

BHMI INTERVIEW

Scott Mills: Hey, good morning.

Casey Scheer: Good morning, Scott. How are you today?

Scott Mills: I'm doing fantastic. Thanks for sitting down with me.

Casey Scheer: Always my pleasure.

Scott Mills: We've got Casey Scheer, BHMI, and Chief Director of Marketing and Sales, so it's a pleasure to talk to you.

Casey Scheer: Oh thanks, Scott. My pleasure.

Scott Mills: All right let's get the easy questions out of the way. For those that may not be familiar with BHMI, what's the story?

Casey Scheer: All right, well we've been around a long time. We started back in 1986, so 34 years and our company is a software company, and it's highly focused in the payment space, obviously. To give you a little background originally we started more as a custom company and I wanted to share a story with you, but you probably remember the 1996 summer Olympics.

Scott Mills: I do.

Casey Scheer: Yep, and MCI. I don't know if you remember MCI. Large fintech company and they came to us and they needed to create a prepaid calling card application and had to have it done for those Olympics, and we created that application for them. Kind of, to fast forward a little bit we've gone more from a custom software development company to a product focused company in the payment space. And we're best known as the creators of the Concourse financial software suite. So that's a software suite focused on the back office processing of electronic payments. So it does payments like cell net processing and reconciliation. You've seen a lot right now about charge backs and disputes. We have a module that does charge backs and disputes from end to end. Also, fees and commissions calculation transaction based fees and commissions. And it's a really unique solution. Its rules based. Its continuous processing. So it really modernized the back office for payment processors.

Scott Mills: Okay, cool. So if people go to your website they'll see some logos of some famous companies like Nice, MasterCard and Income and Visor. I want to say Zele.

Casey Scheer: Yeah.

Scott Mills: Tell us about some of your customers and we'll come back to Zele.

Casey Scheer: Okay, absolutely. So one, it's right there in your town, income is one of the leading prepaid calling card solution providers in the industry. And they have subsidiary called OSS payments, and they license Concourse and their primarily using that right now to manage disputes, and that's one example. Another you mentioned, Nice, and they've been using our solution now for a long time, and they use it to calculate transaction fees and commissions and I don't know if you remember the amendment, but they were able to make all their changes to their fee structures. They didn't have to come back to us for any software changes at all. Going north a bit, up into Canada, you're probably familiar with Interact, and they're the debit network for the country. And so they're using Concourse as well. Everlink is also up in Canada. They're one of the large processors up there for credit unions and banks, and they've been using the solution Concourse for their back office processing. So, and then a few others internationally that I wanted to mention was Australia. I don't know if you've ever been to Australia, but Custole is a company that's processing on behalf of their banks and their member's mp3 transactions. So the new payments platform. We have them processing for them, doing their back office processing for MPP transactions. And then another one over in Europe. We've been doing some work with a company by the name of CTT Pay Shop, and so they have SHPA. I don't know if you've heard of a singles hero payments area that we're doing processing during the Concourse system for them, SHPA.

Scott Mills: Wow. Have you guys thought about how many payments are or information about payments are coming through and using Concourse?

Casey Scheer: Gosh, it's, I mean, one customer we have down in Texas, they're doing over 15 million transactions day, and most of our clients are very large. So the customers that are licensing our software and processing our back office with it it's millions and millions of transactions per day.

Scott Mills: Per day, wow. That's amazing. Well let's go back Zele because Zele was probably the most famous brand for real time or near time payments. At least P to P, kind of opened up the world for people like me and you to be able to send payments through our banks, but tell us about your relationship with Zele.

Casey Scheer: All right, well in, you know, if you look at the payments industry right now, faster payments as you mentioned, you see that in the news all the time, Zele is one of the leading P to P networks owned by early morning systems. They needed a system that could manage their back office processing basically in real time because they are a real time network and they're doing P to P transactions in real time. So they licensed our software to handle things like disputes management, settlement and reporting. And because we're bringing in the data continuously in real time we're a great fit for the needs of a network like Zele. And I already mentioned Custole broke down in Australia, they're the new payments platform in Australia, is a real time network as well. So Cutole specifically selected Concourse for that reason as well. To handle real time faster payments on the back office side, and then I mentioned Portugal and CCT Payshop. Also we need to be accommodating the information coming in, in real time and doing the back office processing for them as well. So all of those are examples of faster payments, real time payments. And we've had a lot of companies recently select licensed Concourse for their back office processing. So it's pretty exciting.

Scott Mills: Well it sounds like that move to real time, or at least we'll call it faster payments is an opportunity for you guys. Are there any concerns or advice for companies that are trying to speed up their payment systems and what you've seen by working with some of these other companies that would be helpful for them to know?

Casey Scheer: Yeah, I think one of the key things and if you look at a lot of companies out there, their back office environment, evolve these over a large number of years, but they're batch oriented. Very large batch processing systems, and that's how Concourse came about right away. We had a client, a very large processor in the United States came to us and they had a huge back office batch environment running on a mainframe and they weren't able to make changes. They weren't able to bring data in quickly enough and having an infrastructure that allows you to bring data in basically continuously in real time has been a huge benefit to our clients. Also something that's flexible and as you seen in the news the payments industry is changing so rapidly and when you got a system that's very strict and you can't change things unless you do custom development or large code changes, you can't be nimble enough and agile enough to react to the market. So we really focused on a rules based architecture so our clients can change things on the fly and be very proactive to the market. So in a nutshell, continuous processing, being able to bring data in very quickly, being able to be flexible, rather than having to make extensive software changes I think are 2 very important advantages for people that want to be proactive and able to react to the market as it changes.

Scott Mills: Yeah, you mentioned that you work with a lot of large companies and I'm sure it's something they've been working on for years is trying to get away from that batch environment.

Casey Scheer: Right.

Scott Mills: Kind of Herculean task of itself, so I appreciate hearing about how you guys play with that.

Scott Mills: One thing you and I have talked about previously, I'd love to get your opinion on but with the pandemic that happened this year, we see maybe a more rapid acceptance of touchless or an interest in touchless. So would you talk to us about that for just a little bit?

Casey Scheer: Oh, absolutely. So you know, obviously with the pandemic and everything going on with that, all the stuff had to change. The way we're shopping, the way we're making payments, for example, I don't remember the last time I visited my bank physically. So I've gotten very accustomed to the mobile banking and internet banking and then as you mentioned the touchless payment. So, and I've been reading a lot of research and things like mobile wallets and services like Zele that we just talked about, they're seeing a huge spike in their business because people are using those types of payments right now because they're more comfortable with that. We don't have to physically touch currency or money and it's very seamless. I personally think if you watch how people are using that now the big question is okay, is that going to be a permanent or long term behavior change within the consumer market? I think it very well could be because people are seeing the convenience of it, it's easy to use, it's fast, it's efficient. So I think we're going to see a very big spike in touchless payments and faster payments, which is exciting.

Scott Mills: Yeah, I think it is too. You touched on international payments, faster payments, touchless payments, how in the world do you keep up with everything you need to? Where does the company get information to help you stay current and make sure that you take care of your customers?

Casey Scheer: Yeah, well that's a great question. Well one thing is, with our software we have to keep up with all the mandates going across all the different payment networks. So we have a team that's focused on going to all the network conferences. So things like VISA and MasterCard and all the different conferences that occur that talk about the changes that they're making to keep up with the market. We attend all of those and use that information to stay current with our product solutions and meeting our clients' needs. Also, there's so many great payments conferences out there and so obviously with the pandemic a lot of those have gone virtual right now, so we're attending those. Once things get back,

attend those, we go to a lot of different conferences every year to stay in tune with what's going on. And then there's so much great information out there in the news right now as far as some publications and obviously working with a company like William Mills and you guys stay pretty into what's going on in the payment industry. So we leverage a ton of information to stay in tune with what's going on in the industry and it's fun to stay up to date with it too because there are so many exciting things going on right now.

Scott Mills: We appreciate that. And you're also members of ATPC.

Casey Scheer: Yes, American Transaction Processing Coalition and we've been members of that for a number of years now. That really does keep you updated as well with what's going on on a regulation standpoint, from the government standpoint. Also interacting with all the largest processors across the country. You really can keep a pulse on what's important, what's going on, what's coming up and so. By the way, we were also members of the Faster Payment Council as well, so that allows us to stay in tune and up to date on what's going on as it relates to faster payments.

Scott Mills: Okay, well it's been a joy. I'm going, I'd like you to close on a personal note for the company. BHMI is there some people behind those initials, would you talk about how some of those people met and where?

Casey Scheer: Yeah, that's a fun story. So our company 1st started, it was called Baldwin Hackett and Meeks, Inc. So we got Lynn and Jack Baldwin and they're both doctors. They got PhD's in computer science. They are middle school sweethearts and they are obviously married and they've been at the helm since the very beginning. Michael Meeks was one of their computer science students. They were professors for a number of years and he joined them to start this company back in 1986. Lynn, Jack and Mike we're all still at the helm of the company today. They are very smart, obviously and great people to have as leaders of the company. I've been with the company now for 21 years and that just shows that, and a lot of us stay for a very long period of time because it's just a really good company to work for and the company's evolved in a very fun way and I don't know, I'm just honored to be a part of it. We did change the name to BHMI. It's easier to say and people are no longer thinking that we're a law firm or an accounting firm. We are a software company. We're a technology company and our tag line is software for the speed then and now and that's because we're focused on real time, online transaction processing type systems. That's what we're good at. That's what we're known for and we're going to keep doing it.

Scott Mills: All right, well thank you for sharing that story and thank you for spending time with me. This Casey Sheer of BHMI, thank you.

Casey Scheer: All right. Thanks, Scott.