



Corporates

SWIFTNet

Client

KDDI



KDDI overhauls, integrates and accelerates its international finance infrastructure with SWIFT

SWIFTNet offers global telecommunications giant an accurate snapshot of every overseas bank account in near real time

KDDI, one of the three largest telecommunications companies in Japan, ranks within the top 10 on the Tokyo Stock Exchange in terms of market capitalisation, as of December 2019. The telecommunications giant has impressive global ambitions and currently operates the fourth-largest data centre business in the world. It is also the largest telecommunications carrier in Mongolia and Myanmar. By capitalising on its experience and expertise in telecommunications services, including mobile phones, fixed-line communications and the Internet, KDDI is moving aggressively to diversify and take advantage of opportunities in fast-growing overseas markets.

However, the organisation quickly recognised that technological excellence was only part of the requirement for international success. An efficient financial infrastructure was just as important.

Clear and detailed information supports global expansion

As Mr. Yusuke Morita, Assistant Manager of KDDI Corporation

points out, the success of any global business expansion program depends on a variety of factors, some more critical than others. One that cannot be overlooked is the role of the finance department in efficiently managing funds, providing robust corporate governance and minimising financial risk.

The scale of KDDI's challenge is impressive. For example, until quite recently, it had more than 600 bank accounts in 28 countries. Having a comprehensive financial picture at any point in time became a lengthy, and often manual process.

KDDI's financial team first had to log into the online portal of each individual bank, before they were able to download account update information. On top of this, once captured, much of that information had to be manually entered into the existing KDDI finance system – resulting in a slow and potentially error-prone procedure.

KDDI had initially considered enhancing its existing ERP system



“When it comes to financial management, time is always of the essence. Even temporary blind spots on the status of a subsidiary’s bank account balance could result in a hotbed of legal issues. Thanks to SWIFTNet, we are now able to obtain an accurate snapshot of the balance of most of our bank accounts, in every country, and in near real time,”

Mr. Yusuke Morita
Assistant Manager of KDDI Corporation.

to support the expansion programme, with a focus on strengthening governance and operational efficiency. However, the expense and complexities involved quickly ruled that option out.

“What we really needed was an entirely new, dedicated treasury management system. A system capable of handling all of the organisation’s financial transactions – from cash management to bank loans – and provide a full picture of bank accounts across all group companies,” said Mr. Morita.

Setting SWIFT as the global standard

After carefully evaluating a variety of solutions, KDDI settled on an off-the-shelf, cloud-based treasury management system. To streamline financial transactions and improve operational efficiency, it adopted SWIFTNet as its global messaging infrastructure to connect with each of its financial service providers.

Part of the SWIFT for Corporates service portfolio, SWIFTNet offers corporates direct access to all

institutions connected to the SWIFT network, which reduces the time spent on maintaining and implementing multiple bank systems and connection points.

Spanning more than 200 countries – including all the Asian locations in which KDDI currently does business – SWIFTNet is both reliable and highly secure. Transaction information and cash positions are shared between banks and KDDI over a single platform, in line with global financial industry standards. This results in higher straight-through processing and a high degree of error-free automation.

In the case of KDDI, this means that intraday cash movements can be reflected accurately in near real time, enabling the telecoms player to manage cashflow and liquidity more efficiently.

As well as enhancing functionality and providing high-levels of security, the decision to build a cloud-based TMS around SWIFTNet offered an additional advantage. It dramatically reduced the time required to roll out the new system. In fact, it took KDDI

Key Benefits

The Treasury Management System (TMS) consolidates all workloads within a single, integrated system – providing the flexibility and headroom to accommodate new businesses

SWIFTNet ensures an accurate snapshot of every subsidiary’s bank account balance in near real time

Automation frees up KDDI staff who previously re-keyed data to handle more value-added tasks

SWIFTNet account data is automatically routed into the TMS, for easy visualisation and insight

KDDI has reduced the total number of bank accounts across the Asia Pacific region by close to 25% – from about 600 down to 465 – streamlining its financial services footprint and reducing costs

less than a year to go from defining its requirements, implementation and testing, to switching over to the new solution in April 2019.

KDDI has now consolidated all of its treasury workload within a single, integrated system which covers the parent organisation and its current subsidiaries, and has the flexibility and headroom to accommodate new businesses.

The process was seamless. Once the TMS was up and running, KDDI simply instructed each of its banks to use SWIFTNet. Then, instead of having to be re-keyed, the data is routed directly into the TMS, where the information is turned into easily-visualised insights.

KDDI's financial team now has access to each subsidiary's end-of-day account position within minutes of closing. Previous delays and errors have been eliminated, and confidence in the accuracy of the figures has increased substantially.

Fast and flexible

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issues. Thanks to SWIFTNet, we are now able to obtain an accurate snapshot of the balance of most of our bank accounts, in every country, and in near real time," said Mr. Morita.

In addition to boosting efficiency, the new solution has also led to cost savings. Finance staff who were previously involved in re-keying bank data, have been redeployed to other, higher-value tasks. As well as achieving quicker and more comprehensive visibility into its financial position, KDDI is also in a better position to reduce the risk of fraud.

A holistic view of the banking picture

Having a single source of account information has enabled KDDI to keep a steady focus on its banking services providers, and consolidate where necessary to achieve greater efficiency and cost-savings. Since it rolled out its new TMS and implemented SWIFTNet, KDDI has been able to consolidate its accounts profile and reduce the total by about 25% – from 600 down to 465 approximately.

"SWIFTNet was the best choice for KDDI's needs. If I had to decide all over again, I would make the exact same decision," Mr. Morita concluded.

KDDI is one of the largest players in Japan's telecommunications industry. In recent years it has used its expertise as a pioneer in telecommunications services – including mobile phones, fixed-line communications and the Internet – to take advantage of opportunities in established and emerging overseas markets.

SWIFT is a member-owned cooperative, providing secure financial messaging services to more than 11,000 organisations, across the financial ecosystem, in almost every country in the world. For nearly five decades we have delivered certainty, continuity and excellence by constantly evolving in an everchanging landscape. In today's fast moving, increasingly connected and challenging world, this approach has never been more relevant.

For more information, please contact your SWIFT account manager or visit www.swift.com