



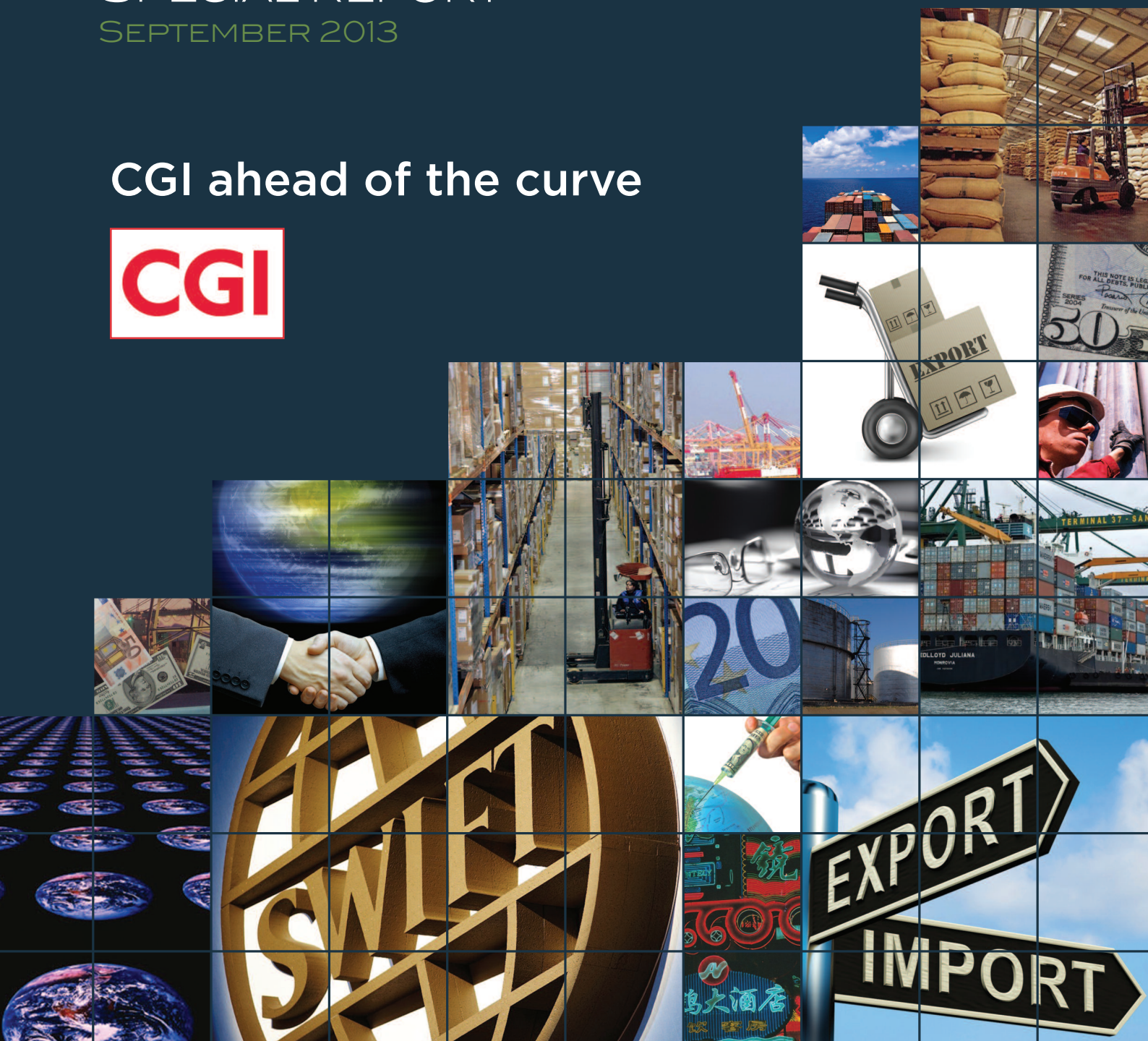
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# TRADE & SUPPLY CHAIN FINANCE

SPECIAL REPORT  
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CGI ahead of the curve



# CGI stays well ahead of the curve with its trade capabilities

At a time when banks are looking more closely at costs than ever before, one of the big debates is whether to keep investing in expensive proprietary trade platforms and software or to buy a system from specialist technology providers. Certainly a rationalisation process is taking place in the trade banking sector. This, coupled with the ever demanding requirements of corporate clients and their wider global supply chains, is driving many banks to opt for more efficient and flexible systems from specialist firms.

Independent information technology and business process services firm CGI has a consistently high reputation for delivering efficiency and innovation in trade finance transaction processing. The firm's trade portal CGI Trade360 enables banks to provide the full range of traditional trade, payables, receivables and cash management services to their customers anywhere, anytime on a single, integrated and global platform. It also drives significant savings by reducing internal operating costs and allows banks to focus on growing their business.

Kitt Carswell, senior offering manager and executive consultant, trade and supply chain solutions at CGI, comments: "Banks can operate their entire global trade business through Trade360 because

it is a truly global platform. Many of our clients struggle with certain aspects of traditional trade, and the push to open account has been constant.

"Since 2007 we have been building on the open account functionalities of our system – and we have looked at it from the payables and receivables perspectives. Plus the payment capabilities we have are pretty robust in our cash management area. Then within that we continue to drill down further."

## Supplier portal

In a fast moving trade sector, CGI is determined to stay ahead of the game and ensure that its suite of trade-related products match the requirements of the clients and their ever changing operations. In recent developments, CGI has introduced the new offerings of the supplier portal and what it terms its mid-market integration.

"On the payables side, we have completed the circuit and now have the ability to approve payables finance. We have now extended that to on demand through the supplier portal, says Carswell. "In that supplier portal, we display all the invoices, and we provide a lot of different functionalities. This gives the client considerable reporting capability.

"Unlike other platforms, this integrates

Jonathan Bell at TFX talks to Kitt Carswell and Frank Tezzi at CGI about the robustness and leveraging capabilities of the CGI Trade360 platform for trade finance banks.



Kiff Carswell at CGI



Frank Tezzi at CGI

the whole payments cycle together with the financing. This bundles everything together in a very neat way and handles all of the liabilities. Most of our competitors in this space are just handling communications between the buyers and sellers, without integrating with the banks in a streamlined way."

In addition, with all the open account products, bank customers have now been enabled to upload their purchase orders and invoices to the portal. Before, there had been a focus on big corporates, but the so-called mid-market integration opens it up and makes it much more accessible for that market segment as well.

Notes Carswell: "Our banks are just applying that now for their customers, so it is a relatively new function – but we have been doing that a lot longer in our cash management capabilities. That has been very popular there, and we can already see it is also being well received within open account."

Frank Tezzi, vice president, trade and supply chain solutions at CGI, remarks: "One of the things with our model which makes it so unique in terms of all the functionalities, is that all the customers have access to it. To have this system at their beck and call, without having to pay for additional functions or licences, allows them to leverage the asset in different ways. And it makes it very easy for them to cross-sell and grow their business."

#### Client collaboration

Key to the CGI success story and to the products' further developments is providing relevant functionality on a regular basis through three releases per year as part of the base fee. Listening to the requirements of the banks is also a major part of this process.

"Our customers work very closely with us, so that what we are delivering fits into their roadmap and is relevant to their strategies and goals," reveals Carswell.

Part of the success of the development of the trade finance offering from CGI is that the company is in regular communication with their customers in a highly constructive way.

Carswell further explains "We have a set of collaboration groups or advisory groups, and these groups go from very senior executives to product executives that work with us to define strategic initiatives. And we actually work all of this input across all of the banks – which is again quite unique. All the banks roll up their sleeves and get together to work through these initiatives so that the resultant input is what they need in terms of enhancement to the platform at any given time. The product is always aligned to the business strategies of our client banks."

Tezzi asserts: "And that is the key differentiator to the model. We work as a partnership. We are the true technology partner arm of the banks. We are at a much deeper level of conversation around how they are driving their business, what their strategy is, how they are growing their business and I think that's instrumental to what we are delivering to the market place for our clients. We make sure what we deliver is really relevant."

Carswell also points out: "We also have a lot of requests directly from individual banks. We do three releases a year, and in addition we are constantly putting new capabilities into the platform. So the capability of the platform grows quite quickly with responses to the market place.

"Because we have this flexible service – unlike a licensed product where you may get a new release once every 18 months, with us and the three releases per year everybody has it across their entire global network almost instantly. So wherever they are doing business on the platform they have the ability to use whatever new capabilities have been included in that release instantly."

Tezzi adds: "The model is a mix. All the



clients get the functionality, without an increase in cost. Some of the smaller banks may not need it, but it is there in case they do move into that part of the platform."

### Integrated payables product

With ever increasing numbers of suppliers and buyers in the corporate supply chain, transactional trade numbers are increasing rapidly. Automation and bundling is becoming essential to maintain and further develop payment efficiencies.

To help banks in this area, CGI has developed a new product. Carswell expands: "We are also working on our integrated payables product. What that will do is take payables and work them on a portfolio basis. And on any given day the system is determining what payment is necessary. All of this becomes straight-through processing, making it very efficient indeed. We can handle several thousand beneficiaries in one payment. It is dealing with everything on a portfolio basis and gives clients major benefits.

"The capability of using SSI from SWIFT and other external bank rules that we have implemented to make all the payments straight-through will all be utilised – which it already is for payments systems in cash management – for the new integrated payables to make it extremely efficient.

"Because it is dealing on a portfolio basis, and making everything automated and more efficient, there is very little operational load on the bank – so we can offer a tremendous service to the customer. They can turn everything over to us and we can handle it for them on an extremely efficient basis. We can bundle together different kinds of solutions and that is one of the powers of an integrated platform."

And Tezzi points out that a number of existing bank clients are now looking across the breadth of what CGI is providing on the trade side from a product functionality perspective, and talking to

different units within their bank about how they can use some of those functions.

### The convergence of cash and trade

In an interesting theme which further shows the merging of cash and trade under the CGI portal, Carswell explains: "A lot of the activity on the receivables side is viewed by many banks as being on their cash management or treasury management side, as opposed to the payables side which is viewed as related to the trade area.

"So we have clients that we are servicing on the same integrated platform that are totally different vertical groups within the same bank, and we provide these offerings that they take out to the market place. But it is all integrated – all on the same portal. So the same client is doing traditional trade, payables, receivables and cash management in a seamless and consistent user experience."

He adds: "In Asia, in particular, clients expect us to have cash and trade together on the front end. Bringing the customer experience together for cash and trade is something we are working with our clients to do."

Never a firm to stand still, CGI recently concluded a partnership agreement with Kyriba – a company with a robust platform with treasury management capability for corporates. Kyriba clients were seeking a link to trade so the company looked for a partner, and rather than build it themselves they teamed with CGI. The CGI trade portal is likely to prove the perfect complement to the Kyriba cash management portal. Once again, CGI moves ahead of the curve.





**Does your bank have the technology to compete in a changing marketplace?**

**Get ahead of the  
trade finance curve  
with CGI Trade360**

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