

**FLAVORS  
OF FAST  
2020**



# **THE FUTURE OF PAYMENTS IS REAL TIME AND IT'S ALREADY ARRIVED.**

---

Insights by Raja Gopalakrishnan  
FIS' executive vice president, global real-time payments

**This year marks the release of FIS' seventh annual edition of Flavors of Fast, our global real-time payment trends report. While there are now 56 countries with live faster payments schemes, compared to the 14 live faster payments schemes that existed when we first produced Flavors of Fast in 2014, real-time payments are still a relatively new payments mechanism. Yet, I predict that 2020 marks the year where real-time payment platforms definitively become the future of payments, based on the security, finality, speed, cost-efficiency, data richness and added value they offer. Here are four reasons the future of payments is real time – and why it's already arrived.**

## **Digital payments acceleration isn't a passing trend.**

There has been a seismic shift in consumer and business behaviour during the pandemic that has accelerated the pace of digital adoption by many years. Payment participants must now contend with two key imperatives: How to modernize legacy infrastructure for the long term, and leverage software as a service (and similar modernized platforms) in the short and medium term, to keep pace with continued changes in digital payments.

**Those that do will be positioned to seize these three key opportunities:**

- 1. Creation of new revenue sources through open payments and real-time banking – a key driver for any payment provider looking for growth**
- 2. Lowered costs associated with servicing customers, by way of a move to modern, nimble and agile platforms**
- 3. Lowered costs and increased efficiency resulting from the use of bots artificial intelligence**

## **Money talks and real time delivers.**

There tends to be a misnomer that real-time payments are just about speed. Compared to other payment mechanisms, for example, real-time payments cost a consumer next to nothing to use and offer the control, convenience and transparency that puts them in the financial driver's seat. For payment providers who bring the business cases forward, real-time payments offer an opportunity to make money from the whole ecosystem in the form of richer data and services. For business and corporate participants, real time enables liquidity to be increased. Real-time payments don't mean a supplier has to be paid faster. It means payment to that supplier can wait until the very last moment, for efficient and strategic liquidity management.

## **Data is its own currency**

The data richness that results from standardization like ISO 20022 compared to the old card networks is akin to the smart phones most of us rely on today, versus the heavy phones of decades back. Fast, efficient, modern and flexible payment processing systems are less expensive than most legacy systems and include enhanced data-carrying capabilities that provide a means to use rich data to add real value in the form of enhanced customer experience, and automated tasks, like reconciliation. Data has already become a currency all its own, and it's the bedrock of the future state of payments.

## The new value chain is partnership

The definition of payments has expanded dramatically and is now a large value chain that includes origination, clearing and settlement, overlay services and industry-specific services. Consider all the players involved for a business to pay a supplier, as one example: The process begins with the ERP system and a specialized treasury system. That value chain of two players expands to those involved in payment execution: risk and fraud management, AML screening, clearing and settlement. In addition to those players, the overlay services like data, supply chain financing and receivables financing may enter. Now, there is a value chain involving seven or eight players who all do a slither. Previously, the customer had a contract with each of them. Because of this expanded value chain and need for interoperability, there is considerable movement in the industry to one platform, and one partner to connect with to facilitate those moving parts, via a seamless integration of technology through messaging standards and increasingly, cloud technology.

Payment partnerships will flourish in a contradictory ecosystem; there will be collaboration in some markets, revenue-sharing in others and competition in others. A platform can be multiple players in an ecosystem that includes real-time payments, straight-through processing, artificial intelligence and gamification to build a real-time process; it no longer needs to be tightly coupled. These are the kind of things we at FIS consider as we create an innovative, global SaaS platform using a “network-of-networks” approach that will further fuel real time.

## The takeaway: Make real-time payments the priority

I predict we'll see real-time payments become a much more aggressive global standard over the next few years, along with steady migration over to real time within the next decade. The continued adoption and evolution of real-time capabilities all over the world signals that real time is no longer a “nice to have” or an afterthought; it must be a priority. Those payment providers who embrace this truth will realize more value, efficiency, competitive advantage.

## Why partner with FIS for real-time payments?

FIS is a global leader in advanced payments solutions and has been directly involved in the deployment of faster payments schemes around the globe for many years.

We are strategically committed to actively expanding the role we play in enabling consumers, businesses and banks to move money in real time.

## LET'S ADVANCE THE FUTURE TOGETHER.

Download your copy of **FIS' Flavors of Fast 2020** report today for more exclusive insights and industry insider commentary on the global real-time payment trends that are driving money movement now, and into the future.

# About FIS

FIS is a leading provider of technology solutions for merchants, banks and capital markets firms globally. Our more than 55,000 people are dedicated to advancing the way the world pays, banks and invests by applying our scale, deep expertise and data-driven insights. We help our clients use technology in innovative ways to solve business-critical challenges and deliver superior experiences for their customers. Headquartered in Jacksonville, Florida, FIS is a Fortune 500® company and is a member of Standard & Poor's 500® Index.

For more information about FIS, visit [www.fisglobal.com](https://www.fisglobal.com).



**ADVANCING THE WAY THE WORLD  
PAYS, BANKS AND INVESTS™**



[fisglobal.com](https://www.fisglobal.com)



[twitter.com/fisglobal](https://twitter.com/fisglobal)



[getinfo@fisglobal.com](mailto:getinfo@fisglobal.com)



[linkedin.com/company/fis](https://linkedin.com/company/fis)

©2020 FIS

FIS and the FIS logo are trademarks or registered trademarks of FIS or its subsidiaries in the U.S. and/or other countries. Other parties' marks are the property of their respective owners. 1028400