

CASE STUDY

Softgiving: Third-Party ACH Originator Benefits from Customer Risk Analysis

THE COMPANY

Softgiving Founder & CEO, Matt Pfalzgraf, encountered many challenges as his quest to start a company began in 2016. If financial regulations are considered a bane to the largest banks in the United States, they proved a formidable hurdle to the Atlanta, Georgia startup whose client base consisted solely of nonprofit organizations.

His mission? To help these charitable groups find alternative fundraising solutions to increase donor retention, diversify their donor base, and cultivate relationships. If that wasn't a big enough task, Softgiving, as an ACH originator, had to do so while adhering to the same financial regulations as the banking industry's "big four" financial institutions.

THE CHALLENGE

A Substantial Amount of Manual Labor and Minimal Resources

"The big problem we faced was the amount of manual work required to research our potential customers accurately; that as an ACH Originator, banking regulations insisted we provide," Pfalzgraf said. "This ranged from making sure our prospects have good credit; pay their vendors in a timely fashion; and are in good standing with OFAC regulations along with researching the type of news that may be circulating about the nonprofit."

As a startup with a small staff and resources spread thin, this manual work cost Softgiving substantially more time and resources than ideal. Fortunately, soon after launching the company and through networking at a payment processing conference, Pfalzgraf heard about Argos Risk and AR Surveillance™.

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*It has taken what used to be an all-day risk assessment process
on a client down to just a couple minutes.*

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~ Matt Pfalzgraf, CEO and Founder - Softgiving

THE SOLUTION

AR Surveillance™

"We reached out to Argos Risk® and they very quickly followed up with us," Pflazgraf said. "They set us up with the proper solutions for our organization and we were up and running in a matter of less than a week." That was a little more than two years ago, and since then, AR Surveillance has become an integral part of Softgiving's business. "Before we do business with organization, we add them to AR Surveillance and review the easy-to-understand Dashboard to analyze them," he added.

Softgiving's sales and risk operations utilizes Argos Risk to monitor 50-some clients on a regular basis – a number that grows as the company finds success. "All these different things that required massive internal manual work disappeared once we implemented AR Surveillance," Pflazgraf said. "It's helping us resolve those challenges quickly and confidently."

Pflazgraf has found other benefits to using AR Surveillance besides the significant reduction in work regarding customers' risk analysis. "It greatly reduces internal resource cost from a regulatory standpoint," he said. "It reduces our internal expenses. It creates a great security for us when we get audited by financial institutions and regulators, and it helps with general bookkeeping and organization of our customers."

Pflazgraf feels Argos Risk provides the peace of mind knowing they are adhering to the proper financial regulations while Softgiving assists charitable organizations whose goal is to benefit the general public and further their mission.

"Softgiving provides recurring alternative fundraising solutions for nonprofits and the backbone of that is the ACH payment rail," Pflazgraf said. "We are regulated just like a financial institution, so being able to have resources that Argos Risk provides enables us to do that in a much quicker and secure way."

In summary, "What was sometimes an all-day process to complete a risk assessment on a customer has been reduced to minutes." said Pflazgraf.



Headquartered in Atlanta, Georgia, Softgiving has been a partner in unlocking the next generation of recurring donors through innovative fundraising solutions, world-class marketing, and dedicated support since 2016. Matt Pfaltzgraf, Founder and CEO of Softgiving, is a payment processing expert whose mission is to revolutionize the way people can support nonprofits through passive recurring fundraising technology. Armed with his payment processing background and passion for helping cause-based organizations, Pfaltzgraf saw a gap in the marketplace and created Softgiving to fill it.

Softgiving uses innovative fundraising technology to enable nonprofits of all sizes to expand their donor base while increasing retention and engagement through passive donation solutions that better fit their supporters' lifestyle. As a child, Pfaltzgraf was once on the receiving end of charity from nonprofits such as the Boys & Girls Club and his local Iowan YMCA, but now he empowers them through Softgiving's innovative fundraising solutions. Softgiving's leadership team and board of directors draw from industry experts such as former executives from Bank of America and Home Depot to the co-founder of TaxAct.

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