

# future-ready payments are fun

## Dennis Jones

Senior Marketing Manager, Jack Henry

During a recent hotel check-in, I witnessed an entertaining exchange between a boomer guest and a Gen Z front desk clerk. As the check-in progressed, the boomer produced a checkbook to pay for her stay. It was obvious this was a first-time experience for the fresh-faced Gen Zer.

A hotel manager was quickly on the scene and after a patient explanation about potential room charges and incidentals, and not knowing the total bill amount until checkout, the guest reluctantly produced a payment card. I can't remember the last time I saw someone pay – or attempt to pay – with a check.

There are very few transactions and interactions that haven't been reinvented by technology, including how we pay for things. It's no longer about making payments on time to avoid late fees and protect credit scores. Thanks to technology, today it's about making payments that are:

- **Fast** – We expect payments that move money in the exact moment of need, expedite funds availability, and improve cash flow.
- **Secure** – We expect to be protected from the ingenious and constantly evolving schemes that are impacting every payment channel.
- **Simple, Seamless, and Frictionless** – We expect a modern payment experience that lets us intuitively move money to anyone at any time using any device. The payment experience is what translates into user adoption, satisfaction, and retention and is evolving to be the primary competitive differentiator for payment solutions.



# innovators make their mark

Fintechs and big techs are doing a great job meeting these expectations with solutions that are no longer “alternative.” Many of their solutions have become household names – Venmo, PayPal, Square, Apple Pay, Samsung Pay, Google Pay, Stripe, and others. And these innovators aren’t done. They’re working hard to reinvent other channels like business and income payments and point-of-sale. And they are ready to further disenfranchise banks and credit unions by offering traditional financial services like deposits, loans, and cards. It’s a hard, cold reality that many fintechs and big techs want to be the primary provider of financial services, and they have the strategies, technologies, and brand equity and loyalty to make it happen.

We also can’t ignore the sweeping impact of Banking-as-a-Service (BaaS), which further threatens traditional banking since virtually any company in any industry can embed financial services into its customer experience.

With the success of fintechs and big techs and with Payments-as-a-Service (PaaS) being the most popular service in embedded finance, if banks and credit unions are going to remain relevant they need offensive payments strategies and modern platforms that can process fast, secure, frictionless payments. But no financial institution has the vision, expertise, time, or budget to build and maintain its own payments platform, so selecting a compatible, capable provider is the first critical step. And you need clear expectations for that relationship:

- **Technology- and Expertise-Rich** – It’s mission-critical to leverage proven technology backed by channel-specific experts.
- **Service-Driven, High Touch** – The service levels your provider offers dictate the service levels you ultimately provide.
- **Future-Ready** – Channel technologies are evolving and advancing at an unprecedented rate, so your payment provider needs a demonstrable and perpetual plan and the supporting financial commitment to keep its solutions future-ready.



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## use your imagination

Feature-rich technology and a fundamental commitment to service are relatively easy to determine with RFPs, demos, and references. But future-ready can be more subjective and illusive. Sometimes it's difficult to determine if an innovation is just a shiny new object or a practical solution for a legitimate market-driven need. But the focus on future-ready is extremely important – and it's what ultimately led the industry to remote deposit capture, digital and real-time payments, EMV and contactless and contact-free cards, digital issuance, QR code and NFC payments, and apps that deliver financial services to the palm of the hand.

Jack Henry™ is committed to providing future-ready solutions, and our Payments Strategy Group is narrowly focused on what's next. This future-ready thinking is fun since it's the chance to do a little crystal-balling about what's coming to a wallet – digital or otherwise – near you. Will it be:

- **Biometric Cards** – Imagine storing your fingerprints on a credit/debit card and placing your finger on the card sensor during a transaction. The card senses if the scanned fingerprint is the same as the one stored on the card and approves or declines the transaction based on the biometric match. Biometrics would enable secure, ambient point-of-sale payments.
- **No More Point-of-Sale** – Imagine eliminating POS – the devices, expenses, and processes – with buyer-to-business payments emerging as another use case for real-time payments.
- **RFID (Radio Frequency Identification) Cards** – Imagine chips the size of a grain of rice embedded in key fobs and wearables like rings, bracelets, and watchbands and using these chips to make convenience-driven payments without cards or mobile devices.
- **Selfie Payments** – Imagine leveraging facial recognition technology to authenticate mobile payments with a selfie.



The perpetual focus on future-ready is what separates an innovative, growth-enabling payments provider from an ordinary payments vendor.

- **Universal Cards** – Imagine a single card that consolidates all debit and credit cards regardless of issuer and uses a supporting app to authenticate the cardholder, who then selects a specific card for each purchase. Imagine that card also having the option to immediately finance big-ticket purchases with buyer-defined payment amounts and dates.
- **Next-Generation Income Payments** – Imagine end-of-shift pay with real-time push-to-debit or low-cost advances on earned pay.

## an exciting future in payments

It's undeniable: selfie or watchband payments are just fun.

Imagine if a hotel didn't embrace reinvention. Imagine having to call a hotel to make a reservation. Imagine no Wi-Fi. Imagine needing an actual key to enter your room.

Imagine if your financial institution doesn't embrace ongoing reinvention. The products and services you provide are vital to the financial health of the people, businesses, and communities you serve. With payments being the most common money moments and a fundamental component of financial management and health, every bank and credit union must continually focus on the business strategy and technology that will keep their channels relevant, competitive, and able to meet today's expectations for a payment experience.

We believe the focus on future-ready is what separates an innovative, growth-enabling payments provider from an ordinary payments vendor. Our Payments Strategy Group, which includes channel experts and payments strategists, was established to ensure Jack Henry's payments solutions are in the steady state of future-ready. Join us for the quarterly [Jack Henry Meetup – Payments](#) to learn more about the group's near- and long-term strategic thinking.



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## create limitless possibilities

[Learn more](#) about our future-ready payment solutions.

For more information about Jack Henry, visit [jackhenry.com](https://jackhenry.com).