How to Get Card Programme Migration Right: Lessons from Enfuce and Endava

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SUMMARY

The webinar discusses the complexities and considerations involved in migrating card issuing services, highlighting the importance of understanding the motivations behind such migrations and the role of regulatory compliance, innovation, and customer support in the process. Experts Dan and Matt share insights on the challenges faced by organizations during migrations and the critical factors for success.

- *Regulatory compliance is a primary driver for organizations considering migration, with 45% of respondents citing it as a key reason.*
- *Effective communication and proactive support from service providers are essential for a successful migration experience.*
- *Organizations should view migration as an opportunity to reassess and improve existing systems and processes, rather than simply replicating old setups.*
- *The importance of a consultative approach and meticulous planning is emphasized to avoid pitfalls during the migration process.*
- *Innovation readiness is often lacking in legacy providers, which can hinder future growth and adaptability.*
- *Establishing a strong cultural alignment between organizations and service providers is crucial for fostering collaboration and effective problem-solving.*
- *A well-articulated business case is necessary to persuade stakeholders of the value and necessity of migration.*
- *Continuous communication and transparency throughout the migration process help to mitigate risks and ensure a smoother transition.*

All right. Hello and a warm welcome to today's webinar um from why to wow migration considerations and success factors. My name is Mika Fabricius. I'll be moderating today's conversation with the two gentlemen Dan and Matt joining me. I work as a solution consultant in our strategy and growth team here at Enfuse. You should be able to see a poll on your screen right now uh which you can respond to to let us know how happy you are with your current card issue processor on a scale of 1 to 10.

Just before we dive in, I have a few helpful details to get the most out of this webinar. So, uh bear with me guys. On your webinar screen, you'll find tools to ask questions, provide feedback to us, and access valuable content around migration as a whole. Each tool on on the right side is minimizable. So you can click the icons at the bottom of your screen to adjust them to your preference. If you have any questions during the session to us and please we ask you to to to do so. Use the Q&A tool. Uh it's one of the slides that you have in the corner and we'll do our best to answer them at the end of this session. If we need more time to answer any specific question then we'll follow up with you by email after.

The promise is that everyone gets an answer. So shout uh and do ask. You're free to download any resources or links available to assist with migration. The materials shared today offer additional guidance to support you and we'll be sharing that as well. For the best viewing experience, make sure you close any additional tabs. Uh this system can be quite internet uh bandwidth heavy. So anything you can close, do that. We'll also be sharing a recording of the event afterwards using the same link provided earlier. Uh and we'll send that via email as well which you're more than welcome to share with your colleagues.

Finally, before we get started, uh let me brief you on some important basics on card issuing specifically the difference between the technical issuer processor and the bin sponsor as we're going to talk about both angles in our conversation today. So basically in order to issue payment cards you need a license and a card scheme principal membership through either Visa or Mastercard. This is called being an issuer or you use a third party that offers this as a service which is called BIN sponsorship.

Issue processors, on the other hand, are companies offering the behind-the-scenes technology that manages card transactions, card life cycle management, and often card holder accounts for issuers, ensuring payments are authorized and cleared securely and reliably using a suite of tools. So, to summarize, if you're an issuer yourself, you need a processor to enable card transactions. And if you're not an issuer, you'll need both a bin sponsor to issue the cards and a processor.

On the market, you might see one company offering bin sponsorship and another one offering issuer processing. At Enfuse, we offer both in-house, which is quite a rare value proposition, and it brings a lot of value to our customers. That's it with background details. Um, let's get on to the topic at hand. When it comes to card migrations, embarking on the journey is not an easy decision to make. There's no quick switch to flip. It's a tough decision that can impact you, your organization, and of course your card holders as well.

And there's a wide range of technical questions and assessments that you need to consider. Uh but it also comes down to visualizing what future happiness means for your organization and how you turn that nagging question of why should I switch into wa I can't believe we waited so long to do this. So to figure out the wise and non and the why nots behind the potentially massive decision to migrate a card program, we interviewed experts who have undergone the process. And we wanted to find out what kept them up at night before and during a migration, as well as finding out why some of them considered migrating in the first place.

Two survey highlights that will steer our conversation today are the needs that aren't being met by current providers and the big why to actually embarking on a cloud migration project. And you can see some of the biggest switch and drivers here uh on the slides ahead of you right now. So, we're going to explore this um these different reasons inside out and uh we'll do so with the help of Matt and Dan, the two gentlemen that I'll let introduce themselves uh right now. So, Matt, as our tech enabling partner from Endava, uh why don't you give us a quick intro?

>> Great. Thanks, Mikas. Um hi, I'm Matt Williamson. Um I've scarely got 26 years experience across payments um and banking. starting off from an analog phase when I was dealing with fraudulent travelers checks. Um the

being that once if we agreed to pay out on that, it was then done through the oldfashioned Western Union or or Money Corp sponsorship. Um you know pulling out enormous books with eyebands and bit codes in to make sure you can deliver it to the right country at the right the right receiver at the right time. Um we've got uh a lot of experience um across in Dar. I think if I just mention that for a moment. So we operate in 20 countries approximately 11,000 people um around the world and our primary uh conception was around payments predominantly Visa and Mastercard have been our customers for the last 20 years and we walk quite a fine line between the two of them. Um and we're often now engaged in a lot of transformation projects. We we'll go into more detail later on. Um but a large part of the requirement is actually is it tech for tech's sake or what's the outcome that you're looking to achieve as an organization. I think as we go throughout the webinar today we'll we'll delve much deeper into that. So I'll hand back to you Micas.

>> Thank you Matt. Daniel uh you're bringing expertise in risk compliance and regulation and I'll let you introduce yourself next. >> Thanks um thanks Mikas and it's great to be here with everyone. I'm really pleased to see some familiar faces in the attendee list as well. Uh so yeah, my name is Daniel Alter. I'm the chief risk officer and moneyaundering reporting officer at Infuse. Been with Infuse uh for two years now and I have quite a broad remit covering regulatory compliance, financial crime and uh risk management. My background is retail banking, payments, regulatory consultancy. um did some some stints as a consultant in the FCA, Financial Conduct Authority as well. Uh started my career a while back as a actually as a cashier behind the till at Lloyd's Lloyd's TSP at the time before they split. Um and since then I've gone on to work in various areas in financial services from consumer credit to uh mortgages, payments, um you know, retail banking, lots of areas.

At infuse, as Nikas mentioned, we offer BIN sponsorship services and issuer processing. So from my perspective, my role is to ensure that our regulated entities, our bin sponsorship entities within our group um operate, you know, compliantly and in accordance with law and regulation. Um but also supporting our issuer processing business to support their their clients who are regulated in their own right. So, um supporting them to be able to meet their needs. Um um yeah, I'm really excited to be here to talk about migration and um and you know, all of the challenges and opportunities um that you know that potential clients will face as they embark on this.

>> Perfect. So diving into the actual survey results, um 45% of the respondents of our survey cited regulatory compliance as a main reason driving the need to switch to a new provider. Is this surprising? Dan, do you want to go first? >> I'll go first. Feels feels appropriate for me. Um I don't find it surprising that it's such a a large percentage. Um, and I think this is um, depends which angle you come from, whether you're a BIN sponsorship client, so you're unregulated, whether you don't have a regulatory license or you don't have a card scheme license, or if you're a issue processing client where you are actually regulated in your own right um, to issue cards, but you you just you need an issue processor. So, I'll I'll start I'll take it from the BIN sponsorship lens first, then I'll sort of switch gears into the processing side. Um, if you're if you are a bin sponsorship client, so you come you come and say we want to issue cards, okay?

And we don't know about issuing cards. It's not our it's not that's not that's not our bread and butter. You you want to know that you can trust your provider because particularly if issuing cards is going to be a core component of your of your business model. Um, so there's a high reliance from that from that from that customer on the bin sponsor and they need to work with someone they can trust. But what we've seen in the industry over the past maybe I know particularly the last five years is there's been a lot of high-profile failings and you know this can really affect when it does happen you know it can result in bin sponsors having their licenses restricted potentially having their licenses revoked. Um so that is a kind of a worst case scenario and that can really affect the business continuity of you know of a bin sponsorship client or someone that wants to issue cards. So knowing you've got a partner you can trust is just absolutely critical. And I'm not surprised that with those high-profile failings, clients are, you know, you know, considering this a really big factor for them. They want to be with someone that, you know, is a safe pair of hands, knows what they're doing, and really future proofs their business so they can just focus on what they do best because they don't want to be focusing on compliance.

They want to be focusing on their business. And that's what companies like Infuse and that's what we do. That's what that's what we focus on from the processing side. Processes are already regulated themselves, but they need to work sorry not processes processing clients are already regulated them themselves. So they want to work with an issue or processor that gets it. And a big component of an of an issue processor's role is tech, but they are a critical third party provider to to a processing client. And so they need to understand the needs and and the requirements of that client and you know so infuse is in a bit of a privileged position because we also have regulated entities in our group. So we know what it means to issue cards. So when we provide you know when a processor provides information to the uh to the client they do it in a way that's easy and appropriate for that client. And I'm again I'm not surprised that especially with you know um digital operational resilience act coming out in Europe and operational resilience requirements in the UK coming out that uh clients of processes are you know they are nervous about about about compliance and can their processor help them to meet their obligations. So no, not surprised.

>> Matt, what about from an issue processor perspective? What are your thoughts? >> So Dan covered quite a lot there, didn't he? I feel under pressure to do do just as well. Um, so if we look at it from the the the technical implementation side of things, it's actually always about the business requirement. Now I know we're talking about the regulatory piece here, but what drives change? What drives the requirement? And it is this. If you are if you fail to meet your compliance then obviously that's an issue with you public domain PR disasters etc. But a large part of it here is you where's the weakest link? What is it your how deep are you prepared to go into this? What are your business processes?

Not just your compliance process, but how are you going to drive this forward? So you you mentioned Dora, you mentioned PCI, obviously you got GDPR as well. You need to cover all of those things upstream and downstream within within your your your migration path. But you also have one which I I didn't know about if I'm honest and I had to look it up. So Dan, I'm going to see if you know about this one as well. I'm hoping you did. and it's called the tie which is the truth in lending act. And the reason I bring that up is it's a downstream piece of of of legislation that actually talks not about the tech or even the sponsorship piece but more about the the duty of care around the customers that are using the service. So these are all the additional factors that we have to look at on top of just actually migrating a service or choosing um a need to to fix a regulatory requirement.

Um across the board and I think we're going to get into this in in more detail shortly. Um this is always about how do you meet the customer's need while meeting a regulatory requirement because the regulator tends to come after you know a nefarious or catastrophic event has occurred. It's really pushing forward and that is really where as we move through this conversation today you're looking at how do you ensure you don't introduce legacy throughout your program. How do you ensure that you can be flexible and scalable and meet the you know the evolving need. If we look at the last 10 years of financial services across the board, everything's changed and nothing's changed. You know, think about the rise of the digital wallet as an example. Google pay, Apple Pay, etc. You have all of these additional layers around this that you need to ensure you can be compliant serve the customer and actually in reality on top of that what data are you gathering migrating what data are you mining to give your customers a better service additional products on that so I think throughout this conversation we'll get more into more and more detail around that subject >> and what would you say are the biggest challenges when it comes to meeting the regulatory requirements behind a card program.

>> So I I'll I'll jump in here. Um I think this one can be answered from whether it's BIN sponsorship or processing. The challenges I would say are very similar which is that regulations are ever evolving. People always talk about this oh the regulations always changing but and it's not just about doing your horizon scanning and what seeing what's coming up. You need someone who's on it and knows how to implement change. Um, and that is that's the that's the piece that is is the tricky part. And it's not just one set of requirements because you've got the regulatory requirements.

You've also got the card scheme requirements. And you need to under you need, you know, as a as a buyer of BIN sponsorship services or processing services. you need to know that you're buying from someone that's up to speed on all of those um changes, can communicate them really clearly to you and in advance with with warning, not at the last minute. And um so that's that's one challenge. Another challenge that I see is that often so when when regulators create their policy and they create regulation, it's designed to cover the whole industry. But when particularly when you look at payments, there's a lot of innovation in payments.

I mean, if I compare payments to like when I was in mortgages, innovation in payments is just doesn't even compare to mortgages. It's it's it just exceeds it by far. And so, the regulations often weren't written to accommodate every single possible variation of of product that might exist on the market. So, that is a challenge. And so again, when you're buying these services, you really want to be um working with someone who has the expertise to know where the red lines are that can't be crossed, but also understanding how to um how to mold um and work with your within your needs around your requirements in a way that still meets the these kind of regulations that weren't designed for you or necessarily directly for your product. So, um, and that that takes expertise, that's experience, um, and it's collaboration and, you know, getting people around the table to solve problems.

>> Matt, anything to add or do you want your own question this time? >> No, no, that's fine. Dan's called it absolutely. You know, often these things are meant to be slightly challenging um, on a webinars, but you know, complete agreement. You need you need people and I use the word people not resources because that's often banded around in these programs. You need people who understand exactly as Dan described the regulation,

what's on the horizon, the interpretation as well because often these regulations were written ahead of time and then the market has moved on, innovations come along and there are interpretations within that that can either put you on the right side or the wrong side of the regulator and how do you manage that from either a business process or a tech process.

You also then need to consider what's the direction of change likely to be. So to Dan's point around horizon scanning and how do you ensure that you don't introduce legacy. So you can build a whole new shiny thing which is a known thing. We're going to replace what we have with something new and shiny. But are you just introducing a shiny legacy that's going to hold you back? As we've referenced, the the market change and the pace of innovation in payments especially is accelerating beyond what we could have considered 10 or 15 years ago. So how do you ensure you construct something that is flexible and scalable without it needing to be a whole new program of work or the traditional transformation piece of we need to junk what we have and introduce a brand new thing and there there are two backs and forth with different providers on how that would work but you need to ensure also you fit with your customer. So and you'll always hear me come back to this as well. What is it you're doing for the customer base that you have? What is it you need to do to ensure you retain that customer base and prevent churn but also attract a new customer base? These are always the things you need to come back to. Often migrations um regulatory challenges are complex and we too easily get caught up in the complexities of that without sticking to the basic foundational principles of what you need to do to deliver a successful project or program.

What is it you're trying to fix? Who is it you're trying to serve? And how are you going to achieve that? >> That's an excellent segway. Sorry, go ahead. >> Is I was just gonna just jump in and just add something to what Matt said. Actually, Matt said something earlier about being pragmatic and being commercial and that is so important when you're working with a partner because these requirements there's so many of them and they can become so ownorous if you let them. And um having that expertise to know where you literally can't bend the rule like this is what it is and also where you can have a you know it is open to a bit of interpretation and that's really important to clients who a lot of these requirements flow down to them. It adds cost into their operations adds cost into their business. So by know by being pragmatic and commercial, it can make it actually more cost- effective for for for the the person buying these services. Um and um one thing that I've seen that really frustrates clients is that you go live but then you keep the the bin sponsor or the processor keeps learning, you know, learning new things um or having an audit. find out they were doing something wrong and they learn new and then they keep changing the requirements or pushing new requirements down and that's really frustrating because the then the land keeps shifting the land that the the customer standing on keeps moving. So it's a, you know, having a partner here that really gets um gets gets the program from the word go and meticulously plans, understands everything through the card holder and the customer life cycle from onboarding all the way through to exit and you know implements it so clearly and so everything's so well understood, roles, responsibilities, everything. um that will result in less change and more kind of certainty for for clients.

>> So, perfect segue. How do you validate these things? What should someone buying these services think to ask to know that they choose a provider that can actually deliver these services compliantly? >> So, um I'll just I'll just jump in quickly, but briefly, I'd say um you know, obviously if there's any regulatory fines or or or

disciplinary action from from regulators, that will be public. So, it's worth checking checking that asking your provider. Ask them uh provide your policies, explain your processes and how they work. If they struggle to explain them or there's a lot of back and forth and they they delay and take ages coming back to you, that's because they probably are figuring it out on the fly and they don't know what they're doing. So, if they know what they're doing, the answers will be very clear and very precise and very quick. Um, I would also say if the oversight that they tell you they're going to apply feels too light like touch, it might be tempting because it feels great that you're not going to have someone watching over you. But that is a red flag because if in many cases this is from the bin sponsorship perspective, I should say in many cases it's because of a lack of oversight that has resulted in um, you know, bin sponsors being fined or restricted which ultimately affects the entire ecosystem.

So um light touch oversight should be should be uh considered. Of of course excessive oversight could also mean there's a lack of understanding and that they're just and that a provider is just going to town on everything. So asking why is so important re and making sure that you get that. Um and then my final point would be that um in the in the sales process that when you go through the sales process, if the if the provider is literally um willing to bend on everything um in order to close the deal, but they don't put you in touch with their risk and compliance teams, then that is also a red flag because the chances are that once that program goes live and the risk and compliance teams are involved, there obviously will be requirements. We're in a highly regulated space and there will be requirements. So, you should really know this stuff up front and the best way to find that out is don't be shy to ask to speak to people in the business. And if the business is happy to open their doors and introduce you to their chief risk officer or their moneyaundering reporting officer and they're happy to meet with you and explain their processes, then that should be a that should give you all the comfort you need.

>> Yeah. To to echo echo what Dan's saying here as the uh if you're going out to market, let's let's use that definition. If you're going out to market to to to to make change, the question is you need to be really honest with yourself. Are you just looking for a vendor or are you looking for a collaborative partner? Because the output will will generate two different things. If you're just looking to have a vendor who you're going to treat like a vendor and tell them what to do, then there is no real value and all onus is on you to make sure you get it right. And in truth, you're not really de-risking the project because you don't really trust the person or the persons that are supplying the the solution for you. If you are in a collaborative partnership with a supplier, then that should mean there are challenging conversations and robust conversations. And even ask, you know, we always talk about there's no such thing as a stupid question. When I say apple, do I mean apple? Does that mean when I say apple, does that mean apple to you? Is it a red one? Is it a green one? You know, it's really getting down again back to the basics so you can really understand you're building this relationship with with your suppliers to understand when they tell me no, it's a hard no. And these are the reasons why, you know, it's not about um a hierarchal contest. It's about making sure that at the end of the day, you've agreed on what the actual outcome is overall. And then how do you ensure that when you get into these robust discussions, you document it and and articulate why?

These are the reasons why we're taking this hard stance. These are the implications. When we see in the in the media um huge regulatory fines, generally in truth, it's not because there was an issue. It's because there was an understanding of the issue internally, a remediation plan around the issue, and then a follow-up, an execution. Generally, when we see these huge fines levied against companies, it's because there's, you know, catastrophic lack of understanding and then ownership and a plan around how to remediate and remove the issue. I think that that's also, you know, Dan's points around the red flags. You should be testing your future partner suppliers on their thoughts around what compliance requirements they're resolving, how they're going to manage things. What about root cause analysis? In an ideal world, what the regulators really really want are groups and suppliers who actually provide the information in advance. It shouldn't be a what happened post event. It should really be these are potential areas that we're concerned about. We're flagging this with you now.

This is our remediation plan. And generally in my experience, regulators are elated to see that you're a responsible organization that understands what's going on and how you can ensure the customer, which is the key point here, the customer at all times remains protected. >> So moving on to the second topic that was highlighted as a concern or as a reason to switch providers. It surprised us a little bit given the amount of innovation taking place in the industry right now. But nearly half of our survey respondents said that they felt that a critical there was always a critical or unmet need with their current product that actually was a reason uh for them switching. So innovation readiness, why do you think that is? What are legacy providers missing when it comes to being ready for the future? Matt, maybe you would like to start this one.

Yeah. So this is a classic conversation um and actually it it's across all industries in truth innovation you know legacy or heritage providers in that often you've built something as we talked about earlier regulations change and evolve. You've built something that was fit for purpose at a moment in time. It's a huge investment and then it works um and then people move on and then people don't really understand how it works in the back end. um often on multiple code bases because this is pre-cloud um with managed service contracts etc. And then suddenly you're as a provider you're stuck into how do we get everyone back onto one single codebase as an example so that we can build a single road map when often you're having to have multiple road maps for multiple clients on multiple code bases at all times. How do you even make that work? Um, so a lot of the traditional providers have had to, you know, invest significantly in replatforming themselves in order to offer these services out. Part of that sometimes though, you know, Dan talked earlier about digging deeper. If you're looking at a cloud-based solution from a provider, was it built for the cloud or is it just sitting in the cloud? Has it just been a traditional lift and shift where you've taken it on prem into the cloud, but it's not multi-tenented? It's just its own version of game. So there are lots of areas of of things to change and and innovation as well. It doesn't always have to be super clever. I think that's the thing again coming back to complexity. Sometimes you know some of the smartest innovations aren't overly complex. Um and you need to be able to articulate the values well. So if I use a great example back in the early 2000s which I know dates me significantly but music players were launched. You had the Microsoft Zoom which you know its um its advertisement was how complex it was all the things it could do and then you had the iPod which was you know thousand tune thousand songs sorry in your pocket and everyone got it and it's it's it's that you know you you've part of this um being ready for the future is giving confidence to the market that you understand the market where it's going and you're building out resilience scalability uh and the ability to evolve to protect your customers from future regulatory change. You don't even have to know what the change is. You just need to construct it in a way that enables it to be call it modular for example, but able to either react to a change or predict a change and evolve easily.

>> Dan, how would you say you enable innovation for an issue processor? For me, um the enablement factor is

it starts from a mindset. It's a mindset thing. Um and then that has to then feed into the it has to be part of built into the the the the core values and the strategy of the issuer processor. Um so when you're it's easy to say, oh, we're innovative, but can you say yes to complexity? Are you able to do say yes to the things that are difficult that other providers are going to struggle with? Is everyone working on these projects? Are they thinking kind of for solutions? Are they thinking outside the box or are they just trying to deliver what's been done before? And so innovation isn't about what's been done before. It's about changing doing new things. So this is like to enable it is, you know, from the point at which you work even with your HR team, you know, and your people team. What's your hiring strategy? What type of people are you hiring? Where are you hiring them from? How are you testing them? You know, they need to have the expertise.

They need to probably have come potentially from a legacy provider at some point with to have that expertise of the industry, but but what sort of people are you putting on your project? So, and then and then and then it's about your methodologies. So when you're building these projects to deliver a migration and then to and and and in doing so as part of that deliver innovation um how do how does the approach that you take allow for innovation you know is how what's the collaborative approach what's the how do the work how the workshops run that there's got to be a um an approach that allow like to Matt's point about asking stupid questions asking stupid questions is probably a really big part of what drives innovation, asking that stupid question because maybe when you ask a stupid question, someone else picks it up and refineses that idea, polishes that thought, and then it becomes a new idea.

So, um I think to enable it, it it it's part it's got to be part of your culture. It's got to be part of your strategy. It's got to be something that's actively um built into the values of your company and then flows through from your people strategy to your kind of um project management uh approach and methodologies every like everything. >> So from a tech enablement perspective, how can players like Endava foster innovation? Matt. >> So, it's really interesting because the question there actually pivots you in a certain direction which is focus back on tech when actually it's not about tech.

It's actually about what is it you're looking to achieve in the market for your customers. Um, and what is it you need to do to service them either a today in a way they want but also offer them innovation, offer them value added services on top of what you already do. What you do today as an issue processor is really table stakes. Cards and card programs have been around for a very very long time. It's ubiquitous with expenditure. So what do you build on top of that in order to retain customers, gain customers? So again, a lot of the time when when we're brought in to advise and consult on these programs of work, we really do start with why are you doing this? Again, you know, it sounds like a stupid question and everyone's hopefully thought it through, but often when we really drill into it and you know, we we aim to be a partner with our customers. I know it's cliche but in level setting that we do ask difficult questions and we are challenging but not challenging to assert some sort of intelligence or dominance challenging to ensure that they meet you know the end requirement of what they're looking to achieve and often it's well we've got a legacy stack on AS400s or something and we just need to to move to something new so you know that's a fair reason but actually what about all the other things that could happen on top of that where's the innovation you could build if you've to have a migration from one platform to another. What can you gain from that?

What jurisdictions are you going to be in? What what's the value end to end um for your customers that you can play back? You know, are you going to open up new revenue streams? Because we have to be realistic as well. Companies have to make money in order to drive innovation. So, you know, it's it's about the entire piece end to end across that and then we get into the tech conversation. So, we're often regularly brought in to check homework as well, which sounds like a funny phrase, I know, but a lot of our customers have often already made the decision to migrate. They've actually already potentially selected various suppliers, and then they'll ask us to come in and overlay into, is this really a good fit for us? How is this going to work for us? What's the opportune moment? Is it a gain over 12 months, 24 months or is there a net gain over the next 5 to 6 years where we're free future proofing ourselves against possible regulatory change or you know more importantly customer requirement change because you c the customer of today is evolving rapidly. I've got two kids who are aged 13 and 16 and they just don't think about things in the same way. everything for them is in a wallet that's generally topped up by, you know, me or their or their mom and any payment experience they have is generally seamless. So again, you know, coming back to to the the earlier point, we sit down with our customers and say, you know, what is it you're really looking to achieve? Um, and in some cases, you're right, it could be that there is a regulatory requirement where they they've been dinged and that's the bit they need to fix. So we will obviously help them address and fix that but also highlight all the additional benefits that come from this program that they need to be aware of as well that could actually fit in with other needs that other departments are crying out for but have been unable to get funding for in the past.

So card programs often rely on multiple interconnected systems such as your fraud detection system, loyalty program, customer support systems and a ton of other systems. And we saw in the survey that the sheer number of systems sometime can be overlooked from an integration perspective and how much time and how challenging uh or or how much of a painoint that can be if it's not properly considered at the beginning of your migration process.

We call it integration amnesia as we as we can see on the slide here. Um what do you guys think needs to be considered here so that you actually plan for the the amount of work uh ahead of yourself? >> Yeah. So sorry Dan you go ahead. >> Yeah. Oh okay. Um so from from my perspective I think when when you're getting into a migration it's really easy to focus on like the core component of the migration and not think about all the peripheral aspects of your business that might be impacted. And I think this is what this is touching on. There's just so many things that need to be plugged in. And you you really can't forget about any of those things because even even the items that are that are seemingly kind of in your peripheral vision, they they they can really trip you up. So, you know, we're talking things like how does it affect data? Is data sec, you know, with your new provider. Is data secure? Is it going to where it needs to get get to? Can you extract data and get the actionable insights you need? um product distribution, you know, do you need if you're changing something, do you need to think about your onboarding flows with your with your card holders? Um if the product's changing, what about your marketing material, your websites?

Really things that you might not think of when you're doing a a a migration, but um terms, conditions when you do that migration, are there going to be post post migration complaints from card holders? That's all regulated activity. So, you need to make sure that you're geared up for that. Our communication is really clear. So, it's so important if you're going with a partner, you want a really good partner that's been there, done it before.

They've seen all the pitfalls and they can provide meticulous plans that show exactly every single component, not just the main obvious ones, but all of the hidden stuff as well. Um, so that's some key things there that's for consideration.

>> Yeah, absolutely. And I think there's also you run the risk of doing the same thing because that's how it works. So you need to look at all of your processes you know as Dan alluded all the key parts are there CRM fraud KYC on boarding etc but can you can you reduce the touch points within that to make them slicker faster more effective are you ensuring that you build out the ability to store data and use that data mine it in any way whether that's for the to generate new revenue streams for the organization to generate new products for the customer to provide real-time reporting to the regulator on what's happening Well, you know, positive or negative. Um there's also things like how are you going to manage um interest acrals? If you are migrating from one provider to another, is it a neat, you know, today we cancel all these cards and tomorrow we issue new cards uh under the new provider to our customers? How are you going to manage, you know, the interest acrruels, all the the the risk around um credit migration, etc. Um, and then have you communicated that to your customers, do they understand that? You know, there are so many factors around this, but it really does come back down to not the tech question, the what's the rationale behind this and how do we serve the customer best, the the end customer, and what does this mean for them? And in doing so, you can actually really streamline a lot of your business processes because now's the time. How often do you do a a huge transformation project? Ideally, not very often. So, this is the time to bake in all those things that you really wanted before and find innovative and smart ways of doing them. And they don't always have to be complex. It can sometimes be really simplistic. And then you can measure it.

You know, how quickly using the on boarding example, how many people fail at on boarding? Why do they fail at on boarding? Is it a an us problem or is it the customer problem? That alone is insight that's you know immensely valuable to the organization in order to to mitigate drop off. >> I really like that point Matt. So essentially migration is also a opportunity for the company to look at their existing systems the inefficiencies that they have today and see is there a better way of doing this because you don't basically you don't migrate a like forl like system to have the exact same setup but with a new provider. It's a chance for you to really review which integrations you need, which systems. Is there a chance for us to actually outsource this uh compared to having it in-house or vice versa to be in control of your product?

Um, we we >> and factor in as well that sometimes it may be that there's often a misconception that having a bespoke back office is your USP when actually it's not. The customer doesn't care about how complex it is either way. It could be really simple or not. They just care. Can they use your service as and when they need it? So, should you have bespoke stuff in the background that you've built yourself or had someone else build or should you use to your point because third parties that can actually manage that for you more more effectively? If you grow in scale, it may suddenly make more sense to have you develop your own services internally.

But it's having, you know, key conversations with yourself. One of the things I wrote down earlier um before we before we started this was as an organization you need to be brutal with yourselves about your capabilities and your people and the risk around that and if you can't do that that's when projects fail because there are assumptions around we can do this and secondly if you can do it are those people allocated to those tasks 100% on that program of work is that their sole task because if it's a side of desk activity that's also where these things tend to go Let's move to the fourth reason of switching providers.

No one wants to feel left on the side road by their service provider, especially not in a complex regulatory environment with high demands and service uptime and commitments to your own customer base. So, it's not super surprising uh that those feeling neglected by their existing provider are seeking out alternatives. gentlemen, what does good support look like to you? >> So, uh I'll just jump in on this one, but from my perspective, I think um it it starts pre- migration and during the migrate and it continues for the whole life cycle of the of the partnership. Um you know, there's some really obvious ones like obviously you want your your your service provider to be on hand to answer questions, right? That's that's obvious. um other ones which are easy to talk about but not easy to do things like selfidentifying issues both in the project to deliver the migration but even post you want good support is someone who identifies an issue before you even know about you don't have to identify your own issues someone finds it for you fixes it and tells you it's been fixed so you don't even you haven't even had to worry about it yet so that's one area where I'd say is is great support um particularly with um issue of processing uh clients who are regulated themselves. Um communication and the the the format and content of the communication is it needs to be super super clear because they're going to be using this information that they receive from their critical third party provider. You know, giving them issuer processing services potentially to answer questions from their regulator.

So to take away any regulatory headaches from those clients, communication is really clear and it needs to be in a way that they could almost recycle it straight back to their regulator if they need to or to their auditor. Um so I think that's that's that's a big one and um being able to explain why because often you'll be told you can't do this or this you know this is this is the way it's got to be but why you know at least when people understand why it makes it just makes everything fit into place. So finally, if I was to sort of conclude it all, I'd say um if it's kind of sometimes you're getting a feeling of a bit of a computer says no type situation and your provider is putting process over you as a customer, I think it should be the other way around. I think you need to put the customer above the process. Now obviously there'll be sometimes restrictions on that with law and regulation but overall the customer should come above the process and it's about giving them that sort of that feeling of importance and that you're focusing on them.

>> I want to uh contribute to that point actually uh because it's something I lived through myself. I was an account manager at Enfuse uh in my previous role and I was working on renewal of of the contract with one of our early clients. What they did prior to signing the renewal was they asked every stakeholder that's u act that's um communicating with Enfuse and working with Enfuse in their daily lives hey should we continue working with them should we renew and one of the main uh one of the main reasons for doing so was that they said we we they always say yes first when we come with a problem or a change we want to make so it's basically looking at a challenge and having that mindset of yes and then figuring out how to do it. I think that uh it made me really happy to hear and like you said Dan is one of the most important aspects.

>> Matt, um question to you. If you look at what bad support uh or if you think about not getting the support

you want, what could be or what is a breaking point actually when you really as a as a v as a buyer choose to now we have to start looking elsewhere? So I think we've echoed it all all throughout the conversation today so far. But obviously it needs to be a group who are challenging but challenging for the right reasons. Um the last thing you want is a supplier who says yes to everything without quantifying it. Um the reason being is then where's the push back? You should be challenging. there may be things that you as an organization don't fully understand because the market moves so fast and that's where you lean on you know additional advisories and consultancies to assist you with that fully rounded understanding um where you I think Dan alluded to it really well what you really need is the ability to have access to data easily consumable and easily portable to other entities to ensure that you do have root cause analysis for example we do need to be realistic things do go wrong. They shouldn't go wrong, but you just have to be realistic about that. You know, we talk about cloud as an example where people put everything in the cloud.

That's great. Cloud is still a data center. It's just not your own data center. You know, things can go wrong. You have additional third parties. You need to understand what are the upstream downstream impacts of other providers within the flow for your customer. If you are using other people, what are their rightness and resilience? What are their response times? How are they bringing forward this is going to be a potential issue at this time? How are they being proactive, not reactive? Um, there's always a balance to be had, but that's what you should really be looking for is how are you going to ensure as a supplier my customers remain unimpacted.

It's really, you know, we're talking about this from an issue of process perspective. If you look at July this year in the UK, there was an outage. Some would argue against it depending on who you are, between Mastercard and Visa where some major brand retailers including Asda and Sainsburries couldn't process card payments for their customers. Now, when you look at it at a line of card payments weren't able to processed, okay, it's that, but actually that's someone buying food. I don't mean to be overdramatic, but you're impacting people on feeding their families, whatever it needs to be, but that's the downstream impact of something not working. And it could be a really simple technical glitch, a bug, a roll out that can be rolled back quickly. That's the level of um severity of impact that you need to be considering. So, you need providers who take this seriously and don't say yes to everything as in it's fine. We can do all of that. There's the classic blackbox implementation. we have this, it just works, it will be great.

You need to understand enough of the the solutions you're providing to your consumers to make sure you understand what people are bringing into your ecosystem and is that going to be positive or a negative in the next 6 10 12 or throughout the life cycle of the project or program. In terms of the saying yes to everything, I would say that um you I think that's kind of maybe oversimplifying because for me it's being open to say yes to everything. So you're not saying yes just yeah, we'll do anything. Um, but where you know you're open to saying yes to new things because you have that innovation mindset which I think is what Mikas what you were alluding to and and again again when you're picking a partner look at their track record speak about ask get get hold of their credentials like what have they done in the past have they had happy customers that have gone through a migration or gone through um a kind of a customer life cycle where they have asked for things to change or they've made change requests and you've been able to support them. So, you know, like 100% match correct. It's not possible for any provider to say yes to everything, but you will get those providers who they know what they're comfortable with and that might be not something that's going to help you with the change that you need for your business. And then there are other providers and I would input infuse in this bucket who are open to saying yes to anything as long as it's reasonable and we can make it work and it's compliant and it's safe. Um, and as to Matt's point, the downstream risk to the end user, the the card holder, the person who's buying those groceries, like that that food is, you know, is is managed the, you know, risk assessed and and and looked at. But it's about that innovation mindset and are you open to considering new new things?

>> Yeah. And I'd add and yeah, I I completely agree and it's a a key point is actually cultural alignment between organizations. you know, is there a good fit? It's not just the technical fit, it's the people fit. Is this a good culture that's going to be collaborative and complimentary to our organization or is it going to be again not challenging for the sake of challenging to to get to the right outcome, but challenging just because it's challenging?

>> 100%. That's so important. >> Right. So, we've looked at reasons to switch and we've unpacked some of the pain points. Let's dive into how to actually do the journey, right? Um, customizable process flows or a one-sizefits all tooling for migrating. How do you get it right for different types of customers? Matt, do you want to go first? >> Yeah. So, that's um it's really difficult and the reason I say that sounds like a really silly response. I think it's know where you play with your customers because if you're trying to be everything to everyone that is incredibly hard to be successful. So what are you doing? What are the services you're offering and making sure that you can configure accordingly to meet those journeys while also ensuring and it's back to the things we talked about. Have you got a solution that is actually flexible enough to enable you to offer additional value added services to the consumer. So one size tooling can can be quite challenging as in are we talking a piece of software or are we talking software that has multiple workflows within it that are easily you know configurable and can be switched on and off that enable you to add those additional services or in some cases behind the scenes services in you know increased fraud detection where AI obviously is really doing the rounds at the moment and being super excited and everyone's saying it's going to fix everything but are you able to plug in new techn technologies that that are mature enough to add value to your organization. So, you know, we experiment at the moment a lot with chat GPT um and aentic AI where it's persona based. So, it's it's it's augmenting a traditional persona and understanding the value of you is this a fraudulent transaction? Is this outside of a customer's normal usage, for example? So there are all of these pieces that that add value, but you need to make sure you're choosing the right ones at the right time.

>> Dan, based on your experience, what do you think is the secret ingredient to a successful migration? >> To me, there's immediately that come to mind are three three things. um they're not that exciting really because we know we've spoken a lot about innovation which sounds exciting but I think a successful migration isn't it's not a game and it's it's a serious thing so the way to make it successful in my view is planning no it's not exciting but it needs to be done and meticulous planning with someone who has a blueprint and knows how to do it and understands your business so that's the first one the second one is experience you you I think it's really important.

You need someone who's been there and done it before and they've got a track record because that that experience is almost in it's hard to quantify the value in that. But when someone knows that there's a pitfall, they're going to go around it whereas another provider might go straight through it and that's going to cause you headaches and cause you problems, cause you cost, cause you time. Um and it's going to actually make the migration not a fun experience. I mean they're not it's there's always going to be challenges during a migration but you want to work with someone who can make it as comfortable and as smooth as possible. And then the final thing for me when I've spoken to some of our clients it's the consultative support. So you know from infuses perspective when we work with a client through a migration to migrate their card program whether it's a issuer process or or or a bin sponsor often our client is not just buying services from us. there'll be other kind of pieces to the puzzle. They might need screening providers for PEP and sanctions or they might need a physical card manufacturer.

It's about having uh that consultative approach where we don't just focus on what we do but we help them build the jigsaw and put them in touch with the right partners so that it's really just makes the process much easier and I think so those three things planning experience and a consultative consultative support and approach. One of the notes I wrote down actually was um all in support of exactly as to what you were saying but also I've written down communication communication communication >> at all you know whether that's internal external with your clients at all points is ensuring that everyone is very very clear and as full understanding the articulation of what's happening when and why and what is the remediation to derisk around it because throughout a migration you also need we everyone wants the happy path but you also need to factor ing if this doesn't work for an unforeseen circumstance, whatever that is, how do we successfully back it out to a safe space in order to progress again in the future?

>> Okay, before I move to the Q&A and and final closing remarks, one tip to avoid churn when you're migrating. One >> one tip each. if you have something. >> So, there's a silence for a reason because one is hard to narrow down because it then almost, you know, means the others are >> I've got five or six things that come to mind there. I was trying to think what's the most important one. >> Yeah, exactly. Okay. So, if I had to make it one thing, it's understand why you're doing this because I feel everything else would flow from there.

I want to say then you can follow up on this but do you want to are you having future parity feature parity or are you launching are you migrating to then offer your end users uh a 2.0 service more features like Apple and Google Pay as well. I'm not going to let you speak then. We're going to go to the Q&A. But I think that's a smart thing >> smart way of doing the migration where you're actually offering your end users more from the product that they had before so that they are really keen on making the switch themselves especially if they have to be involved in one way or another. But uh we've got five minutes left. Let's go into the Q&A. I'm really happy to see u some interesting questions coming through. I'll start with the one I I feel like uh will will take a few minutes to respond to. So, how do I persuade the board of my company that migrating to a new provider is worth the time, the investment, and the risk?

Who wants to take this? >> I can I can jump in on this one. I know Matt will probably have have thoughts on it as well, but um whenever you're going to the board, you know, and you're proposing something new, they need to understand it. So, a very very high quality business case is going to be needed. Um and um it's about what you put in that business case to to sort of bring the board on the journey. Um, if you have existing challenges, particularly with an existing provider, then outlining these clearly, explaining the kind of like the time, the cost of the impact of of those challenges, uh, potentially any reputational impact that this could be having on you going forward and any historical as well. Um, particularly if you don't switch. So, if you stay, what's the damage that could that could be caused? Um, thinking about your future roadmap, product innovation you're going to do in the future, uh, is your existing provider really up to the task of innovating and helping you deliver the the product changes that you need over the next I don't know two, three, five years. If the answer to that is no, then you then you need to make that very clear to the board in this business case because that is going to be pivotal in terms of delivery of of your future objectives. Um, I would also say just getting references from your from this proposed partner that you might consider switching to, sharing those with the board, giving them comfort because the board will naturally be, you know, nervous, you know, beforehand. So, it's about getting uncomfortable and then work to quantify the upside because I've spoken about all the the negatives, you know, what's the problem if we don't switch and what's the risk and what's the impact, the reputational damage, but also quantify the upside to them. Tell them tell them why this switch is going to be positive. Think about that whether that's a cost perspective what great things you'll be able to do with your product what enhancements you can make and and I just finalized that wrap that up by saying if you are thinking of working with a new partner that partner should be help should be able to help you articulate that business case so you're not doing you shouldn't be doing this on your own but speak to your partner they will help you build that business case >> I'm going to uh give you 30 seconds Matt for then this is going to be tricky but there's another question that's similar to this. Um, you look at look at all the pain points that we highlighted today.

Name a few pain points that could actually become a reason or or or that you would look at to decide whether you should switch or not. So I think the the most common pain point in truth is a lot of these systems that are currently um being used in production are ancient in fair you know and the the availability of people and groups that understand them and can maintain them let alone help them evolve is dwindling and becoming more and more expensive. I think that that's the the first one. Um there's obviously also how does your supplier software whatever however you want to phrase it materialize with your group business case what's the vision of the organization what's the direction of travel um if you you comes back to to Dan's point about the board conversation if this doesn't if your migration your your desire to change to to a newer technology doesn't fit in with the business goals of the organization then that's going to be a real struggle to sell it. Ultimately, it should be the the reasons why we're going to do this is it enables us as an organization to continue and grow and thrive across the next 10, 15, 20 years. But then it also enables us to exceed regulatory requirements, react to regulatory requirements easily, wow our customers with a value added services on top of that at a minimal cost. if you know because these are commercial organizations. If you can articulate that succinctly to the board, this is a bit of a no-brainer. But also, you to the question online, um it comes back to the why are you doing this? If the why really is we just want something new and shiny, it that's not a reason.

>> Thank you so much guys. We're out of time. Uh Matt and Dan, extremely insightful conversation. This is not a simple topics. So we could probably speak for it about it for hours. Lucky for our listeners, this is a webinar series. We're going to continue speaking about migration. Uh and the next part is one where we'll explore recarding versus data migration and how you can go on a smooth well planned journey together with your new provider.

The next webinar series will be live in February. So, click on option A in this poll right now if you want to pre-register for it. Uh, that's all for us this time around. Enjoy the rest of your day and have a fantastic end of the year everyone. Thank you, Matt and Dan. >> Thank you very much. >> Thank you.