

Global Business-to-Business Payment Solution Provider

Company overview

The client is one of the world's largest global business-to-business payment solution providers. The company implemented the Broadridge FXL Platform to provide uninterrupted foreign exchange processing around the clock for its worldwide operations.

Its Chief Technology Officer and First Vice President of Group Treasury and Operations, discuss the challenge of operating in a 24 hour economy, implementing a centralized global processing solution and their decision to select Broadridge FX & Liquidity Solutions.

Expanding into Asia proved to be a significant turning point for your technical operations. In what way?

CTO: Opening our first Asian office was a driver to upgrade the infrastructure to run 24 hours a day, 5 days a week without interruption.

All of our offices are supported by a single, centralized processing platform. When our operations were limited to North America and Europe, an end-of-day system shut down for transaction processing was not an issue because we weren't supporting real-time trading outside of these markets.

Entering Asia meant we needed the application to be continuously available 24 hours a day to enable real-time market trades across all time zones.

Treasurer: The key change needed to our processing solution involved replacing the trading system component with one providing continuous availability.

Now, as the currency markets rotate between Tokyo, London and New York, we are able to trade global positions around the clock from any location without system shut-down.

Client Profile

The client has headquarters in London, with offices spread across North America, Europe and Asia. They serve more than 30,000 corporate clients worldwide, offering efficient and cost effective (electronic) payment processing, payment application consolidation and foreign exchange risk management.

Challenge

Provide 24 hour processing capability throughout the business week via a single, centralized solution which supports the company's global operations

Solution

TwoFour was introduced as a core component of the company's global processing solution, providing the required 24x7 operational foreign exchange capability

Benefits

- 24 hour processing capability against market data with no system downtime
 - Easy integration and customization
 - Improved operational productivity
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What is the benefit of operating a 24x5 environment?

CTO: Better service and, in some cases, better rates. In terms of service, a US-based employee traveling in Asia, for example, can access his accounts and initiate payments 24 hours a day. That doesn't mean just requesting a transaction that is queued until the markets open in his home time zone, but it means actual processing and, if necessary, receiving around the clock support.

As for rates, a payment provider who does not have 24 hour real-time trading coverage typically offers unfavorable exchange rates outside its trading hours. Because we provide 24 hour coverage through our single processing solution, we can offer market-driven rates to any client at any time.

Your firm is the first payment provider to launch a global 24x5 processing platform. Does this provide a competitive advantage?

CTO: The business-to-business global payment industry has always been extremely competitive and margins are traditionally tight. The organizations who managed to survive market consolidation and the recent additional regulatory burden are already the tougher and more aggressive players.

One of our original reasons for running a central processing solution is that it is more efficient and easier to maintain. We've seen that this translates into lower ongoing operating costs. And now continuous availability means superior service for our worldwide customers.

The majority of banks and financial service organizations who operate across all time zones do so via independent platforms, which means they are trading against their own positions. We trade global positions around the clock, which we feel is beneficial to our customers.

Aside from continuous availability, what were your main considerations when selecting a new trading platform?

CTO: One of our core challenges was that we are not a typical trading shop. We are an international payment provider. Although we trade in foreign exchange, we do it slightly differently. We therefore needed a partner who could customize their trading system in a reasonable timeframe and for a reasonable budget.

We found that while all vendors are open to making modifications, in some cases it just wasn't practical. A number of the established players in the trading software market developed their products a decade or two ago and updating the underlying technology has not been a priority. In many cases this meant the changes we needed would have been too complex – and therefore too costly. A flexible system based on modern technologies and standards was extremely important to us.

Treasurer: It was also important for us to work with knowledgeable people who understood our business. Broadridge is a very focused company, and we worked directly with their core group of experienced consultants.

CTO: Yes, you need people with deep knowledge of the system they are deploying, and who understand the industry and your business. In many cases the larger organizations simply don't have the depth of knowledge and hands-on experience that you find in a smaller company. Before we select a vendor, we are careful to understand who we will be working with directly.

“As the currency markets rotate between Tokyo, London and New York, [the client] is able to trade global positions at any time during the day from any location without any system shutdown.”

–Treasurer, First Vice President of Group Treasury and Operations

What other advice would you offer others selecting critical systems components?

CTO: Understand the problem you are trying to solve. This sounds straight-forward, but in practice so many companies select a technical solution without fully defining the business need.

It's also important to look at total cost of ownership over the lifetime of a system. Don't focus only on initial price, but understand ongoing costs and the less tangible impact on your business as well. System downtime, for example, can have a significant business cost. A more flexible system may mean modifications or problem solving can happen in days instead of weeks.

Treasurer: I would also add that it is essential to involve end users in the implementation process, especially when functionality requirements are specified. When we selected our new trading platform, we included traders and our finance department throughout the process to make sure that the system supported their needs.

You ultimately chose to implement FXL. Why?

CTO: The selection of Broadridge was a strategic choice. Because we operate a single processing platform, any systems choice we make affects our global operations – everyone within our organization and all of our clients. Broadridge supported around the clock trading with no system downtime, as well as being the most modern and flexible solution we found.

Can you describe FXL's deployment process within the organization?

Treasurer: We were working against a fairly tight deadline because our first Asian office in Australia was scheduled to open and we needed 24x5 capability in place to accommodate their operations. The entire implementation process – from requirements specification through to development – was completed in 3 months. We then ran FXL in parallel with our former system for a 6 week period, just to ensure that we were comfortable with its performance and results.

At that point, all of our offices around the world became reliant on FXL for trading foreign exchange. Compared to some of our previous implementation and deployment experiences, this was a relatively fast, easy and painless process.

What has been the traders' experience with Broadridge FXL?

Treasurer: It was extremely easy for us to remotely train all of our traders on Broadridge FXL. It is intuitive and with little ramp up time our traders were operational. They are working more productively because the system is faster, particularly in Europe, and they can easily configure it to suit their personal preferences.

CTO: It's been a straightforward solution to integrate with our existing systems and it is more flexible than what we had before. The traders love it and it's more efficient. We're pleased and we feel that we made a very good choice.

For more information on this executive insight, please contact us at Broadridge FX & Liquidity Solutions
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About Broadridge

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