

Organizations looking to cash in on consumer-driven mobile payment systems

by Becky McCarville

With widespread use of smartphones and iPads coupled with apps geared toward the individual, consumers are driving the explosion of mobile payment options. Using a mobile phone to pay for goods and services instead of using cash, check or credit cards



Jordan



LeRoy



Zimmerman



Ward

of implementing mobile payment systems.

Dundee-based eCreamery Ice Cream and Gelato uses Dwolla, a platform that offers a money exchange through proximity and social networks such as Facebook, Twitter or LinkedIn.

"We heard about Dwolla when we

will become the norm.

Apple, Google, PayPal, Visa, MasterCard, banks and other corporations are creating technologies and signing partnerships to cash in on the projected \$600 billion-plus industry.

"There's been an increase in businesses wanting to explore," said Jim Barnes, president and owner of American Payment Systems. "In the past, the cost was usually prohibitive. One terminal was about \$400-600 each. Now with advertisements, the iPhone and Droids, there's more interest, plus the cost has come down on regular wireless terminals."

While major cities along the coasts have adopted the technology more quickly, some local businesses are seeing the value

bought our tickets for Big Omaha in April 2011," said Abby Jordan, co-owner of the ice cream retailer. "Being associated with Dwolla is another great way to build connections with our customers. Plus, their low transaction fees are very attractive."

Many in the younger generation are more comfortable using smartphones and apps to make online payments.

"With the app effect, the wave of the future is data itself," said Bob LeRoy, Sogeti USA's senior vice president of open systems.

"Technology is an enabler and has pushed adoption along faster. The consumer can do everything from the phone, and should be able to do transactions."

Most banks offer online payments and



Jim Barnes, president and owner of American Payment Systems.

Internet banking on phones, but few are using mobile payment systems because of the high costs associated with implementing the products.

Dave Zimmerman, senior vice president of Council Bluffs Savings Bank, notes that with increased costs to banks with the new interchange rules, mobile payment systems will become more mainstream in both community and large banks.

"Intermediary types of companies will offer products to bridge the gap between banks and merchants," Zimmerman said. "Smartphones and iPads will drive the next step with technology as it relates to banking and finance."

Phones can be equipped with external hardware for corresponding terminals and software can be added to the phone with

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Mobile payments

Continued from preceding page. applications geared toward specific industries.

"Because of the expense involved, all the banks are trying to figure out which option to go with that will stay around," said Ken Ward, vice president and chief information officer at Cornhusker Bank in Lincoln. "It's a big investment on a product that may not last."

Mobile payments have become popular in restaurants and service industries and have a market in smaller merchants such as taxis and delivery services.

With the PinPoint Card, American Payment Systems is meeting the needs of the consumer and restaurant owners, Barnes said. The card reduces fraud by requiring a pin number, and the transaction can be made by a wireless terminal at the table, speeding up the dining process.

Major retailers will need to implement the technology first in order for other industries to adapt.

"The merchants are very happy with the system in place with plastic cards," Ward said. "There is a capital expense involved, and they might not be anxious to change. If Walmart or Target or major players make it a national focus to do something, then everybody else will follow."

The consumer-driven industry benefits those who want the ease of using their mobile devices to make payments.

"It will not benefit small businesses as much now," LeRoy said. "The cost of entry is high for early adopters. In order to get to that, the learning curve is steep."

Apple alumni were transformed by lessons from Jobs

by Casey Newton

In 1984, future billionaire Marc Benioff spent the summer writing code at Apple in Cupertino, Calif., and marveling at the company co-founder and CEO Steve Jobs had created — there were shiatsu massages at the office, fruit smoothies in the refrigerators and a pirate flag on the roof.

TECH INDUSTRY

"That summer, I discovered it was possible for an entrepreneur to encourage revolutionary ideas," Benioff would later write in his book, "Beyond the Cloud."

Benioff is the founder of Salesforce.com and one of Apple's most prominent alumni, though he is by no means alone. He is among scores of former employees who say they were transformed by their work with Jobs.

Prominent Apple alumni include Trip Hawkins, who started Electronic Arts; Andy Rubin, who went on to found the Android operating system and now leads mobile efforts at Google; and Reid Hoffman, who co-founded LinkedIn.

Other alumni have created applications that live on millions of smart phones and tablets sold around the world. Evan Doll, a former iPhone software engineer, left to co-found iPad reader Flipboard. Developer Loren Brichter left Apple and created the popular application Tweetie, which Twitter acquired and turned into its official mobile app. Dave Morin co-created Facebook Platform, which enables developers to build apps on the social network, and Facebook Connect, which allows people to sign in

to other websites using their Facebook profiles.

"If you look across the board, from Android to LinkedIn to even Flipboard — these are long-term, big ideas that require great patience and great focus," said Morin, who is now the founder and CEO of San Francisco startup Path, a personal social network built for mobile devices.

"If you look at all those entrepreneurs, you see people who are intensely focused, intensely competitive, respectful, good people. They put design first, and really are trying to innovate. And that's all Apple," Morin said days before Jobs died. (The others quoted in this article also spoke in the weeks before Jobs' death.)

Companies started by Apple employees tend to share common values, these entrepreneurs said: simplicity, excellence in design, a willingness to reject ideas, and a relentless focus on a small set of goals. It is no accident, they say, that those were also among Jobs' chief values.

"They tend to start companies that have audacious visions for changing the way people do something," said Matt MacInnis, founder of the digital textbook platform Inkling, who worked in business development for Apple from 2002 to 2009. "You don't see a whole lot of enterprise companies; you don't see ad platforms. You actually see a very narrow sliver of market segments being addressed by ex-Apple employees. We all tend to come at things from a software- or hardware-for-a-person worldview, because that's how Apple operates so intensely at all levels."

That focus on the individual user experience is something associated closely with Jobs, and something Apple alumni strive to emulate. Doll, who led the design of Flipboard, describes Apple's founder as a near-constant presence in the back of his mind, second-guessing his decisions.

"You almost imagine that Steve is in your office," Doll said. "You say to yourself, what would he say about this? When you're kicking around an idea for a product, or for a feature, you'll even say it in discussion — 'Steve Jobs would love this!' or, more often, 'Steve Jobs would say this isn't good enough.' He's like the conscience sitting on your shoulder."

Hawkins, who worked for Apple from 1978 to 1982, recalls a younger, wilder Jobs who could be difficult to work with. But even in those early years, Hawkins said, he learned lessons from Jobs and Apple that stayed with him as he founded EA: the importance of keeping employees inspired, for one, and the power of selling products directly to consumers instead of relying on distributors.

And then there's marketing savvy.

"The biggest gift he gave me personally was understanding how to be a better public speaker — more dramatic, more persuasive," said Hawkins, who led marketing efforts while at Apple and is now CEO of game company Digital Chocolate. "I'm definitely from the Steve Jobs school of public speaking, although I'm nowhere near as good."

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