

Situation today

Corporates typically have thousands of vendor payments to be made every month. These payments are normally made by the subsidiary individually with control decentralised at each subsidiary. In addition, in the case of international payments to vendors there is the issue of the FX rate given by the subsidiary's local bank.

What are the problems?

- If there is no corporate hedging then rates on international payments given by the local bank are very poor - typically more than 1% is lost (\$10,000 on every \$1M settled)
- The number of payments and the cost of these payments especially international payments can make this a costly process
- The subsidiary may maintain multiple bank accounts
- Cash may be less than optimally invested on a group basis
- The same currency is possibly being bought and sold within the group
- To pay these vendors the subsidiary may need financing
- There is no overview on the volume paid to each vendor
- For the vendor/supplier they will receive many payments from the same group
- Payments arrive constantly throughout the month
- Payment advices and banking information is variable