



Payments:

REAL TIME IS *NOW*

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Now is the Time for Real Time

THIS SPECIAL REPORT
REVEALS HOW TO
GET STARTED WITH
REAL TIME PAYMENTS.

Always-On Payments

Imagine a payments environment where business partners, banks and payments networks are always in sync and there is always full transparency into every transaction and its related payment data.

Real Time Payments (RTP) is making this vision of an always-on payment environment a reality.

For the first time, there are payments capabilities that are available on a 24/7/365 basis. The question for many businesses, banks and fintechs is how to leverage Real Time Payments. What infrastructure, connectivity and reporting are necessary to take full advantage of Real Time Payments?

TRANSCARD'S PLATFORM SUPPORTS REAL TIME PAYMENTS AND OTHER PAYMENT METHODS FOR VIRTUALLY ANY INBOUND AND OUTBOUND BUSINESS-TO-BUSINESS (B2B) OR BUSINESS-TO-CONSUMER (B2C) APPLICATION INCLUDING PATIENT REBATES, TRAVEL REFUNDS, CLAIMS PAYOUTS, EMERGENCY ASSISTANCE, AND MORE!

TRANSCARD'S SOLUTIONS PROCESS BILLIONS OF DOLLARS IN PAYMENTS EACH YEAR.

EXECUTIVE INSIGHT

“We see a lot of opportunities for businesses, banks and fintechs to use Real Time Payments to improve their payment capabilities and enhance the customer experience.”



Greg Bloh

CEO of Technology & Payments Provider Transcard

*Bloh made his comments during the EuroFinance 2021 Conference: **Managing International Growth Through Recovery** virtual panel discussion that also included representatives from **BNY Mellon and Microsoft.***

The 3 Biggest Trends in Payments

Three primary trends are reshaping the payments industry and should be part of your organization's payments roadmap:

01

INCREASED TRANSACTION SPEED

Payments are moving faster than ever. More consumers are embracing faster payments. And more businesses such as high-tech companies are using Real Time Payments to pay their contractors. Real Time Payments also can assist with balance reporting, disbursements, and accounts receivable. Whether your organization is a biller, bank or fintech, there is a use case for Real Time Payments that justifies taking the first step.

03

GROWTH OF ALTERNATIVE PAYMENT TYPES

Today's on-demand consumer environment has raised expectations across segments for how fast payments should be received. More contractors, for example, want to be paid via PayPal or other RTP methods. This trend shows no signs of letting up, suggesting that new use cases for fast payments are likely to emerge over time.

02

ENHANCED INSIGHTS INTO THE TRANSACTION DETAILS

It's no longer enough for a business to know that their account was debited or that their supplier received their funds. Emerging payments technology is providing visibility across a transaction's lifecycle and into any friction. And more solutions allow remittance data to travel electronically alongside payments. In some cases, remittance and settlement data can be uploaded into a system of record in real-time.



Towards a Continuous Operating Environment

Arguably, the biggest trend in payments is the move from batch processing to real-time processing.

These are the reasons why banks, fintech providers, and others in the payments industry are collaborating to develop the payments capabilities, rails, and standards required to deliver the value, products, and specialized services that will meet the specialized needs of consumers and businesses.

Checks, ACH and wire transfers had defined deadlines and were conducted **Monday through Friday**. In fact, the daily responsibilities of corporate treasurers were largely built around batch processes:

Receive a file from the company's major banks detailing its balance

9:00 AM

12:15 PM

Record the balance in a spreadsheet or treasury workstation

Determine any impact the balance has on the company's next check run and payables run

2:30 PM

4:45 PM

Set the company's position before the money markets closed in the afternoon

After a certain point in the business day, there was nothing left to move.

Time Was Up!

5:00 PM

RTP IS CHANGING *THIS*

Corporate treasurers now have a way to move money, make liquidity and financing decisions, or update their accounts receivables or accounts payables,

24/7/365.

THE BENEFITS:



Speed



24/7/365 Availability



Finality of Payment



Messaging Capabilities



Standardization



Value-Added Options



Auto-Reconciliation

Connectivity & Real-Time Payments

Legacy payments systems operate in a batch mode, not real-time. RTP requires synchronous updates throughout the day, not just twice a day.

Poor connectivity creates critical gaps in the commerce lifecycle that can slow things down. RTP raises the stakes for businesses, banks and fintechs to achieve connectivity. After all, what good is receiving a real-time payment if a corporate treasurer doesn't know about it until a few hours later? A payment is of little value to a company's until it is applied to its receivables or billing system.

BEST-IN-CLASS PAYMENT SOLUTIONS ELIMINATE CONNECTIVITY GAPS BY SUPPORTING MULTIPLE PAYMENT RAILS AND PAYMENT PARTNERS, WHILE ENABLING RICH REMITTANCE MESSAGES TO TRAVEL ELECTRONICALLY ALONGSIDE PAYMENTS.

Best-in-class payment solutions also connect payment systems with the ERPs and other legacy applications that are critical to getting business done.

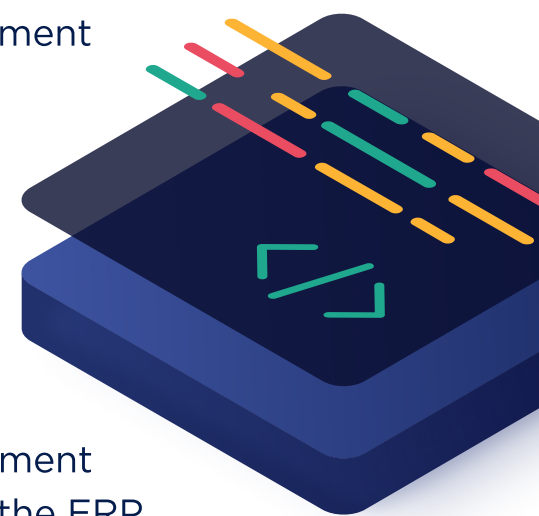
Businesses, banks and fintechs have relied heavily on APIs to connect their payment systems. But APIs require a lot of development on the part of the user, which increases costs and can negatively impact the customer experience.

To avoid these costs and potential issues, more businesses, banks and fintechs are embedding payments capabilities into their legacy workflows and applications using software development kits (SDKs) and inline frames (iframes). As a result, businesses, banks and fintechs can extend their workflows and applications to include payments capabilities, while delivering a seamless experience for users.

Additionally, some payment technology providers connect their solutions directly into an ERP. Drop-down menus within the ERP allow users to access the payment solution's capabilities. And settlement information is fed into the ERP in real-time, something batch solutions can't do.

Embedding payments in legacy workflows and applications and directly connecting payments solutions with an ERP eases the burden on an IT group to solve payments connectivity issues.

Importantly, connectivity also unlocks the full potential of exchanging payments-related data.



An action plan for taking advantage of RTP

Keeping up with advancements in RTP can feel like trying to change the tires on a moving car.

STRATEGIES FOR SEIZING THE OPPORTUNITY IN RTP:

UNDERSTAND YOUR PAYMENTS MIX

Many businesses manage a mix of B2B payments, B2C payments, consumer-to-business (C2B) payments, high-volume payments, and low-volume payments. Evaluate your current systems and processes to identify points of pain, and the biggest opportunities for RTP. The goal is to uncover ways to get the greatest return on investment. It also is important to understand fully how RTP will impact your organization. Moving from ACH to RTP means a lot more than faster payment. That's why it's imperative to educate your team on how RTP will affect the way your organization does business.

MAKE SURE YOUR PAYMENTS SYSTEMS ARE FUTURE PROOF

'9 to 5' doesn't exist anymore. RTP across borders, currencies, capital controls, and central bank cut-off times is very disruptive. It is imperative that businesses have an on-demand technology infrastructure that addresses the challenges of RTP head-on. If your payments and data are available 24/7, you need systems that run 24/7. Moving to real-time processing isn't something organizations need to do overnight. But it's important to sit down with stakeholders and technology partners and start developing a plan for upgrading your underlying payments technology over time to support RTP. Look for a flexible and scalable cloud platform that can solve your short-term challenges while creating an adaptable foundation for emerging Real Time Payment needs.

BRING DOWN YOUR SILOS

Payments and data silos are a big contributor to the inefficiencies, complexity, and risk in the commerce lifecycle. But they also make it difficult for businesses to adapt their payments infrastructure as their requirements change and as new payment modalities come to market. Legacy systems have different approaches to aggregating payments, for example. Deeply integrating payments systems with your ERP and other legacy applications allows for fast frictionless payments workflows and the seamless exchange of data between systems. It also allows businesses to transform their payments infrastructure at their own pace, without jeopardizing the customer experience they deliver.

STANDARDIZE CONNECTIVITY

Standards are critical to ensuring connectivity across the commerce lifecycle. One-off connections between businesses and banks are unworkable in the emerging Real Time Payments environment. Prioritize payment systems that use a single standard for enabling efficient payments clearing and settlement among all parties. And look for a solution that is agnostic across clouds, providing greater functionality and redundancy.

CONSIDER PARTNERING WITH A FINTECH

Fintechs are playing a big role in enabling RTP. Fintechs are delivering solutions that enable businesses to embed payments capabilities within their workflows and legacy systems, so they can eliminate the friction in disbursing and receiving payments. The solutions support virtually any payment modality while allowing remittance data to flow with payments between most ERPs or payment networks. And fintechs can provide the reliability and scalability required for real-time processing.

These considerations will help ensure that your organization gets the full benefits of RTP



NOW IS THE TIME FOR *REAL TIME*

Payments are increasingly operating in a 24/7 manner. This requires businesses, banks and fintechs to rethink their underlying payments systems and connectivity. Now is the time to adopt cloud-based payments systems that support RTP and other payment types in a real-time, resilient, and available manner. This will be a game-changer for most businesses, in terms of cost savings, visibility, cash flow improvements, and resiliency.

**Identify opportunities to leverage RTP.
START YOUR JOURNEY!**

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