



Transaction News

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SPECIAL ISSUE: 2009 PREDICTIONS

2009 is starting out as a year of uncertainties. Economic and financial turmoil, crisis in the mortgage and financial industries, layoffs, Federal bailouts are among the top concerns about what the business climate will bring during 2009. To be able to survive the economic downturn and keep your business viable you must be able to look over the immediate horizon and position your self and your business in order to act on opportunities when they present themselves. In addition to the normal coverage provided by Transaction News I have included a special section on 2009 Predictions. In this section the contributing organizations and individuals have been kind enough to share their predictions about what 2009 brings. It is my hope and wish that in reading this collection of predictions that you will be able to find some insight and guidance that assists you in having a profitable and successful 2009.

— Steve McNair, Editor and Publisher, Transaction News

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Cost Controls & Cash Management

More than 80% of senior finance executives expect their departments to spend more time cutting costs of operations and improving cash management processes in the coming year...

Three ways to cut costs: online bill payment, electronic bill presentment, and accepting PINless debit cards.

Source: American Express report November 2008.

The 2009 “Sledgehammer Impact” on Traditional Payment Processes

What has traditionally been one of the most rigid, rock-solid processes within retail and financial institutions is starting to crack – the payments process. Risk and cost, strengthened by economic uncertainty, are the two main sledgehammers causing transaction processors to investigate technologies that will help them reach operational efficiency goals and to recon-

sider their traditional processing models

and packaged service offerings within these markets. Here’s a look at the top 5 trends fueling INETCO’s predictions for 2009:

Trend #1: Growing frustration around rising credit card interchange fees, payment processing costs and compliancy issues will result in retailers seeking in-depth analysis of their end-to-end payment process. Potential considerations to drive down costs include alternative forms of payment and negotiation of new rates with card networks and payment processors. More retailers will also consider outsourcing instead of undergoing the expenditures necessary to meet strict compliance rules such as PCI and Chip & Pin.

Trend #2: Expanding ATM service offerings will complicate ATM management. As traditional withdrawal/deposit ATMs are replaced with multi-functional kiosks that support various transaction types such as peer-to-peer money transfers and check imaging, banks and ATM managers will need to expand existing management and monitoring processes to cover the increasing number of potential network and application failure points within the ATM environment.



Trend #3: A number of large scale infrastructure changes will challenge financial IT departments. With all the mergers and acquisitions that are taking place, there is a strong focus on ensuring disparate and legacy systems are consolidated and producing what appears to be a seamless, uninterrupted transaction to the end customer. Upgrades such as ACI's Base 24 transition will also kick off an intensive cycle of payment switch upgrades and displacements that will need to be closely monitored. Companies will need to implement new tools and processes to optimally manage these upgrades and truly grasp a complete, holistic

view of network and application performance.

Trend #4: There is unprecedented complexity being added to the payment transaction environment within the retail space.

Third party hosted services, the increased focus on multi-channel integration efforts, bandwidth wars, and the emergence of real-time applications such as advanced POS terminals and web-based e-commerce applications are affecting network and application performance. To meet customer expectations, retailers will need to consider implementing robust transaction monitoring technologies for faster isolation and remediation of performance issues, especially as SaaS, SOA and virtualization gain momentum and further cloud visibility between end customers, POS/ATM applications, transaction processors, back-end systems, and third party hosted systems.

Trend #5: Economic uncertainty is driving transaction processors to investigate technologies that will help them reach operational efficiency goals.

Transaction processors are faced with balancing superior customer service with operational efficiencies. There are tremendous internal pressures to consolidate infrastructure and streamline remediation processes, and external customer pressures to reduce cost per transaction. Real-time transaction monitoring technologies will be big part of the goal to alleviate the stress brought on by the lack of IT resources and proactive monitoring tools in an affordable way.

Stacey Gorkoff, Director of Strategic Marketing, INETCO

More Businesses Will Deploy Automated Data Capture

In the current economy, the cost-reduction benefits associated with replacing manual processes with automation will create an increased surge of interest in automated document, data capture and classification solutions. Companies are realizing that as their competition continues to look for ways to do more with less, they too must deploy current technology in order remain competitive. Rather than freezing capital expenditures, especially in the area of software, companies should be investing in solutions that can provide a ROI in less than a year, while continuing to deliver savings for years to come.

Automated document, data capture and classification software can efficiently proc-



ess nearly any business document, regardless of industry. By replacing manual sorting with automatic classification and manual data entry with automated data capture – two manual processes that require considerable labor costs to support – companies have cut costs by 50%, saving hundreds of thousands, even millions of dollars annually. In addition, processing times have been slashed from weeks to days, and throughputs increased by as much as 65%.

Samuel Schrage, President, AnyDoc Software