



# IFSA EDUCATIONAL SERIES TODAY'S TOPIC

## SWIFT Corporate Access

Presented by: Mohan Murali, President  
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# Welcome

- Corporate Treasury Drivers
- SWIFT Value Proposition
- Axletree Advantage
- Connectivity options for accessing SWIFT
- Case Study of SWIFT corporate access
- Q&A



# About Axletree Solutions

**Axletree is the only SWIFT Regional Partner, Service Provider and Service Bureau based in the United States providing FULLY-MANAGED end-to-end SWIFTNet connectivity solutions and services to global clients using SWIFT Certified Professionals and exclusively focused in this space for over 7 years.**

**Our speaker for today Mohan Murali, is the President of Axletree Solutions and has over 22 years in delivering IT solutions to Fortune 500 clients across the globe.**



# Agenda

- Corporate Treasury Drivers
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## Financial Crisis:

Increase or Decrease in perceived value by corporate?

*Where is  
my cash?*

MT940

*Can I move  
my cash?*

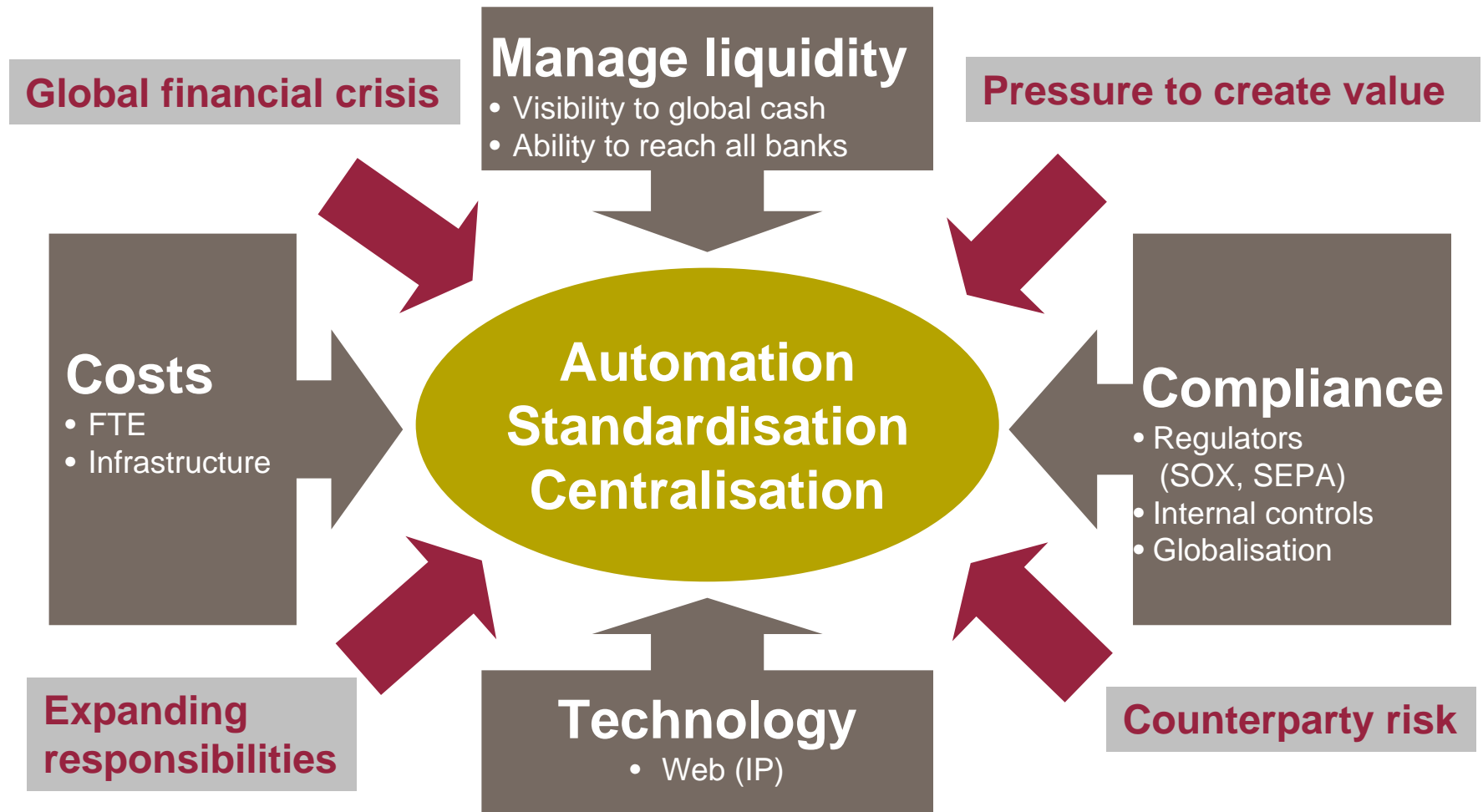
MT101

*Can I access  
all my banks?*

Multi-bank  
gateway



# Corporate Treasury drivers



# Corporates' expectations from their Banks

- Standard Messaging across all banking relationships
- Standardized service offering
- Simpler and faster contractual process
- Frequent Intra-day account information (MT941/  
MT942)
- Lower fees



# Agenda

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- Corporates' expectations from their Banks
- **SWIFT Value Proposition**
- Axletree Advantage
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- Q&A



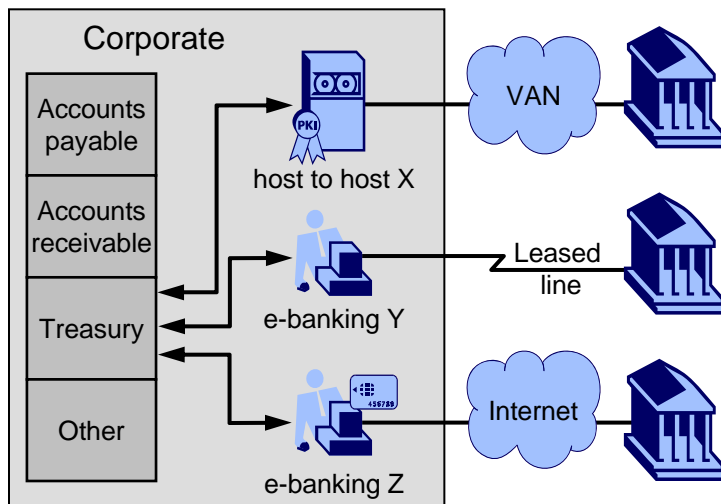
# Introducing SWIFT

Making Financial Messaging  
MORE SECURE and LESS EXPENSIVE



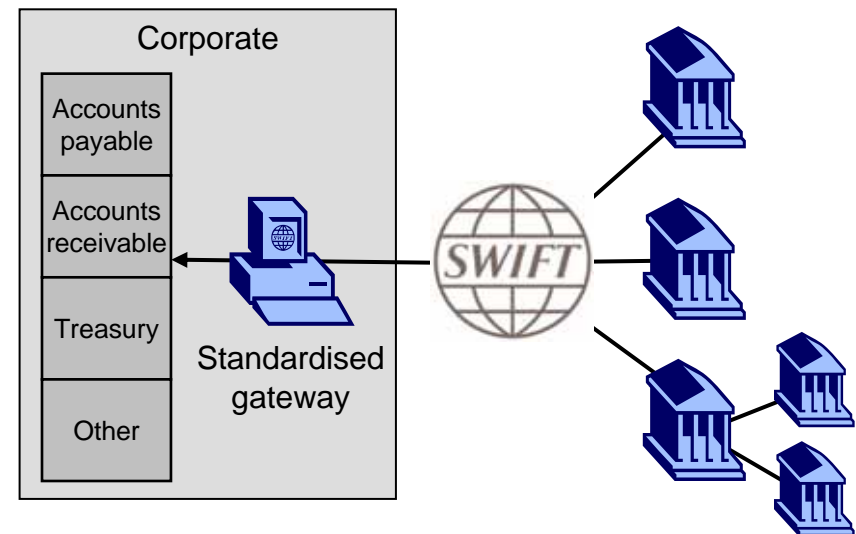
# SWIFT: a single, standardised gateway

## Multiple bank channels



- High cost
- No global visibility on cash
- Impossible to centralise

## Single, standardised gateway

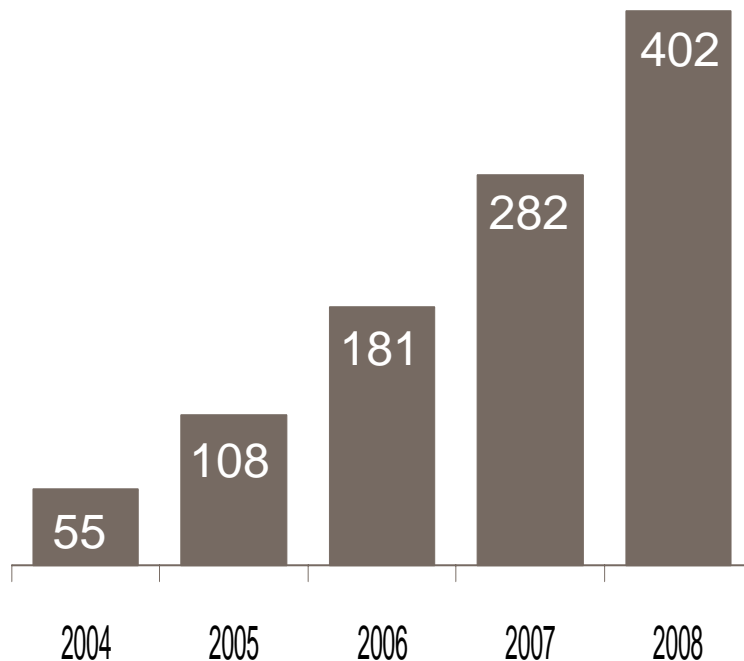


- Global visibility on cash
- Lower cost
- Increased control and security
- Reduced risk



# Corporates on SWIFT

## # registered corporates



## Profiles of corporates

- Geographic spread
  - EMEA, Americas, Asia
- Traffic
  - Americas leading generator
- Increasing number
  - Of smaller size (<1 bn EUR annual turnover)
  - With fewer banking relationships (even 1)
  - Using SWIFT for domestic transactions



# Corporate SWIFT applications

- More efficient global cash/liquidity management
- Real-time intraday balances via MT 942 messages
- Move real-time cash via MT101 messages
- Access to cash held at legacy local banks that is remaining unutilized
- Auto reconciling cash G/L Accounts with MT 940 messages
- Electronic trade confirmations
  - MT3xx's for FX, interest rate, and money market trades
- Transferring bulk payment information: A/P, Payroll, expense reimbursements, HR benefits, etc.



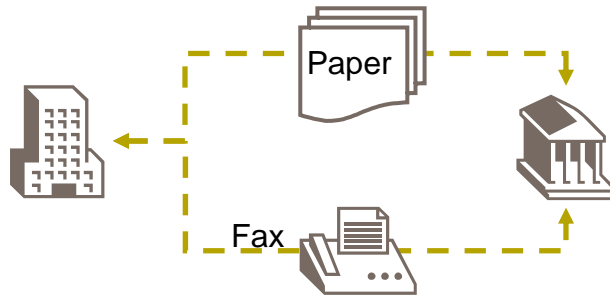
# New SWIFT applications

- Transaction exception handling (Exceptions & Investigations)
- Automation of investment matching and reconciliation beyond money market instruments
- Electronic automated management of bank accounts and authorizations/permissions, modifications and closings (e-BAM)
- Faster and less costly XML messaging, facilitating STP



# Bank Account Management

## Current



- Slow
- Expensive
- Low integration
- Low satisfaction

## Future



- Automation
- Standards
- Defined process
- Integration

- **Scope:** Account Opening, Modification, Closing + Reporting on act. features (auditor requests)  
*In development, available Q4, 2009*
- **Key benefits to corporates:**
  - Time and cost savings, from elimination of multiple forms, paper and courier process
  - Audit trail, deriving improved control and efficiency
  - Standard approach to all bank account relationships
  - Embedding xml instructions with supporting document, leveraging a secure channel for all C2B financial messaging



# Key benefits of using SWIFT for Corporate

<b>Funds visibility</b>	<ul style="list-style-type: none"><li>• Obtain visibility on cash across multiple banks, to improve working capital management</li></ul>
<b>Cost savings</b>	<ul style="list-style-type: none"><li>• Rationalize multiple proprietary connections</li><li>• Increase straight-through-processing and staff productivity</li></ul>
<b>Control, Security, Reliability</b>	<ul style="list-style-type: none"><li>• Better control on payment initiation</li><li>• Increase overall security and reliability</li></ul>
<b>Compliance</b>	<ul style="list-style-type: none"><li>• Reduce administrative work to document bank communication processes (SOX)</li></ul>






# Corporate access – Value proposition to banks

- Respond to customer demand
- Gain new business from new clients
- Potential cost savings
  - Dependent upon current customer access channels and complexity
- Cross-sell additional services
- Maintain competitiveness
- Ability to standardize formats
- Build brand through innovation



# Some Common Benefits

Business Drivers	SWIFT's value proposition
<p><b>Cost savings</b></p> 	<ul style="list-style-type: none"> <li>• Single access channel to multiple entities (eliminating multiple connection cost, maintenance, multiple formats and protocols, FTE, multiple audits etc.)</li> <li>• Increased STP and staff productivity gains (e.g. no need to re-key payments)</li> <li>• Technology driving operational efficiency</li> </ul>
<p><b>Control-Security -Reliability</b></p> 	<ul style="list-style-type: none"> <li>• Payment processing control, increased security</li> <li>• Resilience, reliability</li> <li>• 99.999% network availability</li> <li>• Non repudiation provides guaranteed delivery and mediation</li> <li>• Data Integrity</li> </ul>
<p><b>Compliance</b></p> 	<ul style="list-style-type: none"> <li>• Reduced administrative work to document Bank - Corporate communication processes (SOX)</li> <li>• SAS 70, rationalized internal and external audit requirements</li> <li>• Provides reliability to subsidiaries' bank account reporting</li> </ul>



# Value of SWIFT to Corporates

*"With SWIFTNet, we never have to worry about availability."*  
Assistant Treasurer, GE

*"Using SWIFT, T-Mobile can run a central platform with a single standard for every country and every bank for the first time."*  
VP Finance & Treasury, T-Mobile International

*"We needed a more efficient, repeatable solution. Now data security is standardized and tighter. Costs are lower in time and money.."* Controller, UPS

**What corporates on SWIFT value**

*"SWIFT was the only way to make our vision - reach all our banks via one connection - a reality."*  
Global Treasury IT Manager, DuPont

*"SWIFTNet is enabling Microsoft to build one centralized 'source of truth' for banking data shared across the company."*  
Group Manager, Treasury, Microsoft

*"SWIFTNet played a main role to achieve all the objectives of our treasury centralization project."*  
Head of Treasury and Risk Management, Iberia

*"We took SWIFT to reach all our banks directly, with the highest security."*  
Head of Treasury Control and Reporting, Novartis



# Case studies

Company	Benefits	ROI	Payback
DuPont	<ul style="list-style-type: none"> <li>• IT and Treasury labor savings</li> <li>• Retirement of bank systems</li> <li>• Working capital optimization</li> <li>• Improve strategic focus</li> </ul>	203%	36 months
Iberia	<ul style="list-style-type: none"> <li>• IT and Treasury labor re-allocation</li> <li>• Retirement of bank systems</li> </ul>	276%	25 months
Petronas	<ul style="list-style-type: none"> <li>• Treasury staff growth avoidance</li> <li>• Reduced communication charges</li> <li>• Increased interest earnings</li> <li>• Improve strategic focus</li> </ul>	404%	14 months

Source: Robertson, David, "SWIFT Corporate Access: The Next Generation", gtnnews.com, 15 October 2007



# Agenda

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- Corporates' expectations from their Banks
- SWIFT Value Proposition
- [Axletree Advantage](#)
- Connectivity options for accessing SWIFT
- Case Study of SWIFT corporate access
- Q&A



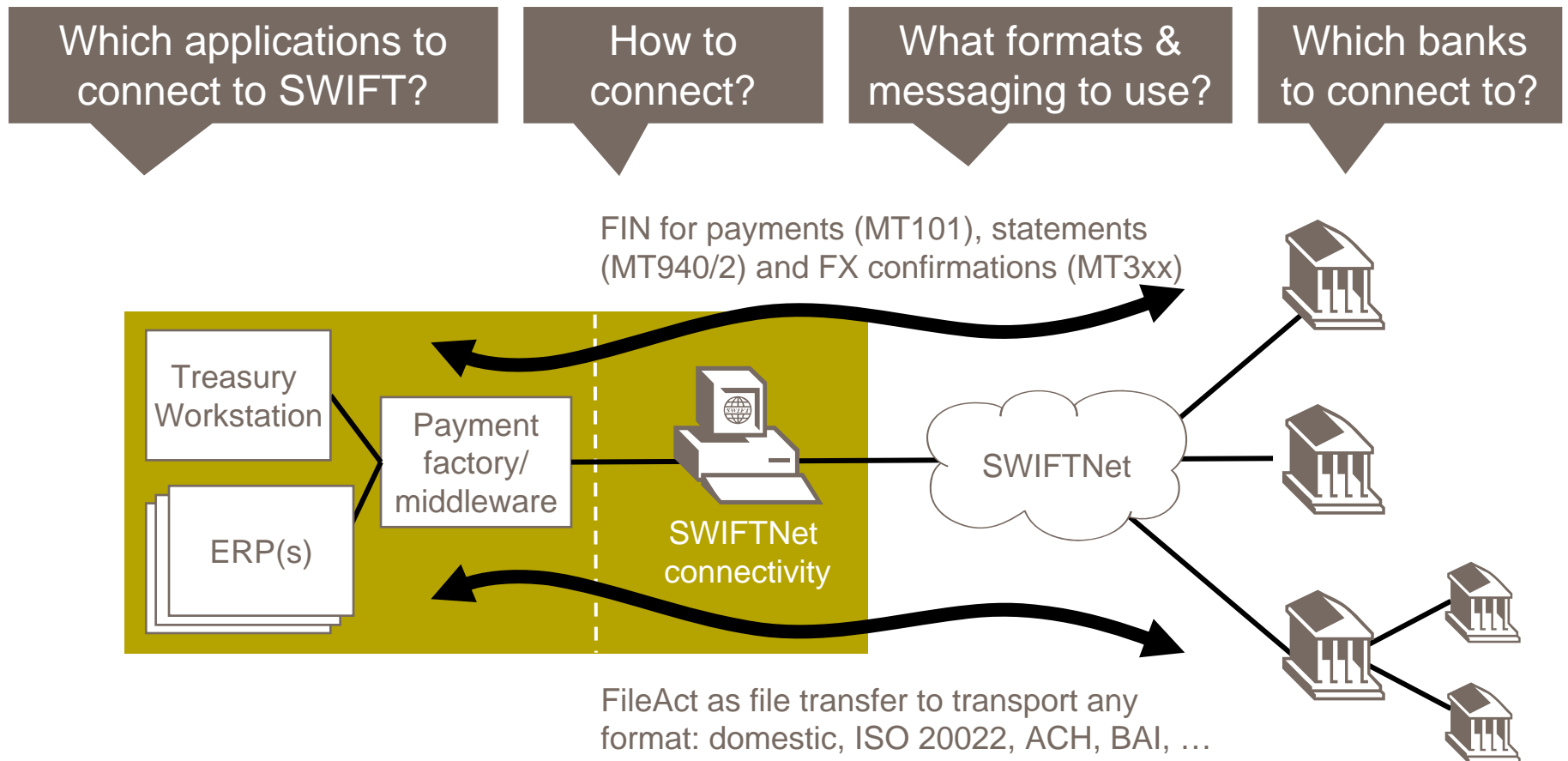
# Axletree – Your SWIFT Partner



1. Let us help: Role of a SWIFT partner
2. Define scope of your project
3. Plan your project
4. Contact your banks
5. Join SWIFT, Choose BEI - identity
6. Select connectivity option (Direct Vs. Indirect)
7. Integrate SWIFT in your back-office



# Define scope



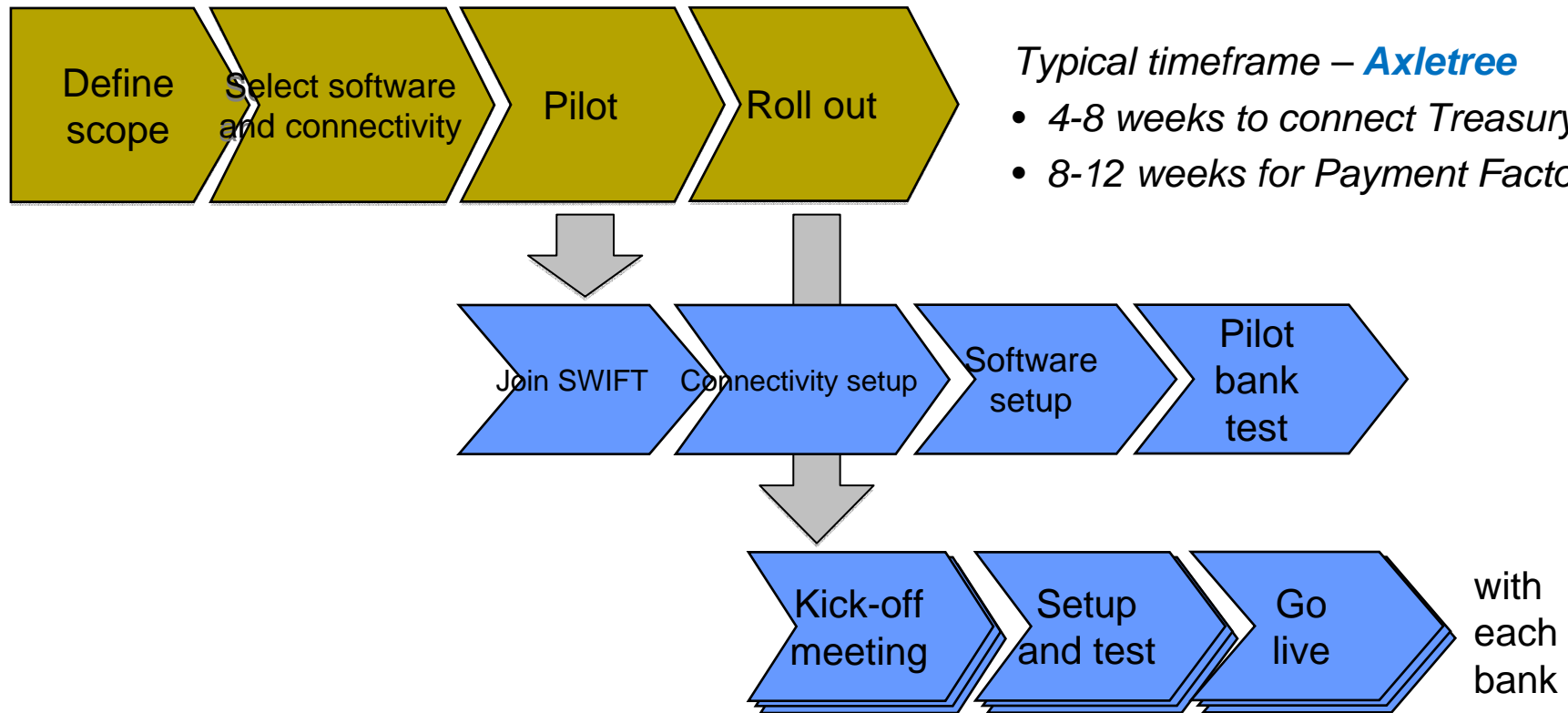
# Plan your project

Typical timeframe - **Direct**

- 3-6 months to connect Treasury
- 6-12 months for Payment Factory

Typical timeframe – **Axletree**

- 4-8 weeks to connect Treasury
- 8-12 weeks for Payment Factory



# Contact your banks

Reach:  
916 banks  
in  
104 countries

Number of bank destinations that  
sent / received payments and statements  
with corporates over SWIFT  
January 2007 – June 2008

- Contact your bank
  - Understand their offering
  - List of contacts at key banks providing corporate access: [swift.com/corporates](http://swift.com/corporates)
- Contract with your bank
  - Agree services and formats
  - Contract template available



# Join SWIFT

## Choose BEI - identity

- BEI (Business Entity Identifier)

Example **CORPUS33**

- Used for routing
- Used to identify an entity within a transaction
- Published in BIC directory



# Agenda

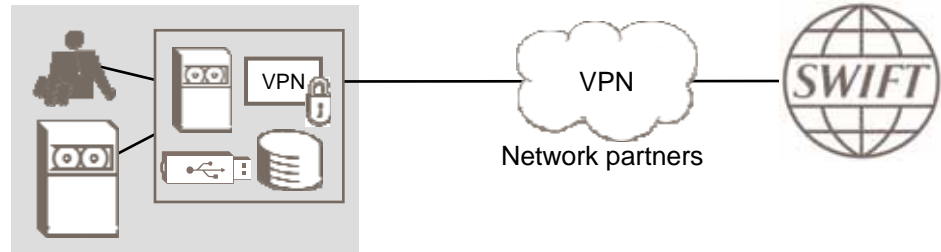
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# Connectivity options, adapted to client needs

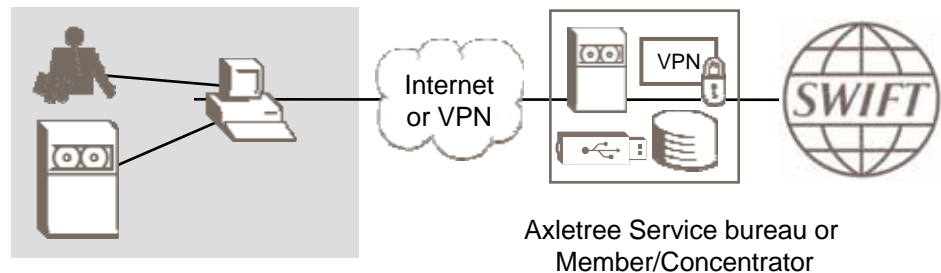
## Direct connection

Global corporate  
Millions payments/year  
Manage your own SWIFT connection



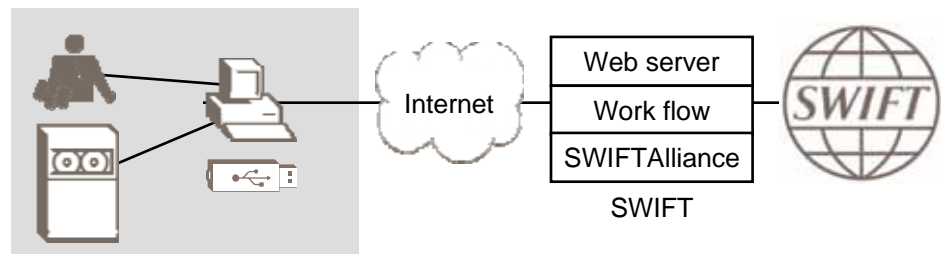
## Indirect connection

Very large corporate  
Hundred thousands payments/year  
Outsource SWIFT connection



## Alliance Lite

Large corporate (100 million–1 bn turnover)  
<200 transactions/day  
Simple solution



# Insourcing vs. Outsourcing - Connectivity

## Direct Connectivity

1. Owned by Corporate
2. In-house integration with back-end systems
3. Local administration and support
4. Complies with internal security policies
5. *Typical implementation timeframe*
  - 3-6 months to connect Treasury
  - 6-12 months for Payment Factory

## Indirect Connectivity (Axletree)

1. Outsourced, Lower Cost
2. Access to middleware integration tools
3. Dedicated technical resources
4. SaaS delivery model (SAS-70)
5. Faster implementation
  - *Typical timeframe*
    - 4-8 weeks to connect Treasury
    - 8-12 weeks for Payment Factory



# Insourcing vs. Outsourcing

## Integrate SWIFT in your back-office

### Direct Connectivity

1. Do it yourself: Integrate through custom built code

- Treasury
- ERP
- Finance and Accounting
- Human Resources

2. Use a middleware B2B Integration application

### Indirect Connectivity (Axletree)

1. Use professional services

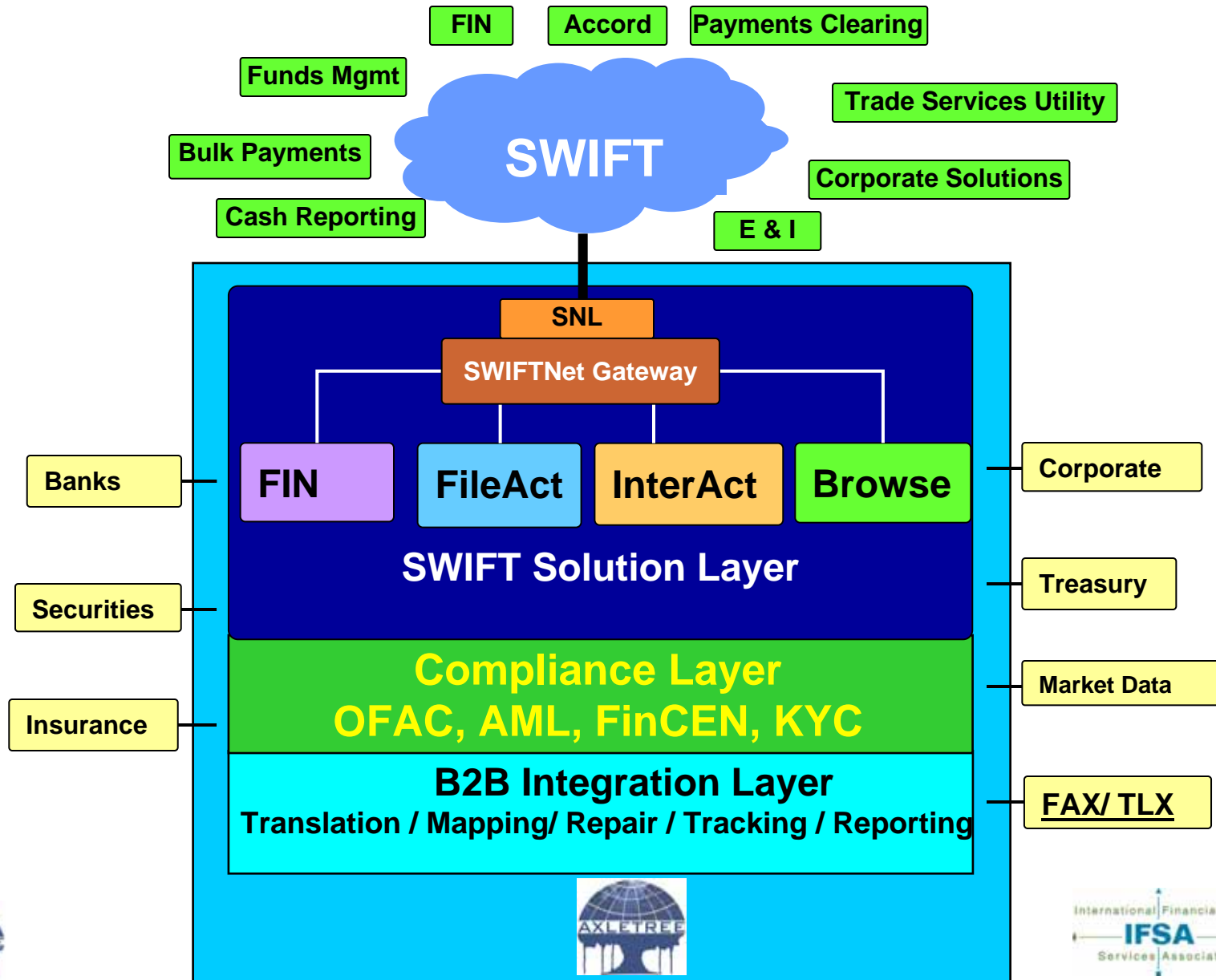
- Integration services & tools

2. Use a middleware B2B Integration application

- In a SaaS (Software as a Service) model



# Axeltree's single window to SWIFTNet



# Axletree: Who we are

- Registered SWIFT Service Bureau (Indirect Connectivity)
- Accredited SWIFT Service Provider (Direct Connectivity)
- SWIFT Regional Partner
- SAS-70 Type II and SWIFT Audit Certifications
- Gartner recommendation
- History:
  - Since 2002: Exclusive focus on SWIFT Solutions
- Clients:
  - 60 & Growing across the USA and the Caribbean
- Locations:
  - New Jersey, Pennsylvania, Mumbai
  - Stable & Reliable operations



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# UPS – World's largest transportation company

- 200+ countries and territories
- 4 billion packages in 2007
- Carry 6 % of U.S. GDP, 2% of global GDP
- \$49.7 billion in 2007 revenues
- 2<sup>nd</sup> largest employer in U.S., 8<sup>th</sup> largest in world (427,000)
- 9<sup>th</sup> largest airline in world
- 100,000+ vehicles
- Largest DB database in world (2 times size of U.S. customs)
- Beijing Olympic sponsor



# Case Study: United Parcel Service

- Client: UPS, Mahwah, NJ
- Service: SWIFTNet FileAct
- Usage: Global
- Department: Finance and Accounting Systems
- Connectivity: Through Axletree Solutions, Inc.
- Go Live Date: February 21, 2008
- Connectivity Implementation: 25 days
- Total project implementation: Less than 1 year
- Type of transactions: A/P



# More info – Axletree Solutions Inc.

- Contact Mohan Murali, President
  - [mohan@axletrees.com](mailto:mohan@axletrees.com)
  - (732) 296-0001
  - [www.axletrees.com](http://www.axletrees.com)



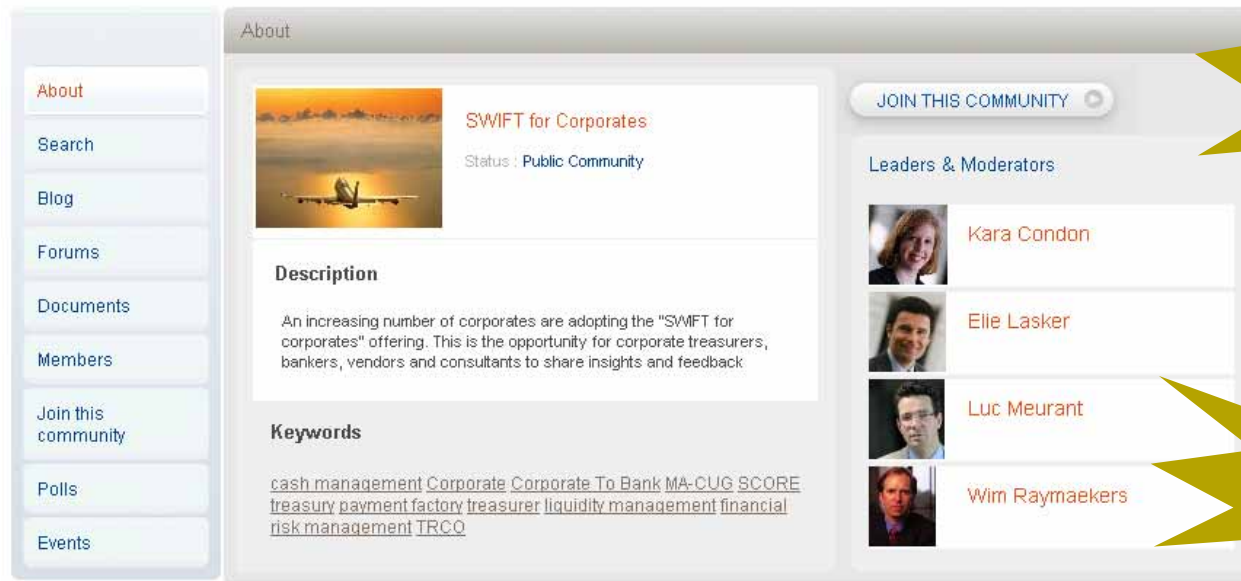
# SWIFT for corporates community

<http://www.swiftcommunity.net/corporates>



**~ 900 members**

## SWIFT for Corporates



**Case Studies**

**External Bloggers**





Thank you!

Questions??





## IFSA Educational Series

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## IFSA Service Partners Committee

The goal of the Service Partners Committee is to broaden the industry point of view regarding issues confronting the financial community. The Services Partners Committee will add its knowledge and expertise to offer solutions in partnership with the financial community





## About Axletree Solutions, Inc.

### FOUNDATION

In 2002, a partnership was formed which grew out of a mutual understanding and knowledge of the SWIFT network. This Partnership was the inception of **AXLETREE SOLUTIONS**. Together, the partners had a combined knowledge of over 35 years in handling SWIFT support for the Americas Region and Information Technology, specializing in SWIFT connectivity and consulting solutions. Axletree has grown steadily from those early days and continues on its upward path.

The founding principle of the company was to have an **exclusive and dedicated focus** in providing economic, secure and reliable SWIFT solutions.

**Axletree** has come to be recognized by our customers across North America and the Caribbean as the vendor of choice for high-quality SWIFT services. Our client acquisition rate is rapidly growing.

Today **Axletree** is a **SWIFT Certified Service Bureau** and **Accredited Service Partner** achieving the highest ratings from the latest [SWIFT Audit](#). Its operation centers in New Jersey and Pennsylvania are [SAS-70 Type II Certified](#).

### TRADITION AND VALUES

Although we embrace the 21st century operations and sales and marketing business techniques, we never forget the values that have been and remain the foundation on which our company was built. Our values of integrity, loyalty, fairness and an overwhelming desire to satisfy our client's needs, leads us to our top priority, which is to serve clients with the highest standards of conduct and sound business judgment. This has always been our cornerstone and still remains today. We at **Axletree** take pride in our ability to clearly understand and focus on our client's requirements; we are in business to serve those needs. We will aggressively move forward in the marketplace with employees who relentlessly pursue these values. We constantly add value to our client's companies by reducing costs and exceeding expectations

### VISION

To be the leading and most technologically advanced IT solutions company in the world, specializing in SWIFT Connectivity, Consulting and Value-added Solutions for Banks, Corporates and other Financial Institutions.

### MISSION

Given our long tradition of innovated excellence, **Axletree's** mission is to provide our clients with strategic solutions through a diverse pool of highly trained, certified engineers and consultants. We pride ourselves on the depth of our initiatives; our strengths lay in **our total commitment to SWIFT**, both connectivity and consulting, which enables us to understand complex comprehensive requirements from small to large mission critical environments.

In doing so, we seek to reward a talented work force with advanced opportunities, support the community through our personal or financial involvement and provide our stakeholders with a return on their investment.

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## About the IFSA

The International Financial Services Association (IFSA) is a not-for-profit trade association whose members are the world's largest international financial services organizations. At the current time the IFSA has over 165 Members and over 600 participating organizations headquartered around the world. The IFSA's focus is on international financial services, which includes trade services products such as documentary credits, funds transfer, treasury operations, compliance, regulatory reporting, etc. The IFSA membership represents over 98 percent of the letters of credit issued in the US as well as over 98 percent of the US funds transfer volume. In the 1920's, the IFSA created the first rules for the processing of letters of credit between banks. These rules were the model for the International Chamber of Commerce Uniform Customs and Practice for Documentary Credits.

The organization was founded in 1924 and has been in continuous existence since that time. The IFSA provides a forum for members to meet and discuss the various issues related to the financial services industry. The IFSA's primary functions are education, representing the membership to international bodies such as SWIFT and the ICC as well as the US regulatory bodies, and provide a community through which members can network. Much of the work of the organization is carried out by volunteers who participate on the organization's thirteen (13) technical committees. These committees represent the major disciplines of international financial services operations. Through these committees the organization establishes operating rules and procedures for financial services institutions and work with the global regulating bodies to provide input on laws and regulatory procedures/practices. For additional information log on to our website [www.IFSAonline.org](http://www.IFSAonline.org) or contact the IFSA at [Support@Intlbanking.org](mailto:Support@Intlbanking.org).





# The Next IFSA Presentation Series Webinar

Thursday, May 14<sup>th</sup> at 11:00 am EDT

“The Economic Crisis - How it Has  
and May Still Affect Reporting”

Presented By IDOM

