Inc.5000 HONOR ROLL

5X	$20B	200+	45K+	ElectronicPayments
Inc. 5000 Honoree	Credit Transactions Processed, 2022	Employees	Merchant Partnerships	

The Long Game: Payment Processor Consistently Expands Services

With $20 billion in 2022 credit card transactions, Electronic Payments strives for more.

Some might say that a founder and CEO of a company with 1,000 sales partners should not be selling and installing new merchant accounts, as Michael Nardy does on occasion. Nardy, founder and CEO of Electronic Payments, Inc. (EPI), knows how to delegate to his sales partners and 200 employees. But he finds value interacting with the sales and installation teams, seeing what works well and what needs improvement. This hands-on attention to detail helped build EPI from a company he incorporated as a Boston College student in 2000, to one now processing $20 billion in annual credit card volume.

The English and history major taught himself programming, creating online auction software with credit card processing for small businesses. By 2005, Nardy was making enough to hire his first employee, his college roommate, who is still his chief operations officer.

BOOTSTRAPPED GROWTH

Instead of taking on investors to help his company grow, Nardy trusted his vision and did not want to dilute his ownership. He used a banking line of credit, reinvested his revenue in the business, and put off some expenditures. He also built his own products and services, provided customer service and tech and sales support, and conducted risk management and underwriting. Still, he experienced flashes of frustration when he couldn't be everything to everybody. "I sometimes saw competitors offer a solution I couldn't build right away," he says. He finally accepted that a competitor could launch a product, and it was okay if he didn't have the same one.

It's possible the lack of outside help slowed EPI's growth, but by most metrics EPI has grown impressively during the last 23 years. "When you have

→ Michael Nardy, CEO, taking the stage at IMPACT22

↑ **Electronic Payments team and agent partners at IMPACT22**

investors and a board of directors advising your business, it can sometimes be helpful to your company," Nardy says. In 2015, EPI bought a point-of-sale provider and built out the product. "It's a long game, and I trusted my gut for the direction we needed to go," he says.

Nardy measures company growth in a lot of ways including total revenue, merchant growth, and processing volume. He is most interested in the total processing volume and is proud that in the last few years, EPI has become the 97th largest transaction processor globally and the 18th largest domestically. EPI processes more than a million transactions per day. He sees its direct credit card processing network, Cygma, as EPI's greatest future growth potential. Cygma allows EPI to bypass dependence on incumbent processors.

KNOW YOUR CUSTOMER: A DIFFERENT TAKE

Knowing EPI's customers is vital to Nardy's vision. Some of his customers are now friends. "It's a true 'shop local' experience. I go to the fish market, and the fish market is my customer," he says. Nardy loves receiving an online invoice and realizing that it's processed through EPI, even though he didn't sell that account himself.

Nardy built a national sales team that engenders the same sense of loyalty with merchants in their respective communities. "I want to find like-minded individuals as partners, who are members of their local chambers of commerce, with a shop local and support local mentality." These customers become an integral part of EPI's business success, with a higher likelihood they'll call when they have a need or want to upgrade.

Some sales partners have been with EPI for 18 years, building their own businesses with the EPI platform of services and products. EPI does not compete with the partners—there's no internal sales team. "We're partner-focused," he says. While partners can sell competing products and services, "ultimately we feel if we're building the better mousetrap, we'll catch more of the mice."

EPI also attracts partner loyalty by paying on time, and offering competitive compensation packages that don't change with the economy. "We bring a level of stability," he says. EPI hosts an annual conference for partners, paying most of the costs for the 300 who attend. In addition to fun activities, the conference offers networking and training and reveals new products and services.

This corporate model and philosophy have worked so well that Nardy often receives gratitude via cards, emails, and phone calls from partners and clients, including one partner who paid off their house early. "It's not my credit—it is the work they put into it. But it's exciting when it's your vision that started the company," he says. "It's great to help our 1,000 partners build wealth for their families."

ELECTRONICPAYMENTS.COM