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From the Portland Business Journal:

<https://www.bizjournals.com/portland/news/2019/05/09/buynow-brings-payments-technology-to-youth.html>

Strategies

## BuyNow brings payments technology to youth fundraising

May 9, 2019, 4:00pm PDT

Michael Braunstein knows well the particular challenges of fundraising for youth organizations, especially when the youth themselves are hitting the pavement.

“You can’t give 3,000 high school football players a Square swiper on their phones,” he said. “You aren’t going to give them something to accept payments.”

Braunstein is co-founder and CEO of financial technology company BuyNow, which crafted a payments tool that helps youth groups accept credit and debit card payments. He drew on his experiences that arose at Adrenaline Fundraising, his other business.

Adrenaline Fundraising is a nationwide membership association that runs fundraisers for youth activities, primarily school athletic programs. The fundraisers include sales of food items, like cookie dough and gourmet treats, as well as coupon cards and insulated tumblers.

Braunstein owns the Oregon and Southwest Washington territory for Adrenaline Fundraising.

Over the last several years, he heard a growing refrain from the fundraising front lines.

“Our number one problem when kids are selling is the number of people with cash is diminishing,” he said. “(Kids) need the ability to accept credit or debit cards on the spot.”

However, handing your credit card information or other sensitive data to a 15-year-old isn’t feasible.

BuyNow allows customers to purchase items using credit or debit cards through a text message interface on their own phones. The product is catching on. In the two years since BuyNow has launched, it has been picked up by Adrenaline Fundraising reps nationwide. Revenue has grown 400 percent and the business was profitable in year two, Braunstein said.

### From fundraising to fintech

Braunstein never thought he would be a technology entrepreneur, let alone a fintech entrepreneur.



CATHY CHENEY|@PORTLAND BUSINESS JOURNAL

Michael Braunstein's company helps young fundraisers close deals with non-cash paying customers.

He holds a degree in business administration and a master's in sports administration. His career has always been tied to sports in some way. He was a high school and college athlete who played on the Portland Thunder, the city's short-lived arena football team.

In 2008, after working on the Super Bowl XLII host committee in Arizona, he came across Adrenaline Fundraising. He remembered selling items for his high school teams and he remembered he was good at it.

"I saw a job opening, flexible schedule and 100 percent commission. I knew I can sell," he said. "I took it and took off with it."

In Oregon, Braunstein does about 400 fundraisers a year, about 80 percent of them youth sports related.

A 2018 study by the publication PYMNTS and Visa found that connected devices are leading to consumers decreasing their use of cash to buy things. Only about half of those surveyed said they carry between \$10 and \$50 in cash. The money is largely reserved for tipping.

Because fewer people carry cash, Braunstein watched students struggle to close sales. Systems that handle credit cards, debit cards and peer-to-peer payments systems like Venmo aren't available to elementary, junior high or high school kids.

When Braunstein couldn't find a way to help young people accept more types of payment, he approached another Adrenaline Fundraising member about teaming up to build a solution.

Initially, Braunstein was inspired by a fundraising technique used by the Red Cross following the 2010 earthquake in Haiti. Donors could text a number and give \$10 to the Red Cross. The donation would then show up on the customer's cell phone bill.

"How cool would it be if a kid standing at the door could sell something and it would charge the person's phone bill?" Braunstein asked himself.

The cell phone bill idea didn't pan out because of a 90- to 120-day delay in getting payments, but it had Braunstein thinking along the lines of text to pay.

"The only thing people have on them is their phone or a credit card in their phone, how do we tap into that," he said. "We don't want to lose sales or get a kid discouraged."

### **A helping hand**

With BuyNow, purchasers can text their phone number to a mobile webpage. That page features a checkout that allows consumers to enter credit card info and authorize the payment. The whole transaction occurs on the consumer's device: The person raising money never touches the info.

Consumers then receive confirmations that release their items to the buyer — they can hand the goods, if they're available, to the buyer — or schedule a delivery or pickup.

On the back end, BuyNow partners with TSYS, one of the world's largest payment processors, to move the money. Each fundraising organization is given a merchant bank account into which the money moves.

To build out the BuyNow platform, Braunstein worked with North Portland software development shop Parthenon Software Group.

Braunstein didn't know anything about software development. He also doesn't code.

"I learned a lot in two years," he said.

Andy Schmitt, president of Parthenon Software Group, is used to working with those who are not technology experts. In those situations he takes a stance of humility because he recognizes that clients coming to him are experts in their chosen fields.

Braunstein's project fit well because Parthenon has deep experience building payment gateways and integrations.

"We tend to do the heavy lifting and back end (engineering)," he said. Parthenon, which has 19 employees, continues to be Braunstein's development team as it maintains and updates the technology.

So far, BuyNow has been self-funded. In its first year revenue was \$1.5 million. Today, it's \$4 million, with everything pumped back into the business, Braunstein said.

He expects to continue to bootstrap the business after hearing too many horror stories about outside investors to consider that notion.

"Where we are today, we don't need it," he said. "We are building and growing and opening doors."

Adrenaline Fundraising isn't the only customer base for BuyNow. With other groups using it, Braunstein has set his sights on bigger organizations that rely on in-the-moment giving or purchasing.

Closer Look

**Company:** BuyNow AF LLC

**Based:** Tualatin

**Founded:** 2017

**CEO:** [Michael Braunstein](#)

**Employees:** 3

**Revenue:** \$4 million

**Web:** [buynowcc.com](http://buynowcc.com)

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