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The Most Powerful Name in Corporate News

Payment Automation Software for the Procure-to-Pay Process



Kofi Conduah
CEO

CEOCFO: *Mr. Conduah, what is Regal Software?*

Mr. Conduah: Regal Software is a payment automation software company based in Atlanta, Georgia. RegalPay®, our signature product, handles the last mile in the procure-to-pay process by connecting customers' accounting systems to their financial institution's treasury system. Our products allow organizations to easily manage their accounts payable disbursements using multiple payment instruments.

CEOCFO: *What do you understand about the process that allows your service to be better, faster, cheaper, easier to use?*

Mr. Conduah: We understand that for our customers, implementation speed, ease of use and security are important. For our bank and card processing partners, speed to revenue and customer retention or "stickiness" is top of mind. Our solution provides all the above. We are not necessarily the cheapest option, but what we provide is a secure, full featured payment automation solution that is simple and easy to use for those customers who don't want to spend a lot of time on building an integration to their bank's systems and don't have an appetite for a complicated process just to pay suppliers and reconcile payments.

CEOCFO: *Was it a big challenge creating a system that can be used anywhere?*

Mr. Conduah: Yes. Initially we set out to do it the same way that everyone else does it, which is to modify the host accounting system. I will just say that approach is less than ideal. To get around having to develop a system for every accounting system out there, we developed a process that is proprietary to us that allows us to be agnostic to the accounting systems and the processors on the other end.

CEOCFO: *What types of companies tend to use your service today?*

Mr. Conduah: We go across the spectrum. We have companies that are around \$20 million in annual revenue, to companies that are upwards of \$2 billion in annual revenue. Basically any company that makes accounts payable payments to suppliers or vendors and has a need to automate that process.

CEOCFO: *How would a company typically be handling it today? When and why would a company use RegalPay?*

Mr. Conduah: Without payment automation software such as RegalPay®, accounts payable staff are typically manually processing piles of paper checks manually. Other companies may have eliminated the manual check processing but they are doing the "swivel chair approach", which means they are completing a process in the accounting system, creating a file and placing it somewhere on their internal network, and then logging on to the bank's portal, and then manually uploading it into the bank's portal. The first approach is time consuming and costly. The latter is inefficient and more importantly, not secure because people have access to a payment file prior to transmission. According to a 2014 MasterCard® study, Commercial card programs have generated overall transactional cost savings of more than \$38 Billion per year. The RegalPay® solution enables companies to quickly and easily tap into this cost savings by providing a ready-made solution for getting onto a commercial card program for corporate accounts payable. Another key benefit we add is automated payment reconciliation, a feature that's very important to our customers on a commercial card program.

CEOCFO: *Therefore, this simplifies it?*

Mr. Conduah: Absolutely, RegalPay® makes the entire process very simple. But beyond simplifying the process, we add a higher level of security. There are obviously some security issues with having the user manually handle a file, so we solve for that.

CEOCFO: *What is your method of security and insuring that transactions are the way they should be?*

Mr. Conduah: First is making sure that unauthorized persons within the organization do not have physical access to a file. That is because a file can be manipulated if someone has access to it. We then add data encryption and secure file

transfer to minimize the risk of fraudulent activity. Another security feature is third party email alerts. Our system can be configured to send alerts to managers who don't have actual access to the data but need to be informed if critical information is changed or payments beyond a certain threshold is transmitted.

CEOCFO: Are banks offering services that would seem to solve this problem or would seem to help businesses?

Mr. Conduah: What we've seen most banks do is to offer just a web portal. Basically, what they are saying is, "Just send us a file and we will handle it." This creates a challenge for businesses because it leaves the company with the task of trying to figure out how to create a file that matches the specifications that the bank is looking for. Then there is the logistics of how to get the file created from the accounting system on a weekly basis, approve it, and then move it securely to the bank without anyone having access to that file. So while most banks say they have a solution, it is a partial solution, at best. They do not have the last mile handled. There just does not seem to be a good solution outside of what RegalPay® is doing.

CEOCFO: How do companies find Regal Software? What is your marketing strategy?

Mr. Conduah: We have a two-pronged approach. Our direct-to-customer campaign engages corporate customers directly through traditional marketing channels and social media. We also partner with banks and commercial card processors, who then either white label our solution or just refer their corporate customers to us for the purpose of speeding up their treasury implementation.

"The RegalPay® Mobile application will revolutionize the way funds are authorized and distributed to today's mobile workforce. We had major transportation companies eager to roll out the RegalPay® Mobile app to their Fleet before we were even ready to launch."- Kofi Conduah

CEOCFO: What do you find when speaking with prospective clients? Do they understand the concept immediately?

Mr. Conduah: Yes, most companies do understand it immediately. In fact, we find that most of our customers come to us with a clear understanding of the concept of electronic payables. They come to us to help them make it a reality. We also have several companies that have come to us for assistance after they attempted to build an in-house solution. Then several months into it, they either fail to complete the integration or they have produced a solution that their accounting or treasury department finds cumbersome or inadequate. This is especially true when it comes to reconciling the data for commercial cards. What most people fail to realize is that once you automate the payment process, you are going to create a reconciliation issue on the back end if you do not have automation in place for reconciliation as well. This is true especially when it comes to the newer virtual cards or single use cards used for accounts payable disbursements.

CEOCFO: How do you stay ahead or up to date with the newer technologies and newer forms of payment?

Mr. Conduah: By listening to our customers. We are very passionate about technology here at Regal Software so we observe industry trends and developments very closely but we try not to jump on every bandwagon.

We do not try to force emerging payment technologies on our customers. We start with what our customers are saying and then determine which available technologies and process would best solve their problem. We then develop our software around it and package it all in a way that solves the problem in a simple and efficient manner.

An example would be mobile applications. Today the consumer market is saturated with mobile apps for every imaginable activity. There are clearly some very powerful mobile apps that add significant value for the consumer. This is not the case in the corporate payment space. We took the position that while mobile apps are cool and powerful, we did not just want to force it into the corporate payment environment if it did not fit or add significant value.

We've also been aware for a while that many of our customers have an issue around controlling ad-hoc employee or contractor purchases.

To solve this important business issue for our customers, we've launched the RegalPay® Mobile app. We announced it at the Microsoft Convergence Annual Convention here in Atlanta last month. It allows a company to have better control of on-demand requests for funds. The employee or contractor will simply request the desired amount on the RegalPay Mobile app, the request is instantly routed to a manager for approval. Upon approval, a single use virtual card for the exact amount requested is displayed on the user's phone. All the payment data is then pushed to the customer's ERP system to complete the process.

The RegalPay® Mobile application will revolutionize the way funds are authorized and distributed to today's mobile workforce. We had major transportation companies eager to roll out the RegalPay® Mobile app to their Fleet before we were even ready to launch. Many of the customers we've presented this to envision using it to manage petty cash electronically. It is currently available for Apple iPhone. An Android version is to be released shortly.

So, to answer your question, we always stay abreast of current trends by reading publications such as CEOCFO magazine and engaging with payment industry experts, but we always bring it back to what benefits our customers the most.

CEOCFO: *Your site shows, "Turn your AP into a revenue center." How are you able to do that?*

Mr. Conduah: That has to do with getting a cash rebate for every dollar spent paying suppliers. This is through the virtual use credit card program powered by RegalPay®. Our solutions enable a company to pay its vendors electronically using virtual cards. The revenue component for the customer is derived from the bank or card processor providing a cash rebate as a percentage of spend back to customer.

CEOCFO: *Do you find that the accounts payable people often push back and not want to switch to a new system or are afraid of losing their jobs?*

Mr. Conduah: Generally no. Most accounts payable staff quickly see the benefit in the reduced workload for themselves and the added revenue for their company. RegalPay® enhances the experience of the AP professional. We do occasionally get pushback, primarily from AP professionals who do not have an understanding of what we are doing. However, once they see how simple and easy it is, they realize that our aim is to make their jobs much easier and much simpler.

CEOCFO: *What is your geographic range?*

Mr. Conduah: We are headquartered in Atlanta, but cover all 50 states and the US Virgin Islands. With today's technology, we are able to interact with prospects and clients around the country effectively and seldom have a need to visit a customer.

CEOCFO: *What might be different a year from now at Regal?*

Mr. Conduah: A year from now we are envisioning having several more partnerships with banks and payment processors and adding some additional technologies that help our customers better manage corporate disbursements. Look for a significant expansion to our mobile offering.

CEOCFO: *There are so many payment processing companies these days. Are you able to work with all of them? Is there a certain level that you feel makes more sense?*

Mr. Conduah: We like to offer our customers the flexibility. We do not necessarily think that we will get to the point where we are working with every single processor; we are aiming to work with the major players as well as some smaller but strategic ones.

CEOCFO: *Why choose Regal Software?*

Mr. Conduah: That's an easy one. RegalPay is the smart, easy and proven way to do payment automation. We actually take the time to listen to our customers' specific needs and then adapt our technology to solve the business issues they have around corporate disbursements.

Regal Software

**For more information visit:
www.regal-software.com**

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