



## **MODERNIZING RECEIVABLES IN GOVERNMENT**

Oregon Association of County Treasurers and Finance Officers | Annual Conference | September 18, 2023

**J.P.Morgan**

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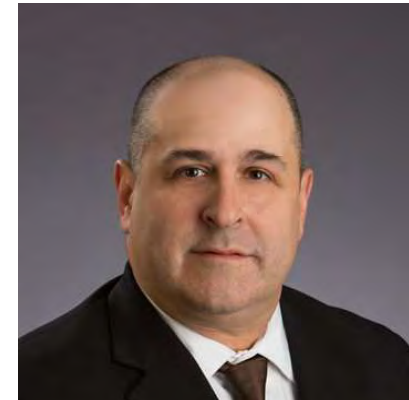
## Speaker

Jeremy Appel provides client-centric solutions and subject matter expertise across J.P. Morgan's portfolio of Receivables products. He assists clients in identifying opportunities to optimize their working capital, gain operating efficiencies, mitigate risk and achieve other objectives related to payment collection, integration, reporting and reconciliation.

Jeremy has also served the bank in a variety of other roles including product solutions delivery, implementation project management, and product management supporting an array of products and segments, and he has particular depth in electronic payments and government.

Prior to joining J.P. Morgan in 2006, Jeremy held various sales, marketing, consulting and product management roles across card, network, mobile and security industries.

Jeremy has a Bachelor of Arts degree from the University of Wisconsin, Madison in Sociology and Philosophy, as well as a Masters of Business Administration in Marketing and International Business from DePaul University's Kellstadt Graduate School of business.



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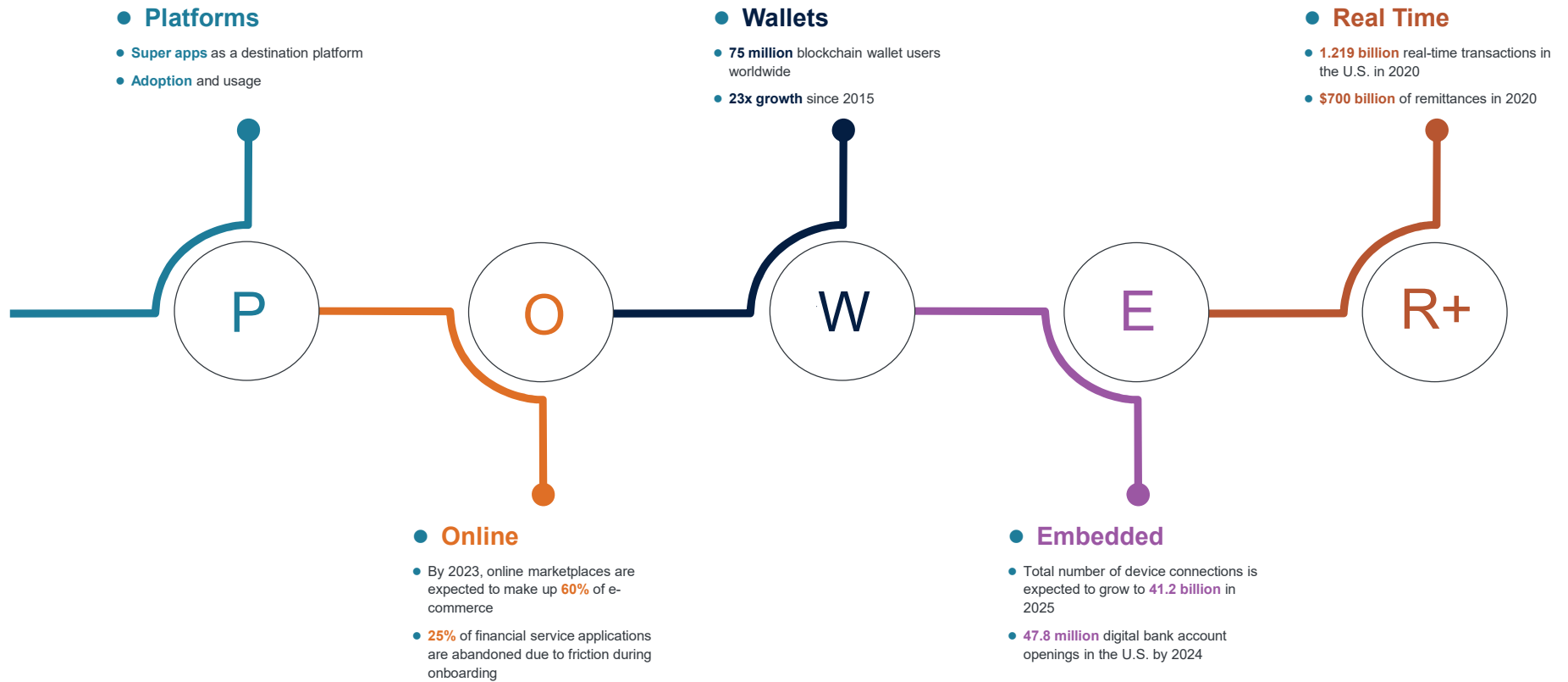
# Technology, specifically mobile and cloud, transformed how constituents consume content and data

## Global Figures of Internet Usage



Source: Measuring digital development: Facts and figures (2021). ITU  
Payments are eating THE WORLD (2021)

# Payments are eating the world – POWER+ Framework



Source: Payments are eating THE WORLD (2021)

## Top trends shaping the future of digital receivables across industries



### ● Data

•“The world is now awash in data and we can see consumers in a lot clearer ways” - Max Levchin, PayPal co-founder

•Data is critical in providing customer tendencies, cash flow positioning, and potential risk offering insights to make educated business decisions

### ● Digital

•People and businesses continue to move to digital invoicing allowing for faster receipt of payment

•According to J.D. Power, the ‘Billing and Payment’ experience drives up to 58% of total customer satisfaction scores

### ● Automation

•Optimizing invoicing and payments processes with automation streamlines payment transactions and increases accuracy while decreasing costs

•Companies can reduce cost by 85% moving digital compared to paper invoicing

### ● Emerging Payments

•Payment methods continue to evolve as more and more consumers lean into utilizing Digital wallets

•Global digital wallet adoption rate is expected to reach 75% by 2025

● surpassing credit cards as most used payment method in 2025

### ● Fraud Protection

•As payments move digital, fraud protection is highlighted as a top receivables focus

•Capturing sensitive data ensuring PCI Compliance and NACHA Guidelines on account validation services is at the forefront heading into 2022

•Emergence of validation steps on web debits as a requirement

Meanwhile, Government entities are elevating digital transformation as a top priority

### Board of Directors

**69%** Accelerated digital business initiatives after COVID



### Executives

**79%** Increased budgets for digital transformation



### Treasury & Payments





**64%** Will accelerate digital transformation after COVID



Digital transformation in organizations have been estimated to accelerate by 6 years<sup>4</sup>

Source: 1. Gartner 2020; 2. Twilio via Forbes 2020; 3. JPM Proprietary Survey 2020; 4. Overall estimate of enterprise' digital transformation – Twilio via Forbes 2020 ([link](#))

What is driving digital adoption... Both payers and billers are motivated to go digital

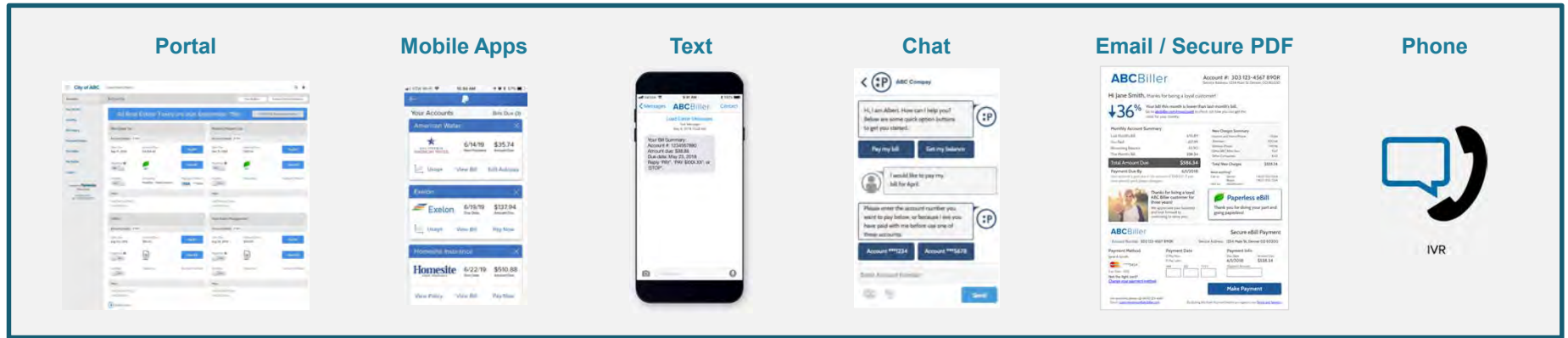
Benefit	Payers	Billers
 <p><b>Payment Speed</b></p>	<p>Digital tools <b>reduce time in making payments</b> by increasing convenience and access</p>	<p><b>Decreasing Days Sales Outstanding</b>, because moving digital gets you paid faster</p>
 <p><b>Security</b></p>	<p>High confidence that <b>payment information will be guarded</b> and delivered successfully</p>	<p><b>Decrease risk of fraud</b> and <b>achieve PCI Compliance</b> with less effort</p>
 <p><b>Engagement</b></p>	<p><b>Provide payer choice with an easy-to-use interface</b> including multiple payment methods and channels</p>	<p>Digital interaction with payers <b>improves client and constituent experience</b></p>
 <p><b>Data Access</b></p>	<p>Digital tools enable payers to <b>stay informed on end-to-end payment status</b></p>	<p><b>Drive business decisions</b> with access to <b>payment data insights</b></p>

# What is omnichannel versus multichannel and why should you care?

How many different interaction channels are used to interact with billers each year?

Average consumer: at least 2

Average millennial: 4



**A unified, omnichannel platform provides your business...**

- ✓ **Full visibility** into all interactions / transactions in a single dashboard
- ✓ **Simplified reconciliation** regardless of channel and payment method
- ✓ **Streamlined and intuitive experiences** for constituents with minimal data entry

Source: BlueFlame, Aite Group



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## Poll Question

**What are your biggest challenges dealing with government payments being received?**

- 1 Difficulty getting away from paper
- 2 Lack of visibility into payments
- 3 Low security – fraud issues
- 4 Poor communication & engagement with constituents
- 5 Lack of customizable features

# Take your constituent payments to the next level

## YOUR OPPORTUNITY

### Constituents want:

- The ability to pay in one of their preferred methods
- A seamless digital experience
- Direct communication for key reminders
- An innovative receivables solutions

### Government entities need:

- Accelerated revenue realization
- Reduced costs to serve constituents
- Real-time payment insights on customer behaviors
- World-class payments security from a partner you trust

## THE SOLUTION: ENGAGE IN A DIGITAL TRANSFORMATION OF YOUR RECEIVABLES PROCESS



### Free Up Cash

receive and process receivables faster



### Minimize Total Cost of Ownership

reduce the overall cost of deploying, maintaining and upgrading EBPP platform



### Improve the Customer Experience

enable customers to receive and pay bills in a preferred method



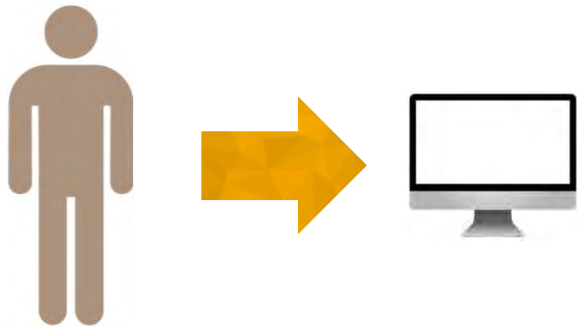
### Ability to pivot your business in real-time

with visibility into payment data driven insights



A platform helping Government meet constituents where they are

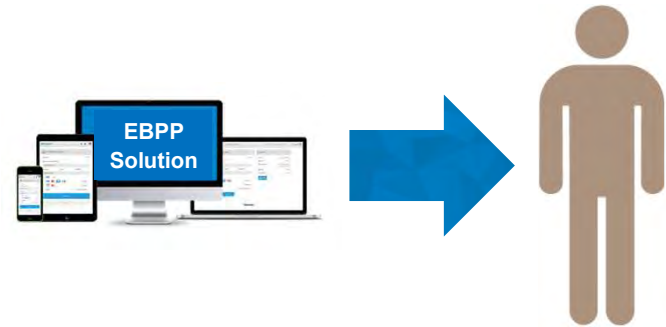
**Legacy Providers / Single Channel Solutions**



The Constituent is burdened with a disjointed service and limited functionality.

VS.

**Modern providers**



The Platform is delivered to the Constituent with access to extensive functionality.

**You make communication, bill viewing, and payment submission easier by bringing capabilities to the constituent doorstep.**

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Poll Question

**Which feature functionalities resonate most for your government payment needs?**

- 1 Data intelligence and simplified reconciliation
- 2 Offering a variety of payment methods
- 3 Omnichannel bill presentment
- 4 Communication management
- 5 Customizable platform

## Drive more value for your constituents

Goal: a **smart, agile** and **easy-to-use** omnichannel solution with endless possibilities

### Get paid faster with more satisfaction when you make it easy for your constituents to pay



#### Pay quickly

Easily view and perform one-time bill payment—no registration required



#### Pay automatically

Pay instantly with autopay. Simply set the date and we'll handle the rest



#### Pay on-the-go

Review balances and make payments in just a few clicks



#### Pay electronically

Go paperless with convenient eBilling options



#### Pay by email

Enjoy a convenient and interactive payment experience with bills emailed directly through a secure PDF



#### Pay by Interactive Voice Recognition (IVR)

Let us take care of balance and payment inquiries

### Help them stay connected

**Mobile versatility** allows them to connect in-browser with mobile Web or through our mobile App

**Fully integrated portal** enhances the user experience end-to-end

**Timely notifications beyond payments** keep your constituents informed via text, email or phone

# A Comprehensive Solution

Giving you the complete picture—all while satisfying your customers

## TRADITIONAL PAYMENT METHODS



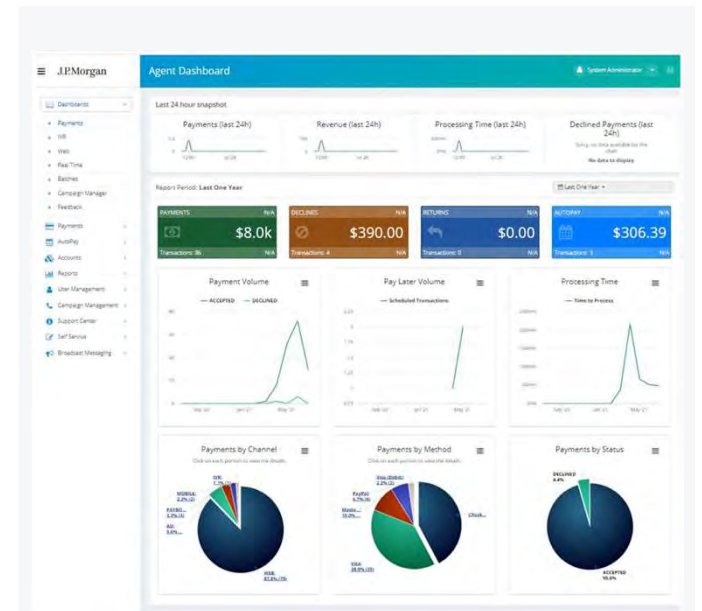
## EMERGING PAYMENT METHODS



## PAYMENT CHANNELS

 One-Time & Registered User Web Portal	 Responsive Web, Mobile First Technology	 IVR	 Text to pay
 Auto Pay & Recurring Payments	 Secure Service & Agent Assisted	 Scan to Pay In-store <sup>®</sup>	 Kiosk
 E-billing & Paper Suppression	 Bill & Invoicing Images	 Bill Print	 Advanced Notifications & Bill Delivery
 Paypal app	 Point of sale	 NACHA Account Validation	 Chat bot

## BUSINESS INTELLIGENCE & ANALYTICS



Agent Dashboard portal provides payment visibility with simplified reporting and reconciliation.

Amazon Pay only offered to Utilities at this time; <sup>®</sup> Pay in store at select Walmart, Walgreens, CVS locations.

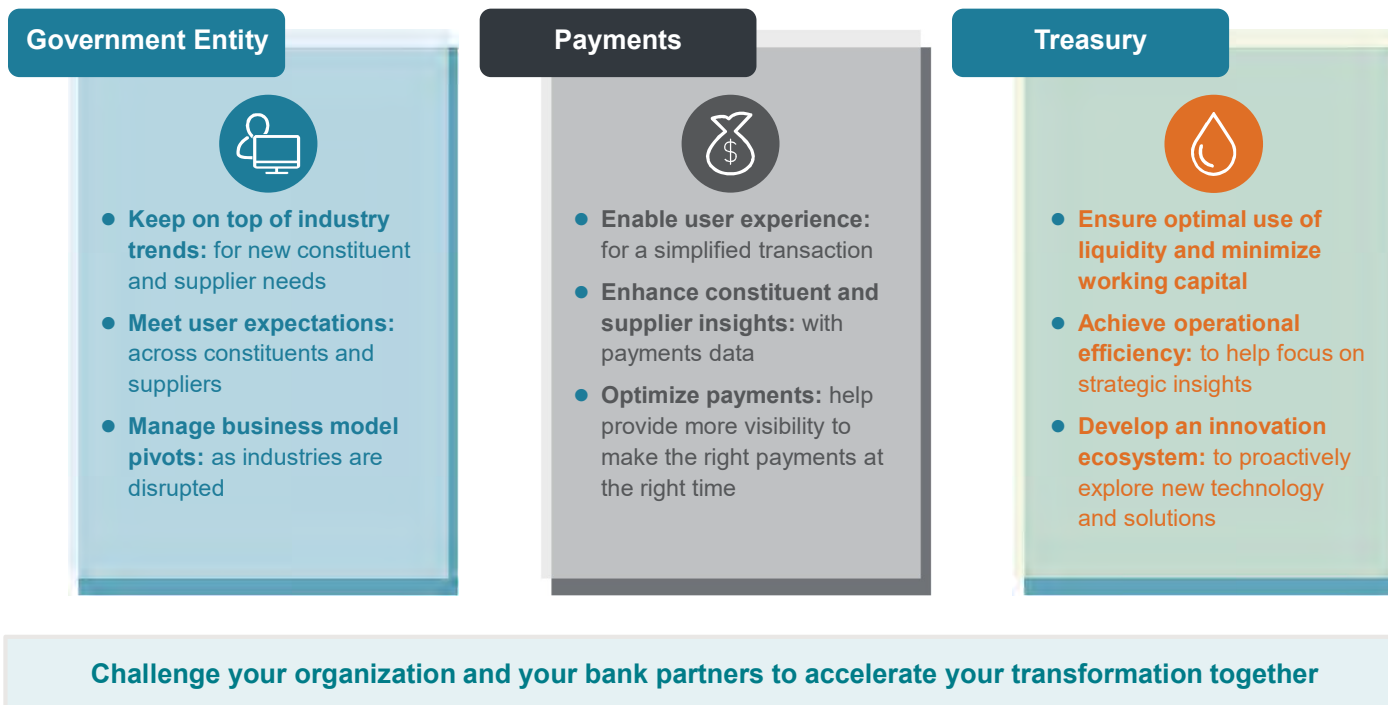
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Poll Question

**What percentage of your government payments are digital today?**

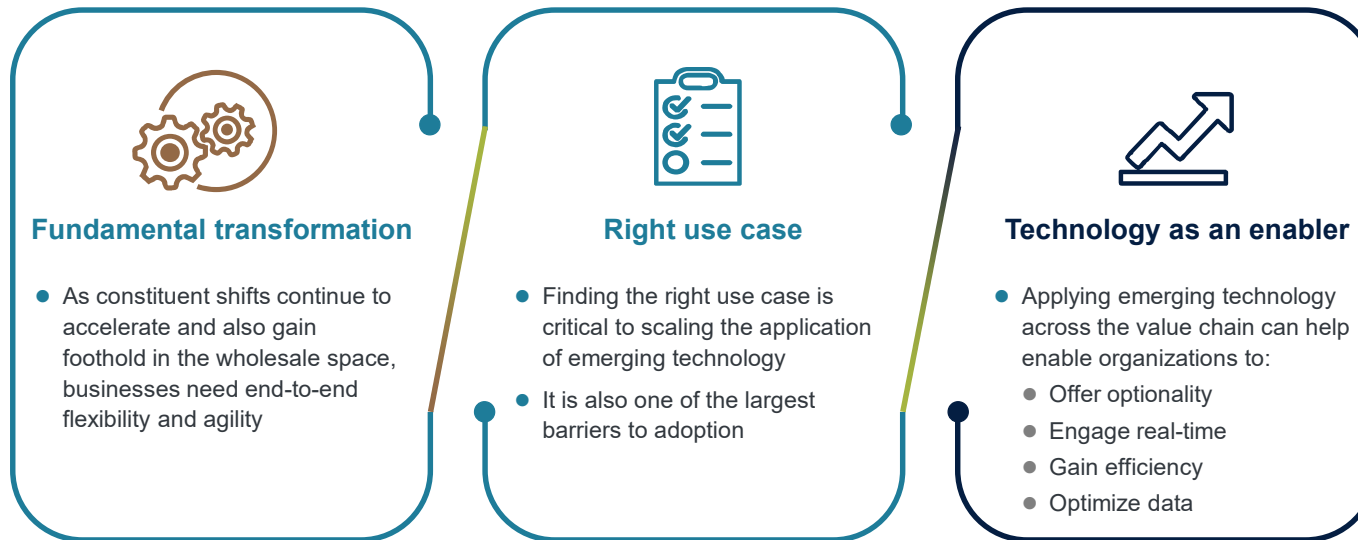
- 1** Less than 25%
- 2** 25-50%
- 3** 50-75%
- 4** Over 75%

End-to-end digital transformation is critical to address the needs across the organization





When applied to the right use cases, technology can be a critical enabler for transformation



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Flexibility, agility, and efficiency enabled by technology will be the keys to success

- 1 | On-demand engagement**
  - **Constant connectivity** allowing constituents and suppliers to engage whenever
- 2 | Real-time experience**
  - **End-to-end real-time infrastructure** to support real-time payments, visibility, and experience across your organization
- 3 | Optionality and choice**
  - **Payment, capability, and connectivity optionality** as constituent demands gain traction in wholesale
- 4 | Data-driven insights**
  - **Data visibility and usage of data for value-add** to optimize operations and to enhance insights
- 5 | Technology as an enabler**
  - **Find the right use cases** to scale emerging technology and enable change across your organization

# Government agency simplifies vendor bill payments with agency-wide Digital Bill Payment (DBP)

## Case Study

### Situation



Government Agency seeks to:

- Eliminate **multi-vendor hassles**
- **Modernize** payment process via **digital payments**
- Implement a new EBPP solution

### Challenges



- Various department-specific platforms increase **difficulty to track & reconcile payments**
- **Limited payment options** increases delay in payment process & result in non-payments
- **High compliance costs** for controls and security

### Solution



Agency adopts unified solution via DBP:

- Fully hosted **omni-channel payments** via web, IVR, kiosk and mobile with several payment options
- **Integrated payment reminders and auto-pay** via text
- Ensures high level of payment security & compliance being **Level 1 PCI Compliant**
- Staff portal dashboard produces all-in-one **real-time KPIs & reconciliation reports**

### Results



- **Increased staff time savings** due to decrease of processing payments by hand
- **Reduced in-person traffic**, which **increased efficiency** for both the agency and the citizen

*"DBP went above and beyond our utility collection needs. We've added everything from parks and recreation fees to dog permits. We collect payments faster, and our customer experience couldn't be better."*

– Large North American

### Government agency implements a single-vendor payment solution that's scalable with DBP solution

1

Agency adopts DBP solution to solve for multi-vendor management hassles

2

Citizens pay multiple bills at once (parking tickets, dog permits, etc.) all on DBP platform

3

Citizens save digital payment information and opt to go paperless

4

Government Agency has a central view of all ePayments across all departments in Staff Portal

### Client Benefits



Enhanced Payment Certainty & Timeliness



Reduced Operational Expenses



Increased Online, Self-Service Payments



Decreased Reconciliation Burden



Increased Range of Payments on Single Platform



Decreased Security & Compliance Burden

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