



Sibos forum for corporates 2009

Wrap up report

01 October 2009

Sibos forum for corporates 2009 – your main messages

Our thanks to all of our partners of the Sibos forum for corporates 2009: Bank of America, Barclays, BNP Paribas, Citi, HSBC, ICBC, J.P. Morgan, Société Générale and Standard Chartered together with the IACCT (International Association of CFOs and Corporate Treasurers in China, TMI, Treasury Today, gtnews and EuroFinance.

The objective of the two-day forum was to bring the industry together to address the challenges you are facing, and how we might be able to help. It attracted 490 participants, 122 of which were corporates, with 183 vendors and 185 financial institutions.

The following is a re-cap of the messages we heard.

1. **SWIFT is relevant in the context of the global financial crisis.** This is the case more than ever in the corporate to bank space where SWIFT is helping corporates obtain better and faster visibility of their cash. The top three features? Visibility, resilience/security and scalability.
2. **Further efforts are required to make it easier for corporates to join, with particular attention to smaller corporates;** we really need to further industrialise on-boarding processes, continue fostering standardisation, create 'plug&play" solutions. The offering is there and much progress has been made. Yet there is clearly more to do on this front.
3. **Continue to expand the SWIFT for corporates offering:**
 - eBAM (electronic bank account management) has been highly topical throughout the week
 - There was a lot of interest regarding SWIFT's new Personal Digital Identity initiative
 - Some of you told us we should consider exploring cooperative solutions beyond our 'traditional' standards/messaging space
4. **The Trade services utility (TSU) is available – awareness raising is needed.** There is a lot of interest and belief that we should be more aggressive in this space. Some of you suggested we should involve corporates in order to further spur adoption of the TSU.
5. **Bank readiness should remain a high priority:** While the number of banks offering services over SWIFT to their corporate customers is increasing, further work is required to encourage and enable more banks to do the same.

For comments, feedback: www.swiftcommunity.net/corporates

For more information about SWIFT for corporates: www.swift.com/corporates

gtnews at Sibos 2009: Editorial Blog

SWIFT: On a Diet but Still Reaching for a Slice of the Corporate Pie

Joy Macknight, Section Editor, gtnews - 15 Sep 2009

<http://www.gtnews.com/sibos2009/>

The two-day corporate forum at Sibos has attracted 490 participants, 122 of which are corporates, with 183 vendors and 185 financial institutions participating in the stream as well. It is the first corporate forum to be held in Asia and also the first that participants battled a cyclone in order to attend.

In the opening session of the corporate forum at Sibos 2009, Marilyn Spearing, chairperson SWIFT corporate access group and global head of trade finance & cash management corporates, Deutsche Bank, gave an update on SWIFT for corporates and future developments. She also identified what corporates were voicing in terms of their needs:

- Better implementation support and service from SWIFT.

- Reducing the differences in bank offerings.

- A clear business case because of scarce investment money.

- An enriched proposition.

With just 512 corporates connected to SWIFT, which is more than a two-fold increase in the past three years but still a small drop in the global corporate ocean, these issues need to be addressed. Spearing said that service bureaus, where the technology and management is outsourced to a third party, either a bank or a technology vendor, is key to greater take-up of SWIFT for corporates.

Only 20% of corporates on SWIFT are directly connected, while the majority (70%) use an indirect method through a service bureau or member concentrator, according to Luc Meurant, head of banking, supply chain and corporate markets, SWIFT. What was interesting is that Alliance Lite, the low-cost, low-tech connectivity option launched at last year's conference, now makes up 10% of corporate connectivity. Meurant said that Lite users were all new to SWIFT and could be divided into two types: smaller corporates that are content with the pricing structure and usability of Lite, and large corporates, which he called testers, that don't plan to stay with Lite but are using it to test out the SWIFT offering.

In the future, SWIFT plans a number of new products for corporates, including electronic bank account management (eBAM), which will be launched at the end of this year, and also a personal digital identity solution, which will be launched in early 2010. But beyond products that are already in the pipeline, new developments may be slower to come to fruition in the future, due to the new 'lean' SWIFT that was promoted by chairman and chief executive Lázaro Campos at SWIFT's opening plenary yesterday.

Campos spoke about the business efficiency programme, called Lean@SWIFT, which will aim for a 30% reduction in every department. In developing its new plan for 2015, Campos said: "We are weathering the storm. We should look at it more in the way similar to a diet – we are exercising and becoming lean. SWIFT is in the gym, getting leaner for 2015." Although he promised that this wouldn't degrade the service SWIFT provides to its membership, it is hard to imagine that this will not have some effect on innovation.

Demystifying SWIFT

The second session in the corporate forum focused on the value proposition of SWIFT for corporates. In a straw poll of gtnews readers taken a few days before the conference, 40% of respondents said they would adopt SWIFT, while 50% said they were not considering this option for bank connectivity. Only 10% said they were already using this method. This shows that the benefits of SWIFT, such as

global visibility on cash and cost reduction through rationalisation and automation, are not recognised by corporates.

But momentum is growing and expanding into hitherto untapped areas. Wim Raymaekers, senior market manager at SWIFT, said that although historically SWIFT has been seen as in the realm of the banks and very large multinational corporates only, what SWIFT was beginning to see was greater number of smaller sized corporates with fewer banking relationships using SWIFT, as well as some corporates that are mainly domestic players.

Wolfgang Ratheiser, corporate treasury at Johnson Controls (JC), a provider of automotive interiors, spoke about why his company chose SWIFT connectivity. With three business units, the JC treasury was complex and wanted visibility over its multi-currency cash pools in Australia, Canada, Germany, Japan and the Czech Republic. In March 2008, it embarked on a SWIFTNet infrastructure programme to get SWIFT capability for payment channels and distribution of payments; the single euro payments area (SEPA) also gave impetus to this project. It chose SunGard's service bureau and Standardised Corporate Environment (SCORE) as its connectivity method.

The advantages of SWIFT meant that JC treasury focussed on the right banks - ones that gave them credit and support - and reduced the number of bank accounts. The challenges the company faced in getting the project going were:

- Explaining to the top management and getting buy-in from the business units.

- Getting a strong commitment from all partners, banks and internal resources.

- Planning and agreeing on a global roll-out.

- Local banking requirements.

- Involving the firm's divisions since the inception of the project.

- Aligning the enterprise resource planning (ERP) systems of the three different divisions.

- Ensuring that the set-up of the solution matches the infrastructure/organisation and that the solution was scalable.

Ratheiser said that the benefits revolved around: the ability to focus on the right things; risk mitigation; efficiency; and a reduction in bank fees and IT costs. "Now the solution is scalable, flexible and bank independent," he said.

Financial Crisis: Challenges and Opportunities for Corporates Treasurers

The next session in the forum concentrated the financial crisis: challenges and opportunities for the corporate treasurer. Focusing more on the pain of the global crisis, Dennis Tosh, director of global trading and automotive risk, Ford Motor Company, joked that throughout the crisis he slept like a baby: he woke up every two hours and cried.

The other panellists, Richard Martin, head of payments and cash management, international cash and trade, Barclays Bank, Lloyd O'Connor, managing director, regional product executive treasury services, JPMorgan, Tjun Tang, partner and managing director, the Boston Consulting Group, and Peter Wong, founding chairman and president, IACCT China, also spoke of the pain points corporate treasurers faced, such as the tightened credit availability and increased risk and regulation.

Joking aside, Tosh said that the key take-aways for a treasurer to survive the crisis were:

- The importance of transparency of exposures and seamless systems of real-time information.

- Risk management is an art, not a discipline.

- Liquidity and having access to cash is key.

- Maintaining strategic relationships with your banks.

He noted that there had been a significant paradigm shift in terms of the role of the treasury in the organisation. "Treasury used to be seen as this black box that treasurers looked after," he said. "Now boards recognise the central role treasury plays, particularly in a capital-intensive, cyclical business such as the automotive industry."

gtnews at Sibos 2009: Editorial Blog

Corporates Take a Firm Stand on Day Two of Corporate Forum

Joy Macknight, Section Editor, gtnews - 16 Sep 2009

<http://www.gtnews.com/sibos2009/>

The second day of the corporate forum at Sibos saw corporates getting rather feisty, making demands of the SWIFT community that need to be met to ensure further collaboration.

Day two of the corporate forum at Sibos saw the corporate participants boldly taking a stand, making demands of the SWIFT community in order to move real collaboration forward. It was quite clear that, as customers, they are fed up with the proprietary or individualised aspects of banking solutions - specifically with regards to the way that standards are implemented differently at each bank, effectively defeating the purpose of a single standard.

In the session entitled 'Corporate Requirements for Collaborative Bank Solutions', David Blair, vice president treasury at Huawei, a global telecom provider, bluntly stated that corporates must play a role in forcing standards acceptance by refusing to accept variants from banks. Vipul Shah, senior director and head of financial services, PayPal/eBay, also agreed, saying that proprietary solutions are "like cement" and reduce competition.

Even the bankers sitting beside them on the panel, Neal Livingston, global head of client access, transaction banking at Standard Chartered Bank, and John Laurens, head of payments and cash management Asia-Pacific, HSBC, agreed, with Laurens adding that only demand from the corporate community will give the impetus for a breakthrough in the XML standard development and adoption.

Christina Easton, senior manager, global cash operations, Microsoft Treasury, took this message and re-iterated it in a later case study session discussing global implementations of SWIFT. Relating to Microsoft's decision to move to the XML standard, she said: "We have told our potential banking partners that if they are not able to use XML format for messages in the next 12 months, then we will not open an account with you." Obviously, Microsoft has the global strength to make its banks listen, but the general mood is that if corporates take a firm stand, then the banks will be forced to re-think how they normally operate.

Microsoft, which has a centralised treasury in Redmond, Washington, and oversees 108 subsidiaries, is a relative newcomer to SWIFT, joining in 2005. Today it has 99% electronic visibility (e-visibility) over its cash flows, and is still expanding its usage of SWIFT. In a [video interview](#) with gtnews, Easton mentioned that treasury was looking at CAMT XML message types, as well as looking at its billing analysis sent over FileAct. Microsoft also plans to have treasury payments go through SWIFT in the future and is implementing a pilot programme for electronic bank account management (eBAM).

Both Easton and Blair were also forthcoming in terms of what they thought the next steps for SWIFT were. Blair was keen to have the ability to send direct messages to benefiting banks, instead of waiting for the message to travel through a number of corresponding banks. He also hoped that SWIFT's Trade Services Utility (TSU) for open account trading takes off to - again - solve the problem of every industry having its own standards, but acknowledged that the challenge is that 98% of corporates haven't heard about it. "The banks have defined the collaborative space, but if this is to work, SWIFT will have to talk to the corporates too," Blair said.

Easton had a longer wish list, even though she believes that SWIFT is doing a good job 'evangelising' connectivity capabilities. She thinks that now is the time for SWIFT and the banks to address merchant services and acquiring, which is currently very difficult for treasury - she proposed a type of Merchant Services Utility (MSU). Maybe even more immediately, Easton suggested that SWIFT should develop a playbook to understand different message types and how they can benefit from business process improvements; benchmark SWIFT service agreements and number of pages; provide more guidance around the platform ecosystem and the partners that corporates are able to

use; and, finally, develop a more proscriptive guidance for corporates that are beginning implementation so that they start with more detail of what is involved.

At the end of the day, the banks that make up the SWIFT community have to heed the words of Ignacio Escudero, vice president, global cash management sales, BBVA: "Developing SWIFT corporate connectivity means much more than *being connected* to SWIFT."

From SWIFT@Sibos, Issue 1, Monday 14 September 2009

<http://www.swift.com/sibos2009>

BNY Mellon completes eBAM pilot

Pilot demonstrates qualities of SWIFT's first non-financial standard



Left to right: Bryan Kirkpatrick, Vice President, Bank of New York Mellon. Felina Solomon, Global Account Manager, SWIFT. Alhonse Briand, Managing Director, Bank of New York Mellon Luc Meurant, Head of banking, SWIFT. Eileen Dignen, Managing Director Banking, SWIFT

BNY Mellon, a global provider of asset management and securities servicing, has successfully completed a pilot programme for SWIFT's electronic bank account mandate (eBAM). The pilot, carried out by BNY Mellon Treasury Services and software provider Pegasystems in collaboration with United Technologies Corporation (UTC), showcases the ability of SWIFT's eBAM solution to provide SWIFTNet users with a broad range automated bank account management services, including account opening, closing and maintenance.

eBam, the first non-financial standard developed by both banks and non-bank SWIFT network users, is a straight-through processing resource based on XML, ISO compliant messaging that allows users to open, close and maintain accounts more efficiently and at lower levels of risk. BNY Mellon was one of three banks selected by SWIFT to carry out an eBAM pilot, and the only one to conduct the pilot using SWIFT Alliance Lite, SWIFT's web-based tool that allows users to access the SWIFT network without installing SWIFT-specific software.

The success of the BNY Mellon-Pega- UTC collaboration demonstrates the full extent of the advances in banking services delivery available through the SWIFT initiative. It allows SWIFT users to centralise the exchange of information across their various banking relationships. Because it relies so extensively on standardisation and automation, eBAM also can potentially provide users with the benefits of straightthrough processing, such as increased cash visibility, risk diversification, improved audit processes, operational efficiencies and access to credit and cost savings.

"SWIFT's eBAM initiative represents a uniquely collaborative response from the SWIFT community to a growing customer requirement."

"SWIFT's eBAM initiative represents a uniquely collaborative response from the SWIFT community to a growing customer requirement, and we're proud to have played an important role with Pega and UTC in moving this important development forward," said **Al Briand, Managing Director and Head of Global Product Management for BNY Mellon Treasury Services.**

“We believe that standardised process automation will be the catalyst for transforming the way SWIFT users manage their bank accounts,” commented **Richard Delvaux, Corporate Marketing Specialist for SWIFT**. “Successful pilot programmes like The Bank of New Mellon-Pega-UTC collaboration clearly demonstrate SWIFT’s ability to not just accommodate process automation, but to facilitate it in a userfriendly environment.”

“Standardising and centralising the on-boarding process is key to successful process automation,” commented **Adi Reske, Senior Product Marketing Manager at Pegasystems**. “By facilitating eBAM’s ‘intent-led’ approach, we’re making it much easier for bank relationship managers to interact with their customers in an eBAM environment.”

From SWIFT@Sibos, Issue 5, Friday 18 September 2009

<http://www.swift.com/sibos2009>

Treasury Strategies is SWIFTReady

SWIFT congratulates Treasury Strategies on their new SWIFTReady Consultancy accreditation. “A SWIFTReady Consultancy demonstrates a proven expertise in corporate treasury,” says Cathy Gregg, partner, Treasury Strategies. “It signifies a solid understanding of treasury goals and challenges and of how SWIFT for corporates can help address their needs.”



Left to right: David Pryce, Americas, SWIFT. Cathryn Gregg, partner, Treasury Strategies. Bernard Degroeve, SWIFT. Elie Lasker, SWIFT. Dave Robertson, partner, Treasury Strategies. Anthony Carfang, partner, Treasury Strategies, Monie Lindsay, MD, Treasury Strategies, Philippe Lecompte, Americas SWIFT

See also:



Tmi (Treasury management international)

- SWIFT connectivity for Corporate Treasurers (special supplement)

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Treasury today in China 2009 Issue 4 of 5

- SWIFT for corporates