



Hitachi Consulting Payments Compliance practice expertise spans all facets of card payments and association compliance—from release requirements normalization to release management, from product rollout to portfolio optimization, and from back office systems to processor optimization.

This unique perspective, based on years of experience with banks and merchants, associations and EFT Networks, ISOs and processors, provides you with the knowledge base necessary to conduct successful compliance initiatives that significantly improve your bottom line.



Solution Overview: Back Office Optimization

Compliance Challenge

Back office operations, primarily settlement reconciliation, chargebacks and retrievals and disputes processing, are complex and the most manually intensive and time sensitive components of the payments system. By definition, processing within these operations is driven by unique sets of rules developed by the card associations and EFT networks. As such, designing, changing or building the systems, software and processes necessary for these operations requires intimate knowledge of these rules. Each time the rules change, typically twice yearly, legions of people have to be trained on or informed of their impact. With American Express and Discover now distributing card products through banks and essentially becoming card associations themselves, two additional sets of rules will add to the already complex and volatile environment. Non-compliance can result in customer service issues, fines and penalties.

Back office operations of all participants in the payments system are an area of rapidly increasing concern. As transaction volumes grow and new card associations are created, these cost centers are continually taking on more importance. Each new association brings another set of unique rules and exception item volume grows proportionally to transaction volume.

Every organization, to remain competitive, will have to possess the ability to understand these rules and optimize their operations to turn the inherent complexity into a competitive advantage. To exploit this opportunity, you will need to have access to expertise to assist you in your effort to optimize these operations and to ensure that you understand and fulfill the obligations and requirements attendant to all of the applicable rules.

Our Back Office Optimization Solution

In addition to fulfilling your obligations under the rules, **each investment you make in back office operations** can also be used to improve service levels while reducing ongoing operational costs. This is accomplished by reducing complexity through automation of rules and systemic monitoring of compliance.

By engaging an **expert third party** with deep expertise in these operations and their underlying systems, as well as proven processes for evaluating and improving them, you can identify specific areas of inefficiency, create a plan to address them, and capture the cost savings quickly.

Our **Back Office Optimization** offering is a multi-tiered service that identifies all of the issues you will have to address to accommodate the new card associations, maintain or raise service levels and reduce costs. We provide you with an initial analysis of your costs and back office processes, which will help you to understand your areas of expense and risk. Our expert staff will provide you with the tools you need to maintain or improve service levels while reducing risk and costs at the same time. Our offering incorporates project management, process improvement and plans and actions related to the underlying systems and software. We will also provide you insight into the peripheral impact of release changes and how you can benefit financially from them.

Our expert staff can also plan and manage the implementation of identified process and technology improvements to your back office.

Solution Overview: Back Office Optimization

Benefits of Our Optimization Services

Establishing cost effective, efficient and comprehensive settlement reconciliation, chargeback and retrieval, and dispute processing and controls is a complex undertaking, representing one of the most costly aspects of card payments for any organization. Our team is steeped in the rules that govern these operations and the processes and tools that enable them. We focus your resources on the identification, planning and management of the upgrade of processes, technology and controls that are in compliance with card association rules and allow you to turn a cost of doing business into a competitive advantage.

- **Clarity:** You will have a comprehensive view of your back office operations, the areas that are inefficient and those that are most impacted by various release requirements.
- **Reduced Cost:** You will have a complete understanding of systems, process and procedure enhancements to improve quality while reducing the ongoing cost of operations.
- **Leverage:** Our analysis of back office systems, software and processes can be contributed to the Sarbanes-Oxley team to reduce their effort and/or confirm their findings.
- **Confidence:** Our staff analyzes your back office operations with an eye toward compliance and against a proven checklist to ensure all areas of the operation are considered and addressed.

Why Hitachi Consulting Payments Compliance Practice?

Our principal currency is the **expertise** we have developed in all elements of the payments system. Our team members average well over fifteen years direct experience with card payments including hands on experience in back office operations, compliance management, exception processing and risk management.

Moreover the practice offers an unparalleled **perspective** spanning the payments system. Across the team we have direct operating experience from within each payments system participant. As a result of this experience we have developed personal **contacts** that can be called upon in any situation.

Our expertise spans all facets of compliance. We have the benefit of a team dedicated to compliance, offering **focus** and insight that is unique in the industry. Because the team has been on the front lines performing work in this area for years, you can leverage the knowledge we have gained and the processes we developed and honed over the years.

As with all Hitachi Consulting practices, you can be assured of sincere collaboration with our partners, delivery of clear results and impeccable integrity.



About Hitachi Consulting Corporation

As Hitachi, Ltd.'s (NYSE: HIT) global consulting company, Hitachi Consulting is a recognized leader in delivering proven business and IT solutions to Global 2000 companies across many industries. We leverage decades of business process, vertical industry, and leading-edge technology experience to understand each company's unique business needs. From business strategy development through application deployment, our consultants are committed to helping clients quickly realize measurable business value and achieve sustainable ROI.

Hitachi Consulting's client base includes nearly 30 percent of the Fortune 100 as well as many leading mid-market companies. We offer a client-focused, collaborative approach and transfer knowledge to our clients throughout each engagement. For more information, call 877.664.0010 or visit www.hitachiconsulting.com.

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