

# Connecting You to ASEAN's Digital Future

Global Liquidity and Cash Management

August 2020



Together we thrive

## Foreword



**Kee Joo Wong**

Regional Head of  
Global Liquidity and  
Cash Management  
Asia Pacific, HSBC

## The changing ASEAN business landscape

The member nations of the Association of South-East Asian Nations (ASEAN) celebrated its 53rd ASEAN Day in August 2020 at a time where ASEAN is enjoying increasing importance to our clients. We are pleased to share our recent collection of Global Liquidity and Cash Management case studies as part of this journey.

Today, ASEAN forms one of the swiftest developing economic blocs in the world. The vast potential of the region is emphasised by its forecasted collective gross domestic product (GDP) of USD5.2tn by 2025<sup>1</sup>; and is furthermore slated to become the world's 4th largest economy by 2030<sup>2</sup>. The explosive economic growth of the region is underscored by the rapid digitisation of the region, which is undoubtedly driven by a tech-savvy populace that is wholeheartedly embracing technological innovation. Of particular note is the region's momentous mobile uptake, with constituent members boasting mobile penetration numbers of over 100%<sup>3</sup>. This has naturally had significant implications on the way that consumers expect to pay, with methods such as real-time payment (RTP) networks, cards, QR codes and e-wallets becoming increasingly popular.

In light of this, governments across ASEAN are introducing initiatives that will only intensify the popularity of digital channels. The digital push is expected to strengthen as the region deals with the COVID-19 pandemic, which has shown businesses the viability of conducting payments electronically. This amplifies previous momentum that had been building towards digitising treasury to enable more robust cash management practices in response to ASEAN's ever-changing business landscape. This itself is compounded further by the significant progress made in providing enriched analytics to assist treasurers in making more sound funding decisions. Altogether, the message to businesses is clear: success in ASEAN lies in embracing the region's digital revolution.

### Drawing on our past and present to help you navigate the future

Boasting uninterrupted presence in 6 of ASEAN's largest markets for over a century, HSBC stands as one of the most well-weathered international banks operating in the region today. Our heritage grants us unrivaled knowledge of the intricacies in conducting business in ASEAN, and our comprehensive suite of modern cash management solutions are here to help you tap into the wealth of opportunities that await you.

We hope that in detailing our experiences in ASEAN, we will show how we can help you reach your treasury goals. Be it digitising payments in the Philippines and Vietnam, to future-proofing collections in Thailand and Malaysia, to reworking processes to support new business needs in Singapore and Indonesia, HSBC's track record makes us the banking partner you need now to bring your business into the future.

<sup>1</sup>Business Wire - The Future of ASEAN: Forecast to 2025 - April 28, 2017

<sup>2</sup>ASEAN.org - Study on MSMEs participation in the Digital Economy in ASEAN - October 23, 2019

<sup>3</sup>InvestASEAN - E-ASEAN | ASEAN Investment - Aug 19, 2020

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## Reimagining the last mile, adapting to a digital B2C landscape

The growth in ASEAN e-commerce has been driven in part by the emergence of new business models that have allowed companies to expand their customer base from being driven by traditional B2B sales to enabling direct sales to individual consumers, typically on mobile-first platforms. Many companies have therefore taken the leap to digitise their customer facing B2C systems, and with obvious reason. As an example, the total value of Digital Payments<sup>1</sup> in Singapore is expected to exceed US\$21bn by 2024<sup>1</sup>, growing by 9.2% annually<sup>1</sup>. The message for businesses is clear: customer impetus is the number one reason to go digital because customers already expect to pay digitally - and if they don't get it, they will simply go elsewhere. Evolutions in technology and a clear push towards a digital economy has made it possible to review and re-engineer long-held procurement and sales processes, alongside treasury operations.

Understanding the deeper benefits of digital collections is crucial not just for the customer, but for businesses as well. Improved customer experience is possibly the most tangible benefit to comprehend, but the substantial business efficiency and operational improvements that digitisation brings can help harness greater opportunities, and secure the future prospects of their business. For example, digitisation can yield faster times on receivables reconciliation by providing enhanced information on collections, and automated matching of payments to open invoices, helping to improve working capital cycles.

## Meeting your match for digital collections

We are making digital collection rails available to businesses looking to go online, giving access to 24/7 real-time settlement no matter which bank their customers are using. These digital collection methods will also let businesses accept payments online by letting shoppers scan a QR code on their computer screen. Unlike a credit card, QR codes retain the confidentiality of a consumer's personal details. HSBC supports these needs by offering what it calls Omni Collect, which enables the acceptance of multiple payment options through a single device. This provides businesses with a centralised view on all of their transaction data and cash flows, as well as making integration and installation simpler. Our Virtual Accounts offering also seeks to improve your working capital cycles by providing enhanced information on remittances from your buyers, helping you to expedite your accounts receivable reconciliation.

<sup>1</sup>Statista - Digital Payments, Singapore - Aug 19, 2020



## Setting the Scene – The Evolution of ASEAN



### **Ai Chen Lim**

Co-head of Sales, Global Banking Corporates  
Global Liquidity and Cash Management  
Asia Pacific, HSBC

Digital transformation is occurring at a significant scale globally, and has definitely intensified as a result of the current COVID-19 pandemic, which has resulted in more corporates adopting digital tools to re-shape their businesses and adapt to the new normal. It has become more critical than ever before to go digital in order to ensure continuity of business, especially with demand for physical payments and collections expected to be depressed for the duration of the pandemic, and potentially going forward. Truly, now is the time for businesses to embrace the digital revolution, and enable remote methods of payments and collections via digital channels such as web and mobile to prepare themselves for what is only going to be a more online future.



### **Siddhartha Roy**

Head of Sales, Southeast Asia,  
Global Banking Corporates  
Global Liquidity and Cash Management  
HSBC Singapore

We are already starting to see major businesses in traditionally paper-intensive sectors moving to digital business models to remain competitive. Of particular note was this major player in the transport and logistics sector in ASEAN. However, in undergoing a journey to digitising processes, many businesses initially encounter a number of challenges, such as the lack of existing infrastructural support for digital processes, costly implementations across multiple third party vendors and cumbersome vendor management. That being said, HSBC's extensive cash management expertise makes us well-placed to help our customers decisively overcome these challenges and realise their business aspirations in ASEAN, just as we did for this company.

# ASEAN: Transport and Logistics Company

## Bridging the end-to-end digital offering gap with HSBC Omni Collect



Global Liquidity Management



Payables



Receivables  
Omni Collect



Channels



FX



Cards



Service &  
Implementation

### Background & Scope

The company is in the transport and logistics business.

The company is actively spearheading the digitisation of their businesses. As part of this, they had developed an e-commerce portal that provides customers with an online channel to book shipping services and access digital documents.

### Challenges

Poor customer experience

The company had no digital payment solution to allow their clients to complete their online transactions seamlessly.

Closure of service counters

This is especially crucial in the COVID-19 environment, where the ability to offer online payment methods to their clients has become more important than ever.

Challenges in reconciliation

The industry still largely uses traditional modes of collections such as via cheque and cash. Not only does this carry operational and fraud risk, it adds to the complexity of reconciliation, as multiple reports are produced due to the different payment modes.

### The Transformation

HSBC presented the opportunity for the company to leverage on HSBC Omni Collect as an ideal solution that complements the company's end-to-end digital offering.

Besides the ability to streamline reconciliation through the standardised and consolidated reports provided, HSBC's key role was to provide a consolidated regional partnership to the company. This removes the need for the company to manage third party payment service providers in each market that they were implementing the solution in.

Through HSBC's experience in the shipping, transportation and logistics sectors and proactive engagement from local and regional teams, the company felt confident in HSBC's Omni Collect solution.

### Success



Through HSBC Omni Collect solution in the region, the company was able to retain first mover competitive advantage by digitising their collection process, supporting their business growth.



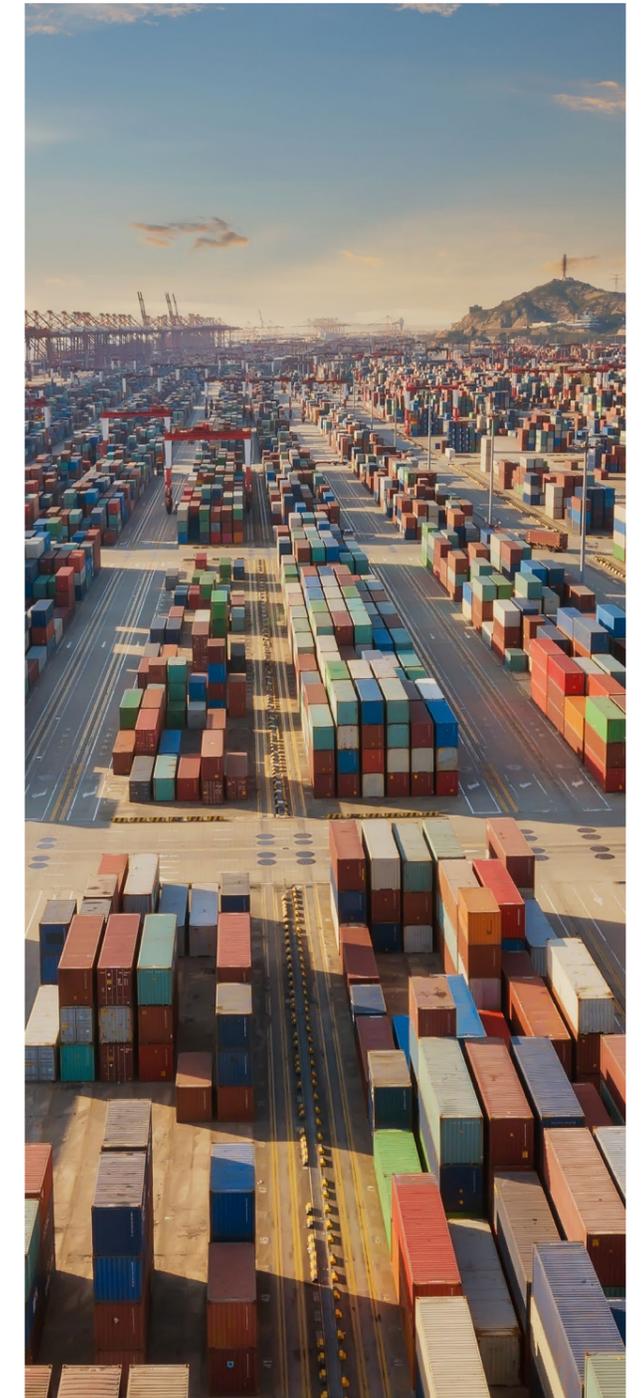
The company was able to simplify reconciliation processes with automated collections and standardised, detailed collection reports.



Reduction in manual payments and operational costs by migrating cash and cheque collections to the digital platform.



The company could enhance their customer payment experience with a 'one-stop' payment solution that provides real-time payment confirmations to the payers.



# Malaysia: Pharmaceutical Company

## Transforming Collections & Working Capital Cycle with Virtual Account Solution & Robotics Process Automation

-  Global Liquidity Management
-  Payables
-  Receivables
-  Virtual Accounts
-  Robotic Process Automation
-  Channels
-  FX
-  Cards
-  Service & Implementation

### Background & Scope

The company is one of the largest distributors of healthcare and pharmaceutical products in Malaysia with a client base ranging from large pharmaceutical companies, government and private hospitals to individual pharmacies and doctors.

In particular to receivables management, the company receives more than 10,000 payments from their customers and matches over 120,000 open Account Receivables (AR) items per month. They were seeking a bank partner who could provide an automated solution addressing their prominent concerns.

### Challenges

The company was manually matching more than 10,000 transactions with 120,000 open AR invoices monthly. There were difficulties in identifying payments made by customers in the bank statement due to the absence of clear assignment information, and lack of notifications from customers.

Customers had a preference to pay via cheque despite efforts to reduce cheques in Malaysia, adding in further complications to the AR reconciliation process.

This resulted in delay of acknowledgement and notification to customers due to the manual back-end process for reconciliation.

### The Transformation

Each customer was pre-assigned with a unique 17-digit Dynamic Virtual Account (VA) number that incorporates their customer number in the company's SAP. The VA number can be created within 24 hours on HSBCnet with flexibility to add as many as desired, making it easier to identify the individual payees against the open AR invoices.

Robotic Process Automation (RPA) identifies payments via VA in the bank statement, which is then matched against AR open invoices using a sophisticated matching algorithm, and posted automatically in SAP. For unmatched payments, the data is aggregated and enriched by RPA and forwarded to the collector in a format that allows for efficient investigation.

Receipts are credited and reflected in the customer's account within a few working hours, while RPA sends automated instant notifications to customers with credited and unmatched payments respectively, enhancing customer experience.

### Company Bank Statement

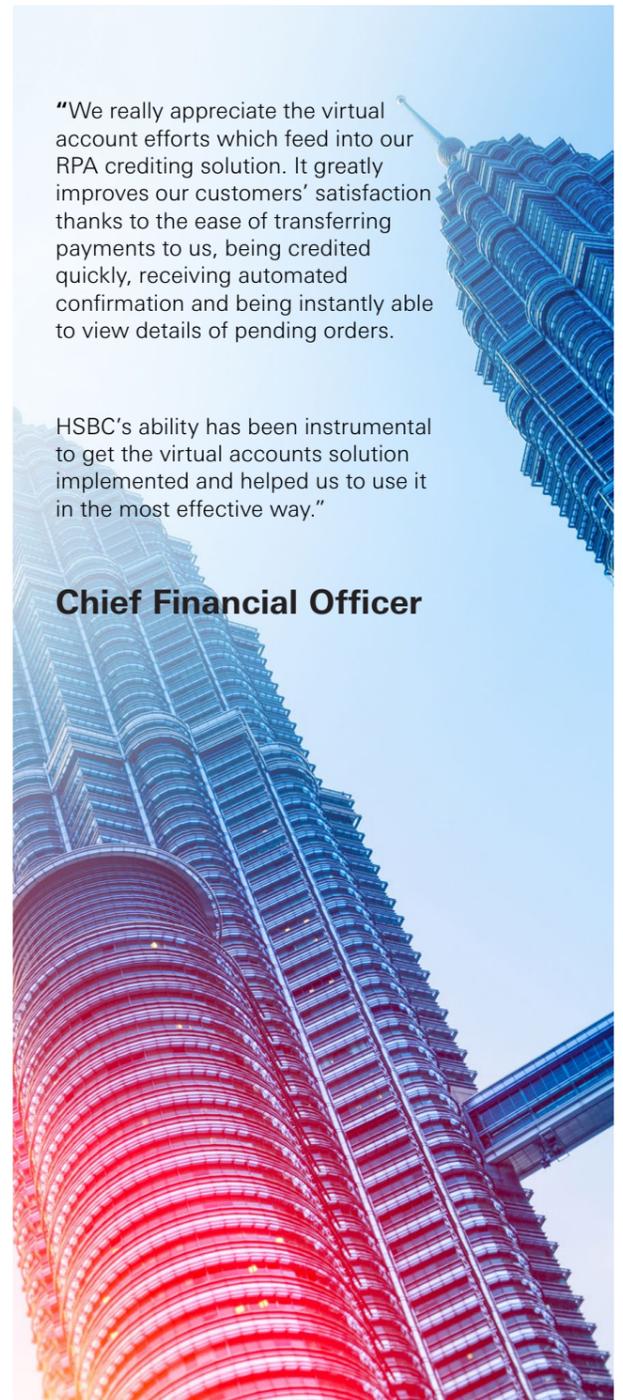
<b>/VA/00422112345678</b>	.....Amount: 10,000.00
<b>/VA/00422112345679</b>	.....Amount: 25,500.00
<b>/VA/00422112345680</b>	.....Amount: 15,500.00

**RPA identifies incoming payment via VA based on the narrative in red, matches the open AR and uploads into the Enterprise Resource Systems**

<b>VA1: 00422112345678</b>	<b>VA2: 00422112345679</b>	<b>VA3: 00422112345680</b>
Payer 1: Hospital A	Payer 2: Pharmacy B	Payer 3: Clinic C
Customer ID: 12345678	Customer ID: 12345679	Customer ID: 12345680

### Success

-  Enhanced customer experience as payments get credited and reflected in their account within a few working hours.
-  Reduction in queries by the customers on account status and orders being put on hold, resulting in improved working capital cycles.
-  Winning combination of dynamic VA with Robotic Process Automation, a fintech solution.
-  Improved accuracy and automation in account crediting and bank reconciliation.
-  Leaner AR and collection process thus allowing the company's treasury team to focus on more productive tasks.



"We really appreciate the virtual account efforts which feed into our RPA crediting solution. It greatly improves our customers' satisfaction thanks to the ease of transferring payments to us, being credited quickly, receiving automated confirmation and being instantly able to view details of pending orders.

HSBC's ability has been instrumental to get the virtual accounts solution implemented and helped us to use it in the most effective way."

**Chief Financial Officer**

# Thailand: International School

## Adapting school fee collections to a digital payment landscape through HSBC's Omni Collect solution

-  Global Liquidity Management
-  Payables
-  Receivables Omni Collect
-  Channels HSBCNet
-  FX
-  Cards
-  Service & Implementation

### Background & Scope

The company is an international school based in Bangkok, Thailand that offers English-language education to primary and high school aged students.

As a result of the Thai government's pursuit of a cashless society through the Thailand 4.0 initiative, digital payment options had become increasingly prevalent in Thailand over the course of the last few years. To adapt to the changing payment landscape in Thailand and to offer added convenience, the company was looking for ways to expand the options through which school fees can be paid.

### Challenges

There was a growing expectation amongst the parents of enrolled students that they would be able to pay for their childrens' school fees through methods such as e-wallets and credit cards. However, the company noted that integrating the systems of multiple third party payment providers into their existing collections process was potentially costly and cumbersome.

As such, the company sought a solution that would provide support for payments via these various payment channels, without necessitating multiple costly and time-consuming integrations with third party payment providers.

### The Transformation

HSBC Omni Collect allows the company to collect school fees through a diverse range of payment methods such as credit cards, bank transfers and e-wallets through a single interface. This eliminated the need for the company to integrate its existing collections processes with multiple third party providers.

HSBC Omni Collect also provides streamlined receivables reconciliation and reporting through its provision of a single, standardised reconciliation report. This report could be sent to the company via email, or downloaded from HSBCnet.

### Success



The solution helped to deliver increased convenience for parents of the company's students through its support for a wider variety of payment options, ultimately helping to improve customer satisfaction.



Through Omni Collect's support for multiple payment channels on a single interface, the company managed to avoid conducting multiple costly, time-consuming integrations with third party payment providers.



The solution also provided ease of reconciliation for the company's treasury team through the provision of a single, standardised reconciliation report.



Altogether, the solution was an innovative, future-proof digital collections solution to help the company adapt to an increasingly digitised payments landscape in Thailand.



# Malaysia: Private Healthcare Provider

## Achieving greater collections efficiency and cash visibility through JomPAY

-  Global Liquidity Management
-  Payables
-  Receivables JomPAY
-  Channels
-  FX
-  Cards
-  Service & Implementation

### Background & Scope

The client is one of the leading private healthcare service providers among ASEAN countries, with a network of specialist hospitals in Malaysia, Indonesia, Thailand and Bangladesh.

In Malaysia, while HSBC is the client's main payment bank, a local bank plays the role of collection bank due to its network.

In line with its emphasis on digitising operations and services, the client embarked on the JomPAY initiative to offer its patients a safe and convenient platform to pay for their in-patient medical bills. These include deposit, top-up and discharges in order to improve back-end services e.g. reconciliation and minimise transaction fees for credit card payments.

### Challenges

The hospitals operated 24 hours daily and received medical bill payments in various forms such as cash, open account payment, credit card and guarantee letter from insurance companies.

While it was common to pay in cash, it troubled the patients as they needed to withdraw large sums of money. It also caused delays at the payment counter while cashiers count the cash and arranged for the bank transfer.

The client incurred high transaction fees with credit card payments and looked to reduce costs as one of their key performance indicators.

The client was also unable to identify payments easily as some transactions were initiated by the next-of-kin or with lack of payment reference. Staff would then need to contact the payer to confirm the identity of the respective patient.

### The Transformation

After several deep-dive dialogues, HSBC developed a thorough understanding of the actual operational issue. With HSBCnet and JomPAY Integrated Receivables Solutions implemented, the finance team gained visibility on their collected funds via detailed settlement report on HSBCnet, as well as real-time transactions notification and reporting from JomPAY.

The healthcare group can now reconcile incoming payments effectively while simplifying the payments process for their patients as well. Patients or next-of-kin can now make payments via JomPAY, including deposit, top-up and discharge fees. Reconciliation for the client is made simpler, thus improving process efficiency and time management, while contributing to better patient management.

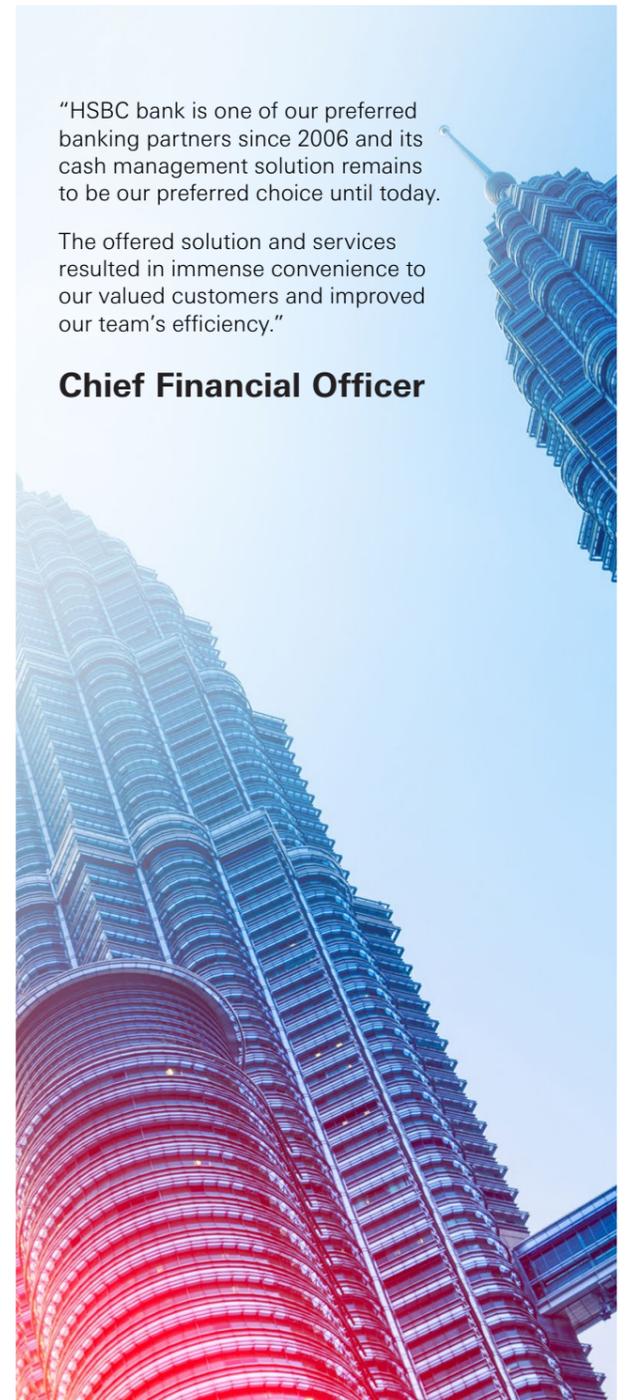
The client successfully rolled out the JomPAY collection solution to 23 hospitals, having greater cash visibility while enjoying the yield optimisation from the current account with HSBC.

### Success

 The client successfully adopted a digital solution that offered the convenience to 2.8 million patients in paying medical bills anytime anywhere, without having to be physically present at the hospitals. Patients who opt for credit card payment via JomPAY also enjoy the extended credit term from the credit card issuer.

 The digital platform significantly streamlined the collection and reconciliation process, with centralised reporting of accounts receivable and enriched payment details. With less cash collections, this led to lower risk of human errors and lower costs of cash handling (storage & security vendors services).

 The client achieved one of their KPIs with an estimated cost savings of 30% from the solution, while having greater visibility on their cash and maximising yield from its current account.



"HSBC bank is one of our preferred banking partners since 2006 and its cash management solution remains to be our preferred choice until today.

The offered solution and services resulted in immense convenience to our valued customers and improved our team's efficiency."

**Chief Financial Officer**

**Stuart Milne**  
CEO,  
HSBC Malaysia

ASEAN remains one of the most optimistic and open regions in the world. As the 3rd largest economy in ASEAN<sup>1</sup> with favourable government policies, well-developed infrastructure and a highly productive, multi-lingual workforce, Malaysia is an ideal hub for businesses looking to expand within the region.

As the leading international bank in Malaysia, HSBC is committed to supporting companies looking to invest in the country. Now more than ever, our leading edge banking technology is enabling our customers to embrace innovation in managing their finances. We believe that those who have adopted digital ways of doing things have been most resilient over the last 6 months and we are here to support our customers on this journey.

However, technology alone is not sufficient. That's why we also believe that our dedicated relationship team is central to ensuring that we are assisting our customers to execute their strategy in the most efficient and sustainable way possible. Whether it is for capital markets financing, managing payments and collections, hedging of FX and interest rate risks or managing supply chains, HSBC is here to help.

We exist to serve our customers and customer service is our passion!

<sup>1</sup>Nikkei Asian Review -Malaysia's GDP accelerates to 4.9% growth, bucking Asian trend - Aug 16, 2019

**Shayan Hazir**  
Head, Global Liquidity and  
Cash Management  
HSBC Malaysia

At HSBC, our approach to cash management is focused on digitising ecosystems and providing a holistic solution to our customers. We believe that we can support you by supporting your customers, and these case studies are a testament to this principle. With our leading expertise in transaction banking, we continue to innovate and invest in our award-winning<sup>1</sup> cash management business in order to unlock vast opportunities for you, your customers and your suppliers.

<sup>1</sup>Euromoney Cash Management Survey 2019 - Best Domestic Cash Manager for Corporates in Malaysia





## Building resilience: Enhancing treasury to grow and support business in an ever-changing region

Corporate treasury has always moved with the needs of business, and the recent rise of new technologies offers ample opportunity to further enable treasury transformation. Digitisation in ASEAN is opening up remarkable opportunities for business, banks and governments alike, making understanding and adopting digital strategies critical to future success and competitiveness. Leading treasurers already recognise this and are taking advantage of new technologies to create efficiencies. Technologies that are driving treasury transformation are artificial intelligence (AI), which allows algorithms to be built into cash forecasting, application programming interfaces (APIs), which allow for instantaneous exchange of information and seamless transaction flows, and robotic process automation (RPA), which enables greater efficiency on treasury processes such as reconciliation. Blockchain technology also has a role to play, with R3's Corda and IBM's Hyperledger Fabric being prominent examples.

### **A trusted banking partner for a more resilient treasury**

By working closely with our treasury customers to understand their needs for the future of treasury management, we have created a variety of tools to help businesses achieve treasury efficiencies through automation, such as Treasury APIs, a sophisticated Liquidity Dashboard, and automated reconciliation tools. Treasury APIs provide simplified, real-time access to our innovative cash management services, while our Liquidity Management Portal delivers end-to-end visibility of your regional balances. Indeed, we are witnessing increased interest in these solutions from treasurers as they look to transform their processes and help their business deliver a superior client experience. Our extensive experience helping businesses remodel treasury operations across the ASEAN region also grants us with the insight needed to help you move towards the future with confidence, and meet your business aspirations.

**Francois de Maricourt**  
President Director,  
PT Bank HSBC Indonesia

HSBC believes that the future of banking is indeed digital. Therefore, we have focused on the development and deployment of our digital banking capabilities. While technological innovation is the key in winning the competition, we need to make sure that the technology offered is aligned with customers' needs in order to make it beneficial for them.

**Herani Hermawan**  
Head, Global Liquidity and  
Cash Management  
HSBC Indonesia

With the uncertainty in market economics, coupled with Covid-19 and the unstable geo-political situation, we need to ensure the business can still grow sustainably. Revenue diversification beyond Hong Kong SAR, mainland China and India is crucial, and ASEAN, as a fast growing region in Asia, plays an important role as the next growth engine for the bank. Bringing the right type of innovative digital solution to our customers' doorsteps and maintaining a high quality of service excellence remain our key principles to capture business opportunities in ASEAN.



## Indonesia: Apparel Retailer

Supporting business growth in Indonesia through HSBC's branch network and suite of cash management solutions



Global Liquidity Management



Payables



Receivables Virtual Accounts



Channels Host-to-host MT940



FX



Cards



Service & Implementation

### Background & Scope

The company is a global apparel retailer. They currently operate 30+ stores across Indonesia in 15 cities, and are one of the fastest growing retail chains in the market today.

As a result of their explosive growth, the company began to encounter some inefficiencies in their cash management processes, particularly in the area of accounts receivable (AR) reconciliation. This compelled them to seek a banking solution that could adequately support their continued expansion in Indonesia.

### Challenges

The growth of the company's retail presence resulted in them holding accounts with multiple banks to help facilitate cash deposits from stores in various Indonesian cities. However, this decentralised account structure resulted in problems identifying collections. This was due to the fact that multiple banking platforms had to be used to view and manage balances, and collections reports were sent in unstandardised formats by different banks.

Additionally, reference details also had to be manually input by bank tellers at some banks. This resulted in challenges in reconciliation from missing information if the teller did not key in the necessary details.

### The Transformation

HSBC provided a solution that leveraged our range of cash management solutions and comprehensive presence in Indonesia. HSBC was named the company's sole collections partner in Indonesia because of our coverage that spans across 86 branches in 29 cities. This not only matches the company's current footprint, but supports potential future expansion to other cities as well.

To improve the collections process, unique Virtual Account (VA) numbers were assigned to each store, which are linked to a single bank account. VA numbers are quoted by employees when depositing cash at HSBC branches. HSBC's tellers then make remittances to the quoted number, and funds are credited to the linked bank account. VA numbers are automatically captured and reflected alongside remittance information on MT940 reports sent to the company, which help to easily identify deposits against stores. Using VA also negated the need for physical accounts to be opened for each store, allowing the company to rationalise their collections account structure to a single physical account. The company now deposits sales proceeds exclusively at designated HSBC branches, standardising cash collection processes across all locations.

Host-to-host connectivity with HSBC was also established to allow the company to make payments through their enterprise resource planning (ERP) system once funds were credited to their collections account, further improving the efficiency of the cash management process.

### Success



The VA solution rationalised the company's collections account structure from multiple accounts held with multiple banks to a single physical account held with HSBC. This provided greater ease of account management, along with cost savings from the reduced number of physical accounts.



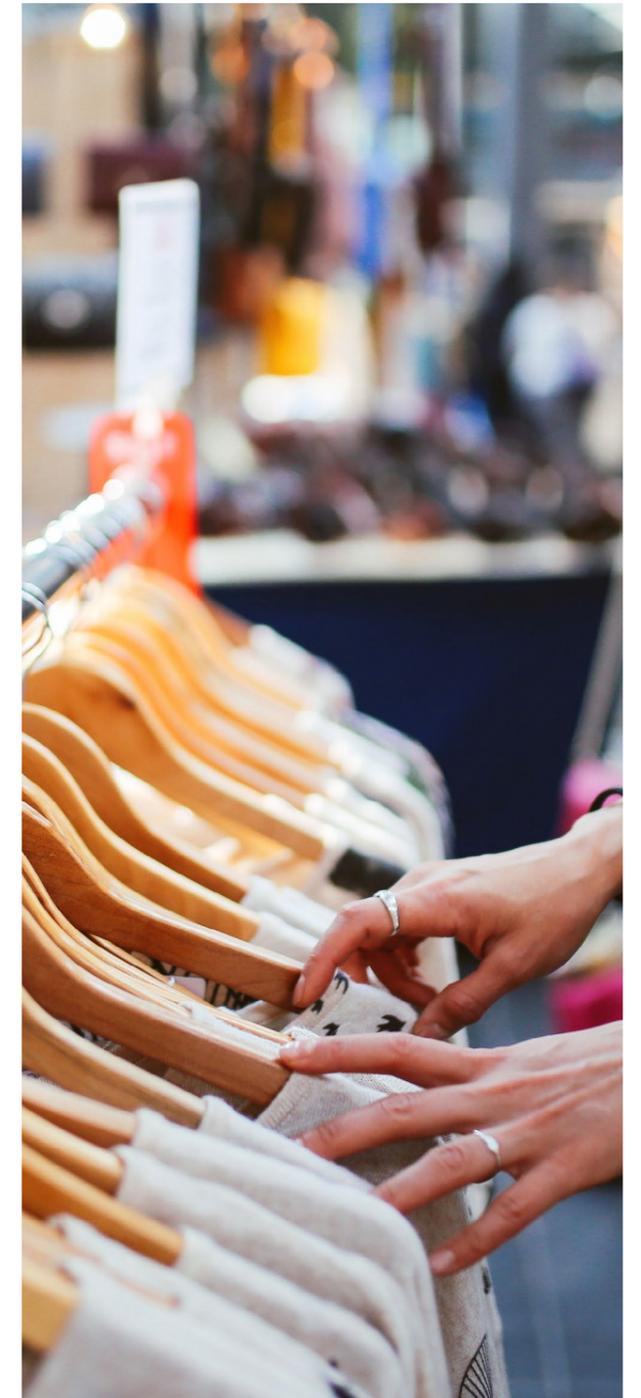
Through VA, payer and remittance information is automatically captured and reflected on standardised MT940 reports to provide greater ease of AR reconciliation. This has significantly improved the company's turnaround time on cash collections reconciliation, and has provided 100% visibility on all cash deposits.



The solution is scalable and can support future business growth, as the company can simply generate VA numbers for each new store that they open.



HSBC's extensive branch network and range of innovative cash management solutions leaves us well-positioned to support operational needs for corporates looking to expand their operations in the Indonesian market.



# Philippines: Pharmaceutical Company

## Optimising treasury functions in the Philippines by centralising visibility and management of accounts to a single bank

-  Global Liquidity Management
-  Payables
-  Receivables
-  Channels  
HSBCnet  
HSBC Connect
-  FX
-  Cards
-  Service & Implementation

### Background & Scope

The company is a global provider of pharmaceutical products and healthcare technology. They specialise in the production of anti-viral treatment methods and vaccines.

On a global level, the company had completed a number of mergers and acquisitions over the past few years. One of these was in the Philippines, which resulted in a proliferation of bank accounts and relationships involved in managing the company's in-country liquidity positions. This created a number of operational inefficiencies for the company's treasury team.

### Challenges

The company's acquisition of a number of entities in the Philippines resulted in a fragmented, decentralised account structure.

Accounts belonging to these entities were held with other banks, which meant that multiple banking platforms were used to view and manage liquidity. This was administratively taxing for treasury staff, who also had poor visibility on overall liquidity positions.

Additional problems were observed from a lack of standardisation on payments and collections process and reporting across bank platforms.

### The Transformation

The company decided to rationalise their banking relationships, and HSBC was named their cash management bank for all payments and collections in the Philippines. HSBC worked with the company to streamline account structure to be managed centrally via HSBCnet, the bank's online banking portal.

The new account structure in the Philippines was included as part of a regional payment factory domiciled in Malaysia. Common payments and collections functions were conducted out of this payment factory, allowing the company to respond agilely to deploy liquidity to meet the business needs of its entities. To support this, HSBC Connect host-to-host (H2H) connectivity was established beforehand between the company's enterprise resource planning (ERP) system and HSBC. The H2H connection allowed the company to upload payment instructions directly via their ERP, which are straight-through-processed by HSBC, and reported back to the company's ERP via MT940 for easy reconciliation.

Altogether, this helped to achieve greater standardisation on payments and collections processes and reporting, along with optimised liquidity use.

### Success



Greater standardisation on processes and reporting by centralising payments and collections to a single banking relationship, enabling greater operational efficiency and ease of reconciliation.



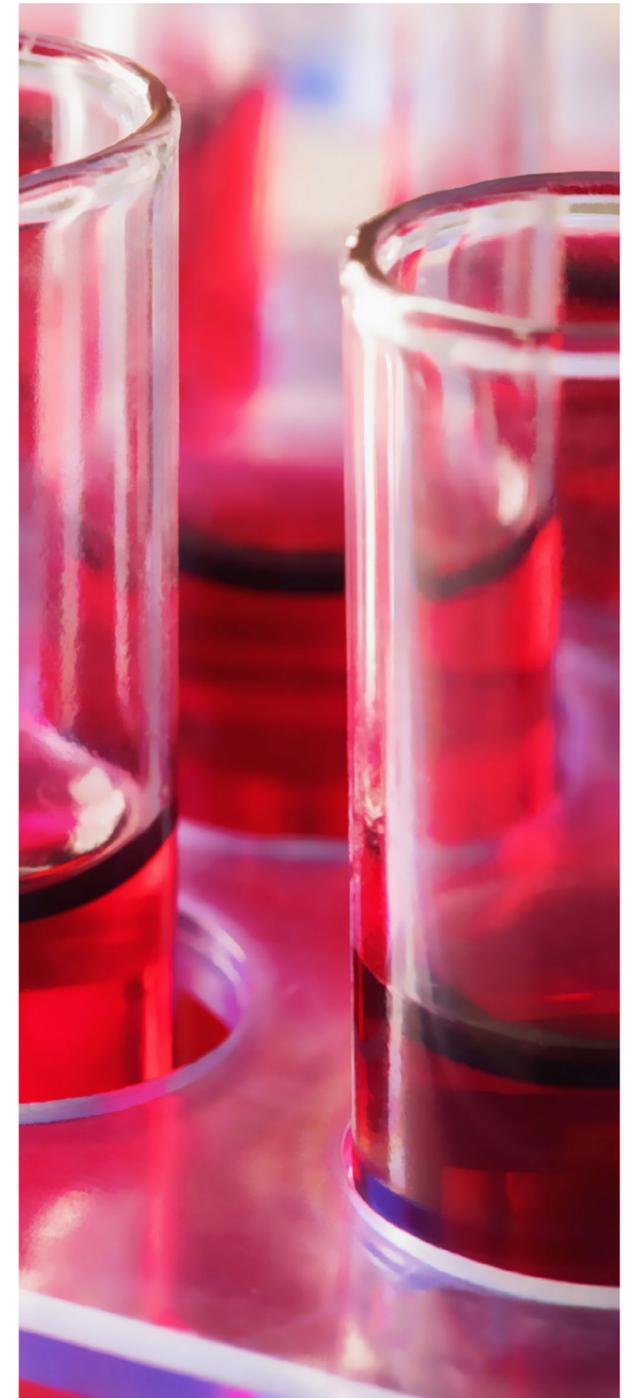
Increased visibility on overall liquidity positions by centralising accounts allowing for more optimised deployment of liquidity to meet business needs.



The solution also achieved greater cost efficiency for the company, as it managed to reduce banking fees by a factor of 60%.



Increased straight-through-processing rates on transactions allows for more rapid deployment of working capital, resulting in a more agile, adaptable business.



## Singapore: Professional Services Firm

Facilitating ease of reconciliation while ensuring company controls are adhered to using HSBC's Corporate Card programme



Global Liquidity Management



Payables



Receivables



Channels



FX



Cards



Service & Implementation

### Background & Scope

The company is a multinational professional services network with consultants traveling to client sites on a regular basis.

Each consultant held on to individual personal cards and were reimbursed on project expenses by providing paper receipts to their human resources department.

Amid COVID-19, the company recognised that the institution of a corporate card programme would help to automate consultant expense processes without system investment or integration. They were particularly looking at Mastercard due to the extensive amount of merchants that accepted payments via this method.

### Challenges

The manual submission of receipts and personal credit card statements for each claim resulted in difficulties in reconciliation. The company were also mindful of the risks stemming from their employees being liable for their own cards.

They also lack the control to restrict the threshold amount of spend based on merchants and industry, which was not compliant with internal company policy. In terms of setting card level limits, it is the company's policy to block certain industry and merchant codes.

Reconciling and feeding data back into their customised SAP also proved to be laborious and time consuming as manual entry is involved.

### The Transformation

HSBC's Corporate Card programme allows the company to assign an individual credit card to each project for consultants to use when making payments. This allows the company's staff to differentiate between projects by referring to the unique card number assigned to each project. This facilitated greater ease of identifying and reconciling receipts with card payments, enabling quicker turnaround time on reimbursements.

Through MiVision, HSBC's proprietary card management portal, reports and information can be generated for the company's specific needs. Programme administrators are able to monitor cardholder spending 24/7 and gain timely insights to ensure programme compliance and monitor success metrics.

In line with the company's expense policy, the programme provided added security by restricting transactions at specific merchants and merchant category codes. The programme also gives the company the capability to cash withdrawal at the cardholder levels, which greatly addressed the company's challenges and helped to better monitor expenses.

### Success



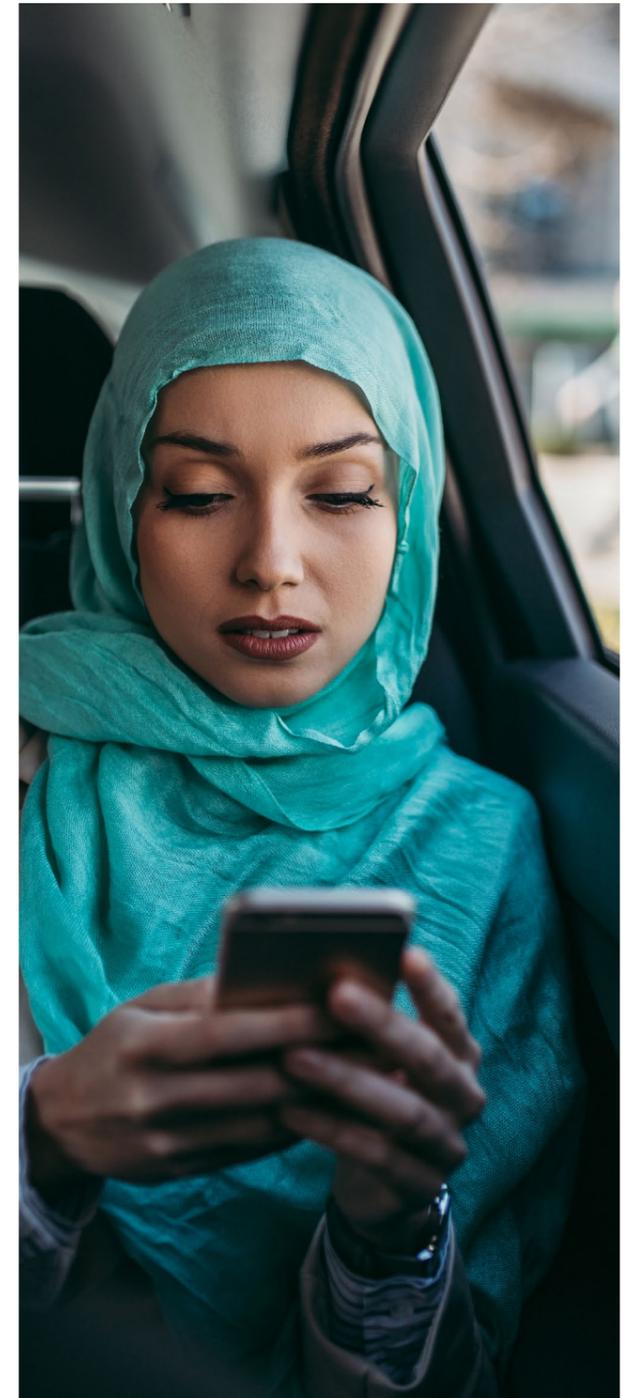
The company's projects are now differentiated by a unique card number, making payment reconciliation faster and easier.



With the added reporting visibility provided by MiVision and the digitised expense process, the company's resources were freed up from manual operations and reallocated to a more effective monitoring of employee spending.



MiVision allows the company to put in place controls that are in accordance with the company's internal policy, greatly achieving the company's goals.



# Thailand: Fast Moving Consumer Goods Company

## Establishing a domestic THB cash concentration structure to enable easier and more efficient liquidity management practices

-  Global Liquidity Management Liquidity Management Portal
-  Payables
-  Receivables
-  Channels  
HSBCnet  
HSBCnet Mobile
-  FX
-  Cards
-  Service & Implementation

### Background & Scope

The company is a global producer of fast moving consumer goods. They offer a wide array of food, home, and personal products across a number of notable brand lines.

In Thailand, the company was undergoing a restructuring of its operations. The company took the opportunity to correspondingly review and restructure the bank accounts of their entities in Thailand. This was in order to realise more efficient and convenient liquidity management practises and optimise their use of liquidity under the new operating structure.

### Challenges

The company's current liquidity management processes were characterised by heavy usage of manual efforts to move and manage funds as part of intercompany lending practices. Overall cash balances in Thailand were also manually calculated by the company, which took a significant amount of time and effort to do. This in turn took away time for the company's employees to perform other tasks.

The company's balances were also scattered across accounts, which resulted in lower-tier interest rates were applied to their THB balances as tier thresholds were not met. This compelled them to seek ways of maximising returns on their THB liquidity by pooling overall account balances to attain higher interest rates.

### The Transformation

HSBC put together a domestic THB cash concentration structure in order to help the company meet business demands. The cash concentration structure automatically swept funds from participating accounts to a header account held with HSBC Thailand. HSBC provided an enhanced interest rate for funds swept to this header account, allowing the company to enjoy higher interest yields from their THB liquidity.

The cash concentration structure automated the movement of funds according to instructions that the company set in the Global Liquidity Solutions (GLS) self-servicing tool on HSBC's Liquidity Management Portal (LMP), which is accessible via HSBCnet. Instructions and parameters could be amended by the company at any time on the LMP to suit their business needs. Balances and interest returns on intercompany loans were also automatically calculated and reflected on an intercompany solutions (ICS) report provided by the LMP. Altogether, this helped to automate the management and calculation of the company's liquidity. Recently, LMP access via HSBCnet Mobile has been established to allow the company to manage or amend liquidity structures on the go.

### Success



The combination of the consolidated account balance in the company's header account along with the enhanced interest rate provided by HSBC, allowed the company to enjoy greater yields on account balances.



The solution also significantly reduced the manual effort that was spent on calculating account balances and returns on intercompany lending interest. This is estimated to have saved the company 48 hours a year.



More agile and robust liquidity management processes. The GLS self-service tool on HSBC's LMP provides the company with a simple and convenient method of amending their liquidity structures to suit business needs.



Access to LMP via HSBCnet Mobile now grants the company's staff more freedom and flexibility in where and when they are able to view, manage, or amend liquidity positions.



**Kelvin Tan**  
CEO,  
HSBC Thailand

HSBC is at the forefront of digital innovation for corporates and is committed to delivering customers' banking experience simpler, faster and more secure

**Jonathan Teh**  
Head, Global Liquidity and  
Cash Management  
HSBC Thailand

In today's era of volatility, companies have to evolve and embrace digital adoption. New payment technologies such as PromptPay, QR Payments, Omni-channel collections and mobile platforms are growing at an exponential rate. We believe there is a tremendous opportunity ahead of us to deliver cash management solutions that focuses on the user journey and customer experience.





## Towards a paperless society

It may come as a surprise, but despite a rise in electronic payment alternatives in the region, paper based payments are still dominant across several markets in ASEAN, where cash and cheques contribute to a majority share of overall payment volumes. For decades, businesses have become accustomed to the ease-of-use and universal acceptance of cash and cheques. Yet, the charges associated with manually sending and processing them can add up.

However, the payments landscape and customer behaviour is showing a shift to digital channels, especially with the emergence of instant payments systems. This is also driven by businesses responding to demands for faster settlement times, and an overall superior customer experience that is offered by digital payments. Furthermore, various regulators across the region have embarked on the paperless drive, and are actively encouraging businesses to make greater use of local digital payment systems and infrastructure to enable more simplified processes.

### Checking out on cheques and cash

As real-time digital payments are poised to continue rapidly replacing cash and paper-based transactions across ASEAN, HSBC recognises the importance that real-time payments will have in defining the future of transactions. Hence, we are already connected to many of these schemes across the ASEAN region and beyond.

To further support the drive towards a paperless future, HSBC offers a holistic digital payments proposition across ASEAN, which encompasses real-time payments, our e-statutory and customs payment proposition, and corporate card solutions which can be customised to serve the needs of our customers.

**Graham FitzGerald**  
CEO,  
HSBC Philippines

The Philippines remains to be a key corridor within the ASEAN region and presents a number of investment opportunities for consumer staples, telecoms, healthcare, utilities, logistics, information technology, business process outsourcing and critical infrastructure. Likewise, there are a number of successful Filipino companies that are expanding their footprint across the ASEAN region, leveraging on their core strengths as they pursue new businesses growth opportunities in other markets.

HSBC continues to help build supply chain ecosystems and promote business activity within ASEAN by supporting companies who are diversifying their businesses and supply chains into ASEAN countries, specifically those that may see The Philippines as desired location for expansion. It is our priority to connect our customers to business opportunities within and beyond the ASEAN region, while providing unwavering support from our local, regional, and global coverage teams as well as from our products / services experts.

**Arthur Tanseco**  
Head, Global Liquidity and  
Cash Management  
HSBC Philippines

The Philippines presents a unique banking landscape that requires a partner that understands its nuances and can help navigate through the complexities.

We collaborate with our customers, whilst working closely with regulators and industry stakeholders, advocating change and enabling transformation that allow further expansion and integration with the ASEAN region, through sharing of best practices and delivery of digital solutions.

# Philippines: Professional Services Company

## Supporting digital initiatives in the Philippines by migrating a major professional services company's employee payments to PESONet

-  Global Liquidity Management
-  Payables PESONet
-  Receivables
-  Channels HSBC Connect
-  FX
-  Cards
-  Service & Implementation

### Background & Scope

The company is a global professional services company that specialises in strategic and technological consulting.

The company had launched a global initiative to move all handling and processing of all employee-related payments such as payroll, and travel & entertainment (T&E) reimbursements to a standardised global platform. This was in order to achieve greater operational and cost efficiencies. This naturally had implications on the company's operations in the Philippines, as it necessitated a reworking of their payments processes in order to support this initiative.

### Challenges

In the Philippines, the company's employee payments were being handled via a bilateral agreement with a local bank. Maintaining this agreement had gotten costly due to pricing hikes that the local bank had applied for its services. The local bank's systems had also experienced repeated outages, which meant that employees did not always receive payments on time. This compelled the company to seek a banking partner that was capable of handling a large volume of payments on a regular basis.

Under the agreement, employees were also unable to nominate a bank account of their choice to receive payments in, which caused them further inconvenience.

### The Transformation

With support from the company's regional and global management teams as well as HSBC's teams in ASEAN, we convinced the company's Philippines entity to shift from their existing arrangement to a bank agnostic solution that allows employees to nominate their own bank accounts to receive payments. This was part of a global solution to standardise employee payments across the company's global sites with HSBC. Strong collaboration was required to get the company to be an industry mover by using the PESONet clearing system as a means of fund transfer to employees. Through the new process, the company uploads payment files through their enterprise resource planning system, which are received by HSBC through a host-to-host connection. Payment instructions are straight-through-processed and disbursed via PESONet as ACH payments to bank accounts nominated by employees.

This was a first of its kind solution across all industries in view of the high transaction volume being coursed through the PESONet clearing system by a company from the private sector, and can be considered HSBC's contribution to advancing the digital agenda in the Philippines. Through these collaborative efforts, we also achieved standardisation of processes across the company's sites based on their Head Office's articulated objective in relation to the processing of employee related payments.

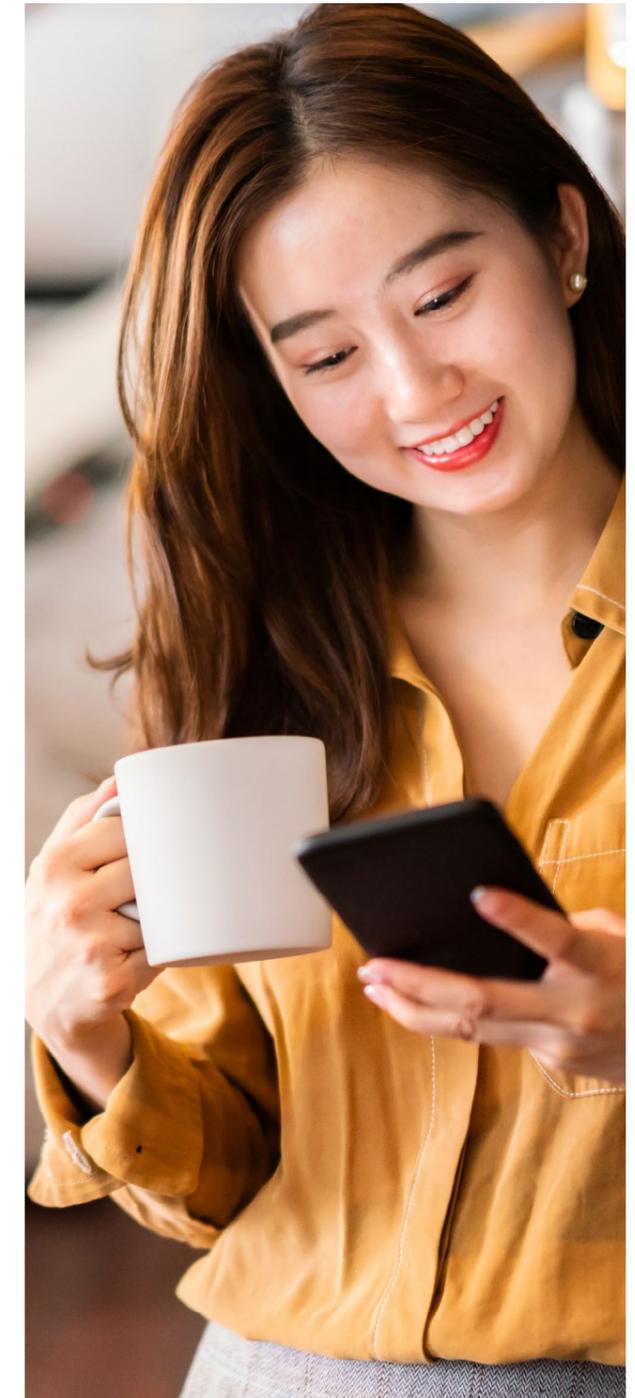
### Success

 HSBC now helps the company make an estimated 38,000 transactions a day via the PESONet solution, making the company one of the platform's largest daily users from the private sector. This helped to show the viability of using PESONet to facilitate large payment volumes for corporates, and is a landmark achievement in the digitalisation journey of the Philippines.

 Close collaboration between HSBC teams in the Philippines and other global sites helped to ensure consistency in processes across all involved markets, helping the company realise the standardised global platform for employee payments it envisioned.

 The solution also helps to achieve greater cost efficiency and service consistency through HSBC's ability to handle large payment volumes, and the lower transaction fees associated with ACH payments.

 Increased quality of life for employees, as they can now receive their salary and T&E reimbursements in a bank account of their choice.



## Thailand: International Shipping Company

Leveraging innovations in Thailand's real-time payment system to help digitise bill collections in a traditionally paper-intensive industry



Global Liquidity Management



Payables



Receivables  
Bill Payment  
PromptPay  
QR Code Collections



Channels



FX



Cards



Service & Implementation

### Background & Scope

The company is a major player in the container shipping industry. Their operations are mostly centered on the Asia Pacific region, where they serve a large variety of clientele. Customers range from large multinational corporations, to smaller enterprises and retail customers. These customers pay customs or shipping fees at the company's counters in order to receive goods that are imported via the company's services.

The company was receiving a large volume of bill payments from customers through varying payment channels. This resulted in challenges in accounts receivable (AR) reconciliation. The company was thus looking for a more standardised collection channel in order to streamline reconciliation efforts.

### Challenges

Unstandardised collection methods

The diverse range of the company's clientele resulted in a similarly diverse range of payment instruments being used to pay bills issued by the company for their services. Due to the scale of the company's operations, this also meant that these payments were rather sizeable in terms of volume.

Operational risks from paper payments

In Thailand in particular, the company's customers generally preferred to make bill payments at counters via paper instruments such as cash or cheque. This necessitated the manual handling of payment instruments, which posed greater operational risk stemming from fraud or physical loss. The company thus wanted to digitise collections in order to help reduce these risks.

### The Transformation

In order to enable the desired standardised digital collections process that was sought by the company, HSBC offered Bill Payment PromptPay support along with a QR standee. The company registered for Bill Payment PromptPay service by simply providing their corporate tax ID along with a two digit suffix, which served as their Biller Code. Upon the company's registration, HSBC then uses the provided information to generate a static QR code that could be displayed on-site at the company's counters on signage or standees. As the company's account information is embedded in the QR code, customers no longer have to bring paper instruments or manually input bank information to make bill payments. They simply scan and pay via PromptPay, Thailand's real-time payment network, which allowed the company to receive funds through standardised electronic means almost instantaneously.

Additionally, as PromptPay allowed customers to key in payment references alongside their payments, the company could now also classify collections into groups, which was a further help to reconciliation.

### Success



The company now receives 60% of its bill payments via the Bill Payment PromptPay QR code solution. This has significantly reduced the amount of paper receivables being handled, reducing operational risks.



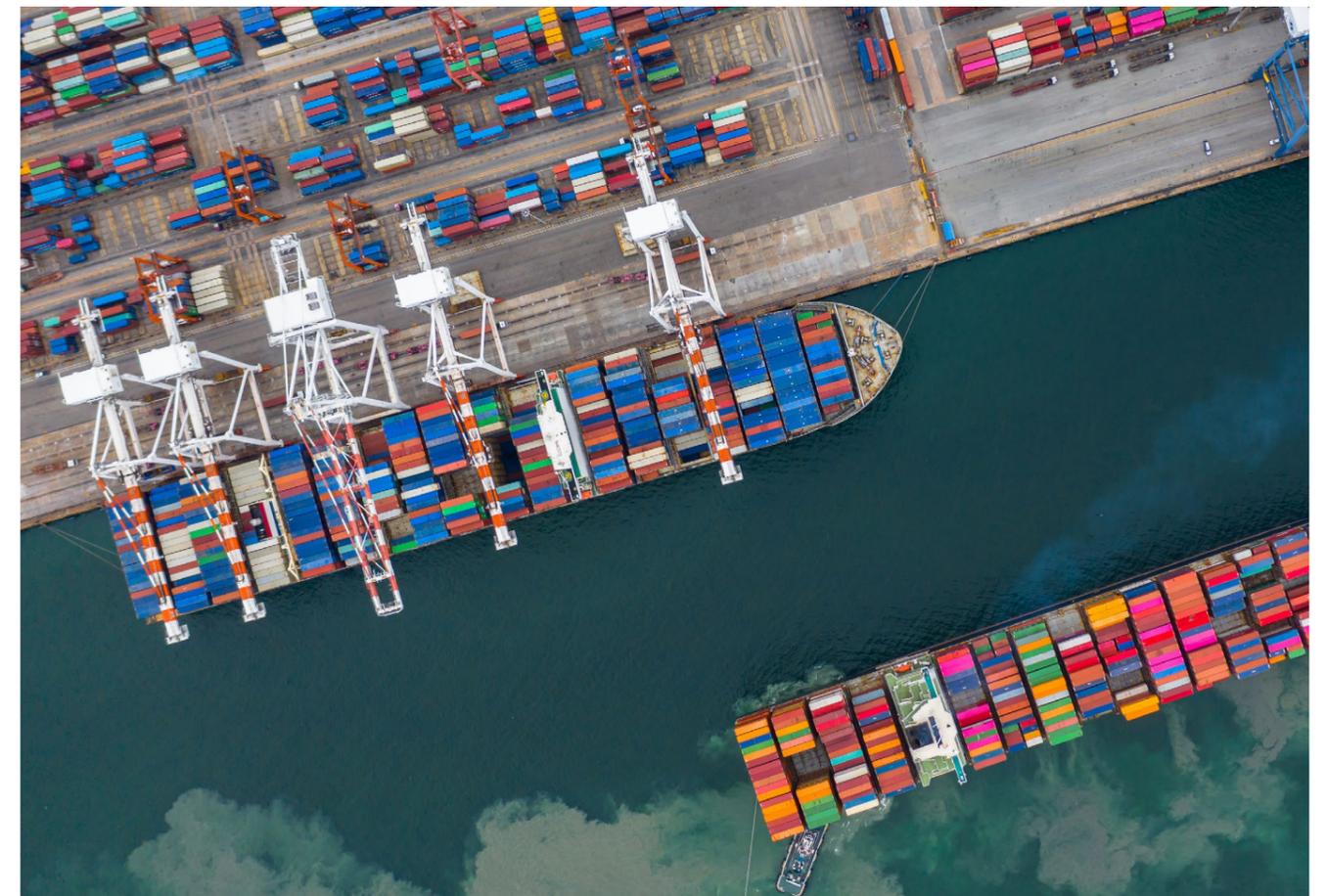
The company now receives funds from customers in real-time instead of waiting for cash or cheques to be deposited or traditional bill payments to be processed. This leads to improved working capital management processes.



Reconciliation processes for the company's AR team are now significantly streamlined due to reference details being embedded in QR code transactions in a standardised format.



The lower levels of paper receivables being collected by the company following the implementation of the solution also allowed it to rationalise its account structure by closing accounts that were previously needed for cash deposits.



## Vietnam: Real Estate Developer

### Centralising and digitising payments through HSBC Connect host-to-host (H2H) connectivity



Global Liquidity  
Management



Payables



Receivables



Channels  
HSBC Connect  
MT940



FX



Cards



Service &  
Implementation  
Business  
Continuity

#### Background & Scope

The company is a commercial and residential real estate developer. Their property portfolio consists of multiple office, residential and retail projects in Vietnam.

As a real estate developer, part of the company's operations involves the construction of properties. This necessitated a number of payments to suppliers and vendors for things such as construction materials. Over time, the company came to observe a number of inefficiencies with their payments processes in Vietnam, which compelled them to seek a solution that would grant greater operational efficiency on payments.

#### Challenges

To make payments, the company relied heavily on paper-based payment instruments. These had to be manually prepared, handled and sent, which resulted in both significant administrative burden for the company's employees, along with increased operational risk from fraud or loss of instruments. This compelled them to digitise their payments process, which they partially addressed by implementing a new enterprise resource planning (ERP) system. They sought a solution that could leverage on the capabilities of their new ERP system to further digitise payments processes.

The company also noted that they were using various banking partners in order to make these payments. Over time, this resulted in cumbersome account management processes and overall lack of centralised visibility on cash positions.

#### The Transformation

HSBC worked with the company to devise a solution centered on HSBC Connect host-to-host (H2H) connectivity. Firstly, bank accounts belonging to a number of the company's Vietnamese entities were migrated to HSBC to centralise account management. After this, H2H connectivity was established between the company's ERP system and HSBC. As a result of this, the company gained centralised visibility on accounts and could now create payment instruction files on their ERP system, which are sent directly to HSBC via the H2H connection. Payments are automatically straight-through processed by HSBC upon receipt, and automatically reported directly to the company's ERP system via MT940 for reconciliation.

The disruption resulting from the COVID-19 pandemic had repercussions on the documentation process during implementation. Particularly, the mandatory home working orders that were instituted meant that the company was unable to gain the approvals needed to open new accounts via usual practices. HSBC worked diligently to help the company adapt which included granting exceptions to allow the company to sign necessary documentation remotely via email.

#### Success



The H2H solution completely eliminated the need to use paper payments for the entities involved in the H2H solution, reducing administrative burden and operational risk. Payments for the entities involved in the solution are now also 100% straight-through-processed.



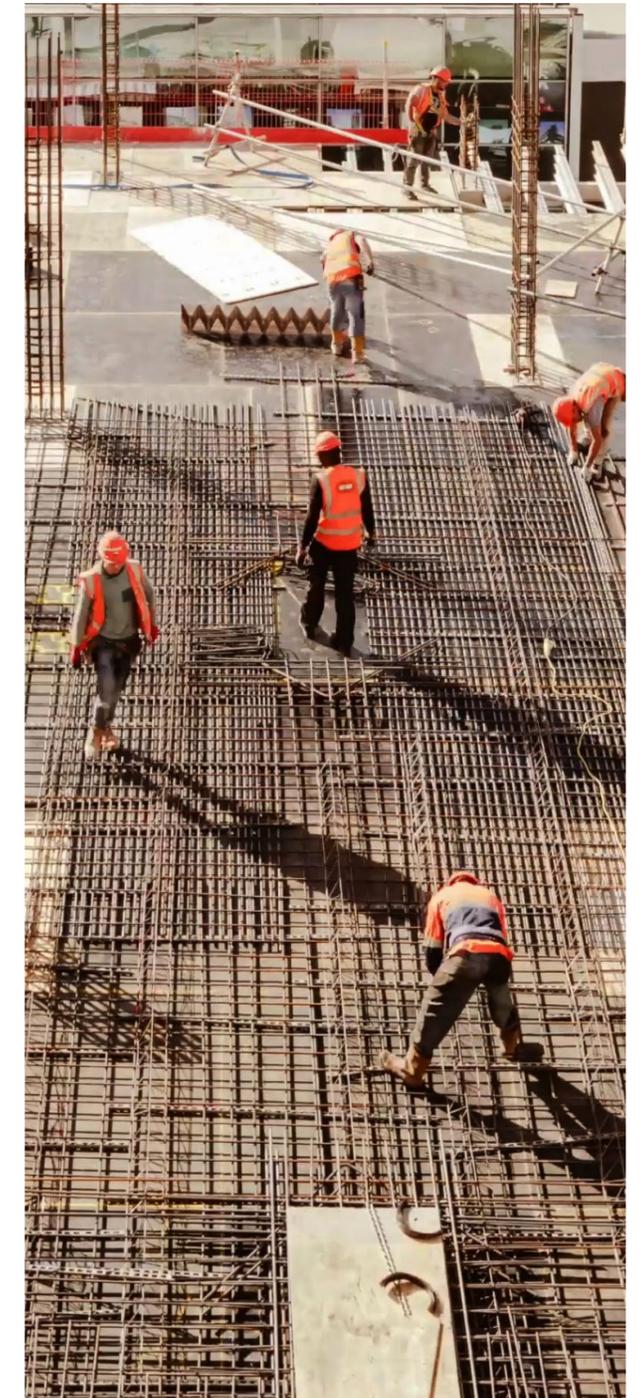
The solution allowed the company to rationalise the number of bank accounts it held in Vietnam by centralising most of their entities' payment accounts with HSBC. This enabled more efficient account management processes and more centralised visibility on cash positions.



H2H connectivity allows the company to leverage the capabilities of its new ERP system as desired.



The experience and expertise of HSBC's Client Management team helped to mitigate challenges in implementation through difficult business environments such as COVID-19.



**Tim Evans**  
CEO,  
HSBC Vietnam

The world's eyes are becoming increasingly focused on Vietnam, which has become one of the most exciting markets in ASEAN over recent years. The increasingly business-friendly environment, ongoing improvements in infrastructure, and the cost-competitive labour pool have all combined to successfully entice more organisations to establish or expand their footprint in the market, and we expect this momentum to only continue as Vietnam builds on its growing role in global supply chains. This has had a knock-on effect on local consumption, with increasing demand from Vietnam's burgeoning urban middle class leaving resulting in increased opportunities. It only makes sense to ensure that our capabilities can meet the demands that come with such dynamic economic growth. It is not just about future-proofing our customers, but also about future-proofing ourselves as we look to ensure that the growing needs of our customers are continuously met in the face of rapid change.

**Hanh Nguyen**  
Head, Global Liquidity and  
Cash Management  
HSBC Vietnam

It is no secret that Vietnam has become an increasingly attractive place to do business. As such, it is only natural that companies and consumers alike will also come to expect that they will be able to transact the same way that their counterparts elsewhere in the world do. Thus, we don't just see digitisation as an opportunity to make processes faster and more secure for our customers, or an opportunity to help future-proof businesses for a more digital future. Developing stronger digital capabilities will also help us provide a greater level of standardisation with processes in other markets of operation. Indeed, one of HSBC's most significant advantages is our ability to provide a globally-standardised digital cash management proposition. This allows us to deliver greater convenience to our customers through process standardisation, allowing customers to grow their business in Vietnam, or out of Vietnam with ease.

## Beyond a digital treasury - Process improvement through enriching analytics

While businesses look to adopt digital modes of payments and collections, the quality of data being captured still remains a challenge for treasurers. Consequently, treasurers and finance managers are seeking real-time visibility on transaction status, as well as incoming payment traffic to run detailed transaction analysis to reduce payment terms, accelerate collections and consolidate number of collection points. As such, enriching analytics is not just about making more data available per se, but making the right data accessible in a usable format in the hour of need.

### Zeroing in on enhancing data

At HSBC, we believe that efficient, effective and adaptive treasury management plays a vital role in the success of firms of all sizes, across all industries. The same technologies that are enabling business growth - from artificial intelligence and machine learning, to cloud-based services, big data and advanced data analytics - are also poised to enable treasury transformation. As such, HSBC stands committed to working with customers to understand their challenges around data management to help them make proactive treasury decisions. We have harnessed the latest technology to deliver highly enriched data to businesses through market leading tools such as DART (Digital Account Receivable Tool), which allows for invoice-level receivables advising, the Cash Flow Forecasting tool, which grants better predictability of cash flows, the Liquidity Management Portal, which provides automated reporting on the cash positions of your entities, and SWIFT GPI on HSBCnet, which enables more detailed payment tracking.



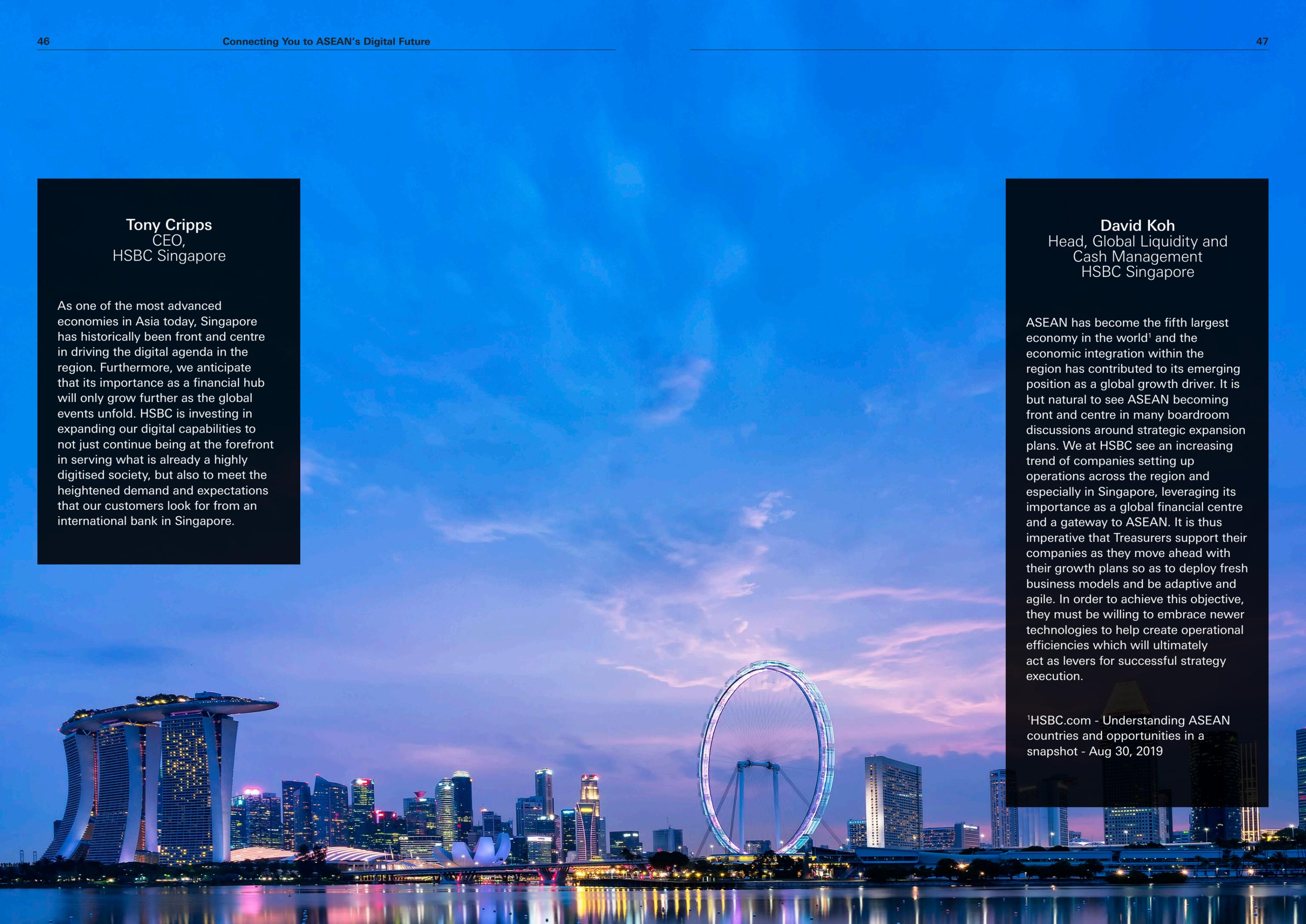
**Tony Cripps**  
CEO,  
HSBC Singapore

As one of the most advanced economies in Asia today, Singapore has historically been front and centre in driving the digital agenda in the region. Furthermore, we anticipate that its importance as a financial hub will only grow further as the global events unfold. HSBC is investing in expanding our digital capabilities to not just continue being at the forefront in serving what is already a highly digitised society, but also to meet the heightened demand and expectations that our customers look for from an international bank in Singapore.

**David Koh**  
Head, Global Liquidity and  
Cash Management  
HSBC Singapore

ASEAN has become the fifth largest economy in the world<sup>1</sup> and the economic integration within the region has contributed to its emerging position as a global growth driver. It is but natural to see ASEAN becoming front and centre in many boardroom discussions around strategic expansion plans. We at HSBC see an increasing trend of companies setting up operations across the region and especially in Singapore, leveraging its importance as a global financial centre and a gateway to ASEAN. It is thus imperative that Treasurers support their companies as they move ahead with their growth plans so as to deploy fresh business models and be adaptive and agile. In order to achieve this objective, they must be willing to embrace newer technologies to help create operational efficiencies which will ultimately act as levers for successful strategy execution.

<sup>1</sup>HSBC.com - Understanding ASEAN countries and opportunities in a snapshot - Aug 30, 2019



## Singapore: Securities Trading Firm

Making client funds available for instant investment with Virtual Accounts (VA) Payer ID and automating reconciliation with enhanced MT910 messaging



Global Liquidity Management



Payables



Receivables Virtual Accounts



Channels SWIFT



FX



Cards



Service & Implementation

### Background & Scope

The company is a broker that provides online trading and investment services to investors across a range of securities and market instruments.

Investors in Asia Pacific were making an increasing amount of payments to their investment accounts through the instant payment systems that had recently launched in those jurisdictions. As a result, there was a growing expectation amongst investors that funds transferred through these instant payment systems would be made available immediately. This compelled the company to seek ways of expediting their receivables reconciliation.

### Challenges

A major outstanding issue stemmed from the fact that the company was not always able to identify the origin of incoming funds. Even though the company received real-time remittance information via SWIFT MT910 messages, transferred funds could not be automatically applied to individual investor investment accounts if their client ID was not quoted on the payment reference field.

In the event of this, the company would have to manually reconcile funds to their respective investment accounts, leading to delays. This meant that the funds would not be immediately available for investment as desired, leading to a poorer customer experience.

### The Transformation

The solution devised by HSBC for the company combined the use of Virtual Accounts (VA) Payer ID with the provision of enhanced MT910 messages. The company chose to first make this solution available for its investors in Singapore. Firstly, the company's investors were provided with unique VA numbers, which they could quote to remit funds to. When remitted to the VA, transferred funds were reconciled automatically and subsequently credited to the investor's investment account. As a result, funds were now applied to accounts in less than 30 seconds, allowing the company to meet the demand from investors for near-instant availability of funds.

Additionally, the company's MT910 messages now contained full remitter details, as well as the VA number for incoming cross-border payments, local domestic payments and book transfers. This helped improve visibility on received funds, and eliminated the need for manual reconciliation.

### Success



The solution helped to realise the instant application of funds to investment accounts that was sought by investors in the company's markets of operation. The entire process for funding accounts, from payment initiation to having investable funds, typically now takes less than 30 seconds, helping to improve the quality of the company's user experience.



All payments sent through the implemented channels are now automatically reconciled at a straight-through-processing (STP) rate of over 95%. Additionally, STP rates through all channels have increased threefold from their previous rate as a result of the VA solution.



The VA solution's expeditious reconciliation of investor remittances could also be easily scaled to match the expansion of the company's business operations. The solution is currently being considered for rollout in other markets in Asia Pacific.



## Singapore: Online Travel Agency

### Enabling more robust regional liquidity management processes through HSBC's Liquidity Management Portal (LMP)



Global Liquidity Management  
Liquidity Management Portal (LMP)



Payables



Receivables  
Virtual Accounts



Channels  
HSBCnet  
HSBCnet Mobile



FX



Cards



Service &  
Implementation

#### Background & Scope

The company is an online travel agency. Their primary line of business is the provision of online booking services for flights and accommodation. They operate in a number of markets across Asia Pacific and the world.

The company's treasury team was looking for ways to enhance their liquidity management, specifically on the visibility and control of their cash positions. This was to enable the treasury team to make quicker decisions on the deployment of available capital to meet business demands.

#### Challenges

The company held multiple accounts with various banks across Asia Pacific. This fragmented account structure required their treasury team to manually download end-of-day balance reports from multiple banking platforms to get a view of regional cash positions.

Not only was the treasury team deprived of real-time visibility and data for efficient deployment of cash, it was also administratively taxing for them to consolidate reports from multiple banks in varied formats.

The company's liquidity reporting processes were also slowed down by the need to manually create charts and graphs to include on their reports.

#### The Transformation

We provided the company with LMP functionality, which consolidated all of their regional cash positions onto a single platform that could be accessed by logging onto HSBCnet. Through the LMP dashboard, the treasury team has real-time visibility on all its HSBC account balances. The company's third-party bank accounts were also reported on the dashboard at end-of-day through MT940 reporting. This negated the need to use multiple banking platforms to view and manage liquidity as before.

The LMP dashboard could be further customised to suit the company's reporting preferences, and also allowed charts and graphs to be automatically generated for their treasury team, making reporting and forecasting less time consuming.

LMP's Global Liquidity Solutions (GLS) self-service tool also gave the company the flexibility to amend their liquidity structures directly to optimise liquidity in the region. LMP was also later made accessible via HSBCnet Mobile, enabling the company's treasury team to manage liquidity structures on the go.

#### Success



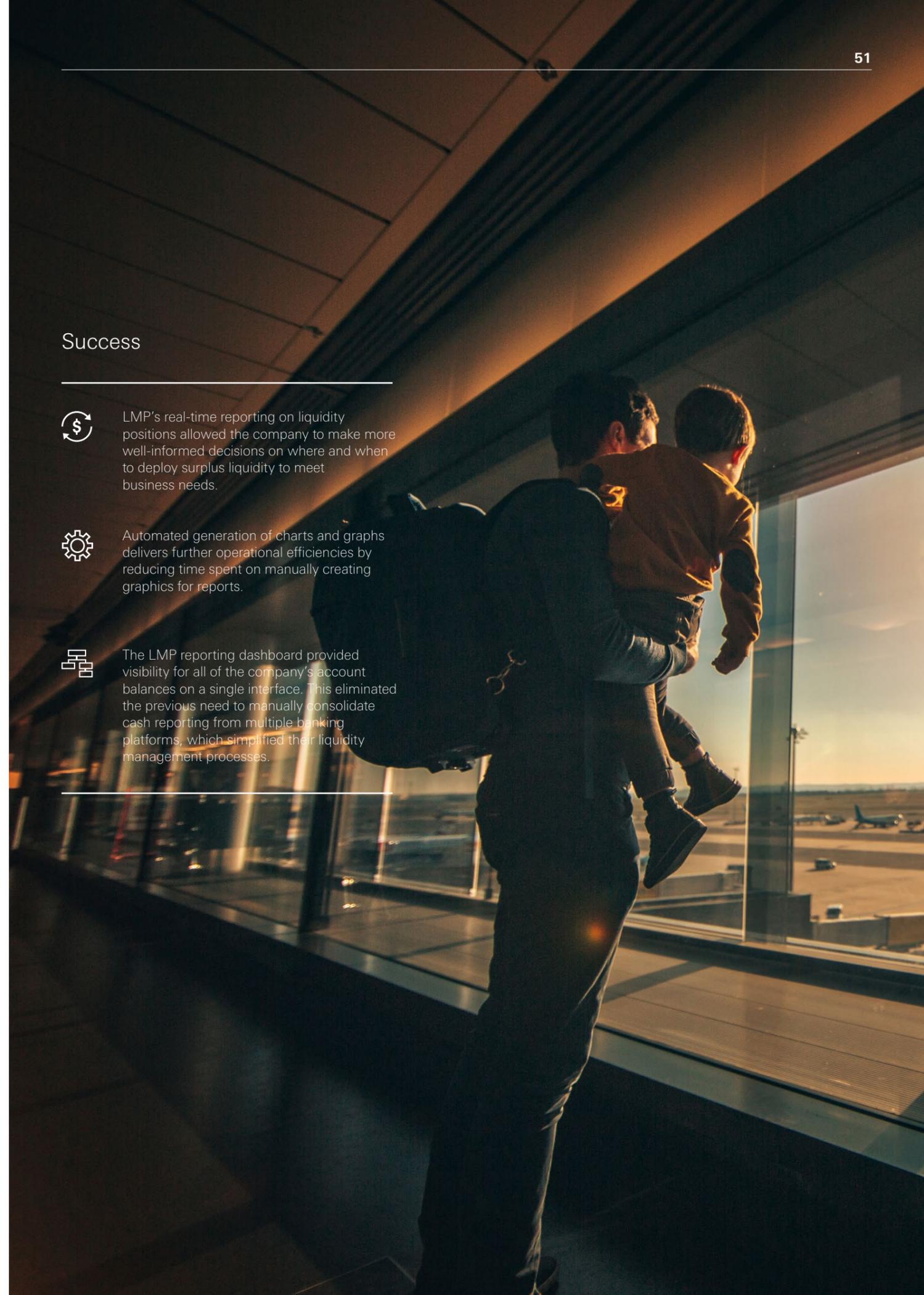
LMP's real-time reporting on liquidity positions allowed the company to make more well-informed decisions on where and when to deploy surplus liquidity to meet business needs.



Automated generation of charts and graphs delivers further operational efficiencies by reducing time spent on manually creating graphics for reports.



The LMP reporting dashboard provided visibility for all of the company's account balances on a single interface. This eliminated the previous need to manually consolidate cash reporting from multiple banking platforms, which simplified their liquidity management processes.



# Singapore: Engineering and Technology Company

## Optimising use of liquidity and attaining higher accuracy of cash forecasts through HSBC Cash Flow Forecasting



Global Liquidity Management Cash Flow Forecasting (CFF)



Payables



Receivables



Channels



FX



Cards



Service & Implementation

### Background & Scope

The company is an engineering and technology group.

The company's treasury team had previously relied on using manual data entry and modeling to forecast future cash positions.

The company was looking to maintain full visibility, control and access of their global cash positions. Most importantly, they wanted to be able to have higher accuracy and increased transparency on their projected future cash positions.

### Challenges

The manual nature of cash flow forecasting resulted in a significant amount of time and effort being spent by the treasury team on forecasting cash positions at the expense of higher value-added tasks. Additionally, these manual forecasting efforts generally resulted in low accuracy forecasts.

This lack of accurate cash forecasts had a knock-on effect on other processes. For instance, the company faced heightened liquidity risk as a result of the low accuracy of forecasts, which inhibited the treasury team from managing risk adequately. This led to the company relying on processes such as using external borrowing to fund daily liquidity needs or holding excess cash, resulting in both increased expenses, and reduced interest income.

### The Transformation

HSBC's Cash Flow Forecasting (CFF) platform helps the company streamline forecasting complexities and increase transparency of future cash positions. The CFF platform provides greater automation over forecasting processes by enabling automated data entry methods into forecasting models and templates that are subsequently automatically generated by the platform.

Access to the platform can be customised to allow the company's various business units to submit their own forecasts. Cash flow key performance indicators (KPIs) could also be tracked through its Cash Flow KPI dashboard. Detailed reports provide analytics such as key cash flow drivers, and comparisons between forecasted and actual cash positions through the CFF platform. Altogether, these helped achieve higher accuracy of forecasting by granting greater visibility on actual versus forecasted future cash positions.

The CFF platform is accessed via HSBCnet, which allowed the company access to bank statements, real-time balances, and cash projections on a single, centralised platform.

### Success



The solution delivered improved visibility and higher accuracy of cash forecasts. This helped the company's treasury team to better manage risks, and achieve strategic mid to long term goals.



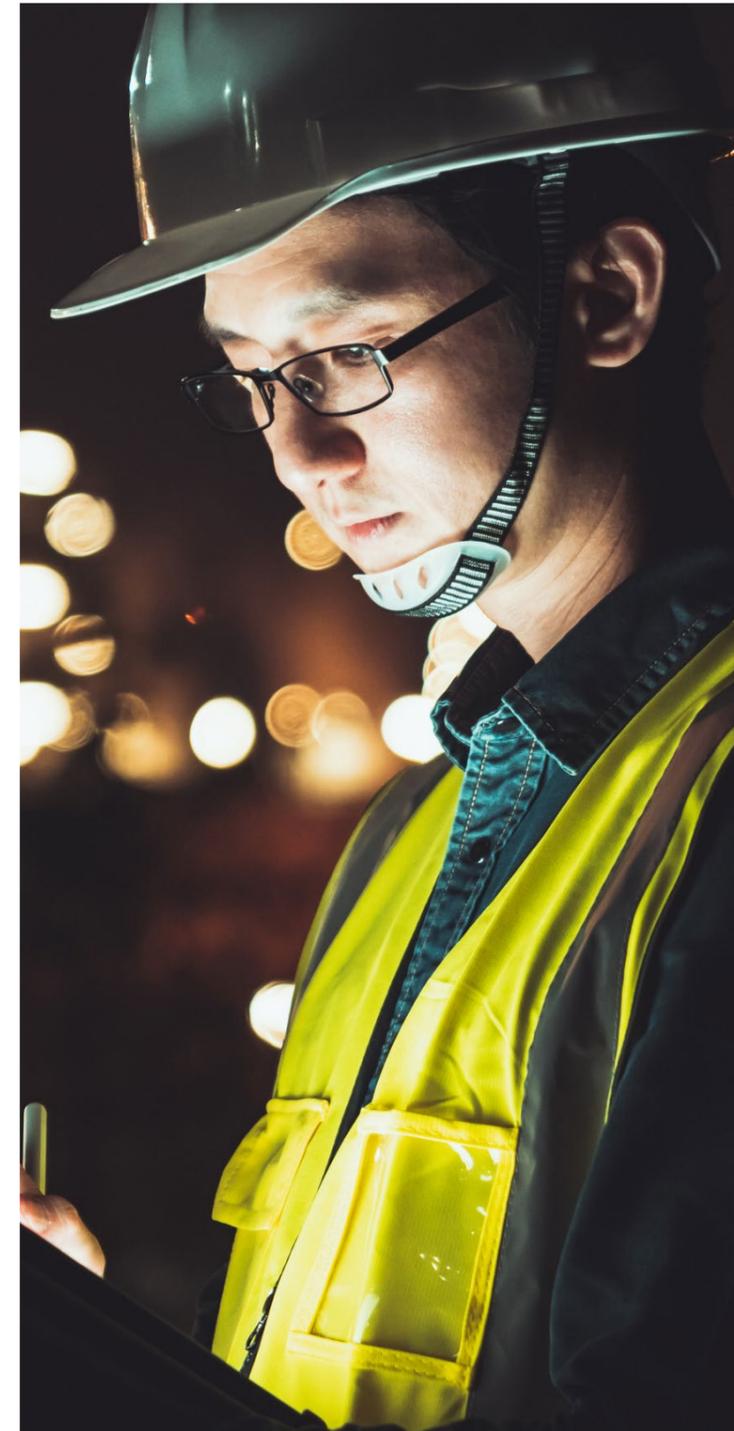
The higher accuracy of cash forecasts also enabled optimal global liquidity management processes for the company, helping to reduce costs and improve returns on excess cash.



The solution's greater automation of cash forecasting helped to significantly reduce the time and effort spent on cash forecasting, allowing the treasury team to focus on more value-added tasks.



As CFF could be accessed from HSBCnet, the company could now manage accounts and forecast cash flows through a single online banking platform.



## Indonesia: Consumer Goods Company

### Providing invoice-level transparency and automating accounts receivable (AR) reconciliation with HSBC's Digital Accounts Receivables Tool (DART)



Global Liquidity Management



Payables



Receivables Digital Accounts Receivables Tool (DART)



Channels



FX



Cards



Service & Implementation

#### Background & Scope

The company is a multinational consumer goods company. They specialise in the production and distribution of a wide variety of health, home and hygiene products across a number of renowned brands.

The company had begun to face some challenges with accounts receivable (AR) reconciliation because a large volume of payments were received from buyers on open invoice. As a result of their extensive buyer network in Indonesia, they were looking for a solution that could help facilitate greater transparency, accuracy and automation on invoice reconciliation against open invoices.

#### Challenges

As a major supplier of consumer goods in Indonesia, the sheer volume of payments the company was receiving made tracking and matching payments against open invoices lengthy. This was further compounded by the reliance on manual reconciliation processes.

Additionally, the company noted that their buyers generally did not include reasons for partially paying invoices. This lack of information created additional administrative burden for the AR team as they then had to verify the reason for partial payments directly with their buyers.

#### The Transformation

To facilitate greater transparency and accuracy on AR reconciliation, HSBC and the company agreed to implement the Digital Accounts Receivables Tool (DART). Through DART, the company can upload open invoice files into the DART portal. DART then automatically processes the files, and sends invoices directly to buyers. When payments are made through the DART portal, a unique Tracking ID is generated and attached to the payment. The tracking ID enables the company to track payments on an invoice level and view payment status on demand.

Buyers also have the ability to key in reference information when making the requested payments, which also includes the reason for partially-paid invoices. Upon receiving payments from buyers, DART automatically reconciles payments against open invoices and credits funds to the company's accounts.

#### Success



By providing buyers the ability to key in reference details along with a unique tracking ID to be referred with each payment, DART provided the company with the greater invoice-level transparency that they sought.



HSBC managed to successfully onboard 100% of the company's new buyers onto the DART platform within the stipulated 1.5 month timeline, as requested by the company.



DART automated AR reconciliation to help reduce reliance on manual processes. This delivered greater savings on time and effort for the company's AR team, freeing them up to perform other tasks as needed.



DART delivered benefits to both the company and its buyers by eliminating the need for the company to contact buyers to verify reasons for partially paid invoices.



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