



Business Payments Coalition

## Vendor Forum May 21, 2019 Call Recap

The BPC's Vendor Forum held its first call of 2019 on May 21, 2019 with an in-depth topic of "How Community Banks Partner with Fintechs."

### How Community Banks Partner with Fintechs

Tina Giorgio, AAP, President & CEO of ICBA Bancard & TCM Bank and Har Rai Khalsa, CEO of MK Decision presented on the Independent Community Bankers of America (ICBA) ThinkTECH Accelerator program. Their deck follows on pages 5 – 17.

The ICBA is an advocacy and education group for community banks. The Bancard subsidiary provides payment technologies and services to community banks. ICBA partnered with The Venture Center and the State of Arkansas to hold a ThinkTech Accelerator program, which is a 12 week boot camp that mentors and invests in startups. Community bankers, subject matter experts, regulators and others participated in the boot camp with eight fintech startups. ICBA plans to have another accelerator program in the first quarter of 2020.

The boot camp was heavily oriented to people, process and technology. Participants got an understanding of how heavily regulated banks are, and the differences between a community bank and large banks.

Har Rai Khalsa, one of the participants in the accelerator program, shared some thoughts.

- Participants learned a lot about what banks are looking for which was helpful; they received user feedback so they don't build technology in a vacuum.
- Har Rai's company has developed partnerships with community banks already and sees a lot of opportunity.
- The press and third party validation gave them recognition and "legitimacy" that would have otherwise taken years. They are collaborating with other accelerator participants and more mature fintechs.
- Both the CEO and COO from his company were physically absent from their company for 11 weeks. A benefit was that it challenged the local team to grow together on the core business.

There are challenges for fintechs to collaborate with community banks.

- Community banks are risk averse and concerned about reputational and financial risk. To help address these concerns the ICBA has a directory of vetted fintechs.
- Community banks are hesitant to partner with fintechs that don't have use cases already in the market. The accelerator program can help fintechs get to market.



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- Fintechs need to be trained on due diligence standards.

Community banks have to rely on their core providers, so ICBA and fintechs look for collaboration with core providers.

- ICBA can influence priorities
- Cores don't move very fast, but they are now rethinking their strategies and have changed their mindset. Example: cores are looking to provide APIs for community banks.

## BPC Updates

Todd Albers of the Federal Reserve Bank of Minneapolis gave an update on the BPC e-Invoicing initiative.

Mary Hughes of the Federal Reserve Bank of Minneapolis announced that the BPC ISO20022 Education work group will be kicking off soon. The BPC will team up with X9 for the effort, whose objective is to develop ISO 20022 educational webinars and companion materials. Other objectives are to establish a speakers' bureau and enlist industry groups such as NACHA®, SWIFT®, and others for content and speakers. Watch for an email with more information soon. Contact the BPC if you are interested in participating.

Save the date for an in-person meeting of the Vendor Forum during the Credit Research Foundation Forum and Expo August 12 – 14 in Seattle. We'll send more information when the date and time are finalized.



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# Vendor Forum call May 21, 2019



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# Agenda

Welcome	Patti Ritter
Presentation: How Community Banks Partner with Fintechs	Tina Giorgio, ICBA Bancard & TCM Bank, N.A. Har Rai Khalsa, MK Decision Damon Moorner, TCM Bank
Updates: e-Invoicing	Todd Albers
Wrap Up	Patti Ritter

Please take a couple of minutes to complete the survey at the end of today's call.



# ICBA ThinkTECH Accelerator

Tina Giorgio  
President & CEO  
ICBA Bancard



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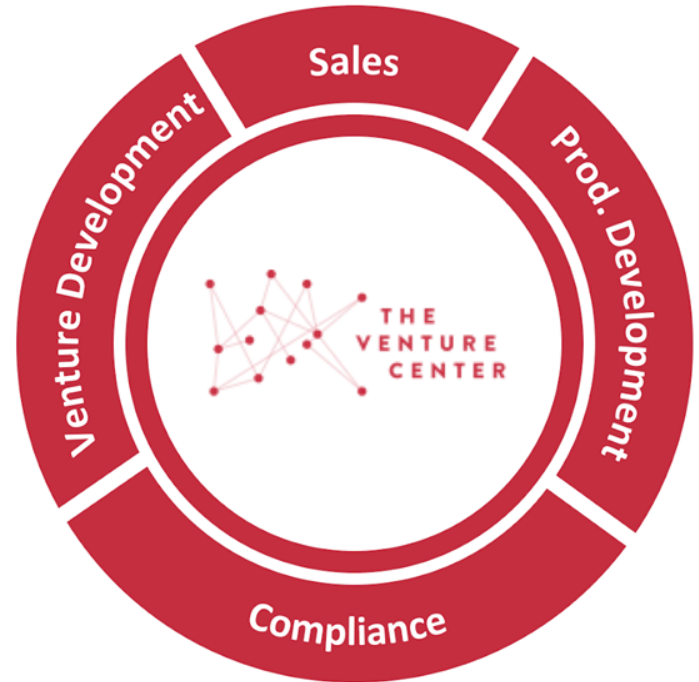


ARKANSAS  
INC

# THINKTECH PROGRAM OBJECTIVES



- Recruit bank-enabling solutions with community bank focus
- De-risk ventures through expert knowledge, opportunities, network & capital investment
- Identify companies with high potential
- Accelerate each company's timeline to validate
- Contribute meaningfully to the innovation culture of ICBA and community banks





# THINKTECH PROGRAM OVERVIEW

ThinkTECH is an innovation program that brings together venture expertise, industry leaders, startups, and community banks seeking technology solutions. This collaborative approach to innovation enables the development of relevant solutions, improved venture outcomes and faster speed to market.



\$75K  
Investment



Industry  
Connections



Expert  
Mentors



World-Class  
Curriculum



Bank  
Engagements



\$100K  
AWS

## KEY FOCUS AREAS

Machine Learning  
Customer Experience  
Next-Gen Lending  
Wealth  
Blockchain  
Payments  
Mobile  
APIs  
Omnichannel  
RegTech  
Back-office Automation  
OPEX Reduction  
Security / Auth





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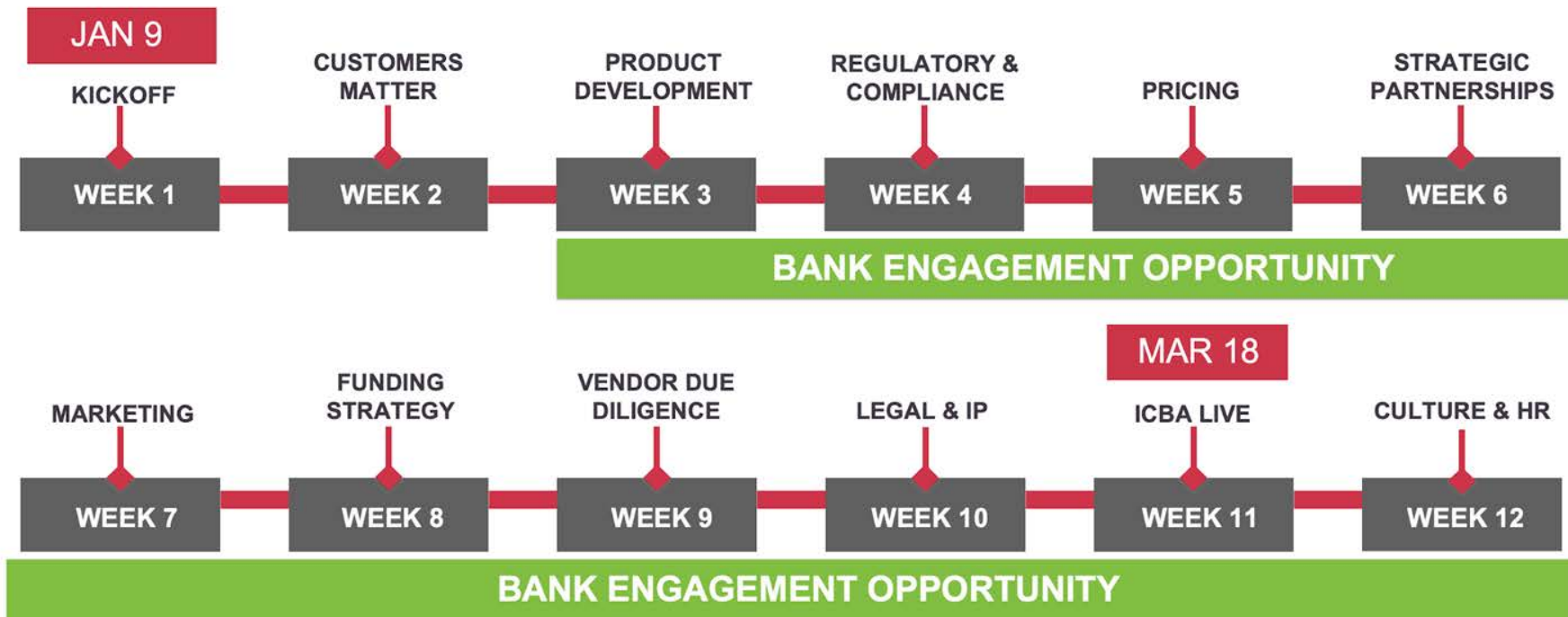
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## 2019 PORTFOLIO COMPANIES



# 12-WEEK ON-SITE BOOTCAMP

## WEEKLY STRUCTURE



# ThinkTECH Accelerator – By the Numbers

- 44 bankers representing 28 banks participated in the program
- Engaged 12 regulators across 3 agencies (Fed, FDIC & CFPB)
- 12 core processing mentors representing FIS, JHA & CSI
- 3 state association/banking school executives
- 53 external SME mentors participating in the program
- 37 ICBA employees participated as mentors in the program
- 250+ Attendees at the ThinkTECH demo session at ICBA Live!
- 150+ Guests for Demo Day in Little Rock + >125 viewers of the LiveStream

# ThinkTECH Accelerator - Lessons Learned

- Early stage fintech companies are trying to fill a need but know little about the nuances of community banks and the U.S. regulatory system and the structure of the banking
- The importance of the leadership for both banks and fintech companies; need for openness to coaching and improving every day and “being comfortable being uncomfortable” and not having a fear of failure
- Significant need for marketing and sales training for fintech companies
- Willingness of bankers and SMEs to help and support these companies
- Fintech will likely not be a separate industry several years from now...it will just be “banking”

# What's Next

- All eight finalists will enter into our Corporate Membership Program
- Continued opportunities for add-on investments
- Potential for Preferred Service Provider membership
- Debrief meetings with Selection Committee, ICBA participating staff
- Assistance with lead and referral management through ICBA/Bancard
- Begin plans for next year based upon feedback

# ThinkTECH – ICBA Innovation in the News

- 9 blog posts highlighting the Accelerator program and the fintech finalists
- 8 Independent Banker columns on ICBA's ThinkTECH initiatives
- 4 podcasts spotlighting ICBA's ThinkTECH initiatives
- 2 webinars with Federal Reserve offices
- 55 featured articles in national and local publications including, Forbes, American Banker, PYMNTS.com, Arkansas Business, Talk Business & Politics, Financial Regulation News, Inside Sources
- 50 ThinkTECH-related social media posts garnering ~82,000 impressions
- 3,385 ThinkTECH page views (all) / 1,385 page views ThinkTECH landing page.

# Other Outcomes & Byproducts

- Over 300 business leads being worked
- 3 ICBA Live! booths (TESLAR, Adlumin, Agora)
- Finovate exposure for ICBA via Sou Sou Investments presentation
- FinTech Investment Fund IV – growing community bank investment and innovation effort beyond the Accelerator
- State of Arkansas ongoing conversations with three companies for resources in Central Arkansas.



# The Venture Center Media

- Arkansas Business, Talk Business, Arkansas Democrat-Gazette , Northwest Arkansas Democrat-Gazette, KTHV-TV, Arkansas News Bureau, Arkansas Money + Politics
- Total Hits: 17 | Total Impressions: 2,324,147
- Demo Day Link: 137 views and growing

<https://amppob.com/icba-thinktech-accelerator/?fbclid=IwAR3rqixLRQJ9GTo2tZM5vh-tFNkTVh4nGsMmQAuV4hCcmMGsKIRvUXYGiDA>

# Qualitative

“The ICBA ThinkTECH Accelerator program blew us away. The groups, ideas, creations, & suggestions will contribute immensely to the FinTECH community banking world.”

**- Jill Castilla**  
**Citizens Bank of Edmond**

“I really enjoyed this week – you have a good thing going down there – we were very impressed.”

**- Russ Bernthal**  
**VP JHA, President of Profitstars**

“...having worked a lot amongst the start-up community we have learned to temper our expectations. That said, I couldn't be more impressed by The Venture Center & the ThinkTECH cohort. You all have a warm & easy acumen that has clearly been passed along to each company. That's really special & something I hope you're all very proud of! Frankly, I am very proud of what you've put together & thankful for what it means to the future of community banking.”

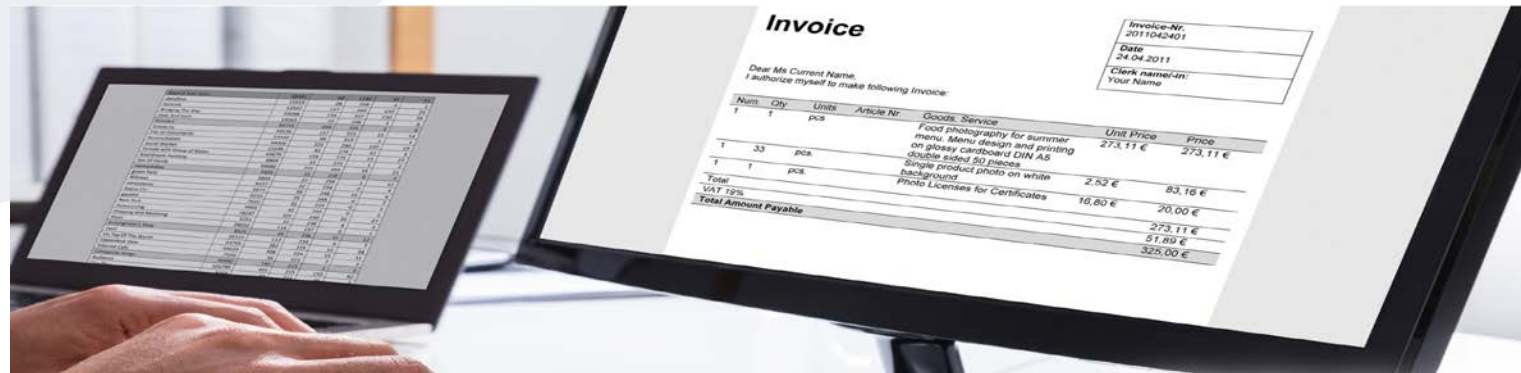
**- Tanner Mayo**  
**President, FedFis**

# BPC Updates

# Semantic Model Assessment – Results

## Summary of Key Findings

- U.S. requirements align closely to the EN-16931 e-invoice semantic model
  - Business rules for handling tax (sales and use tax vs. VAT)
  - Requirement to support cross border currency data
  - Requirement to support Non-PO / Non-Contract Business Process
  - Requirement for additional reference data elements
  - Requirement to remove VAT-specific data elements
  - Further validation of standards used in EN-16931 are applicable for the U.S.



# Technical Assessment & Recommendations – Results

## Summary of Key Findings & Recommendations

- Existing electronic delivery networks achieve desired interoperability, security, and scalability requirements for the U.S.
  - Overall architecture should be based on a 4 corner model
  - Messaging protocol should be the OASIS ebXML / AS4 WS\* model
  - The envelope for messages should be either the UN/CEFACT SBDH or the joint UN/CEFACT and OASIS envelope XHE standard
  - A single semantic standard should be used for the “payload” within the message envelope
  - A single syntax standard should be used for formatting the invoices
  - A decentralized registry operating model should be explored to support dynamic discovery
  - 3 Levels of identifiers 1) Legal Entity, 2) Electronic Address Identifier, and 3) Electronic Routing Address should be supported
  - A Public Key Infrastructure (PKI) security model should be used for securing end points

# Thank you for attending today's call

Save the date for the Vendor Forum in-person meeting  
during the Credit Research Foundation Forum and Expo  
August 12 – 14 in Seattle

Not a Vendor Forum member?  
[Join us](#)

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