



Optimizing Payments with Key Principles and Customer Focus

payments business customers faster payments

Summary: The right payment platform can create substantial opportunities for a CFI — and a CFI can use what it learns from finding the right payment platform to help business clients do the same. We discuss the factors a CFI should consider when selecting a payments platform.

In the hit TV show "Shark Tank," entrepreneurs pitch their business ideas to a panel of investors. To secure the investment and guidance they're seeking, the entrepreneurs must focus on presenting their product so that it is seen as both useful and unique. The investors then assess the entrepreneur as a potential partner, based on whether the product or service matches their areas of expertise, the soundness of the business model, their trust in the entrepreneur's skills, and a variety of other factors. Even if one of the "sharks" likes a product, it might not be the right opportunity for them to invest in, so they bow out to let the other sharks discuss offers with the entrepreneur. Ultimately, both parties aim to create lasting value and foster mutually beneficial relationships, so they have to make difficult decisions.

Similarly, there are many worthwhile and useful options available in the digital payments space, but just because one is highly lauded doesn't mean that it's the perfect match for your community financial institution (CFI) or your customers. Just as investors assess entrepreneurs based on various criteria, CFIs must evaluate payment platforms for transparency, compatibility, and potential for fostering enduring relationships. Despite the allure of certain platforms, it's essential to prioritize the one that best serves the institution's unique requirements and enhances the overall customer experience.

Here are a few factors to consider when [choosing a payments platform](#) for your CFI and its customers.

Focus on the Customer

The customer experience is the single most important consideration in choosing a payment platform. Customers want simple, intuitive, frictionless experiences that let them interact with businesses from wherever they happen to be — whether that's physically at a business or online, using a computer or a smartphone.

Don't fall into the trap of making it easy for clients to spend money but hard for them to solve problems or cancel orders. The interactions a business customer has with a CFI or other business should be easy.

Pick the Right Partner

As with any business partnership, carefully consider what you need in a payment services provider. Any candidate should have comprehensive transaction transparency, industry expertise, and a proactive attitude toward addressing problems.

Transparency is vital to good customer service. If a payment goes astray, a system that lets you know the payment's precise location and status is of much greater value to a customer.

It's also useful as you consider whether a given payments platform is an ongoing good fit for your enterprise. The world of both business and payment platform options continues to change quickly, so staying open to new developments and ensuring that your payment platform does, too, is a competitive advantage.

Focus on Real-Time Payments Capabilities

Real-time payments offer data-rich, instantaneous transfers, payments, and requests for payment 365 days a year and 24 hours a day. In recent years, fast and convenient payment systems have been developed, and it's important to understand the various options available before committing to the one your CFI or your business customer could benefit from the most.

- **The FedNow® Service**, the Federal Reserve Bank's instant payments rail, allows customers to send and receive payments quickly at any time of the day. The service now has over 600 participating financial institutions across the US and is continuing to grow. Last fall, we offered [a closer look at the service](#) and how it was developed.
- **Same-day ACH** is widely available and has experienced an explosion of growth in the last few years. In 2021, payment volume in the ACH Network [grew to almost 74%](#) to 29.1B payments, valued at \$72T.
- **The Real-Time Payments (RTP) network** functions similarly to ACH, just on a different system, and is undergoing its own growth spurt: network transaction limits were raised in 2022 [from \\$100K to \\$1MM](#) to accommodate the transaction volume increases.

Adopt a Data-Driven Approach

Consider the data insights that the payments platform can give you. Comprehensive customer data, such as behaviors, preferences, and spending habits, gives you a goldmine of information that you can then use to enhance product offerings, finetune your customer-focused strategies, and personalize the customer experience.

Another value that the customer data from a payments platform can bring lies in the internal business insights it gives. Analyzing that data can help you identify inefficiencies in your operations, pinpoint risk issues, and spot opportunities to do away with manual processes in favor of automation.

Once CFIs craft their own payment strategy to identify the right payment platform for them, they can turn around and help business customers choose the payment platform that fits them best using lessons learned and newfound expertise. CFIs can significantly boost those businesses while also creating deeper, stickier relationships with those customers.

FASTER PAYMENTS PODCAST WITH FISERV

Listen in as payments experts from Fiserv and PCBB share [insights about the faster payments landscape](#). Hear how strategic thinking, collaboration with partners and data-rich transactions enabled by ISO 20022 can help better serve customers and differentiate your institution.

ECONOMY & RATES

Rates As Of: 04/02/2024 05:40AM (GMT-0700)			
Treasury	Yields	MTD Chg	YTD Chg
3M	5.44	-0.02	0.04
6M	5.36	-0.02	0.10

1Y	5.05	0.04	0.29
2Y	4.72	0.10	0.47
5Y	4.38	0.17	0.53
10Y	4.39	0.19	0.51
30Y	4.52	0.17	0.49
FF Market		FF Disc	IORR
5.33		5.50	5.40
SOFR		Prime	ORER
5.35		8.50	5.33

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