

INTRODUCTION

This white paper explores the various role and market changes that are affecting corporate treasurers, and how SWIFT-based financial messaging solutions can greatly benefit their organizations. In particular, the paper will explore the value-added benefits of using a SWIFT service bureau, payment mapping and bulk messaging solutions.

KEY DRIVERS FOR CORPORATE TREASURERS

As a corporate treasurer, you may ask: *Why would I even be concerned about financial messaging systems? I deal with the front office treasury operations, such as payments and receivables.*

Many corporate treasurers are already finding that their roles are changing due to globalization, ecommerce, decreasing IT budgets and increasing compliance requirements. As such, this role is evolving from an operations-focused to a more strategic and globally focused one. And, treasury departments are now being called upon to handle a broader set of responsibilities.¹



Globalization, in particular, is a key driver for any small or large company that needs to expand into world markets to optimize revenue potential and hedge against local economic crises. Yet, companies are finding it virtually impossible to work through differences in international currency, regulatory constraints and varying levels of security standards.

Many corporations also typically employ multiple systems and protocols for electronic commerce and communicating with their financial institutions (See Figure 1). These disparate systems are costly to maintain and prevent integration with front and back-office systems, critical to liquidity, payment consolidation and other treasury operations. This problem only increases as IT budgets decline, reducing the professional support available to properly maintain these in-house systems and protocols.

As a common alternative, corporations often turn to their banks to handle their international payment and financial messaging, but banks can charge high prices for each transaction, which could equate to a substantial cost to the corporation as transaction volumes increase and multiple banks and countries are involved.

HOW SWIFT CAN BENEFIT CORPORATE TREASURERS

SWIFT-based solutions, such as BankServ's TurboSwift, offer corporations a way to communicate with any number of banks worldwide directly through just one secure and reliable system, called SWIFTNet.

Key Benefits of using SWIFT for financial messaging:

- **Enables** financial messaging exchange and transactions with any number of banks that are part of the SWIFT network.
- **Eliminates** costs to develop and maintain multiple systems and protocols or working through banks manually for international transactions.

¹ ["Cash Management Survey 2008 Reveals Liquidity is Corporate Priority"](#), GTNews.com, Sept. 2, 2008.

- **Secure, reliable, guaranteed messaging** – because SWIFT is an industry standard for sending financial messages, all messages exchanged through the system are guaranteed to be delivered without third-party repudiation.
- **Centralized processing** for fast communications at reduced transaction and operations costs.
- **Provides options for sending and receiving any file type**, including SWIFT formats, but also ACH files (eg. payroll files) and other large bulk file payment transfers, over the SWIFT Network.

Figure 1: From Multiple Protocols, Standards and Systems:

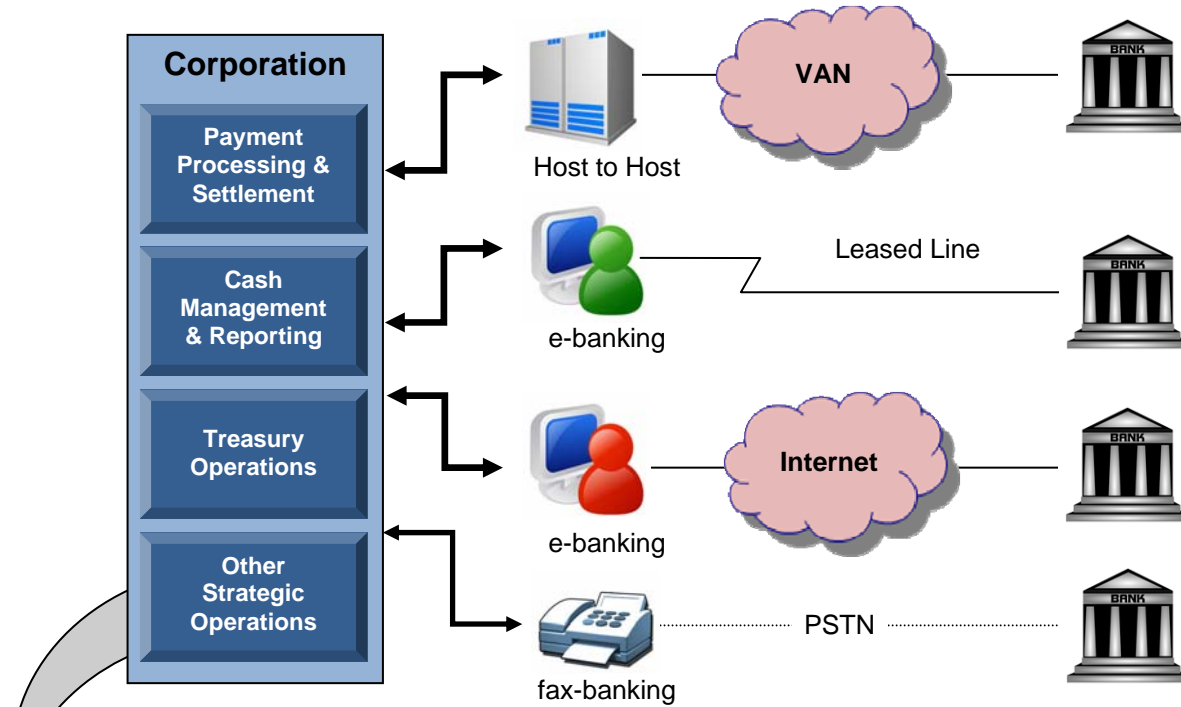
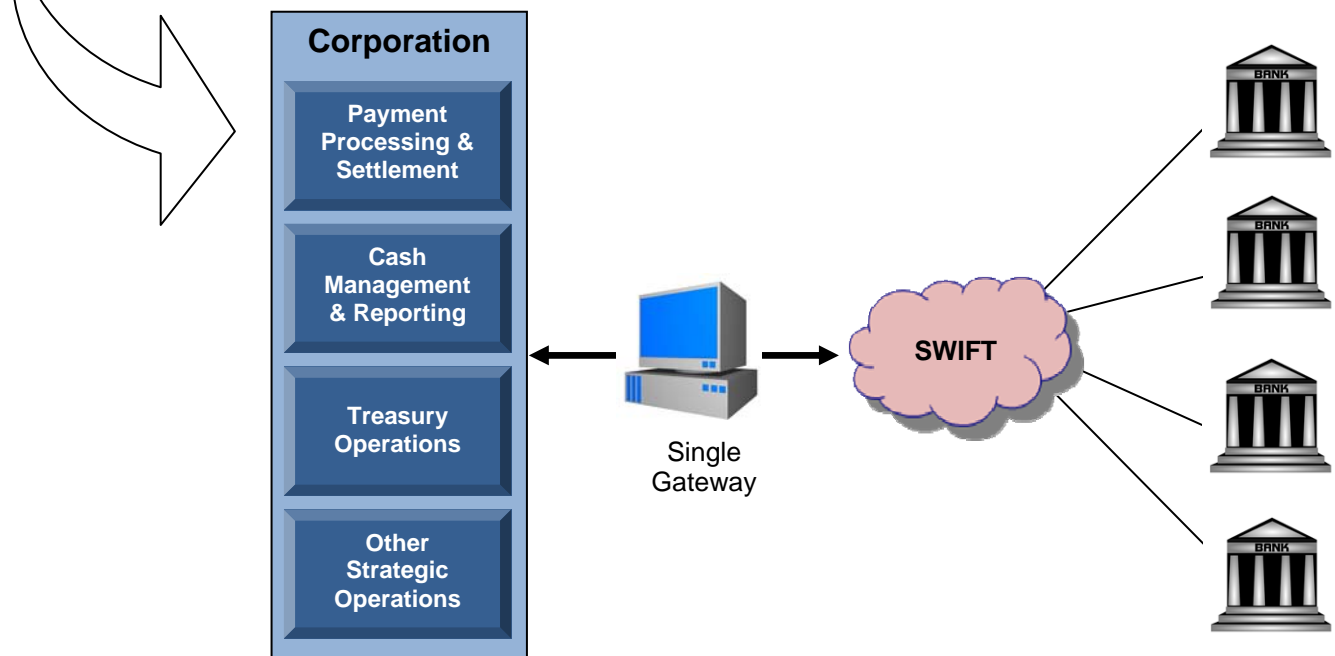


Figure 2: To a much simpler model that enables faster, more secure, reliable communications:



USING A SWIFT SERVICE BUREAU VS. IN-HOUSE SYSTEM

Once you have decided to connect with SWIFT, the next task is to decide how best to establish this connection for your company. Every company has different needs, but the following should always be considered:

Key Criteria in evaluating a SWIFT connectivity system:

- Initial capital and ongoing monthly/annual costs for any hardware and software required to make the connection.
- Ongoing costs to develop, upgrade, maintain and provide disaster recovery facilities and support.
- Time it takes to develop and implement the system.
- Integration requirements for front /back-office treasury management and other internal systems.
- IT support availability and ability to properly maintain and operate the system.
- Ease-of-use of the system.

Connection Options:

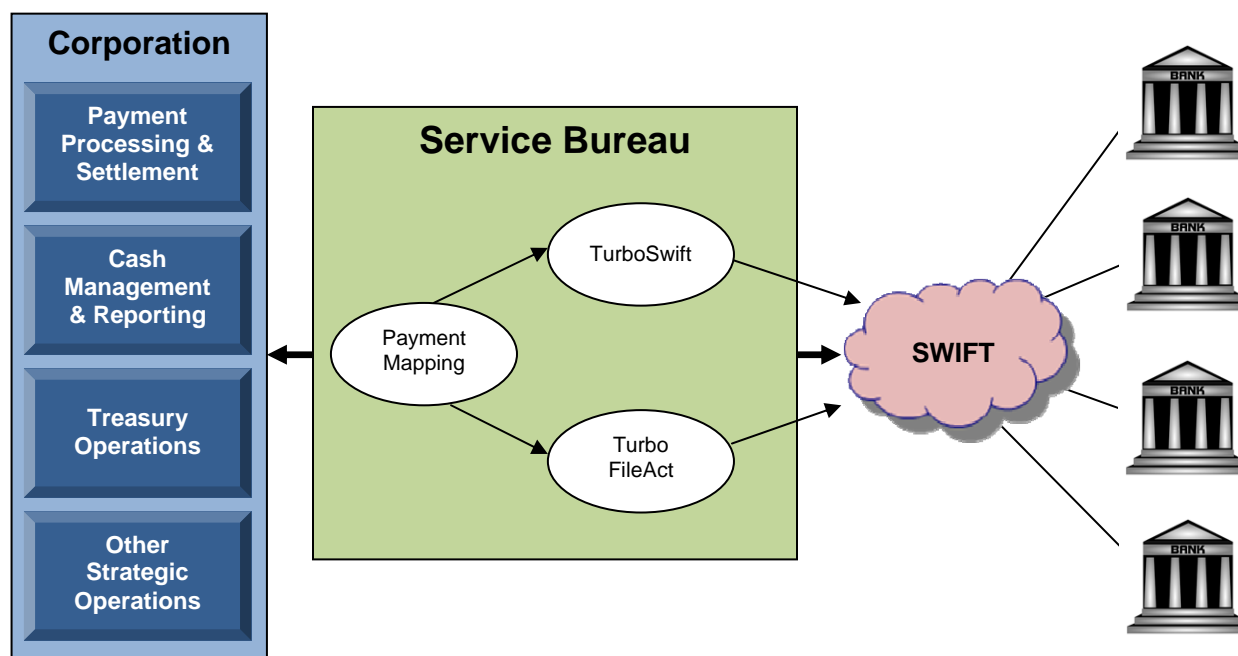
You also have two basic options for how to connect with SWIFT, and each option can have certain advantages and disadvantages.

However, as the following comparison shows, the advantages of taking the service bureau approach greatly outweigh those of an in-house system. Please note that the corporation still has to determine the best service provider. The provider should be SWIFT-certified and provide experienced professional support and disaster recovery services.

Type of SWIFT Connection	Advantages	Disadvantages
<p>In-House System, using SWIFT interface</p>	<ul style="list-style-type: none"> • Gain SWIFT connectivity, and along with that, faster, more secure and reliable financial messaging. • Company controls all hardware, software and support services. 	<ul style="list-style-type: none"> • High upfront capital and ongoing operations costs. • Often no dedicated professional support to properly develop, maintain and provide disaster recovery for system.
<p>SWIFT Service Bureau</p>	<ul style="list-style-type: none"> • Gain SWIFT connectivity, and along with that, faster, more secure and reliable financial messaging. • Eliminate upfront capital and ongoing operations costs associated with the system. • Dedicated IT and professional support to develop, maintain and provide disaster recovery. • Customer service and technical support for end-users. • Plug-n-play options, such as OFAC and FileAct. • Less system down-time. 	<ul style="list-style-type: none"> • Depends on the service provider.

Figure 3: Service Bureau Approach

Lower Operating Costs, Access to More Services and Integration with Back Office Systems throughout the corporation.



ACHIEVING EVEN GREATER BENEFITS...AND INTEGRATION

Based on over 10 years experience, BankServ knows that in order for corporations to optimize results, they also have to consider and integrate additional services and tools into their SWIFT solution. For example, here are just a few of the services and tools that BankServ provides through either its TurboSwift Service Bureau or TurboSwift Corporate Suite offerings.

Essential Services and Tools Available:

- **Payment Mapping** which enables automation, integration and payment consolidation by translating any message format, **including all SWIFT FIN Message Types and any non-SWIFT fixed formatted file types, such as BAI, XML, EDI, I-File, CSV**, into any other format as required by virtually any front or back-office system.

Value-Added Benefits:

- Enables automation and straight-through processing (STP) of financial messages of any type for even faster, more reliable transaction processing.
- Increases visibility of cash flow information by allowing integration of financial information and messaging with critical front and back-office systems.
- Empowers company to set specific rules for how each message is to be handled.
- Lowers transaction costs by removing manual processes.

- **Global Compliance Watch List & Checking Solution** that filters messages through required Watch Lists.

Value-Added Benefits:

- Protects companies' reputations and mitigates risk by all SWIFT, Telex and user-defined messages against all required Watch Lists, including: OFAC, Bank of England, Canadian Consolidated Lists, Non-cooperative countries, UN Consolidated list and many more.
- Simplifies processes and maximizes human resources, while reducing workload.
- Reduces operating costs.

- **Multi-Office and Remote Access** that offers multiple company branches or offices access via a centralized server without having to set-up individual SWIFT licenses.

Value-Added Benefits:

- Reduces implementation costs and need for multiple SWIFT licenses by providing SWIFT access for all your remote branches/offices through one centralized TurboSWIFT hub.
- Connect offices and databases using different computer operating systems.

- **FileAct Services** for bulk messaging of any message format for reduced transaction costs.

Value-Added Benefits:

- Send and receive any kind of file, including payments messages, check images and securities information over the SWIFTNet FileAct system.
- Save significantly on transaction costs by bundling entire batches of non-urgent FIN messages into a single file and transmitting them across SWIFTNet.
- Use the same robust security that SWIFT employs for financial messaging to exchange other kinds of sensitive data.

ABOUT BANKSERV

Founded in 1996, BankServ has emerged as a leading developer of innovative electronic payments and financial messaging solutions, and now works with more than 400 companies in 52 countries around the globe. BankServ provides flexible SWIFT connectivity technology and service options to meet any corporation's needs, whether the need is for basic SWIFT connectivity, full service bureau support or a fully integrated suite of services and tools that include payment mapping, FileAct Services and many other options.

TurboSwift Client-Administered	TurboSwift Service Bureau	TurboSwift Corporate Suite
<p>Client Needs Addressed:</p> <ul style="list-style-type: none"> • Company wants to develop, maintain and support system in-house. • Increase security and reliability. • Standardize for exchange with multiple banks internationally. • Centralize processing for reduced transaction and operations costs. <p>Standard Features:</p> <ul style="list-style-type: none"> • TurboSwift interface, certified by SWIFT. • Easy-to-use interface. <p>Options:</p> <ul style="list-style-type: none"> • Global Compliance Watch List & Checking Solution • Multi-Office & Remote Access • TurboFileAct 	<p>Client Needs Addressed:</p> <p><i>All the benefits of the Client-Administered approach, plus...</i></p> <ul style="list-style-type: none"> • Eliminate IT and operations costs. • Enhance disaster recovery and technical support. <p>Standard Features:</p> <ul style="list-style-type: none"> • All software hardware, support required for SWIFT connectivity. • TurboSwift interface, certified by SWIFT. • Easy-to-use interface. • 24/7 disaster recovery and redundancy resources. <p>Options:</p> <ul style="list-style-type: none"> • Payment Mapping for message/format translation and integration with front/back office systems. • Global Compliance Watch List & Checking Solution • Multi-Office & Remote Access • TurboFileAct 	<p>Client Needs Addressed:</p> <p><i>All the benefits of the Service Bureau approach, plus...</i></p> <ul style="list-style-type: none"> • Payment Mapping for file translation and integration with front/back office systems critical to treasury/cash management operations. • TurboFileAct for bulk messaging and file exchange of any format. <p>Standard Features:</p> <ul style="list-style-type: none"> • All software hardware, support required for SWIFT connectivity. • TurboSwift interface, certified by SWIFT. • MessagePro Payment Mapping • TurboFileAct Services • Easy-to-use interface. • 24/7 disaster recovery and redundancy resources. <p>Options:</p> <ul style="list-style-type: none"> • Global Compliance Watch List & Checking Solution • Multi-Office & Remote Access

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