

# AFTech Letter

Association For  
Financial  
Technology

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Roy W. Urrico, Writer & Editor, Bright Ideas

## AFT Spring Meeting: Inspiring, Thought-Provoking

Association for Financial Technology (AFT) meetings transcend not only typical financial conferences but also archetypal conferences in general. Some have called it "coopertition" - a term coined more than a decade ago to describe the cooperation among competitors at AFT events — or the dropping of company colors (so to speak) in order to improve the overall financial technology industry.

Whatever it is AFT knows how to get it right. In March, in Austin — known as "The Live Music Capital of the World" — the association put on a show of its own, its 2009 Spring Meeting. Topping off the event at the Barton Creek Resort & Spa was a captivating and keynote address that attendees will not soon forget.

"Through S&L crisis, recession, energy crisis, wartimes, election years, massive industry consolidation, 9-11, the worst financial meltdown in our lifetime...we still gather," said David O'Malley, president of AFT. At a time when other conferences struggle with significant attendance declines AFT held its own.

"Every dollar you invested will return five before you depart," O'Malley told the more than 80 attendees, including 21 first-timers (an all-time high). First-timers were treated to a first timer toast at the Welcoming Reception in addition to a first-timer orientation breakfast as well.



*"Every dollar you invested to be here will return five before you depart", promised AFT President, David O'Malley of Open Solutions, at the opening of the association's 2009 Spring Meeting in Austin, Texas.*

The conference audience certainly got more than their money's worth at presentations that focused on standing up to challenges, remote employees, trends in the electronic payment space, leveraging the transforming payment industry, selling to the corner office, creating a performance culture, legal best practices, how financial institutions evaluate and select vendors, and building a smarter planet. Interspersed with the presentations were the interactive sessions that are an AFT staple. The interactives included separate sessions focused on sales and service.

### AFT Open Golf Outing

*Barton Creek's Crenshaw Cliffside Course*

*Low Gross*

80— Tom Hedrich  
EFT Source Inc.

*Low Net*

69 — Steve Proud  
RDSI





## KEYNOTE SPEAKER

# Scott Burrows: 'Vision, Mind-set, and Desire to Persevere'

*Ernest Hemingway once described guts as "grace under pressure." That surely describes Scott Burrows, the keynote speaker at the Association for Financial Technology's 2009 Spring Meeting. Although there have been many grand moments and outstanding presentations in the almost 40 years of AFT's existence probably none has quite left its audience as awestruck as this year's address.*

Burrows had it all at the age of 19. He played college football for Bobby Bowden at Florida State University and was a top-ranked kick boxing champion. However, Scott's life changed dramatically and suddenly when an automobile, in which he was a passenger, was in a terrible one-car crash that left him paralyzed from the chest down.

While diagnosed as a quadriplegic and confined to a wheelchair, Burrows was given a golf club by his father to use as motivation to overcome his trials. It was then that he started to develop the vision, mind-set, and gritty desire to persevere. "I was challenged," recalled Burrows. "My life began to grow after I experienced paralysis."

After a six-year battle, he did what doctors told him he would never do. Gradually he regained movement in his shoulders, then his hands, and finally miraculously his legs. Burrows demonstrated what perseverance could accomplish by rising from his wheelchair and making the rest of his presentation while walking with the aid of a golf club on the stage of the lecture hall.

Burrows related how his personal experience allowed him to succeed in business. He described how many people allow paralysis from one thing or another to prevent them from achieving what they want from life. Burrows entered the life insurance industry and grew his business through 90 percent referrals after his first year. In five short years, Scott qualified for the Million Dollar Roundtable, a 100 percent commission-driven reward. Less than 6 percent of his peers achieve this

## PANEL DISCUSSION

### Remote Employees and Telecommuting

*Denise Ferreira, Vice President of Human Resources for Fiserv, Inc., and Debbie Smart, Senior Consultant at ACI Worldwide, engaged in a roundtable discussion telecommuting and remote employees at the AFT 2009 Spring Meeting.*

Ferreira spoke of policy considerations such as the



*Keynote Speaker, Scott Burrows, demonstrated the gritty determination that took him from a wheelchair-bound quadriplegic (left) to a walking testimonial of overcoming his trials 6-years after a paralyzing automobile accident (right).*

yearly recognition.

Burrows relayed what one of his coaches taught him as "*The One Thirds in Life*" that helped him overcome his challenges. "Just like anything, when you want to attain one of your goals, about a third of the people will give up way to soon, a third of the people will challenge themselves up to a point, and the rest will simply go the distance."

Relating that to business, he pointed out that "It is easier to tone down a wild idea than to tone up a bland one...just don't tone it down too soon." People can always reset their mindsets, believe in themselves, and persevere. "When you start to focus on the things you can control, focus on the things you can get yourself around...it can be a rewarding experience."

By the way, Burrows skis, scuba dives, plays a mean game of murder ball, a paralympic sport, and yes, of course, golf!

consistency with the business culture, what type of employees are eligible, choosing the appropriate positions for telecommuting in a particular environment, physical and information security, employment considerations such as workers compensation and performance measurements ("I can't emphasize this



enough"), and compliance and cross-border issues. She also emphasized there are generational factors to consider ("Gen Xers, Gen Yers, Millennials, don't work the way baby boomers work") and socialization. "Some folks make the mistake that the remote employees do not need social connection," said Ferreira. Other factors to consider include determining which positions allows for a flexible or remote work schedule, hiring for the culture, and that "not all managers have the ability to manage remote employees." At ACI, the most common remote employees are in sales, consulting, project management, or decided on a case-by-case basis, said Smart. "ACI is starting to embrace this more and more as a cost saver. However, considerations need to cover "Does the personality of the employee fit the job." Then there are the "office" matters, suggested Smart, such as connectivity and equipment. Hiring and training considerations come into play as well, "Not everyone can function remotely." Staying in touch is equal-



Denise Ferreira, VP of Human Resources for Fiserv (left) and Debbie Smart, Senior Consultant for ACI Worldwide (right) teamed up for a highly interesting and informative panel discussion on "Remote Employees and Telecommuting".

ly important. At ACI, weekly conference call team meetings are mandatory. however, there are also one-on-one calls on a weekly or bi-weekly basis and quarterly face-to-face time. "The right equipment and support are critical," pointed out Smart, "In our company the manager and employee need to discuss environment."

## ENTERPRISE

### ***Building a Smarter Planet***

*Encore!Encore! Stu Bilick's presentation at the 2008 AFT Spring Meeting garnered so many rave reviews that he was brought back for a return engagement in 2009.*



IBM's Stuart Bilick captivated Spring Meeting attendees with his presentation "Building a Smarter Planet" to end the highly successful conference on a high note.

This time around Bilick tried to teach his audience about building a smarter planet. "We know the world is becoming smaller...and flatter," he explained, "Something else is going on that may ultimately have a greater impact on business and society...the world is about to become smarter."

The reason we will all begin to transform our systems, operations, enterprises and personal lives to take advantage of a smart planet isn't just because we can, it's because we must," said Bilick. "We get into social responsibility."

In an IBM survey 60 percent of financial institutions CEOs say they expect to become more socially aware, "Customers are demanding it across the board,"



**IBM'er Stuart Bilick's entertaining and informative presentation "Building a Smarter Planet" can be viewed as a streaming video on the association's web site at <http://www.aftweb.com> for the next several months.**

explained Bilick.

This means financial institutions must take a closer look at how they operate. "Financial institutions have evolved a pretty sophisticated supply chain...we have not done a great job integrating all those channels."

With the interconnectivity created by the Web and with computing power becoming abundant, "There is an opportunity to think and act in new ways — economically, socially and technically."

Because of the way, the world works is changing -



leaders must lead through the unknown. "Banks are coming under increasing performance pressure." Financial institutions see the value in customer collaboration to "lock in" relationships and must accelerate investment and innovation. Yet only 14 percent rank internal R&D as a source of new ideas.

When it comes to socialization on the Web banks are wary. "financial institutions don't like this (Web 2.0 World). It really scares them. "Norms become increasingly rare; future segments will be much smaller and

## PAYMENTS

### **Trends in the Electronic Payment Space**

*"These are challenging times for all of us...the world we know is changing," proclaimed Bill Mathis, Executive Vice President, U.S. Business Development for MasterCard Worldwide in discussing trends in the electronic payment space at the 2009 AFT Spring Meeting.*

Mathis pointed out that people around the world are showing a preference to pay electronically. People have also shown a desire for anytime, anywhere service. "It's up to us to differentiate our products in order to survive."

Competition in the market is not the only force at work. "There is this movement afoot to increase regulation," said Mathis, "the most sweeping reforms ever proposed for the credit card industry." He also told the AFT audience that system suppliers are going to be busy implementing these rules...that will be technology driven.

Meanwhile the consumer realizes they have to cutback on their spending, cautions Mathis. "They are not making big ticket discretionary spending as they used to." However, when it comes to e-commerce sales "we are still seeing double digit growth...online downloads is

## PAYMENTS

### **Leveraging the Transforming Industry**

*Ed McHugh, Vice President, Strategy, Program Management & Marketing, Unisys Payment Systems focused on leveraging the transforming payment industry.*

"How do we challenge banks to think differently about payments," asked McHugh. He described the key challenges for the banking industry:

- Managing migration economics (paper to electronics)
- Competing in a world of specialists (knowledge workers)

more focused than today," said Bilick, who added, "No longer are there dozens of markets comprised of millions of customers, but millions of markets comprised of perhaps only dozens of customers."

The enterprise of the future is hungry for change, innovation beyond customer imagination, globally integrated, disruptive by nature and genuine, not just generous.

"Banking CEOs have become more focused on a business model innovation," said Bilick.

driving growth."

Market dynamics also affect how card companies operate "card companies are raising rates and fees and abandoning zero balance transfers." Debit cards will continue to grow shares.

Card companies are getting back to basics by helping their customers deliver the right products and solutions. He recommended developing functionality to help deliver richer value for cardholders, and navigating the current economic climate while planning for the future.

"By using their customer data and transaction data banks can determine their customer's and merchant's wants and needs," suggested Mathis. He also pointed out "Consumers are demanding more value...faster and more efficient payment methods...and rewards."



*Bill Mathis, EVP of U.S. Business Development for MasterCard*

- Creating and capturing new sources of value in payments (information based products/deposit products)
- Securing information (payment/account data, identity)
- Harnessing collection action (partnerships and alliances)
- Getting the right focus, organization and mindset (paradigm of constant change)

McHugh also detailed the industry drivers and trends in payments such as "leveraging technology to solve



Ed McHugh, VP, Strategy, Program Management & Marketing, Unisys Payment Systems

business problems." The merging value is the transaction information and access to that information."

There is also a payment "business paradigm emerging" that includes open interconnected networks, multiple access points, and a focus on high-value-added activities that can be

outsourced and partnered. "Reinforce the need to look at payments differently," he added.

Banks need to look at operation components differently as well. "It is not all about check processing," said McHugh, "it is about payments.

### What They are Saying About AFT...

*"The total experience exceeded my expectations. I gained useful information from every presentation."* — **David Willis, President of CCMC**

## SELLING

### **From the Other Side of the Desk**

Bob Heckman, President/CEO of the Allen Group presented *From the Other Side of the Desk...Selling in the Corner Office*. "Corner office is where the decisions are made," explained Heckman, adding it is "not necessarily the CEO." A key to selling is finding out who the business drivers and shaping solutions to those drivers.

From the sales perspective, things seem to take longer but Heckman suggested that salespeople should look at selling from the buying side of the desk. Of courses, figuring out what motivates people to buy is key part of sales strategy. "There are some companies that like to think they are on the cutting edge," said Heckman. "You should get out in the field and talk to customers and prospects."

Heckman then provided what he calls The Champions Checklist:

#### **The DNA of a champion**

- Impact player
- Has creditability (within own organization)
- Understands problem/opportunity
- Will coach us/Wants us

## LEADERSHIP

### **Creating a Performance Culture**

"There is a lot of opportunity to improve our leadership practices," suggested Art Petty, Business Performance Consultant and founder of Strategy & Management-Innovations, LLC. He spoke at the 2009 AFT Spring Meeting about creating a performance culture. Petty explained why leadership and performance are highly relevant, "It is a target rich environment...pre-



Bob Heckman, President/CEO, The Allen Group

#### **Organizational Insight**

- Know organization ("It is the powerchart you need to know, not the organizational chart")
- "Decision Path" experience
- Evidence/Impact known
- ROI-how monetized ("You have to know how buyers calculate ROI")

#### **Tools & Support**

- Our message -their language ("Must meet and map to the way they talk")
- Tools (case study, statistics, references examples)

dominant mood of the workforce today is fear...fear creates paralysis."

He also asked "have you worked in a high performance culture?" An informal report card reveals most never worked on a high-performance team, few receive timely feedback and coaching, most project teams underperform, few pass the "walk in the door" test, and most



Art Petty, Business Performance Consultant and Founder of Strategy & Management Innovations, LLC

question executive effectiveness.

Getting people on board is critical. A FedEx study found employee satisfaction equals customer satisfaction and an Ernst & Young survey discovered that 80 percent of project failures are due to people issues.

Petty also described the 6 C's that derail high performance:

- **Context:** strategy and vision ('People do their best work when they have context')
- **Creditability:** Why follow you?

- **Connection:** Am I relevant?
- **Customer Disconnect:** who?
- **Conditions:** Environment right?
- **Communication:** Enough said? ("A lot of organizations struggle with communication")

What is the weak link here? "Us as leaders," maintained Petty. In order to create a leadership-based performance culture there are some key elements. They include engaged employees equals success, effective leadership equals engaged employees, leadership development is deliberate, feedback equals "breakfast of champions," and vision and strategy provide context. Petty also pointed out that high performance is an outcome of hard work, not an accident. "That is what our job as leaders is all about...great results are the product of effective leadership."

## LEGAL TRENDS

### The Best Practices for Technology Companies

What are the legal best practices for technology companies? Rusty Pickering and Donna Lewis, both partners at Nelson Mullins Riley & Scarborough, LLP, offered their opinions at the 2009 AFT Spring Meeting. Pickering detailed the relevant markets trends, such as increasing regulation ("more regulations are on the way"), the shift to Web and mobile delivery, increasing privacy and data concerns, and increased sophistication of buyers.

When determining enterprise valuation the value of the company primarily resides in four places: management ("people would rather buy good management than a bad business plan"), intellectual property, customer contacts, and growth.

Contracts may be legal agreements but they are also sales tools. "It's the last point in the sales cycle," said Pickering. "The contract that was pushed through 10 years ago is now heavily negotiated."

That is a fundamental reason why the contract should be user friendly. The agreements should be in English, not legalese. "The contact should really fit busi-



Rusty Pickering (right) and Donna Lewis (left), partners at Nelson Mullins Riley & Scarborough, LLP, shared the stage with the AFT "Survey Monkey" reminder.

ness needs," explained Lewis, "Some lawyers overly complicate things, and they hide the ball."

It also pays to plan. "Build in a change procedure to add new products so you do not have to revise the contracts," suggests Lewis.

Pickering also recommends incorporating regulatory suggestions and regularly negotiated terms. In addition, leverage some terms that you know will change. In other words, build in a "gimme." "If it is not a big risk item put it in up front, so it does not become a barrier to the sales process...sometimes you put something in there that you know you can give away," added Pickering.

#### What They are Saying About AFT...

"I found the meeting to be a wonderful place to network. As a first timer, I was surprised at how many folks were there that we have worked with over the years. Definitely a great place to network. Only regret is that we had not joined and attended previously!."

— Ruth Razook, CEO of RLR Consulting



## CONSULTANTS

### How FIs Evaluate and Select Vendors

For a room full of vendors, knowing how financial institutions evaluate and select vendors is critical information. That is what Ruth Razook, CEO of RLR Management Consulting, Inc., provided at the 2009 AFT Spring Meeting.



- Ruth Razook, CEO, RLR Management Consulting

"The regulators have told financial institutions just rolling over a contract is just not acceptable," said Razook, "Regulators are pushing the financial institutions to take a more cautious look."

She described the method RLR follows offering their consulting services to a

financial institution. It starts with a needs assessment. "Through the assessment we are not calculating the needs of old...our concentration is more on getting the

financial institutions to focus on their strategic plan as it relates to a strategic technology plan."

From there they put together a requirements definition. "What they have today and what they do not have today and must have; an alternatives evaluation ("is it going to be in-house, outsourced or a hybrid of the two"); vendor stratification ("decide whether to do an RFI and RFP"); the proposal evaluation; vendor selection and vendor due diligence.

To vendors, Razook recommends "It's very important when a vendor completes an RFP to be complete. We expect a vendor to contractually commit to what they put into an RFP...make sure it is 110 percent accurate the first time."

Razook added, "We will not recommend a solution...we want to point out the pros and cons." She also suggests that vendors should communicate how they will help the financial institution "too many times presentations focus on the gizmos of the product."

## INTERACTIVE SESSIONS

### Participants Power Highly-Charged Sessions

The definition of interactive is "acting on one another; reciprocally active." Many organizations pay lip service to mutually beneficial gatherings. That is never the case at AFT meetings where interactivity is a hallmark, an expectation that all participants expect to carry out. The interactive sessions at the 2009 AFT Spring Meeting were no different. Brian Otte, Vice-President of Corporate Development at Perimeter eSecurity; Tom Shen, board member of CBG Holdings; Andy Elliott, Senior Vice President and Bob Ezell, Vice President Product Marketing, both from Computer Services, Inc.; and Steve Proud, Vice President Regional Sales Manager at RDSI Banking Systems, were moderators for separate interactive sessions focused on sales and service, and one combined gathering.

Here is a sample of some of the discussions:

- **Getting Information On New Products To Clients** - "Take the approach that we are consultants with them"; "Become a relationship manager."
- **Third Party Vendors** - "We are trying to create a third party channel"; "The economic environments had forced us to focus on things we can do well"; "Understand the capabilities of that third-party vendor."



AFT Director, Steve Proud, RDSI Banking Systems (left) and Bob Ezell, AFT Vice President & Program Chair of Computer Services Inc. (right) were two of the several moderators who kept the always popular Interactive Sessions lively during the 2009 Spring Meeting in Austin, Texas.

- **Peer-to-peer Service/Internal Service** - "Sometimes you need a visa to cross internal oceans"; "Recognize that internal customers are as important as external customers."
- **Multi Generational/Millennial Employees** - "They are motivated differently"; "We are trying to fit these kids into a transitional environment."
- **Survey on Performance** - "Trying to get to the real value of customer experience"; "The best survey is calling the customers."
- **Trade shows** - "Some shows are expecting 30-40



percent lower attendance"; "Offer to speak at shows - require we get on the first day"; "Financial institutions are sending less people but some are still attending."

Other discussion topics focused on new product oppor-

tunities, sales incentives, consulting firms, multiple contact points, partners for service, Saturday and after-hours support, case management, accuracy of pipelines, dealing with disaster, impact of the current market on sales and management.

### Company Profiles

#### CCMC

##### David Willis, President

CCMC is the financial industry's leading independent provider of connectivity software designed to streamline the flow of information. CCMC's Bridge products connect loan origination systems to a full array of service providers including internet based systems, marketing systems, and all the major loan servicing systems. We build interfaces!.

##### RLR Management Consulting, Inc.

##### Ruth Razook, CEO

RLR Management Consulting, Inc. (RLR) is a nationwide consulting firm focused on providing high quality consulting assistance to financial institutions in the areas of corporate strategy, organizational analysis, operations, project management, information technology, payments and regulatory compliance. RLR has served hundreds of clients nationwide over the past 20 years. We possess strong capabilities and broad experience assisting clients in assessing their current environment, formulating new and creative tactical and strategic alternatives, and implementing positive change.

##### FSB Solutions/S1 Corp.

##### J. Sanford Coons, Sr. Director of Business Development

FSB Solutions has products installed in more than 1,000 financial institutions at some 100,000+ workstations. FSB solutions include Teller Image Capture with built in Teller, full scale Branch Automation, multi-channel Marketing and Interaction Management, and CrediSphere, a single universal loan delivery platform that includes Consumer, Business, Mortgage and Web lending.

##### HEIT, Inc.

##### Daniel Holt, CEO

HEIT is the financial industry's expert partner for information security and risk management. Developed from the FFIEC Booklets, overall industry regulations, best practices, and operational requirements, HEIT's technology solutions, compliance programs, and risk management platform help our clients achieve real cost savings and get back to the business of banking..

## The James E. Stoner/Allan W. Balch Memorial Scholarship

The Association for Financial Technology has been awarding college and university scholarships to deserving employees and their sons, daughters, stepchildren, spouses, grandchildren and wards since 1985. The award is named in honor and memory of James E. Stoner, one of the organization's founders, and Allan W. Balch, a two-time President and ardent supporter of AFT.

Complete Scholarship Program information and applications are mailed to the primary contact person at each member company on/about April 1 of each year. Member companies are then responsible for selecting one (1) applicant. Completed applications are due back to the AFT Executive Office by July 1. The AFT Scholarship Committee selects a single winner and a \$3,000 check is mailed to the successful applicant by September 1.

Applicants are awarded point values for senior year high school class ranking and grade point average for full-time students already attending a college, university or trade school. Additional points are awarded for

academic achievements and school-related activities. Finally, applicants are awarded points for their responses to three essay questions.

Member companies are encouraged to match the AFT scholarship award, making the grant worth \$6,000.00 to the winner.

Complete Scholarship Program information is available from the AFT Executive Office and the AFT web site at <http://www.aftweb.com>.

### Scholarship Information

The \$3,000.00 scholarship award is available to any employee or a son, daughter, spouse, stepchild, grandchild or ward of an AFT member company employee enrolled as a full-time student at an accredited college, university, business school or computer-oriented trade school.

The selected Scholarship Application and Scholarship Essay Questions form are due in the AFT Executive Office by Wednesday, July 1, 2009.

The winner will be announced at our 2009 Annual Meeting in Tucson, Arizona.