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1	Our Point of View on Instant Payments	10 mins
2	Instant Payments Call to Action	10 mins
3	Instant Payments Adoption Readiness – Self Assessment Toolkit	25 mins
4	Wrap-up	15 mins

SURVEY 1

Question

Where are you in your instant payments journey?

Options

Creating awareness within the organization

Identifying impactful use cases

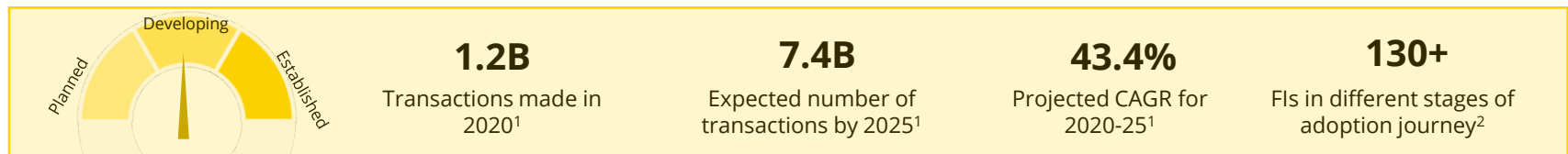
Upgrading internal systems to enable instant payments

Instant Payments are at the forefront

DEFINITION

An electronic retail payment solution available **24/7/365**, resulting in the immediate or close-to-immediate interbank clearing of the transaction and crediting of the payee's account with confirmation to the payor (within seconds of payment initiation)

US INSTANT PAYMENTS LANDSCAPE



US has the highest projected growth rate among the top markets for instant payments

Country	Top 9 Markets by Instant Payment Transactions ¹ (Millions)	Expected Growth ^{1*}
US	1219	43%
Brazil	1330	25%
Japan	1676	1%
Nigeria	1911	32%
UK	2827	12%
Thailand	5241	32%
S. Korea	6015	7%
China	15741	14%
India	25478	28%

TOP 3 USE CASES³



Disbursements



Payroll



P2P Payments

* 5-Year CAGR (2020-2025)

FI – Financial Institutions

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Source: 1. ACI Worldwide Report 2021-Prime Time For Real-Time; 2. Payments Journal Report: Real-Time Payments - Everything You Need to Know 3. Barometer-2020-Infographic (fasterpaymentscouncil.org)

Customer expectations are at the heart of instant payments growth



Certainty



Transparency



Immediacy

These expectations are further driven by...

Growing familiarity with P2P apps shifting expectations about payment speeds

74% customers expect transactions to be processed immediately or within a few secs¹

Requesting much needed money faster than ever in the current pandemic

2X growth in real-time payments share of all transactions in 2020²

Managing **working capital efficiently**

50% businesses are interested in using instant payments to better manage their cash flows³

Unlocking capabilities to **keep operations afloat** during the crisis

70% businesses that do not deploy real-time payments face cash gaps³

... and have prompted growth of different business models and technology innovation

Key use cases



Instant payroll

to support gig economy by enabling “payroll by the gig” vs. “paycheck to paycheck” payment cycles



Immediate disbursements

to enable instant tax refunds, loan availability, supplier payments, etc.



Personalized services

using rich and structured remittance data



Instant cross border payments

for international commerce, remittances to individuals in other countries

Technology innovation



Shift from batch to real-time processing

to enable straight through processing

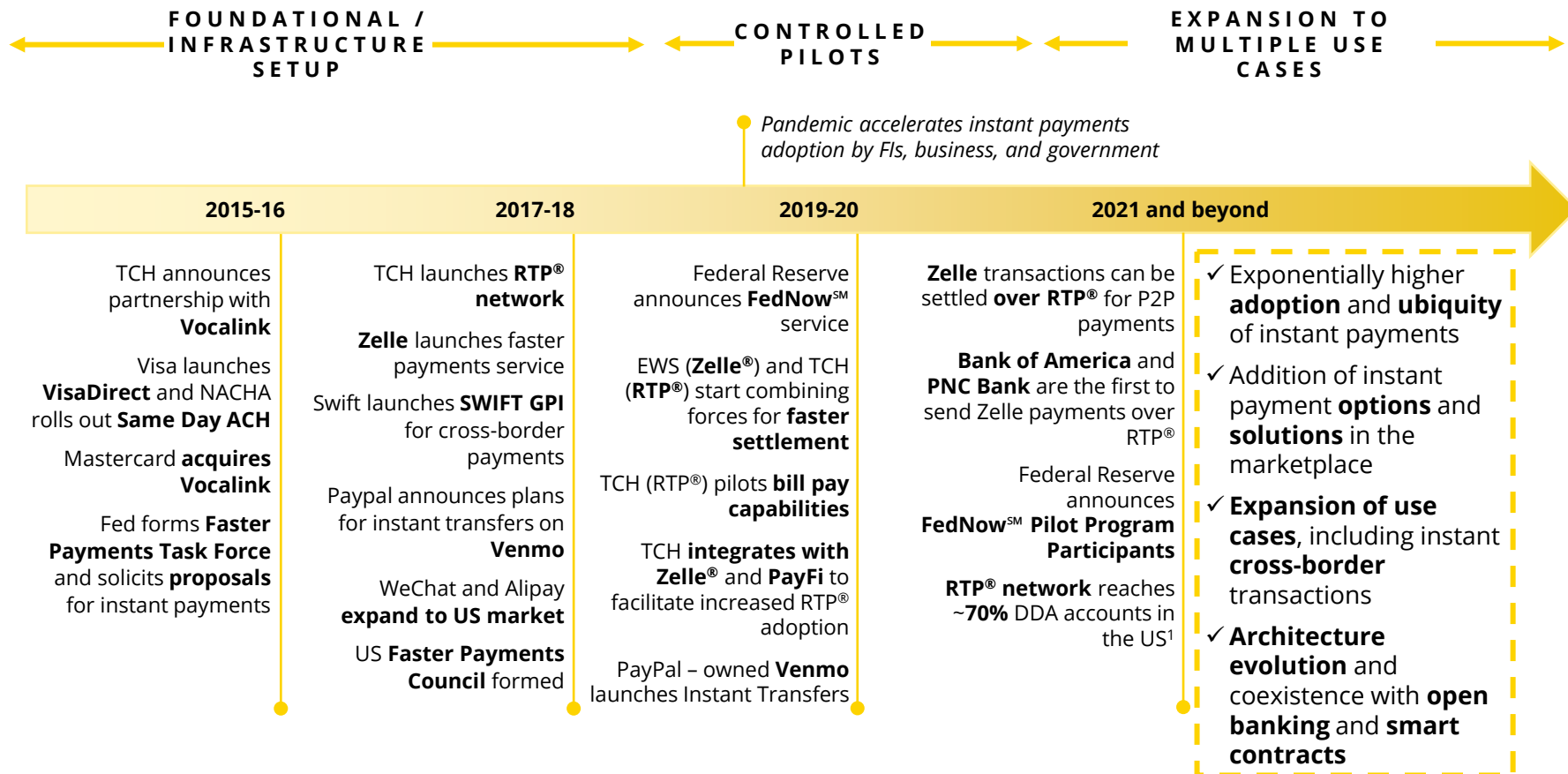


New payment standards

such as ISO 20022 to enable real-time exchange of structured information

Instant Payments Journey in the US

Past decade has witnessed tremendous technological and business model changes – from new payment platforms and solutions to upgraded standards and regulations



The next 12-18 months will likely see financial institutions and businesses/corporates adopt instant payments in record numbers. **Jump on the bandwagon or become obsolete!**

**OUR POINT OF
VIEW**

**CALL TO
ACTION**



**SELF
ASSESSMENT
TOOLKIT**

WRAP UP

SURVEY 2

Question

Does Instant Payments feature in your organization's payments strategy roadmap?

Options

Not a priority currently

Actively assessing

Project underway

**Part of the future roadmap
(1-2 years)**

What's in it for you?

With instant payments, FIs and businesses/corporates can meet customer expectations, stay relevant and identify additional opportunity areas

Fulfill customer demand

- Provide convenient and frictionless payment experience
- Make payments 24x7x365
- Ensure control and transparency

Stay competitive

- Overhaul operating models, processes and systems
- Adopt state-of-the-art digital technologies to compete with incumbents and innovative FinTechs

Explore new opportunity areas

- Additional revenue by servicing new types of customers, charging fee to businesses, etc.
- Incremental value to customers by providing value-added services
- Efficiencies in payment processing and reconciliation augmented by real time settlement*
- Cash flow predictability and efficient working capital management**

“

92% of consumers expect fast and frictionless payment experience¹

”

“

30% of consumers consider access to real-time payments as a criteria when selecting a financial institution²

”

“

50% of businesses would be willing to pay a fee to receive payments immediately³

”

*Most relevant for large organizations **Most relevant for small to mid-size organizations

What are some key considerations?

Adopting instant payments can be a huge task for an organization and one must examine the key Business, Technological and Operational considerations

Business

- Strategic aspiration / relative importance of instant payments to other competing initiatives
- Relevance of instant payments to customer base and growth strategy

Instant Payments Adoption Maturity

Operational

- Impact to systems, processes and people
 - Necessity to educate / train internal and external stakeholders

Technological

- Initial appetite for technology change
- Appetite for ongoing technology costs

What action can you take now?

Identify strategic factors that can influence prioritization of Instant Payments and help traverse the journey to implement an Instant Payments solution

AWARENESS

Be aware of Instant Payments benefits



1. Understand how instant payments can benefit your organization
2. Recognize your customers' needs

ASSESSMENT

Understand your current maturity level



1. Determine where you are in the adoption journey
2. Evaluate business, operational and technological readiness

APPROACH

Develop a roadmap to accelerate adoption



1. Determine next steps to gain momentum and accelerate instant payments adoption
2. Pre-empt the challenges that can impede progress

**OUR POINT OF
VIEW**

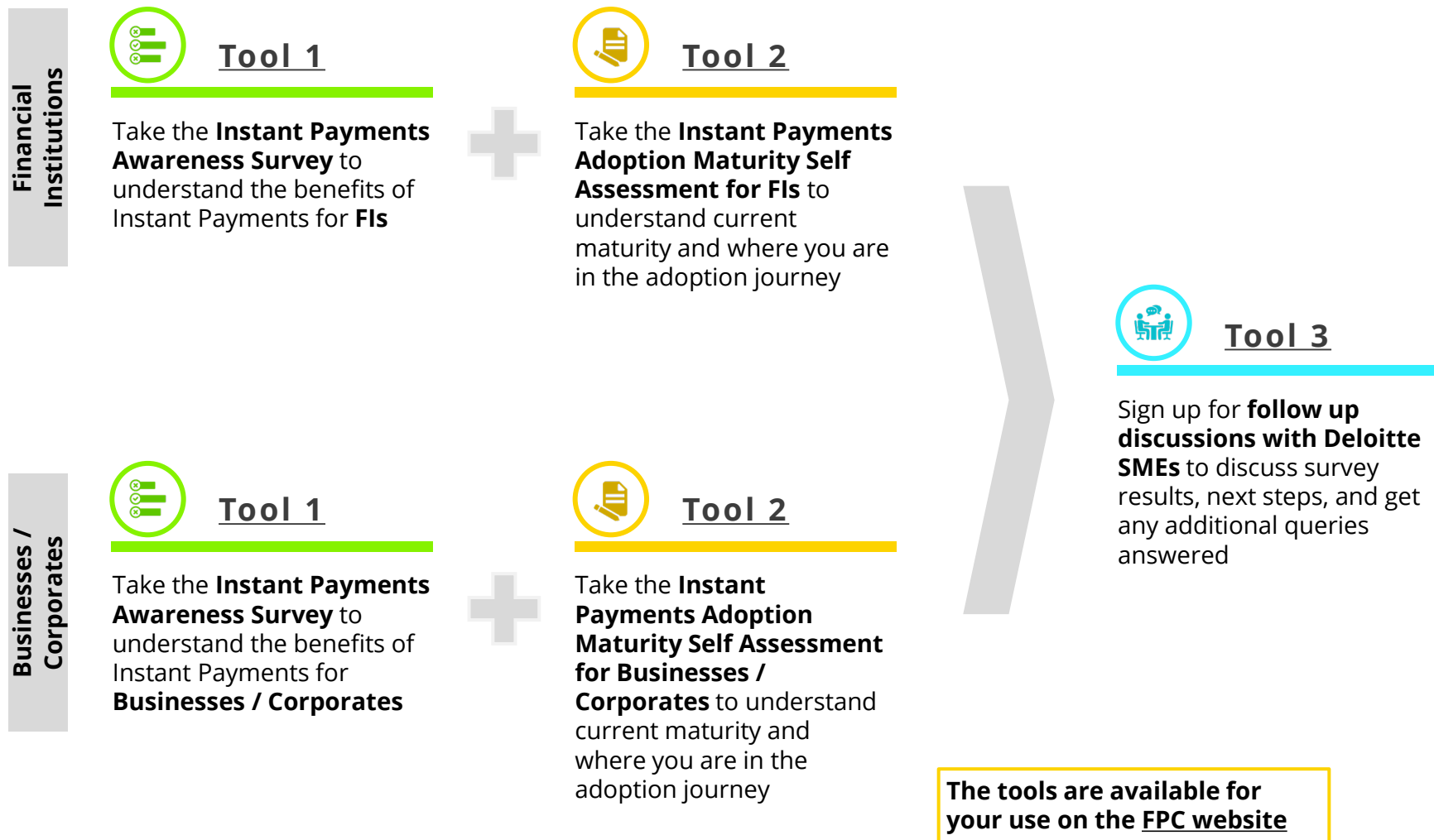
**CALL TO
ACTION**

**SELF
ASSESSMENT
TOOLKIT**



WRAP UP

Use the following Self Assessment Tools to understand your Instant Payments Adoption Readiness



Instant Payments Adoption Deep Dive Discussion with Deloitte

Financial Institutions and Businesses / Corporates can engage in a **one-hour business consultation session** with Deloitte to firm up the Instant Payments roadmap and get answers to any additional queries by SMEs

What to Expect?



Discuss the results from the surveys and self assessment

Understand opportunity areas, potential use cases and focus areas to accelerate Instant Payments adoption



Understand the industry trends and drivers for adoption

Participate in discussions with Deloitte SMEs to identify drivers influencing the industry adoption of Instant Payments



Discuss next steps for accelerated adoption of Instant Payments

Develop a structured approach to move ahead in your Instant Payments journey, e.g., participate in Instant Payments Innovation Lab, sign up for a controlled pilot, etc.

Reach out to Deloitte at usrtppractice@deloitte.com to schedule a business discussion

SURVEY 3

Question

Based on the information shared today, what next steps would you like to pursue with respect to instant payments?

Options

Continue making progress

Adjust overall approach

Take action to start right now

Wait and watch

**OUR POINT OF
VIEW**

**CALL TO
ACTION**

**SELF
ASSESSMENT
TOOLKIT**

WRAP UP



Appendix

1. **Tools for Financial Institutions** (Slide 18 – 26)
2. **Tools for Businesses/ Corporates** (Slide 27 – 35)
3. **Instant Payments Adoption Deep Dive Discussion for Financial Institutions and Businesses/ Corporates** (Slide 36 – 37)

1. Tools For Financial Institutions

Tool 1:

Instant Payments Awareness Survey for FIs

Instant Payments Awareness Survey is the First Step for Financial Institutions in their Awareness Journey

Expected Outcome from the Tool¹



Become **aware** of how Instant Payments can benefit your organization



Receive immediate **directional information** regarding the potential payback for Instant payments adoption



Identify appropriate **use cases** and fast-track business case development

Instructions on use:

FIs may take the awareness survey to understand the benefits and identify Instant Payments related opportunity areas for their institution based on their **business segment** and **customer demand**:

- Survey – **Instant Payment Awareness Survey: Financial Institutions**
 1. Click on the **survey icon** on the next slide to access the survey
 2. The survey consists of 5 questions that take less than **5 minutes** to complete
 3. Please note that clicking '**Calculate**' on the survey form will NOT lead to any information entered to be shared with Deloitte², the FPC, or any other party

Note: 1) The benefits/opportunity areas are directional in nature and FIs may use the information at their own discretion; 2) FIs can choose to share the data with Deloitte if they plan to engage in a 1x1 deep dive session with Deloitte SMEs (Tool 3)

Access the Awareness Survey for FIs here...

Input

Business Segment

FI's business segment e.g., Retail or Wholesale Business

Customer Demand

Customer segments interested in Instant Payments e.g., Retail, Small Business, Corporate

Survey



Instant Payments Awareness Tool _FI

Output

Opportunity Areas

Opportunity areas to help retail, small business and corporate customers with multiple use cases (e.g., supplier payments, disbursements, bill payments, etc.) by offering Instant Payments

Tool 2:

Instant Payments Adoption Maturity Self Assessment for FIs

Instant Payments Adoption Maturity Self Assessment Tool

Instant Payments Adoption Maturity Self Assessment Tool can help FIs Benchmark progress against the Maturity Curve

Expected Outcome from the Tool



Assess your **current readiness** and **gaps** in the adoption maturity curve



Prioritize the **area of focus** (Business vs Operational vs Technology) that is hindering Instant payments adoption



Determine **next steps** to move up the maturity curve from the current position

Instructions on use:

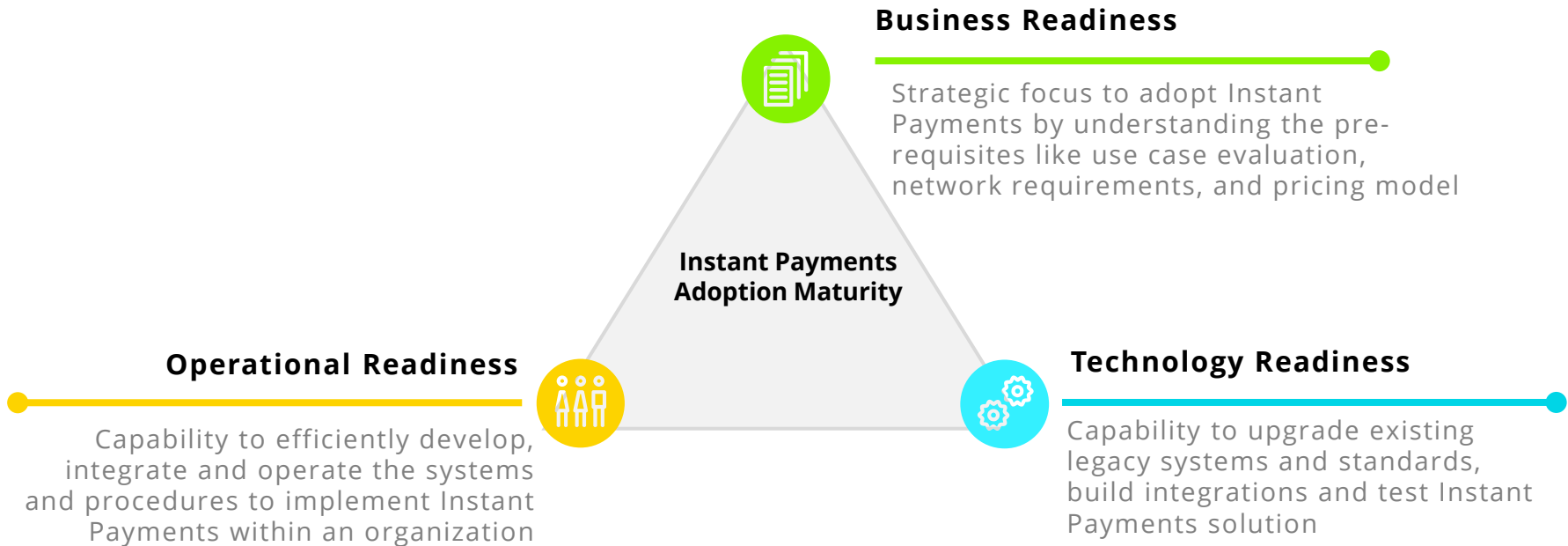
FIs may use this tool to **assess their readiness** to adopt Instant Payments. This tool helps them determine where they are in their current journey of adopting Instant Payments and **identify next steps** needed to gain further momentum

1. Evaluate **Business, Operational and Technology** readiness dimensions by clicking on the spreadsheet on the right
2. In the individual readiness tables for each dimension (tab 2, 3 and 4), select the status for the Readiness activities from the drop-down list based on your current completion status
3. Use the graph present on tab 5 to benchmark the scores against the **maturity model** to determine organization's position on the maturity curve and readiness to adopt Instant Payments



Instant Payments
Adoption Self
Assessment Tool_FI

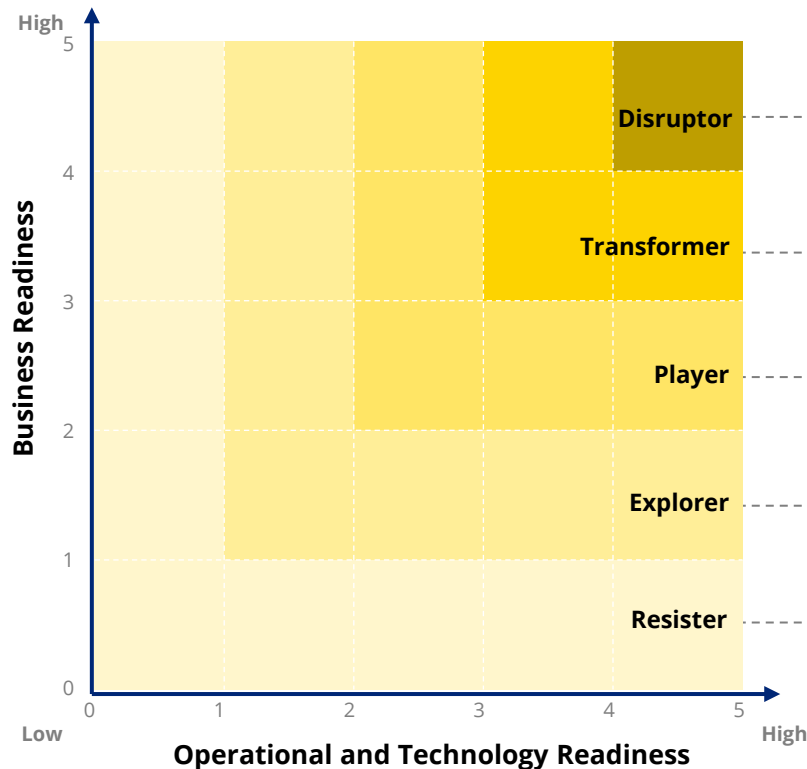
Instant Payments Adoption Maturity is Measured Across Three Readiness Dimensions



The score obtained against these three readiness dimensions will be used to determine the **stage at which an FI is** on the **maturity curve** and identify the **steps to move up the curve**

Determining the position on the Maturity Curve

Based on the Scores across Business, Operational and Technology Readiness Dimensions, Financial Institutions can determine their Position on the Maturity Curve



Characteristics

- FIs for whom Instant payments solution is a **strategic need** and hence have developed the capability to support **multiple use cases**, e.g., for bill payment, disbursements, supplier payments, etc. based on their retail/corporate customer needs
- FIs that have **understood** the strategic need for Instant payments solution to keep pace with third party players offering Instant payments services or to address rapidly changing customer needs
- FIs that are **beginning to recognize the importance** of offering Instant payments services and have started building the required **operational** and **technological capabilities**
- FIs that have either **not fully recognized the importance** of Instant payments for their retail/corporate customers yet or have **limited capability/resources/funds** or all
- FIs that either don't have the **need** (i.e., instant payments solution not requested by customers or no competitive pressure from third party players offering payments services to their customers) or the **capability/resources** to adopt Instant Payment solutions or both

Next Steps for Financial Institutions based on their Position on the Maturity Curve

#	Maturity State	Characteristics	Next Steps
1	Resister	<ul style="list-style-type: none"> FI's that either don't have the need (i.e., instant payments solution not requested by customers or no competitive pressure from third party players offering payments services to their customers) or the capability/resources to adopt Instant Payment solutions or both 	<ul style="list-style-type: none"> Educate your internal stakeholders on the benefits of instant payments solutions for your customers Review your business and technical practices and procedures and consider the appropriate changes and resources needed to comply with the network rules and technical specifications
2	Explorer	<ul style="list-style-type: none"> FI's that have either not fully recognized the importance of instant payments for their retail/corporate customers yet or have limited capability/resources/funds or all 	<ul style="list-style-type: none"> Conduct focus group discussions with your customers to understand their concerns with traditional payment methods and need for Instant Payments Build a strategic business case to gain alignment from relevant stakeholders in your organization and fulfil funding requirements to build the required technical and operational capabilities Engage your technical teams early to traverse the learning curve with message specs and coding efforts. Explore potential TPS models / partners
3	Player	<ul style="list-style-type: none"> FI's that are beginning to recognize the importance of offering instant payments services and have started building the required operational and technological capabilities 	<ul style="list-style-type: none"> Educate your business/corporate partner on benefits of instant payments, work with them to identify the most impactful use case and help them chart out a roadmap to accelerate effort towards adopting Instant Payments Assist your corporate partner in building a business case to seek buy in from with their organization. Help them chart out the implementation plan and sign up for a small-scale pilot
4	Transformer	<ul style="list-style-type: none"> FI's that have understood the strategic need for instant payments solution to keep pace with third party players offering instant payments services or to address rapidly changing customer needs 	<ul style="list-style-type: none"> Define the roadmap for commercialization and launch Instant Payments for the selected use case to a wider customer base, and introduce new instant payments services to your relationship managers, corporate clients and retail banking customers Build on the momentum by scaling up to include more use cases or expanding to different customer segments and conduct supplementary pilots with additional corporate partners
5	Disruptor	<ul style="list-style-type: none"> FI's for whom instant payments solution is a strategic need and hence have developed the capability to support multiple use cases, e.g., bill payment, disbursements, supplier payments, etc. based on their customer/client needs 	<ul style="list-style-type: none"> Identify additional growth opportunity areas in instant payments and strive for innovation to further the adoption of Instant Payments in various industries Leverage Instant Payments to build and offer value-added services to the customers

2. Tools For Businesses / Corporates

Tool 1:

Instant Payments Awareness Survey for
Businesses / Corporates

Instant Payments Awareness Survey is the First Step for Businesses/Corporates in their Awareness Journey

Expected Outcome from the Tool¹



Become **aware** of how Instant Payments can benefit your organization



Determine **suitability** of Instant Payments with respect to their goals



Identify appropriate **use cases** and fast-track business case development

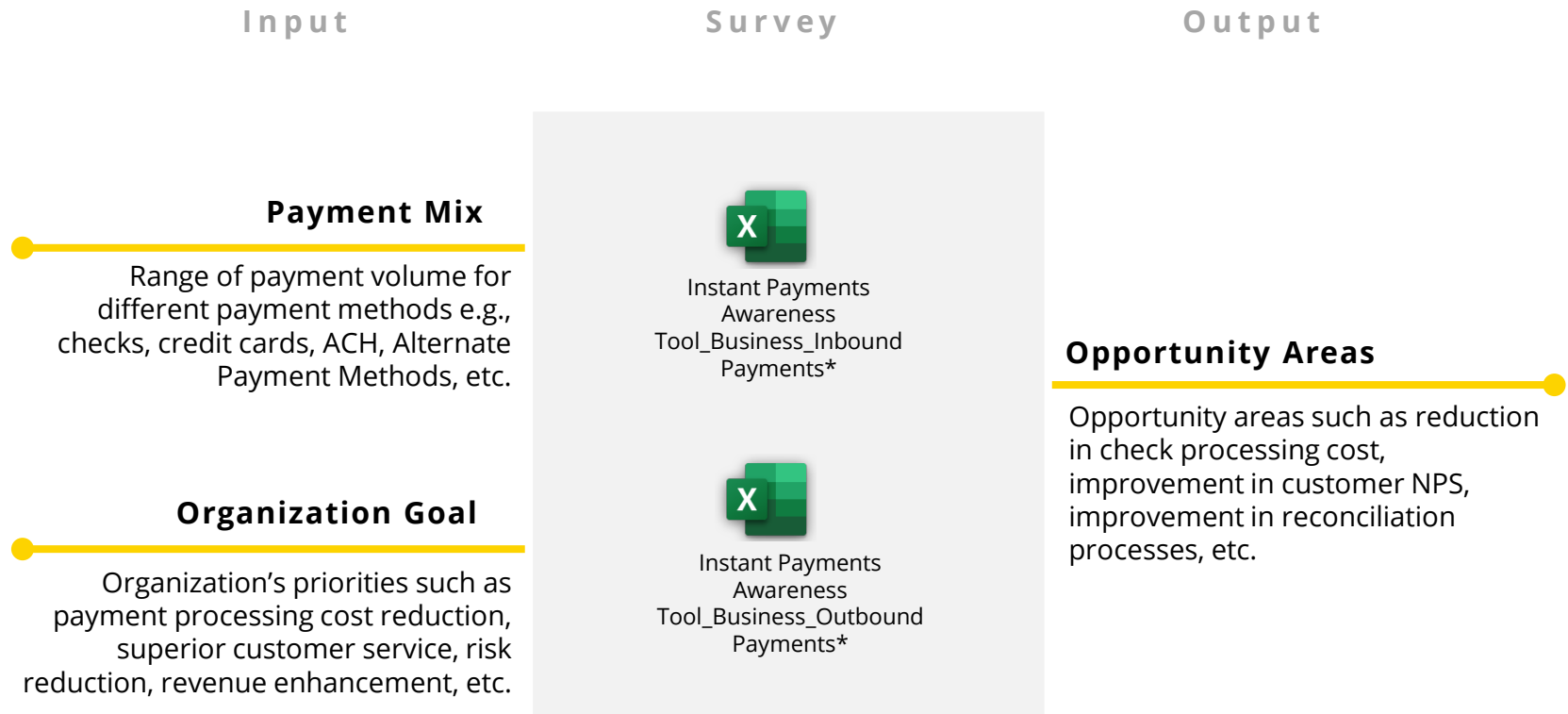
Instructions on use:

Businesses / Corporates may take the short surveys to understand the **benefits** and **opportunities** that an organization can explore by adopting Instant Payments based on their **payments mix** and **organization's priorities**:

- Survey 1 – **Instant Payments Awareness Survey: Inbound Payments** (C2B)
 - Survey 2 – **Instant Payments Awareness Survey: Outbound Payments** (B2B or B2C)
1. Click on the **survey icons** on the next slide to access the survey
 2. Each survey consists of 4 set of questions that take less than **5 minutes** to complete
 3. Please note that clicking '**Calculate**' on the survey form will NOT lead to any information entered to be shared with Deloitte², the FPC, or any other party

Note: 1) The benefits/opportunity areas are directional in nature and FIs may use the information at their own discretion; 2) FIs can choose to share the data with Deloitte if they plan to engage in a 1x1 deep dive session with Deloitte SMEs (Tool 3)

Access the Inbound Survey and the Outbound Survey for Businesses / Corporates here..



* Inbound Payment – Consumer to Business (Accounts Receivable); Outbound Payment - Business to Business or Business to Consumer (Accounts Payable)

Tool 2:

Instant Payments Adoption Maturity Self
Assessment for Businesses / Corporates

Instant Payments Adoption Maturity Self Assessment Tool

Instant Payments Adoption Maturity Self Assessment Tool can help Businesses/Corporates benchmark progress against the Maturity Curve

Expected Outcome from the Tool



Assess your **current readiness** and **gaps** in the adoption maturity curve



Prioritize the **area of focus** (Business vs Operational vs Technology) that is hindering Instant payments adoption



Determine **next steps** to move up the maturity curve from the current position

Instructions on use:

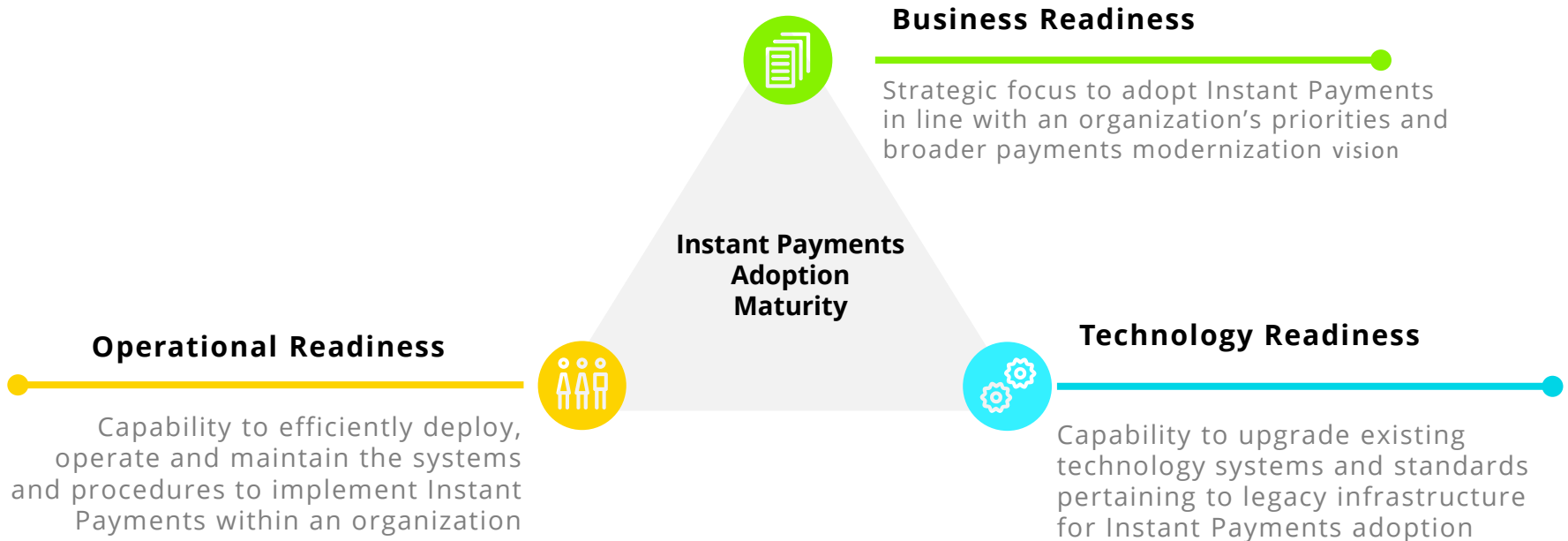
Businesses / Corporates may use this tool to **assess their readiness** to adopt Instant Payments. This tool helps them determine where they are in their current journey of adopting Instant Payments and **identify next steps** needed to gain further momentum

1. Evaluate **Business, Operational and Technology** readiness dimensions by clicking on the spreadsheet on the right
2. In the individual readiness tables for each dimension (tab 2, 3 and 4), select the status for the Readiness activities from the drop-down list based on your current completion status
3. Use the graph present on tab 5 to benchmark the scores against the **maturity model** to determine organization's position on the maturity curve and readiness to adopt Instant Payments



Instant Payments
Adoption Self
Assessment
Tool_Business

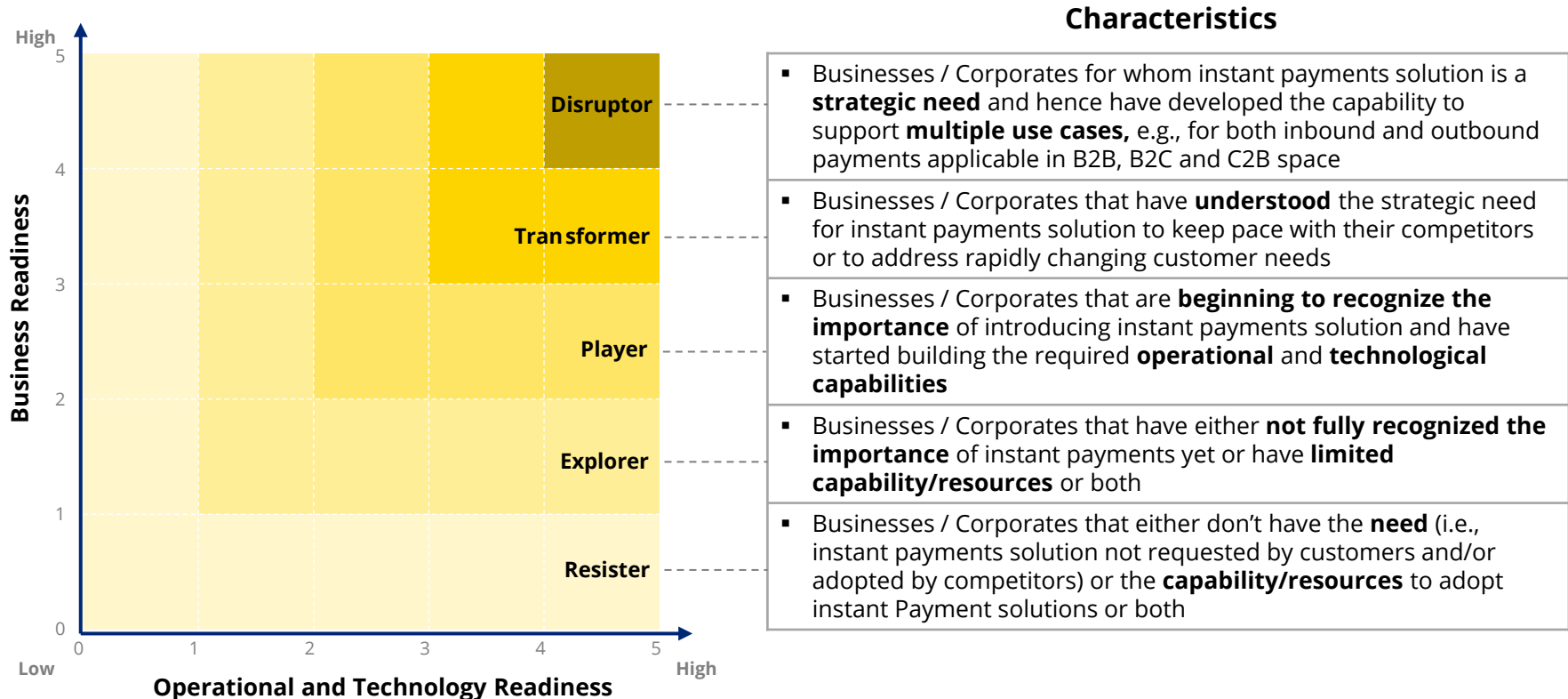
Instant Payments Adoption Maturity is Measured Across Three Readiness Dimensions



The score obtained against these three readiness dimensions will be used to determine the **stage at which a Businesses / Corporates is** on the **maturity curve** and identify the **steps to move up the curve**

Determining the position on the Maturity Curve

Based on the Scores across Business, Operational and Technology Readiness Dimensions, Businesses / Corporates can determine their Position on the Maturity Curve



Next Steps for Businesses/Corporates Based on their Position on the Maturity Curve

#	Maturity State	Characteristics	Next Steps
1	Resister	<ul style="list-style-type: none"> Businesses / Corporates that either don't have the need (i.e., Instant payments solution not requested by customers and/or adopted by competitors) or the capability/ resources to adopt Instant Payment solutions or both 	<ul style="list-style-type: none"> Educate your internal stakeholders on the benefits to adopt instant payments and become a pioneer in your industry Identify the processes and systems that need to be updated to build operational and technical capability for a minimum viable product
2	Explorer	<ul style="list-style-type: none"> Businesses / Corporates that have either not fully recognized the importance of instant payments yet or have limited capability/resources or both 	<ul style="list-style-type: none"> Identify a banking partner to chart out a roadmap and accelerate their effort towards implementing Instant Payments While choosing a banking partner, Businesses / Corporates may consider factors such as cost (implementation and ongoing maintenance cost, cost of additional services/modules), time to market, technical depth (core payment capabilities offered, alignment with global messaging protocols for Instant Payments, level of tech support offered, fraud and risk monitoring services), alignment with broader payments strategy and deployment options, and solution maturity (experience with instant payments, success stories), etc.
3	Player	<ul style="list-style-type: none"> Businesses / Corporates that are beginning to recognize the importance of introducing instant payments solution and started building the required operational and technological capabilities 	<ul style="list-style-type: none"> Design a criteria to prioritize use cases (e.g., alignment with organization goals, investment required, resources needed, expected changes in internal processes), work with your banking partner to identify the most impactful use case, build a business case for instant payments and seek buy in from relevant stakeholders Outline the pre-requisites for instant payment adoption, chart out the implementation plan and sign up for a small-scale pilot with your banking partner
4	Transformer	<ul style="list-style-type: none"> Businesses / Corporates that have understood the strategic need for instant payments solution to keep pace with their competitors or to address rapidly changing customer needs 	<ul style="list-style-type: none"> Define the roadmap for commercialization and launch Instant Payments for the selected use case to a wider customer base Build on the momentum by scaling up to include more use cases from the priority list or expanding to different customer segments and conduct supplementary pilots
5	Disruptor	<ul style="list-style-type: none"> Businesses / Corporates for whom instant payments solution is a strategic need and hence have developed the capability to support multiple use cases, e.g., for both inbound and outbound payments applicable in B2B, B2C and C2B space 	<ul style="list-style-type: none"> Identify additional growth opportunity areas in instant payments and strive for innovation to further the adoption for the benefit of the larger industry Leverage Instant Payments to build and offer value-added services to the customers

3. Instant Payments Adoption Deep Dive Discussion for Financial Institutions and Businesses/ Corporates

Instant Payments Adoption Deep Dive Discussion with Deloitte

Financial Institutions and Businesses / Corporates can engage in a **one-hour business consultation session** with Deloitte to firm up the Instant Payments roadmap and get answers to any additional queries by SMEs

What to Expect?



Discuss the results from the surveys and self assessment

Understand opportunity areas, potential use cases and focus areas to accelerate Instant Payments adoption



Understand the industry trends and drivers for adoption

Participate in discussions with Deloitte SMEs to identify drivers influencing the industry adoption of Instant Payments



Discuss next steps for accelerated adoption of Instant Payments

Develop a structured approach to move ahead in your Instant Payments journey, e.g., participate in Instant Payments Innovation Lab, sign up for a controlled pilot, etc.

Reach out to Deloitte at usrtppractice@deloitte.com to schedule a business discussion



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