

Uncovering New Revenue in Billing

How to Capitalize on the FinTech Industry's
Exponential Growth while Scaling Fast

The market for financial technology is projected to reach \$679.9 billion by 2023, putting the challenge of scaling FinTech organizations front-and-center.¹

As the industry continues expanding exponentially, FinTech companies are being forced to develop more efficient back-office operations while continuing to give equal weight to staying compliant and keeping data secure. Most FinTech providers—especially those in Lending, Investment Management, Insurance, and Corporate Banking—are feeling increased margin pressure and moving quickly to innovate their back office.

Increased pressures and expectations that accompany shifts to more efficient back-office systems also present the opportunity to uncover new areas of revenue potential within billing systems.

Digital transformation is the phrase on everyone's minds. No department is immune from the need to move offline processes online—and then find ways to connect and optimize all systems. As more firms commit fully to digital transformation efforts, this presents new opportunities for automating processes, which makes it easier to stay flexible and adapt as customer and business needs change.

With technology racing ahead, only those FinTech companies that can maintain a competitive time-to-market while staying compliant and secure will be positioned to capitalize on the industry's record-breaking expansion.

In this ebook, you'll learn 5 ways to overcome scaling challenges and position your company to capitalize on FinTech's explosive growth well into the future.

- 1. Automate Back Office, Quickly Go to Market**
- 2. Stay Accurate—and Compliant**
- 3. Maintain Vigilant Security 24/7**
- 4. Enhance CX to Increase Loyalty**
- 5. Lay the Foundation to Go Global**

Prepare for Scale with a Powerhouse Partner

Forrester research reveals that working with a consultative technology partner as you adopt usage and subscription-based billing and an intelligent billing and rating engine is helpful in easing uncertainty-related challenges around questions such as how a usage-based model will work within your business, and what software support you'll need for a usage-based model.²

This is why a billing platform that offers strategic guidance and shoulder-to-shoulder collaboration is essential for guiding FinTechs through new systems adoption, as well as providing ongoing support.

1. Automate Back Office, Quickly Go to Market

As FinTech companies experience explosive growth, they need technology with the configurability to frequently and easily make updates to pricing and billing structures as products and services evolve. High demand for centralized and convergent billing solutions, plus the growing need for operational efficiency, is the reason why we're seeing an increase in demand for cloud-based billing.³

But the shift to cloud billing delivers more than a way to keep up. According to McKinsey,⁴ dynamic pricing has allowed some companies to raise prices by as much as 60 percent on specific products and services without seeing any significant loss in volume.

So how can you turn your company's pricing and billing into a competitive advantage? Find ways to improve operational efficiency while uncovering new areas of revenue potential. Dynamic pricing capabilities allow your team to quickly modify existing plans and launch new services and product bundles, while systematically managing complex pricing and discounting programs, as well as time-bound promotions and free trials.

Additionally, as more companies across the economy realize the benefits of cloud-based billing, they are using it to gain powerful insight into their revenue and areas of their operations where margins can be improved.

Dynamic Pricing Has Allowed Companies to
Increase Prices by 60%
Without Significant Volume Loss

2. Stay Accurate—and Compliant

With the potential that accompanies delivering solutions faster and improving efficiencies, it's important to train a steady eye on how FinTechs can keep pace with industry growth while staying compliant in a highly regulated environment.

FinTech companies are facing more intensive regulatory scrutiny among their customers, as well as increasing regulatory demands on their businesses. This is why 33 percent of financial compliance professionals surveyed by Thomson Reuters reported that they expect more compliance involvement in the assessment of FinTech and RegTech solutions in the coming year.⁵

So how can you help ensure you meet a continuously evolving set of standards and regulations? Make data easily accessible with a single-source-of-truth view into customer information and the level of detail needed to prove you are meeting regulations.

What's more, no matter how high the volume of your transactions, your billing engine must be designed to accurately handle massive amounts of payments, accounts, fees, and more every month. Ensuring everything is getting counted and billed appropriately also helps to eliminate the errors compliance auditors are notoriously scrutinizing.

33%
of Firms Expect
Increased Compliance Scrutiny of Fintech/Regtech

3. Maintain Vigilant Security 24/7

FinTech companies are on the hook now more than ever to meet expectations around speed and compliance while ensuring the security of transactions and data against endless cyber attacks.

According to the 2018 IBM X-Force Threat Intelligence Index, the financial services industry experienced the highest volume of security incidents and the third highest volume of cyber attacks. This makes financial services the most-attacked sector two years in a row, experiencing 27 percent of security incidents and 17 percent of attacks.⁶

So how can you gain peace of mind that your billing data is protected? Rely on a billing system that is PCI DSS Level 1 and SOC 1 Type II compliant as well as retaining security measures including minimum 256-bit encryption for all data transmission—that's the first safeguard for assurance. Beyond this, ensuring that your solution employs hardened networks and firewalls while committing to ongoing vulnerability checks by an independent auditor is crucial.

FINANCIAL SERVICES

#1 Highest Volume of
Security Incidents

#3 Highest Volume of
Cyber Attacks

4. Enhance CX to Increase Loyalty

As customers move from the traditional to the digital in FinTech segments like banking and wealth management, they continue to indicate a preference for transactions made online and via mobile apps. That unlocks a whole new layer of personalization that consumers have come to expect.

Whether it's the ability to access information in real-time or find transaction details without the need for one-to-one interactions with a broker, agent, or banker, consumers want to research, decide, and act quickly and independently. They expect their software platforms to deliver a customer experience (CX) that enables them to do so intuitively and without error or delay.

So how can you deliver the seamless CX your customers are after? By leveraging a billing platform that accurately and efficiently bills your customers, you can ensure they get the right pricing and billing experience no matter how complex or nuanced your monetization model. There's no need to worry about monthly credits due to wrong bills.

FinTech companies are taking advantage of limitless billing and pricing models designed with the flexibility to handle sophisticated scenarios such as non-standard multivariable fee schedules with skill—so their customers get top-notch experiences every time.

“Gotransverse has proven to be a robust, scalable, and adaptable billing platform that is enabling us to compress the billing workflow, reduce staffing requirements, and increase overall efficiency. We plan to consolidate our entire billing infrastructure on the Gotransverse platform.”

—Sanjay Drawn, VP of Finance, Ethoca

5. Lay the Foundation to Go Global

Another area of revenue potential lies in the borderless economy that has evolved as a byproduct of the digitization of finance. According to the U.S. Census Bureau and the U.S. Bureau of Economic Analysis, financial services exports have grown consistently for the past decade. In fact, the value of U.S. financial services exports in 2017 was reported to be north of \$109 billion.⁷ So FinTech companies should anticipate cross-border transaction growth, as well as the forex, multiple currency conversion, and regulatory challenges that it entails.

So how can your company attract and retain global customers? Execute with agility and accuracy on a global scale using dynamic monetization solutions that deliver airtight, rapid responses to emerging requirements and needs.

The lowest-hanging fruit comes with the ability to compute and account for foreign exchange gain/loss on a per invoice basis with constantly updated cloud-based currency exchange rates. And as you scale, being able to support varying pricing structures for “in multiple regions” or channel partners becomes a must. So does leveraging a billing solution that integrates with your existing toolsets to help enable on-the-fly product catalog changes anywhere in the world—without the need for proprietary buildouts or custom code.

\$109B+

Value of U.S. Financial Services Exports in 2017

Choose Intelligent Billing Tailored For FinTech

Leverage new revenue potentials with **Gotransverse** intelligent billing that is security compliant and engineered for high volumes with a rating engine that supports sophisticated billing needs.

Enhanced back-office efficiencies, which come with increased security, enhanced insights, and sophisticated billing solutions, provide value and cost benefits across the entire organization.

Ready to learn more?
Schedule a walk-through today.
www.gotransverse.com

1. Research and Markets, FinTech Market <https://www.researchandmarkets.com/reports/4532419/fintech-market-by-technology-by-type-of>
2. Forrester: Capitalize On Your Digital Transformation With Usage-Based Models <http://billing.gotransverse.com/assets/capitalize-on-your-digital-transformation-with-usage-based-models.pdf>
3. Markets and Markets: Cloud Billing Market—Global Forecast to 2021 <https://www.marketsandmarkets.com/PressReleases/cloud-billing.asp>
4. McKinsey: What Really Matters in B2B Dynamic Pricing <https://www.mckinsey.com/business-functions/marketing-and-sales/our-insights/what-really-matters-in-b2b-dynamic-pricing>
5. Thomson Reuters: Cost of Compliance 2017 <https://legal.thomsonreuters.com/en/insights/reports/cost-compliance-2017>
6. IBM X-Force Threat Intelligence Index 2018: <https://public.dhe.ibm.com/common/ssi/ecm/77/en/77014377usen/security-ibm-security-solutions-wg-research-report-77014377usen-20180404.pdf#page=2>
7. U.S. Census Bureau and the U.S. Bureau of Economic Analysis https://www.census.gov/foreign-trade/Press-Release/current_press_release/ft900.pdf