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| Data Acquisition |
| Western Governors University D205 |

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Businesses need to properly plan when payments are coming in and how to project and recognize revenue. To explore this idea, I asked “How much revenue is lost for customers using multiple products being processed non-automatically?” PayStand, a Business To Business payment processor notes in their white paper, *“How much is it costing your business to accept paper checks?”,* states “Paper checks are 10x more expensive for businesses than digital payments because there are more than just processing fees to consider — such as manpower and incidental costs — which are not included when processing payments via digital alternatives.” (Lopez, 2022). Electronic ACH for checks is slightly cheaper but still requires the work hours and systems to run the manual transferring of funds. Corpay also notes in their white paper that digital/automatic payments are safer for the business and payer. It allows auditing to no longer take place with written records and receipts or manual entry of erroneous data, causing further processing costs but “In an automated system, however, it may only take two or three hours for an auditor to complete their task (Corpay, 2021).” Another reason to favor automated payment systems from customers is that, if you intend to grow your firm, automated payments are more scalable and predictable, preventing accidental churn from missed payments.

In this report, I have created within WGU’s virtual lab many PostgreSQL queries to help see the data required for the problem as well as some related fields for further future analysis or treatments. I used the customers, payments, and add-on services CSV to create my table.

Here is the logical model created within the ERD of Pgadmin4:

Graphical user interface, application

Description automatically generated

The table titled Services on the far right in the above image was created and populated via a CSV file with the following SQL block:



Another table was created aggregating this table, payments, and customers via the following SQL:



A CSV of this table will be included. Please note the DROP TABLE IF EXISTS and CASCADE function in the above code, Assuming the Services CSV or any other tables are updated, this ensures a fresh creation. With the small amount of data, running these two queries once a month will provide ample updates with fresh data for continued monitoring of this question.

My findings show that, compared to the fees associated with automatic payments, this company is losing an extra $5779 a month. This can be reduced by incentivizing current customers to bundle and autopay with a discount or other incentive. Further analysis might be needed to cluster customers based on age and specific service to draw more insight.

References

Corpay. (2021, December 15). *5 Signs It’s Time to Automate Accounts Payable | Corpay*. Payments.corpay.com. https://payments.corpay.com/resources/whitepapers/5-signs-its-time-to-automate-accounts-payable

Lopez, E. (n.d.). *How much is it costing your business to accept paper checks?* Www.paystand.com; Paystand, Inc. Retrieved May 23, 2022, from https://www.paystand.com/blog/how-much-does-it-cost-business-to-accept-paper-checks