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When Swiss packaging glass manufacturer Vetropack uncovered a number of holes in its payment reference database, the company knew it needed a reliable and comprehensive reference data solution that could integrate with its existing SAP™ system. SWIFTRef was the obvious choice.

Vetropack is one of Europe's leading manufacturers of packaging glass for the beverages and food industry with a turnover of CHF620m and is a market leader in its six home markets of Switzerland, Austria, Czech Republic, Slovakia, Croatia and Ukraine.

Problem...

Four years ago, Vetropack launched a project to consolidate its separate SAP™ databases into one system, with maintenance centralised at a single site. The aim of the project was to replace Vetropack's old IT environment and unify the group on an enterprise resource planning level. However, when it came to migrating Vetropack's existing payments data onto the new system, the company soon realised that this data was of very poor quality.

Vetropack had previously relied on its suppliers to provide updates to their payment details, but most suppliers did not systematically inform the company of any changes. As a result, Vetropack was lacking vital reference data, including up-to-date Bank Identification Codes (BICs) and national bank sort codes. With 75% of the company's 7,000 suppliers being in the SEPA zone, the company also had a significant need for accurate SEPA/IBAN reference data and validation tools, which were missing from its existing set-up.

This lack of accurate reference data produced a number of undesirable consequences. Of the circa 4,000 payments being made to suppliers each month, many were often delayed. This not only compromised the company's reputation, but also led to undesirable bank charges for failed payments. Moreover, retrieving missing reference data was time-consuming. Vetropack's accounts payable team would search the internet, using free – but 'unofficial' tools and sources – to look for the data they needed. "It was a very hit and miss process," says Rolf Lehmann, Group Treasurer at Vetropack.

"There was a lot of erroneous data in our system. We had outdated SWIFT codes and national IDs, which led to payments being returned. As a result of these returned payments we lost out on early payment discounts amounting to circa €30,000 each month. That was a significant financial risk," continues Lehmann.

...Solved

Fortunately, Vetropack was able to remedy its payment data challenge with the implementation of SWIFTRef in April 2013. SWIFTRef is a global reference data utility, provided and managed by SWIFT, which provides reference data and financial information to allow accurate payments processing, regulatory reporting and due diligence.

Vetropack's reasons for choosing SWIFTRef were simple: "Having a solution that was fully SAP™ compatible was very important to us. With SWIFTRef there was no additional interface necessary, the upload to SAP™ worked first time, and the regular updates have continued to run problem-free. The competitive price was also a crucial factor in our decision," explains Lehmann.

There are different SWIFTRef packages available to corporates, each with varying levels of coverage. Vetropack opted for a corporate package, which comprises all the directories and data necessary for frequent international and SEPA payments – and includes SWIFT's 'IBAN Plus' file. This directory, which Vetropack integrated seamlessly into its SAP™ system, allows the company to prepare and validate payment messages to all IBAN countries, including the 33 SEPA countries. It also enables Vetropack to derive a BIC from an IBAN, in line with EU regulation 260/2012.

SWIFT's online web query tool, Bankers World Online (BWO), is an additional benefit of Vetropack's chosen SWIFTRef package. BWO provides direct access to all the worldwide payments reference data available in the SWIFTRef utility. It also holds standard settlement instructions, bank holiday information, currency codes, bank financials, credit ratings and ownership – and everything is updated daily.

"SWIFTRef ticks all the boxes for us," comments Lehmann. "It gives us quick and easy access to the important data, all in a single source, and as it is provided by SWIFT, we know it is always accurate and up-to-date. What's more, it is compatible with our SAP™ system. You can't say fairer than that."

Contrary to common perception, it is not necessary to be a direct corporate user of the SWIFT network to take advantage of SWIFT's reference data suite. Indeed, Vetropack is not connected to the SWIFT network, but has still been able to benefit from SWIFTRef's high-quality reference data, allowing the company to issue timely and accurate payment instructions. ■