



EDGE ONE

Working With Fintech Resources to Expand Your Technology Footprint

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WELCOME

THANK YOU
FOR JOINING US



Who am I?

- 10 years with Bruns, Inc.
- 25 Years with Edge One – the last 12 as a partner
- Almost 20 years experience with ATMs as a service
- The largest ATM/ITM deployer in the upper Midwest
- Numerous awards (NCR sales rep/service provider of the year)
- One of the newest Fintechs on the scene





Before we begin: Housekeeping



Please interrupt with:

- *Questions*
- *Comments*
- *Alternative viewpoints*

If you don't:

- *This will be boring*
- *The time you invest will not yield as valuable an ROI.*



Today's Goal

To gain a level of understanding of Fintechs and look at how you can partner with them to expand your footprint and increase your capabilities in a secure manner with fewer resources.





What is todays talk about?



Intelligent outsourcing

Offloading increasingly complex and expensive specialties so that you can focus on what you do best.



And what do I mean by “intelligent outsourcing”

This will vary from organization to organization

- What is core to you?
- What are you good at?
- Today, and tomorrow?
- Predicting how factors out of your control will impact your options
- The election
- There is more than one path forward, and not everyone should take the same one
- I don't want to spend huge resources cornering a rapidly declining market.





You've been working with Fintechs your whole career

- Core banking
- Item processing
- Credit Card platforms
- On-line banking
- Etc., etc.





Reasons to partner with a Fintech



Intelligent Outsourcing and partnering with a Fintech provider can help financial institutions (FIs) meet these challenges by:

- Moving cost from Capital to Operational
- Dedicated resources and modern reporting to help reducing downtime
- Providing cost-effectiveness
- Scalability
- Allowing FIs to focus on their core business
- Managing security and risk



Oxford Dictionary Definitions

Fin·tech

noun

noun: **fintech**; noun: **fin-tech**

1. computer programs and other technology used to support or enable banking and financial services.

API

- Application Programming Interface

- /,ā ,pē 'ī/

- *Noun* **Computing**

1. a set of functions and procedures allowing the creation of applications that access the features or data of an operating system, application, or other service.

AI

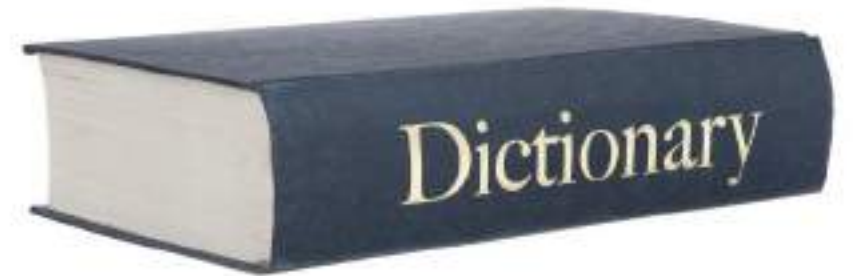
ar·ti·fi·cial in·tel·li·gence

/'ärdə ,fīSH(ə)l ən 'teləj(ə)ns/

noun

noun: **AI**

1. the theory and development of computer systems able to perform tasks that normally require human intelligence, such as visual perception, speech recognition, decision making, and translation between languages.





Common Fintech Terms Defined

API: An Application Programming Interface (API) is a set of rules and protocols that allows different software applications to communicate with each other.

Terminal Handler: A Terminal Handler is the combination of software and service that allows an ATM its functionality, providing the interface software, configuration, and connection service.

Switch: A Switch is a software device that routes transactions across banking networks and financial institutions to facilitate digital transactions.

Network: A Network (card scheme) is an organization that operates computer hardware, software, and telecommunications facilities to approve and authorize electronic messages and settle electronic funds transfers between its members.

Core Application: A Core Application is the primary software system that supports the essential functions of a business or organization.

A closer look at reasons to outsource



You just aren't good at something

You just don't think it is important

You can't keep up with (or don't want to spend the resources to keep up with) the pace of change

COST: It is cheaper in the long run. It is cheaper for me to outsource this task than creating the infrastructure and hiring the people to do this task the outsourced company already has the scale.

COMPLIANCE AND REGULATORY BURDENS/REQUIREMENTS

Just for now, or forever?



Everyday Challenges

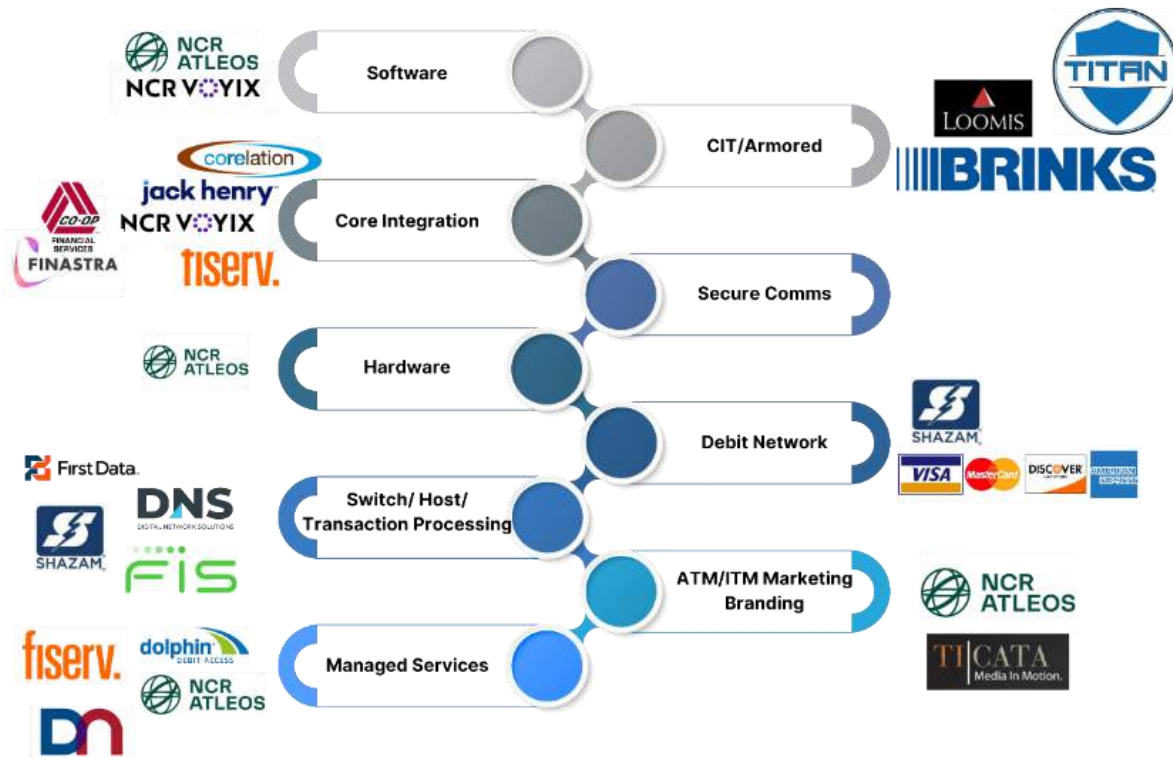
- Unpredictable capital requirements
- Security Concerns
- Challenges of maintenance and updates
- Compliance related issues
- Staffing in a 24/7/365 world
- What Else?



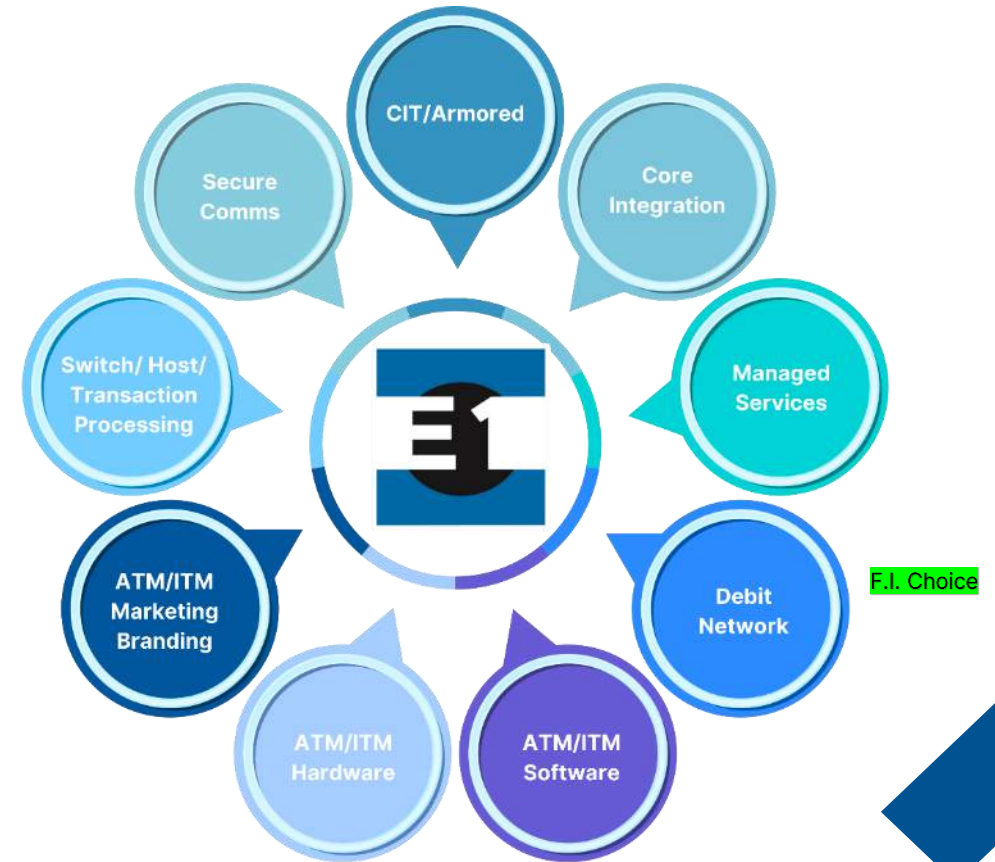


Typical F.I. Contracts Eco-system

Before Edge Complete



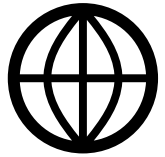
After Edge Complete





What is different today?

- The Cloud



- APIs

- The Speed of change



- Security risks and compliance requirements

- Lots of smaller Fintechs





The Power of the Cloud

- Scalability
- Resilience
- Security
- Affordability





What is an API?



- Application Programming Interface
- A set of rules and protocols that allows different software applications to communicate with each other.

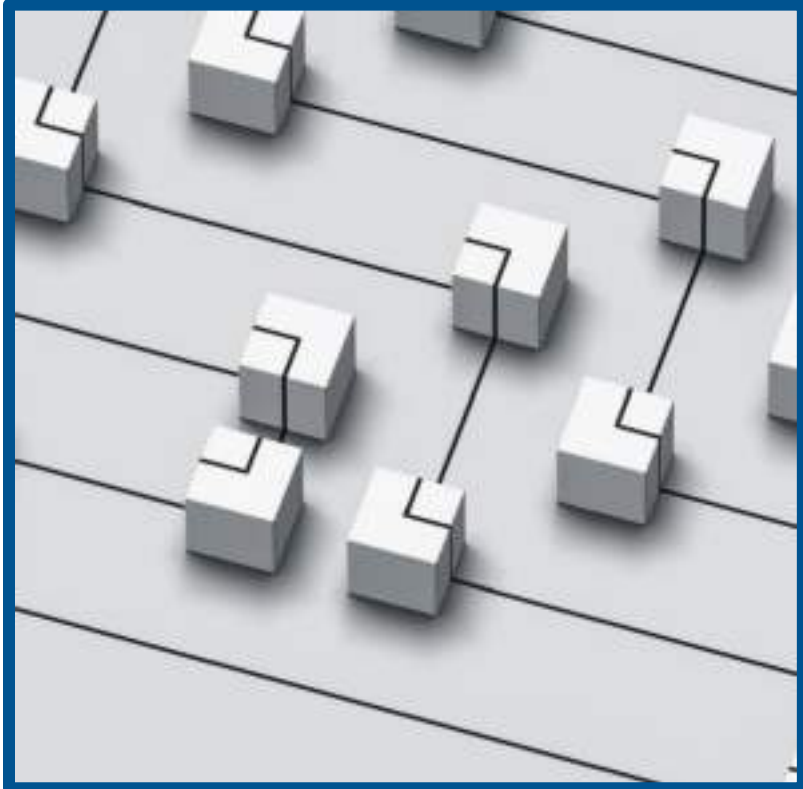


Traditional Integration Methods

- **Point-to-Point Integration:** In the old way, systems were often connected directly to each other using custom code. This method required significant effort to maintain and update, as each connection was unique and changes in one system could break the integration.
- **Batch Processing:** Data was typically transferred in batches at scheduled intervals. This approach led to delays in data availability and was not suitable for real-time processing.
- **Complexity and Cost:** Traditional methods were complex and costly to implement and maintain. They required significant manual intervention and custom development for each integration point.
- **Limited Scalability:** Scaling traditional integrations was challenging, as adding new systems or updating existing ones required extensive rework and testing.



Modern APIs & Core Connection



- **Standardized Interfaces:** APIs provide standardized interfaces that allow different systems to communicate seamlessly. This reduces the need for custom code and simplifies integration.
- **Real-Time Data Access:** APIs enable real-time data access and processing, allowing systems to interact and exchange information instantly.
- **Flexibility and Scalability:** APIs are highly flexible and scalable. They can easily accommodate new systems and updates without significant rework.
- **Cost-Effective:** Using APIs reduces the cost of integration by minimizing the need for custom development and ongoing maintenance.
- **Security:** APIs often come with built-in security features, such as authentication and encryption, ensuring secure data exchange between systems.



Integration Utilizing APIs

APIs enable seamless integration between financial services, crucial for the functioning of modern fintech platforms

Examples of API Usage

- Facilitate integration between different financial services
- Enable connectivity between various platforms





Edge Connect - Core Connection Platform



Activate Enterprise

Self-Service Banking



NDC

HPS

AWS



EDGENOW

Banking | Term | SW | Pricing

ATM Driving

Switching

ISO (off-us)

ATM/Debit Network



Rest/JSON
(on-us)

Experience APIs

Core Accounts

Withdrawals

Inquiries

Deposits

Payments

Preferences

Process APIs

API Designer

Message Transformation

Routing & Orchestration

Persistence

System APIs
(Connectors)

Jack Henry
Symitar

Jack Henry
Silverlake

FiServ
Premier

FiServ
DNA

FIS
IBS

FIS
Horizon

Finastra
Phoenix



ANYPOINT PLATFORM
CloudHub 2.0





The speed of change





A brief history of banking

- First use of money in Mesopotamia **(3,000 BC)**
- Bank of Venice founded **(1157)**
- First Central Bank formed in Sweden **(1668)**
- First credit union established in Rhineland **(1849)**
- First Credit Card issued by Diners Club in the US **(1950)**
- First ATM in England **(1967)**
- The first core banking platforms introduced **(1970s)**





A look at more recent developments



- First Internet banking platform – Stanford FCU (1994)
- Electronic wallets – Coca Cola Corp. Helsinki Finland (1997)
- Pay pal – Palo Alto, CA (1998)
- Bitcoin becomes a reality (2009)
- ITMs – Salt Lake City, UT (2010)
- First mobile banking app – RBS Scotland (2011)



The Speed of Adoption

Length of Time from invention to critical mass

Airplane	68 years
Telephone	50 Years
Radio	38 Years
Television	22 Years
PC	14 years
Internet	7 Years
iPod	3 years
Facebook	2 years



From Bank3.0 by Brett King. There continues to be an increasing acceptance of technology and innovation in our daily lives.

Like it or not in banking - online account opening, mobile deposit, are requirements' now.



A note about compliance and security

- Banking as a service
- Does this scare anyone?
- Compliance requirements for traditional vs. non-traditional players.
- Non-traditional players may have less onerous compliance requirements – both good and bad.
- The need to extend your policies and practices to your partners.





Continuing Trends & Beyond

- **Self-service banking** is a service where customers can conduct financial transactions and activities using devices and channels without going into a branch.
- **Remote Banking** means the banking services accessible from the Device you have registered with us for Mobile Banking.
- **Banking as a Service (BaaS)** is a start-to-finish process that digital banks and third parties use to connect their own business infrastructure to a bank's system via APIs, which allows the digital banks or third parties to offer full-banking services directly through their own non-bank business offerings.
- **AI**





Opportunities for outsourcing



- Core system operations
- Item processing
- Online banking
- Customer service (AI)
- Coin
- Central vaulting
- ATMs
- Loan generation

Things to watch out for





What NOT to outsource

- Your Core competencies
- Your culture
- Your Intellectual Property
- And of course, be careful who you outsource to





Considerations



- Security
- SECURITY!
- **SECURITY!!**
- Uptime (resilience, recovery time)
- Functionality
- Relative efficiency
- Ultimately, Risk vs. potential reward.



Let's talk about integration for a minute

- Not all created equal
- Dealing with issues (do I have one system, two or three?)
- Who's maintaining them?
- What am I really gaining?
- Incredibly powerful, but the devil is in the details



Examples

Car dealerships (and similar)
Accounting and investment firms
Retail automation





The Message We want You to take away

If you are not strategically thinking about technology and how to make a difference in people's lives, then I think you need to.

But remember *you don't have to do this yourself*, there are people and companies out there that can help you.

KEY
MESSAGE





The Future
is...

FinTech



why
? who when ?
who ? where what
QUESTIONS
w who ?
who why what ? wh
? when how now
where

Any Questions? Contact us!

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