

We've all heard about
the BMI right?

Now it's time to
calculate your EMI

By Celeste Kirby-Brown and Katie Judge
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Author's Outline



Celeste Kirby-Brown

Celeste is the Sales and Marketing Director of EzyPay, Australia's first direct debit provider and BRW award-winning company. EzyPay provides billing solutions to all types of businesses across Australia and New Zealand. Celeste has played an integral part in EzyPay's recent success by leading service and product innovations and launching EzyPay in New Zealand. With a background in direct marketing, telemarketing and business-to-business sales, she has recently completed her Masters in Law and Legal Practice after many years of part-time study. She has been a board member of Fitness NSW and has previously been the president of Women in Finance. Celeste is passionate about delivering customer satisfaction and business growth through innovation. Celeste lives in Sydney with her husband and two crazy cats. At weekends she can be found furiously pedalling in the indoor cycling studio, outside with friends, or shopping for the latest bargains.



Katie Judge

Katie is the Sales and Marketing Co-ordinator of EzyPay, Australia's first direct debit provider and BRW award-winning company. She has recently completed her double degree in Arts/Business majoring in Economics/Marketing. Katie is passionate about advancing her career in direct marketing, and plans to travel the world. At weekends she can be found relaxing with friends and doing her much loved bikram yoga.

About EzyPay

EzyPay was the first direct debit company established in Australia. It was formed in 1996 by George Holman to facilitate the introduction of automated billing for Australian businesses. Recognised as one of Australia's largest and most progressive payment service providers, EzyPay has gained a strong foothold as a market leader in the direct debit industry.

Having been awarded Australia's fastest growing company in 2001 in the BRW fast 100 (and appearing in the top 50 for the subsequent four years), EzyPay has continued to innovate and grow to deliver its clients the most dynamic and innovative billing solution in the market. EzyPay still enjoys exponential growth and now undertakes millions of transactions across a broad range of industries in both Australia and New Zealand. EzyPay is always striving to provide continuous innovations in direct debiting, so our principals can enjoy the benefits of a decrease in administration costs and/or an increase in revenue in their businesses. This is what direct debit is all about for EzyPay. The innovations that we are particularly proud of because of the benefits that they have provided our principals include:

- EzyPay was the first direct debit company to provide free SMS and email to follow-up failed (dishonoured) payments;
- EzyPay was the first direct debit company to institute a completely paperless direct debit engagement process;
- In 2008, EzyPay released the first Australian Fitness Industry Survey. This is the first data available for the fitness industry in Australia for over 20 years.

It is these innovations, as well as our unique specialised services and solutions, and a focus on what really matters - revenue growth, that has made us the first choice for thousands of businesses across Australia and New Zealand.



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The EZY MONEY INDICATOR will provide you with an insight into the health of direct debits in your business. By knowing your EMI you will be able to understand the financial health of your direct debits, improve your direct debit practice and the overall financial performance of your business. All of which will result in an increased ability for you to maximize your revenue and profit.

What is your EMI? To find out the health of your direct debits calculate your EMI by taking the EMI quiz below.

Please answer the following questions which will help you rate the health of your direct debits. *Circle the number that corresponds to your answer.*

Q1. Do you allow your members to set up their direct debits on the date that best suits them?

No		Sometimes		Yes
1	2	3	4	5

Q2. Can you start your member's direct debits within 24 hours of them signing the debit authority?

No		Sometimes		Yes
1	2	3	4	5

Q3. Can you initiate your member's direct debits online?

No		Sometimes		Yes
1	2	3	4	5

Q4. Do you sell on a low frequency but debit on a high frequency?

No		Sometimes		Yes
1	2	3	4	5

Q5. Do you offer your members the choice of fortnightly or monthly debits?

No		Sometimes		Yes
1	2	3	4	5

Q6. Do you pass the costs of your debits onto your members?

No		Sometimes		Yes
1	2	3	4	5

Q7. Do you have less than 2% of all debits fail?

No		Sometimes		Yes
1	2	3	4	5

Q8. Do you offer direct debits from bank and credit cards?

No		Sometimes		Yes
1	2	3	4	5

Q9. Do you have a similar failure rate between your bank and credit card direct debits?

No		Sometimes		Yes
1	2	3	4	5

Q10. Do you have 90% or more of your members on direct debit?

No		Sometimes		Yes
1	2	3	4	5

How did you score?

Add up the value of your responses to find your EMI which will be a number between 10 -100. Read on to find out what your EMI reveals about the financial health of your business.

Score 10 – 25 = WARNING! Your EMI indicates that you are in danger of a direct debit heart attack.

Your score suggests that your EMI is well below average. In order to achieve a healthier EMI there are a number of things that we would recommend. You can start by giving your members more flexibility in their payments. Most direct debit systems will make it easy for you to manage different payments coming out of member's accounts at different times. By making your direct debits flexible you are making them more attractive to your members. This means that you will also increase the amount of direct debit memberships that you have and will be on the way to moving this to the 90% penetration. Follow some of our quick tips and you will soon see your EMI increase along with your revenue and profit.

Score 26 – 50 = Your EMI indicates that your direct debits are de-conditioned and flabby. You need to move it or lose it.

You score suggests that you could improve your debit practices significantly. You could start by making sure that your sales team sell the small weekly debit amount but actually debit your members accounts on a fortnightly or monthly basis. By still making the membership amount attractive (small!), but decreasing the amount of debits that you do, you will sell more memberships and also save money. Another tip that will increase your EMI dramatically is making sure that you are passing



any costs of doing your debits onto your members. This may be either directly through members paying or ensuring that you have factored the costs of debits into the price of your memberships. Follow the quick tips and you will soon see your EMI move to a higher level of revenue and profit.

Score 51 – 75 = Your EMI indicates that you are a regular direct debit user but not achieving all your health goals. Tweak one or two aspects of your direct debits and you will come out on top.

You have scored a relatively high EMI which means you operate a relatively good debit practice. However there is still room for improvement. Have you reviewed your failure rate recently? Is it consistently under 2%? Do you have the same failure rate for bank accounts and credit cards? You do offer debits from both bank accounts and credit cards right? Address our quick tips and you will soon see your EMI increase, moving you from a good to a great debit practice.

Score 76 – 100 = Your EMI indicates that your direct debits are in Olympic athlete shape. See you in Beijing!

Congratulations, you have an extremely healthy and fit EMI! You are effectively managing the direct debits in your business and reaping the rewards in revenue and profit. You offer your members flexibility to use your direct debits in manner which most suits them. You also have a great collection rate across bank accounts and credit cards. You also offer different debit frequencies to suit different members. If you want to win that Olympic gold we suggest looking at getting your members direct debits up and running faster without paper via our online DDR.

Didn't score so well?

Not to worry, take on board the quick tips for improvement and before long your EMI will indicate a good direct debit practice and signs of overall good direct debit health.

If you want to learn more about how Ezy pay direct debits can improve your bottom line, increase your cashflow and maximize your business' revenue and profit, contact us now on 1300 762 726. Alternatively visit our website www.ezypay.com.au or email newenquiries@ezypay.com.au.



Improve your EMI! Here are some quick tips.

1. Allow your members to pick the date and frequency of their debit.
2. Start your member's direct debit within 24 hours of them signing up with Ezy pay's online DDR.
3. Create your member's direct debits directly online without any paper with Ezy pay's online DDR.
4. Sell on a low frequency but debit on a higher frequency.
5. Offer members monthly or fortnightly debits, not weekly, to provide flexibility and cut costs.
6. Pass all the costs of the direct debit onto the member. Either directly or by covering the costs of the debits in your membership fees.
7. Your failure rates should be consistently under 2%. If it isn't then Ezy pay can help you achieve this.
8. Offer direct debits from both bank accounts and credit cards.
9. Your failure rates should be the same for your bank account debits as your credit card debits. If they aren't then Ezy pay can help.
10. You should have 90% or more of your members on direct debit to fully maximize the cash flow benefits and revenue returns.



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