

A new day comes to PaaS

With the help of IBM, the Prairie Centrals are ushering a new future for credit unions with Payments as a Service (PaaS).



In the 23 years Amy Gertsma, VP Information Services, Encompass Credit Union has worked in the credit union system, she's seen it all. The advent of digital banking. The first e-transfer to ever come through Wainwright Credit Union. And the first time a member at her branch needed help figuring out which end of her debit card went into that new-fangled Interac machine. For Gertsma, every change is a new

opportunity.

“When I first started, everything was paper-based,” she recalls about her days as a teller. “All this change has been amazing. I believe we have the capability to introduce new ideas, but we have to always keep in mind the member's experience.”

With the launch of the Prairie Payments Initiative (PPI), Gertsma is bracing herself for another wave of changes that promises to transform how credit unions do business. For credit union members across Alberta, it's still business as usual. They make their payments without worrying how their money goes from one place to another. From Apply Pay to Google Wallet to Amazon Pay - the explosion of new payment methods for consumers in the last decade has made payments more complex and expensive to manage. The legacy systems that undergird most credit unions, are struggling to keep up, and the Prairie Centrals understand that this won't be sustainable for too much longer.

As part of the PPI, they signed a deal with IBM to modernize the payments platform through Payments as a Service (PaaS). Fully ISO20022 compliant, IBM will develop a payments processing infrastructure that ensures credit unions can remain competitive in the digital age.

“It's the first step towards modernizing our payment infrastructure,” says Wilson Griffiths, Senior Vice President of Member Solutions at Credit Union

Central of Manitoba (CUCM). “PaaS is the platform that allows for overlay services and digital innovation to happen more easily.”

Griffiths co-leads the Prairie Payments Joint Venture along with Michael Devlin, Alberta Central’s Chief Payments and Technology Officer. Together, they’re responsible for the smooth transition to PaaS, uniting all the disparate systems of the credit unions under one platform. That, in and of itself, is an ambitious task, made all the more difficult with the new regulations from Payments Canada’s payment modernization initiative. With the tight timelines and pressure, Devlin is fully aware of the scope of his responsibility.

“When we had our first kick off meeting with IBM, the large credit unions’ [Chief Information Officers] and Celero, I wrote ‘Blame me’ on my name badge,” says Devlin. “If you need somebody to blame regarding timing or process or just someone to vent with, it’s me. I understand the sacred trust we have with our members. I take accountability for that in any way I can. In the same way credit unions work hard to earn the trust of their members, I want to ensure the entire Joint Venture team is continually working hard to earn their trust in us.”

For Devlin and Griffiths, this more than just a technological change – this is a transformation in how the prairie credit unions will work together. In order to successfully pull off an overhaul of this scale, the credit unions will need to collaborate more closely than ever before. Griffiths understands that isn’t an easy task, but what he’s seen so far has given him hope. “Politically, sometimes there are more challenges, because credit unions do compete with each other,” admits Griffiths. “It’s not often that you can say you got all the credit unions to agree and commit to something, but that’s what we did in the prairies. This creates a great foundation for future collaboration.”

Devlin shares his partner’s optimism. “With open banking and where the economy is going, you don’t want to be tackling things alone,” he adds. “You want lots of knowledgeable inputs that can support a broader vision. I just don’t see banks pulling that off as well as the credit unions can. Every bank is trying to figure out something like real-time rail individually. We can do that now with a total consensus layer and be more rapidly integrated and evolve because of the nature of our collaboration.”

This new era of collaboration is what gives someone like Gertsma hope for PaaS. More than new technology or new requirements that need to be checked off, this is an opportunity for credit unions to take control of their own destinies. “We’ll have a voice that we don’t have today,” she says about

the new platform. “We now need to recognize that it’s our obligation to be informed and contribute to the conversation.”

It’s not just Gertsma, Devlin is seeing this kind of optimism across the Prairie Centrals. He knows there’s still lots of work to be done, but he also knows that the credit unions are ready to do their part. “The resiliency of the credit unions and their people is very different than anything I’ve seen in any other working environment,” he says. “Despite the fact that this is a wholesale change, people want to be at the forefront and are excited for a future they can drive for their members.”