

Why We Believe that NX Technologies is Leading a New Frontier for SaaS

By [Alexandros Bottenbruch](#)

Read NX Technologies' press release announcing its €22 million Series B funding round [here](#).

The steep, upfront costs historically associated with building Software as a Service (SaaS) products from the ground up meant that in prior decades, small and medium-sized businesses (SMBs) have been largely left to either fend for themselves with manual workarounds, or resort to generic, horizontal SaaS solutions that addressed needs that spanned across the widest array of sectors possible and offered limited utility to SMBs, let alone those with sector-specific needs. As scalable acquisition and monetization models remained scarce, there simply was no clear path to achieving viable unit economics.

Over the past 15 years, this dynamic has shifted dramatically. The emergence of application programming interfaces, or APIs, has enabled software firms to capitalize on existing solutions to augment their technology and product stack, thus eliminating the need for costly, ground-up development in their quests to serve SMBs. One example of this is how PayPal Zettle enables merchants to seamlessly accept card payments in person.

While the initial wave of API-based solutions allowed SMB-focused platforms to tap into third-party solutions to enable specific functionalities like offering online payment acceptance, the economics associated with that functionality largely accrued to the third-party API provider. In recent years, we've increasingly seen API-based fintech solutions that enable platforms to not only offer certain functionalities, but that also allow them to capture part of these economics.

Such embedded finance solutions have enabled SMB-focused platforms to pursue an ever-increasing scope of potential verticals, as monetization now extends beyond subscription-based monetization. Now, they are able to monetize payments, lending, or insurance flows, for example, without having to build the entire underlying stack in-house. We now increasingly live in a world where ground-up product development is as inexpensive as ever and provides SMB-focused platforms with the ability to monetize in ways previously inconceivable.

Our team at PayPal Ventures has been closely tracking this next generation of platforms and we're particularly excited by vertical SaaS platforms that address the underserved needs of sectors and SMBs that have historically functioned largely offline. That's why we're leading the series B funding round of [NX Technologies](#) ("NXT"), a Cologne, Germany-based company that operates the payment management platform [bezahl.de](#), specializing in digital payment processes for the automotive industry.

NXT's solution addresses the massive divide between digitized showrooms and the largely inefficient and manually-managed back-office processes. These existing processes not only cost automotive dealers up to two thirds of their margin¹, but they also result in clunky consumer experiences involving paper invoices, manual processing and reconciliation of payments, analog communication, unavailability of payment status, and more. Such experiences stand in stark contrast to the increasingly innovative vehicles that consumers are purchasing, loaded with the latest and greatest tech.

NXT is changing the game with its digital platform [bezahl.de](#), which allows car dealerships and other automotive retail groups to handle the entire receivables process in a simple and straightforward way. Clients of these mobility providers are offered an improved, modern

payment experience with numerous options including embedded financing. The company has already seen significant traction in Germany, with more than 70% of the top 100 automotive retail groups and more than 1,000 car dealerships relying on its platform to manage payments for their businesses.

NXT is jointly led by co-founders Lasse Diener and Ulrich Schmidt. They first crossed paths when they worked to launch the first digital payment method for car purchases and were exposed to the broader automotive opportunity.

We're looking forward to what's next for NXT – and we're excited and grateful to be a part of this journey. Let's go!

If you're a mobility provider looking to automate and improve your payment management processes: <https://www.bezahl.de/en>

If you're interested in exploring careers at NXT: <https://www.bezahl.de/en/karriere>

¹ Based on data from NX Technologies case studies with top 100 dealer groups in Germany, Austria and Switzerland.

About PayPal Ventures

PayPal Ventures is the global corporate venture arm of PayPal. We invest for financial return in six areas of high strategic relevance to PayPal, including fintech, payments, commerce enablement, artificial intelligence, blockchain & cryptocurrency, and regulatory/cyber technology. Through the expertise, experience, and vast network of PayPal Ventures – and the companies we invest in – we are helping to bring transformative solutions to market faster. For more information, please visit: <https://www.paypal.vc>.