

WHITE PAPER



Go to Market Strategy for
International Remittance Service Providers:

MG's Game-Changing Blueprint on
Choosing the Right Remittance Platform
for **Banks and MTOs**



macro global[®]
creating value through innovation

Table of Contents

Introduction	01
The essential features that any international remittance software should have for seamless operations	02
Payment Reconciliation	02
Delivering Unified Customer Experiences	02
Data Breaches and Cybersecurity	02
Staying Regulatory Compliant	03
Unified Third-Party Services (UTS)	03
Business Bottlenecks	03
Build Vs Buy	04
Can building their platform, be the best option for financial institutions?	04
Can buying their digital solutions, be the best option for financial institutions?	05
Conclusion	06



macro global[®]
creating value through innovation



Introduction

Banks, MTOs, and other financial institutions are ascending toward new dimensions, where the remittance flow across the globe has massively increased, the transaction fees for remittance has also been reduced and with the tremendous pressure from the UN to regulate and enhance services, bringing uniformity across the world. FinTechs play a major role in supporting the banks, MTOs and financial institutions to enable and scale their remittance business through latest technology advancements ensuring greater compliance and better user experience. The shift is huge from the BAU operating model to Agile methods, from legacy architecture to Cloud-based.

Financial institutions are shifting from IT as business support to IT as their core. With the shift to outdated security practices, there is an Integrated Cybersecurity that brings the shift. Digital trends are reshaping banking, and banks need to transform fast to compete for disruptions in the diverse arena.

To scale with the development, banks need to be future-ready! However, the survey from Boston Consulting Group suggests that only 10% of the talents are thinking about the future and innovation, and only 15% of the top-In demand skills are being employed. It is always the combination of technology, compliance along with a good strategy that would help international remittance service providers to power up to serve the growing demands of the people.

In this whitepaper, let us introspect the need for banks, MTOs and other financial institutions to be future-ready to ensure they achieve their goals through a combination of technology, strategy, and service delivery.



The essential features that any international remittance software should have for seamless operations

Factors like smooth transactions, secure interactions, and compliance with regulations, making cross-border payments efficient and these components form the backbone of a resilient and trustworthy remittance system, meeting the evolving needs of customers while maintaining the integrity of global financial transactions.

1. Payment Reconciliation

Every transaction must be reconciled by the financial institution to ensure smooth operations, compliance, and spot fraud risks. Cross-border payments are the driving force of international payments. To manage their extensive and delicate data, manual reconciliation, or through outdated systems, they cannot handle the humongous data. Alternatively, they can invest in automation systems that will assist them in adapting, reducing costs, and remaining agile to stay competitive in the new environment. Automation makes it simple to spot data anomalies, problems, or irregularities and brings a seamless process flow, which overall expedites the operations.

2. Delivering Unified Customer Experiences

Customers want digital banking services to be convenient, easy to use, personalized, and secure. With omnichannel interaction and consistent support, banks, MTOs and other financial institutions are winning the fervour of their customers. With the capabilities of handling multi-currency options round the clock, the international remittance service providers can give extensive customer satisfaction. It requires a strong infrastructure with a robust mechanism to cater to the needs.

3. Data Breaches and Cybersecurity

Data breaches and loss of sensitive customer data are growing concerns in ensuring financial security and safeguarding the personal information of their clients always takes prominence. Banks, MTOs, and financial institutions must expedite their processes to enhance transparency and utilize appropriate technology to combat fraud. Along with that, it is immensely important to follow encryption, stringent access control, regular patch software, and security audits along with a complete disaster recovery plan.

The essential features that any international remittance software should have for seamless operations

4. Staying Regulatory Compliant

With many inconsistent implementations of regulatory procedures for sanctions screening and financial crime, multiple checks on the same transaction are performed to verify that the parties involved are not engaging in illicit finance. The international remittance service providers may conduct their checks using various sources, which can result in customers being flagged incorrectly. Also, the number of intermediaries in a chain adds to the complexity. It requires a strong platform that can handle diverse operations yet remains sturdy and has the resilience to handle diverse tasks.

5. Unified Third-Party Services (UTS)

UTS addresses the operational inefficiencies, by simplifying the management of various essential functions within a remittance solution. Instead of dealing with multiple vendors or third-party providers (TPPs) individually, UTS consolidate these services into a single framework, including functions such as foreign exchange (FX) transactions, (AML/KYC) compliance checks, payment gateway integration, processing payouts, and managing SMS services. Thus, remittance businesses can streamline their operations and reduce complexity, curb the need to interact with multiple vendors, manage separate contracts, or navigate disparate systems. Also, UTS often offer standardised integration protocols and APIs, facilitating seamless communication between different components of the remittance solution.

6. Business Bottlenecks

Several challenges like payment processing delays, legacy system limitations, data management, compliance issues, infrastructure constraints, and reliance on manual processes, hinder the seamless remittance process. By addressing these challenges, it ensures seamless transactions, regulatory compliance, and operational efficiency. It is important to shift towards new, innovative modern yet resilient platforms that can do the heavy lifting.

While closely introspecting the operations of the international remittance service providers, these are essential features which are to be considered while devising the go-to-market strategy for the cross-border payments business.

Build Vs Buy

Financial institutions, despite being small medium, or large, are often required to make critical decisions regarding their technology infrastructure owing to several factors like the growing demands of the customers or the advancements in the technology. The institutions need to consider the advantages and the disadvantages of each approach, where factors like time-to-market, cost-effectiveness, control over operations, and technological expertise are prominent.

Can building the platform In-house, be the best option?

While building a cross-border solution in-house or outsourcing the development to IT firms may initially seem appealing, it entails numerous technical challenges and complexities that financial institutions must carefully consider. Firstly, it demands a team of highly skilled professionals proficient in various domains such as software development, data management, security, and compliance. However, acquiring and retaining such talent can be challenging and costly, especially for smaller institutions with limited resources.

Furthermore, constructing and maintaining the infrastructure for a cross-border platform is a costly endeavour, encompassing servers, network infrastructure, data storage, and security systems. Ongoing maintenance and upgrades further escalate expenses. Integrating disparate systems and third-party services adds another layer of complexity, necessitating seamless interoperability between payment processing, compliance management, and customer support functionalities. Also, features such as CBS integration, CRM, FX services, payout management, and reconciliation should also become an integral part of the platform.

In addition to technical complexities, developing an own cross-border solution requires a deep understanding of regulatory requirements across multiple jurisdictions. Whether it is in-house development or outsourcing to IT vendors, financial institutions must ensure adopting latest technology trends, platform security, robustness, and scalability to embrace and capitalise emerging opportunities in the cross-border payment landscape.

Compliance with a myriad of regulations, including AML, KYC, payment regulations and data protection laws is the necessity of remittance business. A special attention should be given to global compliance regulations and GRC framework while building the software. Non-compliance could result in regulatory fines, legal liabilities, and reputational damage.

Security remains paramount in cross-border transactions, mandating robust encryption, access controls, and data protection measures. Financial institutions must continuously monitor cybersecurity threats to safeguard sensitive financial data. As transaction volumes increase, scalability and performance become critical considerations. Designing platforms capable of efficiently handling high transaction volumes is essential for seamless operations.

Can buying an International Remittance software, be the best option?

Investing in a remittance platform offers numerous advantages for financial institutions looking to streamline their cross-border operations and enhance their service offerings. It often comes with plug-and-play functionality, allowing for seamless integration with existing systems and third-party services, to quickly deploy the platform without the need for extensive customisation or development efforts. This in turn reduces implementation time and reduces disruptions to existing operations.

Built with a comprehensive suite of features like payment processing, compliance management, KYC checks, FX services, and customer support functionalities tailored to meet the specific needs of financial institutions, they can improve operational efficiency, enhance customer experiences, and stay compliant with regulatory requirements. Being highly scalable and flexible, the platforms adapt quickly to changing market conditions and customer demands, accommodate growing transaction volumes, or expand into new markets. They involve much lower upfront costs compared to building a solution in-house and offer a subscription-based pricing model. Equipped with robust compliance management features, such as AML/KYC checks, sanctions screening, and transaction monitoring, it highly helps institutions mitigate risks and safeguard against financial crime.

Through streamlined payment processing, real-time transaction tracking, or personalised customer support, the platform enables institutions to differentiate themselves in a competitive market and build stronger relationships with their customers. Financial institutions also gain strategic advantage by providing access to advanced features and capabilities, scalability, cost-effectiveness, regulatory compliance, and enhanced customer experiences.

However, the key to unlocking these benefits lies in choosing the right vendor, a crucial step that involves evaluating their experience, track record in successful implementations, and positive client testimonials. The other important considerations include the platform's ability to integrate with existing systems and third-party services smoothly, robust security measures including encryption protocols and compliance with data protection regulations, and the quality of customer support.

Vendors committed to ongoing innovation, transparency in pricing, and those who demonstrate an understanding of your institution's particular needs in cross-border payments (CBP) will be pivotal in ensuring the platform's success.

Overall, investing in a remittance platform represents a proactive approach to meeting the evolving needs of customers, driving growth, and maintaining a competitive edge in the digital economy.

Conclusion

The GTM (Go To Market) strategy will align all stakeholders and establish a timeline to ensure each stakeholder meets the defined milestones and outcomes, creating an attainable path to market success. Despite the heavy load of expectations of the customers, technology updates, security, and other challenges is causing heavy stress on cross border payments service providers. With the combination of appropriate strategy, technology, and infrastructure, many Fintechs are ready to provide the much-elevated solutions, which can do the heavy lifting, and help the banks to focus on their cores.

NetRemit from Macro Global offers a comprehensive suite of features and innovative technology tailored to meet the needs of banks, MTOs, and other financial institutions. Our services include expert consulting, encompassing end-to-end gap analysis, system architecture planning, and go-to-market strategy. Additionally, we provide comprehensive support, including compliance management and legacy migration assistance, ensuring a seamless transition.

With access to leading marketplace apps, our platform offers unparalleled flexibility in cross-border payments, KYC checks, payment gateways, and FX services. Integration of UTS streamlines payment processing, compliance management, and customer support, consolidating multiple service providers into a unified framework. Powered by a plug-and-play platform with built-in flexible architecture, our cloud-based solution ensures a cost-effective, fast, and frictionless payment experience with accuracy, enabling rapid deployment and integration within weeks.

That's not all! Our esteemed partnership will elevate your business to a newer dimension. To partner with us, call us at +44 (0)204 574 2433 or mail us at salesdesk@MacroGlobal.co.uk. Our executives will stay connected with you to understand your requirements.

We are here to help you

Please click on the web link below to access our sales desk telephone numbers and email and we will be in touch straight back to you.



<https://www.macroglobal.co.uk/contact-us/>



macro global[®]
creating value through innovation

Macro Global (MG) is the trading name of Macro Infotech Limited, Inca Infotech Ltd & Macro Technology Solutions Pvt Ltd. Macro Infotech Limited & Inca Infotech Limited have Registered Office at 20-22 Wenlock Road, London N1 7GU and these companies are registered in England & Wales under the registration number 06477763 & 04017901.

Technology Partnerships



ISO Certifications

