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Peer Insights

R E P O R T

Q&A with Ronald Ingram

Founder of ECHO Payment
Systems, Inc.

Principle Series:

Family Office Insights sits down with Ronald Ingram to discuss ECHO Payment's mission to revolutionize financial technology, and the future of payment systems.



Family Office Insights is a voluntary, "opt-in" collaborative peer-to-peer community of single-family offices, qualified investors and institutional investors.

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Q: Tell us about your background and your company, ECHO Payment Systems.

A: I've worked in the financial technology arena for about 20 years. I started in investment banking at Merrill Lynch, and then moved into commercial banking, which is where I recognized an opportunity to help merchants receive payments online. Since then, I have been in the payment industry developing debit, credit, and mobile payment solutions. In July of 2015, I started ECHO Pay, a payment solutions company. I am excited at how quickly we have managed to build our team and develop excellent client relationships in a very short amount of time.

Q: Who is ECHO Pay's target audience?

A: ECHO Pay is primarily a B2B organization, focusing on companies looking for less expensive and more complete payment solutions for their employees and clients. We typically appeal to firms that make a minimum of 10,000 payment transactions per month - anything from writing payroll checks, to paying bills to crediting clients.

We also tend to receive a number of referrals from other financial technology companies, so in addition to our B2B target, we are also known as FinTech-2-FinTech organization. This is due to the fact that our middleware applications can seamlessly integrate into other technology apps and platforms that could benefit from the revenue and expanded customer reach that comes from having debit cards, prepaid cards, and mobile wallets embedded within their value proposition. Despite our robust sales referral pipeline, we have been extremely disciplined in choosing whom to work with at this stage in our growth and fortunately we have the luxury of being selective.

Q: What are some challenges your company faces in the market?

A: The payments industry is one that is highly regulated. We believe that it is these very regulations that provide ECHO with one of its distinct competitive advantages. I assembled a team of seasoned professionals who have many years of experience in the payments industry. They include executives from Visa, MasterCard and large International Banks. We understand how to navigate the regulatory environment better than most. Through the efforts of this team we, were able to get to market in eight months with just \$1.2M of capital spent vs. what traditionally takes upward of 2 years and north of \$5M of capital. Additionally, we did this while simultaneously launching our first two customers.

Q: What differentiates ECHO Pay from its competitors?

A: Much of our business comes through referrals. This is extremely unique in the payment space. Companies such as Visa, MasterCard, Banks and Processors seek us out to solve and implement their client's payment needs. The reason for this is simple from our perspective...they know we are experts in the field. We understand how to develop programs that fit within the regulatory boundaries for the issuers, processors and card manufacturers while still achieving a client's brand, revenue and payment program goals.

We have achieved this unique status as a go-to partner in the market because we purposely developed our system and processes so that we could easily tailor them to fit each client's unique needs and technology platforms without lengthy and expensive customization. We are also a company that focuses on providing incredible service for our clients. The industry expertise of our team allows us to quickly understand a client's goal and how to achieve and implement it. We don't waste a client's time talking about what they can't do or trying to figure out how to do it. We move very quickly from needs to enabling a custom solution much faster and more economically than our competition can.

Our main competitors are domestic-based firms that are not positioned to enable their technologies globally. ECHO can move into virtually any market and launch a new program within 6 months. This forms the basis of our second advantage: our ability to quickly move with existing or new clients across global markets. To achieve this market advantage, we aligned our firm with a global provider in payment processing allowing us to leverage the global industry experience and connections of our senior team to enable cross-market opportunities. This is important to many of our clients and prospects as they recognize the opportunities that exist for their brands and services beyond domestic borders. Additionally, this approach allows our clients a singular and consistent offering of service, operability and profitability, regardless of geography.

Q: Who are your 2 main competitors?

A: Our 2 main competitors are Netspend and Green Dot, which are publicly traded companies. Both are focused on the domestic U.S. market and battle for client share at the top of the food chain (i.e. via scale only) or through acquisition of firms similar to ECHO that provide services and programs their systems cannot. As ECHO is not reliant upon this client set for its growth our path to success is proceeding without having to directly compete with the market incumbents.

What's interesting about the acquisition strategy of Netspend and Green Dot is that these firms have directly set the valuation benchmarks for the industry and they provide ECHO an easily quantifiable acquisition exit strategy.

Q: How is ECHO Pay changing the landscape in your industry?

A: We have changed the landscape by broadening the access of companies looking to extend their brand, increase profits and reduce their costs in payments all while simultaneously expanding consumers' access to unique and innovative ways to pay and be paid. We offer a future-proof payment platform that can support what's required today with what is necessary for what's to come encompassing potential regulatory changes, product innovations, and increasingly complex implementation requirements. This approach is enabling market leading product development including multi-currency products for travelers, real-time budgeting applications, instant card-to-card global money transfer and seamless one-touch payment processes for large institutions.

Q: Who is your ideal investor?

A: At this stage in our growth we're looking primarily at two types of investors: 1) a purely financial investor, or 2) a strategic investor. ECHO's "ask" to fill this Series A round is in the \$800K to \$1.2M range. That's a bit too large for the traditional angel investor while also being too small for traditional private equity or venture capital. So, our ideal investor would be a very high net worth investor or family office, or a combination of investors who can make investments in this range while also being willing to refer ECHO into their network of referral customers. We have both types of investor on our cap table now and both are important to us.

Prepaid programs are valued between \$600-\$1,000 per 90-active card, as such an ideal investor would be able to assist ECHO with referrals to grow the cardholder base.

Q: How much capital are you looking to raise?

A: We are looking to raise between an additional \$800 thousand to \$1.2 million to close our Series A round on top of the \$1.1 million already raised. If there is significant interest, we can oversubscribe the round.

Q: What's your mission?

A: Our mission is to profitably broaden the participation of both businesses and consumers in the payment ecosystem. We see a lot of inefficiency and waste in the payments system that costs both businesses and consumers across the country significant pain in time and money. We're here to make a payment or access to payments more efficient and streamlined, whether for Main Street or for our individual customers, the underserved and unbanked (about 70M people including small businesses and millennials).

Q: What's next for ECHO Pay?

A: We're very excited for the future, but our first and primary focus near term is scalable and profitable growth. Areas that are on our product roadmap include international expansion, peer-to-peer lending, and credit scoring. We also see a great deal of synergy between our services and expertise and the LaaS (Lending as a Service) space. This is a fast growing industry and through initial discussions with companies that would like to partner with ECHO to bolster their peer to peer lending and credit scoring applications we are encouraged about exploring these opportunities.



Ronald Ingram is the founder of Echo Payment Systems Inc.

Since the early 1990s, Mr. Ingram has been inventing ground-breaking technology to improve accessibility and security of fintech services for those who are underserved by traditional banks. During this time, Ron Ingram founded the company that has evolved into Beanstream Internet Commerce, Inc., one of the first providers of authentication and electronic payment processing solutions. Mr. Ingram raised Beanstream's first venture capital funding, launching the fledgling company on its path to success. Beanstream is now the largest of its competitors, processing over \$30 billion annually for 18,000 businesses, which now include eBay and PayPal.

After Beanstream, Mr. Ingram spent four years creating ground breaking financial products for DFC Global. During this time, Mr. Ingram founded and managed the Nextwave Card Corporation where he launched next generation products, such as Nextwave® Titanium MasterCard, CreditLink, and iLoan product lines, and contributed millions to the bottom lines of all involved partners. Nextwave® became the template for future U.S., Canadian, and UK programs and, to date, is the most successful program in its category.

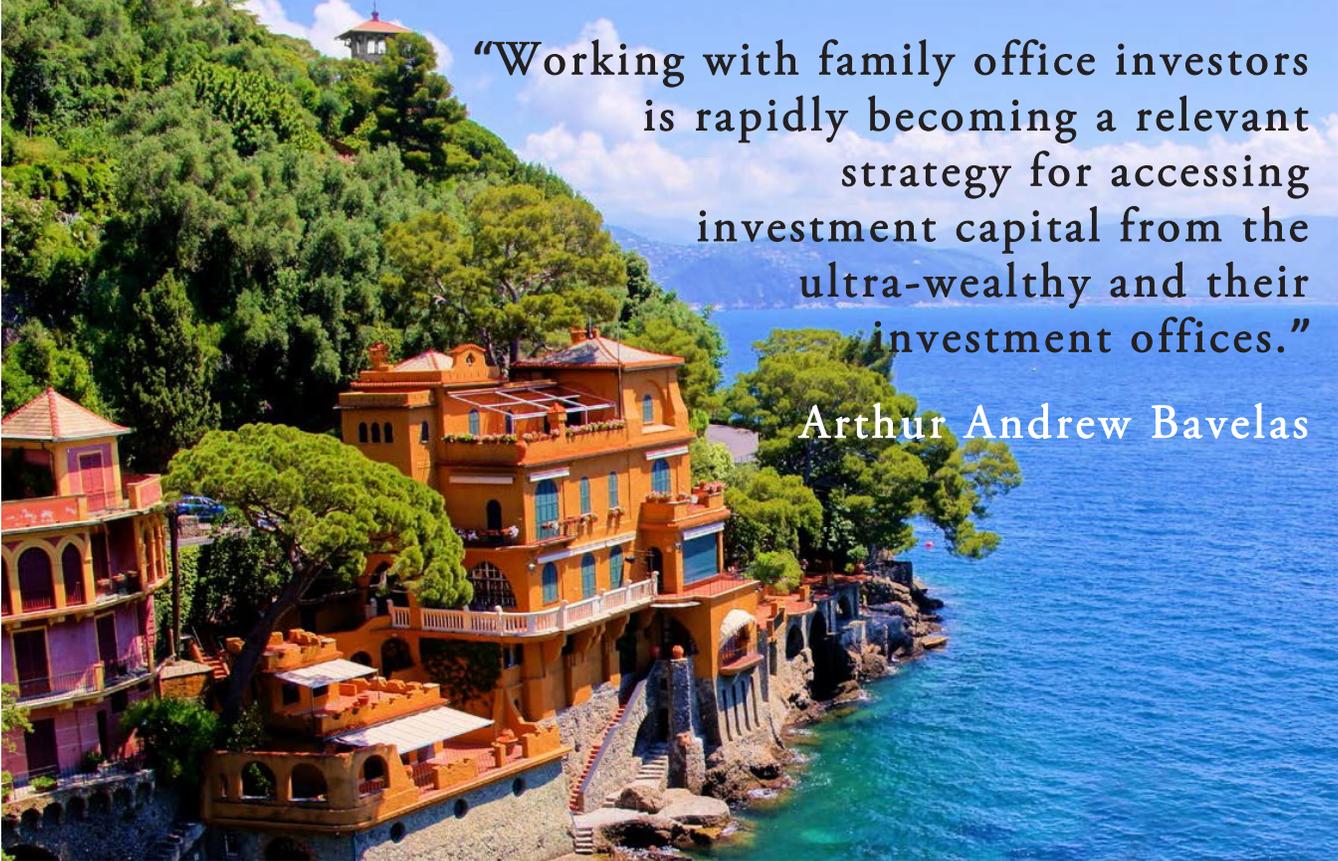
In 2005, Gerson Lehrman Group ("GLG") discovered Mr. Ingram due to industry buzz over Mr. Ingram's fintech product announcements. GLG, headquartered in New York, is the world's largest membership-based network of more than 425,000 thought leaders and practitioner consultants whose subject matter specialists, recognized for their outstanding achievements, offer expert judgments, opinions, and advice to GLG's Fortune 500 caliber client companies.

As a GLG Leader in alternative financial services, Mr. Ingram has influenced the multi-billion-dollar decisions of private equity funds, venture capital firms, nine of the top ten investment banks and "Big 5" consulting firms. In 2006, while simultaneously consulting for GLG and after founding NTI,

Since 2003, Mr. Ingram has managed programs that have issued more than 6 million general purpose reloadable cards in partnership with Visa, MasterCard, Galileo, Peoples Trust and Metabank among several other companies.

Ronald Ingram was granted "Extraordinary Alien" status by the United States Citizenship and Immigration Service (USCIS) in 2017 and lives in Henderson Nevada with his wife Kirsten, of 26 years, and their two rescued dogs. When not working he enjoys playing league tennis, meditation and researching complexity theory, theology, artificial intelligence and wellness. He can be followed @imaginician on Twitter.

To learn more information, please visit <http://www.echopaymentsystems.com/>, or reach out to Ronald directly at RIngram@echopay.me.



**“Working with family office investors
is rapidly becoming a relevant
strategy for accessing
investment capital from the
ultra-wealthy and their
investment offices.”**

Arthur Andrew Bavelas