

Payment processing: need for change!?

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EFP supports customers to make them successfull

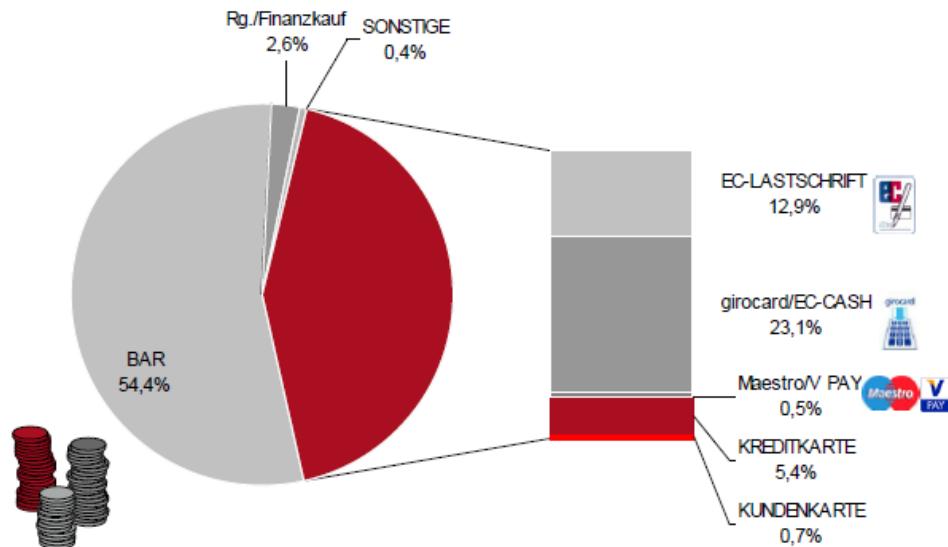
- independent consulting company since 1996
- focus on financial services especially banking and payments
- almost 20 years successfull expertise characterized by
 - consultants with banking and payment origin
 - long experienced management- and projectskills
 - corresponding deep technical and functional background
 - enthusiasm and passion for subject-matters
- conscious combination of market-, processual- and EDP-know-how to form holistic solutions and bridging business- and EDP-challenges
- broad range of portfolio migrations, technical conversions and reorganisations comprising business and product definitions, developments of system architectures to the point of implementations and installing efficient and scaling operations

Aduno
Berliner Sparkasse
CardProcess
Clearstream
Commerzbank
ConCardis
Deutsche Bank
DVB
DWPBank
Finanzinformatik
FirstData
Landesbank Berlin
Norddeutsche Landesbank
Postbank
POS Transact
Sparda-Banken
Universum Group

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Payments: growing retail market

Anteile der Zahlungsarten am Umsatz des Einzelhandels i. e. S. in Deutschland 2013



Quellen: EHI-Erhebung 2014; EH-Umsatz i.e.S. = **390** Mrd. €
(exkl. Kfz, Mineralöl, Apotheken, Versandhandel, inkl. Tankstellenshopumsätze)

Some figures (2013)

- card based turnover: 42,2%
(=166 Bn €)
total turnover: 390 Bn €
- card based transactions 19,3%
(=3,1 Bn Trx)
total transactions: 16,1 Bn Trx
- ATV: 47,36 €
(ACV: 18,59 €)
- e-commerce turnover: 5,3%
(=21 Bn €)

→ high potential for **more cashless** transactions in retail market

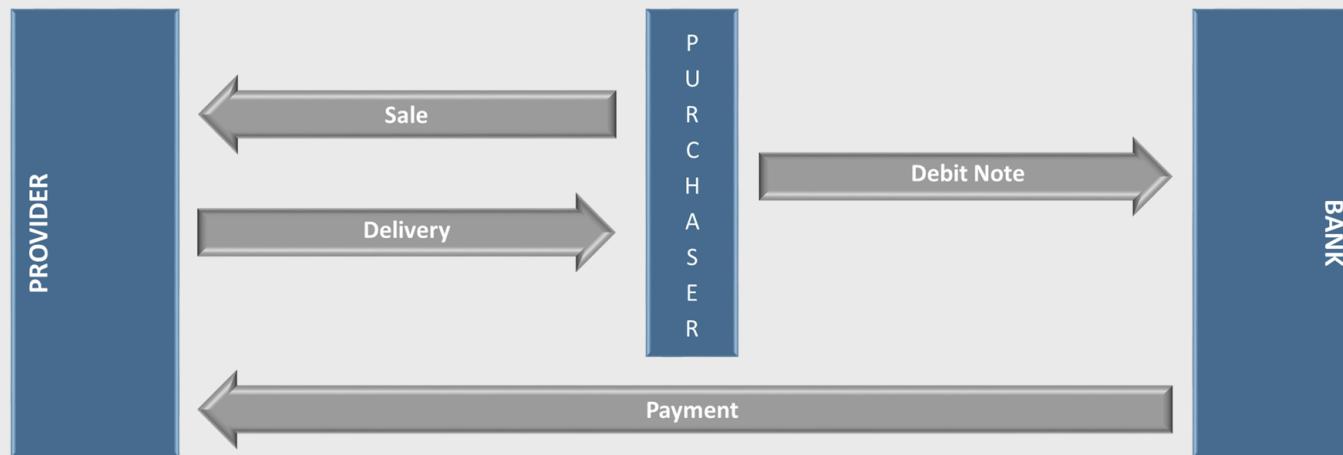
Payments: just a commodity....

...at least from the point of

- purchasers
- providers/merchants
- regulators

expecting

- everywhere, convenient, secure
- fast, guaranteed, cheap
- transparency, low(er) prices, standards



impacts:

- price → cost efficiency, bigger **scales**
- regulation → easier market entry → more **competitors**
- security → **technology**

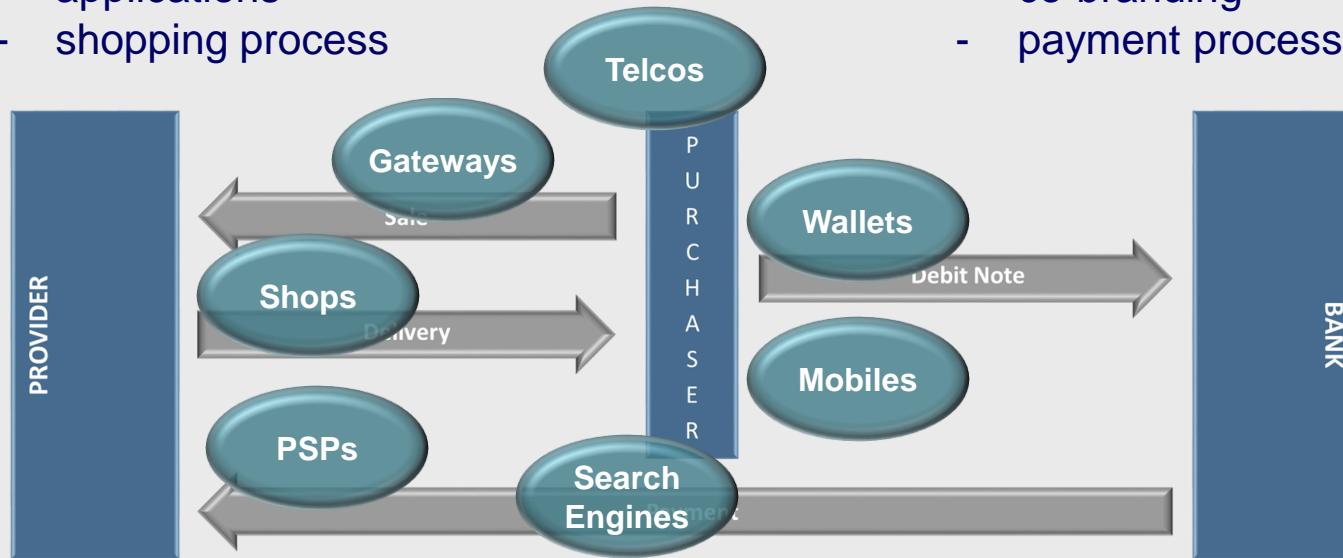
Payments: new players

new players focus on:

- customers
- applications
- shopping process

existing players focus on:

- bank accounts
- co-branding
- payment process

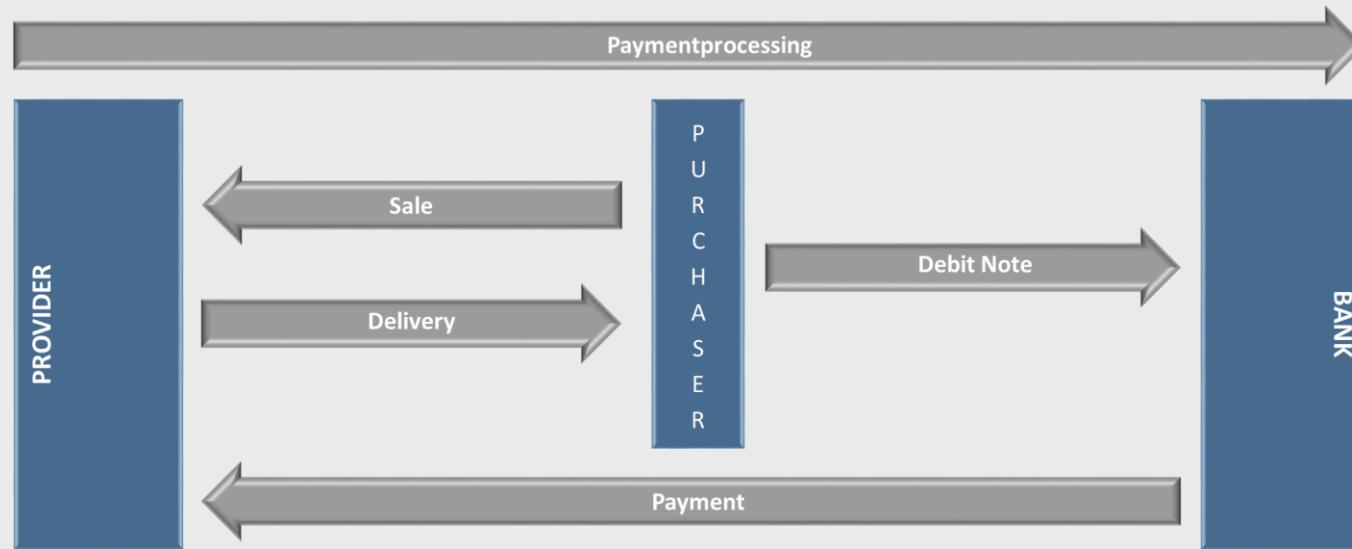


impacts:

- customers → **big data, CRM**
- applications → innovation **speed**
- shopping process (mobiles, SW) → **technology**

Payments: several challenges for processing

In consequence payment processing has become more **complex....**

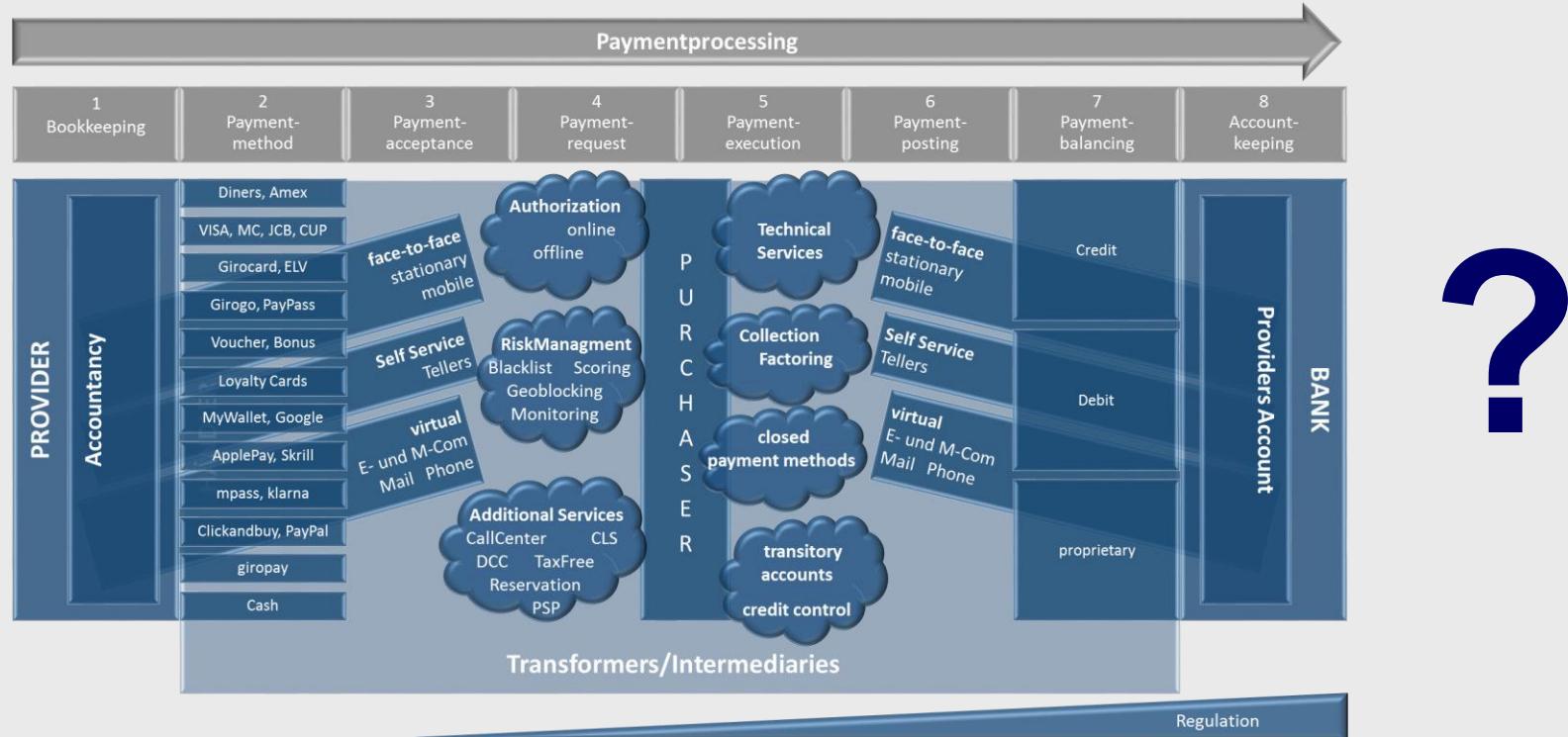


...because there is more to it than on first sight

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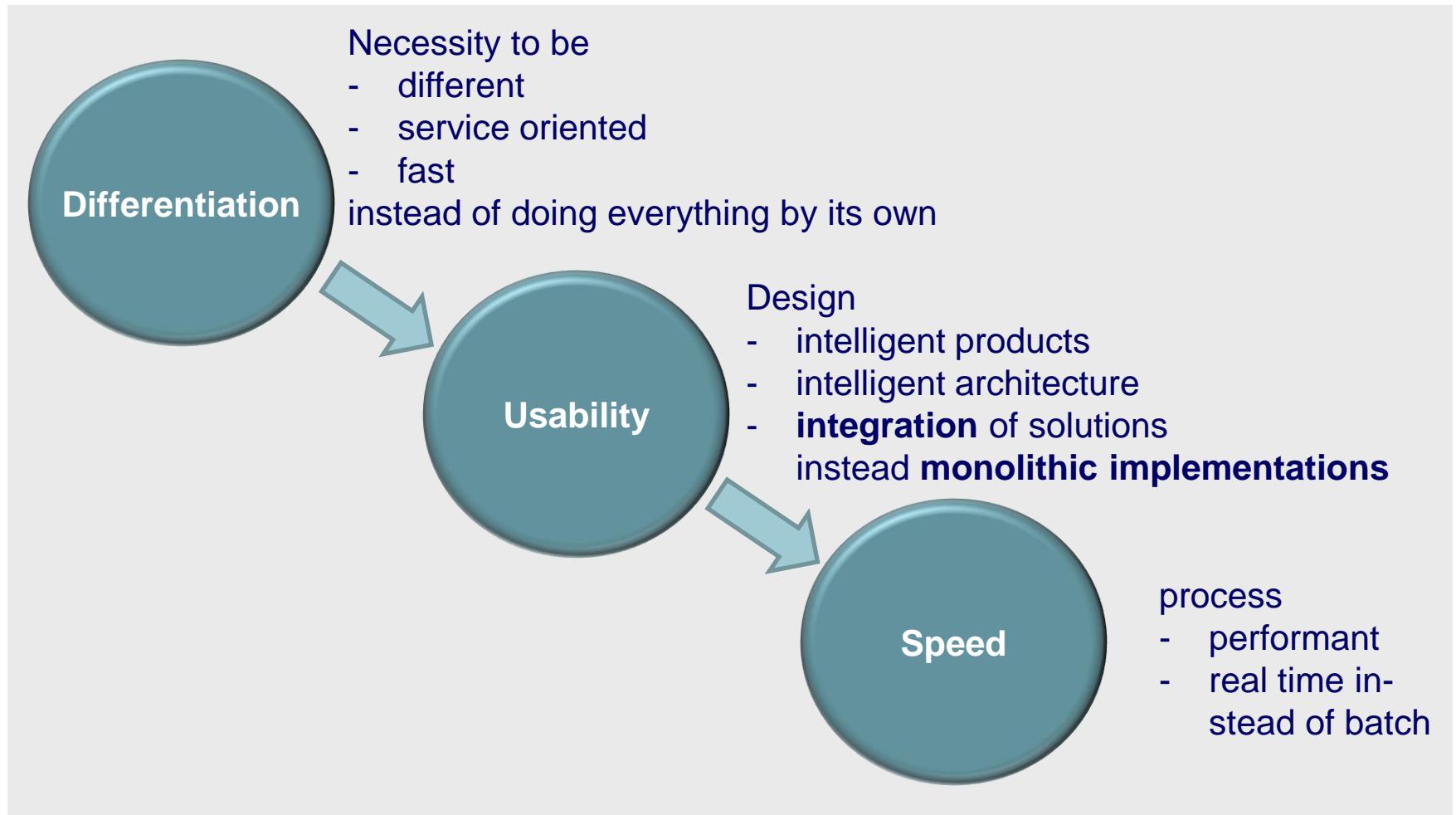
Payment processing: the full picture

...characterized meanwhile by multiple possibilities, solutions and players



- how to handle **complexity?**
- how to handle **time to market?**

Payment processing: need for change



Differentiation

- Payment guarantee away from classical brands
 - direct debit
 - enhance authorization (geo data, risk evaluation, additional data/services)
 - dynamic payment selection
- Cash flow optimization
 - factoring, debtor management
 - cash pooling (independent of brand)
 - instant payments
- Reconciliation
 - balance the cash
 - settle differences
- Provider/purchaser centric views
 - collect, analyse all payment trx and additional data
 - customer experience
- One-Stop-Shopping
 - by integration of solutions

Payment processing: usability

- Usage of standard components
 - e.g. Bookkeeping systems, payment systems, warehouse-, OLAP-tools, authorization-, switching systems
 - fast changes e.g. SEPA = SW-patch instead implementation project



- efficient integration
 - service orientated
 - XML based data exchange
 - SaaS

Payment processing: speed

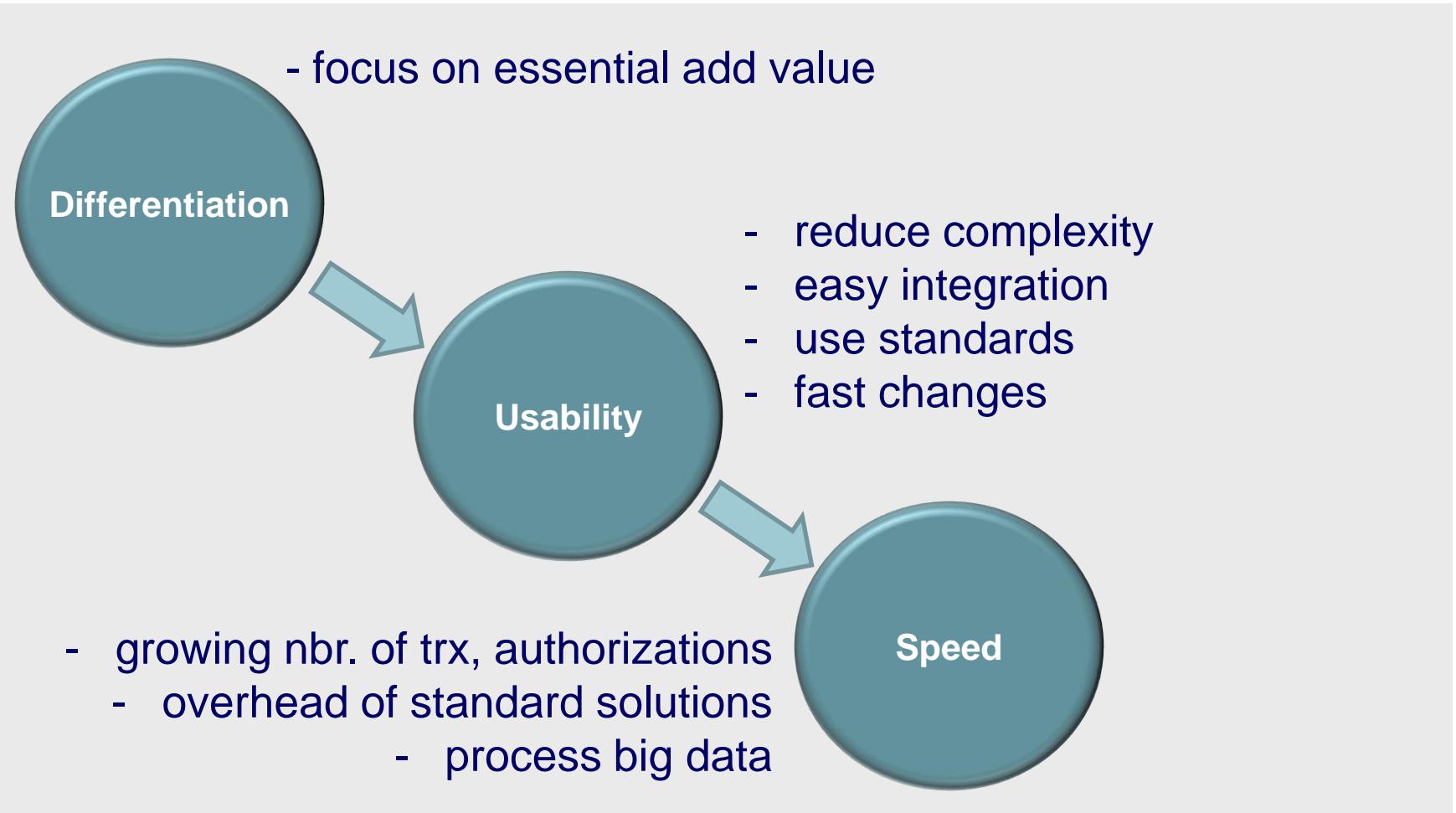
- Speed
 - growing number of online authorizations, transactions
 - enhanced data on online transactions
 - parallel processes during authorization
- Performant processing due to
 - overhead of standard components, layers
 - mass data of trx and additional data



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Payment processing: summary



Questions?

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