



Transaction Alley

HOW ATLANTA SUPPORTS ITS BOOMING FINANCIAL TECHNOLOGY COMPANIES. **BY VAN JENSEN**

► Of the billions of financial transactions that take place every day online and through credit card machines, 72 percent are processed in what is known as Atlanta's "transaction alley."

The city has become a global leader in financial technology, or fintech, with the heaviest concentration of fintech companies in Atlanta—global leaders including NCR, SunTrust and First Data—processing some 85 billion payments per year and bringing in \$30 billion in revenue.

To better promote the fintech community, organizations joined together to form FinTech Atlanta. The group, focused on recruiting talent, working with legislators and government officials and touting Atlanta's successes, is chaired by Barry McCarthy, executive vice president and head of network and security solutions for payments processing leader First Data. He stresses that beyond helping compa-

CLOCKWISE FROM TOP: InComm's Atlanta headquarters; The Advanced Technology Development Center at Georgia Tech; Manhattan Associates headquarters.

nies of all sizes, FinTech Atlanta is working to bolster smaller companies and innovators that will shape the future of the industry.

"A community of innovators attracts other innovators," McCarthy explains. "FinTech Atlanta is working on implementing a fintech curriculum in the Board of Regents for the University System of Georgia. The program will educate students about our industry and deliver even more work-ready talent."

Kathryn Petralia, co-founder and COO of the small-business-funding platform Kabbage, cites that wealth of talent as a reason Atlanta was an easy choice for home base for her seventh startup.

"It's easy to find talent," she says. "It's such a diverse city. That's really important for a company to be successful."

InComm, a leading provider of prepaid and payment technologies, partners with local colleges and universities on an internship program that employs 50 students over a two-year period.

The program "connects [students] with the Atlanta business community and empowers them with real-world experience that entices them to stay in Georgia after graduation," explains InComm president Phil Graves.

For InComm, whose repertoire includes gift cards, emerging payment technologies, no-contract wireless and tolling, local fintech leadership and the prime location were reasons why the company chose to stay in Atlanta.

"Even as InComm expanded nationally and globally, it has always remained headquartered in Atlanta," says Graves. "The city is supported by one of the largest international airports in the world . . . which makes travel easier and more accessible for our global business expansion."

InComm's founder and CEO, Brooks Smith, invented point-of-sale activation technology in 1994, an act that revolutionized the prepaid industry. The company has expanded to 2,400 employees, 800 of whom work in its Atlanta headquarters and 300 of whom work in three metro Atlanta offices. Rather than only trying to recruit investors to Atlanta, the fintech community hopes that by supporting innovators by focusing on a variety of efforts, startups will emerge stronger and, in turn, bring more capital to the city.

FinTech Atlanta and the Technology Association of Georgia are leveraging the city's base of Fortune 100 corporations to provide opportunities to nascent companies, says Spencer White, who cochairs the funding and innovation work

PHIL GRAVES

President, InComm

If you've ever purchased an iTunes card or a prepaid Visa card, you've likely used the technology developed by InComm, a leading provider in prepaid and payment technologies, products and services. Founded in 1992, InComm now has 2,400 employees around the world and 246 global patents. Since joining

the company in 1997, president Phil Graves has helped guide the development of many new business opportunities.

What's exciting about this industry?

Anything that can be consumed online or a service ordered online can be put on a card and sold in a store. Merchants like that. For

example, with music, merchants sold a lot of CDs. Then those sales dropped. By creating music cards, first for Napster, then for iTunes, we kept a brick-and-mortar merchant in that flow and kept their music revenue. Right now, we're working heavily on transit. With prepaid cards, InComm can allow people to buy transit fares and pay tolls before they're on the road, which helps the transit agencies cut their cost of collection significantly.

Are we moving toward a cash-free society?

We are working to help make it a cashless society, but I don't envision the total demise of cash at all.

What is on the horizon at InComm?

We are innovating the ways we transfer monetary and stored value between retailers and the end consumer: gift cards, prepaid general reloadable cards or loyalty points that can be exchanged for a product



or service. In order to help flood and hurricane victims, InComm waived purchase fees for nonprofits buying gift cards to assist victims,

so people in impacted areas could get access to money quickly when they needed it the most.

— HEATHER SKYLER

group for FinTech Atlanta. Companies such as Delta Air Lines, The Coca-Cola Company and The Home Depot all rely on digital payments, so they have a vested interest in fintech.

A new task force seeks out fintech startups and works to help them be business-ready. When the startups are ready, the task force matches them with corporations for a series of meetings. Normally, White says, corporations wouldn't bother to talk to small companies, but the screening process ensures that the startups are ready to contribute.

"For business development people [at corporations], it's hard to separate the wheat from the chaff," White says. It doesn't always end up in a partnership, but some startups have signed deals to provide corporations with their services.

While the city has several long-standing business incubators, a handful of new ones are springing up that are specifically focused on fintech, including some housed within large corporations. The Coca-Cola Company has The Bridge, an accelerator that kicked off with its first class of startups in 2013. This year, it's up to three cohorts of businesses and includes Porsche Financial as a partner.

Georgia Tech houses the Advanced Technology Development Center, created to launch and build technology companies.

After going through a startup program run by FIS Global in Little Rock, Arkansas, Jared Kopelman and Christian Ruppe relocated their company, Monotto, an automated savings

products company that licenses its software to financial institutions, to ATDC. Through ATDC, they've already signed integration deals with larger fintech companies.

"I thought the barriers to entry would be much higher," Kopelman says. "[Being in Atlanta] really has benefited us in the speed with which we're able to accomplish things."

Wonder Technologies Inc. is a digital gifting, incentives and rewards company that works with retail, travel and hospitality businesses. Keith Smith, Wonder's co-founder and president, is a veteran of several tech startups and grew up in the Atlanta area, so he has a long perspective on the city's growth. With early companies, he couldn't hope to meet with large corporations, but that's changed.

"Ten years ago, I would walk into big businesses, and they'd say they wouldn't do business with startups," Smith says. "Now corporations seek them out, and it's through these associations." Smith adds that while the company is a Delaware corporation that was started in California, it'll grow in its suburban Alpharetta offices.

"We won't scale the company in California, because of the cost," he says. "Our engineers are there for now, but as we continue to grow, our plan right now is to scale the business here. I don't think there is anything to lead us away."

InComm likewise plans to stay put.

"The biggest benefit InComm has gained from its hometown is the most important part of any business: the people," says Graves. ▾