



December 2015

## Predictions and Prognostications for 2016

While we do not claim to be Nostradamus, we do have some predictions and prognostications for 2016:

- In late 2016, the Federal Reserve will increase interest rates by 25 bps, for the 4th time in a one year period; this will then accelerate a recessionary period.
- The Apple Watch will fade into the darkness and Apple will experience its most famous product failure ever.
- Same Day ACH credits will launch and then the ACH system will experience a multitude of unexpected problems.
- As companies struggle for top line growth and increased profitability, “improving efficiencies” will be the new hot topic in corporate America.
- Treasurers will continue to take on more financial and operational responsibilities, and many will ascend to the role of Co-CFO.
- The massive overvaluation and investments in so many FinTech companies in 2014 and 2015 will come crashing down in 2016.
- Multiple big names will fail, as many business models are flawed.
- SaaS excitement will wane, as many organizations will make moves to bring back in-house many of their technology needs.
- A large US bank will offer a new, never before seen, *Super Rewards Credit Card*, with perks like never before and merchants will bear the costs of this card.
- Banks will offer up new suites of Treasury Services, with many bells and whistles, that will cost more but deliver no new value. It will only be pretty wrapping paper on a legacy and tired payment system.
- Paper checks and cash will not disappear into the darkness, as so many so-called experts have predicted.

- With the recent news that Global Payments (8th in volume) buying Heartland Payment Systems (9th in volume), there will be additional consolidation in the merchant processor world. We predict that there will be two more mergers/consolidations in 2016.
- Despite all of the industry talk and the multiple initiatives around a new payment system, we predict that 2016 will end without any 'new' payment system.
- Mobile Wallet market fragmentation will continue and one of the big mobile wallet players will fail.
- Electronic invoicing will continue to make huge gains, while paper invoicing will fade away.
- "Big Data" and its promise to solve the problems of every business will continue to be overblown and underutilized.
- The wire transfer system will continue to experience large increases in fraud.
- Online payment card fraud will increase by double digits in 2016.
- Paper check based B2B payments will continue to rule the day over ACH B2B payments.