

Business Banking of the Future – Foreign Payments Solutions for SMEs

An example of a ready-to-implement digital
product concept delivered in just 4 days



Participants

Our workshops were conducted with members of our Business Banking of the Future community. They are all financial industry experts with a mission to pave the way for client-oriented future banking. Our 10Clouds internal team of UX Designers acted as facilitators, and brought the concept explored in the workshops to life through prototyping.



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Do you think it is impossible to build up the concept of a banking product and test it on a small sample of users within just 4 days? Well, we have the recipe to make it happen!

1. Use **Design Sprint 2.0** as your mode of work
2. Gather some **top Finance Sector experts** in one room for 2 days
3. Enable them to voice their ideas on a timely subject – in our case **FX solutions for SMEs**
4. Get them to work with top UX, UI and product designers to come up with a **prototype** solution
5. **Test the mock-ups** on a sample client base

All the above took place in our third edition of the [10Clouds' Business Banking of the Future](#) workshops, in which we continue to work on and deliver solutions that pave the way for client-oriented future banking.

Working in Design Sprint 2.0

Just like last year, we chose to work in Design Sprint 2.0, the newest version of the original 5-day Design Sprint, geared-up to work in companies of all sizes where solutions need to be found quickly and decisions made with ease. **Design sprints bring all the relevant people together for four days of uninterrupted work, and, importantly, all decisions are made right there and then.**

Cross border payments – Expectations Vs Reality

1 The present situation: Companies of all sizes often seek various solutions in their foreign-trade-related business activities. Yet only a small part of what they need is provided by financial institutions. Such solutions are often limited to cross-border payments and currency conversion. In addition, the transaction fees are not transparent, high and unaffordable to many SME owners.

2 The pain points: The lack of broader provision for SME foreign exchange, and the fragmentation of these foreign trade services makes conducting international business much more complex. It also increases risk and may result in wasted efforts and financial loss.

3 Our goal: To analyze foreign trade activity and explore solution(s) that support businesses, connect fragmented tools and platforms, improve speed and lead to better ways of conducting business across borders.

What are customers looking for when it comes to international payments?

Before we began our design sprint, we took a look at the broader picture of what was currently happening in the FinTech sphere, and delved into the market context for potential consideration.

The first thing we did was to look at a simplified persona of an SME owner. We noted that they were on the whole people who were time poor, often travelled abroad to meet with prospective business partners, were not always convinced by new digital solutions and still tended to favor face to face interaction. At the same time they were keen to scale, and explore new revenue streams abroad but wanted to avoid unaffordable transaction fees.

We then conducted further research into the specific expectations of these customers, and we came up with the following areas.

CX/UX: Our target group looks for a simple interface, multichannel functionalities, clear transaction forms, and easy to use apps.

Automation: They are seeking online payment systems that are fully automated, even to the point of being able to send a payment along with the concluding currency conversion (2 in 1).

Fast transactions: These are sought after because they influence the business performance and revenue generation capabilities.

Human touch vs digital: This one may seem paradoxical, because the client on one hand wants to have the ability to do everything on their own. On the other hand they would like to have specialists to lean on.

Connected services: There should be functionality to match specific payments with invoices, all the way through to complex automated hedging transactions, cash flow analysis and predictions.





The Start of our Design Sprint

How Might We Statements

Throughout this first part of our design sprint, we made notes in the How Might We (HMW) format, allowing us to already define some ideas around potential international payments solutions for SMEs. After the expert interviews, we placed all the HMW notes into categories. After this came the opportunity to add a vote on the idea that aligns the best with solving the design challenge.

Some of the HMW suggestions included:

- How might we improve CX in the area of international payments for SMEs?
- How might we create an ecosystem for SMEs that connects all requirements by business services?
- How can we leverage embedded finance to support cross border payments?

The winning idea was:

- How might we add a human touch to automated solutions?



Setting the long-term goal

We then took some time to consider what the ideal outcome would be in this area, if we found the ideal solution, and once again, we voted to find the most popular idea. This proved to be:

As a customer, I don't want to have to think about which provider to use when I travel/expand to new markets; I expect banks and FinTechs to collaborate to provide a holistic solution for me.

Lightning demos

We then kicked off the lightning demo, allowing us to explore some solutions that served as inspiration. Our participants had many inspiring ideas about existing financial products that serve customers particularly well. From this, we came up with the decision that a future international payment service solution should cover the following elements:

- **Integrated services that offer SME clients holistic payment solutions** that cover all their needs when it comes to foreign currency payments, payment processing, currency and more without incurring high fees.
- A solution that uses the **latest AI technology** to simplify banking processes for users.
- **Instant recognizability** wherever you happen to be in the world.
- An intelligent **combination of human support and online services**.

There were several existing products from across the world which gave us inspiration:

Curve – An innovative online payment provider. It's a mobile app where you can put all your cards from banks all over the world, and you can easily move your money between the cards. The app is also connected to ApplePay or Google. We particularly liked the interoperability of the payments.

Stripe and **Airwallex** – We thought that web-based online payment infrastructure providers are the way forward when it comes to banking solutions for SMEs. But we also felt that customers, while they use these platforms, often want advice from a real person when they have a specific question or problem. That's why there's a future in connecting such services with establishments that have a brick and mortar physical store.

Revolut – We discussed that Revolut enables clients to access complicated products. It allows them to trade stocks and crypto currencies, manage their expenses, make an international payment, download statistics and do so much more online without human interaction. But there are times when clients have the need for physical support and Revolut has impressive live chat.

PayEye – paying and accepting your payment just with the use of your eye. The most important element is that you don't need any hardware. The service is truly invisible and fully embedded, since your eye is being scanned to confirm each transaction.

Kantox – a company that provides you with the system that presents all your currency exposure, supporting you in your international payment decision making process and hedging your position. We are living in the reality of services connected to payments, but

there are few solutions which help you manage exposure. Should you hedge the position? Should you close it? What is the risk that you've exposed yourself to? The system tries to support you in the decision-making process.

Foreign Exchange and Tax

We also discussed the issue of tax when it comes to cross border payments. There are some existing solutions on the market such as Stripe, which tell you where you need to pay value added tax based on your payments. The next step would be to automate tax related activities, considering the complexity of the regulations among different markets. We decided this element was worth exploring as part of our solution, although probably not as one of the first steps.

Conclusive thoughts

We then captured our conclusions throughout the sprint so far to figure out what elements we need to focus on when coming up with our solution for efficient cross border payments.

A few comments from participants:

Increasingly, businesses want to be able to manage technologies throughout the value chain under one roof. If you work with multiple partners, they should make it easy to turn particular features on and off, and add new services as the business expands internationally. I think the future lies in being able to connect services that have traditionally been siloed.

Vivien Cheung · Director, Strategic Partnerships at Airwallex



Our solution should take away the burden of running your business so that the SME owner can focus on what matters most – and why they started their business in the first place. That person should not be required to be an expert in everything. I also think that a 'try for free' approach would make sense. A trial period is crucial for building trust for an essentially unknown provider. Then the solutions could be bundled in a given plan or subscription.

Agnieszka Durlej · Director of Sales for Finance Markets at Pekao SA



Crazy 8s

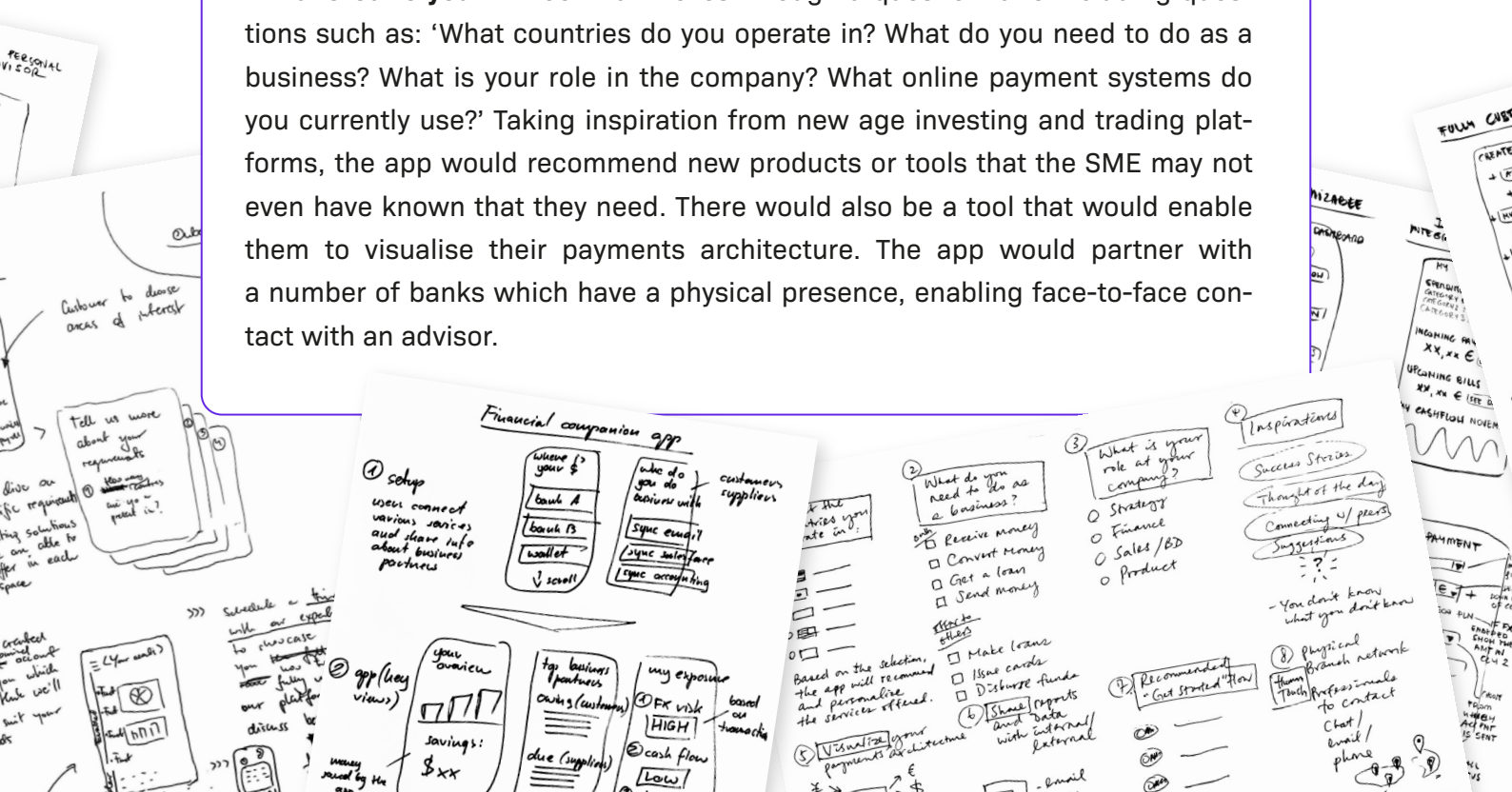
We then got very creative and each participant made 8 sketches or doodles in just a minute each. At the last step of this exercise, each person sketched their chosen solution and included a catchy name.

There were many inspiring ideas, including:

FX everywhere – An app in which spot transactions and everyday payments are easily available to everyone, cross border. There would also be a hedging risk strategy function for volunteers only. The platform would have a customizable landing page and would include a market analysis tool which is unbiased, and information about currency fluctuations. It would also have recommendations and frequently-asked questions and answers, as well as a community board in which users could share their experiences. From a business profitability perspective, it would be great to create a to-do list to help an SME figure out what they need to do over the coming weeks and months when it comes to managing cross border payment.

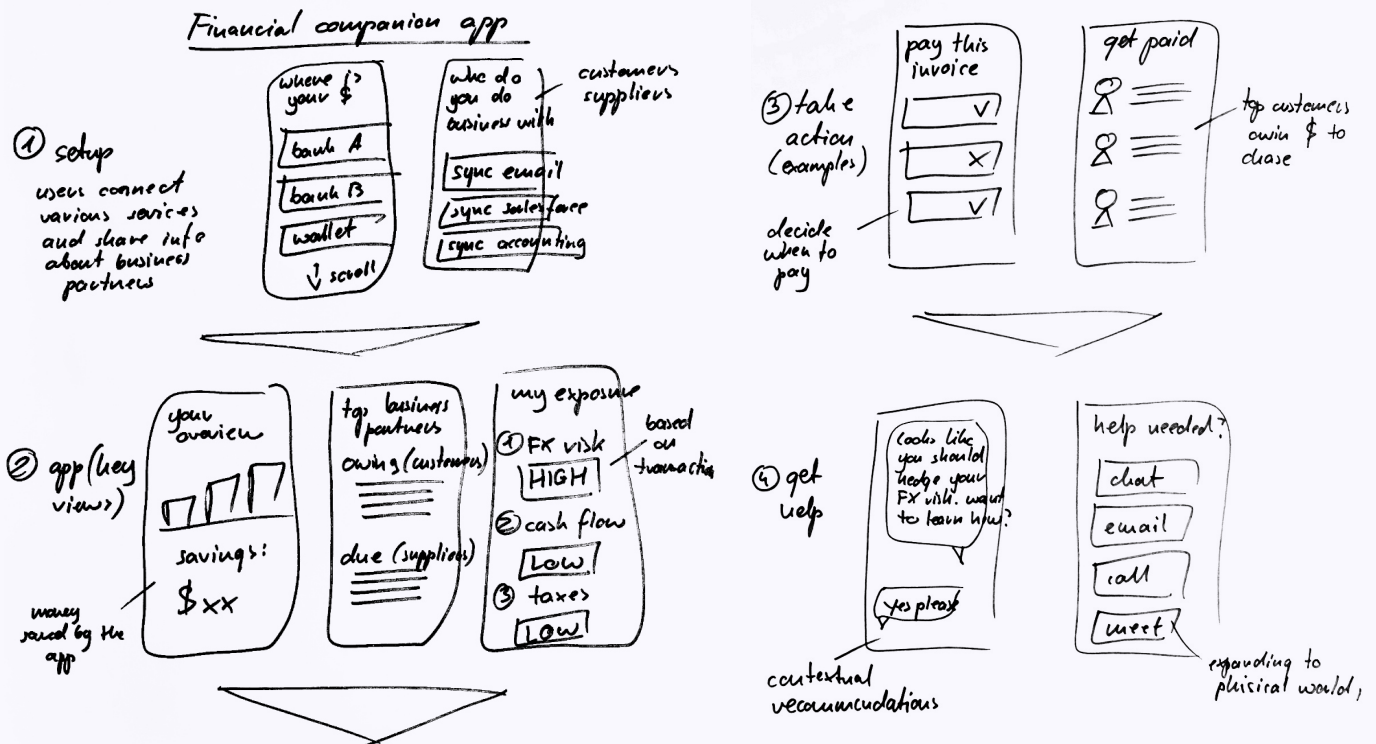
Your ultimate payment manager – an app offering a number of solutions, such as the ability to integrate multiple accounts, to send and receive payment internationally and more. There would then be a basic questionnaire to take a deep dive into a customer's specific needs and the platform would then craft a customized account for them based on the answers. It would also enable the SME customer to schedule time with an advisor who would be able to talk them through any other options that are relevant to them.

FX tailored to you – A tool that moves through a questionnaire including questions such as: 'What countries do you operate in? What do you need to do as a business? What is your role in the company? What online payment systems do you currently use?' Taking inspiration from new age investing and trading platforms, the app would recommend new products or tools that the SME may not even have known that they need. There would also be a tool that would enable them to visualise their payments architecture. The app would partner with a number of banks which have a physical presence, enabling face-to-face contact with an advisor.



Voting

The most popular solution was a **Financial Companion app**.



This is an app ideal for SMEs which have lots of customers and suppliers in different countries. It enables you to connect in real-time with your email, your CRM system, your accounting tool and your invoicing system. It gives you a holistic overview of your balance, what receivables you're expecting and when, and a resulting analysis on FX risk and cashflow. You as the client get a recommendation of things such as when is the optimal time to pay a certain invoice, make a certain cross-border transfer and so on. You also get help with your international payment services through a chatbot – and you have the option to meet a person in a physical bank branch if you wish to.

Defining the risk profile

In our discussion, we decided that one of the biggest questions is how to create the advisory tool, as this will be the game-changer for the customer. We would have to provide simple ways to define the risk profile and to propose the hedging scenarios for each customer. These would need to take the form of some intelligent inbuilt patterns which would be distributed throughout the application.

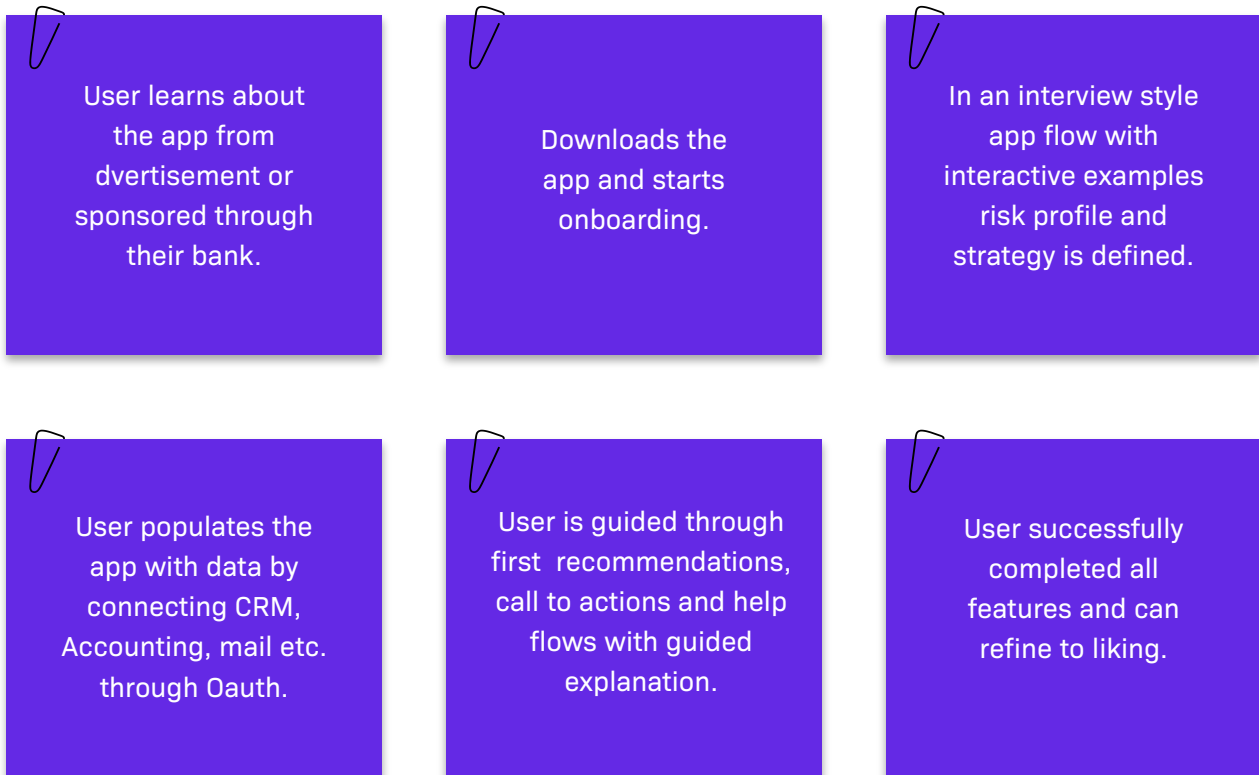
Adhering to differing regulations

We noted that there is also the problem of differing FX payments regulations in different regions. So the tool needs to take into account the regulatory requirements for all the countries that the customer operates in.

Writing the user test flow

After we'd decided on a concept, it was time to start defining what our user test flow should look like. Our aim was to write a simple story in just 6 steps.

Once again, there were many great ideas that gave us food for thought, but the winning test flow was the following:



We discussed each of the above points of the journey in detail.

- ✓ **Luring the customer** – We discussed having an in-bank price enticement for customers and how the sponsorship might work in practice.
- ✓ **The interview-style app flow** – The questionnaire will be really crucial as it will give the customer the ultimate benefit. From the very outset, it should be communicated that while you provide a certain level of detail now (which takes some time), this will be worthwhile for you in the future. It might also be worth giving a reward at the end of it – e.g. the first payment for free. The important point is to make this process

attractive. To entice people about what they might be missing if they don't participate in the process. There might be insight from experts or other companies that are conducting similar operations.

- ✓ **Presenting the key functionality of the app to the client** – Before we go into the detail of presenting the client with their risk profile and recommendations, we felt that we needed to show them the benefits of what the app does – the customer value proposition.
- ✓ **Different strategies for specific business profiles** – We felt that it is important to differentiate our audience. Each of them will be doing their settlements in a slightly different way. We would evaluate the customer profile from different perspectives and offer the results based on our interaction with them.
- ✓ **User populating the app with data** – The idea here would be to have maximum integration. But, it's important to note that we're asking for a lot of trust upfront. This is why the messaging here would be very crucial and we need to keep reiterating the end benefit to the user. It's worth focussing on what is the required piece for them to start using our app.
- ✓ **A guided tutorial** – Once the user has populated their data, they are guided through the first recommendations, call to actions and help flows with a guided explanation. However, this is optional and can be skipped.
- ✓ **The ultimate goal is for the user to make their first transaction** – the app (or website) could prompt them to do this – e.g. by showing an invoice that they have to pay. There will be individualized and customized recommendations.

Creating the Prototype App

After gathering all the insights from the workshop it was time to start working on the prototype. We came up with an idea of a business traveller companion app that would optimise costs based on currency rate changes and would take care of invoicing by bundling all relevant invoices into one.

The ultimate value the app brings is reducing costs based on exchange rate fluctuations and time saved on accounting.

Following a quick brainstorming session we started creating user stories. These are short scenarios written from the perspective of a user or a customer, and can help describe potential features in an app. User stories can also express the value each feature delivers to the user.

- **Find the best currency exchange rates** (exchange rates) – when paying, the user will be able to choose the best exchange rate and optimise the costs based on the exchange rate changes.
- **Bundling up invoices** (automation) – Whenever a payment is made through the app an invoice is added to the existing business trip. When the trip is over the user requests a single invoice that consolidates all the invoices related to that trip.
- **Partners** (instant recognizability) – Partners are companies that work with the app to provide the best value for their customers. With each payment, the app recognizes these partners and adds any related invoices to a single bundle. They can also offer special services or discounts for the customers using the app.
- **Concierge** (human-touch) – Concierge helps with any non-bundle invoices and small tasks such as finding a hotel, ordering a cab, booking tickets, finding office spaces to rent, etc. They are a to-go person on any business trip.
- **User profiles** (instant recognizability and human-touch) – Based on the current and historical spendings, the app creates a user profile which helps analyse and predict future spendings.

With the high level idea, user stories and features that address users' pain points we dived into designing the prototype.

Before we created high fidelity design we started with wireframes. Wireframes are a low-fidelity user interface that helps consolidate all the ideas into a visual form. They are also a great tool that helps identify potential problems that users can find when using the product.

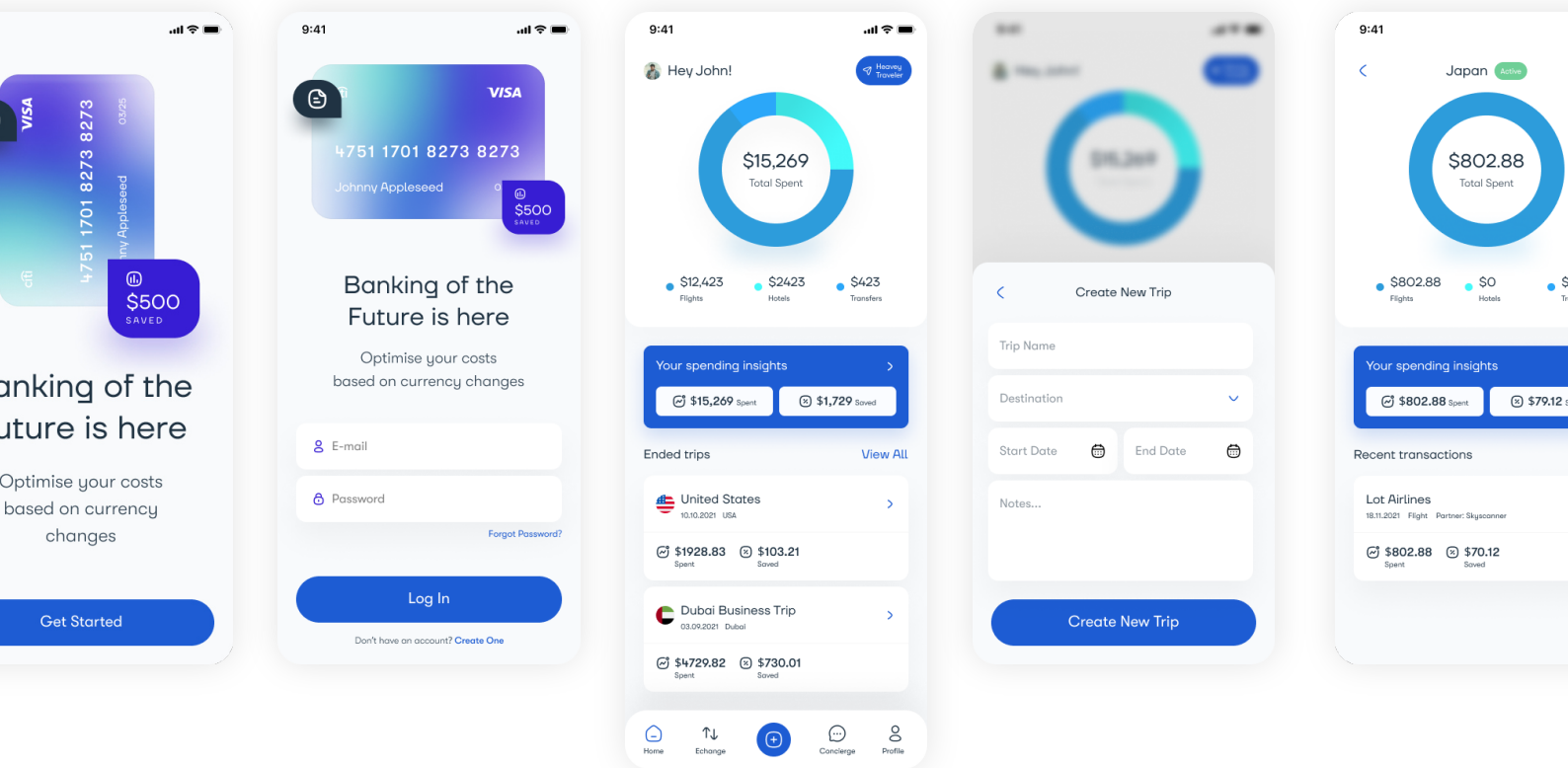


High-fidelity prototype

After creating wireframes and going through all possible scenarios we continued our work with the high-fidelity user interface. Bold, modern and clean design reflects the seamless approach to payments during international business travel.

User testing

The last step of the process was to test the app with users. We had a list of small and medium business entrepreneurs that were interested in testing our solution.



Usability testing starts with establishing aims and objectives of tests and different tasks. We wanted to focus on core functionalities designed in the prototype that were directly related to the results of the workshop. We then prepared tasks that the users had to go through in order to check those functionalities. An example of the task would be:

*You are paying for a hotel stay during your business trip.
Use the app to pay for your hotel room.*

Due to an ongoing pandemic we were only able to perform all the tests remotely. We couldn't run the tests on the actual mobile phones due to technical restrictions, but we were able to follow the users on their computer screens. We had meetings with business operators, each from a different industry but they all travelled abroad for business. During the tests we asked our participants to speak out loud and describe what they could see, what they were doing, and why they were taking specific actions. The oral feedback helped us understand the users' motivations and frustrations when using the prototype but also gave us some leads into possible features.

The overall feedback from the users was that most of them would use the companion app or allow their employees to use it for business trips. After all the tests and data we have collected we were able to include changes to the prototype that would reflect the users' feedback.

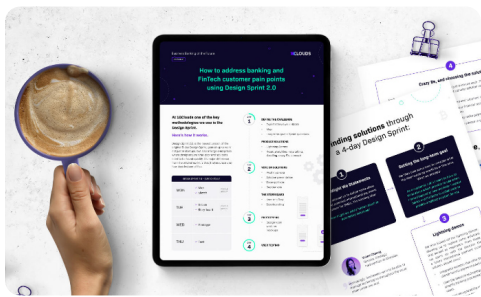
The final step would be to test the prototype after the iterations and resolve any remaining challenges that the users would come across when using the app.

Looking for a tech partner to help you build a new solution for your banking clients? Get in touch!



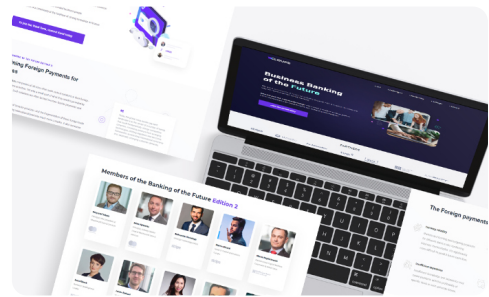
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Download our infographic „How to address banking and FinTech customer pain points using Design Sprint 2.0

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