AitéNovarica

AITE MATRIX: BILLER DIRECT EBPP SOLUTIONS

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This excerpt provided compliments of this
Best-in-Class vendor:

Paymentus

IMPACT REPORT

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INTRODUCTION

EBPP capabilities are delivered with two different models: biller direct, which is electronic billing and payment offered by a company that bills consumers, and bill consolidator, which is a model that allows consumers to pay bills to many billers from one portal such as a bank or third-party bill payment service. This report evaluates vendors that provide biller direct services and software. EBPP has long been an important solution for billers looking to simplify bill payment for customers, streamline operations, and drive customer engagement. Today, it is a key cornerstone of providing a superior customer experience.

This Impact Report explores some of the key trends within the EBPP biller direct market and discusses the ways in which technology is evolving to address new market needs and challenges. This Impact Report also compares and contrasts the leading vendors' offerings and strategies, and it highlights their primary strengths and challenges. Finally, to help organizations make more informed decisions as they select new technology partners, the report recognizes specific vendors for their strengths in critical areas.

METHODOLOGY

Leveraging the Aite Matrix, a proprietary Aite-Novarica Group vendor assessment framework, this Impact Report evaluates the overall competitive position of each vendor, focusing on vendor stability, client strength, product features, and client services.

The following criteria were applied to develop a list of vendors for participation:

- Market awareness of the vendor as a provider of an operative EBPP software solution

- Multiple successful implementations of the EBPP solution across several U.S.-based organizations

- The ability to provide client references

Participating vendors were required to complete a detailed product RFI composed of qualitative and quantitative questions, conduct a minimum 90-minute product demo, and provide active client references.

THE PLAYERS

This section presents comparative data and profiles for the individual vendors that participated in the Aite Matrix evaluation. This is by no means an exhaustive list of vendors, and firms looking to undergo a vendor selection process should conduct initial due diligence prior to assembling a list of vendors appropriate for their unique needs. Table A summarizes basic information for each of the participating vendors.

TABLE A: EVALUATED VENDORS

FIRM	HEADQUARTERS	YEAR FOUNDED	TARGET MARKET
ACI Worldwide	Elkhorn, Nebraska	1975	Consumer finance, education, government, insurance and healthcare, subscriptions, telco and cable, and utilities
Alacriti	Piscataway, New Jersey	2003	Financial institution resellers and direct financial institution clients
Aliaswire	Burlington, Massachusetts	2005	Utilities, insurance, medical, benefits, business-to-business (B2B), and property management
FIS	Jacksonville, Florida	1968	Government, insurance, utilities, FIs, healthcare, telco, property management, and auto finance
Fiserv	Brookfield, Wisconsin	1984	Healthcare, lending, and banking
KUBRA	Mississauga, Ontario, Canada	1992	Utilities, government, and insurance
Paymentus	Charlotte, North Carolina	2004	All businesses that have bills

FIRM	HEADQUARTERS	YEAR FOUNDED	TARGET MARKET
PayNearMe	Santa Clara, California	2009	Consumer lending, FIs, insurance, i-gaming, sports betting, buy here pay here, municipalities, mortgage, government, and property management
Transactis, a Mastercard company	New York City	2007	Financial services, insurance, government, utilities, healthcare, real estate, manufacturing and wholesale, education, and not-for-profit

Source: Vendors

THE MARKET

While EBPP solutions have existed for quite some time, payments innovation is advancing capabilities across every type of industry and payments use case, and bill payments are no exception. Bill payment capabilities are considered a critical part of the overall customer experience, with choice in payment method, frictionless payments experiences, and security the top of mind for billers and consumers. The EBPP market is dominated by legacy players and newer fintech rivals that are competing to bring new capabilities to market. Table B summarizes the market trends shaping the present and future of EBPP solutions.

TABLE B: THE MARKET

MARKET TRENDS	MARKET IMPLICATIONS
Bill payments in the U.S. are on the rise, and the growth of payments via biller direct channels continues to outpace the growth of payments via bill consolidator channels.	Bill payments in the U.S. are growing as millennials and Gen Zers leave the nest and establish their own households. These digital natives, along with consumers from other generations, are increasingly looking for strategies to manage their finances and convenient ways to pay bills. The biller direct bill payment model allows for bills to be paid in real time, thereby helping consumers better manage cash flow. Billers are increasingly challenged to bring new payment capabilities to market to encourage timely bill payments from consumers while reducing operational overhead.
The COVID-19 pandemic has hastened the pace of digital transformation.	The COVID-19 pandemic has been a tipping point in digital transformation for companies across every market sector as they were forced to use technology to reach customers, interact with employees, and conduct day-to-day business operations. The sudden shift to digital has shifted consumer expectations to demand frictionless, contactless, and self-service capabilities for every business interaction. Organizations are looking to partner with vendors that can help bring Amazon and Uber-like experiences to market quickly.

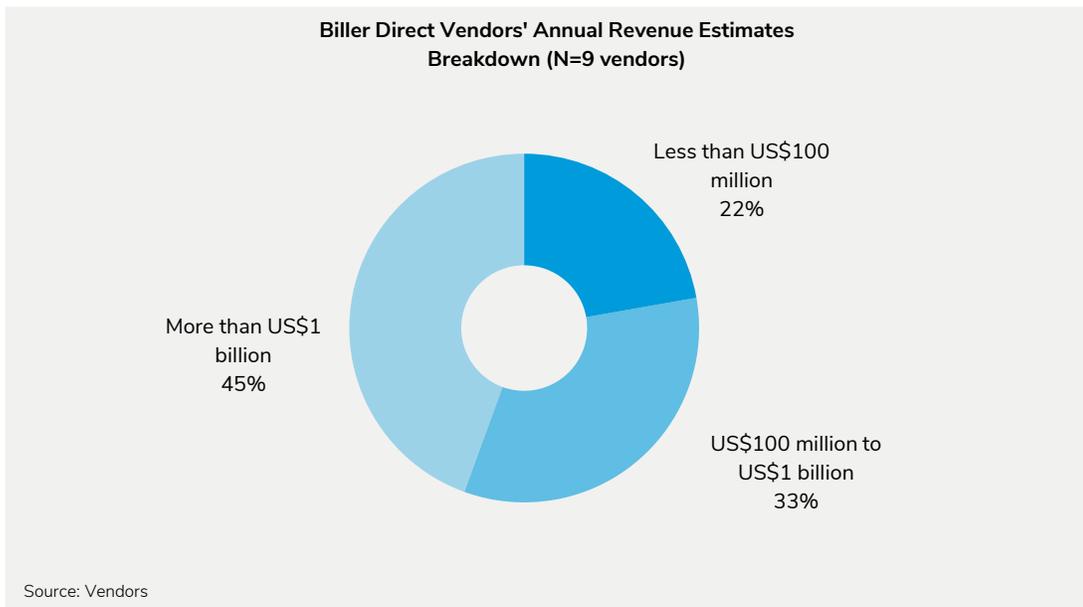| MARKET TRENDS	MARKET IMPLICATIONS
Billers of all sizes across every market sector want to control the customer experience.	Regardless of size, companies are less interested in plug-and-play solutions and are partnering with vendors that can support the build of a differentiated customer experience. Billers are looking for cloud-based solutions, which accommodate growth and varying bandwidth demands more easily while reducing outages and providing operational resilience. They are partnering with vendors that can provide a full range of payment capabilities that can be accessed through APIs, SDKs, and web services.
The future of bill pay is here now, and it's mobile first.	Mobile payment capabilities have been around for more than a decade and can be considered essential to every business in the U.S. Mobile bill payments allow billers to drive customer engagement and loyalty while providing a convenient and easy payment experience. Additionally, mobile customers complete transactions with more frequency, which leads to better cash flow and reduced expenses for billers. Billers are looking for solutions built on a mobile-first paradigm, which is often a strength of newer market entrants and a challenge for legacy providers.
Consumers want to use alternative payment methods for everything—including bill pay.	A proliferation of alternative payment methods is available in the U.S., including digital wallets, instant payments, and cryptocurrency. Billers are becoming ever more sensitive to card processing costs and are increasingly open to payment schemes that reduce costs and improve cash flows. At the same time, consumers are demanding choices in payment methods and are favoring payment methods that provide convenience, ease, and security. Billers want to partner with vendors that facilitate payments acceptance across the wide range of leading-edge alternative payment methods in the market today.
Information security, data protection, and privacy are key imperatives.	Digital transformation in payments has resulted in more persistent and rapidly escalating threats, including fraud and cyberattacks. At the same time, there is more demand for data protection and privacy with a host of regulations designed to safeguard consumers. Billers are depending on their vendor partners to have a relentless focus on security in order to bring trustworthy bill payments capabilities to market. Additionally, billers are relying on their vendor partners to offload the burden and cost of compliance.

Source: Aite-Novarica Group

KEY STATISTICS

This section provides information and analysis on key market statistics as well as projected IT spending related to the vendor market.

ANNUAL REVENUE ESTIMATES ANALYSIS

Biller direct EBPP solutions are provided by a diverse set of vendors,. The breadth of product offerings allows these firms to build a more diversified client portfolio while being able to provide EBPP clients with complementary products and services. EBPP clients that use these expanded services often gain operational efficiencies in terms of vendor management and pricing. Vendors with a diversified product mix have more revenue, are more stable over time, and may have less risk. EBPP clients that consume additional products and services are more loyal and profitable customers for vendors. Forty-five percent of participating vendors report revenue greater than US$1 billion, 33% report revenue from US$100 million to US$1 billion, and just 22% report revenue less than US$100 million (Figure 1).

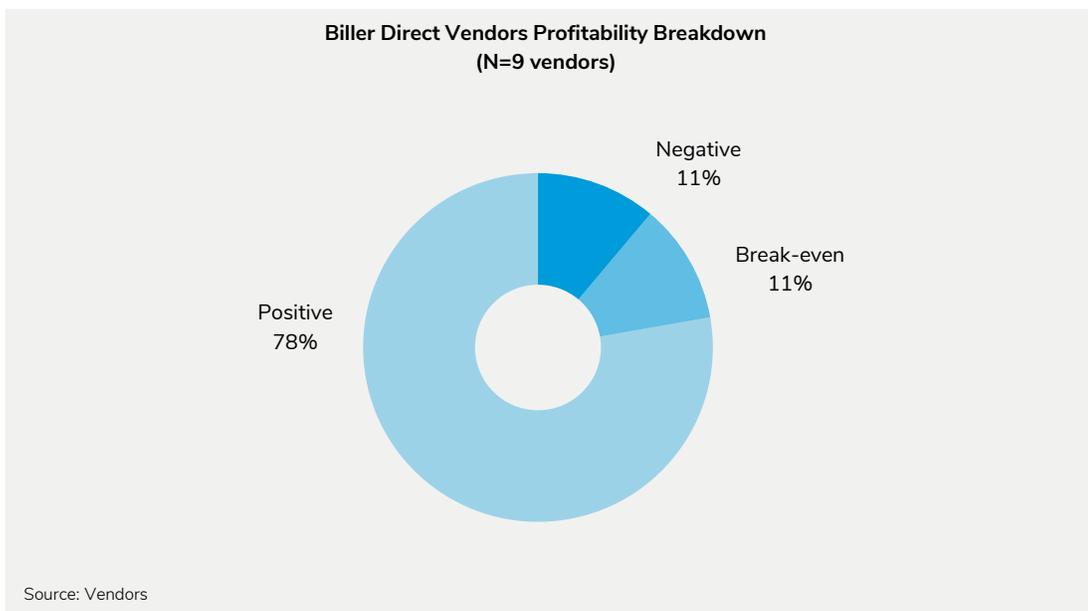**FIGURE 1: ANNUAL REVENUE ESTIMATES BREAKDOWN**

Biller Direct Vendors' Annual Revenue Estimates Breakdown (N=9 vendors)

Less than US$100 million 22%

More than US$1 billion 45%

US$100 million to US$1 billion 33%

Source: Vendors

PROFITABILITY ANALYSIS

Consistent with the growth in market size, biller direct EBPP vendors are profitable, with a few exceptions. Seventy-eight percent of vendors evaluated in this study report positive profits, 11% of vendors are breaking even, and 11% are not profitable (Figure 2).
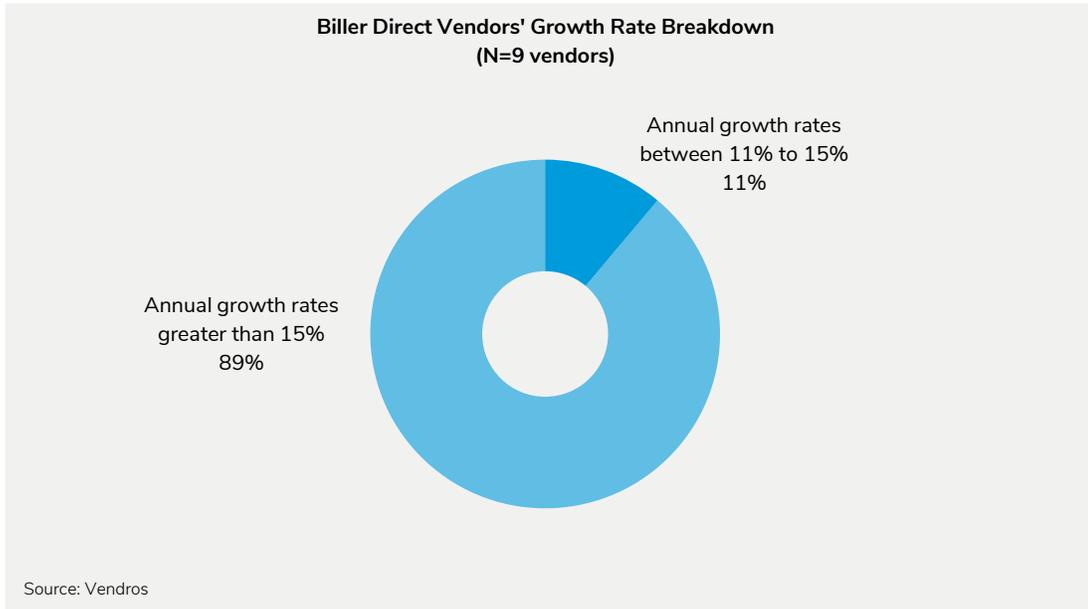
FIGURE 2: VENDOR PROFITABILITY

Biller Direct Vendors Profitability Breakdown (N=9 vendors)

Negative 11%

Break-even 11%

Positive 78%

Source: Vendors

GROWTH RATE ANALYSIS

Regardless of the breadth of product offerings, all vendors participating in this study are showing growth in their businesses. In fact, 89% of vendors report growth rates greater than 15%, with no vendors reporting growth rates of less than 10%. While EBPP solutions have been around for some time, significant new market opportunities are still available. As the total number of biller direct bill payments continues to rise, billers will face increasing pressure to modernize bill pay capabilities, and vendors will continue to see the space grow (Figure 3).

FIGURE 3: VENDOR GROWTH RATES

Biller Direct Vendors' Growth Rate Breakdown
(N=9 vendors)

Annual growth rates
between 11% to 15%
11%

Annual growth rates
greater than 15%
89%

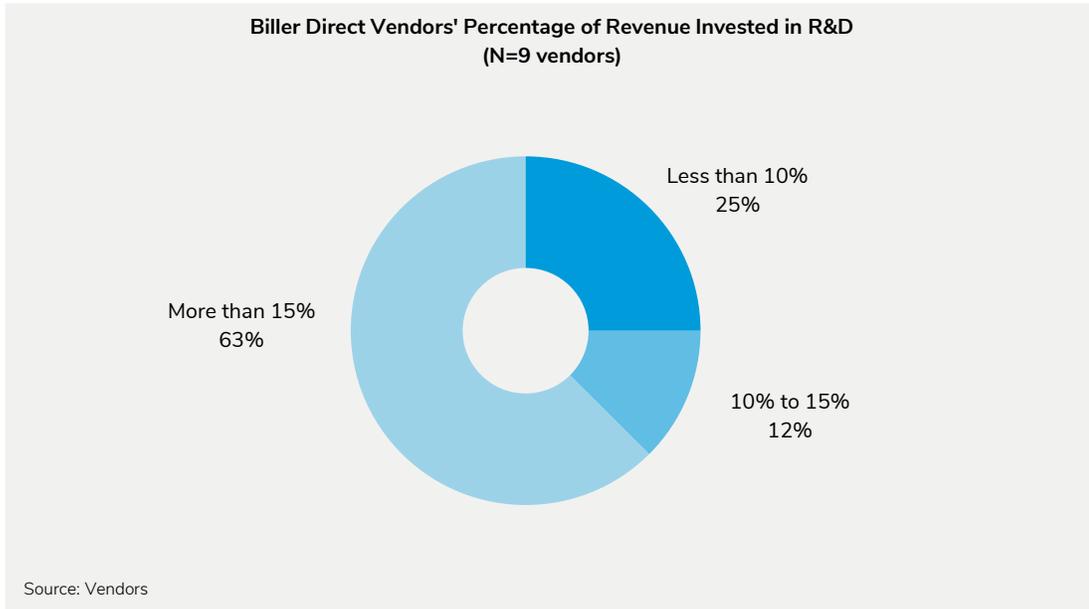Source: Vendros

R&D INVESTMENT ANALYSIS

Given transformation in the payments space, vendors are focusing on research and development (R&D) to continue to bring leading capabilities to market. Sixty-three percent of the vendors evaluated in this study invest more than 15% of their revenue into R&D (Figure 4).

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FIGURE 4: PERCENTAGE OF REVENUE INVESTED IN R&D

**Biller Direct Vendors' Percentage of Revenue Invested in R&D
(N=9 vendors)**

Less than 10%
25%

10% to 15%
12%
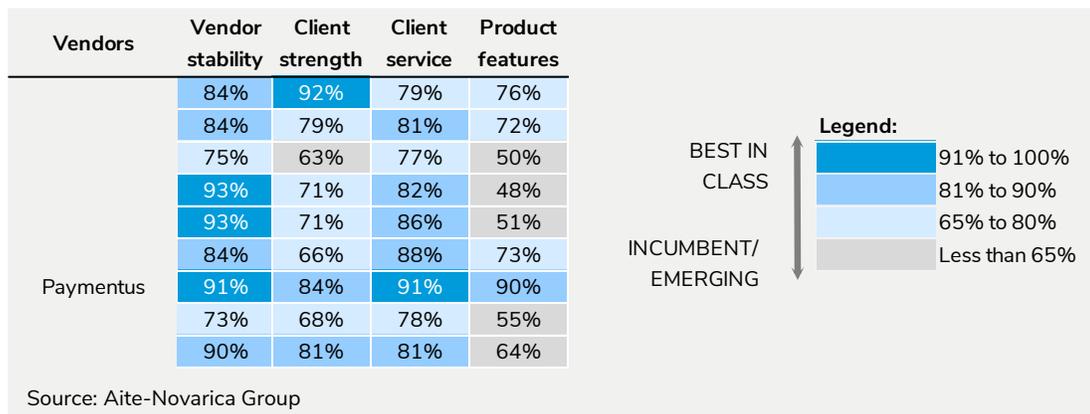
More than 15%
63%

Source: Vendors

AITE MATRIX EVALUATION

This section breaks down the individual Aite Matrix components, drawing out the strong vendors in each area and how they are differentiated in the market.

THE AITE MATRIX COMPONENTS ANALYSIS

Figure 5 overviews how each vendor scored in the various areas of importance. Each vendor is rated, in part, based on the data it provided when responding to the RFI distributed by Aite-Novarica Group, as well as on product demos and follow-up discussions as part of the Aite Matrix process. Ratings are also driven by the reference customers of the examined vendors to support a multidimensional rating.

FIGURE 5: AITE MATRIX COMPONENTS ANALYSIS BY HEAT MAP

Vendors	Vendor stability	Client strength	Client service	Product features
	84%	92%	79%	76%
	84%	79%	81%	72%
	75%	63%	77%	50%
	93%	71%	82%	48%
	93%	71%	86%	51%
	84%	66%	88%	73%
Paymentus	91%	84%	91%	90%
	73%	68%	78%	55%
	90%	81%	81%	64%

Legend:

BEST IN CLASS

INCUMBENT/ EMERGING

- 91% to 100%
- 81% to 90%
- 65% to 80%
- Less than 65%

Source: Aite-Novarica Group

Vendor Stability

The biller direct EBPP solution landscape includes a combination of incumbent vendors as well as newer startup players. Digital transformation in payments is driving market demand, and growth in the market sector is strong with record financial results. Paymentus is among the vendors that scored the highest in this area due to their financial results and the strength of management teams.

Client Strength

Client strength includes the number, variety, and size of clients in the client base, as well as average new client acquisitions annually.

Client Service

The scoring for this category is based on a combination of vendor-provided information on service level agreements and support options as well as direct client feedback. The client feedback evaluates service and support, delivering on promises, and cost value.

Client satisfaction with the level of service provided is linked to a vendor's long-term success; it is also the number one criterion that prospects use for determining engagement in strategic vendor relationships. Paymentus leads in this category, with clients expressing very high levels of satisfaction with service from sales through delivery, the ability to deliver on promises, and cost to value.

Product Features

This category considers feedback from clients regarding the robustness and breadth of the functionality within each of the vendors' EBPP solutions. It measures important factors such as overall solution usability and functionality based on client feedback and Aite-Novarica Group analyst observations, ease of integration, deployment options, and the breadth of e-bill delivery, payment, and supported notification channels and payment methods. It also considers the vendor's ability to stay ahead of the curve with forward-looking capabilities such as alternative payment methods and channels and add-on capabilities such as disbursements, collections, subscription billing, cross-border bill pay, and B2B bill pay capabilities. Paymentus is the leader in this category, providing the strongest EBPP payment platform with multiple channels, payment options, and next-generation capabilities.

THE AITE MATRIX RECOGNITION

The final results of the Aite Matrix recognition are driven by three major factors:

- Vendor-provided information based on Aite-Novarica Group's detailed Aite Matrix RFI document

- Participating vendors' client reference feedback or feedback sourced independently by Aite-Novarica Group

- Analysis based on market knowledge and product demos provided by participating vendors

Figure 6 represents the final Aite Matrix evaluation, highlighting the leading vendors in the market.
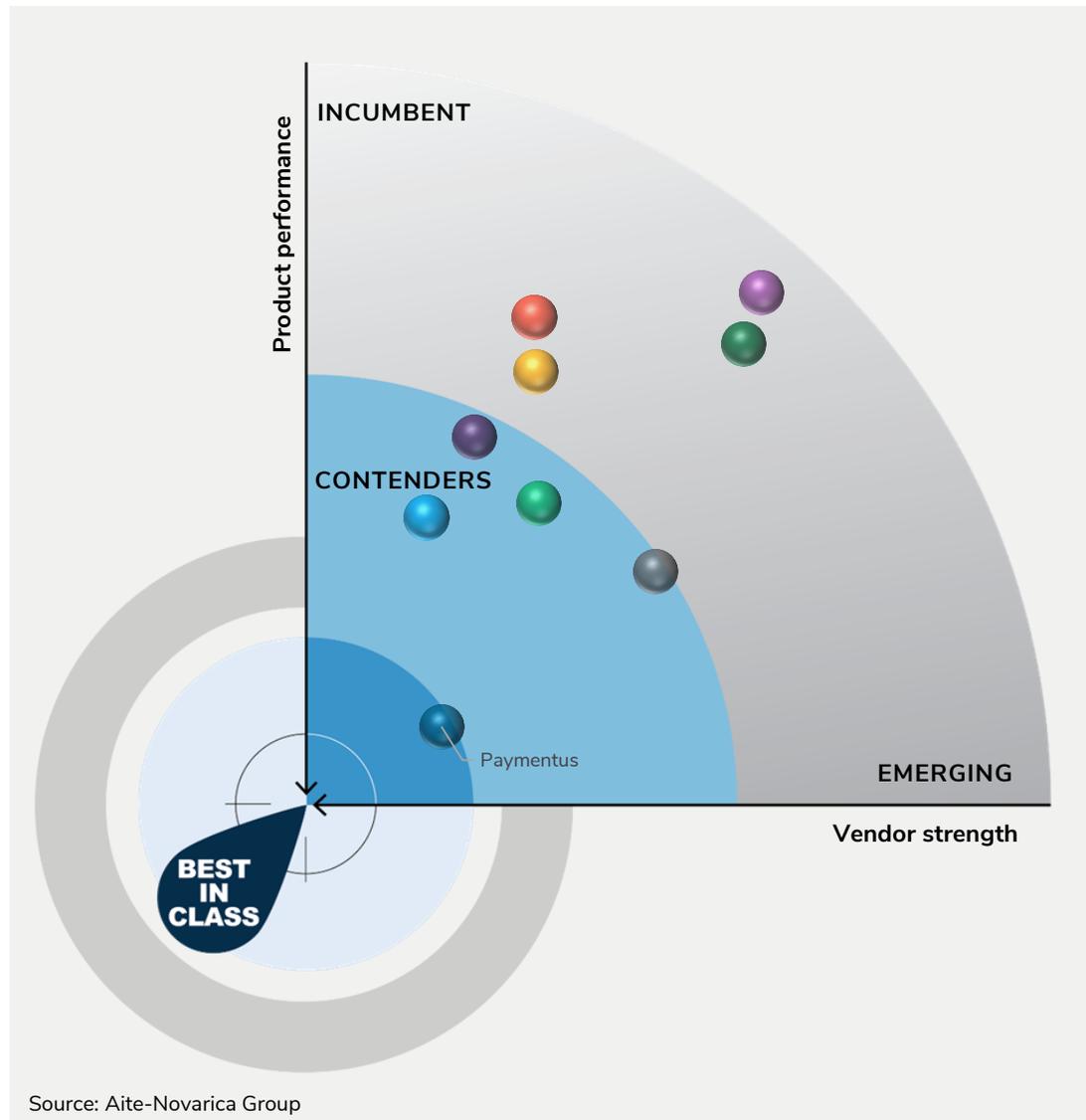
Source: Aite-Novarica Group

Best-in-Class Vendor: Paymentus

Paymentus is the only vendor evaluated that is approaching a best-in-class EBPP biller direct solution. The company has a solid score in all categories and among the vendors evaluated, can be considered the best strategic partner. Paymentus stands out from

other vendors for its innovative EBPP platform and its excellence in biller service and support. Paymentus' talent is highly skilled with deep subject matter expertise in EBPP, payments, and the industry verticals served. The company partners with clients in solving critical business issues and provides leadership and strategic advice that enable clients to make the most of their EBPP solution investment. Its Instant Payment Network includes a variety of channels, payment methods, and customer engagement tools along with robust next-generation capabilities.

BEST IN CLASS: PAYMENTUS

Paymentus was founded in 2004 with an intent to disrupt the electronic bill presentment and payment space. Headquartered in Redmond, Washington, and home to 910 employees, the company made its debut on the New York Stock Exchange in 2021 (NYSE: PAY). Paymentus is one of more than a dozen payments firms that announced an IPO in 2021, signaling the value of innovation in the space across nearly every payments use case.

In 2020, Paymentus generated US$301.8 million in revenue, up 28% over 2019. At the time of its initial public offering, Paymentus was valued at approximately US$3.4 billion. This fast-growing organization works with billers across every market sector, with heavy client concentration in the utilities and government market sectors and the bulk of its 2020 payment volume in the utilities market sector. Not only does Paymentus work directly with billers, but it also supports other organizations such as PayPal, Amazon, Walmart, and large U.S. banks such as J.P. Morgan Chase and U.S. Bank, which enable bill payments within their apps and platforms. Paymentus aims to help organizations modernize their legacy bill presentment and payment infrastructures through leading-edge digital capabilities.

Aite-Novarica Group's Take

Traditionally, Paymentus has been a very stealth organization when it comes to speaking with media organizations and has built its reputation by demonstrating its strength through winning deals across the market with various large and recognizable organizations. The company conveys a culture of excellence during interactions with its personnel and in the quality of its biller direct solution. By its own account, Paymentus has high aspirations and strives to become a Salesforce or Google within the biller direct space, commanding 60% to 70% of the market it serves. Unlike some of the competitors evaluated here, Paymentus is singularly focused on the biller direct payments space with the aim to make it easier for consumers to pay bills while improving biller direct payment operations. Annually, Paymentus invests more than US$40 million in R&D to advance its capabilities.

Paymentus aims to simplify onboarding for clients. Its client solutions team is involved from the first conversation with the prospect all the way through implementation to deployment in order to capture requirements and to design and deliver a final solution that is tailored to each client's unique business environment. Paymentus personnel not

only have expertise in the biller direct space, but they also have expertise in the industry sectors served. Client onboarding is technically flexible in that the solution can be deployed via APIs, SDKs, iFrame, or fully hosted. In Paymentus' experience, most clients use a combination of modalities for deployment.

The Paymentus Platform and Instant Payment Network provide core functionality that is built from the ground up vs. being delivered via mergers and acquisitions or partnerships. Paymentus believes its approach to product development minimizes corporate debt and allows the firm to focus on product enhancements vs. integration and bug fixes. The solution is built with modern architecture—it is SaaS-based, multi-tenant, and has a single code base with no versioning. The company's development resources focus on enhancing configurability vs. integrating various code bases. The configurability of the platform is achieved courtesy of sophisticated rules-based logic that allows Paymentus to tailor nearly every aspect of the platform for its clients. In 2020, approximately 90% of implementations were done without customizations or the need for development resources. Because the system is highly configurable, Paymentus has an average implementation timeline of just 56 business days once requirements are completed. While Paymentus may be able to implement within 56 days, implementation timelines are highly dependent on the complexity of the client environment. Most of Paymentus' clients that provided references for this evaluation reported implementation timelines that were significantly longer.

Paymentus relies on partnerships to expand its network and has key partnerships with organizations including J.P. Morgan Chase, Elavon, Amazon, PayPal, Walmart, and Oracle. The Paymentus Platform and Instant Payment Network is integrated with 400 billing, accounting, and customer information systems, and Paymentus is the only real-time API-integrated partner to Oracle Utilities as well as being a provider of real-time integration to other key systems across other market sectors. While the pre-delivery of these types of integrations speeds implementations for billers, in some cases, customization may be required.

Paymentus also provides proprietary patented capabilities powering PayPal's and Amazon Alexa's bill pay capabilities. For Amazon Alexa, Paymentus provides a first-party Amazon Alexa skill, "Alexa, pay my bill," for clients to leverage. In addition to the wealth of functionality provided, Paymentus is also focused on security and reliability. The company has six data centers, two of which are hot sites. It offers a patented Secure Service that provides a cohesive call center experience that eliminates PCI scope and

ensures agents and customers are continuously connected throughout a payment interaction. Paymentus addresses every aspect of bill presentment and payment with market-leading capabilities.

Basic Firm and Product Information

- **Headquarters:** Redmond, Washington

- **Founded in:** 2004

- **Company website:** www.paymentus.com

- **Number of employees:** 910 employees

- **Ownership and key financial information:** Paymentus became a publicly traded company in 2021. The company has annual revenue between US$100 million and US$500 million and is a profitable company with an annual growth rate of more than 15%. All of Paymentus' revenue is generated with its biller direct bill pay solution, and the company invests more than 15% of annual revenue in R&D.

- **Go-to-market sales model:** Paymentus generates 92% of its revenue from direct sales, 7% from referral sales, and 1% from reseller sales.

- **Products/services evaluated:** Paymentus Platform and Instant Payment Network

- **Length of product offering:** Paymentus has been in business for 17 years and has offered a biller direct bill presentment and payment solution for 17 years.

- **Other key product offerings:** None

- **Target customer base:** Paymentus targets businesses in all market sectors that have bills or invoices that need to be presented and paid.

- **Market segments currently served:** Payments provides services to clients in the consumer finance, government, healthcare, higher education, insurance, mortgage, utilities, and other market segments, with more than three-quarters of its customers concentrated in the government and utilities market sectors.

- **Number of clients:** 1,565 clients

- **Average net new clients per year and average client tenure:** On average, Paymentus has 175 new clients per year and declined to answer its average client tenure.

- **Sample clients:** American Family, Dominion Energy, DriveTime, Exelon, Farmers Insurance, Nissan, Pulte Mortgage, UPS, Wyndham Vacation Rentals

- **Global footprint:** Eighty-two percent of Paymentus' clients are located in the U.S., with an additional 16% in Canada. Less than 1% of its clients are located in each of the Asia-Pacific, Europe, and Latin America regions.

- **Deployment options:** The Paymentus solution can be deployed in a hosted or cloud environment. Once requirements have been finalized, the Paymentus solution can be implemented in approximately eight, although implementation timelines depend on the complexity of the client's environment. Paymentus provides personnel and implementation support across the full development life cycle.

- **Pricing structure:** Paymentus' pricing structure is based on a per-transaction model with fees that can be absorbed by the client, fees that can be passed to the customer in the form of a service/convenience fee (non-absorbed), or a combination of absorbed/non-absorbed fees, as permitted by card association rules. Pricing can be bundled to include all processing costs or unbundled with a Paymentus technology fee plus a pass-through of all interchange and assessments. Paymentus does not charge implementation, integration, migration, or professional services fees.

- **Next-generation features:** Paymentus provides leading-edge bill pay capabilities including conversational bill delivery and bill pay channels such as chatbot, Alexa, or Siri; next-generation bill payment methods such as Zelle, RTP, and cryptocurrency; digital collections capability; B2C disbursements capability; cross-border bill pay; and out-of-the-box integration to 350 ERP and other financial systems.

Key Features and Functionality Based on Product Demo

Paymentus' product demo was closely aligned to the demo script provided by Aite-Novarica Group. The demo was conducted by a member of the client solutions team and mirrored the type of demo that would be provided to prospects. Key features and functionality that were demonstrated include the following:

- Customer engagement tools include smart notifications based on criteria such as geography and account status and a campaign management tool that can deliver recurring or ad hoc communications to consumers via the consumer's preferred communications channel.

- Interoperable bill presentment and payment functionality across all channels allows consumers to pay bills directly within the bill delivery channel vs. being redirected to a different bill payment portal.

- Omnichannel bill payment experience captures information input in one channel across all bill payment channels and is retrievable/viewable by consumers and CSRs.

- It has bill payment capabilities that reduce breakage/abandonment and reduce call center volume, including computer vision-based bill scan and chatbots for one-time payments and account set up.

- It has the ability to settle funds the next day for Apple Pay, Google Pay, Amazon Pay, PayPal, and e-checks through a single deposit.

- It has consistent posting and reconciliation experience across all payment methods. This approach anticipates newer payment methods such as digital wallets, Zelle, and RTP. Cryptocurrency will soon become the norm rather than an exception.

- Advanced analytics capabilities assist clients in improving key metrics such as day sales outstanding, cost to bill, and digital adoption.

Top Three Strategic Product Initiatives Over the Last 12 to 18 Months

- Exposing Instant Payment Network's APIs to strategic partners

- Enhancements to security framework using artificial intelligence

- Deploying B2C disbursement payment capabilities

Top Three Strategic Product Initiatives in the Next 12 to 18 Months

- Further simplification of the client onboarding experience

- Reducing the steps and time from a bill being presented to it being paid

- Continue to expand capabilities in global growth markets

Client Feedback

Paymentus' clients are highly satisfied with the platform capabilities and level of service provided throughout the entire client relationship. Clients report that Paymentus' solution provides a complete set of features and functionality and that the capabilities available outpace the capabilities clients are often ready to deploy. Paymentus is able to tailor the solution to very specific client needs primarily through configuration, but the company is also agreeable to making customizations when required.

Paymentus is regarded as a progressive company that does whatever it takes to satisfy clients. Initial perceptions of Paymentus are that the company is too good to be true in that during engagements with the sales team, the company is very high-touch, interactions are highly orchestrated, and the team is able to provide an answer for everything. Clients report that the level of service provided during the sales process remains in all post-sale interactions. In the words of one client, "Paymentus is the single best partner I've ever worked with in my 25 years of managing vendor relationships."

While Paymentus is a clear leader in customer service, clients report that the company isn't perfect. Clients indicate that there have been some difficulties in onboarding to the platform during complex implementations. Although there are difficulties, clients report that Paymentus is responsive to client concerns and that once Paymentus becomes familiar with the client environment, interactions along with the quality of work improve. In situations where Paymentus was not familiar with the client industry, the team had a clear learning curve but was able to come up to speed satisfactorily. Some clients mention that while Paymentus is excellent in delivering the initial phase of work, enhancements to the product sometimes take a little longer than expected and that the company's technical resources appear to be somewhat constrained.

Table C displays the vendor's strengths and challenges.

TABLE C: KEY STRENGTHS AND CHALLENGES—PAYMENTUS

STRENGTHS	CHALLENGES
Paymentus is a client-centric organization providing highly skilled personnel across every business function and delivering a seamless	Paymentus will be challenged to maintain a culture of excellence across every client touchpoint as the company grows.

STRENGTHS	CHALLENGES
customer experience from sales through to deployment and support.	
Paymentus provides a highly configurable solution with a robust set of features and functionality that includes leading-edge payment capabilities. The product's configurability speeds time to market for clients.	Paymentus' concentration in the utility and government market sectors could be an inhibitor to growth due to prospect perceptions that Paymentus personnel may not have deep industry expertise across other market sectors.
In addition to its leading-edge payments capabilities, Paymentus also provides a security framework that not only helps clients meet regulatory requirements but helps clients deliver a superior customer experience.	Paymentus' focus and expertise on bill pay may prevent it from being perceived as a one-stop shop for the breadth of payment needs that some clients may have.
Paymentus provides a strong product and payments vision that includes a product roadmap consistently comprised of the most modern EBPP functionality technically feasible under current market conditions. Paymentus consistently delivers the capability outlined in its roadmap.	Paymentus' company growth combined with current market conditions for attracting and retaining talent has resulted in constraints across technical resources and the company's ability to address client change requests as quickly as desired.
Paymentus is laser-focused on customer success and partners with clients to define and deliver solutions that are customized to each client's unique business environment and also helps clients tackle nontechnical challenges related to bill presentment and payment.	

Source: Aite-Novarica Group

CONCLUSION

The biller direct EBPP space is competitive, with new players emerging consistently. To compete effectively, vendors must focus on the following:

- **Differentiate on customer experience before anything else.** Buyers' most critical purchasing factor is the perceived level of service and support to be provided by the vendor, and a consistent level of excellence must resonate at all levels of the organization and across all touchpoints.

- **While the war on functionality may be a moot point, clients do expect solutions with next-generation capabilities.** Vendors must remain focused on innovation and must execute a leading-edge payments vision to attract and retain customers for the long haul.

- **Convert leads by helping customers achieve a tangible return on investment.** Billers are not always motivated to make changes to functional back-office processes or technology. Vendors that can help clients determine the economic benefits of making a change will win more business.

- **Incumbent vendors must invest in delivering a unified solution.** Clients want solutions that address the full bill payment life cycle (e.g., billing, paying, collecting, and disbursing) and that provide a seamless user experience. Legacy vendors must be focused on integration among all product components.

- **Established fintech firms and emerging vendors must invest in expanding solutions across market sectors.** New players that have established themselves by focusing on one or two market sectors must invest in appropriately skilled personnel to evolve the solution and work with clients in new market sectors.

ABOUT AITE-NOVARICA GROUP

Aite-Novarica Group is an advisory firm providing mission-critical insights on technology, regulations, strategy, and operations to hundreds of banks, insurers, payments providers, and investment firms as well as the technology and service providers that support them. Comprising former senior technology, strategy, and operations executives as well as experienced researchers and consultants, our experts provide actionable advice to our client base. The quality of our research, insights, and advice is driven by our core values: independence, objectivity, curiosity, and integrity.

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