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Gaining an edge through collaboration

Oliver O'Connell talks to CGI and a selection of the technology provider's clients about how they have leveraged the CGI Trade360® solution in their global transaction banking offering.



Mark Evans at ANZ



Sara Joyce at BMO
Financial Group

Given the global economic situation, it is increasingly important to leverage technology solutions to maximise capital usage in the face of increased regulatory and operational costs. Businesses are trying to grow with new products and the one thing that jumps out is the need to have the right capabilities and the right partner to ensure growth in this economic marketplace. Information technology firm CGI has a number of longstanding partners enthusiastic about both its collaborative approach, and its CGI Trade360® offering.

"People should focus on what they do well. Banks are banks and not technology companies. We know what we need, and we know what is needed by our customers and regulators. Working with a technology provider makes more sense than trying to deliver those requirements ourselves," explains Mark Evans, global head of trade and supply chain at ANZ in Sydney.

For a bank, a successful partnership with a technology provider is dependent on the spirit in which collaboration is handled; the degree to which customisation is possible; consistency, both of product and service; and the speed at which solutions and updates can be deployed across networks.

Evans continues: "The way in which we collaborate with CGI is the same as when we work with any partner – it is a conversation, it is two-way. We know what our customers are asking for, and what the priorities are within our business, but we work very closely with CGI so that they can help us come up with the right solution, rather than going to them and demanding a particular outcome."

Collaboration extends beyond a one-on-one relationship with CGI, as one of the things the company brings to the table is the access banks get to other CGI customer banks through regular meetings, which allows them to compare how they are using the technology and concur with the strategic platform direction. While a lot of what banks do involves being flexible to meet customers' needs and differentiating themselves from

the competition, much of what they do in terms of processing trade transactions is the same as their competitors. Trade360 banks benefit from sharing a common global infrastructure and platform, collaborating on best practices with colleagues at other institutions, and sharing costs for common strategic initiatives.

James Clark, SVP, global payments product management, at Union Bank in California, notes: "It is difficult to define how collaboration works between the vendors and the banks, but when it works well you know it and see it. I think that CGI has a great way of bringing all the parties together and creating the right dialogue. Everyone has to have economic skin in the game, and the relationship and collaborative environment that CGI has forged with its clients has worked very well for us."

"At times we believe we have a unique insight into a business offering, leading us to offer specific functional nuances or that we might take on something that other parties don't. For example, Union Bank is involved on the receivables side, where we believe we have defined additional capabilities that will differentiate us in the market. CGI worked with us in a very collaborative way to help us bring that differentiated offering to the market sooner and more effectively than if we had gone to a different provider."

Customisation is key and banks need technology that allows them to do business in a way that best meets the needs of clients, as opposed to a rigid or fixed solution.

Sara Joyce, managing director, international financial institutions and trade finance at BMO Financial Group in Toronto, recalls: "In the past, when trade finance built our own technology solutions, we would often over-build or under-build, or build something that only served one purpose. We have had a much better experience working with CGI and allowing an expert to do that work while we provide input as to what the technology must be able to do to meet the



James Clark at Union Bank



Frank Tezzi at CGI



Kitt Carswell at CGI

needs of the client. CGI allows us to concentrate on our business solutions and customers while they take care of our technology needs.”

Joyce notes that the speed at which new solutions or updates can be rolled out is a great benefit of working with CGI. “Our experience is that we are far more able to meet those deadlines now that we have outsourced the trade platform to CGI. If I look back 10 years, prior to using the CGI platform – it used to be very difficult for us to commit to deliver an enhancement or system change as there were so many places where we could lose the funding. It might not be top priority for our own business, or the division as a whole might not have been at the top of the list in the bank for a system investment. So from our perspective we are much better positioned and able to tell a client that we may not have what they are looking for right now, but it can be in place within three or six months. It is a tangible advantage to working with a specialist technology provider – we have much more confidence in our ability to deliver.”

Consistency

While a proprietary system might have features that competitors do not, to keep those current and continue to evolve with the demands of the market is very difficult for a bank working alone. This is multiplied when working across jurisdictions, subsidiaries and business groups – being able to stay consistent is a key competitive advantage.

Says Evans: “From a consistency standpoint Trade360 is the one platform that we have across ANZ’s trade business globally – in 28 countries. It is the way in which we deliver a globally consistent front end to the customer including all the notices that a customer would see. It also is the way in which we deliver common processes and procedures to our trade ops teams across the globe, which is a fantastic advantage for us. We can give a customer an ANZ experience wherever they bank with us, but also it helps us with training and being able to deliver operational consistency internally.”

He continues: “As ANZ builds out in Asia we have also been able to add in the cash component to our trade offering, but if we were doing this on a proprietary basis, it would have been very difficult to prioritise developments within the overall strategy of the bank. The fact that we experienced proven delivery on the CGI platform gave us the confidence to build out on the cash management side, and because internally we were so comfortable with CGI on the trade side, we could roll it out easily for consistent delivery.”

Joyce at BMO concurs and notes that interoperability is a particularly positive aspect of Trade360. “It is relatively easy to integrate with legacy systems and other platforms such as loans systems, which is critical because we track in real time our exposures including trade finance.”

“We have also brought in a couple of other banks to whom we provide trade processing capabilities and operational support, and so we have had a chance to see how easily the system integrates with back office systems at some of those insourcing banks too.”

The way forward

CGI has a strategic roadmap that continually evolves the Trade360 platform and some major pieces are on the verge of being implemented. Kitt Carswell, senior offering manager for CGI’s trade and supply chain solutions group, reveals: “There are some extensions in the portal that will allow middle market customers to upload POs and invoices to utilize the open account products that previously were only available to larger customers implementing host-to-host interfaces. For payables we are adding the supplier portal early in 2013. The supplier portal will allow the bank to present invoice purchase offers to the supplier for on-demand selection under Approved Payables Financing programs. We are also adding payables and receivables trade loans to the array of finance options already available.”

“Our strategic roadmap also includes initiatives to provide electronic presentation capabilities, SWIFT Trade Services Utility and Bank Payment Obligation readiness, and other enhancements for additional connectivity and interoperability, such as SWIFT for Corporates and Bolero that will connect to other industry players in order to provide a more seamless and efficient work flow.”

CGI continues to add to its list of trade finance partner banks, with both Comerica and Scotiabank in the

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process of implementing Trade360 and scheduled to go live in the next year.

Frank Tezzi, vice president and manager for trade and supply chain at CGI, notes: “We have a comprehensive offering of traditional trade, payables, receivables, and cash management. Our partner banks have done a great job of leveraging what is on the system to consolidate business lines onto the platform.”

Clark at Union Bank concludes: “The knowledge CGI has of the trade finance space is not something that you will find at every technology solutions provider, and that gives us an edge in this business.” ■