



## Streamline End-to-End Payment Processes on a Central Platform

# Extend and simplify payment processes

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Financial institutions are increasingly challenged by the rising cost of payment operations, declining margins, and the commoditization of payment products. With the SAP® Payment Engine application, you gain the tools to **lower total payment processing effort and costs**, transform payment operations, and enable real-time, high-value, and high-volume payment processing.

Many financial institutions rely on obsolete, fragmented infrastructures running heterogeneous, nonstandard software. To be competitive, you need to support diverse payment types and service offerings across different business lines and regions in real time. You need industrialized payment products to manage ever-increasing payment volumes efficiently and profitably – while complying with changing regulations.

SAP Payment Engine consolidates multiple payment systems into one central payment hub, allowing you to increase and monitor profitability related to your transactions. A highly scalable platform enables greater operational efficiency with higher straight-through processing rates, offering a single point of configuration for payments, products, and processing rules. With standardized interfaces to other applications, it can reduce the total number of incoming and outgoing interfaces to streamline payment processes and control cost.



# Process increasing volumes with a scalable solution

## Process increasing volumes with a scalable solution

Automate processes from payment initiation to transmission

Streamline payment processing operations

Clear and settle payments in real time

Increase efficiency while reducing errors and costs

SAP Payment Engine controls real-time or batch processing of transactions, 24x7. It connects operational processes across departments and serves as the central application between incoming and outgoing clearing channels (see [Figure 1](#) on the next page). It is preconfigured for integration with SAP for Banking solutions but also integrates with non-SAP software to streamline payment processes.

SAP Payment Engine enables financial institutions to efficiently transact a high volume of payments on a single platform. It supports

payment methods that comply with the Single Euro Payments Area (SEPA) initiative, ISO 20022, and the Society for Worldwide Interbank Financial Telecommunication (SWIFT) payment standards.

The software supports urgent payments and real-time payments from any kind of channel, including corporate enterprise resource planning systems, automated teller machine (ATM), point of sale (POS), paper based, and national and international clearing systems. Local or customer-specific processes and payment formats can be added through configuration.

Comply with the latest rules, regulations, and standards, such as SEPA, ISO 20022, and SWIFT, on a single payment platform.



Objectives

**Solution**

Quick Facts

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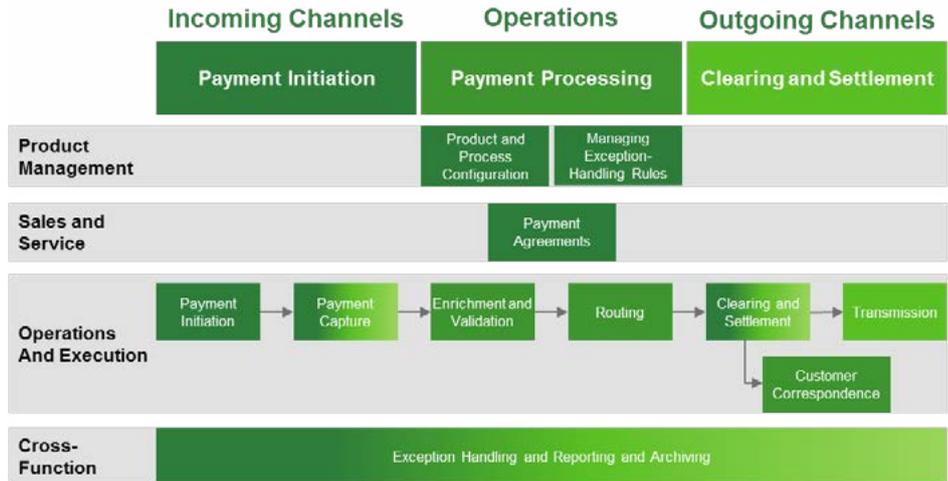


Figure 1: Centralized Payment Processes Across Operational Departments



# Automate processes from payment initiation to transmission

Process increasing volumes with a scalable solution

## **Automate processes from payment initiation to transmission**

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SAP Payment Engine helps you manage and execute payment-related processes. Payment-capture functionality gathers different types of payment requests that have been placed. An input manager component controls the payment initiation process and receives payment transactions from incoming channels. It transforms and validates the payment data for processing.

SAP Payment Engine offers real-time interfaces and cockpits for online reporting and status information and enables flexible workflow management (see [Figure 2](#) on the next page). You can use it to adopt new payment formats, channels, and account management systems without changing core processes.

With SAP Payment Engine, you can drive speed and efficiency in your payment operations. Process controls help you manage the flow of payment processing, while exception handling enables you to configure automated responses to detected errors according to business rules. Automated transaction processing stops only if there is an exception that requires manual intervention. Automation resumes as soon as the error has been corrected. You can repair these erroneous payments manually using an intuitive UI development toolkit for HTML5 screens.

Integrate multiple banking channels into one enterprise-wide hub that handles all bank payments.



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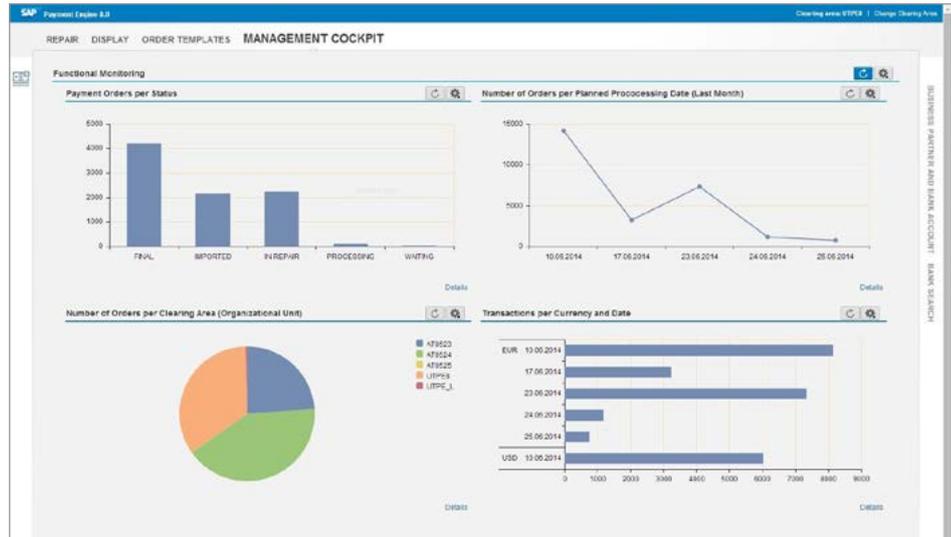


Figure 2: Monitor payments with an intuitive, user-specific dashboard



# Streamline payment processing operations

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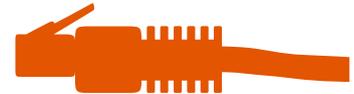
SAP Payment Engine helps you boost the efficiency of payment-processing operations. The software enhances payment orders as needed to keep the workflow in motion through enrichment functions. The software also validates payment orders according to various master data such as the service-level agreement. You can add country and customer-specific validations and enrichment functions to the process as well without interfering with the rest of the process.

Routing controls help you automate the clearing process and provide data transmission details. You can specify which account

management systems to use for internal payments. For external payments, you can specify how to forward the transaction to another bank or clearing system. You can also trigger customer correspondence at any point in this process.

With product and process configuration functionality, your financial institution can define its own payment products and rapidly implement new products to drive revenue and improve cash flow. Error handling and further cross-function configurations support a myriad of payment products.

Achieve high-performance processing based on a highly scalable platform.



# Clear and settle payments in real time

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## Clear and settle payments in real time

Increase efficiency while reducing errors and costs

SAP Payment Engine processes a variety of payment transactions via different clearing houses and settlement options. It supports standard settlement instructions and helps you handle complex correspondent bank scenarios by enabling real-time, on-demand changes to routing and clearing settings.

Based on routing instructions, the software distributes internal payments to account management systems and external payments to outgoing clearing channels. Batch payments for a collective posting, queue them, or post them directly as single transactions.

The output manager component receives payment transactions. Before forwarding the payments, it converts the data to comply with the format required by the connected channel.

SAP Payment Engine offers locking channels, changing routing rules, and clearing scenarios. Share status updates and validation and processing summaries with customers, third-party institutions, back-office staff, and other systems through a correspondence interface. The solution also handles nonfinancial messages and links them automatically to related transactions.

Optimize clearing and settlement processes, and offer high-quality, cost-efficient clearing services to other financial institutions.



# Increase efficiency while reducing errors and costs

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**Increase efficiency while reducing errors and costs**

SAP Payment Engine enables a single payment operations platform that can connect to multiple payment channels to help automate payment processes, reduce errors and costs, and improve the quality of service. The solution handles payments independently of their input format and is highly flexible for the integration of new payment channels and the adaptation to change related to regulations. The software supports high-performance processing and offers real-time as well as batch payments.

You can process complex cross-border payments in the same payment hub as domestic or even SEPA payments. The software supports a variety of settlements from daily through near-real time and real time.

You gain greater economies of scale by processing large transaction volumes with high throughput rates. Software scalability helps ensure that banks with lower volumes can run SAP Payment Engine at a low total cost of ownership.



Combine automated payment-order processing and intelligent error-handling functions to achieve a high degree of straight throughput.





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## Objectives

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### Summary

The SAP® Payment Engine application enables financial institutions to centralize all payment processing activities, helping to streamline payment processes, minimize unit costs, and increase margin while maintaining or improving quality. This central hub for all payment operations also provides information to improve liquidity management, compliance, and risk management.

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### Objectives

- Simplify the IT landscape
- Modernize payment processes
- Reduce payment processing costs
- Gain flexibility for new market and legal requirements
- Enable real-time processing
- Establish a central currency exchange

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## Solution

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### Solution

- Central hub to handle all payments
- Standardized interfaces for internal and external payment channels
- Flexible business models to support all payment-related activities
- Shared services to extend capabilities to other banks
- Real-time access to lifecycle management and reporting status information
- Compliance support for changing regulations and payment standards

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### Benefits

- Boosted operational efficiency
- Streamlined payment processes
- Faster adoption of legal requirements
- Better integration with banking solutions
- Greater scalability and performance

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### Learn more

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