
Enterprise-Wide Payments Strategy

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To have a enterprise-wide payments strategy is the key to stay ahead of the curve. But, what is needed to build a holistic approach to payments in an organization and how should we go about to identify our needs and build a implementation strategy?

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The first step is acknowledgement--most banks are afraid to admit that they don't have an adequate management or IT or accounting handle on payments, which often comprise 40% of their revenue and income. The second step is prioritization of fixes, avoiding the quarter-to-quarter earnings preservation "inertia" that suspends new activities and initiatives. The third step is analysis of the market position and economics of the bank's payments portfolio to identify key threats and opportunities. The fourth step is to build reporting and tracking systems that helps a bank keep up with the accelerating pace of change in this area. The fifth step is to be willing and able to begin the painful process of weaning the enterprise off self-defeating reliance on punitive user fees and once-beneficial but now oppressive and outdated products like credit cards. There are dozens of electronic payment alternatives (e.g., Debitman, A2A transfers, consumer-push, PINless debit, etc.) that are faster, better and cheaper than traditional bank product lines, and there is no longer "hope" that the industry can keep them off the market. Back to Step One--it's time for real change, fast!

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