



K O R E F U S I O N



KoreFusion provides strategy consulting and M&A advisory services exclusively for the international fintech, payments and financial services industries.

# Money2020 Asia:

## Real-Time Payments:

Understanding the use cases, the practicality, and potential friction with other payment products



PANELIST



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# *Key Questions*

- 1 How important is speed?
- 2 Where can Real Time Payments (RTP) add value?
- 3 What is the right solution?
- 4 How do you achieve scale?

# KOREFUSION ASKED HOW RTP CAN IMPROVE PROCUREMENTS & PAYMENTS





# *Putting It Into Context*

# 1. PROCUREMENT AND PAYMENTS PROCESSES ARE PAINFUL

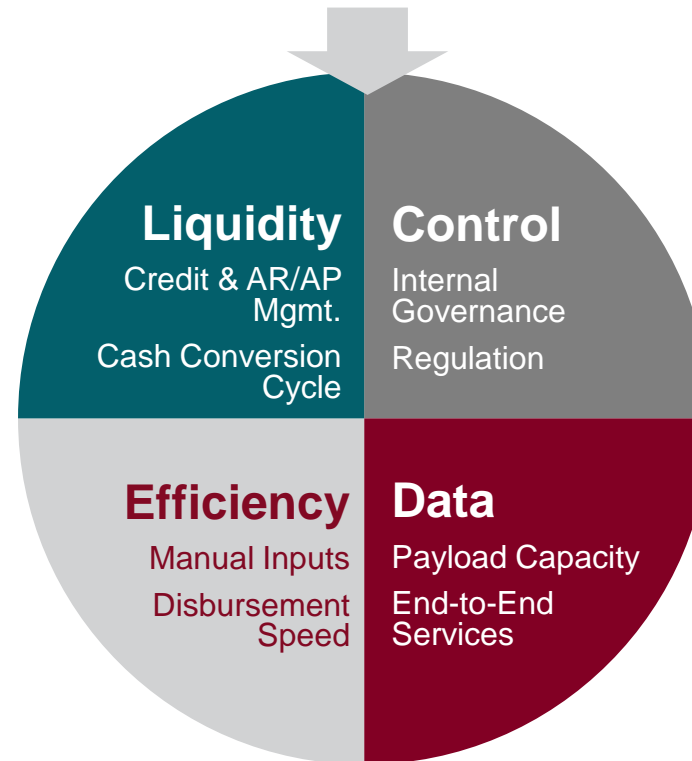
## The “Jargon” of Payments Friction

**ORDER & MAKE PAYMENTS**

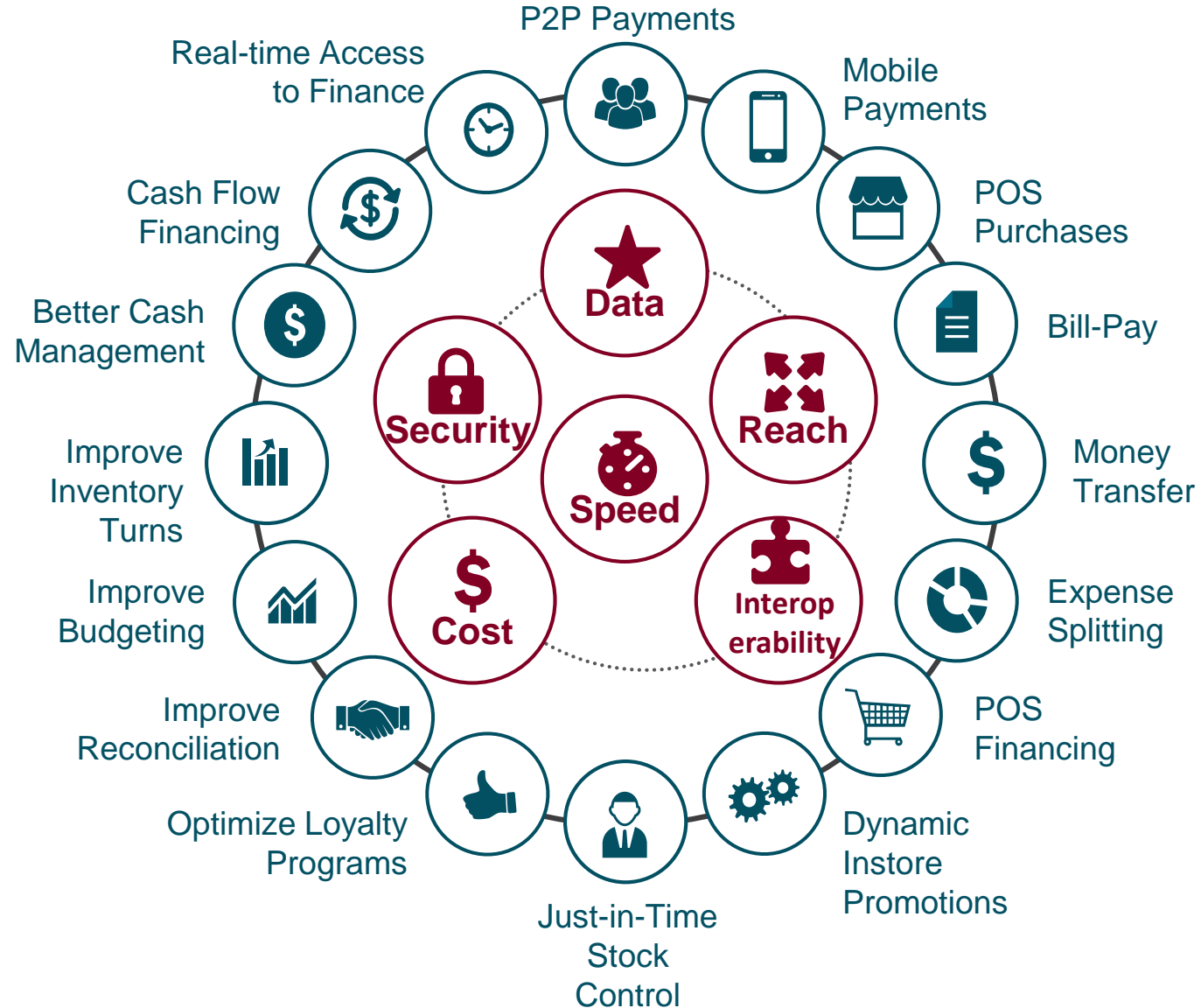
- CREDIT LINE SHORTFALLS • FX VARIATION & CONTRACTS
- FRAUD CONTROL • SWIFT/ACH DELAYS • RECONCILIATION
- PREPAID • BLOCKED BUYERS/SUPPLIERS • EXCEPTIONS
- NON-BANK HOURS • DISCREPANCIES • E-INVOICE COMPLIANCE
- MANUAL RECONCILIATION • ERP INTEGRATION • STOP PAYMENTS
- PARCELED/PARTIAL PAYMENTS • CHECK AND PAPER PAYMENTS

**FULLFILLMENT & RECEIVE PAYMENTS**

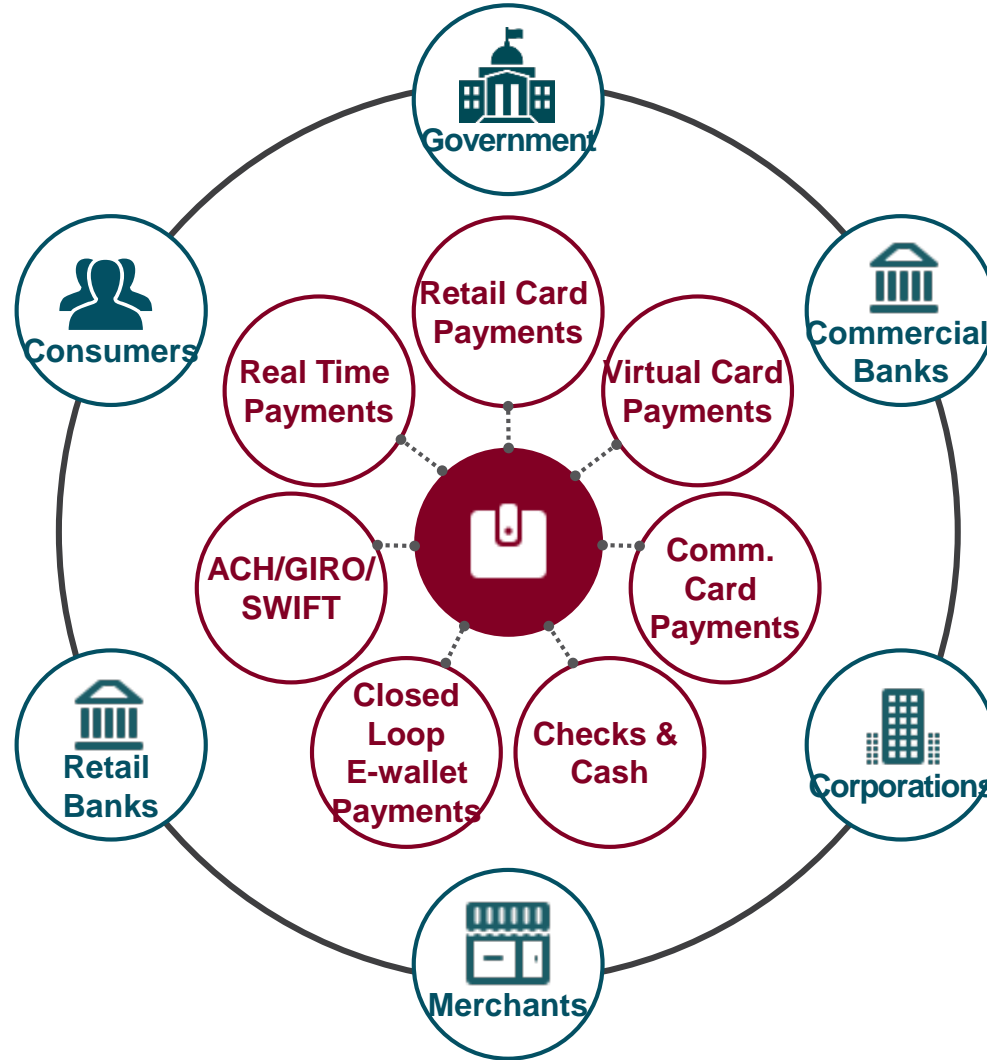
**Pain Points Fall Into Four Key Categories**



# 2. PAYMENTS SOLUTIONS NEED TO SUPPORT NEW SERVICES & CAPABILITIES

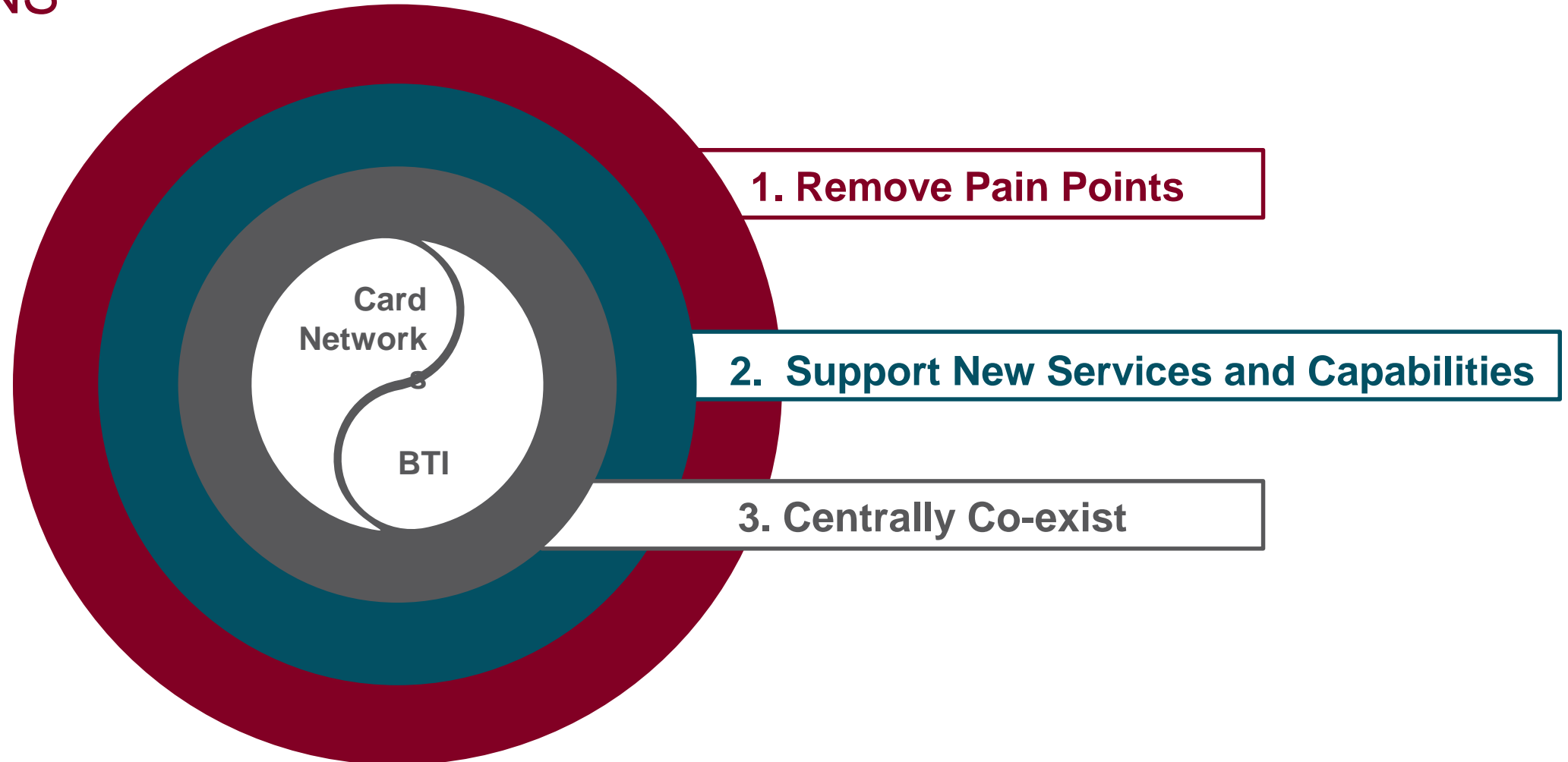


# 3. PAYMENT TOOLS SHOULD COEXIST IN AN INTEGRATED SOLUTION





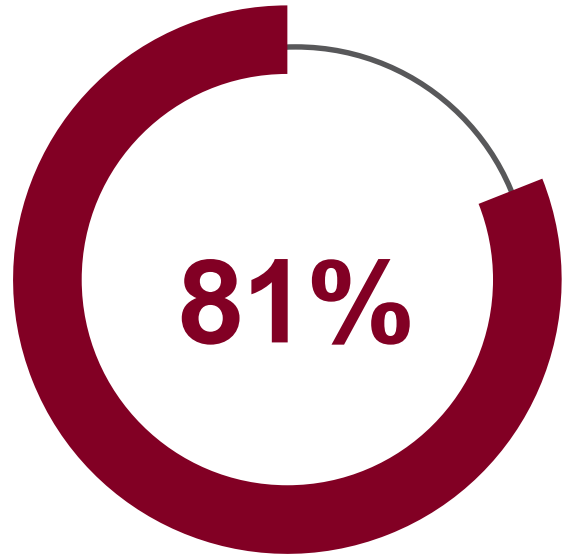
# 4. TOGETHER, CARD NETWORKS AND BUSINESS TECHNOLOGY & INFRASTRUCTURE (BTI) PROVIDERS CAN ADDRESS KEY CONCERNS



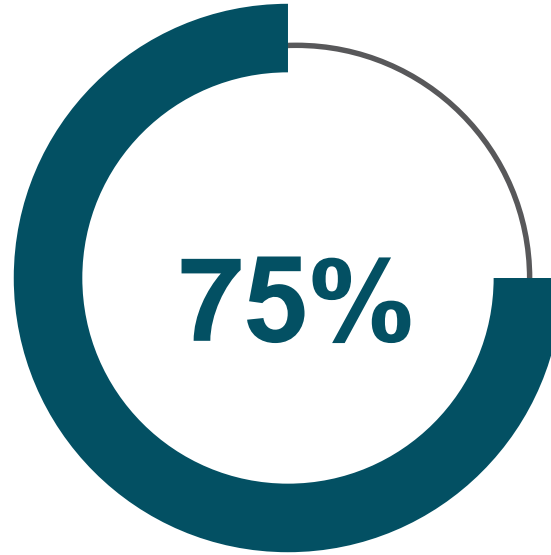


# ***3 Case Studies***

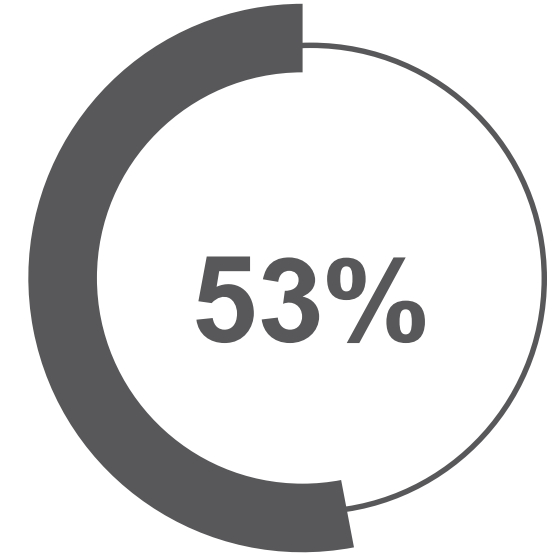
# THREE OPERATIONAL CONCERNS TOPPED THE MARKETS' FEEDBACK



**“Improve Disbursements”**



**“Products Reducing Cash and Checks”**

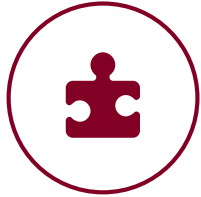


**“Integrate Payments and Data”**



# SUCCESS STORY:

## MERCHANT DISBURSEMENTS



### Challenge:

- Drivers waited 6 days before receiving commissions.
- Drivers prefer competitors that offer faster payment.



### Solution:

- Introduced Instant Pay allowing drivers be paid in real time.
- Leveraged a partnership between Green Dot and Mastercard Send™.



### Results:

- \$1.3 billion in cash out to drivers.
- Hundreds of thousands of drivers enrolled.
- New revenue flow for Uber and Banks.

### Pain Point Solved

- Driver Liquidity
- Disbursement Efficiency

### Services Supported

- Reach
- Speed

U B E R



# SUCCESS STORY: USING DATA TO TRANSFORM TREASURY OPERATIONS



## Challenge:

- Operations in 120 countries across dozens of proprietary bank interfaces.
- Needed to incorporate SEPA Credit Transfers.



## Solution:

- Implement a single ERP with Citibank and HSBC as partners.
- Migrate to ISO 20022 messaging format and use a universal messaging format.



## Results:

- Reduced hundreds of bank interfaces to 1.
- Reconciliation everyday in every country with 30 minutes.

## Pain Point Solved

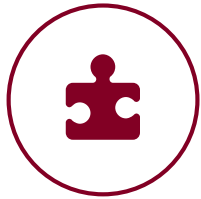
- Disbursement Efficiency
- Payments Data
- Supplier Liquidity

## Services Supported

- Security
- Cost
- Data



# SUCCESS STORY: DIGITIZING CASH ON DELIVERY



## Challenge:

- 50% of payments are cash-on-delivery (COD).
- High costs, complicated logistics, slow refunds.



## Solution:

- Launched PhonePe, a digital wallet connecting users' bank accounts via India's UPI infrastructure.
- Use PhonePe to make COD payments with Ekart.



## Results:

- Used in over 50,000 daily deliveries.
- Customer satisfaction up to 97%.

## Pain Point Solved

- Disbursement Efficiency
- Vendor Liquidity

## Services Supported

- Security
- Cost
- Reach





# *Key Takeaways*

1

**How Important is Speed?** Real-time is not a business case in itself - RTP must see beyond speed and solve for liquidity, control, efficiency or data.

2

**Where is there a business case for RTP?** Where speed is paired with reach, security, interoperability, cost efficiency, and data.

3

**What is the right solution?** There are multiple flavors of RTP - solutions can be varied and coexist.

4

**How do you achieve scale?** Find partners that offer security, reach, governance and interoperability.



*Silicon Valley*



*Mexico City*



*New York*



*São Paulo*



*Singapore*



*Manila*

