



WHITE PAPER

Global Trends in Wholesale Banking Technology

Shaping the Future of Payments

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Key Messages

- **Customer payments expectations are rising fast.**
- **Amid intense competition, banks should supercharge the customer experience.**
- **Transformation requires both a strategic shift and modern data and IT architecture.**
- **The success stories of the future will be built on nimble, scalable solutions.**

In an era of intense competition, banks can no longer rely on static legacy payments structures. Instead, they need disruptive segment-focused approaches that reflect their unique advantages.

A Fast-evolving Playing Field

Global payments revenues reached \$1.5 trillion in 2021 and are predicted to rise by at least 8% a year through 2026. However, the market is evolving fast, amid rising customer expectations, proliferating electronic payments, fearsome competition, and demanding regulatory frameworks. Table stakes for CFOs and Treasurers is to provide customers with full cash flow transparency, predictive intelligence, and a convenient and secure experience.

With non-banks taking the lead in areas such as payments integration with accounts receivable/payable management and sector-focused vertical solutions, banks need to leverage their inherent strengths and adopt an innovation mindset to create customer-focused solutions. To get there, they need to redesign core journeys and streamline channel offerings, creating experiences tailored to clients' business and working capital dynamics.

How to Win

An enlightened channel and payments strategy is predicated on the ability to identify customer moments of truth. In one recent engagement, we identified 16 such moments through the customer journey, including logging on, identifying supporting documentation, submitting and tracking payments, viewing the current financial positions, and forecasting.

To support customers at key moments, leading banks are developing solutions that hand them control—for example through next-generation dashboards that offer real-time insights into transactions and balances, as well as clever analytics focusing on metrics such as exposure, liquidity, and costs. These are backed by reimagined data and IT architectures that reflect agile principles and reduce the total cost of ownership. In addition, forward looking banks are creating nimble, scalable platforms that enable operations across borders and ecosystems.

Next Steps

To build next generation platforms, banks should leverage four key pillars:

1. Focus intently on the customer business and working capital cycle.
2. Solve for transparency with prioritized, easy-to-navigate information for Treasurers.
3. Develop client-specific propositions that reflect daily business needs and strategic priorities.
4. Determine which capabilities have gaps and develop a data-oriented architecture to solve.

Through these four foundational approaches banks can once more regain the payments crown.

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