Introduction
Introduction

- Eight years in electronic payments and document delivery industry
- Analyst, Implementation, and Sales
- Manager, Regional Sales at KUBRA
- Based in Milwaukee, WI
- UW-La Crosse Alumni

Agenda

- What is Electronic Presentment and Payment
- Market Trends
- How EPP Works
- Cash Management
- Review
What is Electronic Bill Presentment and Payment?

“So business as usual.”
Electronic Presentment and Payment Is...

• A process that enables bills to be created, delivered, and paid over the internet.
• A service expected by customers to be available and user friendly.
• A puzzling collection of payment channels, access points, and distribution networks.
If the Titanic Sank Today
People Have Changed:
Internet Connectivity: 1995 – 2014; 9% to 84% of population

People Have Changed:
Mobile Phone Users: 1995 – 2014; 1% to 73% Population Penetration
Usage Has Changed
Desktop Access vs. Mobile Access

People Have Changed:
Millennials Now Largest Generation in Workforce
People Have Changed: Consumers Want What They Want – When They Want It

Web Design Has Changed: New Concepts Have Made a Difference

**Google Search**
Hide Complexity behind a simple door

**Instagram**
Remove choice to make things simpler

**Tinder**
Iconic gesture for choosing a selection
Customer Preferences Have Changed:
U.S. Postal Service Delivery History

USPS OIG: Will the Check Be in the Mail?
Examination of Paper and Electronic Transactional Mail

- USPS explored customer preferences for receiving and paying bills
- Analysis of three months of customer billing from large utility
- Interviews with key stakeholders in the customer communications market
How Will We Change?

• Customers continue to prefer receiving bills by mail, but show a willingness to pay their bills electronically.

• While companies look to minimize bill delivery and payment costs, they cannot ignore customer preferences, as customer satisfaction is a top priority.

• Offering a variety of bill delivery and payment options can lead to higher customer satisfaction and reduced costs.
Omni-Channel Electronic Billing

- Mobile
- Biller Direct Portal
- Secure Email Delivery
- Bill Consolidator Networks
- Responsive Web
  - Text Message
  - iOS App
  - Android App
- Document History
  - Payment History
  - Payment Alert Mgmt
- PDF Attachment
  - Open in Email
  - View and Pay
- Bank Network
  - Google

Omni-Channel Electronic Payments

- Digital Payments
- Two-Way SMS
- Voice-based Payments
- In-Person Payments
- Web Mobile
- Bill Reminders Payment
- Call Center Automated IVR
- Kiosk Point of Sale
How EPP Works

- Billing Data Provided
- Access Channels Configured
- Customers Complete Interaction
- Data Delivered Back
Scope and Approach:

Primary Drivers for Consideration of EPP

- Providing better service: 93%
- Potential cost savings: 84%
- Potential increased eBill Adoption: 76%
- Customer Acceptance/Adoption: 51%
- Wave of the future: 31%
- Reaching out to new customers: 22%
- Matching Tablestakes: 13%
- Other: 2%

N = 49 Utility Companies

Scope and Approach: Internal Review and Process

1. Analysis of Current Process and Cost
2. Define Requirements/Cost for In-house or Outsource
3. Develop and Issue RFP for Outsourced Solution
4. Evaluate Outsource Proposals and In-house Costs
5. Recommend and Implement Chosen Solution

Scope and Approach: Omni Channel Solution

- **Analyze Delivery Channels**
  - Web
  - Mobile
  - Email / Consolidators

- **Develop Mobile Strategy**
  - Responsive Web
  - Mobile App
  - Text Message

- **Enable Preferences and Alerts**
  - Mobile (SMS and Push)
  - Email
  - Phone

- **Accept All Payment Types**
  - ACH
  - Credit / Debit
  - ATM
Scope and Approach: Mobile-First

- Mobile is Changing Everything - Including Billing and Payment
- Consumers will expect simple, elegant, consistent user experiences
- Due to complexity and rapid change consider outsourcing
- Promote alerts and upsell e-bill and advanced features via the web and social media

Scope and Approach: Work to Achieve the Full Potential

- Understanding that mobile is distinct and important
- Evolve services from standalone point solution to a single customer destination
- Monitor and evaluate to gain insights into consumer behavior
- Instill user confidence in the security of both the mobile device and the transaction
- Enable a user friendly approach for customer opt-in
Scope and Approach: Work to Achieve the Full Potential

• It’s Complementary
  • Providers are designing the service to deliver a superior consumer experience, while also creating branding opportunities and a portal to assist with engagement

• Understand internal objectives
  • Establish a dialogue with all key stakeholders to understand what each constituent expects to gain from EPP

• Consider Outsourcing
  • Outsourcing service bureaus can be the channel integrators, and will allow for easy integration of the digital channels and other delivery methods
Cash Management: Paper and Electronic Costs - Per Customer

- Postage and Paper costs main drivers behind billing costs
- Electronic Channels provide lower cost and great cost savings

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Cash Management: Paper and Electronic Costs - Annual

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KUBRA
Cash Management: Internal Costs

• Customer Payments
  • Mailing Delays
  • Customer Alerts and Collections
  • Delinquent Payments
• Manual Processing
  • Call Center Phone Calls
  • Check Acceptance and Posting
• Reporting
  • Disparate view of multiple payment channels

Cash Management: EPP Benefits

• EPP Improves DSO and Reduces Mailing Costs
  • Electronic payment customers more likely to pay bills on time
  • Eliminates Postage, Print fees, and Mailing Delays
• EPP provides greater customer satisfaction
  • Customers receive bills faster and pay on their channel of choice
Conclusions

• Electronic Adoption will continue with incremental and steady increases
• Achieve cost savings, increase customer satisfaction, and environmental benefits with informed roll out
• Omni-Channel, Mobile-First, and Millennials need to be considered for success

Key Takeaways
Recommendations

• Physical mail will continue to be a primary delivery channel:
  • While transactional print is in decline, it should not be dismissed. Ensure that the channel is being optimized to promote electronic adoption

• Paperless delivery expectations continue to increase:
  • Expectations for customer adoption steadily increases incrementally.

• Expand and optimize delivery and payment channels:
  • Customers want their providers to offer more ways to interact with their communications; however, they are also craving better alternatives, which requires a commitment to each channel.

Q & A
Thank You

Nathan Wiech
O: 262 293 3705
M: 414 255 5351
E: nathan.Wiech@kubra.com