

# INTERVIEW



*Interview with Maddy Rognon,  
Head of Consulting at DataLog Finance, explains*

## THE WAYS TO A SUCCESSFUL IMPLEMENTATION OF A PAYMENT FACTORY.

— Could you please explain what a “payment factory” is? Lots of our readers are puzzled and name “payment factory” what is maybe only a bank single gateway approach? Could you please give us your definition and what you mean by these terms?

When referring to a Payment Factory, many people identify it with, or should I say, reduce it to a communication platform. Yet, while communication is important in a payment factory project, it is only one of multiple issues at stake. Once you’ve solved communication issues, you still have to answer questions such as: What am I to do with the various file formats of my internal systems? What about the specific requirements of each of my banks regarding format? Once the files of all my entities go through a single connection pipe, how am I to rationalize those flows in order to minimize cost and maximize security? What if I want to set up payments « on behalf of » (POBO)? What about that upstream system that cannot create payments

---

***a Payment Factory is a system that while offering a single communication gateway, will also solve each of these issues, with fast implementation and without customer-specific coding.***

---

but only invoices? How will I manage my approval workflows? How can I dispatch payments between my banks while sticking to the commitment I made (e.g. 10 % to bank A, 25% to bank B, etc.)? What about feedback to other systems regarding payment processing and bank reporting files? Etc.

So our definition of a Payment Factory is a system that while offering a single communication gateway, will also solve each of these issues, with fast implementation and without customer-specific coding.

— **What are the key benefits of such structures? (standardization of bank gateway or next level payment factory)**

A payment factory is a centralized platform. But centralization can be pushed to varying degrees: for some corporates the payment factory is a central platform to which all entities connect while each keeping entire control of their payments, whereas in other groups the payment factory is based on a POBO model and an in-house bank (IHB); in between those 2 extremes, there are also mixed implementations where the POBO model is used for certain types of payments and the « shared platform » model for others. But whatever the degree of centralization, a payment factory will always reduce cost and minimize risk, while offering higher control and better visibility on payments and liquidity.