How To Embrace Flexibility and Mobility of Your Smart Device

Dan Ellecamp, CTP, AAP
Treasury Consultant
CSAA Insurance Group

Bill Clausen
EVP – Business Relations
Prelude Software
Bill Clausen

- EVP – Business and Industry Relations
- Member of the IASA Tech Committee
- Frequent speaker at conferences including AFP, IASA, DMA and Newspaper Association of America
- Responsible for managing banking, vendor and client relationships
- Over 25 years experience in industry relations and new technologies
Dan Ellecamp

• Treasury Consultant
• Subject matter expert on collection and disbursement projects
• Member of the AFP’s Treasury Advisory Group
• Responsible for managing banking relationships
• 17 years experience in commercial banking and cash management fields
Let’s get to know a little about you!

How many people…
Executive Summary

• Companies, like CSAA Insurance Group, are looking for ways to:
  – improve process efficiencies
  – tighten security
  – reduce the cost of making payments
  – minimize risks
  – adopt viable, relevant technology
Disbursement Challenges

- Cash Forecasting
- Unclaimed Property
- Back Office Issues
- Remote and Disaster Payments
- Non-recurring payments
- Additional migration to ACH
Overview – Disbursement Trends

• The payment system is becoming more complex, comprised of incumbents, such as banks and processors; new entrants, such as nonbank innovators; and end users - individuals, corporations, and governments - that have increasingly benefited from innovations focused on their payment needs.

• Federal Reserve - Payment System Improvement - Public Consultation Paper 09/10/13
Overview – Disbursement Trends

- At the heart is a vision to **improve the speed and efficiency** of the U.S. payment system from end-to-end over the next decade while maintaining a high level of **safety and accessibility**. End-to-end means from the point of payment origination to the point of receipt, including payment notification and reconciliation.

  - Federal Reserve - Payment System Improvement - Public Consultation Paper 09/10/13
Overview – Disbursement Trends

• Federal Reserve
  – check volume has decreased 7.1%,
  – ACH payments increased by 9.4% 
  – closed most of their check processing sites
Overview – Disbursement Trends

• Banks
  – imaging their checks at the teller line and in ATMs
  – closed and consolidated their check processing sites
  – incentives and fees
Overview – Disbursement Trends

• Businesses
  – companies like Amazon, Apple and Ebay
  – one-click, NFC, digital wallet, P2P
Overview – Disbursement Trends

• Consumers
  – check?
  – 24/7 banking
  – social media
  – smart devices becoming ubiquitous
Smart Devices – Ready for Business

• Percent of adoption
  – 91% of US adults have mobile phones*
  – 61% of mobile phone owners have a smartphone*

• EO4Q 2014, 80% of mobile phone owners are forecasted to have smartphones

* = The Pew Internet & American Life Project survey data (n=2,252 US adults) on smartphone adoption
Cell Phone Platforms 2011 - 2013

% of cell phone users who say their platform is...


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Tablets in the workplace

- Survey by Ovum - 2Q13
  - 17.6 percent of employees had already been provided with a tablet by their employer
  - up from 12.5 percent in 2012.
  - The number of personal tablet owners increased from 28.4 percent in 2012 to 44.5 percent in 2013.
  - Of respondents that owned a personal tablet, 66.7 percent used that device at work.
Smart Devices – Ready for Business

• BYOD
  – 50 percent of the world’s companies will enact BYOD programs by 2017
  – 40 percent will offer a choice between BYOD and employer-provided devices
    • Gartner report
      Analyst David Willis - May 2013
Smart Device – Ready for Business

• Risks
  – Security

• Benefits
  – Accessibility
Security

• **What devices are permitted?**

  – Does BYOD mean *any* device
    • iPhones, Androids, Windows Mobile?
    • iPads and other tablets?
    • Employee-owned laptops?
    • Stick drives and other portable memory?
Security

• Are you going to mandate:
  – passwords?
  – security-screens on network-connected devices?
Security
Security

• What happens when a device is lost or stolen?
  – Does employee call IT or mobile carrier?
Security

• Will you ban:
  – jailbreaks, roots, and other hacks?
  – the installation of apps other than from the official;
    • iTunes App Store
    • Google Play
Security

- What happens when an employee leaves?
  - Physical device
  - Data
Why Embrace Smart Devices?

- Shifting demographics
- Widespread adoption of smart devices
- “Ease Of Doing Business” potential
- Innovation of competitors
Why Embrace Smart Devices?

• Benefits
  – Top reasons
    • Information access on the go
    • Ease of use
    • Collaboration with colleagues
    • Office/productivity suites
    • Portable
    • Quick start
Opportunities

- Businesses (especially large ones) have payment and accounting systems that are complex and costly to change, making it difficult to achieve automated, straight-through processing of invoices, payments, and remittance information.

- Federal Reserve - Payment System Improvement - Public Consultation Paper 09/10/13
Opportunities

• Provide a payment system for the future that combines:
  – the valued attributes of legacy payment methods
    • convenience, safety, and universal reach at low cost to the end user
  – with new technology
    • that enables faster processing, enhanced convenience, and the extraction and use of valuable information that accompanies payments.

• Federal Reserve - Payment System Improvement - Public Consultation Paper 09/10/13
Opportunities

• Applying smart devices in the workplace
  – Immediate access at every stage of the payment lifecycle:
    • Issuing, Reviewing, Approving and Reconciliation
      – Check
      – ACH
      – Wires
Recommended Tactic

• Centralized Banking Hub
  – Benefits:
    • Easier adoption/application of smart devices
    • Enable process improvements
      – modules
      – new capabilities
    • Enhance security and control
The Banking Hub

Internal Systems & Applications

Payment Processes, Security and Control
The Banking Hub

Payment Processes, Security and Control

Internal Systems & Applications

Commissions
Refunds
Payroll
AP
Claims

Compliance
Checks
ACH
Cards

Future Methods of Payment

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CSAA – Case Study
Smart Devices In The Real World: Planning, Deploying, and Managing

• **About CSAA Insurance Group**
  – CSAA Insurance Group is a property and casualty insurance company providing products to the more than 24MM members of the 10 AAA clubs who form the ACP Holding Company
  – Sell insurance products in 23 states
  – Annual Revenues 2011 were $2.5 billion
Smart Devices In The Real World: Planning, Deploying, and Managing

• Accept 1.2 million payments from members & trading partners
  • Includes cash, checks, credit and debit cards, eCheck and recurring ACH and home banking payments
  • Receive mostly checks from B2B trading partners

• Issue 2 million payments to members & trading partners
  • Use checks, ACH, wire transfers, ghost cards, disaster cards, payroll cards, purchasing and T&E cards
  • Make most B2B payments with checks and ACH
Smart Devices In The Real World: Planning, Deploying, and Managing

- **Primary Business Drivers**
  - Reduce Cost/Expenses
  - Improve Customer Satisfaction
  - Replace / Extend Capabilities of Legacy Technology
  - Increase Business Agility

- **Strategic Initiative : Technology**
  - What is one common area that can positively impact all of the business drivers?
    - **Comprehensive Approach to Disbursement Management**
      - The ultimate touch point for insureds, vendors and employees
The Banking Hub

Internal Systems & Applications

Commissions
Refunds
Payroll
Claims

A P

Compliance

Checks
ACH
Cards

Future Methods of Payment

Payment Processes, Security and Control

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Smart Devices In The Real World: Planning, Deploying, and Managing

- Assess and Adopt New Mobile/Tablet Capabilities

Field Workers
Remote Workers
Distributors

How will it be used? What is the value?

Audience: Application
Smart Devices In The Real World: Planning, Deploying, and Managing

• **First Application**
  – Remote Workers
    • Example: Treasury office can process disbursement approvals

• **Second Application**
  – Field Workers
    • Example: CAT Claims Adjusters processing CAT Cards
CSAA – Case Study

• First Application
  – Payment Approvals
## Payment Approvals

**Filter by:** Unapproved only

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<th>Payment ID</th>
<th>Payment Date</th>
<th>Payee Name</th>
<th>Net Amount ($)</th>
<th>Status</th>
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**Reroute:** Return to Submitter

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CSAA – Case Study

- Second Application
  - Claim payments in the field
Adjuster uses tablet’s camera to scan QR Code on envelope.

QR Code is the unique identifier for that bank card.

PayPilot solution assigns the claim amount to this particular card.

Once assigned, CAT Card can be given to claimant.

PayPilot solution automatically sends A) the updated claim information (w/card identifier and amount) back to the Claims system and B) claimant name and address and amount to the Card provider.
Thank you!