

GLOBAL PAYMENTS STRATEGIES 2007

This year, the annual Global Payments Strategies conference of the Global Payments Forum took place on January 22 and 23 in Monte Carlo. The common thread running through all presentations and contributions was the question: How does the payment traffic industry deal with the increasing pressure in the areas of pricing, quality and innovation within an increasingly regulated environment?

One important aspect of the payment traffic industrialization topic which was discussed throughout the conference was the processing breadth and depth of the value chain. What range of services should still be offered individually? Where can the value chain be opened up and which services could be outsourced? These were the questions posed to the attending bank representatives when talk turned to product innovations within the area of mobile payment devices and card-based payment systems or to competitors new to the market such as retail chains, non-banks (PayPal) or banks from emerging markets. Globalization makes the volume, fee per transaction, and investment financing into key factors and forces the banking industry to automate and concentrate its range of product selection. Two thirds of the products offered are still produced entirely by the banks to this day. By comparison, other industries have a vertical integration of approximately 25%. The critical factor in payment traffic for both the packaging of volumes and the segmenting of the value chain is the standardization of the payment formats and processes. Gerard Hartsink, EPC Chair, illustrated how advanced those efforts are within the SEPA framework. While he betrayed no doubts about the timely SEPA credit transfer by January 1, 2008, he did mention certain challenges of a legal nature with the SEPA direct debit implementation (see also interview on page 4).

*Monte Carlo,
the conference venue*

The contributions by representatives of international companies using specific examples to present their problems, needs and expectations in the payment traffic area were also met with great interest. The design and implementation of industry-wide standards was requested from that side, as well. This would help realize synergy potential which could, for example, be gained from the cash pooling and payment traffic at one single company location rather than dissipated by enforced use of 35 different proprietary payment formats in the subsidiary countries. ■

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GLOBAL PAYMENTS FORUM

The Forum is a NACHA (North American Automated Clearing House Association) committee for international payment traffic issues. It meets thrice yearly and organizes the Global Payments Strategies Conference taking place each January in Europe. The forum promotes initiatives, new concepts and projects enabling the efficient, economical exchange as well as the processing of cross-border payments. For additional information, see www.nacha.org.

