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## Statement of Capabilities

James R. Wells, Jr.

### **Consultant to Management**

Mission: To provide high-quality, highly interactive and intensely personal consulting services to help financial intermediaries to develop and implement innovative solutions that expand access to financial services to consumers underserved by traditional depository institutions

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## **Background:**

In the modern economy, “banking” is necessary. Banks are not.

When other intermediaries provide financial services better, faster, cheaper, smarter than banks, consumers are quick to utilize them.

Throughout history, an obvious gap has existed between the “haves” and “have-nots” in society. Nowhere is that gap currently more evident than in access to financial services and to the new economy – the Financial and Digital Divides.

That segment of the global population operating on a cash basis is isolated from traditional depository institutions and denied the opportunity to participate in online commerce because they lack access to the requisite technology and digital currency. As a result, they risk falling farther behind the rest of society.

The dizzying array of programs undertaken by government agencies, social groups, faith-based organizations, and others, designed to close the Financial and Digital Divides has instead produced a confusing patchwork of single-solution offerings that confuses lower income consumers, exhausts them with repeated application processes and brings little tangible improvement to their daily lives.

Despite initiatives to reach out to low- to moderate income (LMI) consumers, the number of households without traditional banking relationships appears to be increasing.

Although sad and somewhat frightening, this situation represents an attractive opportunity for institutions willing to fill this void. Increasingly, it is non-bank financial intermediaries (NBFIs) who are developing innovative products, services and delivery mechanisms uniquely suited to these under-served populations to capitalize on this opportunity.

This consulting practice is designed to help clients understand the changes occurring in the financial industry in regards to serving LMI consumers; evaluate options and technologies; choose those alternatives that make the most sense for them and their customers; and develop strategies and implementation programs that allow them to become stronger, more successful, responsive, resilient, and competitive.

## **Philosophy:**

The primary focus of this consulting practice is helping financial intermediaries utilize technology to expand access to financial services to consumers underserved by traditional depository institutions.

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The practice provides guidance in developing and implementing business strategies that enable organizations to compete successfully for customers in a market sector that has confounded traditional depositories for decades.

A fundamental tenant of the practice is that information has replaced coin, currency, and checks as the basic commodity of financial services. How financial value and personal information – whatever their form - are aggregated, managed and applied for the benefit of consumers is critical in gaining and maintaining strategic advantage in the rapidly changing financial marketplace.

The scarcity of such non-traditional thinking at traditional financial institutions is precisely why they continue to lose market share to non-banks that are more aggressive users of new and innovative technologies.

The ultimate objective of consulting engagements is to help clients increase their success potential by assisting them identify opportunities and develop specific, actionable programs to capitalize on those opportunities in an increasingly complex and rapidly changing business environment.

### **Consulting Expertise:**

With over twenty-five years of hands-on financial industry experience, this consultancy knows the financial services business and understands the strategic issues confronting the industry and the challenges of targeting a constantly changing consumer market. As a result, clients receive the benefit of specific industry knowledge, management experience and perspective, and consulting expertise, without paying to bring an outsider up a learning curve.

While the issues facing financial intermediaries – banks and non-banks alike – may be similar, the responses are not. As a result, findings and recommendations for each client are unique, reflecting their own circumstances, business culture, and market conditions.

### **Consulting Approach:**

Many consultants are known for their standardized approaches. However, just as each client's situation is unique, our consulting approach for them is similarly unique – characterized by a close, interactive, and highly participatory involvement, tailored to each client's particular situation, culture, management style, and capabilities.

Rather than work in isolation or through junior associates, we partner with clients to think through problems and arrive at decisions jointly and cooperatively – generating organizational buy-in throughout the process – rather than seeking it towards the end of the engagement.

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The goal of each assignment is to produce results – not reports. To deliver these results, clients count on us to do whatever is necessary to accomplish the assigned objective. Often that means rolling up our sleeves to act as a spare pair of hands. This contributes to a reputation for providing no-nonsense advice that serves as a catalyst for action – and for getting the job done.

**Strategic Framework:**

“If you don’t know where you’re going, any road will get you there.”

The foundation of sound counsel is not a preconceived formula, but a strategic framework for thinking through issues and arriving at solutions. That framework consists of a detailed vision of the future of the consumer financial services industry and an appreciation and recognition of what will be required to compete successfully.

This consultancy aims to help clients understand how their individual situations fit within the changing structure of the industry – ensuring that solutions developed today are consistent with tomorrow’s competitive imperatives and realities.

**Management Perspective:**

Meaningful results are most often the product of reconciling an organization’s future vision with its available resources and capabilities. We understand the day-to-day challenges involved in addressing the needs of consumers in increasingly complex and competitive financial services markets. In a collaborative environment, clients are able to develop and evaluate potential solutions not only in terms of what is desirable, but what is possible. As a result, valuable resources, time and money are not wasted developing and pursuing options or recommendations that are neither feasible nor appropriate.

**Confidentiality:**

A reputation as an industry insider and friend requires an uncompromising respect for confidentiality towards clients and the work done for them. This allows all clients to benefit from our industry perspectives, knowledge of specific geographic and/or global markets, and breadth of past experiences – knowing that their specific problems, concerns, strategies or solutions will not be divulged elsewhere.

**Assignments:**

Past assignments mirror the myriad issues facing financial services intermediaries in trying to meet the needs of low- to moderate-income consumers – effectively and profitably.

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## REPRESENTATIVE ASSIGNMENTS

- Developed a stored value card-based “Virtual Bank Account” for the U.S. Check Cashing industry to protect their customers’ money and grow their financial services franchise
- Added an FDIC-insured Savings Account to card-based Virtual Bank Accounts
- Structured a payment reporting relationship for the Payday Advance industry allowing their customers to use their repayments as the basis for building and rehabilitating credit histories
- Worked with the U.S. Treasury Department’s Financial Management Service to develop electronic payment options and define criteria for authorized payment agents mandated by EFT’99
- Launched the eighth Visa electron program in the world as a proprietary debit card network to provide payment cards to all customers of the second largest bank in Bahrain
- Assist a national community investment fund test innovative mixes of products, services and delivery channels to enhance financial institutions’ outreach to underbanked populations
- Provided electronic payment systems counsel to a university-based initiative developing a low-cost, internet-based administration and delivery platform for Individual Development Accounts (IDAs)
- Designed financial and payment programs for a start-up company deploying web-enabled kiosks in inner cities as gateways to the new economy for a low-income population largely without bank accounts and payment cards
- Pioneered first internet-based, bank-centric bill presentment and payment program in US
- Produced strategies for expanding a program for bill presentment and payment at a single website, independent of billers’ use of electronic presentment
- Helped The Bankers Roundtable evaluate options for creating a bank-centric, real-time electronic payments infrastructure and establish the Banking Industry Technology Secretariat (BITS) to protect and leverage banks’ position in the payments system
- Helped a technology company develop systems to detect, investigate and combat anti-money laundering activities
- Worked with two South African banks to develop electronic payments and banking capabilities to serve the “unbanked” majority population

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## **JAMES R. WELLS, JR.**



Jim Wells is a consultant specializing in helping financial intermediaries use technology to improve, expand and secure the delivery of financial products and services to consumers underserved by traditional financial institutions. Mr. Wells also works with technology companies to develop advanced payment and delivery solutions for financial intermediaries.

Mr. Wells has been involved in numerous efforts around the world to expand access to financial services for low-income consumers. In 1992, he designed a system for using the global electronic funds transfer networks to facilitate homeward remittances for laborers in the Middle East who signed for paychecks with thumbprints.

Before the 1994 free elections in South Africa, he worked with that country's major banks to replace checks with debit and smart cards, and to develop a network of self-service banking units to serve a majority population that had never been allowed to set foot in a banking hall. In 1996 and 1997, he architected electronic payment options for the U.S. Treasury Department in connection with EFT'99.

Shortly thereafter, Mr. Wells helped the National Check Cashers Association establish the NaCCA Preferred Debit Card to preserve check cashers' role in processing benefits payments in an electronic environment. In 2002, he guided the Check Cashers Association of New York through development of a stored value card that functioned as a virtual bank account, a remittance card and a payment card. In 2004, he helped FiSCA, the check cashers' national trade association, add an FDIC-insured savings component to the virtual bank account.

Previously, Mr. Wells was Senior Vice President for Strategic Alliances at Electronic Funds & Data Corp, where he helped pioneer the concept of bank-centric, internet-based Electronic Bill Presentment and Payment (EBPP). Before that, he formed and managed the Electronic Commerce and Payment Systems practice for Furash & Company, a Washington, DC-based consulting firm. EF&D was one of his clients.

Mr. Wells brings to client engagements thirty years of hands-on management and consulting experience in traditional banking and non-traditional delivery of financial services with such firms as Citicorp, HongkongBank, and MasterCard International – in the United States and overseas. His product and functional expertise encompasses ATMs, credit, debit, stored value & smart cards, lending, marketing, product development, and strategic planning.

His involvement in payment and delivery systems throughout the world provides clients with a global perspective on building robust businesses – not just products.

***The Best Way to Predict the Future is to Create It***