

WHITE PAPER SERIES

Pathways to Higher Profitability: Accounting

Supercharge Solar Soft Cost Reduction With
Automated Payment Processing





Grab a seat and enjoy.
Read time: 6 minutes

Through Integration With Paystand, SolarSuccess Customers Can Save On Payment Transaction Fees

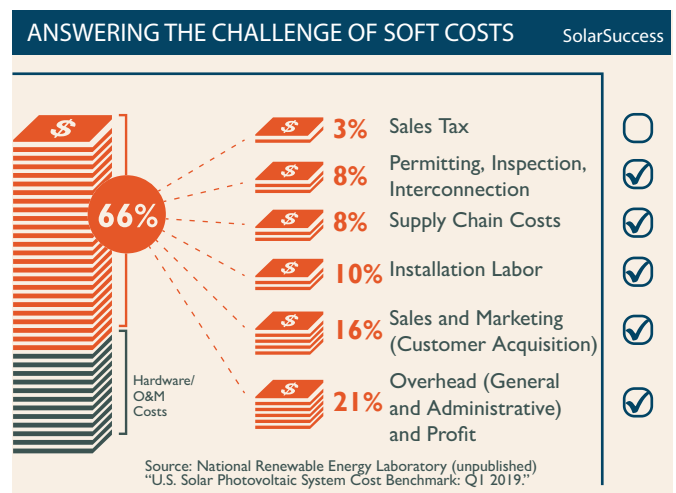
Solar installers can measurably reduce their soft costs by combining advanced solar accounting with streamlined transaction processing, all on a centralized company database.

Despite innovation in the payment space—think PayPal, Stripe, and Apple Pay—payment processing for solar installers, like much of the business world, remains unnecessarily expensive and slow. This puts payment processing right up there on a list of obstacles that stand in the way of lowering costs of solar energy projects.

Some people are surprised to learn that hardware, the solar panels, inverters, and racking systems that make it possible to generate electricity and deliver it to the grid, accounts for only about one-third of total installation costs. The remaining two-thirds pays for installation and maintenance, permitting, sales and marketing, and other assorted costs of doing business, a category known as soft costs. Payment processing is yet another soft cost of solar.

Soft cost reduction represents one of the biggest opportunities to make solar energy more affordable and accessible. The US Department of Energy estimates that the solar industry can reduce soft costs by about \$1 per Watt.¹ Soft cost reduction can accelerate solar adoption and help reach net-zero carbon emissions by 2035, a policy objective that has gained support from the Federal Government.

Many companies are creating technology solutions that counteract climate change. Blu Banyan, a California-based Oracle NetSuite Solution Provider and SuiteApp developer, has built a solar-specific business management solution, SolarSuccess, that helps contractors scale profitably and drive the US more quickly towards its clean energy goals. In partnership with Paystand, a leader in automated billing and payments, Blu Banyan is targeting one more solar soft cost for reduction, and just in time as many installers are gearing up for rapid market growth.





SolarSuccess + Paystand in Action

SolarSuccess, built on the cloud-based NetSuite platform, provides solar installers all the tools needed to run the business: project management, customer acquisition, inventory management, team collaboration, and more. The accounting tool in SolarSuccess gives contractors a powerful way to consolidate accounting across projects, set up new projects, and recognize revenue.



Paystand has reimaged business-to-business (B2B) payments. Using blockchain and cloud technology. Paystand pioneered Payments-as-a-Service to digitize and automate the entire cash lifecycle. Users can digitize receivables, automate processing, reduce time-to-cash, eliminate transaction fees, and enable new revenue.

Blu Banyan + Paystand speeds up and simplifies clunky accounting processes, such as calculating commissions and month-end close. SolarSuccess integrates with Paystand through an open API that facilitates connections between NetSuite tools.

Integrations help contractors centralize company data, a key objective for any business planning to scale.

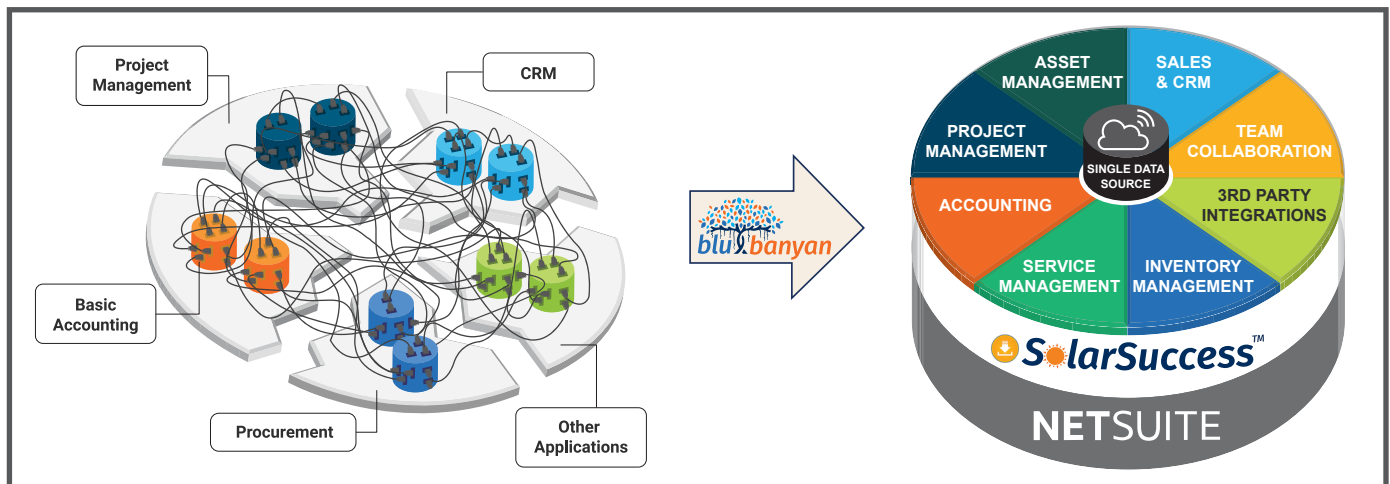
How does it work?

Contractors use SolarSuccess to automatically generate invoices upon the completion of project milestones. Paystand accepts customer payments and deposits funds to business bank accounts. When contractors integrate SolarSuccess and Paystand, Blu Banyan uses native NetSuite functions to set up a simple and elegant handoff from invoicing to payment processing.

Put this all together and when the field says the installation is done, a cash customer will receive an email with an invoice in minutes, which they can pay directly. Fast, easy and direct. Customer records are automatically updated in the accounting system.

More Efficient, Lower-cost Transactions. No Credit Card Fees.

For Blu Banyan's top clients, installers completing 3 MW per year or more, SolarSuccess has been shown to pay for itself in the first year after implementation. Installers benefit most from reduced overhead, fewer days to payment, and increased project profitability. By the same token, Paystand's Payer Incentives module creates significant shifts in payment behavior away from



credit cards and saves businesses an average of 67 percent on punitive transaction fees.

The combined solution is shifting the culture of accounting and payment processing while providing direct financial benefits for solar installers.

By connecting project management directly with accounting events and enabling faster processes, SolarSuccess alone can reduce service wage costs by 3-5 cents per Watt. Adding Paystand further reduces transaction soft costs by up to an additional 9 cents per Watt on solar projects.

By reducing transaction costs, Paystand reduces friction across all forms of exchange and cooperation. By providing B2B payment processing as a service with no credit card fees, Paystand directly reduces soft costs associated with making and receiving payments, and saves solar installers the customary 2-3 percent fees for credit card processing.

Ipsun Solar, a residential installer, uses SolarSuccess and Paystand to run its business.

“Last year, we saved over \$20,000 in payment processing fees after kicking off our work with Paystand and we’ve already shifted 30% of our payments to their zero-fee payment network. As our customers reach certain project development milestones, their invoices get released automatically and without manual intervention. Automating a handful of tasks that were often time consuming helped our team immensely and allowed them to focus on other, more mission-critical tasks that would help further grow the business,”

Herve Billiet, CEO, Ipsun Solar



www.blubanyan.com
sales@blubanyan.com
510.929.1075



www.paystand.com
sales@paystand.com
800.708.6413

¹ Solar Energy Industries Association (SEIA), Solar Soft Costs Fact Sheet (accessed July 20, 2021)
<https://www.seia.org/sites/default/files/2019-05/Solar-Soft-Costs-Factsheet.pdf>