



Case Study

Streamlining Processes via a Single File Format for ACH, Check and Foreign Exchange Payments

Read how BNY Mellon helped a large, multinational life-science company reduce costs and improve controls through streamlining comprehensive payables processing for ACH, check and foreign exchange payments.

A large, multinational life science company uses SAP across their organization but had not adopted a standardized file format or payment process with all of their global financial institutions. As a result, they were bidding out large-dollar foreign exchange (FX) deals for various business units that required significant manual intervention to complete the payment process. Additionally, specific currency requirements were not always communicated by the business unit to the Treasury staff, resulting in additional research time and costs for the FX team.

The company wanted a solution that would provide:

- **A standard global XML file format** for all of their electronic payment types, including FX payments.
- **Negotiated standard FX rates** with their financial institution.
- **Consistent, straight-through processing (STP)** across the company and their financial systems.
- **A planned, phased-in approach** to help minimize possible disruptions.
- **Prepared test cases and test scenarios** to validate successful working processes across each payment type.

The company sought a collaborative relationship with a financial services company whose Treasury professionals had the experience and product knowledge necessary to support the implementation and rollout of a new FX process.

THE BNY MELLON FX PAYMENT SOLUTION

Turning to the expertise of BNY Mellon for a solution, the company utilized our FX payment capabilities via our extensive Global Payments solutions that provide clients an array of payments services to augment a trade transaction's life cycle. These solutions include U.S. domestic and international payments and span U.S. dollar and multicurrency, treasury and commercial, low- and high-value, and one-time and repetitive payments to enhance our clients' competitive advantages in the marketplace.

To augment the company's solution, we implemented a global XML format that works across all of their global financial systems and allows all of the company's SAP installations to accept one standard format for FX payments. As a result, all FX payments are now STP-enabled, helping to reduce manual intervention and potential errors.

THE OUTCOME: STREAMLINED FX PAYMENT PROCESSING ACROSS THE COMPANY

After the program was implemented, the company:

- **Standardized file formats** for all of their global divisions and their banking partners.
- **Centralized the payment processing team** to avoid the need for structuring costly hubs throughout their global locations.
- **Reduced the time Treasury staff spent to support the FX process**, freeing them to focus on more value-added tasks, including process improvements and efficiencies, strategic planning and cost reductions.
- **Streamlined processes to reduce confusion and eliminate inconsistent work streams** caused by business units with different FX payment processes.
- **Achieved consistent, competitive FX exchange rates** on transactions.

SUCCESSFUL IMPLEMENTATION DRIVERS

This innovative project transformed the company's global FX payment process into a standard STP, consistent across all business units via the Global XML format. Success was driven by various factors, including:

- **A dedicated, cross-functional team** assembled with senior management support that was co-managed by the company and BNY Mellon project leaders.
- **A clearly defined project scope** that was consistently maintained throughout the effort.
- **The use of standard project management tools** to monitor progress consistently throughout the process and allow the team to pinpoint concerns and make needed adjustments.

As a result, the company was able to reduce processing costs, improve controls through a standardized process and utilize an international payment technology to expedite processing.

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Learn more about how we can put this solution to work for you. Call your BNY Mellon Treasury Relationship Officer or contact us at treasury@bnymellon.com or 1 800 424 3004 (Option 2).

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