



MasterCard

Help Your SME Clients Realize the Benefits of Making & Receiving Payments

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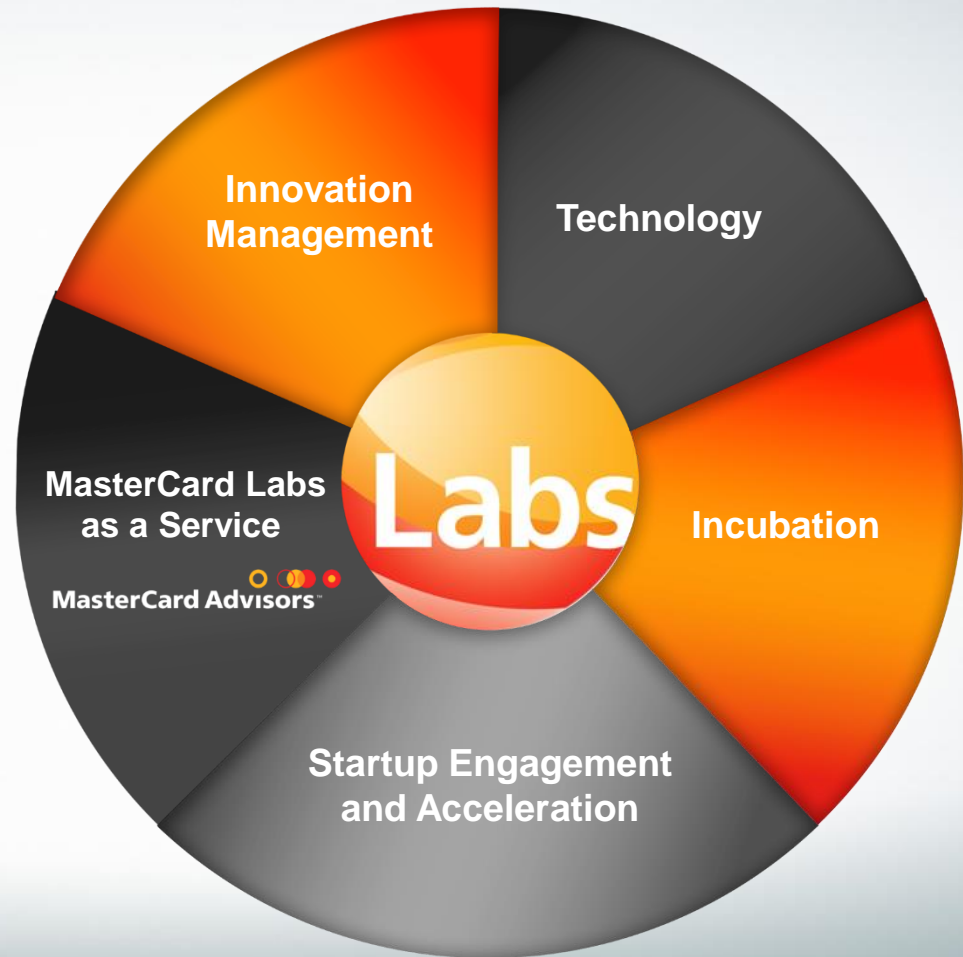
The World is Changing



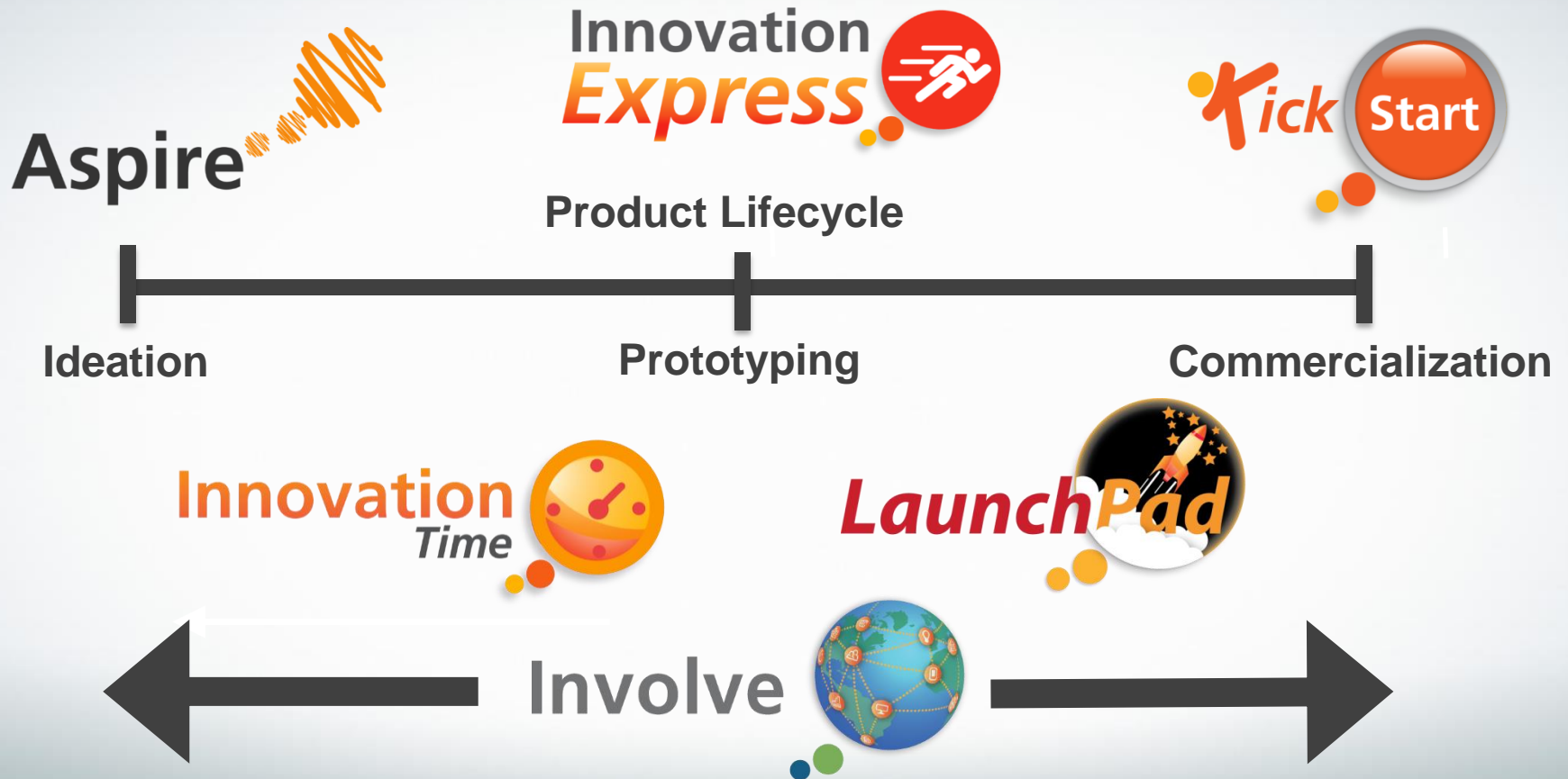
So MasterCard Created...



Take Risks,
Try Things
& Fail Smart!



Innovation is a Repeatable Process



MasterCard Labs as a Service



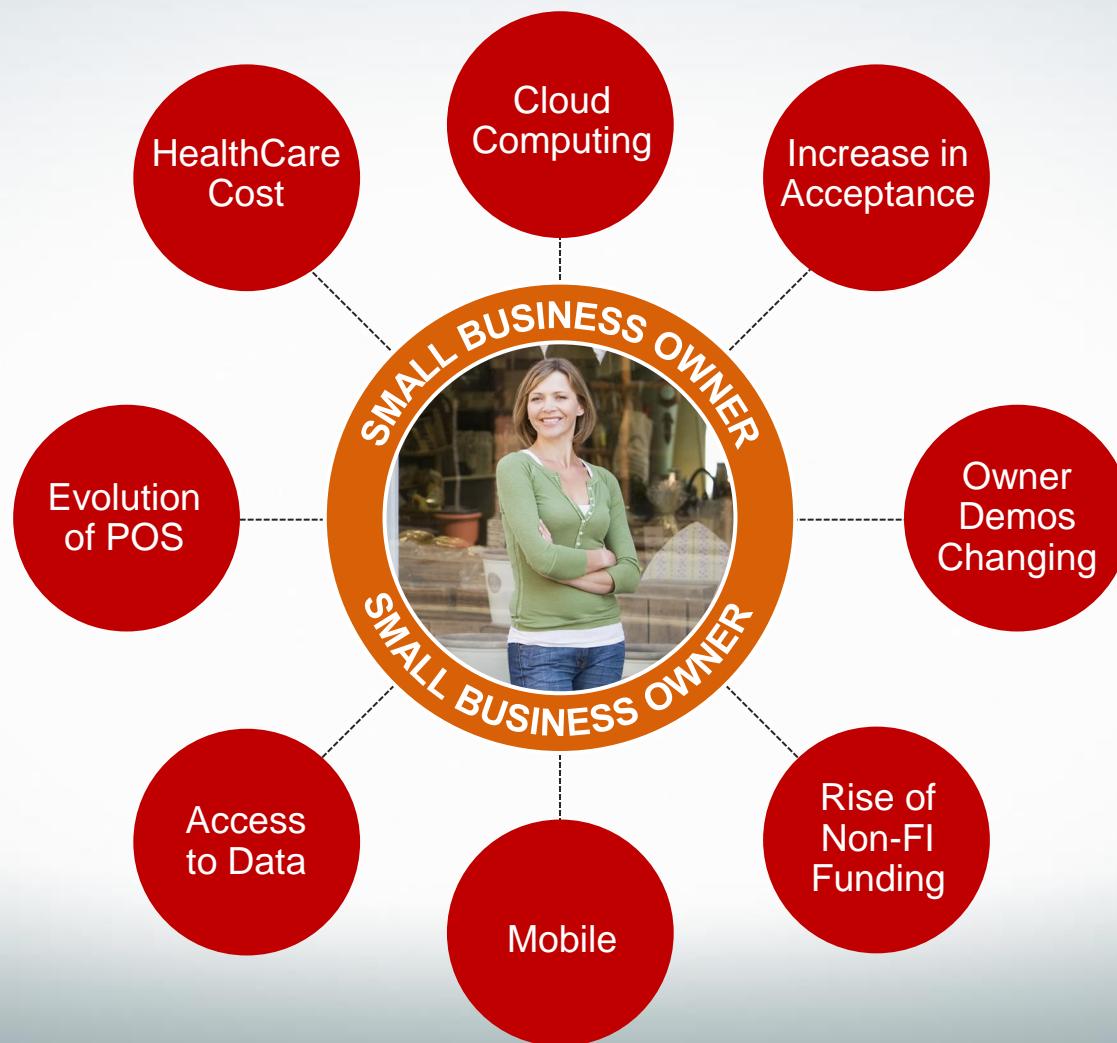
MasterCard **Labs** as a service

SME Trends and Opportunities

- Small Business sentiment is **close to pre 2008** recession levels
- **Credit quality continues to improve** and has hit a new high according to one index; access to credit also improving
- **Mobile Smart Phone** use for business purposes continues to **increase dramatically**
- **Unemployment continues to trend downward**, creating challenges in finding qualified employees
- The Affordable Care Act **poses challenges to some small businesses**
- **Minimum wage legislation** – state vs federal approaches
- MasterCard/ Visa **(EMV) Liability shift** – 1 year away



Unprecedented Changes Are Changing the Small Business Landscape



And New Challenges Continue to Arise



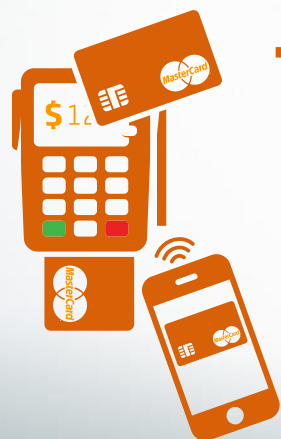
Cash Flow

Vendors demanding faster payment and customers taking longer to pay



Time

Business owners struggle with time management



Technology

Technology is pushing Small Businesses toward electrification



Data

Perception of easy access to data is leading to the demand for increased data solutions

Small Businesses Can Save Time and Improve Cash Flow With Payment Technology



Accepting Cards



Paying With Cards

Consumers Are Shifting to Electronic Payments at an Accelerating Rate



Card payments represent roughly

50% »

For all consumer expenditures

Card Payments in the U.S.
(\$ in Trillions)



Accepting Cards for Payment



Provides Convenience

- Provides customers secure payment options
- Increases spend as consumers spend more on card transactions
- Decreases risk of theft and fraud from handling cash

Accepting Cards for Payment

Builds Consumer Confidence

- Demonstrates mainstream financial practices
- Offers options to pay with whatever form of payment they choose
- Provides protections against fraud
- Offers Zero liability for consumers



Accepting Cards for Payment

Increased Financial Health

- Provides guaranteed payment
- Improves cash flow
- Enables recurring payments
- Integrates with accounting and record keeping





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Paying With Cards

Paying for Business Needs With Cards Provides More Control



Cash Flow

- Access a credit-line for short term financing needs
- Improved reconciliation process – more efficient cash-flow management

Financial Control

- Oversee and control spending; protect against fraud or misuse
- Set spending limits or alerts based on employee needs and business goals

Manage Expenses

- Separate business expenses from personal expenses
- Easy tracking and reporting
- Global acceptance

Exclusive Benefits

- Earn rewards for business purchases
- Merchant discounts
- Purchase protection
- Travel assistance

Differentiation, preference, and loyalty reside in the value-added services that address segment specific needs

Paying for Business Needs With Cards Provides More Control



BUSINESS CARD ← PRODUCT DESIGN → CONSUMER CARD

Separate employee account numbers roll up to main company account

Account Hierarchy

Same account number for all cards on account

Business owner sets employee lines

Control

Minimal product controls

Consolidated statement / billing, individual statement / billing or hybrid

Statementing

Single customer statement

Full access and limited access

Customer Service

Limited customer service options for "family cardholders"

Business name on card, fraud controls, insurance, rewards that can accrue to business owner account

Features and Rewards

Features and rewards tailored to personal users

Robust online management reporting at every level

Reporting

Less sophisticated reporting



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Finding a Partner

Finding a Partner

Get started with a bank, payment processor or payment application

- Banks where the business has an existing relationship is a great place to start for card processing services
- Ask friends and associates with similar businesses for recommendations
- Get information how to negotiate the best deal at:
www.MasterYourCardUSA.org





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THANK YOU