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PAYMENT HUB EXPANSION



MICHAEL KOLMAN

Chief Product Officer, ION Treasury

CRAIG JEFFERY

Founder & Managing Partner, Strategic Treasurer



WHAT

Discussing the growth and challenges of payment complexity and solutions that can help.



WHEN

Tuesday, August 27, 2024
2:00 PM - 3:00 PM EDT



WHERE

Live online presentation
Replays at StrategicTreasurer.com



This presentation is provided by Strategic Treasurer and ION Treasury.

ABOUT THE SPEAKERS

GET TO KNOW TODAY'S SUBJECT MATTER EXPERTS



MICHAEL KOLMAN

Michael is Chief Product Officer for ION Treasury where he focuses on delivering customers treasury technology to enable digitalization and automation of treasury processes. Michael directs investment into the ION Treasury product portfolio consisting of brands such as Wallstreet Suite, Reval, IT2, Openlink, ITS, City Financials, and Treasura. He joined ION in 2013 bringing 15 years of experience in corporate finance. He holds an MBA from MIT Sloan School of Management in Cambridge, MA.



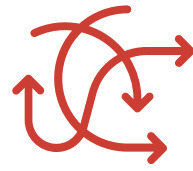
CRAIG JEFFERY

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



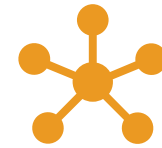
PAYMENTS COMPLEXITY

A MULTITUDE OF
CONTRIBUTING FACTORS



STAFFING & TECHNOLOGY

FURTHER COMPLEXITY TO
BEAR IN MIND



PAYMENT HUB

HOW IT CAN HELP



EXAMINING SOLUTIONS

ITEMS TO CONSIDER



MOVING TOWARD SIMPLICITY

STEPS TO REALIZE A
SOLUTION



KEY TAKEAWAYS

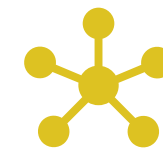
AND FINAL THOUGHTS

PAYMENTS COMPLEXITY

NUMEROUS CONTRIBUTING FACTORS



Using a growing number of banks



Decentralized payments across various systems



Dealing in multiple currencies



Organizational expansion (mergers, acquisition, etc.)



Varying payment rails



Operations in different countries



Varying payment formats



Changes in compliance



Increasing volume of payments

EVALUATING COMPLEXITY

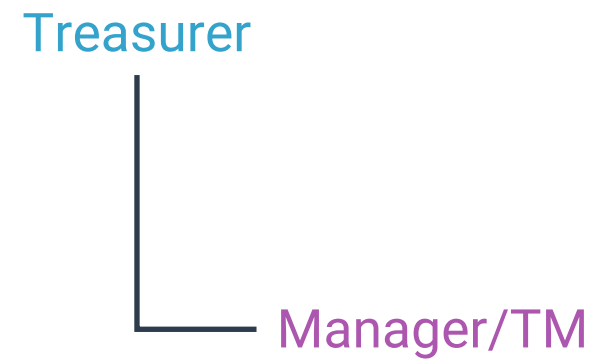
CALCULATING YOUR LEVEL OF COMPLEXITY

9		>20		>31	>20	>30	>40	Final score ranges	
								Hyper complex	51+
8	>20	16-20	>20	21-30	16-20	26-30	31-40	Highly complex	37-50
								Complex	22-36
7	16-20	11-15	16-20	16-20	11-15	21-25	21-30	Moderate	15-21
								Simple	7-14
6	11-15	9-10	11-15	11-15	9-10	16-20	16-20	Final sample score	18
								Implications	
5	9-10	7-8	9-10	9-10	7-8	11-15	11-15	Consider a payment hub	
								Monitor	
4	7-8	5-6	7-8	6-8	5-6	6-10	6-10	Don't need	
								Increasing rapidly	
3	5-6	3-4	5-6	4-5	3-4	3-5	3-5	Increasing	
								x 1.2	
2	3-4	2	3-4	2-3	2	2	2	Remaining constant	
								x 1	
1	1-2	1	1-2	1	1	1	1	Decreasing	
								x 0.75	
	Payment origination areas	Payment systems	Payment types	Payment formats	Payment banks	Payment currencies	Countries	Complexity direction	

STAFF & TECH COMPLEXITY

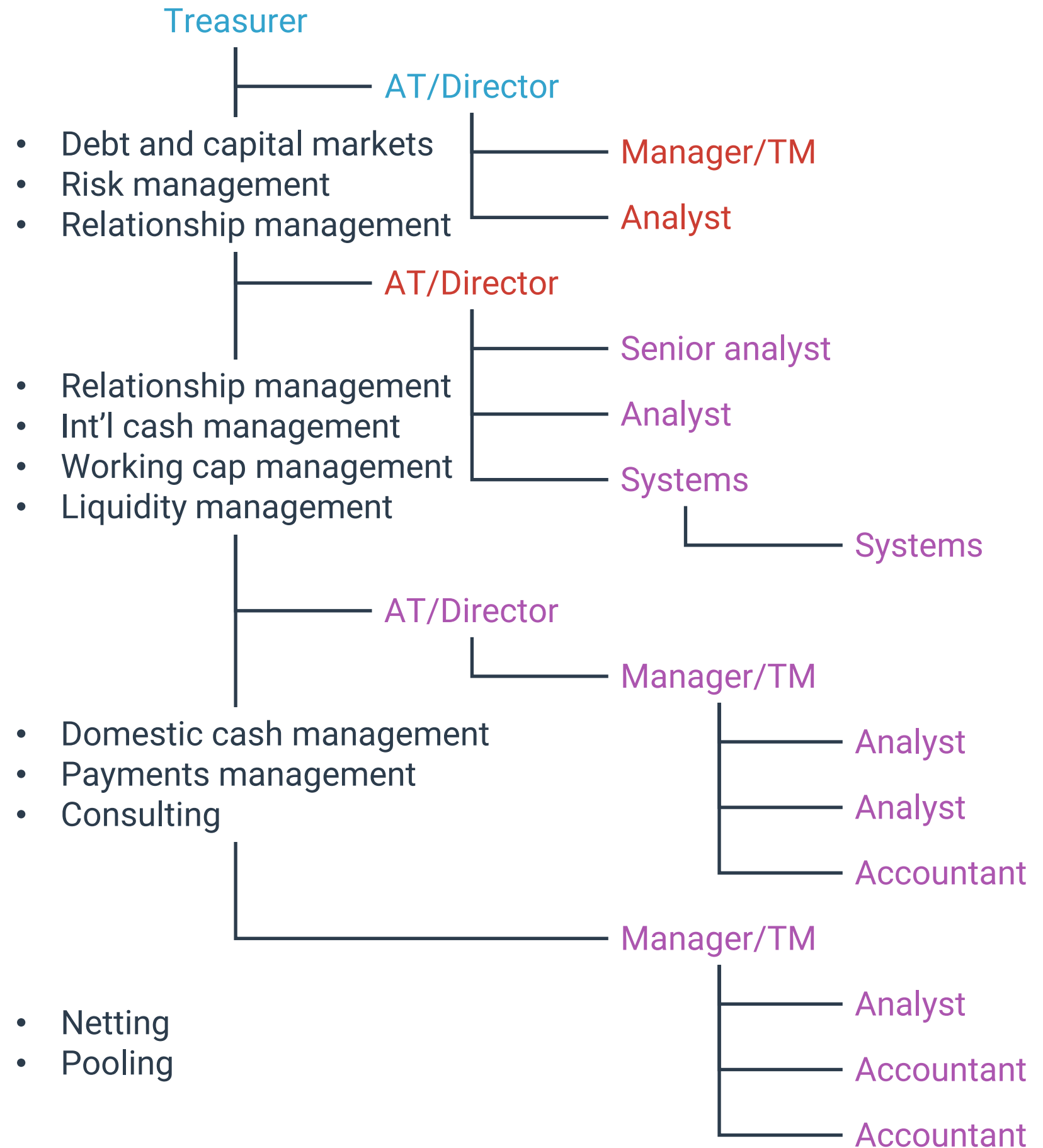
ADDITIONAL ITEMS TO CONSIDER

Low complexity example



- Debt and capital markets
- Risk management
- Domestic cash management

High complexity example



- Strategic
- Hybrid
- Operational

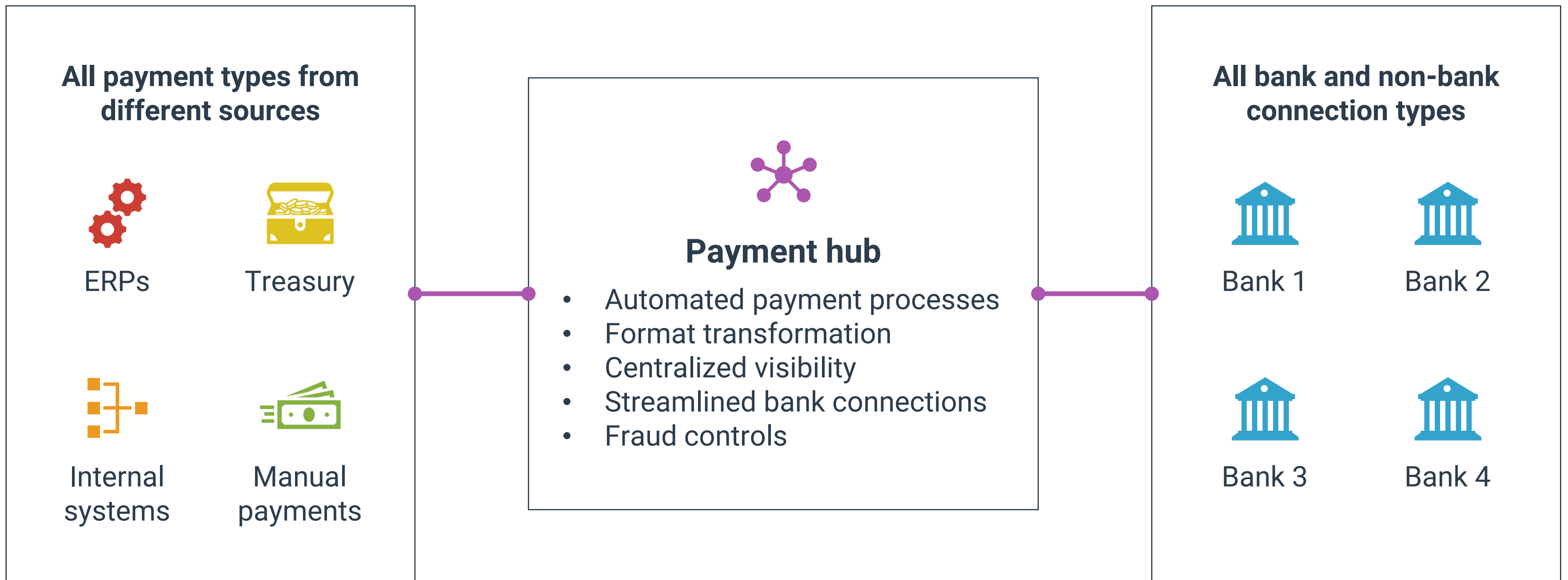
POLL QUESTION

Poll 1 - Our banking complexity situation is I/we: (all that apply)



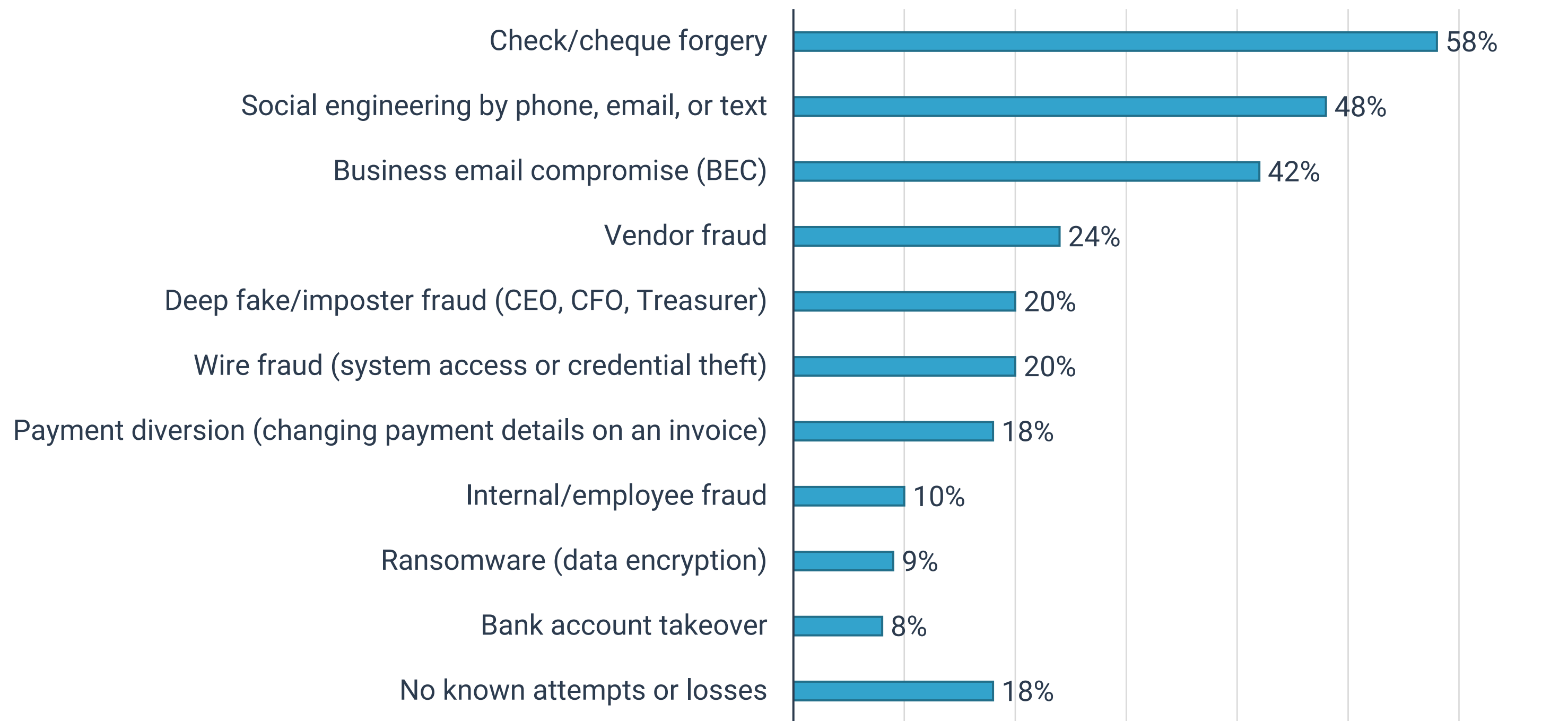
PAYMENT HUB

MANAGING COMPLEXITY BY LEVERAGING TECHNOLOGY



POLL QUESTION

Poll 2 - In the last twelve months, our organization has experienced the following fraud attempts or losses: (all that apply)



KEEPING CURRENT

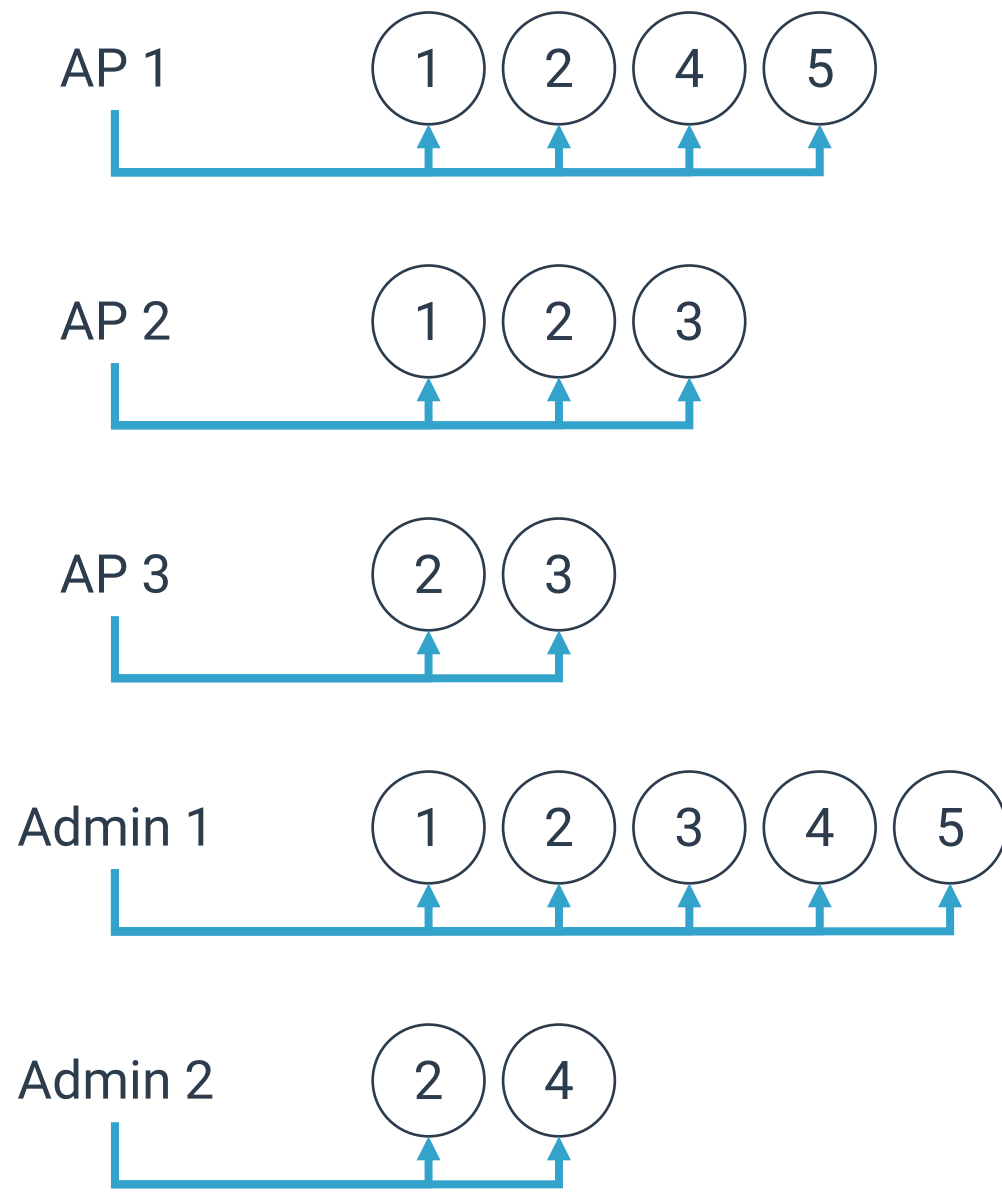
HOW A PAYMENT HUB CAN HELP



Updates announced:

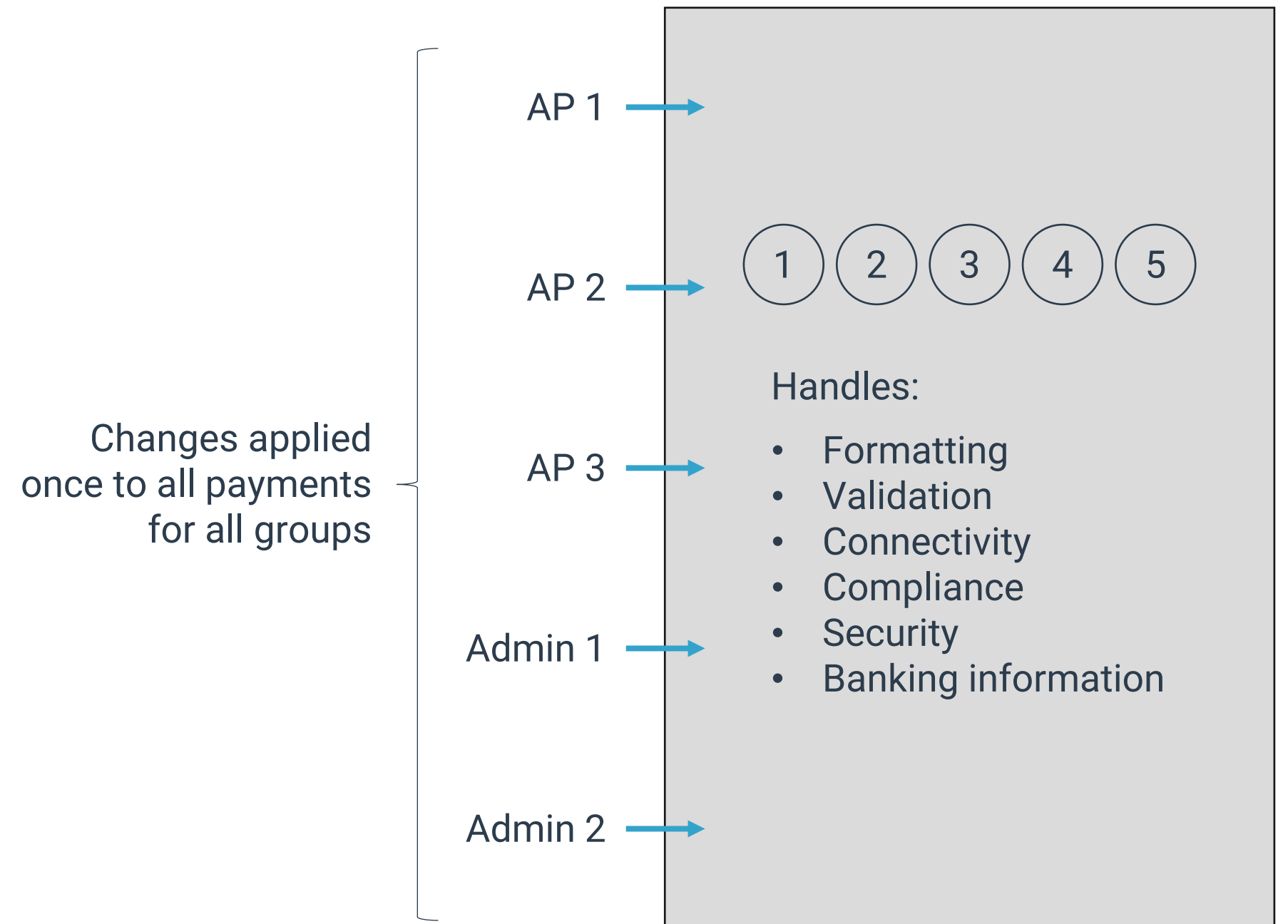
1. New format
2. New connection
3. New validation
4. New compliance requirement
5. New payment rail

Traditional



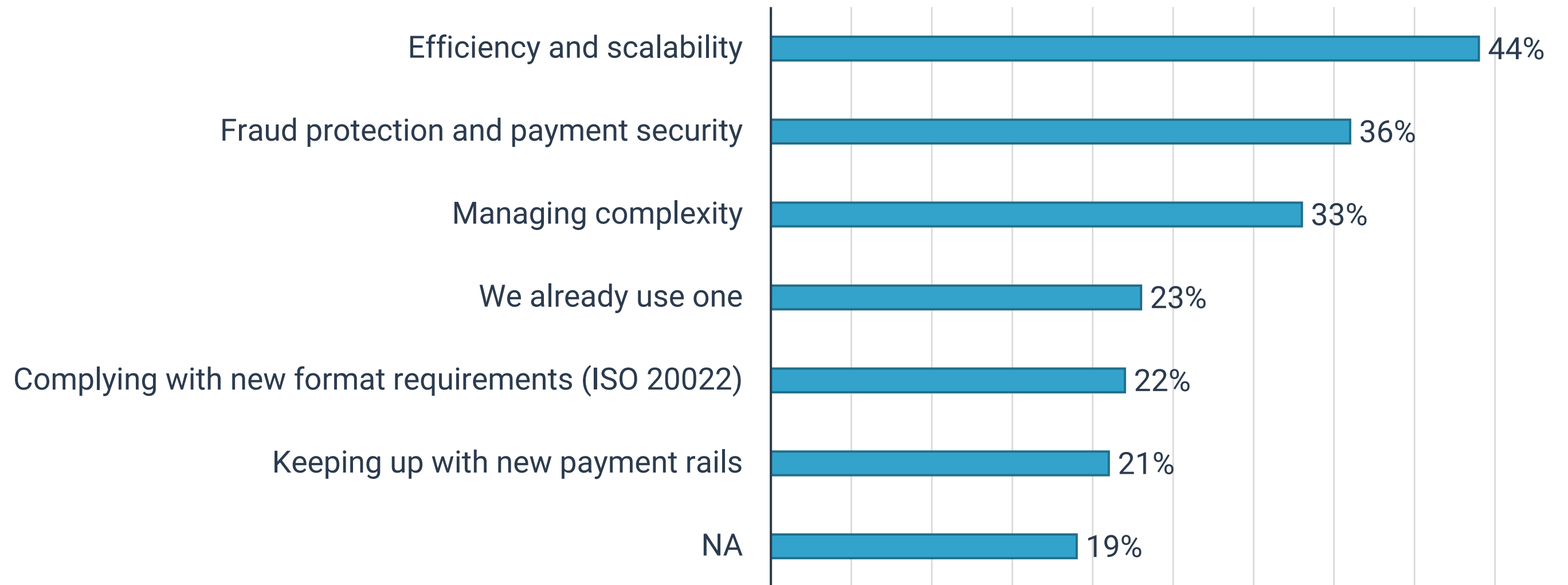
Each group needs to be notified of changes and to implement those changes

Payment hub



POLL QUESTION

Poll 3- What would be a key driver for your organization to use a payment hub? (all that apply)



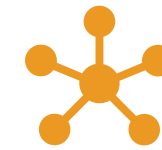
EXAMINING A SOLUTION

ITEMS TO CONSIDER



Vendor strength

- Track record
- Experience and expertise



Integration capabilities

- ERPs and banks
- APIs



Interface

- User experience
- Reporting and analytics



Customer support

- Response times
- Updates and upgrades



System scalability and flexibility

- Supports variety of currencies
- Volume handling



Security controls

- Encryption standards
- Authentication and access controls



Future-proofing

- Innovation
- Adaptability to changing needs

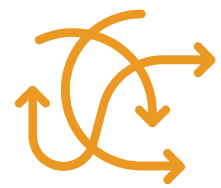
MOVING FORWARD

STEPS TOWARD SIMPLIFYING THE COMPLEXITY

- 1** Assess situation and needs
 - Evaluate your level of complexity
 - Note changes you are experiencing or expecting
 - Bear in mind long-term goals
- 2** Draft architecture
 - System mapping
- 3** Look for strategic partner
 - Create and focus on a short list to evaluate
 - Product comparison
- 4** Make business case with present and future in view
 - Financial case
 - Strategic case
 - Stakeholder buy-in
- 5** Select partner and solution
- 6** Implement
 - Approach with a realistic timeframe
 - Break process into phases
 - Configure and integrate
- 7** Test system and train users

FINAL THOUGHTS

HOW TO PROCEED



COMPLEXITY

- Knowing a solution is out there is beneficial
- Complexity is going to increase



FRAUD & CONTROLS

- Level of concern
- Must be part of solution
- AI-enabled



SCALABILITY & SUSTAINABILITY

- Are you in a position to scale?
- Is your current situation sustainable (e.g., ISO 20022)?



EVALUATE

- Where you are
- Where you need to be
- How to address current needs as well as where you're going

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.



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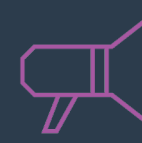
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