

HOW TO SOLVE FOR INCREASINGLY COMPLEX PAYMENT TYPES



MICHAEL REED

Division President, B2B Payments and
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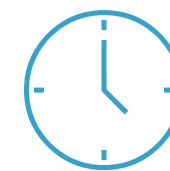
CRAIG JEFFERY

Managing Partner, Strategic Treasurer



WHAT

Discussing how to navigate the continually growing complexity of payment types in the pay-to-receive environment.



WHEN

Tuesday, September 19, 2023
2:00 PM – 3:00 PM EDT



WHERE

Live online presentation
Replays at StrategicTreasurer.com



This presentation is provided by Strategic Treasurer and Deluxe

ABOUT THE SPEAKERS

GET TO KNOW TODAY'S SUBJECT MATTER EXPERTS



MICHAEL REED

Michael Reed joined Deluxe Corporation in November 2019 as Division President, Payments and a member of the Executive Leadership team. With more than 20 years of global experience leading customer-centric and scaled payments solutions, Michael comes to Deluxe from Barclays in London, where he served as managing director, global payment acceptance & product. Michael holds a degree in Business Administration from the University of New Orleans.



CRAIG JEFFERY

Craig Jeffery formed Strategic Treasurer in 2004 to provide corporate, educational and government entities direct access to comprehensive and current assistance with their treasury and financial process needs.

His 30+ years of financial and treasury experience as a practitioner and as a consultant have uniquely qualified him to help organizations craft realistic goals and achieve significant benefits quickly.

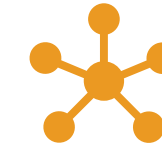
TOPICS OF DISCUSSION

KEY AREAS OF FOCUS &
ANALYSIS



PAYMENTS

THE SITUATION



PAYMENT SYSTEMS

CLOSED VS. OPEN LOOP



EFFICIENCY

MOVING FROM MANUAL TO
ELECTRONIC



PAYMENT PARTNERS

HOW TO EVALUATE



OBSTACLES TO IMPROVEMENT

AND HOW TO NAVIGATE THEM



KEY TAKEAWAYS

AND FINAL THOUGHTS

CONUNDRUM IN PAYMENTS

MORE BENEFITS, YET MORE COMPLEXITY

While manual processes are decreasing, more payment types are being added

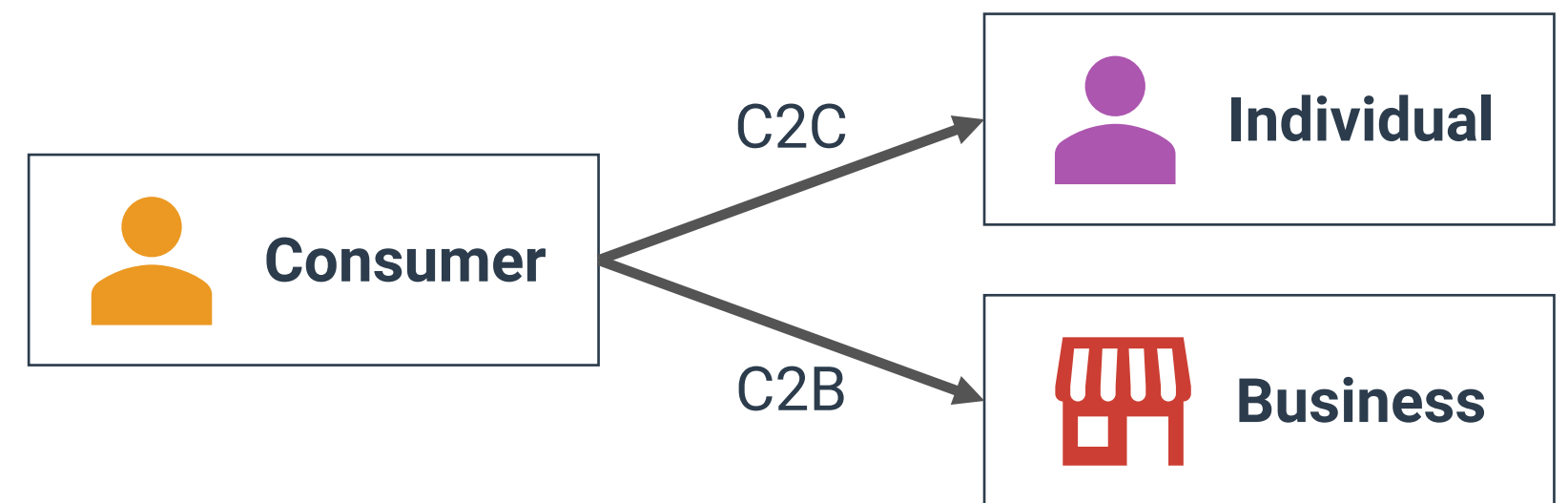
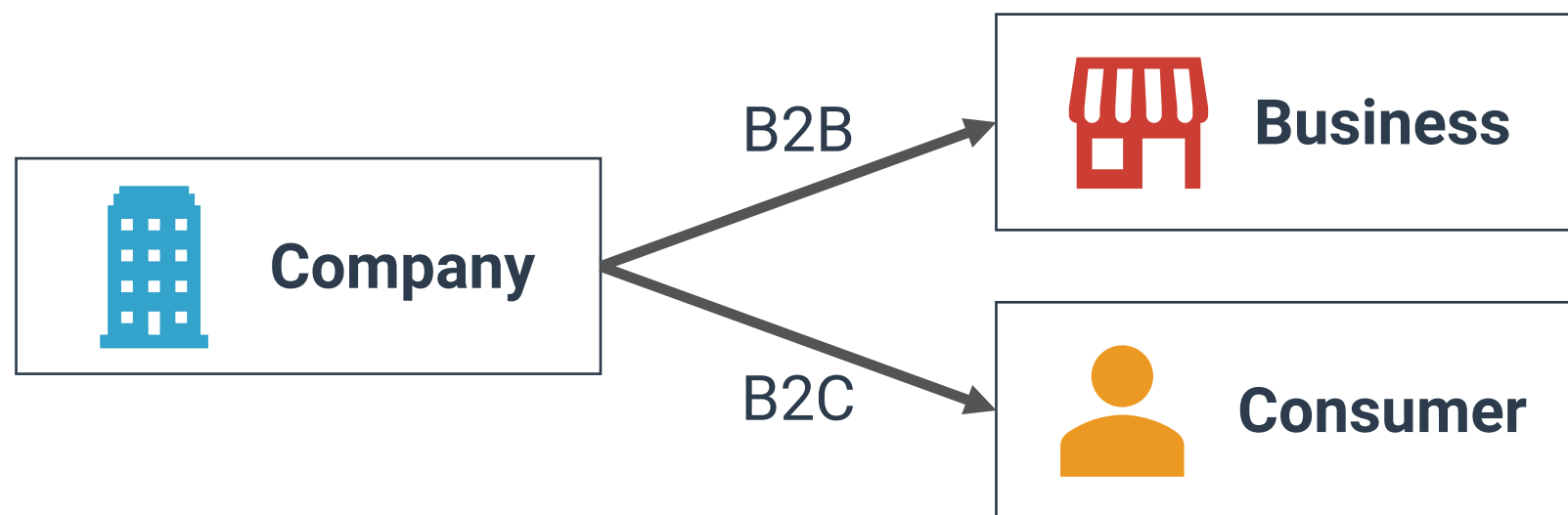



Newer payment types bring:

- Efficiency
- Speed
- Added controls
- But more payment types to support and manage

PAYMENTS LANDSCAPE

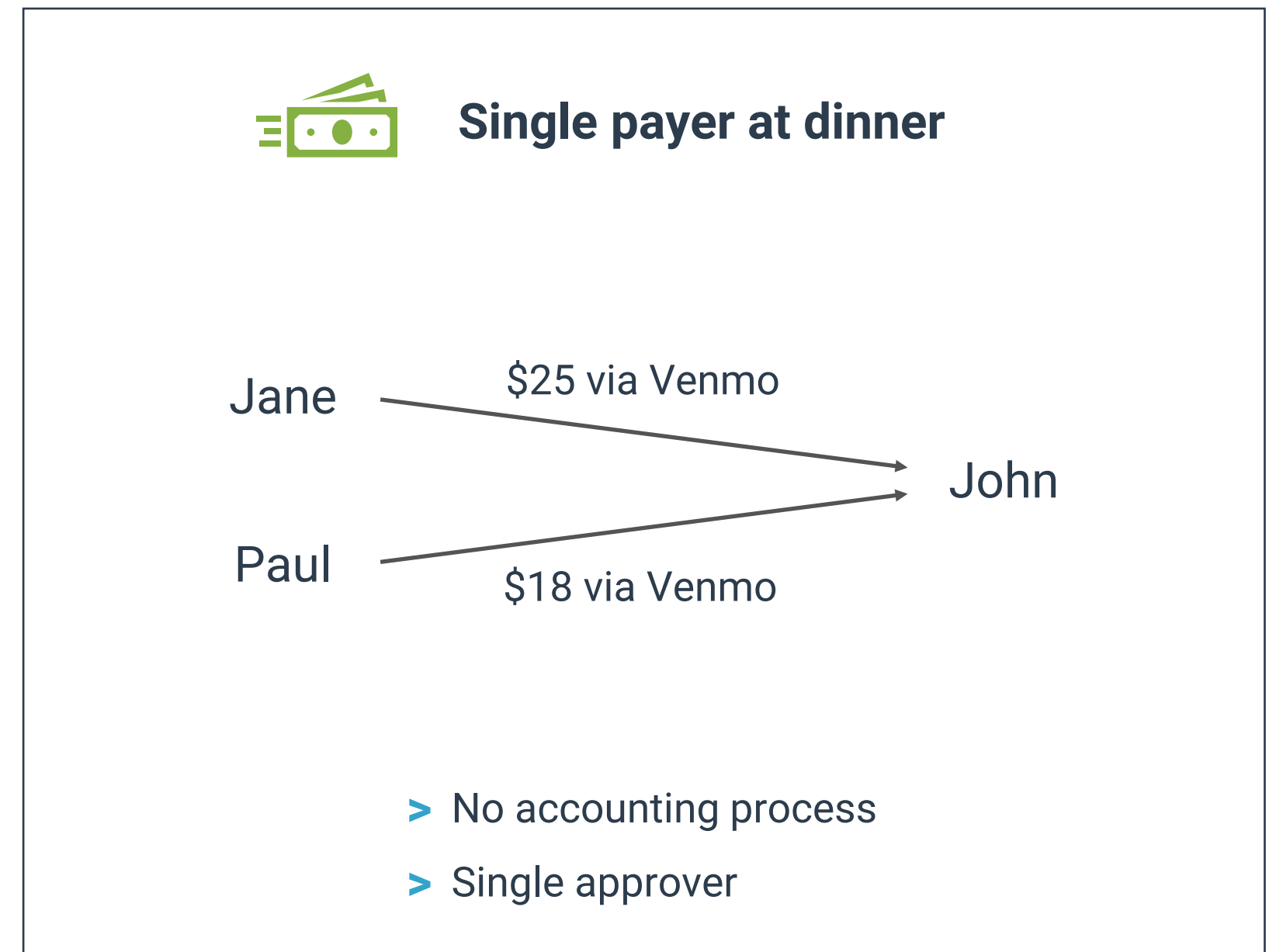
COMPANIES AND CONSUMERS PAYING OTHERS



 **Paying invoices and taking discounts**

Invoice	Amount	Discount	Net amount
1	\$500	-	\$500
2	\$600	-	\$600
3	\$700	\$7	\$693
4	\$900	\$9	\$891
Total	\$2700	\$16	\$2684

> Posting in both AP and AR

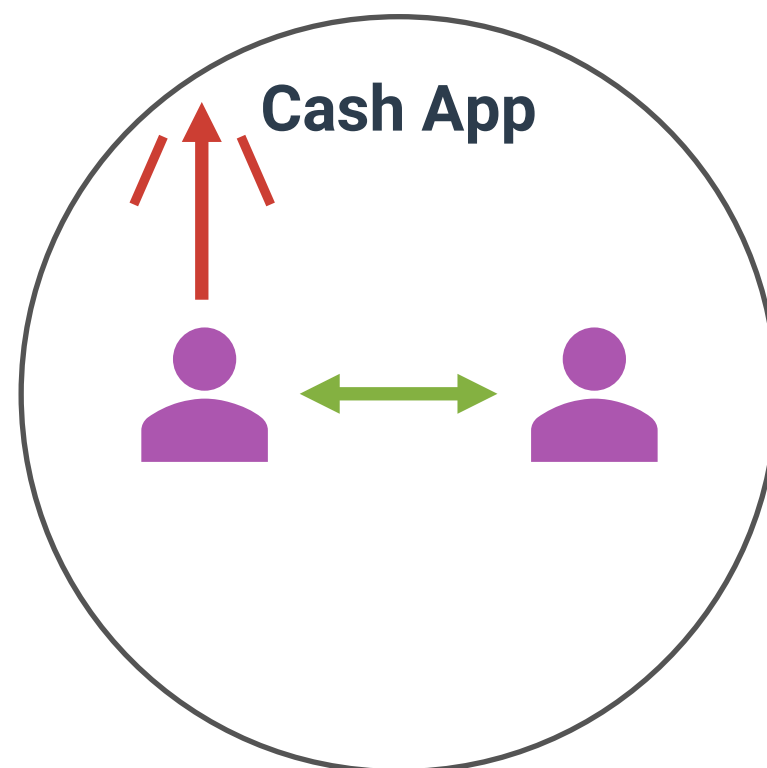
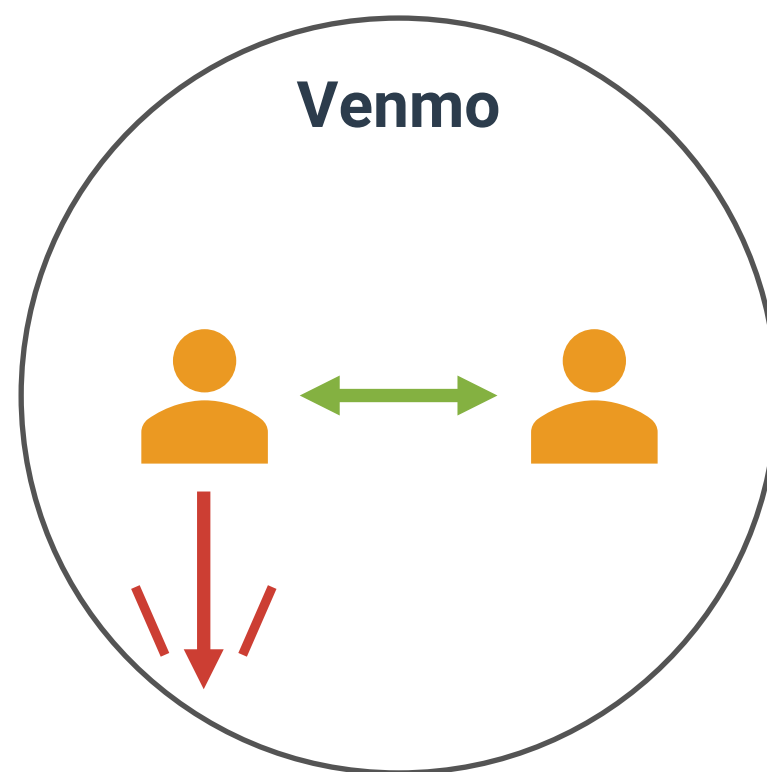


FASTER PAYMENT SYSTEMS

CLOSED AND OPEN LOOP

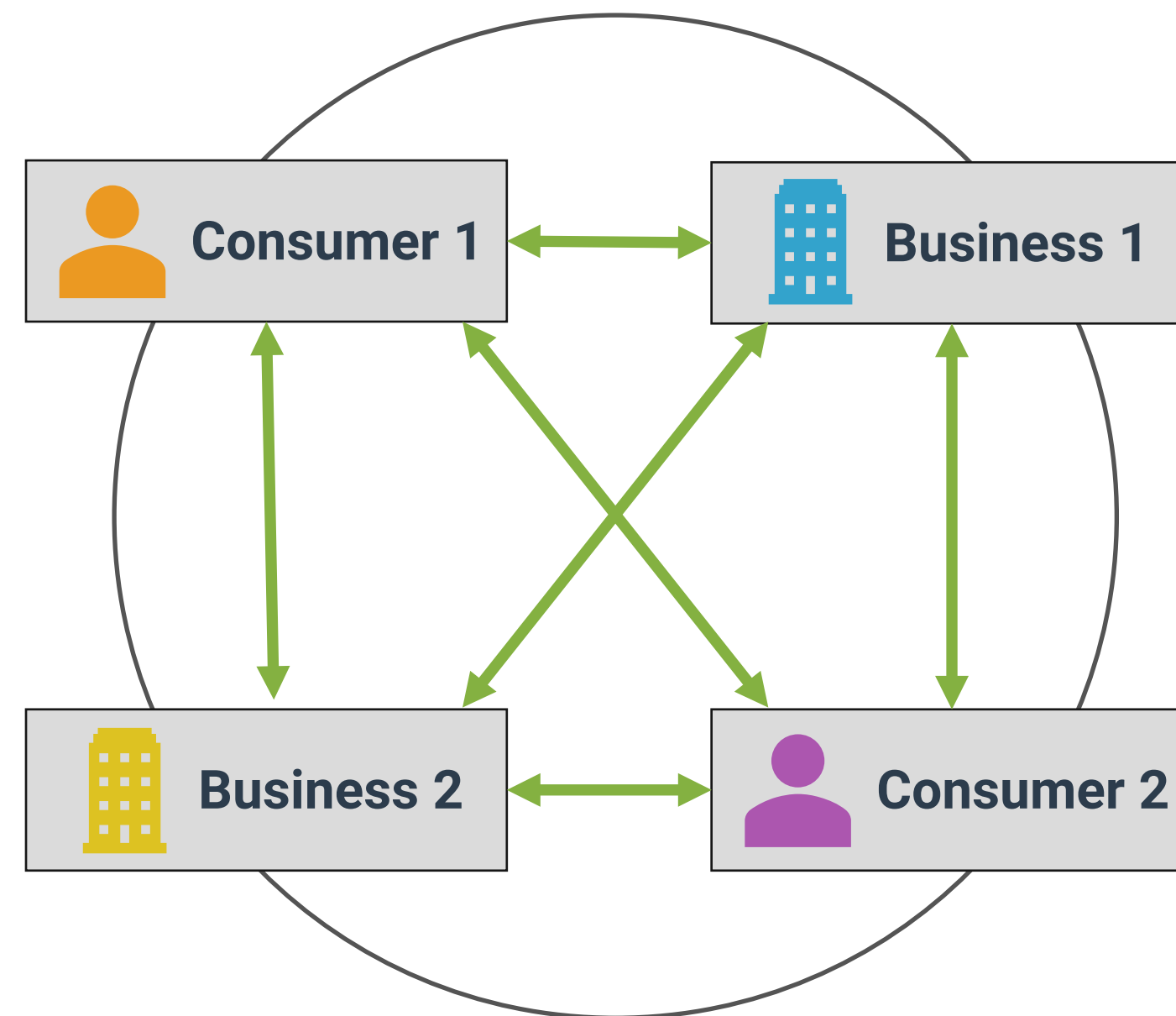
Closed loop

- Payment apps (e.g., Venmo, Cash App)
- Both sender and receiver must have accounts with that provider



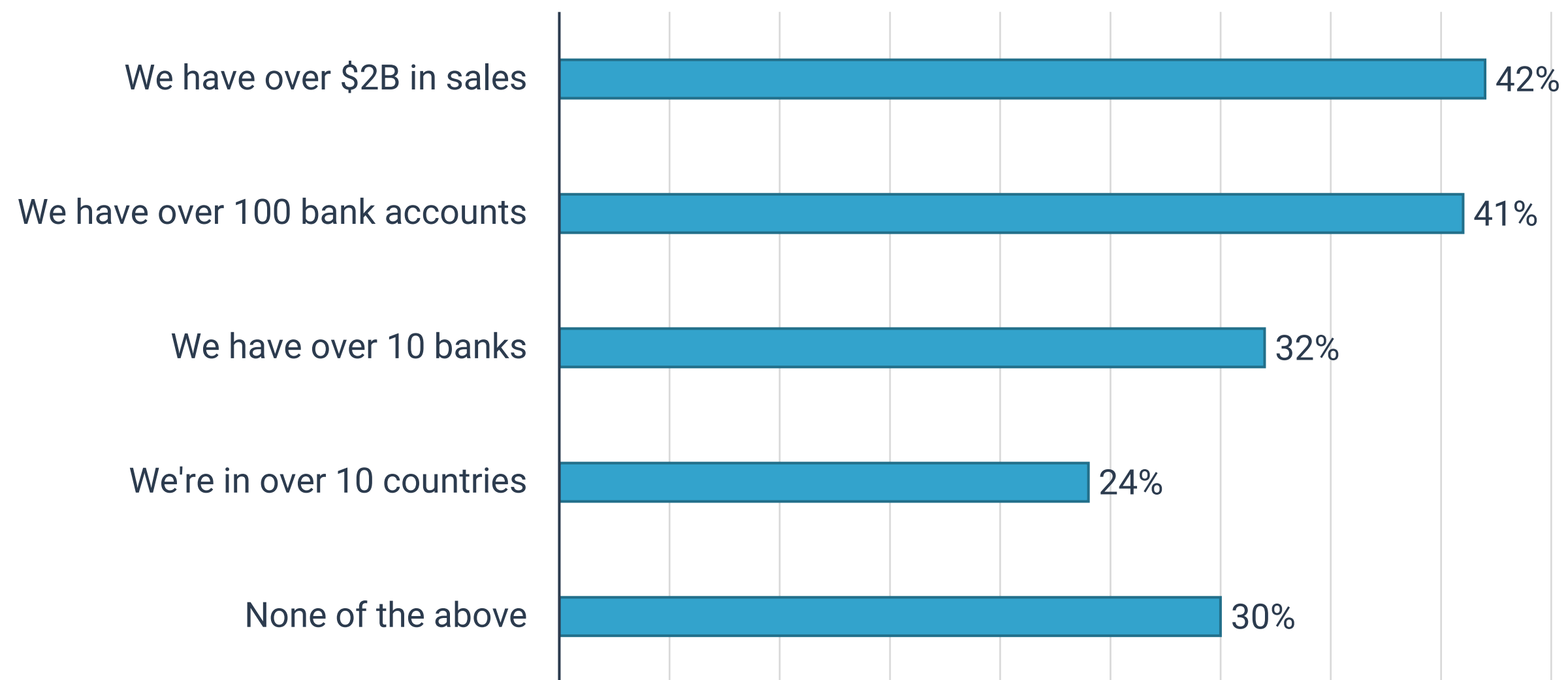
Open loop

- Payment networks (e.g., RTP, FedNow)
- Open to any business or individual whose financial institution is in that network



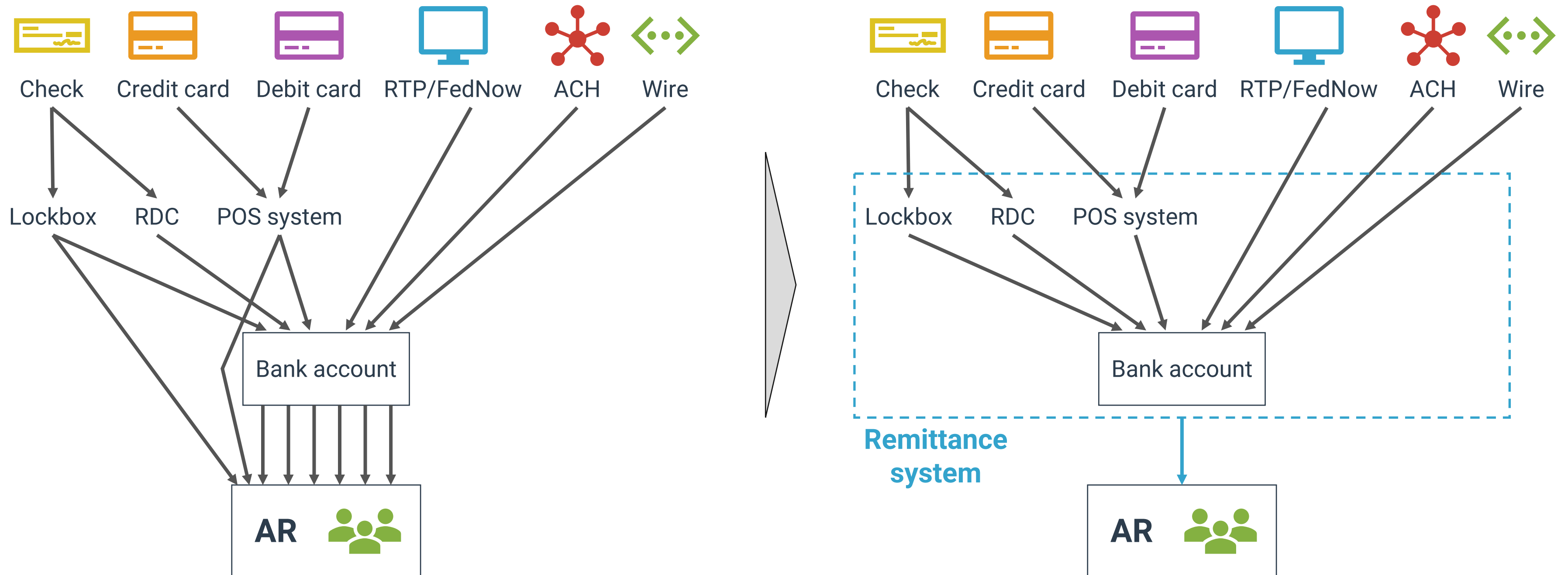
POLL QUESTION

Poll 1 - The following describes us: (Select all that apply)



RELIEVING AR

BY SHIFTING THE BURDEN

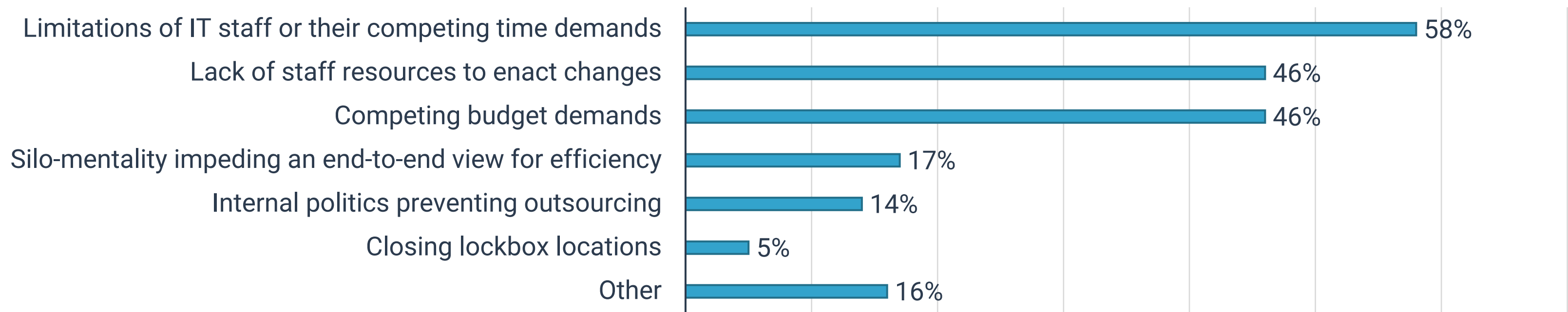


Moving from many flows of info to one:

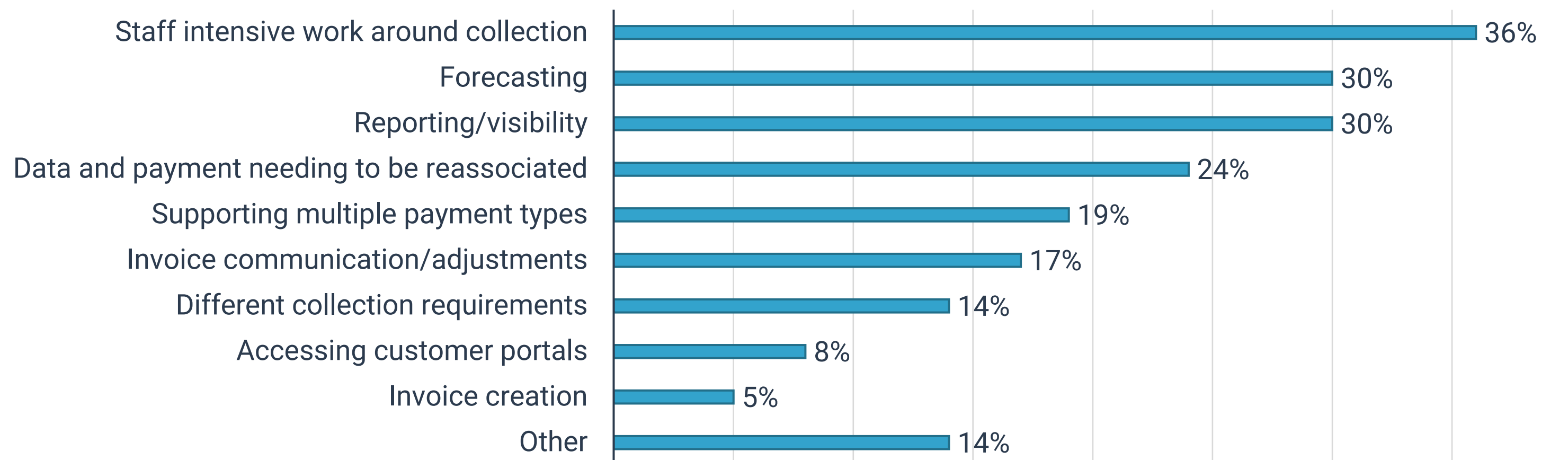
- Value
- Level of detail
- Timing

POLL QUESTION

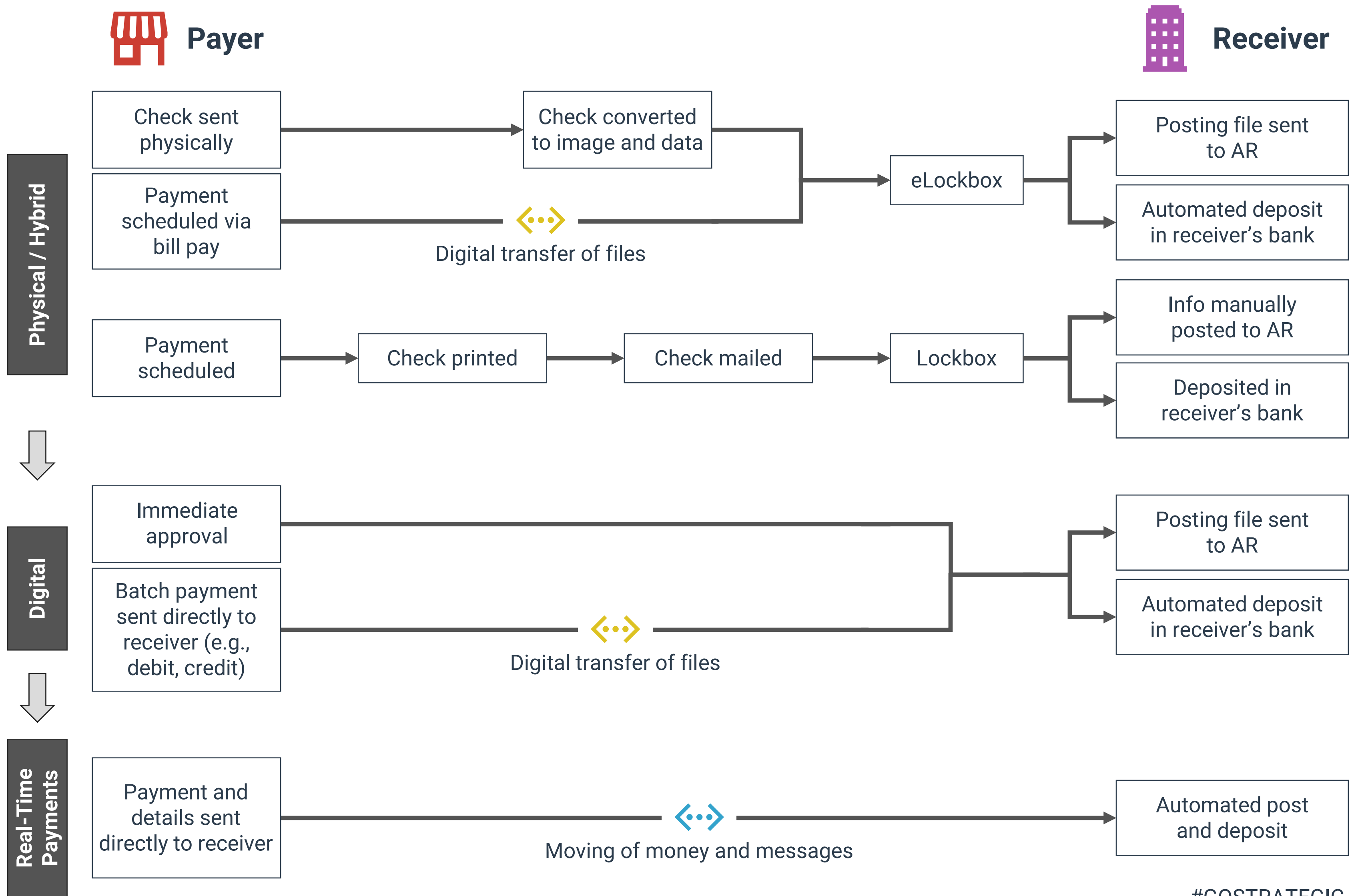
Poll 2 - Our biggest obstacles to making the changes we need are: (Select all that apply)



Poll 3 - What task is the largest pain point in your AR process? (Select up to three)



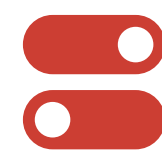
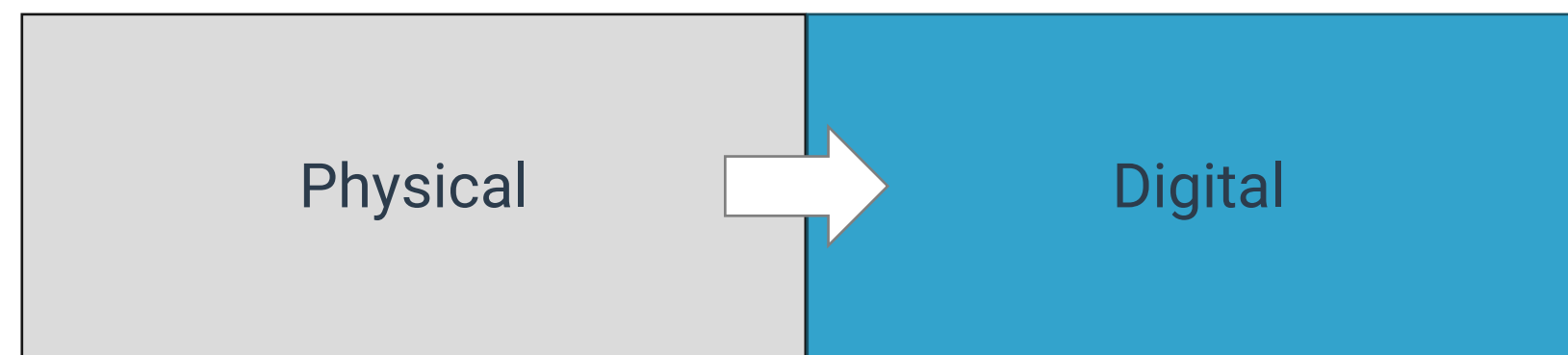
ADDING EFFICIENCY TO PAYMENT PROCESSES



THE FALLACY OF ADOPTION

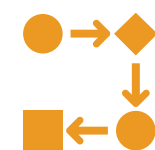
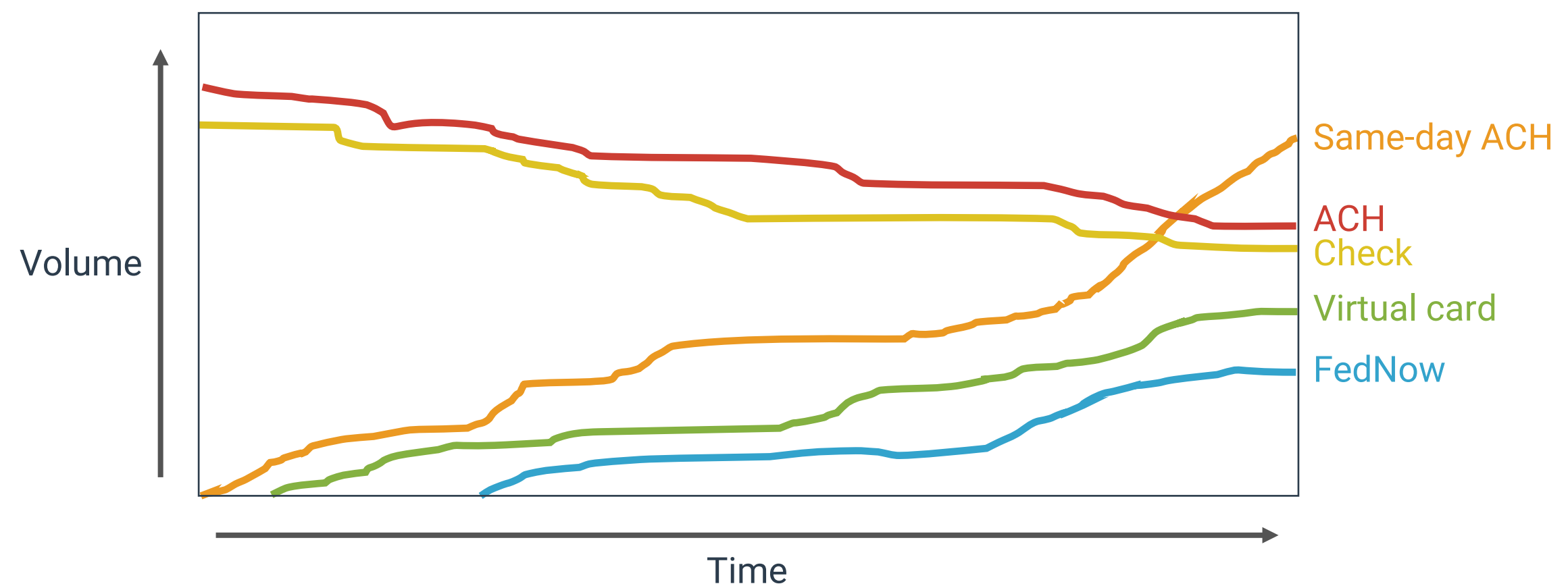
PROGRESSING FROM PHYSICAL TO DIGITAL

Perception



Converting to all-digital "is as easy as flipping a single switch"

Reality



Moving from physical to digital is a journey across a multitude of processes

MAKING THE MOVE TO EFFICIENCY

CONSIDERATIONS TO BEAR IN MIND



Adoption of better technology and processes

- Power of a network
- Self-serve
- Constant promotion
- Support during onboarding process



Conversion

- Identify inefficient, manual processes
- Convert to automated tech

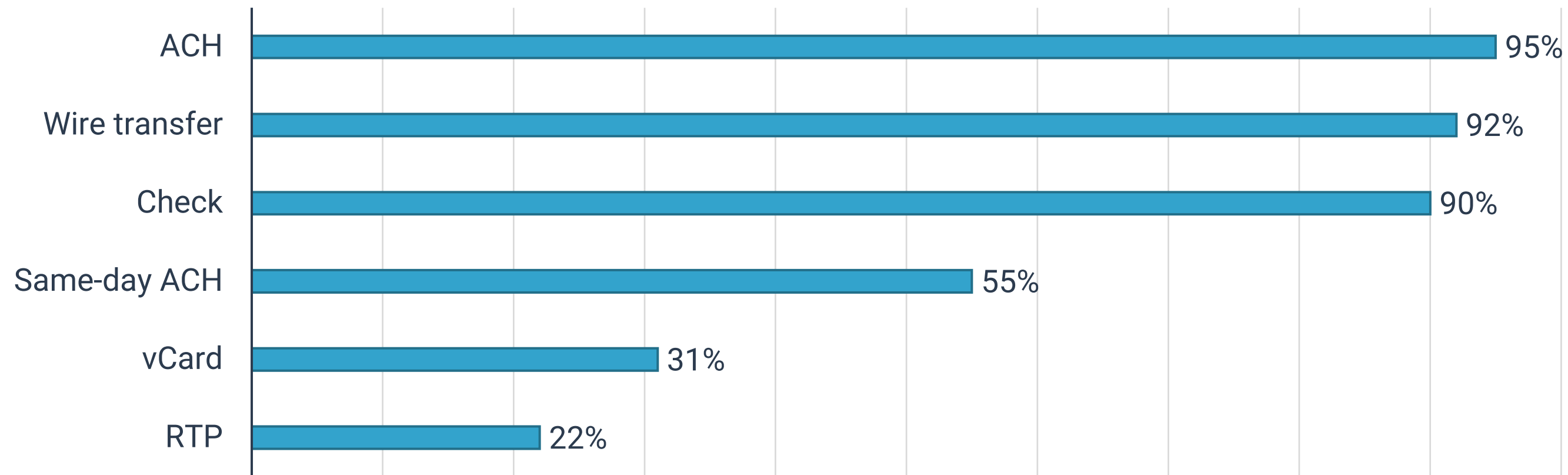


Increase understanding

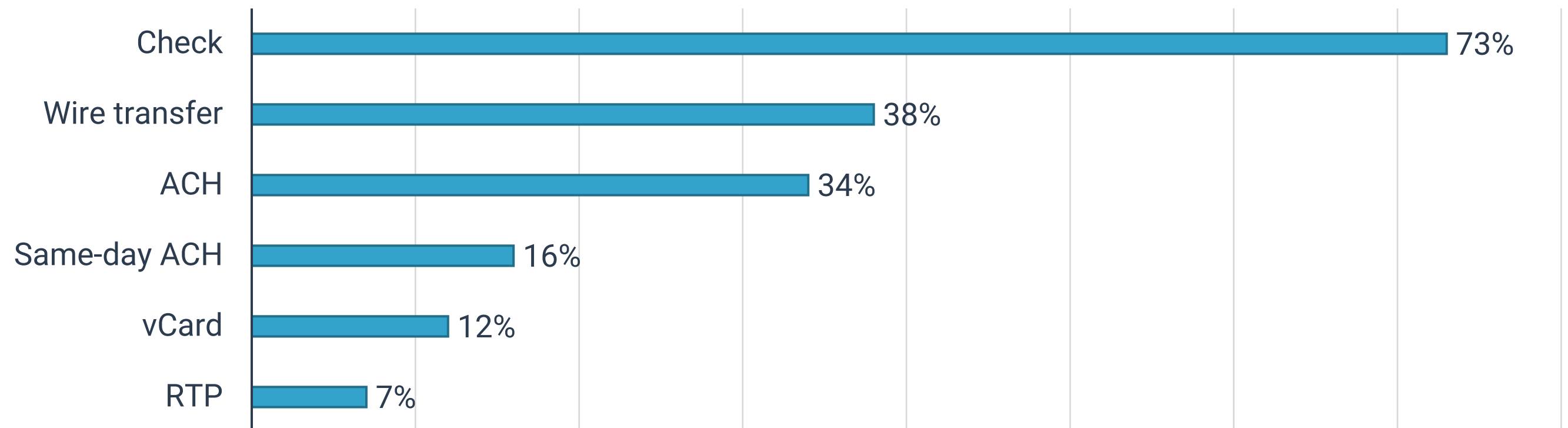
- Specific types of payments
- Comprehensive internal view
 - End-to-end
- Comprehensive total view
 - End-to-end to end-to-end

POLL QUESTION

Poll 4 - What methods of payments do you receive? (Select all that apply)

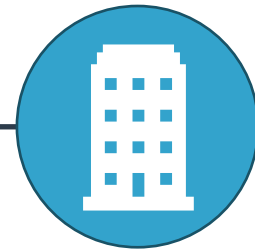


Poll 5 - Which processes are highly manual for your AR posting? (Select all that apply)



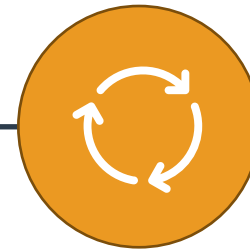
PARTNER SELECTION

KEY CRITERIA IN ASSESSING SERVICES



Commitment to line of business

- Share of business
- Investment in business



Comprehensiveness

- End-to-end mindset
- Data, process, efficiency, control



Product roadmap

- Track record
- Depth of roadmap
- Duration of roadmap
- Communication



Strength and longevity

- Position in space
- Current technology platform
- Power of a network
- Scale



Experience

- Implementation
- Customer service
- Hard conversations

IMPLEMENTATION CHALLENGES

AND SUGGESTIONS TO OVERCOME OBSTACLES TO CHANGE



Security

- Faster payments requires faster responses to fraud



Management buy-in

- Present the strategic value
- Communicate the length of roadmap/runway



IT resourcing

- Consider outsourcing
- Minimize the impact



Time to value

- Avoid death by a thousand delays
- Avoid failure to have full buy-in
- Beware of single-person project impediment

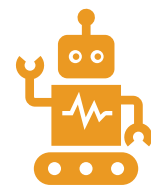
TAKEAWAYS

IDEAS AND POINTS TO BRING BACK TO THE OFFICE



COMPLEXITY IS A FACT

- Identify ways of simplifying the process
- Solve for complexity with automation, E2E thinking, and critical partners



AUTOMATION

- Allowing for scale requires the use of technology
- Integration and end-to-end view of automation is essential



THINKING

- The entire process (E2E)
- Management support
- Limit the impact on IT



PARTNER REQUIREMENTS

- Commitment to the line of business
- Product roadmap - past
- Product roadmap - robust vision
- Modern technology

LET'S CONNECT

DON'T LET THE LEARNING END HERE...
CONTACT US WITH ANY FUTURE QUESTIONS.

Thank you for your interest in this presentation and for allowing us to support you in your professional development. Strategic Treasurer and our partners believe in the value of continued education and are committed to providing quality resources that keep you well informed.



STRATEGIC TREASURER

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Episode 255
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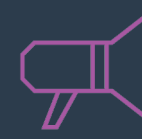
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- Employee Security Training
- Compliance Services
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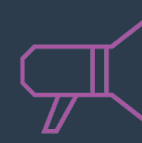
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