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By Joan Herman, Sunrise Banks

**T**here's a misconception that banks can't innovate. You have to be small, nimble and quick to market, or so the thinking goes. I'm not saying being an innovative issuer is easy. Compliance and third-party risk responsibilities are all-too real—not to mention the uncertainty around the CFPB's final prepaid accounts rule.

For us, the key to innovation is about finding innovative partners. But they have a high bar to meet. We're not afraid of failure—there's always something to learn—but we won't take unnecessary risks on programs when the people behind the ideas haven't done their homework.

One of the most exciting aspects of my job is talking to entrepreneurs who want to partner with us to get their ideas to market. Turning innovative ideas into a reality that's compliant, scalable and profitable is no small feat. That's one reason it's so rewarding when it works.

If you want to partner with a bank like Sunrise, here are some keys to getting a second meeting:

- 1. Distribution plan.** Never take distribution for granted. It can make or break any program. If your plan is to sell cards online, great. But you better have a strategy to compete against established players.
- 2. Compliance.** We don't expect you to know everything about our regulatory environment, but you do need to grasp how complex and costly compliance is for an issuer. And, you can expect to jump through some hoops if you want a bank to take you seriously.
- 3. Be realistic.** Even the most compelling products take time to get to market and to catch on with consumers. Just ask Jack Dorsey about Twitter. In prepaid, it can take six months or more just to get through

the integration with your processor before you're ready to launch.

- 4. Know the players.** Understand the value chain and what partners you need (and have to pay) to make your vision a reality. The infrastructure supporting card programs and the compliance issues governing how you all work together shouldn't be taken lightly.

Despite the hype, payments is not an easy market in which to innovate. But it can be done if you do your homework, set realistic expectations and find the right partners—all while minding your compliance Ps and Qs. 

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