

Paper & Electronics Working Together



These are the best of times. At Regulus, this classic saying rings so true for us. We not only hold first place in payment processing market share, but are also one of the top two largest providers of document processing services in the nation.

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With over two billion paper and electronic transactions annually, our unwavering strategy to unite the entire billing and collection cycle under a single provider is a powerful combination. It's a positive picture, yes, but still mainly driven by a paper-based business; one in the throes of change with electronic bill presentment and payment channels growing as an acceptable and comfortable means for customers to transact.

Kathy Hamburger
PRESIDENT & COO, REGULUS

Times Change

Regulus embraced the migration to electronics early, and most importantly, built solutions that focused on the transaction as a whole, regardless if it was paper or electronic. Technology leveraged our ability to consolidate, mine and manipulate data from these transactions for creative solutions. Like many companies, we always must be ahead of the curve by anticipating or driving shifts in the marketplace. Any company moving a large volume of paper transactions must look at the impact of the rising electronic channels, seeking new ways to expand services. We see wide differences in electronic transformation between the payment and billing side of businesses, which drives our strategic focus.

Payment Migration

The decline of paper payments continues at a steady pace. Volumes are shrinking with about 65% of consumers paying by check or other forms of paper, and about 35% now paying through some means of electronic payment. Payments received by mail remain the most popular channel. Consumers are originating electronic payments through the Internet, the phone, or

an ATM. Common payment methods exist, such as credit cards, debit cards, direct account debits and reoccurring ACH entries. Credit cards and ACH payments dominate electronic choices, with pay-by-phone channels rising in popularity because of pure customer convenience.

Despite the excellent job companies have done getting their customers to pay via alternate means, over two-thirds of them still prefer to pay by paper. It takes time to change consumer habits. Part of our contribution to help change this behavior came as an early entrant in Check Conversion (ARC) services. Clients can now choose to convert checks to electronic ACH entries for settlement, making consumers more aware with automated account debits.

Regulus converts over 12 million paper payments monthly: about one-third of *all* ARC transactions in the entire industry. NACHA predicts that 55% of all paper transactions will be converted to ARC by 2007. Check 21 is right around the corner too. Regulus pilots are already underway with a major bank and a financial credit card company. Again, we will actively lead the way for new solutions while paper and electronics continue to converge.

Invoice & Bills Migration

Migration to electronic statements is much slower than the payment channels for many reasons. Among other things, companies are challenged with customer interest in receiving bills electronically, while struggling with the timing and economics involved with offering it.

At the same time, some customers

who use web-based bill payment options still request a "follow-up" hard copy. Besides, a billing statement acts as one of the most regular and reliable communication vehicles. Everyone almost always opens and reads a bill. Clients are reluctant to give up this dependable marketing conduit to a purely on-line environment. Adoption rates for electronic document delivery within Regulus hover under 3%, which mirrors the industry. Rates are not expected to reach even 25% for several years, which means organizations will have to support both paper and electronic distribution channels for some time to come. Although it may take a little longer than payments, that time will come.

For Regulus, mail tracking and reporting is the hottest automation helping our clients right now. Our web portal gives clients an easy-to-read status on every mail piece electronically tracked by the USPS Confirm service. Customer service, collection, and research areas can rely on facts to answer or stop calls by instantly knowing when a statement arrived or knowing exactly when a payment will be received.

Exciting Times

Regulus' commitment to technology and automated solutions is strong. While the world of electronic transactions continues to expand, so do our electronic capabilities. This transformation is the driving force behind our innovative ideas. Stay tuned: the best is yet to come.

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CALL 1-866-747-2877.