we can disburse funds, we can pay out using all of the payment methods I've, I've mentioned earlier across the world. So basically, we are in the funds flow, we touch the money. But you can access all of our services or our customers can access all of our services, we are via one API, where on one hand, that technology platform, just like AWS, you know, for the IT world, but because we provide these services on you know, in the Fintech space, we're also regulated, we also touch the money, and we can, you know, collect hold and and disburse on your behalf, we do not we do not provide services to consumers, or customers or business customers. And we are, I would say a white label provider for them. So their customers even, you know, regardless of their business customers, or consumer customers will not actually see Rapyd in the front, or they will interact with Rapyd and, you know, on the back stage, but, you know, Rapyd is a white label provider to our business customers.

Maddie Duke 08:03
So, Rapyd basically does all that legwork of everything that's involved in the backend of setting up a payment system in another country, and how many and sorry, and then then integrates seamlessly with whatever the other business providers product is.

Sarel Tal 08:23
Yep.

Maddie Duke 08:25
How many countries and currencies and things is Rapyd operating in at the moment?

Sarel Tal 08:28
We typically cover the whole world. I think we support something like 40 plus maybe 50, active current currencies in terms of collecting and disbursed currencies. That's, you know, the main

currencies that most customers use, we can support more, if there is a need, and then we add more currencies. But typically, we cover the whole world, in many places, this is direct capabilities, directing countries capabilities, in some places, we work with local partners to access these markets depends on the size of the market, the business opportunity, the use cases, and so on.

Maddie Duke 09:12
Yep. And so just to kind of give an example of how one business might use Rapyd, I'll take Lano as an example, being able to utilize and integrate with Rapyd's products allows learners to grow their offering and offer new products and solutions to Lano's clients.

Sarel Tal 09:31
Lano is a perfect example. I think of a customer you know, in a specific business vertical that is using Rapyd and you know, just looking at the things that Lano and and people in that space are using Rapyd, you know, they're using multiple of the Rapyd services across multiple jurisdictions. Starting from the collection side where and again, for people that don't know Lano Lano is a payroll provider. They enable employers to pay their global workforce. So from a just a financial part of the Lano business, Lano business in itself is, is very complex. And this is the core of the Lano offering. But in the places where they needed to interact with the real world financial systems, this is where Rapyd comes in. And instead of Rapyd now going and building that additional capability and services and know how and regulation into their system they consume that from Rapyd, as I've explained earlier. So typically, in the Lano use case, or a payroll provider use case, they need to collect funds from the employers in multiple jurisdictions, multiple currencies, and Rapyd as an enable them with a set of virtual accounts, virtual bank accounts, virtual IBANS, for example, in Europe, that they can issue for each one of these employers. So basically, the employer will have a designated bank account that they send the money to, on the lateral side, what they what this buys, Lano is very easy reconciliation and the difference because the normal way is for Lano to have a bank account and their customers send money into Lano, this lands into their bank account, and now they have to go through, you know, hundreds of payments and identify what payments belongs to what, whatever their customers that have paid them, there usually are value differences because of cost. Because it affects cost. So reconciliation becomes a big issue. The way that we set it up for them is that they have designated accounts for each one of the paying employers. So once the funds land in the account, they immediately know who these funds belong to. So there's actually real time automatic reconciliation for funds that's on the receiving side. Now, if that employer has employees and 10, or 15, or 20 countries, Lano needs to, would have to build these routes into these countries to be very cost effective to make sure that the the money comes in and is not blocked on the way because of different screening and different rules and different regulations, that it comes in the right currency proper FX rate that, you know, their their, their customers are paying the best rates that are available to to move these funds across the multiple currencies. And that it's also very fast. Sometimes international bank transfers can take days and sometimes more than a few days to receive an employee's usually, you know, expect to get their payments on time, immediately. So by using Rapyd and our ability to just disburse all of these funds, in the local currencies, enter the local payment methods. We solve all of these issues of,

you know, the cost of the transaction, the time of the transaction, and, you know, the and making sure that the transaction gets there on time, and it's not blocked, it don't get lost, on the way like many international cross border transactions end up.

Maddie Duke 13:19
Yeah, it makes it so much less complicated on the payroll side, that's for sure. And so, you know, you mentioned a few of the challenges that Rapyd solves for that kind of use cases, the payroll use case, the reconciliation time costs, what are some other you know, aside from payroll, what are some other big use cases for Rapyd product and and what challenges are they providing solutions for?

Sarel Tal 13:48
Just to stay maybe for another second, on the payroll side, because the services can go further than this. If you look now, on the employees, sometimes these employees work for, you know, in the gig economy, or a remote workforce, they work for multiple employers, so they need to collect the funds from multiple employers. Sometimes, you know, they don't even have a bank account in the country. So what Rapyd can do in that case is hold an e-wallet for these employees, where they can collect their funds from the employer or multiple employers into that, that wallet, and then Rapyd can issue a debit card on top of that wallet and enable these users to use the debit card to get to use to access the funds or locally through an ATM or paying the supermarket or whatever they need to do.

Maddie Duke 14:46
That's a huge, I mean, that's a huge bonus for people that are working from many, many international clients all over the world.

Sarel Tal 14:55
Right. So this is on this specific vertical. You know, other verticals are the logistics aware, you're a logistic company, and more even a logistics marketplace and you connect our shippers and and buyers and sellers. And you want to build a marketplace where people need to load up funds and pay multiple providers, sometimes through an escrow facility, because you only want the payment to be actually paid when you know the ship has arrived, or the parcel has been delivered or maybe inspected before it's delivered. So all of these services can be managed on top of the the Rapyd marketplace platform where a marketplace orchestrator can onboard the sellers, the buyers, the shippers, the logistic company, and move the funds, again, all through the API between these accounts are just as another example.

Maddie Duke 15:57
So have things changed pre-pandemic to now in terms of the number of companies that are looking for these kinds of solutions, or perhaps in the way that Rapyd is able to facilitate this product?

Sarel Tal 16:14

Yes, I think there's two main trends that we're seeing. One is obviously, more business and more commerce and more transactions have moved to the online. And businesses that have never been online, are now online. And these businesses, you know, they probably have their own technology stack built around their core business, but now they needed to integrate into the global financial systems. Previously, they were maybe focusing on their own market integrated into a local bank account, kind of acting very locally. And now a lot of these businesses found that there is great opportunity for them to act globally. So moving this, you know, making this switch from acting locally to acting globally is something that Rapyd can accelerate for them. very significantly, it's almost important impossible for even a large merchant to build their global Fintech infrastructure on their own, it just doesn't make sense. So this is one thing that that changed. And the other thing is the world has kind of started to accept, you know, the use of APIs, the use of technology platforms. And on the Fintech side, this is where embedded FinTech comes in. So it's okay now for a business to focus on what they do. And use APIs to connect to dedicated services. You know, people connect to be CRM services through an API into, you know, to Zoom through an API and to other services through an API. And the same way they connect to Fintech services through an API and consume this. And it's okay for you to focus on your core business, and consume these services at a very cost effective manner, on a global basis, you can look at it from the other side. And that is, it's your business and your financial infrastructure, we've focused, let's say, on North America, you could almost, you know, it was very hard for you to expand into Europe, on your own. But now, given the capability that a company like Rapyd, you can immediately expand into Europe. So Rapyd is an enabler for many of these businesses to expand their business globally. So it's not that we are only supporting global businesses, but we are also enabling local businesses to go global. Some of our large customers were very large, I would say, European customers, which identified opportunities outside of Europe. You know, and without Rapyd, it would have taken them years to build their Fintech layer of, you know, to penetrate into Latin America or to penetrate into Southeast Asia, connecting into Rapyd they immediately get access to all of the financial services across these regions.

Maddie Duke 19:20
Yeah, and I mean, just to quickly bring it back to the way Lano uses that is that what that does is it enables Lano to access that huge network. Then couples with Lano's product, which is, you know, compliance and payroll services, where people can then hire remotely and pay remotely because of what Rapyd's able to help Lano offer.

Sarel Tal 19:46
Yeah, I think in the Lano case, in many other cases, we actually kind of break the chicken and the egg dilemma. Because if you look at a payroll company and one of your clients has 1000s of employees and In Europe where you can pay them easily, but they also have 20 employees in Indonesia and three in Sri Lanka. Now if you want to support them, you need to support you know, these three employees in Sri Lanka. Now, you as Lano need to build that capability. But it doesn't make sense to build it for three employees in Sri Lanka. But if you don't do it, you don't get the large customer in Europe. So for customers like this, we're actually a significant enabler for them, not only to win the business outside of their core countries, but also to get the core

business in their core countries because otherwise, that provider would look for somebody that can support Europe and Sri Lanka and Indonesia.

Maddie Duke 20:46
Pay your global team in local currencies. Lano has partnered with Rapyd to bring the world's largest local payments network to you. With Lano wallet, local payments are free in over 50 supported currencies. And you can save up to 2% on exchange rates compared with traditional banks, approve and pay invoices for your global team in just a few clicks. Head to lano.io for more information.

I'd love to talk to you as well about your Rapyd global developer community. And I understand you've got a hackathon on at the moment. Can you tell us a little bit about that?

Sarel Tal 21:27
When I was describing Rapyd earlier on, I think or at least I should have used the term that Raypd is is an API platform. It's a technology platform, while Rapyd also provides Fintech services. But the core competencies of Rapyd is the technology platform that enables people to integrate into Rapyd and through Rapyd into the local capabilities. And one of the things as a technology company, it's important to us to be developer-friendly to build our services and APIs and sandbox environment to support the needs of the developers on a global basis. And we're spending a lot of energy on that. On the other hand, there is a lot of know-how out there with the developer community that they can use, then the Rapyd capabilities and build solutions, you know, search services that they can then offer to their clients on top of Rapyd. So there's a win-win situation of Rapyd working with the global developer, environment or community to get them all, you know, knowledgeable on the Rapyd API capabilities on the Rapyd infrastructure with Rapyd can support them in places where they need to build Fintech related services. And this is where the hackathon comes in. Enabling developers across the world to team up, integrate and get familiar with the Rapyd capabilities, build their own solutions, and on top of that, and on the way, win a small, small prize.

Maddie Duke 23:16
What's the small prize?

Sarel Tal 23:19
In the name of small prizes, Rapyd's is a Porsche.

Maddie Duke 23:20
Nice.

Sarel Tal 23:21
Yes.

Maddie Duke 23:22
Lovely.

Sarel Tal 23:23
So we see a lot of excitement across the global developer community to join forces and, and win a Porsche.

Maddie Duke 23:32
What a great way to, kind of, reach that that wider global community,

Sarel Tal 23:37
It is open to anyone around the world. We spend a lot of time and effort in building this there is a specific team and on Rapyd, which runs the developer community, and they're committed to this community. And they have built this on it on a global basis. So you know, it's, it's a task force inside Rapyd that is focused on on this mission, it's not something that we do, you know, on the way, or by the way. It's an ongoing commitment by Rapyd to the global development developer community. This is just the starting point, it's nowhere near the end point. And it's the beginning of a new relationship with the global developer community.

Maddie Duke 24:20
What we'll do, as well as we'll link to the details of the hackathon on our podcast landing page, so if anyone listening wants to have a look and see what it's all about, they can also head there.

Sarel Tal 24:34
Super.

Maddie Duke 24:35
So it does sound like Rapyd is expanding quite quickly and you know, growing globally as an actual company. You've obviously seen a huge amount of growth in the last five years since the start and continuing to grow. Is Rapyd hiring at the moment and what does that look like for Rapyd?

Sarel Tal 24:54
Rapyd we've announced a very large series D, are at the beginning of the year. So we're very well funded to move to move forward with targeting around 500 employees by the end of the year, which is a very aggressive task, a good part of that as r&d, but there's also many positions open for for sales, for sales, development, representatives, marketing, Product Marketing, relationship managers across the globe, were recruiting in any report recruiting in APEC in Singapore, we have a very large facility, our recruiting in the US, we have a large office in Mountain View in California, another office in Florida. in Reykjavik in Iceland, we're recruiting developers, sales, product managers. So there's multiple open positions. If anybody listening to this podcast is interested, they're invited to visit the Rapyd website, and there is a nice section about recruiting. Looking forward to seeing great talent joining Rapyd.

Maddie Duke 26:03

I'm sure you will, awesome. Well, I definitely encourage listeners to head to the Rapyd website and take a look at what positions are open. And what else is in store for Rapyd? What's what's kind of in the pipeline for the next year or so in terms of what's next?

Sarel Tal 26:20
I would say go expand our local capabilities. Today, we're reaching most of the countries around the world. And we need to get more local in these countries, or improve our capabilities in some of these remote countries with the local technology stack is not in line with what Rapyd as a company expects and our companies expect to see. So we do invest in improving that local stack by either changing local providers or working with the local providers to improve their stack, or building our own routes into these markets. Yeah, I think this is one of the key areas, our local presence in additional markets. With our own regulation, this is another area of improvement. We are currently card acquirers and card issuers in multiple jurisdictions across the world of principle members for Visa and MasterCard, and we will like to expand that into other markets. So I would say these are kind of the routes that we will be focusing on. And, you know, in the next few years, in addition, of course, to growing the business and then scaling up the business, the number of customers, the number of transactions we processed for customers on a global basis. I mean,

Maddie Duke 27:50
I know that Lano definitely shows Rapyd's vision on kind of enabling global expansion for businesses. And it's yeah, it's really it's great to see such kind of comprehensive, such a comprehensive offer that Rapyd provides to businesses like Lano. And yeah, it's been really great to hear about it and lovely talking to you today. And I want to thank you again for joining us on *The State Of Work*.

Sarel Tal 28:16
Thank you, Maddie for hosting us. It's a pleasure meeting you and pleasure doing this with you.

Maddie Duke 28:23
The State Of Work is available wherever you listen to podcasts. You can also find us on Instagram and Twitter by searching for the state of work. For more information on anything we talked about in this episode, including Rapyd's Fintech Grand Prix hackathon and links to further reading on the future of payment processing, check out our show notes at podcast.lano.io

Thanks for listening and see you next time on *The State Of Work*.