

Focus on what's important – and leave the rest to us

Smartstream's platform takes the operational and regulatory responsibility of payments off your back.

Back in early June, Money 20/20 hosted a broad range of companies from all corners of the payment industry in Amsterdam, and it was clear that Open Banking and GDPR had finally hit home, as any talk regarding innovation was solely dedicated to the "customer experience".

"One of the largest worries for traditional financial institutions is the fear of fading into the background," says Pritesh Kotecha, SVP, EMEA, SmartStream. "Particularly with the rise of innovators such as Apple Pay or Venmo, which have become the face of financial services for many young people."

In the past few years, banks and legacy firms have been dumping a colossal amount of resources and brain power into figuring out how to enhance this highly sought-after ideal customer journey. This has translated into creating positions at very high strata in the company, as well as redesigning business plans, products and services.

When we sat down with SmartStream execs, they told us that they see their roles as enablers of all this. By separating the transaction from the experience, they take on the responsibility of the operational control, allowing their clients to focus on their clients' user experience.

"We've reached the tipping point where the suppositional innovations of 12 months ago are turning, and have turned, into execution," Kotecha tells us.

"The race is on, and the winners will be those that create the most engaging, instream client experiences. This is the number one priority. To do this our clients are passing on the responsibility of running their back-office operations to a specialist. In this case, it's us with our platform, which takes away the operational burden and lets our clients focus their resources on new, digital revenue streams. Most importantly, when we combine our 40 years of experience with AI and machine learning, we transform a traditional transactional back-office platform into a true system of insight,

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which feeds knowledge into our clients' product innovation and client intimacy strategies. This is the real game changer."

SmartStream's platform allows clients to focus their energy and budgets on the client experience, building a brand, maintaining customers' trust, and refining their front-facing systems. The firm's execs tell us that they have mainly experienced traction in the consumer area, but that the momentum is now expanding onto the corporate banking world.

"The corporate banking world is much stickier, as currently loyalty and margins are higher. This means that the threat in the B2B world is not as existential as in the C2C space for now, and so they can be a bit more pragmatic in their reaction to those front-end changes taking place, but once it does, clients can benefit from a similar strategy in the long-term," Kotecha continues.

Santosh Tripathy, practice lead, digital payments at SmartStream, tells us: "With our platform, we provide the foundations for faster and more secure digital payments."

Tripathy believes that the firm is making payments frictionless and seamless. "We come in when firms have worries about volume and unstructured data," he says. "We

solve those pain points for them and bring the seamless experience of front-end into operations."

SmartStream tells us that one big problem facing legacies is unpredictable volumes. As the default network scale becomes global, a successful product launch or partnership can overnight generate millions of transactions. The opposite can also be true if a competitor launches. Asia, for example, grows 29% per year in digit payment growth, so for a European bank building operation to accommodate that is expensive and risky.

Thus, SmartStream's platform has become a specialist in building scale in a tailored way. This means that the platform gathers and provides operational and user-experience data and creates a system of insight to enhance the overall experience.

These insights can reduce fraud, spot pricing errors and other types of patterns, and help with product innovation, by tracking which products and services are successful in certain areas.

"As a company, dealing with payments means dealing with behaviour. Thus, we're rich in data and we're applying machine learning and artificial intelligence abilities to mine data, thus solving repeatable problems in our client base," says Kotecha.

By 2025, all banking will be done through mobiles. This means that payment systems will have to be able to track everything that happens in those platforms. SmartStream is ready for that. More importantly, SmartStream knows that not every region works the same way, and that the race for volume that we see in places like the US and Asia changes from region to region.

"Our platform can deal with large scale, like we see in Asia," says Kotecha. "But it can also deal with the European model, which is forced to deal with different jurisdictions at the same time. It's all about using the data gather to provide the best insights for your business." **bt**