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## Case Study: Dell Computers - Expediting Your Business Case for SWIFT

Dell  
Peter Schmitz

Fundtech  
Chris Vega

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Miami FL

# Agenda

- **What is SWIFT?**
- **Key Factors in Building the Business Case**
- **Putting Your Business Case Together – The Dell Story**
- **Benefits of Using a SWIFT SB**
- **Key Take-Aways**
- **Q&A**

# What is SWIFT?

## The Predominant Global Financial Network

A  
co-operative  
organization  
serving the  
financial  
industry

A  
provider of  
highly secure  
financial  
messaging  
services

The  
financial  
standardisation  
body

### Key Benefits

- Single highly secure, reliable alternative to multiple proprietary bank portals
- Standard communication protocols
- Bank agnostic standard
- Quickly manage the connectivity of banking relationships

# Prioritize the Business Case Factors Based on Your Vision

## Setting your vision:

- What role will Treasury play in the future?
- What technology will have the most impact in your day to day operations with banks?
- How can you lower risk and exposure for your company?

## Suggested Priorities:

- **SWIFT / Data consolidation**
  1. Bank Reporting
  2. Payments
  3. Bank agnostic channel
- **TMS and ERP technology refresh**
- **Cross System Dashboards and Analytics**

# Why is It Important to Build a Business Case?

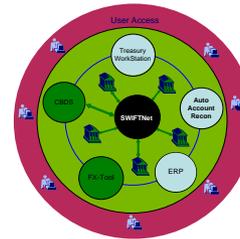
Every company is different, so we must understand the different drivers that can prompt a treasury organization to consider SWIFT as a strategic decision for managing their bank communications moving forward.

- **Many global treasury organizations reached high level of internal complexity which prompt**
  - Mergers and acquisitions resulted in complex organization, systems and processes
  - Centralization, however lack of full automation and system integration
  - Increased focus on cash visibility, however lack of real-time information
  - Increased reporting requirements (CFO dashboard)
- **Look at it strategically and across your enterprise**
  - Cost-reduction is important, but is not the only benefit
- **SWIFT is a critical enabling tool**
  - But it's not right for everybody
- **There are a variety of options**
  - Know what you want before you go to your bank

# What Technologies and Resources to Consider

- **A holistic approach to technology with a phased implementation**

- ERP
- Treasury Workstation
- Centralized payment processing
- Reconciliation
- Bank account management



Peter will cover this in his slides ;-)

- **SWIFT is seldom a standalone project**

- It ties somehow into your company's tool kit
- Consulting companies can help

- **Assess the costs and benefits of SWIFT in the overall technology plan**

- **Access benefits across all departments... not just treasury**

- **Your partners and how you connect to SWIFT will affect your business case and your project's chances for success**

- Banks
- Consulting companies
- Service Bureaus

# Bank Readiness Requirements

## Operational criteria for Banks:

Participate in SCORE –  
SWIFT for Corporates

Receive FIN MT 101  
(Request for Transfer) and  
send FIN MT 940 (Customer  
Statement  
Message) and MT 942  
(Interim Transaction Report)

Comply with the FileAct  
Implementation Guide

Offer testing facilities and  
script(s)

Offer basic operational  
documentation, such as an  
on-boarding guide and  
contractual information

Ensure support during  
implementation

# Putting Your Business Case Together

## How Dell Approached Their Business Case

*Presented by:*

**Peter Schmitz, Global Treasury Product Manager, Dell**

# About Dell

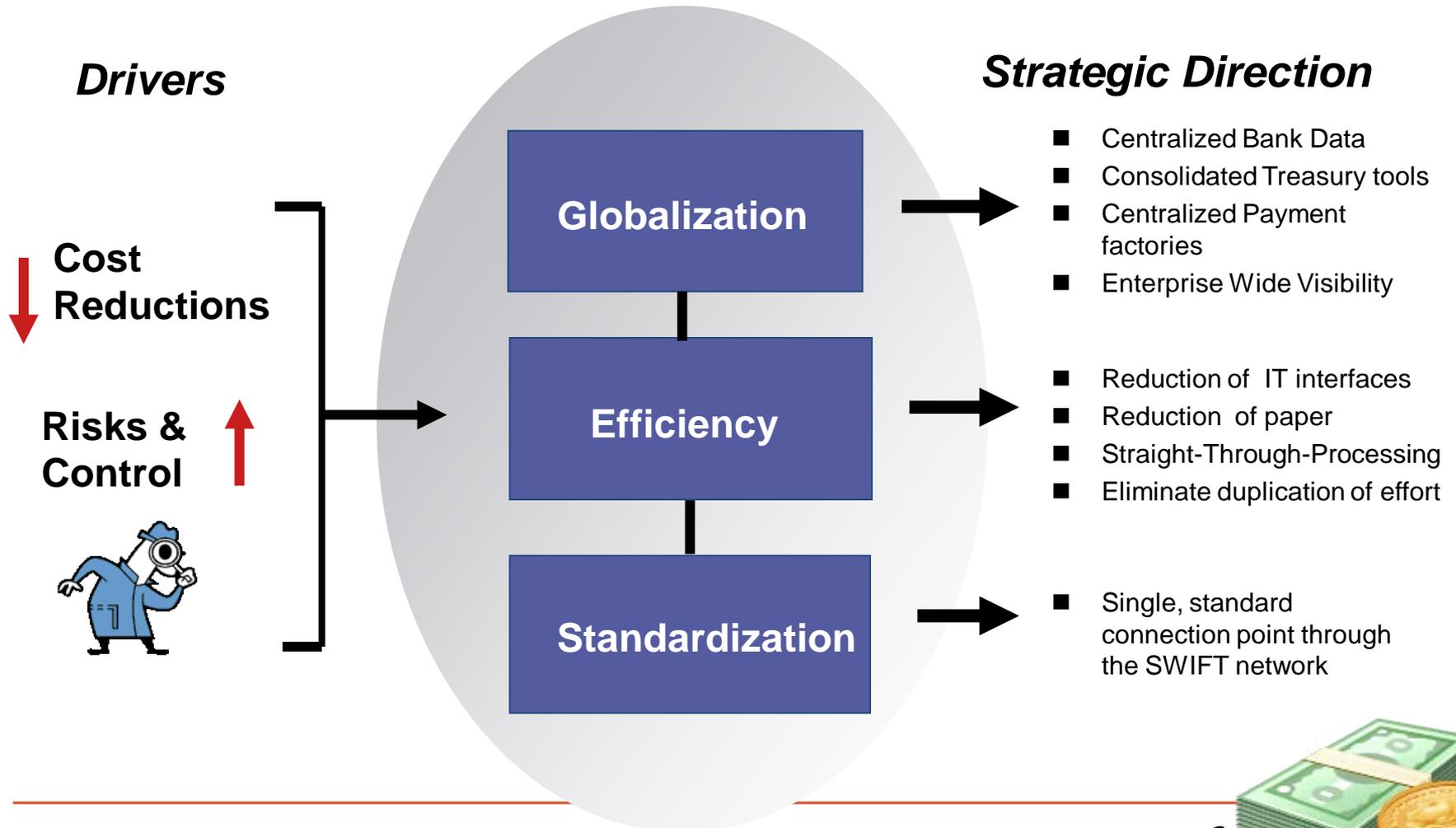
## Company

- A leading global technology and services company
- Headquartered in Austin, TX
- Revenue: \$56 B
- 5.4 million customers and 100K+ employees globally

## Dell Treasury

- Goal/Strategy: balance centralization with local execution to optimize activities across the globe and proximity to the business
- Focus on corporate-wide and strategic needs to optimize results
- 35 global team members
- ~600+ bank accounts in EMEA and US

# The Strategic Opportunity



# Define the Strategic Technology Vision

## Objective

Globally implement a total front, middle, and back office Treasury management system enabling real-time information and straight through processing from point of deal capture to settlements, confirmations and accounting

## Value Analysis

- Scalable global coordination of cash and risk management transactions
- Better internal controls and communication
- Faster accounting close; Smoother intercompany and FX settlement process
- Interface to global banking systems
- More efficient cash positioning translating to better predictability of cash flows
- Standardization and automation of global processes
- Scalable to support global business growth both in terms of volume & scope

# The Business Case for the Dell Project

## Why do it now?

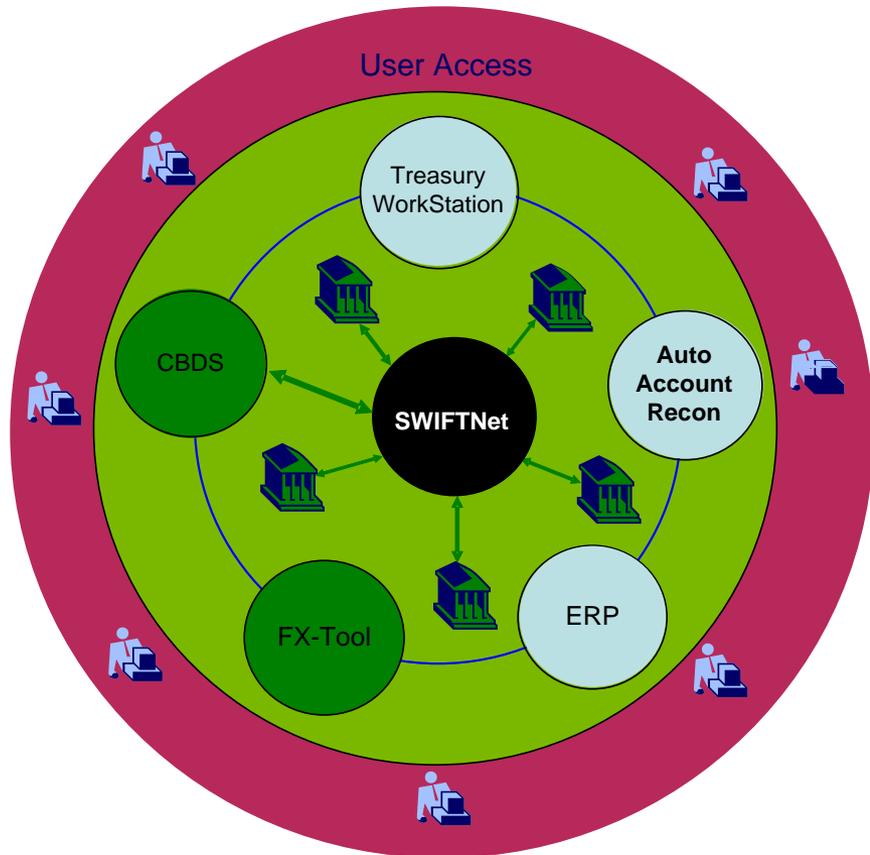
- *In keeping with Dell's drive for operational efficiencies, an overhaul of our Treasury operational systems was in order.*
- *Our current processes/systems had been in place for over 10 years*

## How was it built and approved?

### Cross functional stakeholders:

- *Inter-departmental interaction and collaboration was key...*
- *We call this the big bang approach, where we secured support from multiple groups; Treasury, AP, A/R, IT, etc...*
- *Fragmented technology implementations that support one-off initiatives rarely create world class systems*

# High Level Overview of Treasury Banking Technology



- **Treasury WorkStation**
  - Treasury Sub-ledger and Cash Management
- **Auto Account Reconciliations**
  - Rules-based auto-matching
- **ERP**
  - Dell Ledger
- **FX-Tool**
  - FX Analytics
- **CBDS**
  - Single point of connectivity for Dell Bank data
- **SWIFTNet**
  - Highly secure financial messaging

\***Blue** represents Accounting \$s and **Green** represents Actual \$s

# Value of SWIFT and priority in Dell's Treasury projects

Where  
is my  
cash?

Can I  
move  
my  
cash?

Can I  
reach all  
my  
banks?

# SWIFT Approach

- **Connection Options Considered:**
  - Direct: In-House Connection
  - Indirect: SWIFT Service Bureau
- **Final Approach Taken:**
  - Indirect connection, using a SB to:
    - **Reduce upfront and ongoing costs**
    - **Expedite time to implement**
    - **Gain additional SWIFT Expertise and a strategic partner**
    - **Ongoing support**
  - Transformations
    - **3rd party middleware**
  - Integrated existing tools
    - **TWS**
    - **ERP**
  - Leverage in-house project managers coordinating project, banking relationships, 3rd party vendors, testing and production.

# Summary of Results

- **Simplification**

- Simplify Treasury operations processes
- Simplify and standardize Accounting processes
- Simplify and Automate regional AP bulk payments
- Simplify IT processes
- Simplify Controls

- **Controllership**

- Security and Control
- Visibility and Transparency

# Benefits of Using a SWIFT Service Bureau

**Building Your Business Case: Benefits of using a SWIFT Service Bureau**

*Presented by:*

**Chris Vega, Regional Sales Manager, Fundtech**

# About Fundtech

## About the Company

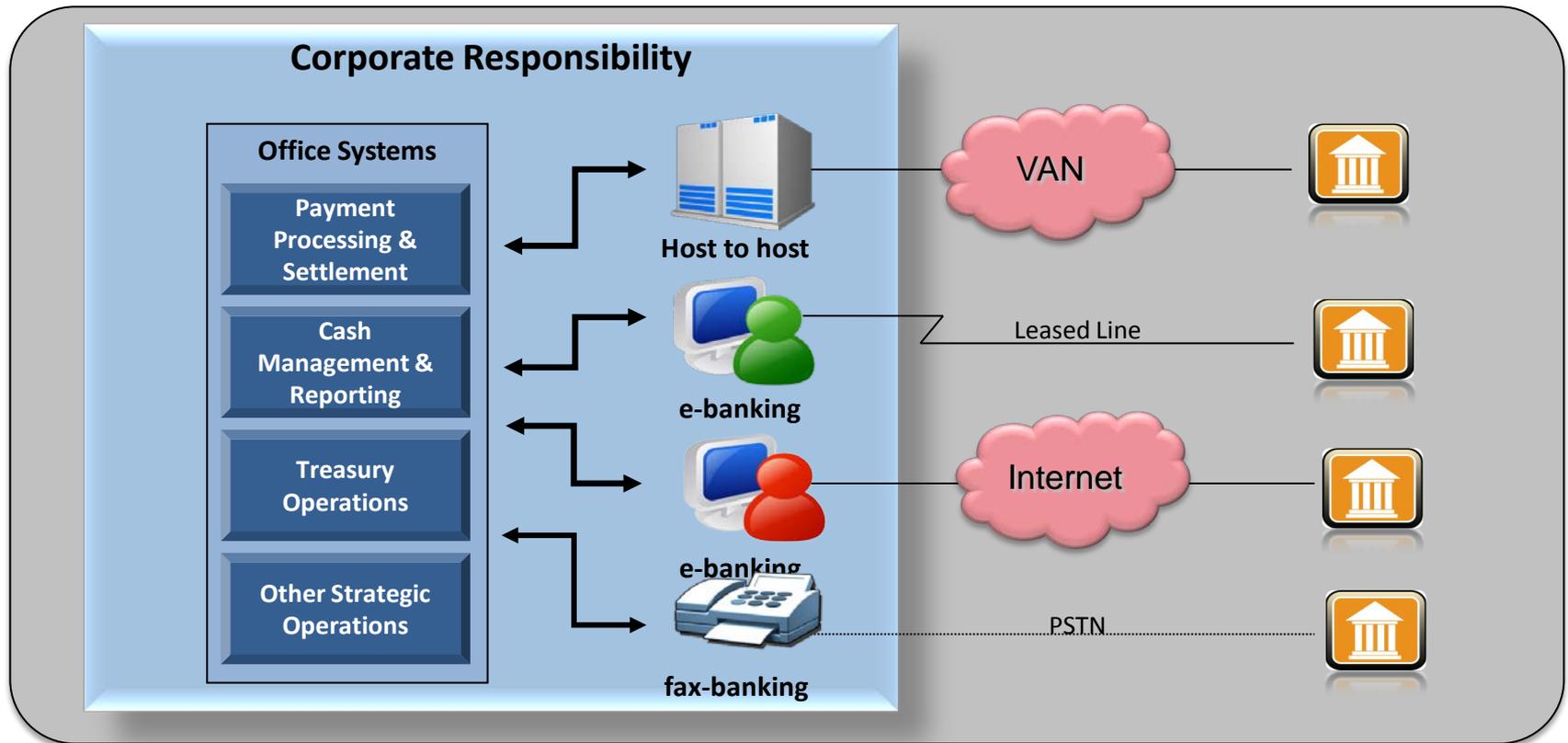
- Annual Revenue \$220M
- 1,000+ financial institution clients
- Thousands of SME-Corporate relationships
- 1,300+ Employees
- HQ - Jersey City, NJ
- 19 offices worldwide
- Privately owned by GTCR: \$9B PE firm

## About the Fundtech Connect Bureau Services

- In operation since 1995
- World's largest and most experienced SWIFT Service Bureau
- Data centers in North America, Switzerland, UK
- Supports 350+ SWIFT Service Bureau clients, including 75+ Corporations
- Connecting corporations to SWIFT and non-SWIFT banks
- 150+ employees dedicated to SWIFT, financial messaging infrastructure, support, and delivery

# Why Companies Use SWIFT

Treasury operations are responsible for multiple protocols, standards, bank proprietary portals, multiple security tokens, communications, etc...



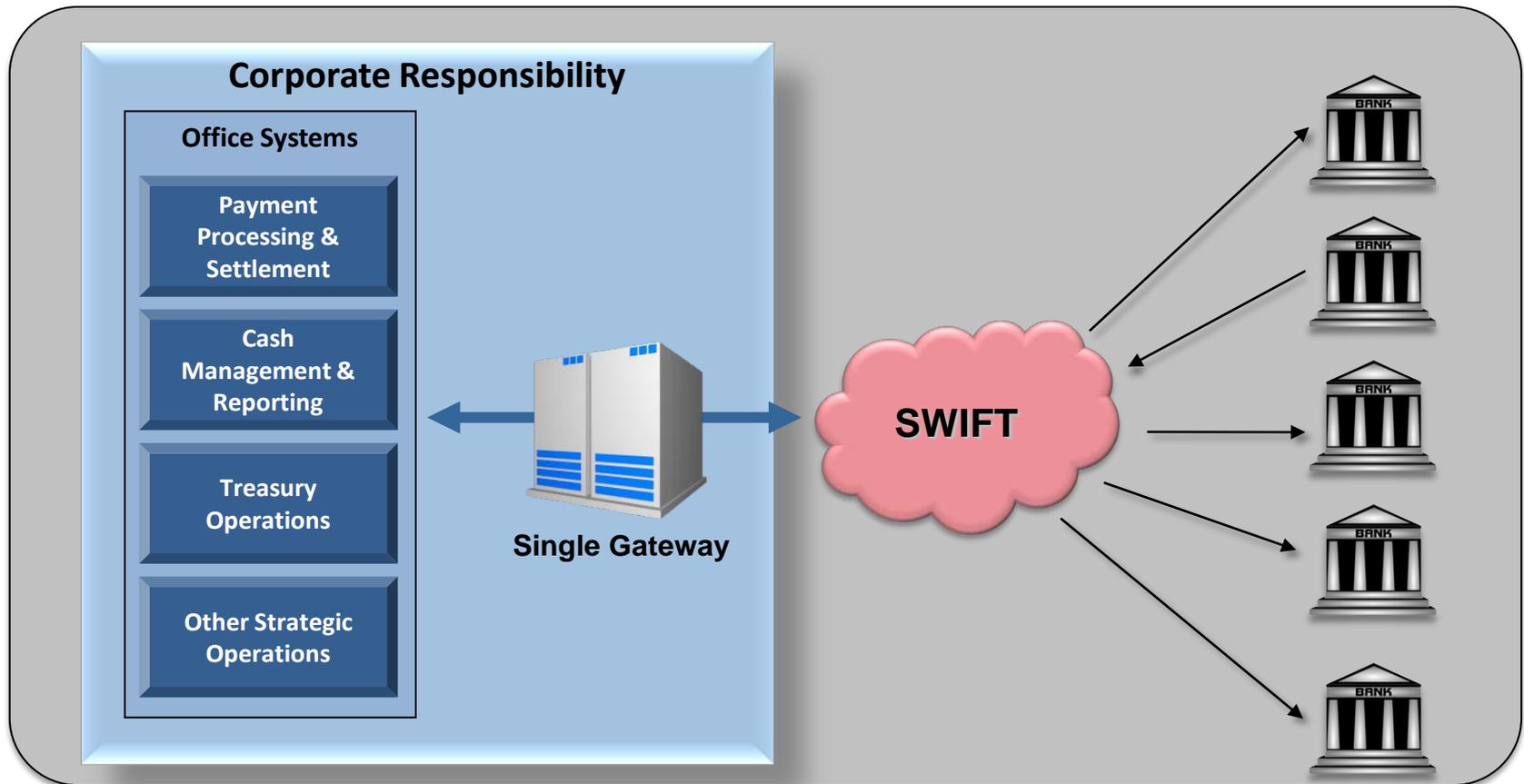
# Why Companies Use SWIFT

- **Challenges with a multi-bank arrangement**
  - High transaction fees
  - Lack of straight through processing in Treasury ops
  - Sub-optimal process to receive bank reports and send payments
  - Inefficient process for on-boarding new banks
- **Today - Most corporations use SWIFT messaging for:**
  - Urgent payments (FIN)
  - Non-urgent bulk payments & direct debits (FileAct)
  - Bank statements and other reporting (FIN and/or FileAct)
  - Deal confirmations (FIN and Accord)
- **Near future – High on the list of priorities for corporations:**
  - Electronic Bank Account Management (EBAM)

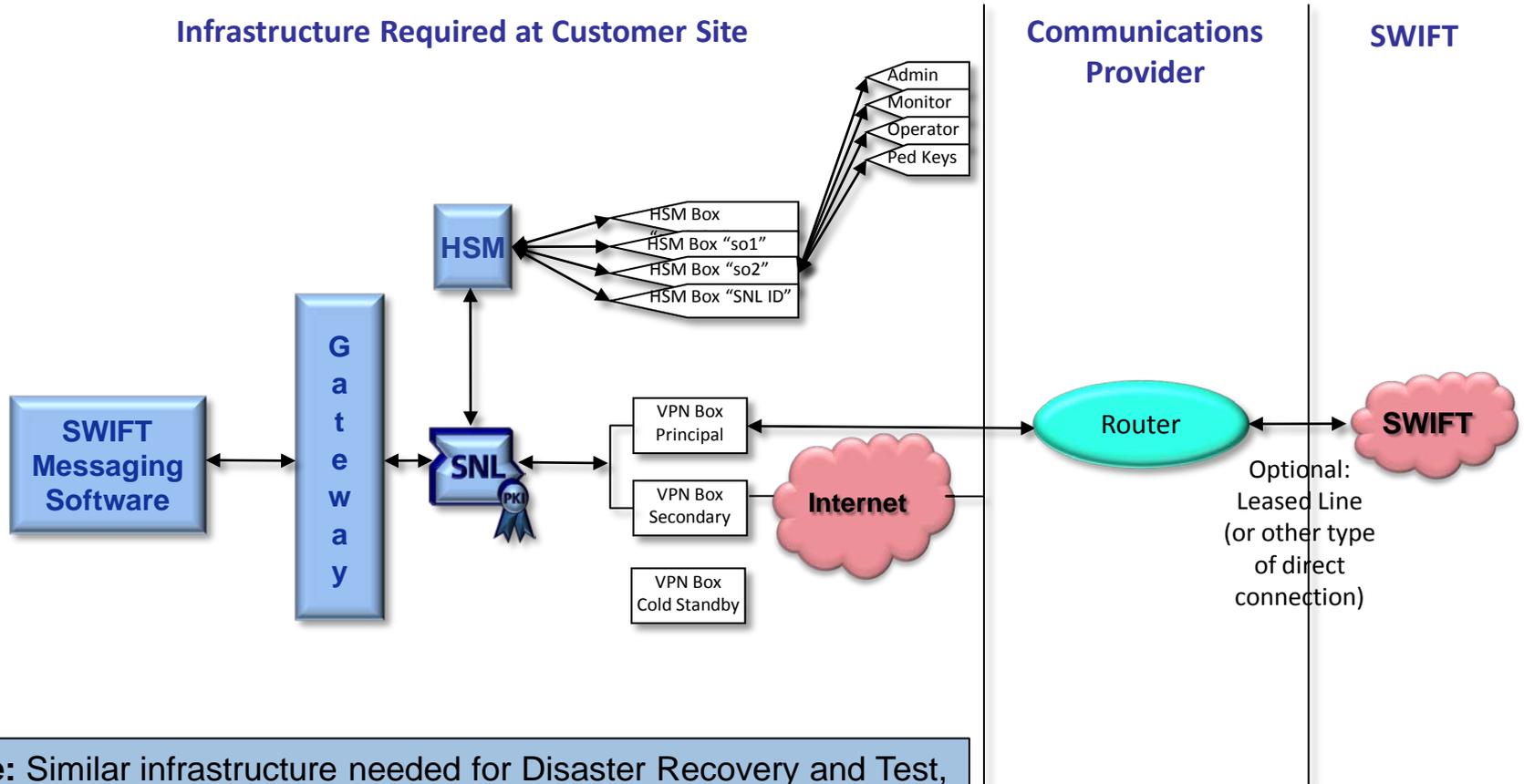
# Measuring Benefits – Rules of Thumb

- **Eliminating multiple bank connection methods**
    - \$10-\$20k per connection annually
      - Versus in-house FTP or similar connection
  - **Staff efficiency/redirection**
    - Manual creation of cash worksheet
      - Hunt, peck, check
    - Manual repetitive report creation
    - Manual G/L creation
    - Manual reconciliation
      - Daily research on cleared/not cleared items
    - Wire/payment costs
      - Fax costs
      - Wire repair costs (item/year \* \$30)...check your analysis statement
  - **Intangibles: reduced risk, fraud, better controls/visibility**
- 
- 2 hour savings = \$25K/yr  
Redirected to better use 2x, 3x

# Connecting to SWIFT: Building a SWIFT Gateway In-house



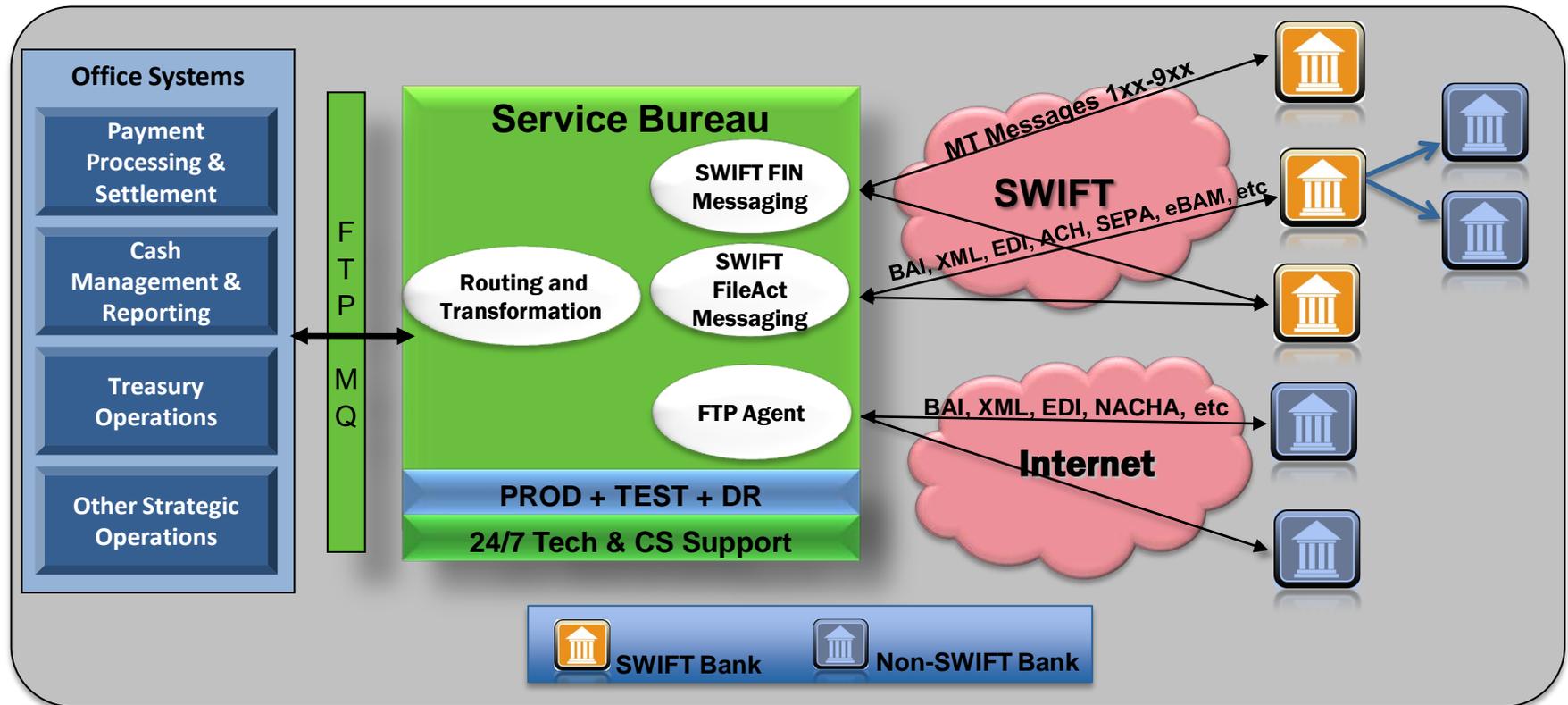
# Components of an In-house SWIFT Gateway



**Note:** Similar infrastructure needed for Disaster Recovery and Test, this varies per each corporation's business and IT requirements.

# Connecting to SWIFT: Hiring a Service Bureau

Companies are looking for providers that can efficiently offer a single window for bank connectivity at the best value



# Using a Service Bureau Can Help Your Business Case

## Benefits:

- **Lower total cost of ownership :**
  - Reduces labor and operations costs otherwise used to operate an in-house/direct connection
- **Unified Processing Architecture to all SWIFT network services and capabilities**
  - Interfaces to FIN, FileAct, Interact/MX, Browse services
  - All SWIFT message types: MT101, MT940, etc., and non-SWIFT: EDI, BAI, XML, etc.
  - Message conversion, mapping, destination logic
- **SWIFT expertise and experience facilitates rapid deployment / Time to Benefit**
  - Using Service Bureau's existing expertise and infrastructure
  - General guidance on SWIFT membership and messaging services
  - Expert SWIFT integration project management and implementation services
- **Security, Reliability, Availability**
  - Ongoing support for disaster recovery, upgrades, standard changes and general maintenance
  - Hosted in secure data centers with "always production ready", redundant disaster recovery locations
- **Additional services readily available when/if needed:**
  - Long-term Message Archival, Compliance/OFAC Checking
  - Direct Bank Connectivity to non-SWIFT Banks

## Challenges:

- **Not all Service Bureaus are the same – it's hard to compare apples-to-apples**
  - Some don't offer stand-alone SWIFT service bureau access - it's all tied together (TMS, BAM, SWIFT, Consulting, etc)
  - Some companies have too few employees ('Key Person' syndrome)
  - Some lack financial stability to provide long term mission-critical service bureau services
  - Different pricing structures and levels of services

# Expediting Your Business Case for SWIFT – Key Points to Take Away

- **Involve your banks early!**
- **Form a vision: Know where you want to go from a technology, bank relationship, and operational perspective**
- **Identify key stakeholders outside of treasury who can also benefit from SWIFT in the future**
- **Identify upcoming technology projects within your company that can ultimately also benefit from SWIFT (e.g. New ERP deployment, New TMS deployment, etc)**
- **Look for a best-in-class solution for the different components (e.g. banks, service bureau, TMS, ERP, BAM providers, etc)**
- **Work with vendors that have experience delivering SWIFT-based solutions**
- **Speak with others that have done this already**
- **Attend industry conferences – AFP, SIBOS, etc.**

# Thank you!

## Q & A