



# Is information visibility the answer to the supply chain challenge?

Sibos, 15<sup>th</sup> September 2009

# Is information visibility the answer to the supply chain challenge?

Speaking today:

- Ashutosh Kumar, Global Head of Trade Product Management, Standard Chartered



- Jonathan Richman, Global Product Head, Trade and Finance Supply Chain



# How is the industry responding to the supply chain challenge?

- >> Working on Supply Chain Integration
  - electronic process integration inter-company and with business partners
  - financing solutions for the entire supply chain
- >> Focussing on improved working capital management
- >> Developing multi-bank solutions
- >> Leveraging information existing in the corporate supply chain
- >> Focussing on improved risk mitigation:
  - management processes
  - process optimisation
  - information visibility
  - reporting

Information is key  
to efficient, effective  
processes



Is information visibility the answer to the supply chain challenge?

So how can SWIFT products and services help?



SWIFT Watch



SWIFT Trade Services Utility

# Is information visibility the answer to the supply chain challenge?

Ashutosh Kumar  
Global Head of Trade Product Management  
Transaction Banking

**Sibos, 15 September 2009**

# Information is Value and it holds Physical and Financial Supply Chain together

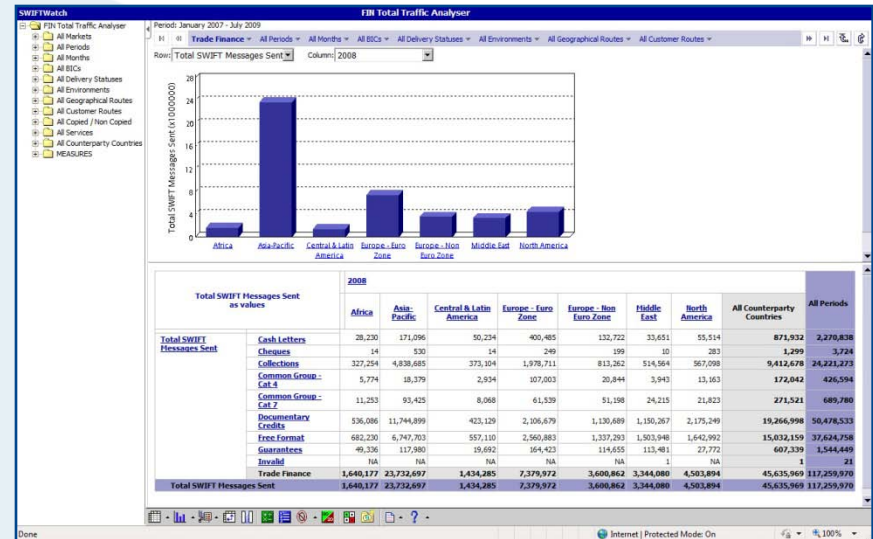
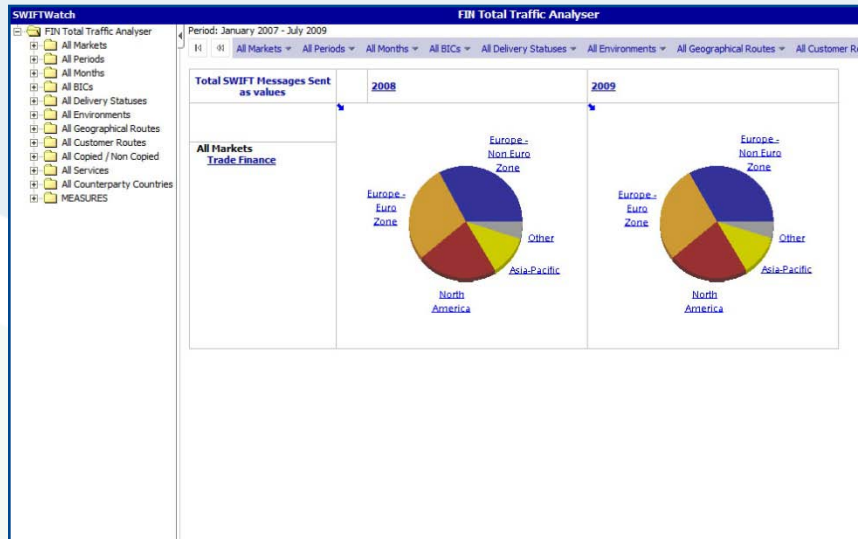


- Information holds the physical and financial supply chain together
  - Integrating the 3 areas of supply chain is key.
  - it is still early days for Information supply chain
- Inefficiency in any area leads to inefficiency in the others
  - Results in negative effect on the shareholder value.

- What is available today?
  - SWIFT Watch
    - SWIFT Traffic volume information
  - SWIFT TSU
- What is coming?
  - SWIFT Watch
    - SWIFT Traffic value (amount and currency) information
    - From the end of 2010 amount and currency information from MTs 700, 707, 760, 769, 400, and 410 will be available in SWIFT Watch.

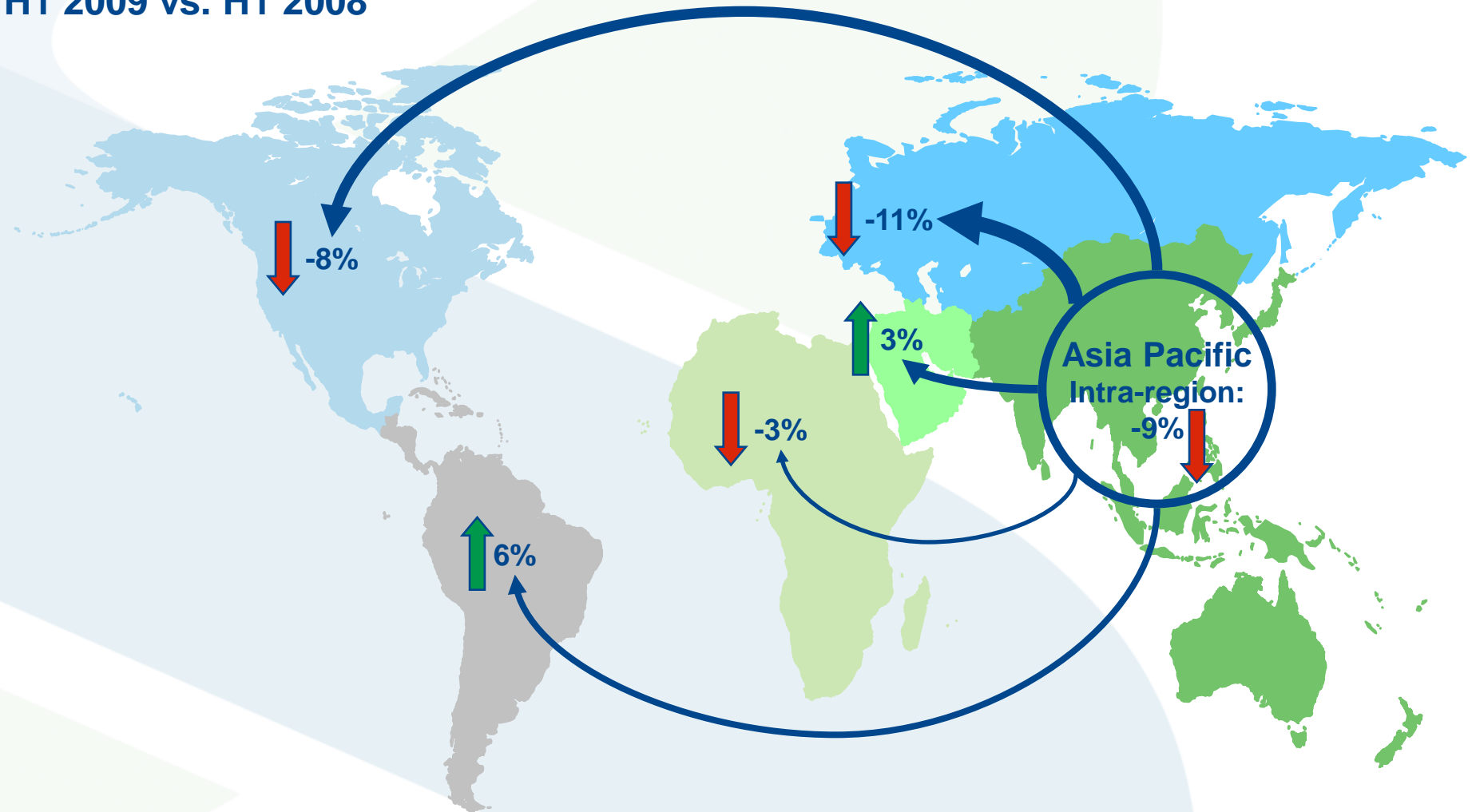
# SWIFT Watch tells your market share and much more...

- On-demand, web-based user configurable analysis of SWIFT traffic
- Analysis can be done for the following:
  - Market share (Traffic volume vs. the market) – share of wallet
  - Traffic flow analysis by geographic locations – business opportunities
  - Traffic flow analysis by counterparties – reciprocity
- Enables analysis of trade flows
  - LC traffic is as an approximation of trade activity between countries and regions
  - This correlates well with the Export / Import data from the respective countries



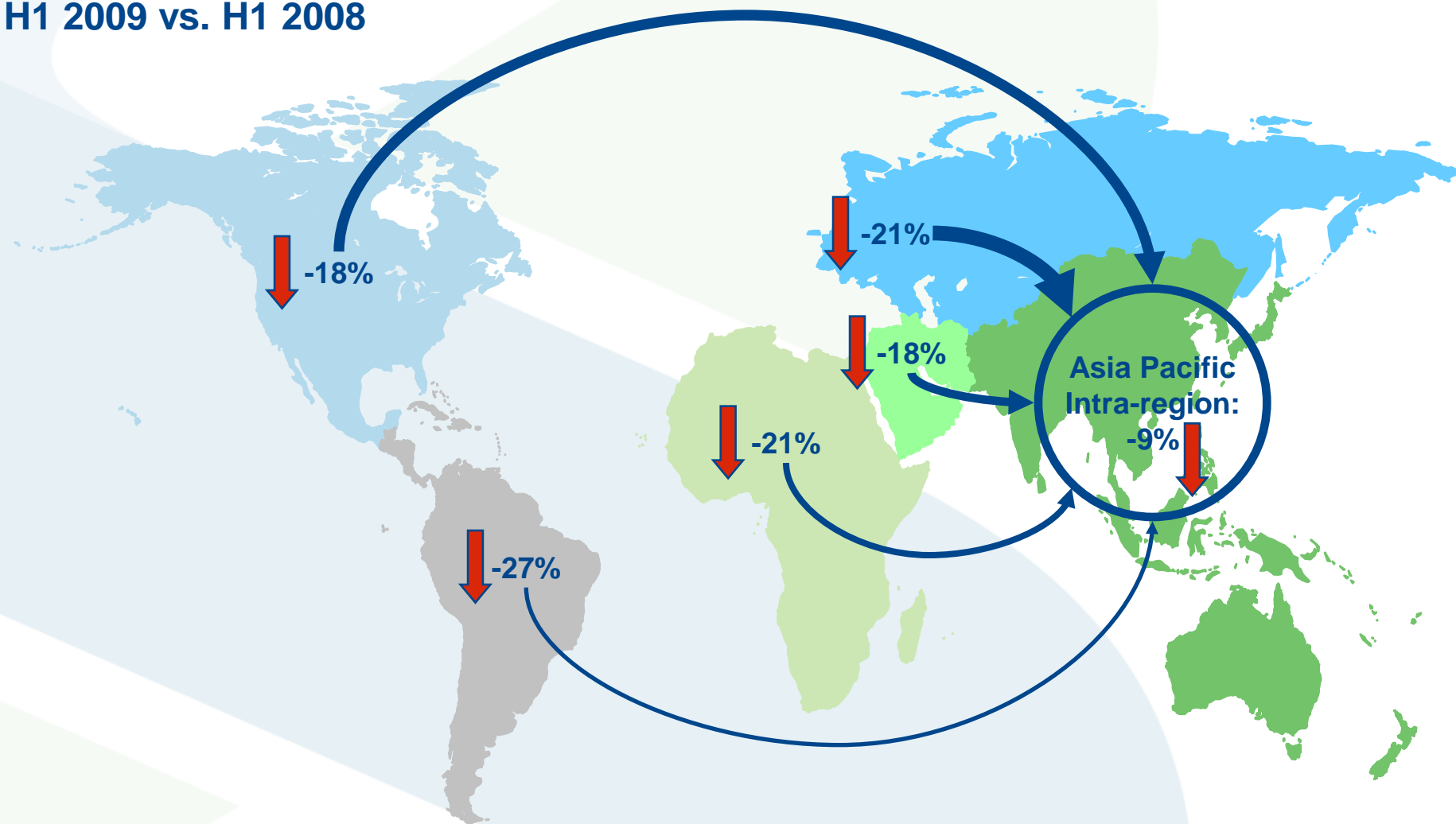
# The impact of the Crisis on imports into Asia using LCs varies by region

MT700 flow from Asia Pacific  
H1 2009 vs. H1 2008

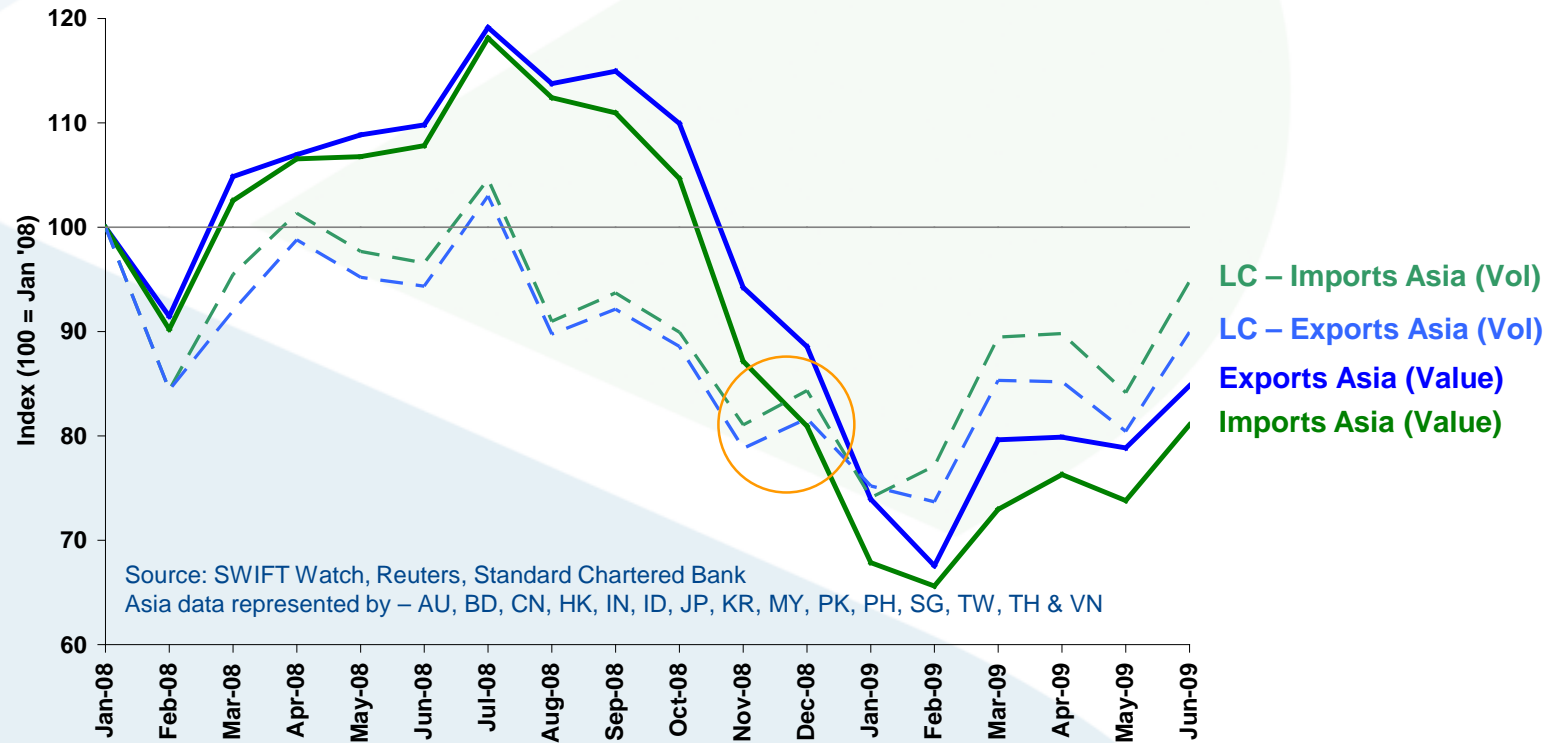


# Exports from Asia using LCs have dropped twice as much as intra Asia Pacific flows

MT700 flow to Asia Pacific  
H1 2009 vs. H1 2008



# Letters of Credit gaining prominence? Will it impact the Supply Chain?



- LC volumes moved broadly in line with Export and Import values, but now the gradient of LC lines are becoming steeper
- While Export and Imports continued their fall in Q4 2008, LC volumes reversed the trend for a short period

- SWIFT
  - SWIFT Traffic ~~value~~ information for Trade (amount and currency)
  - Information on movement of goods
    - Geographic Trade flows
    - Type of goods / merchandise flows
  - More discreet data points rather than free text
    - Will require codification of some of the fields
- AML / Sanctions check

# Supply Chain Challenge – Information visibility is the key

- Need for integrating the 3 areas of supply chain has never been greater.
- Leverage on the information existing in the corporate supply chain to mitigate some of the risks that exists when financing the supply chain
- Reliable and accurate Information availability is key
  - Challenge still remains on information visibility
  - Work is now underway that will help

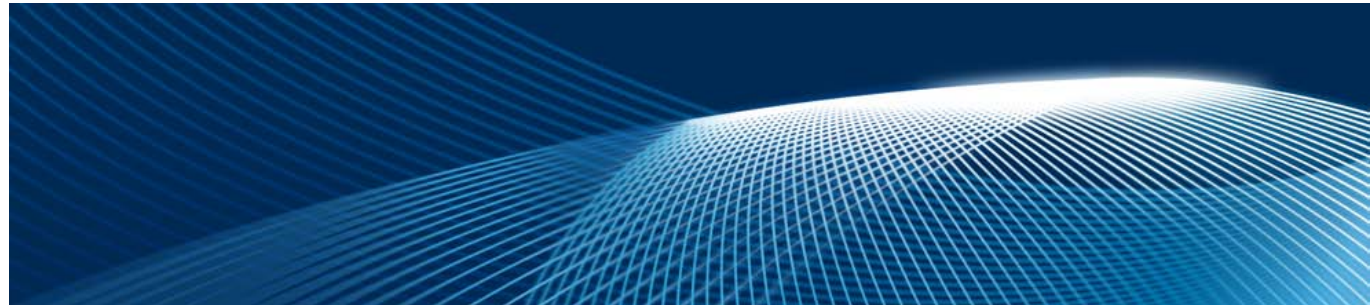
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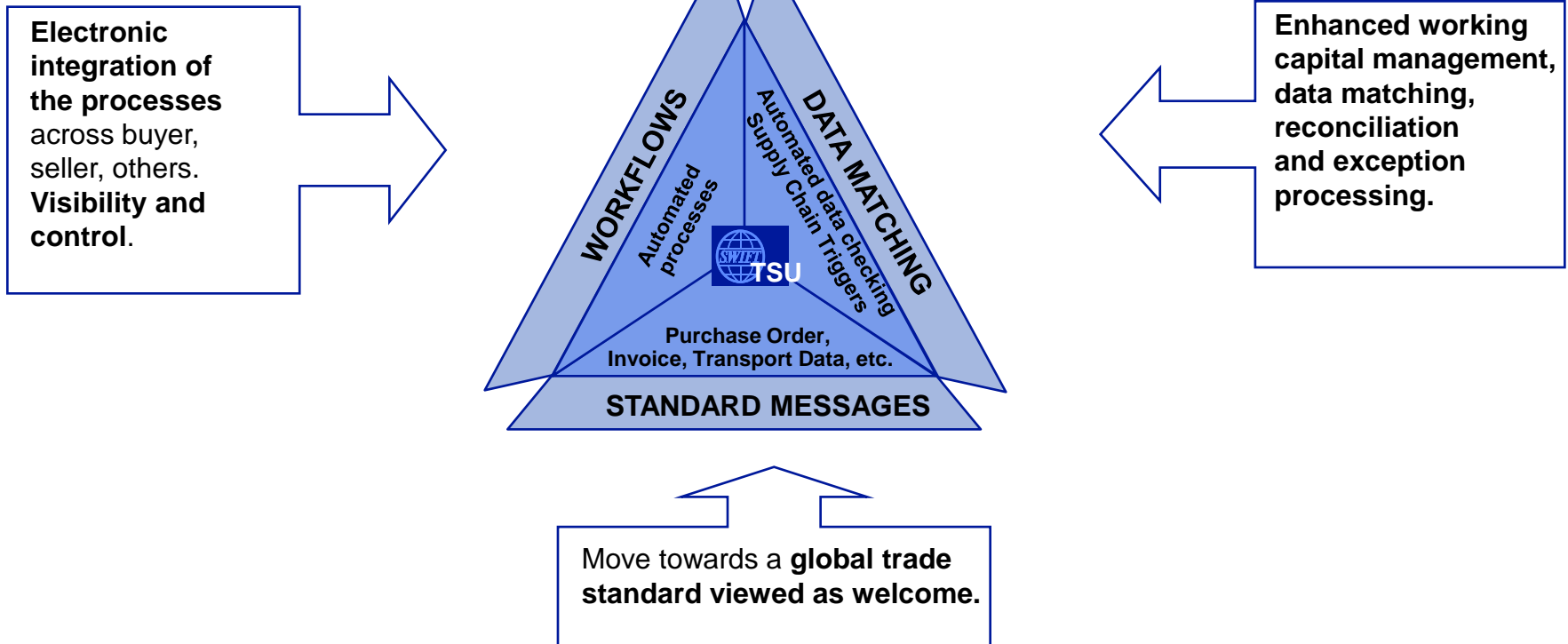
# Is Information Visibility the Answer to the Supply Chain Challenge?

SIBOS Auditorium Session  
September 15, 2009



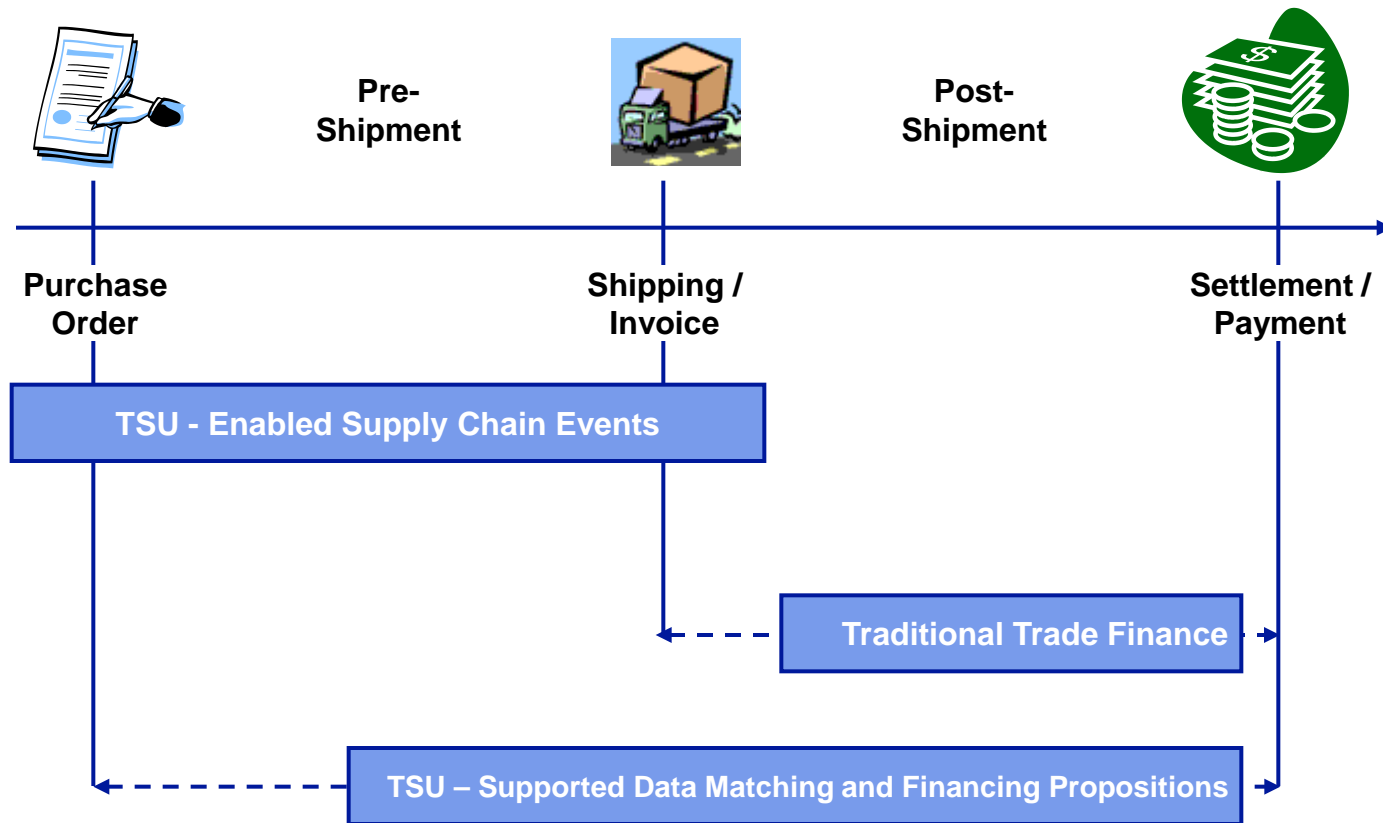
# Deutsche Bank – Leveraging the SWIFT TSU

...client round tables and cross – business internal discussions confirmed the main components of TSU can support our financial supply chain capabilities



# Deutsche Bank – Commercial Offering

Pre-shipment, post shipment and payables finance and related key services to be supported and enhanced by TSU



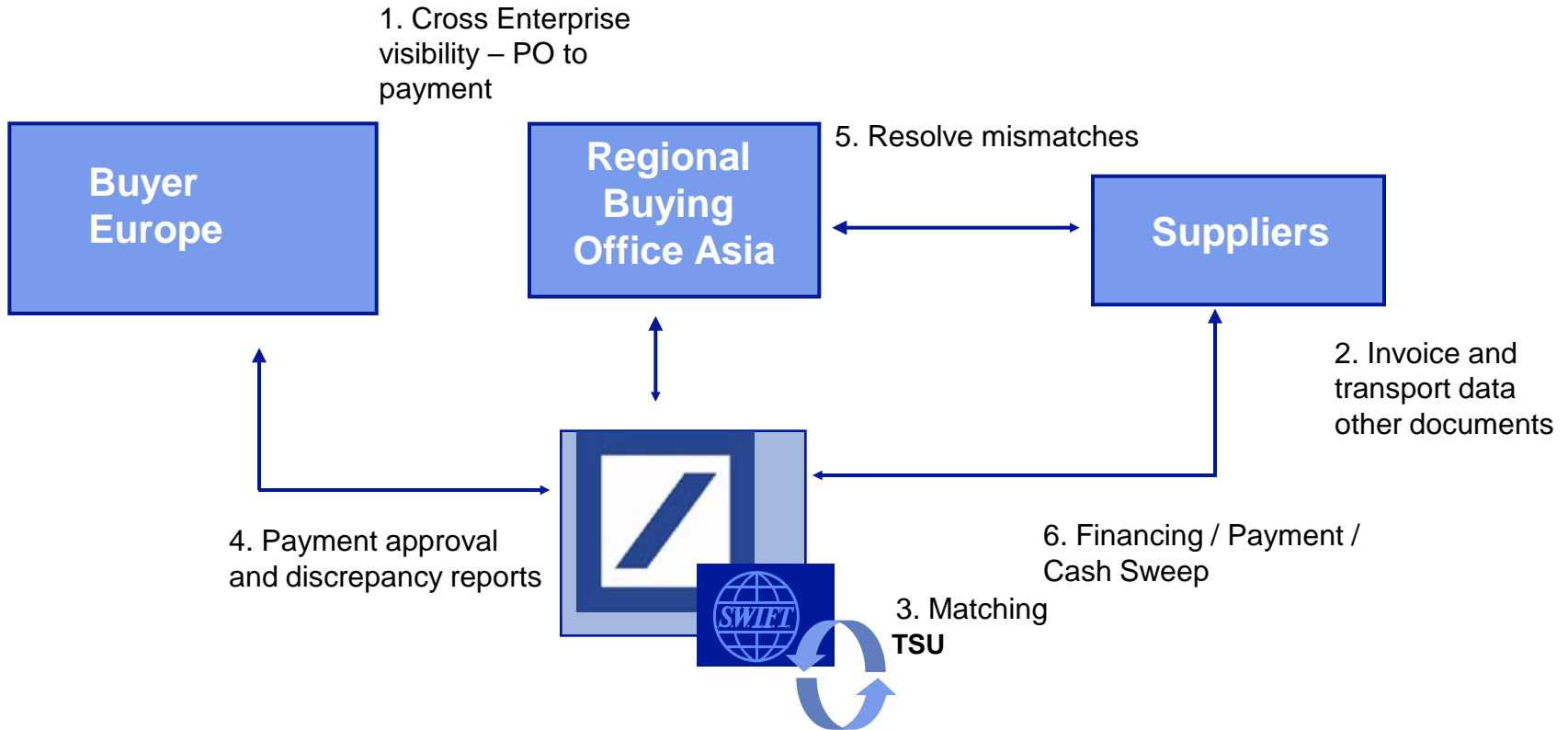
# Case Study – European Retailer with Asian Suppliers

## Background

- Asian Buying Office managing purchase orders and corresponding shipping data for a large number of retail stores
- Suppliers located throughout Asia
- Much of business moved to open account
- Manual checking of documents and payment processing
- Very paper intensive with high document courier costs
- Lack of information visibility between Europe and Asia
- Duplicate data entry in separate ERP systems etc.

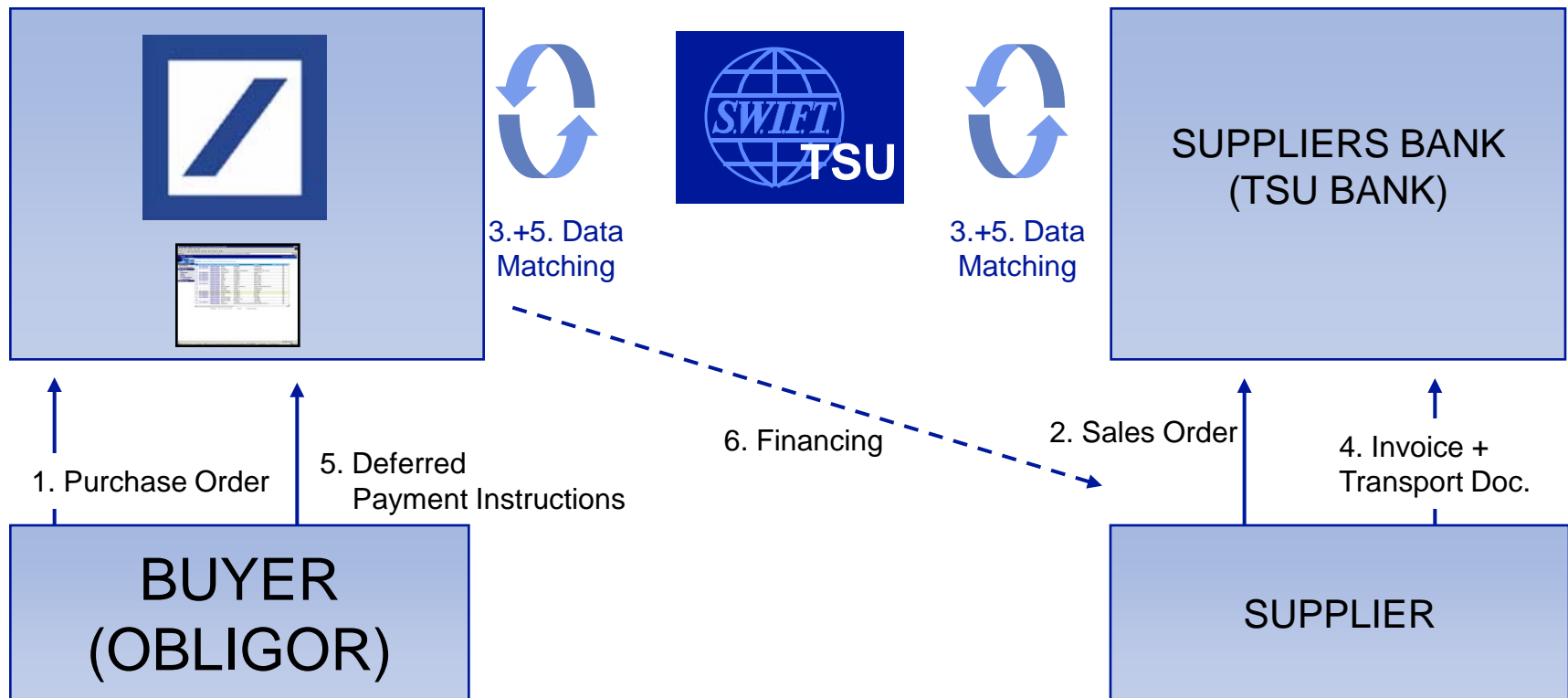
**Overall Objective: To optimize procure to pay process for open account payments**

# The solution leverages SWIFT TSU



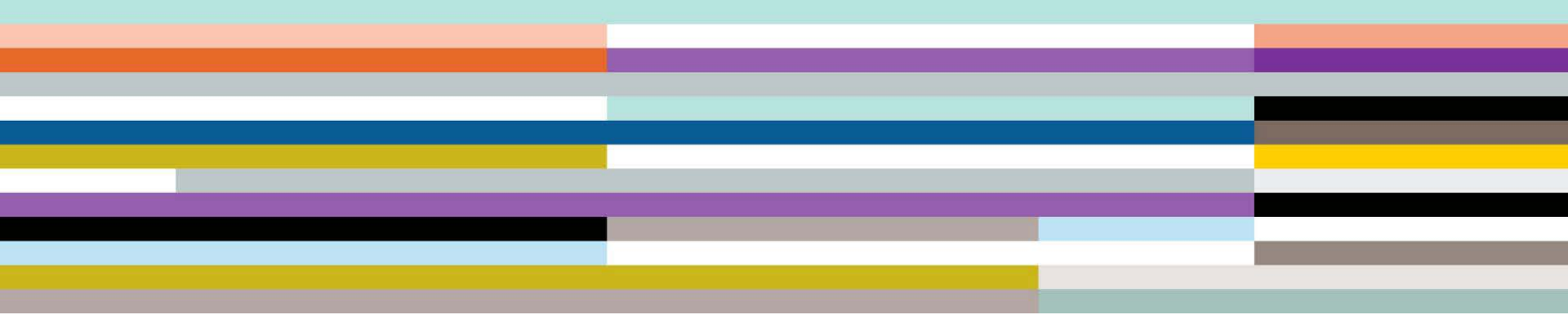
## The solution - Payables Finance

Collaborative SWIFT TSU solution expands our existing Supplier Finance offering (message exchanged via standardized TSU format)



## Benefits to Client

- Automated payables management
  - PO to invoice and shipment data is fully automated
  - Efficient solution for client and their suppliers
  - Lower overall A/P processing costs
- Enhanced visibility into payables and cash flow
  - Enterprise wide visibility
  - Payments authorised based on client controlled triggers
- System Integration
- Enhanced working capital management
  - Ability to offer financing to suppliers based on matched payables



Any questions?





Thank you

