

Make or buy?

How PSPs can extend their offering from online to POS and omnichannel payment



**Edgar, Dunn
& Company**

Strategic Payments Consulting



Years Since 1978

November 29, 2018

Organized by mpe | Merchant
Payments
Ecosystem



MODERATOR:

Mark Beresford, Edgar, Dunn & Company

Mark Beresford is a Director in the London office and heads up the Retailer Payments Practice for Edgar, Dunn & Company. He has over 20 years of experience of consulting strategy, developing and managing financial services businesses. In the Retailer Payments Practice Mark works with a number of global merchants to develop omnichannel payment acceptance strategies. He uses the 360° Payment Diagnostic methodology developed by Edgar, Dunn & Company to identify cost efficiencies for retailers by defining an appropriate mix of payment methods, acceptance channels, alternative forms of payments, and optimizing Payment Service Provider and acquiring relationships.



PRESENTER & PANELIST:

Ralf Gladis, Founder & CEO, Computop

Ralf Gladis is the Cofounder of Computop, a leading international payment service provider (PSP) with a focus on providing secure, seamless and smooth payment processing to mid-larger sized merchants. During the early years, Ralf acted as the architect of the Computop Paygate's software development, strongly utilizing his technical background. Later, he focused on sales and partner relations. Today, Ralf is responsible for the international expansion and strategic planning at Computop.



PRESENTER & PANELIST:

Günther Froschermeier, CTO, CCV Germany

Günther Froschermeier is also one of the founding members of EL-ME GmbH, now CCV Deutschland GmbH. He heads the entire technical area of CCV.

Ralf Gladis // Founder & CEO // **Computop**

Payment Industry Change

- Success and international coopetition
 - Can online PSPs survive without POS?
 - Goal: omnichannel transformation
-
1. Business case: what's in it for online PSPs?
 2. Market: Why now? Omnichannel is 10 years old.
 3. Use cases: s.Oliver, SIXT, banks/PSPs
 4. What does it take?



THE BUSINESS CASE

20% is online, 80% is POS

20+
years of experience

More than **350**
payment methods

31,000,000,000
\$31 bn transaction online volume

Established in

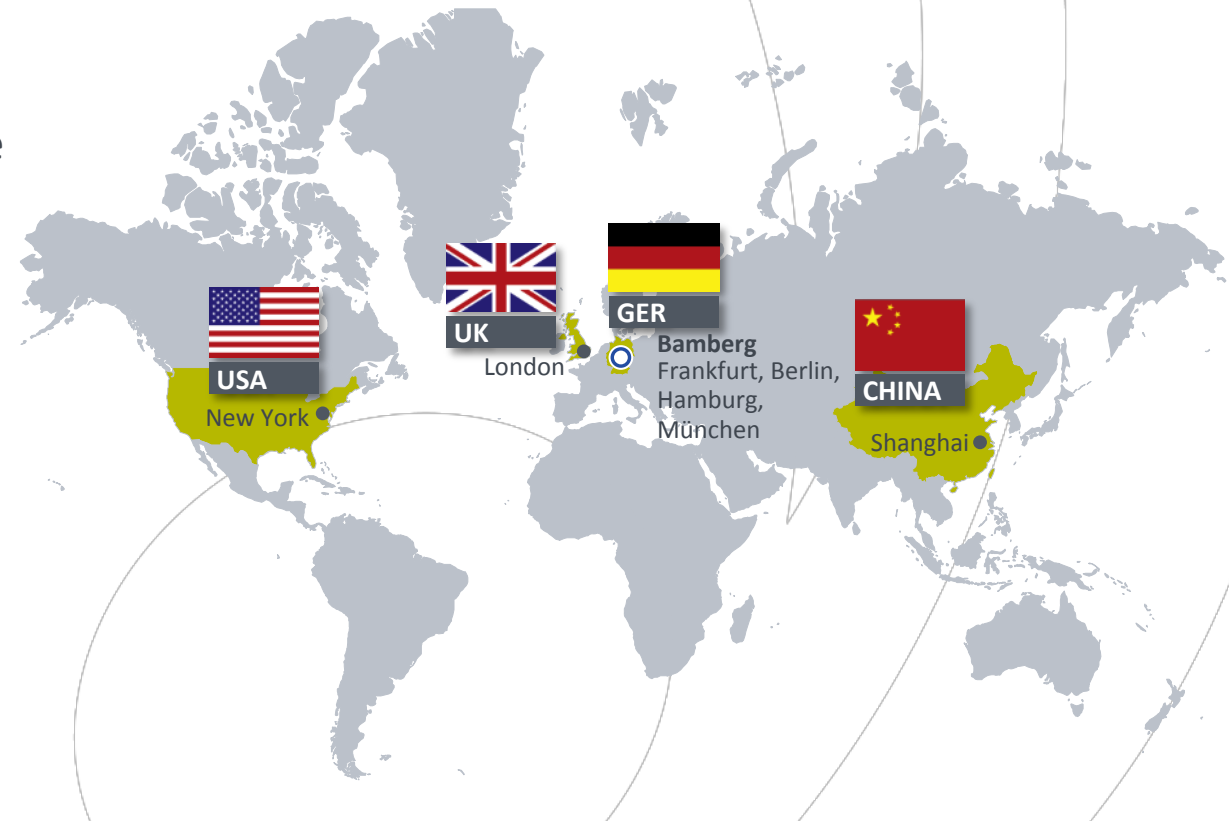
1997

We are

**acquirer agnostic
owner-managed**

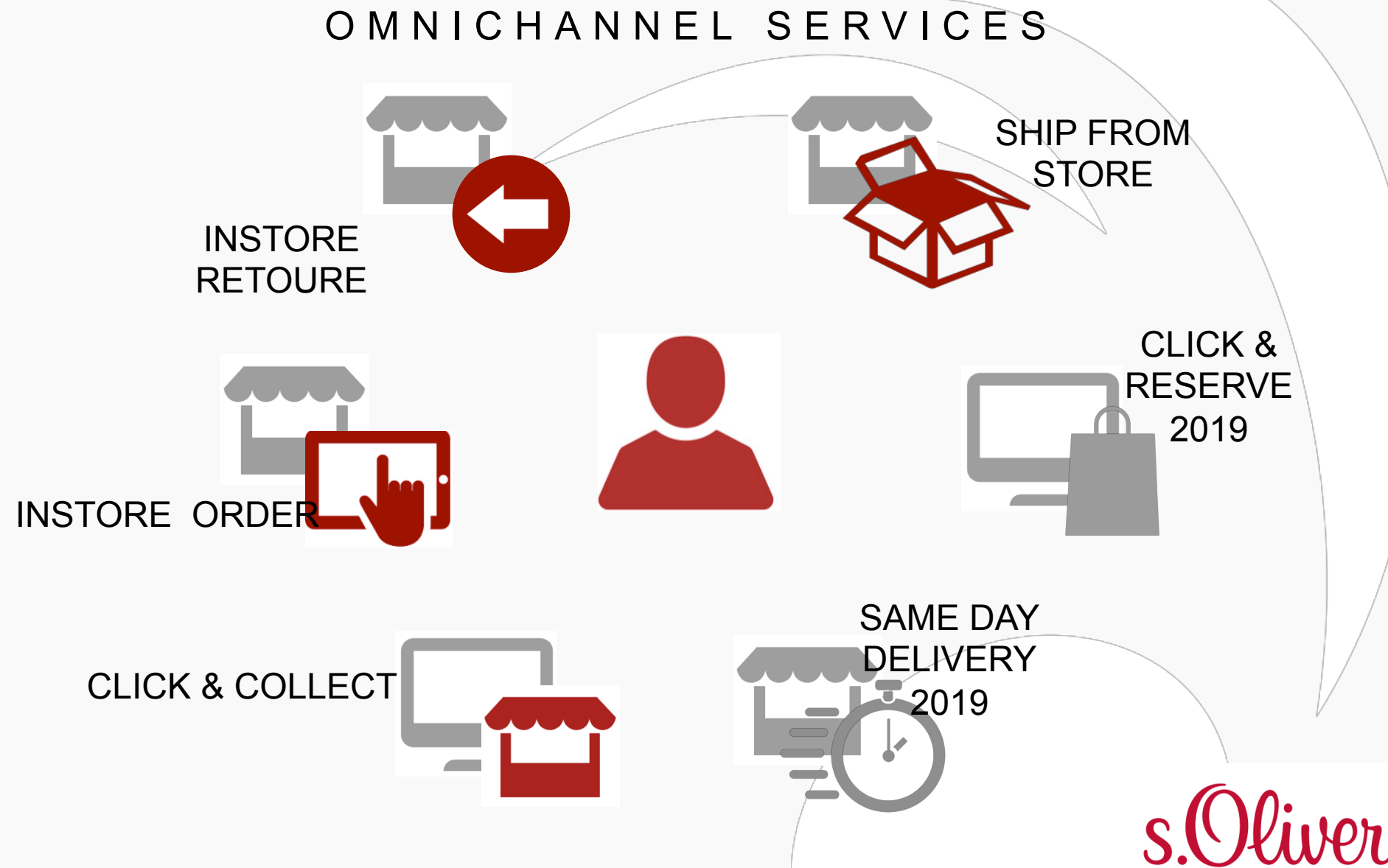
15,000

customers all over the world



THE MARKET

- Omnichannel technology wasn't available
- Since it is, it's costly in terms of investment & efforts
- Why now?
 1. Consumer demand
 2. Growing competition
 3. BIG DATA and Artificial Intelligence



SIXT is active across the entire car-based mobility world



1) preliminary 2017 figure, currency conversion (EUR to USD) at current exchange rate

2) 2016 figure

THE SIXT WORLDMAP

118 COUNTRIES
215.800 VEHICLES
2.200 BRANCHES

CORPORATE COUNTRIES: GERMANY, FRANCE, SPAIN, SWITZERLAND, AUSTRIA, BELGIUM, NETHERLANDS, LUXEMBURG, MONACO, UK, USA, ITALY



USE CASES: BANKS / PSP

- Banks challenged by Adyen, Wirecard etc.
- Strong in POS but weak in omnichannel



WHAT DOES IT TAKE?

- Understand POS business: logistics, cash registers...
- Find the right partners
- Upgrade payment platform for POS processing
- Required certifications: PCI PIN, PCI P2PE, HSM
- Acquirer approval testing

TO SUMMARIZE

- Merchants need omnichannel payment for (1) omnichannel services and (2) Big Data / AI
- PSPs can significantly grow their business when growing from online (20%) into POS (80%)
- Make or buy? Efforts are high but white label solutions are available

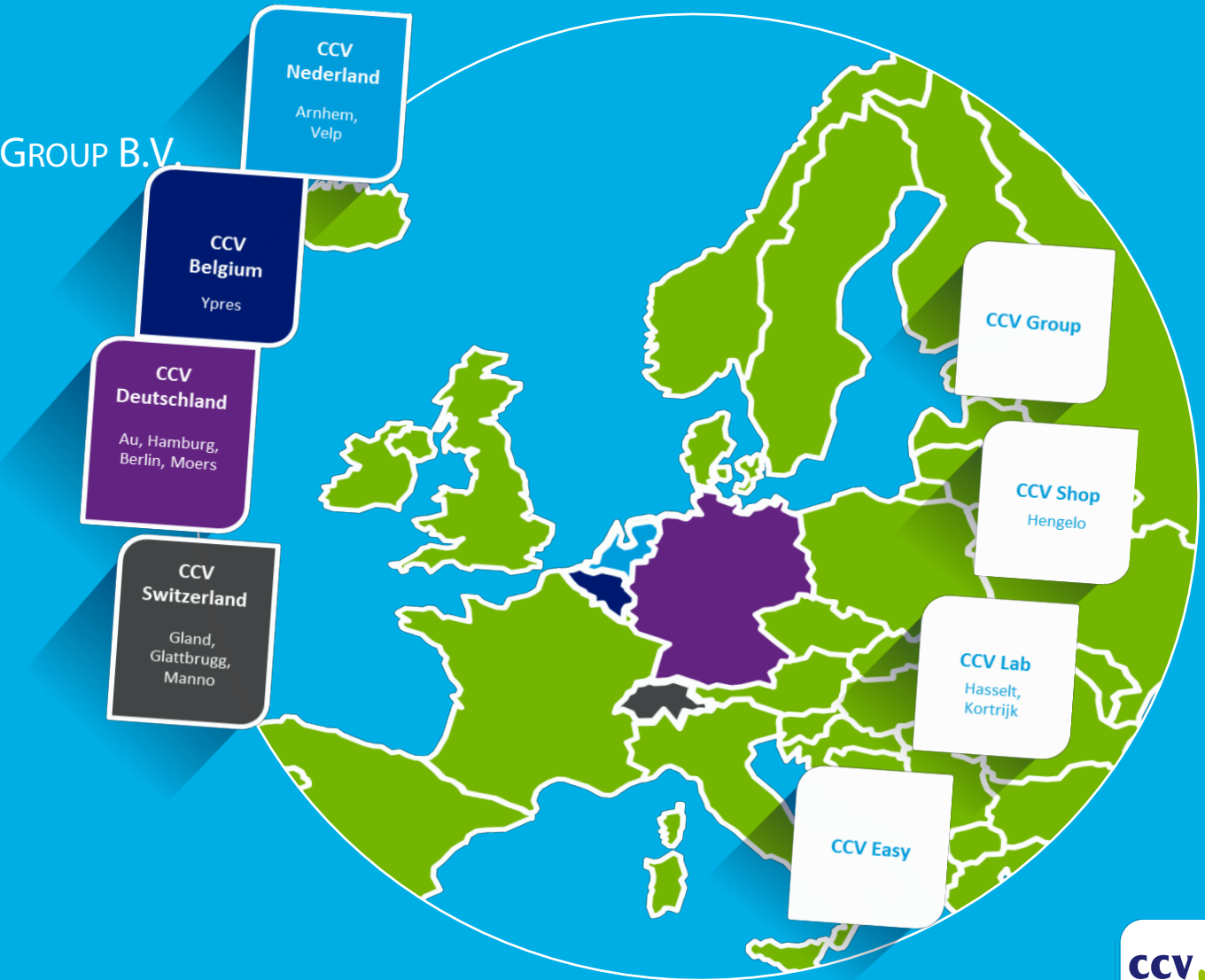
Günther Froschermeier // CTO // CCV Germany

Günther Froschermeier

CHIEF TECHNOLOGY OFFICER CCV DEUTSCHLAND GMBH &

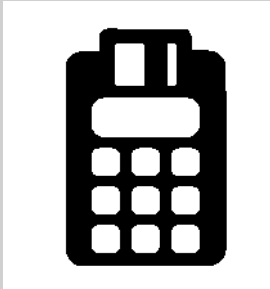
DIRECTOR COMPETENCE CENTER PAYMENT ACCEPTANCE CCV GROUP B.V.

Au in der Hallertau (Munich area), Germany

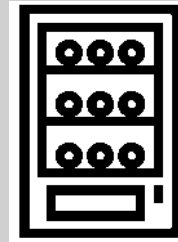


CCV Business areas

POS Solutions



Self-Service



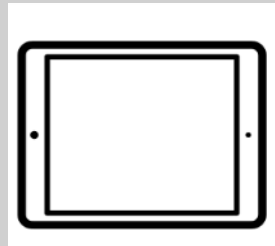
Server Solutions



CCV Connect



CCV SalesPoint



CCV Shop



CCV Self Service

Market segments



Parking

Off-street
Parking

On-Street
Parking



Vending

Public
Vending

In-house
Vending



Access &
Ticketing



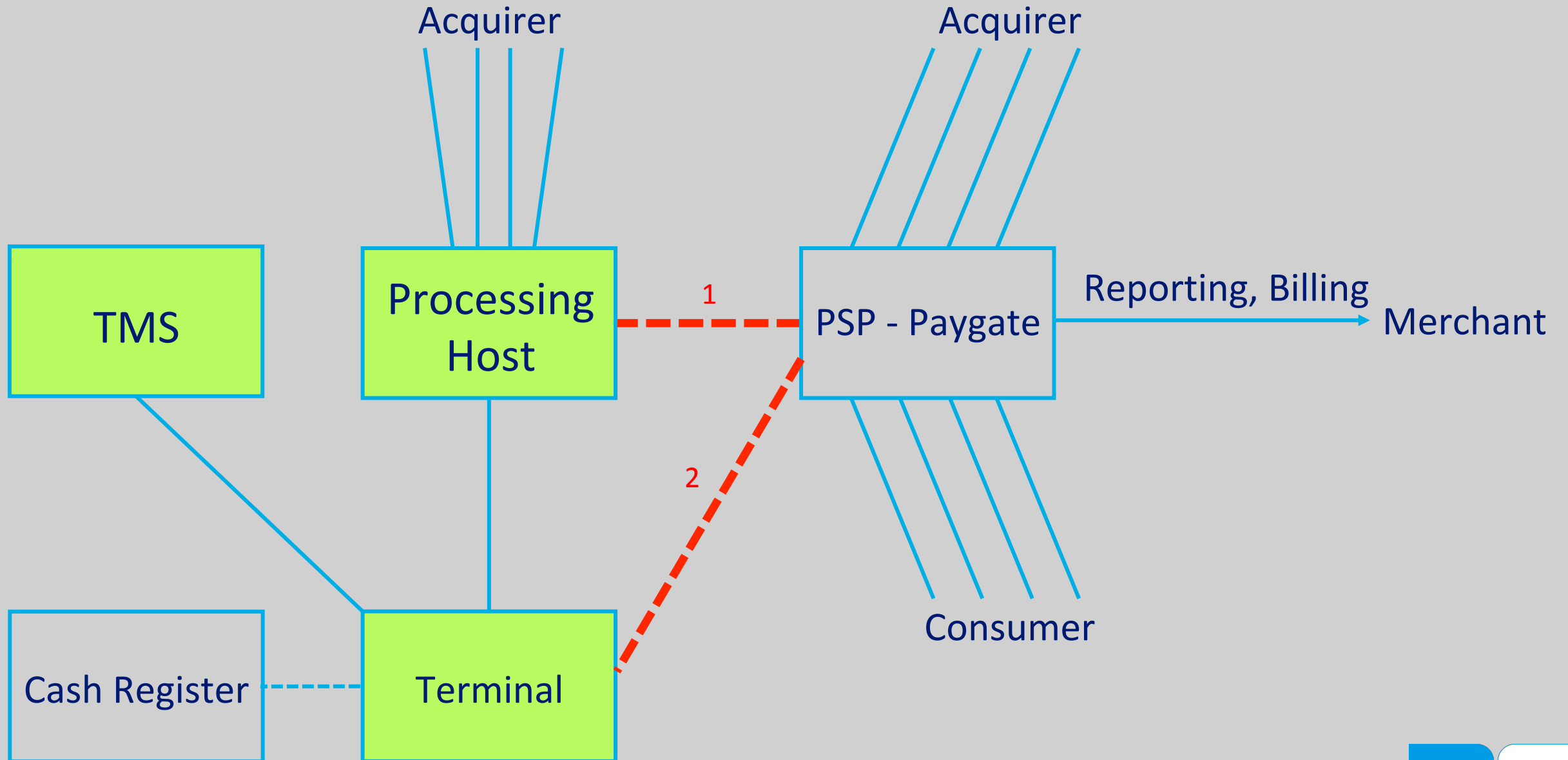
Public
transport

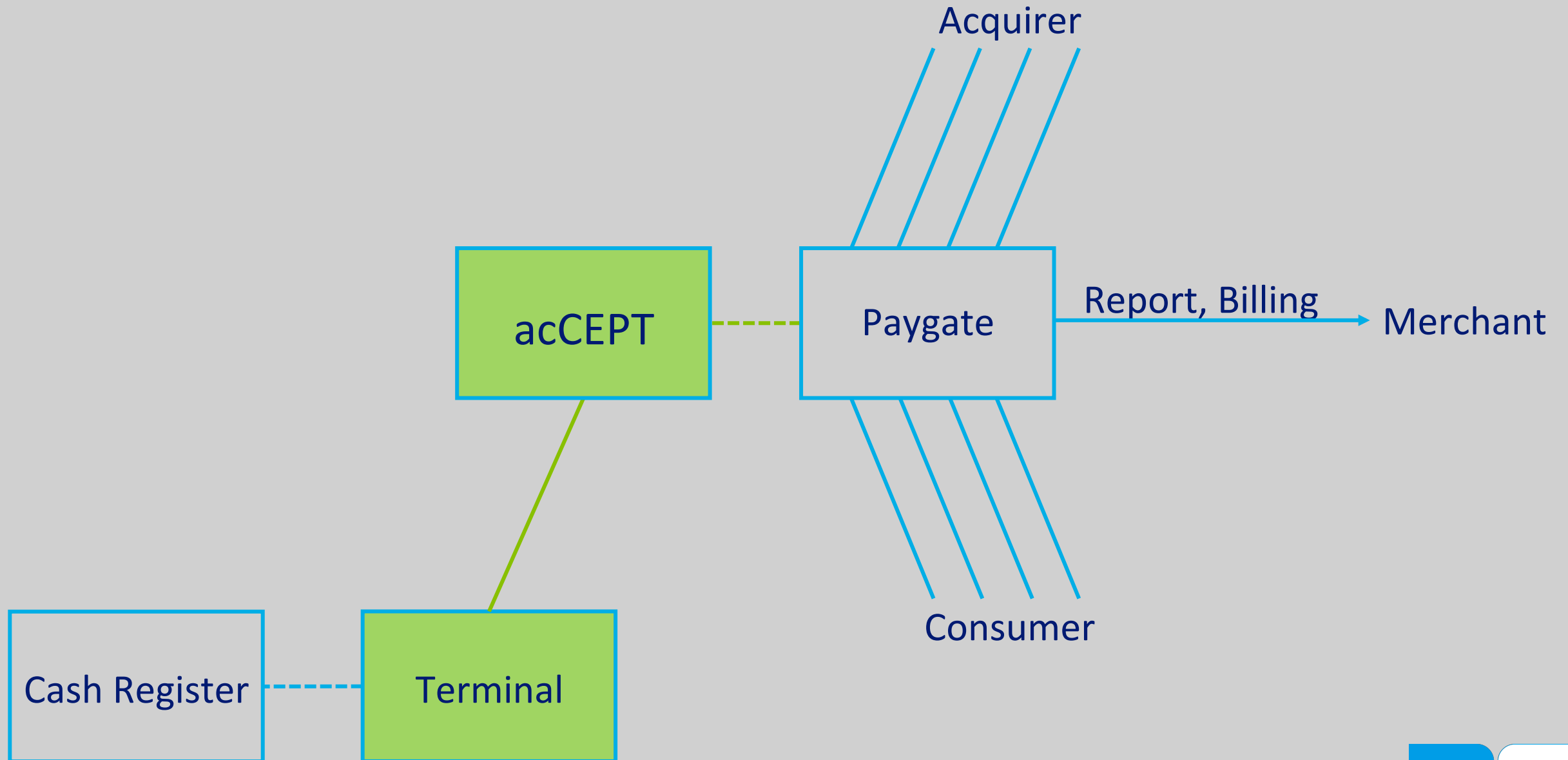


eMobility



THE DECISION MAKING PROCESS





Requirement (1) Hardware

- Logistics, Warehousing
- KIF-infrastructure PCI-certified
- Repair, field service
- Quality Management
- Communication
cellular, WiFi, Bluetooth
- Power-Management



Approval requirements (2)

Basic

- EMV Level 1 contact & contactless
- EMV Level 2 for contact & contactless for all brands
- PCI-PTS
- PCI-DSS
- Common Criteria e.g. in UK, Germany



POINT-TO-POINT ENCRYPTION™

**CCV Germany is a
certified P2PE solution
provider!**



**Guaranteed P2PE-
certification of the
entire life cycle of
POS terminal
equipment**



PCI POINT-TO-POINT ENCRYPTION (P2PE)™ SOLUTIONS



This listing is a resource for merchants and acquirers to use in selecting a PCI Point-to-Point Encryption (P2PE) Solution.

For information regarding the PCI P2PE program, please click [here](#) for our document library.

Each PCI P2PE Solution has an associated P2PE Implementation Manual which is provided by the Solution Provider and contains details of all P2PE Applications and other software used in the Solution

Click [here](#) for the [Application Listing](#) and [Component Listing](#).

Find Point-to-Point Encryption Solutions





Page: 1

Results: 1

COMPANY	P2PE VERSION	P2PE ASSESSORS	REGIONS SERVED
CCV Deutschland GmbH			

Solution Name: CCV P2PE Solution

let's make
payment
happen



Approval requirements (3)

Extended

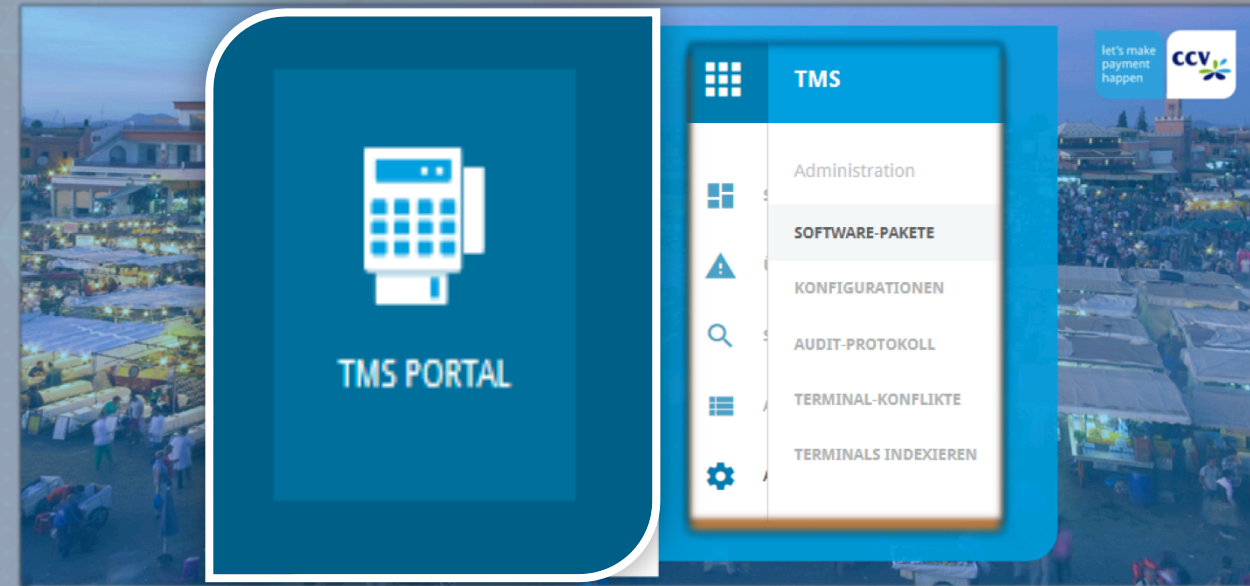
- EMV-configurations per country per scheme
- End-to-End Brand test per Acquirer
- EMV-offline – new for PSP's
- Functional approval tests for local deployments
- Local schemes PagoBancomat (IT); Cartes Bancaires (FR), Girocard (DE)



POINT-TO-POINT ENCRYPTION™

Requirement (4) Estate Management

- Field upgrades
- Monitoring
 - Heartbeat
 - Health-data
- Consolidated reporting



CCV Terminal Management System

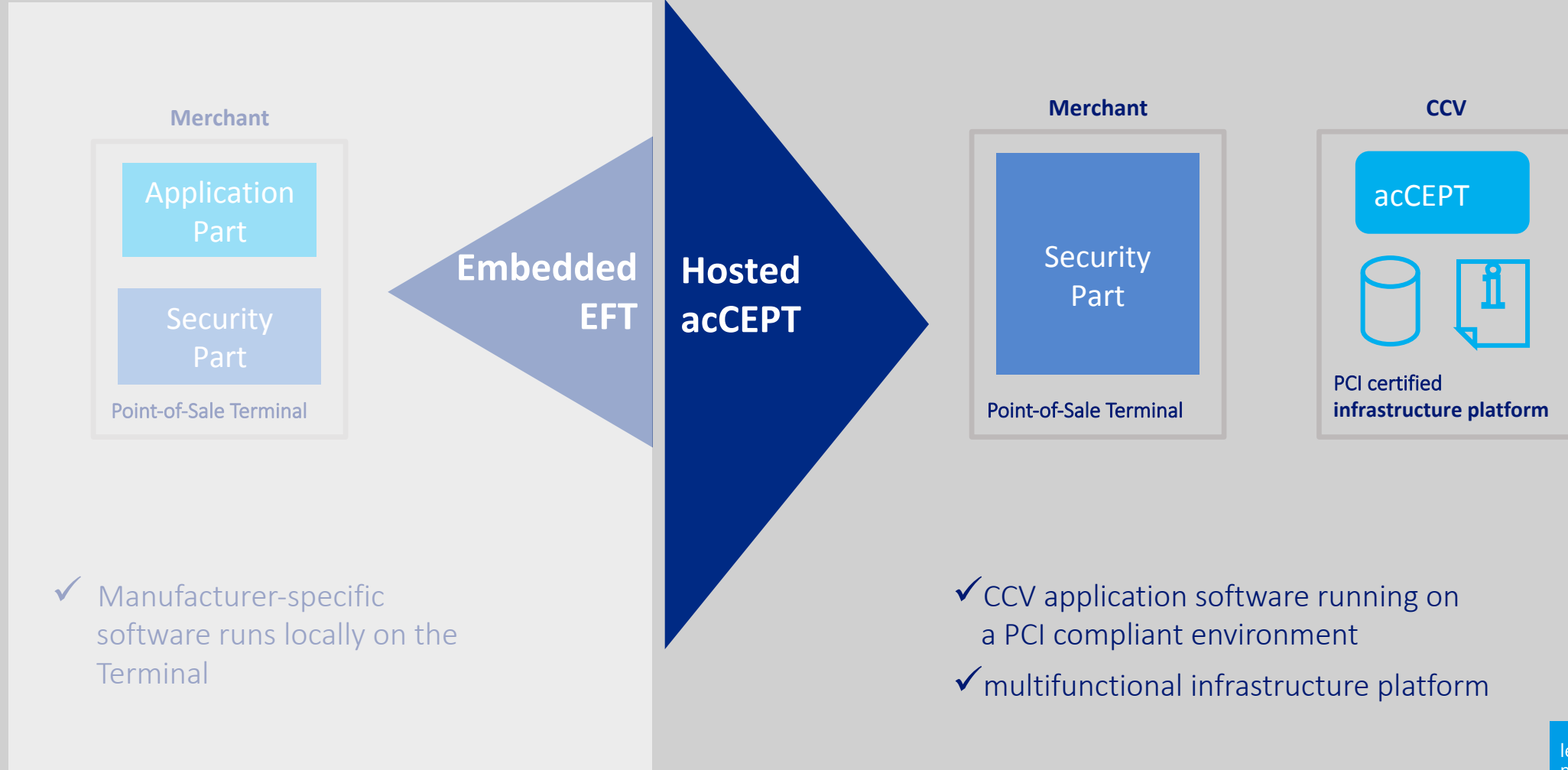
Further challenges

- Integration with cash registers
- Different ECR-protocols
 - OPI & flavours
 - ZVT & flavours
 - RIA
 - Self-Service e.g. MDB
 - EPAS ECR-interface

THE FUTURE Terminal is the Point of Interaction

- ✓ All kind of payment solutions running to be accepted on the POI
- ✓ All kind of payments, service functions, etc.
- ✓ Special functions:
 - ✓ Signature capturing
 - ✓ Tokenization
 - ✓ Taxfree
 - ✓ DCC
 - ✓ P2PE
 - ✓ VAS, Loyalty
 - ✓ Mobile payments, Alipay, Wechat,
 - ✓ Closed loop merchant cards (Mifare, UID, ...)
 - ✓

“Traditonal” EFT vs. acCEPT Payment Server



✓ Online
Operations and
Infrastructure

✓ Online
Reporting &
Support

✓ Customer
focus

Hosted acCEPT Value Proposition

✓ Payment and
Security

✓ Value
Added
Services

✓ Futureproof



THE FUTURE



Android based Terminals

Such as CCV Mobile A920

- ✓ Full flexibility for merchant/consumer facing apps
- ✓ CCV Store marketplace
- ✓ Security verification of apps for PCI etc.

**CCV speaks
Android** 
CCVSTORE



Conclusion

- ✓ POS & PSP are adding a lot of new complexity & challenges
- ✓ time-to-market is key
- ✓ A solution is existing!



Q&A



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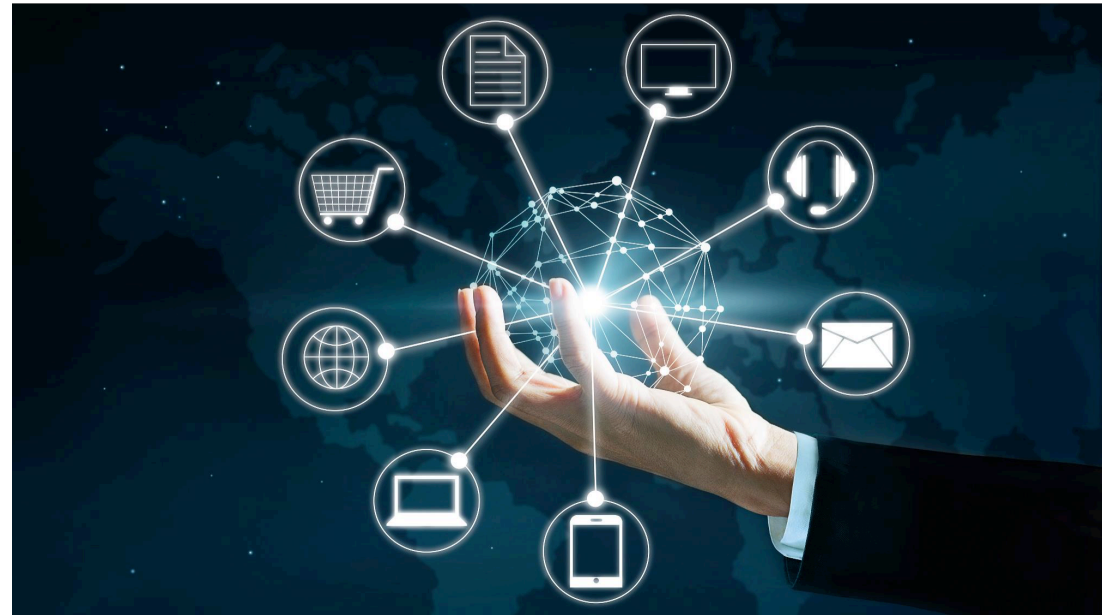
Years Since 1978

Panelists are addressing questions from the audience.

Thank you for attending!

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their offering from
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This webinar is a supportive initiative to:

MPE 2019, conference and exhibition, 19-21 February, 2019, Berlin

You can download the agenda at www.merchantpaymentsecosystem.com