



**THREE
CRITICAL
BUSINESS
NEEDS CLOUD
PLATFORMS
SOLVE FOR
COMMERCIAL
PAYMENTS**



Business Banking Relationships Require Precision

The commercial cards business faces unique challenges attracting and retaining business customers whose changing needs and expectations are redefining the banking relationship. A more customer-centric approach is needed, with innovative payments products and services that remove friction in the customers' business operations and make their success more attainable.

The products customers now expect exceed what most commercial banks can deliver. But some are already in market. The truth is your customers have more choices than ever before. Fuelled by cloud-based SaaS technology platforms that enable payment product development at speed and scale, fintechs, neo-banks, postal organizations, and traditional banks are offering innovative new financial products and payments services. They are driving business value, unbundling traditional bank offerings, and creating new business models.

For larger incumbent banks, the current market presents new opportunities—and challenges. Organisations inside bigger banks struggle to get the product enablement resources they need for their lines of business to thrive. In the age of digital transformation, the risk is real.

A recent study of payments innovation reveals that the average bank allocates 40% less of their overall budget to new payments products and features than banks that outperform their peers. But more money

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is not the main reason why some banks do better: It's the flexible IT infrastructure and payments platforms they use to get to market faster. It allows them to roll out products 22% faster. In fact, over half implement in three months or less.*

* PYMNTS.com [*Innovation Readiness Playbook: The Top Payments Performer Edition*](#). January 2018.

THREE WAYS banks, fintechs, and alternative financial services providers are using **SaaS technology** to deliver a new class of commercial payments products.

ONE DESIGNING A BETTER CUSTOMER EXPERIENCE

A Fintech's Focus on Product Enablement

Business banking customers are looking for payments products customised to their needs and that give them more visibility and control over their business.

Bento for Business, a growing US fintech company, uses cloud-based payments systems to focus on the highly lucrative small business segment.

Bento for Business solves the time-consuming and complicated employee spend and expense management challenge with a card product that offers a better user experience for business owners and their employees. Owners can instantly activate employee cards, set spending limits and restrictions, and even select specific vendor categories where the cards can be used. Employees can use an app on their smartphone to view their available balance and upload receipts. Online dashboards and two-way alerts allow business owners to track and monitor expenses and help employees stay on budget.

The flexibility and product enablement capabilities of the platform allowed

“ Using APIs, Bento has added commercial banking, capabilities to support procurement online purchasing, incentive, and media buying solutions. ”

Bento for Business to bring to market a new range of commercial applications and payments solutions focused on customer need and better experiences—something legacy technology can't achieve. Using APIs, Bento has added commercial banking capabilities to support procurement, online purchasing, incentive, and media buying solutions.

TWO INTEGRATING PAYMENTS AND FX TO POWER DIGITAL COMMERCE

A Global Bank Becomes Market Responsive

SaaS platforms aren't just driving change with fintechs. Global banks are also using modern cloud payment platforms to quickly respond to changing customer needs and market requirements.

Banks need the flexibility to test new solutions, make changes, and scale them to market. Unlike legacy systems, no coding is required for program changes, making business agility a reality.

A perfect example is how a leading Canadian-based global financial institution responded to a new market opportunity by developing an integrated foreign exchange and card issuance solution. The entire program was completed in a matter of months.

The bank saw an opportunity to extend the value of their customer's global loyalty redemption platform by adding integrated foreign exchange and cross-border settlement capabilities via instant issuance of a virtual card in any currency. The customer's global redemption platform allows consumers in specific loyalty programs to redeem their points from a list of global e-commerce websites. For instance, a

consumer from Montréal can redeem awards points on a French retailer's website and make the purchase in Euros.

However, exchanging points-to-value across country lines is problematic. In addition to translating award points or airline miles to monetary value, currency conversions did not happen in real-time, so foreign exchange settlements are often estimated.

Using [business transaction level APIs](#) to tap into a cloud-based payments processing solution, the bank and its vendor quickly developed and enabled real-time data feeds and instant issuance capabilities for the loyalty redemption platform. The solution generates a single-use virtual card immediately, loads it with the correct foreign funds, and pays the merchant in their local currency. Consumers visiting award partner web sites can choose their reward option and convert points to the local currency to complete the transaction.

THREE INNOVATING DIGITAL PAYMENT SOLUTIONS AT SCALE

An Alternative Financial Services Provider Drives Digital Transformation in Australia

SaaS platforms allow traditional and non-traditional card issuers alike to think big and make payments innovation a core competency.

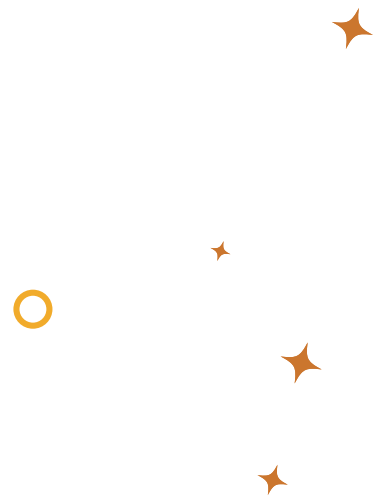
Issuers can accelerate time to market and scale new payments solutions tied to other bank offerings. The cloud model also affords technical and operational efficiencies, with reduced costs in terms of software and hardware provisioning and upkeep.

Additionally, banks are able to re-allocate staff and resources to focus on business differentiation, rather than on maintaining IT infrastructure.

Australia Post is leapfrogging legacy players and innovating like a Fintech but at the scale of a major bank. It extended its organisation-wide digital transformation project with a significant investment in its growing payments and financial services capability with the goal of modernising its digital payments and cards offerings for consumer and corporate customers.

Australia Post is now positioned to roll out advanced digital and mobile functionality for future financial services offerings and payments products. These include sophisticated features like integrated card alerts and controls, cardholder communications and loyalty programs, multi-currency purses, and digital/mobile integration for their retail customers as well as new integrated self-service capabilities for corporate customers.

The commercial banking business is under pressure to create and quickly deliver innovative card products that drive business value and address competition from new business models. SaaS payments platforms allow issuers to focus on continual product development to meet the specific needs of businesses and consumers who expect differentiated banking products and services.



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