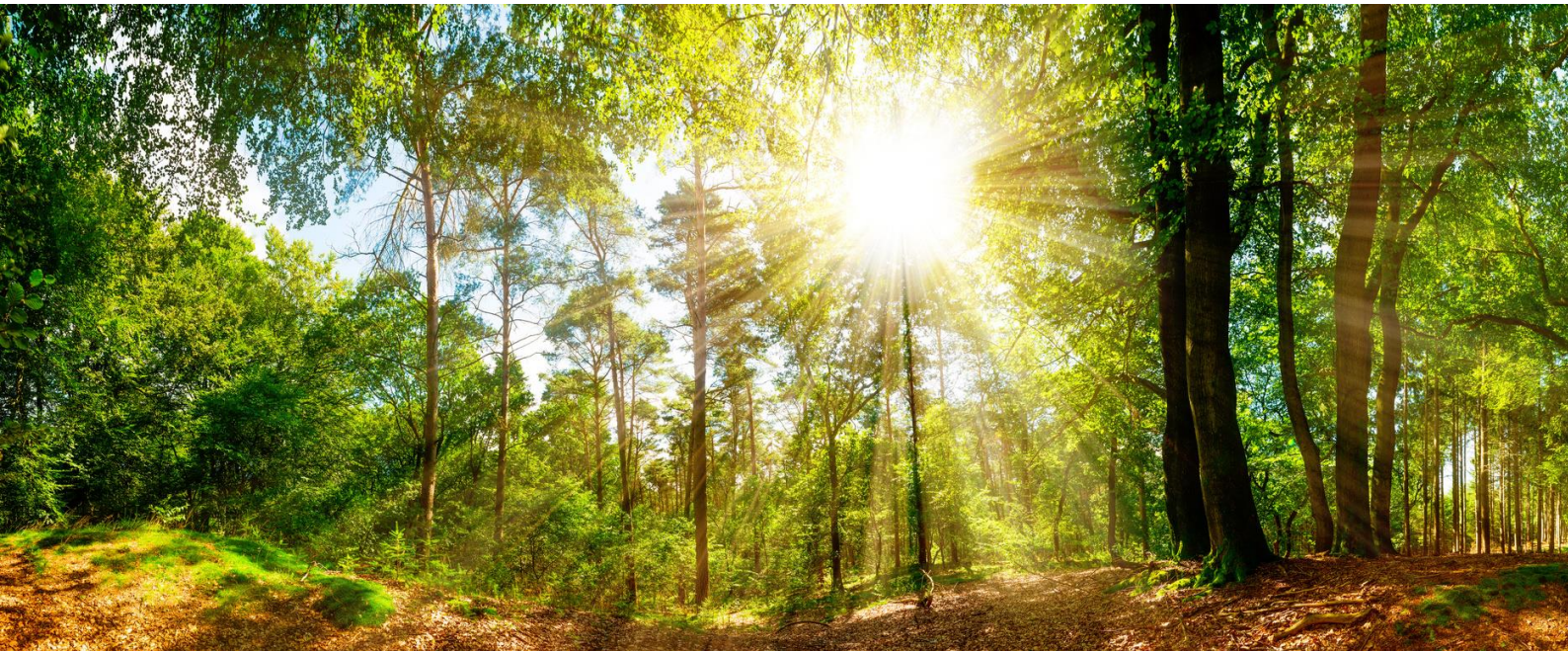




# Building a Business Case for Bank Services Billing (BSB)

How Corporates can benefit from electronic bank billing and reporting



## AUTHORS

**Regina Deisemann**, Director Group Liquidity Management, Vorwerk & Co. KG

**Christine Pitzten**, Senior Treasury Manager, Deutsche Post AG

**Werner Brinkkötter**, Head of Accounting, August Storck KG

**Martin Postweiler**, Director Solution Strategy, Hanse Orga Group

**Hubert Rappold**, CEO at TIPCO Treasury & Technology

## WITH SPECIAL THANKS TO

Bridget Meyer, Redbridge Debt & Treasury Advisory – Franca Aeby, Roche – Anne-Christine Greger, Lufthansa – Jacques Molgo, Air Liquide – Christoph Schulz - Siemens

## CONTENT

<b>1. INTRODUCTION</b> .....	<b>3</b>
<b>2. WHAT TREASURERS WANT</b> .....	<b>3</b>
2.1. TRANSPARENCY.....	3
2.2. EFFICIENCY.....	3
2.3. SIMPLICITY.....	4
2.4. SERENITY.....	4
2.5. ADVICE.....	4
<b>3. WHAT HAPPENED SO FAR?</b> .....	<b>5</b>
3.1. IN THE US AND CANADA.....	5
3.2. GLOBALLY.....	5
<b>4. HOW TO GET WHAT YOU WANT</b> .....	<b>6</b>
4.1. ACHIEVE TRANSPARENCY.....	6
4.2. IMPROVE EFFICIENCY.....	6
4.3. MAKE IT SIMPLE.....	6
4.4. ACT WITH SERENITY.....	6
4.5. GIVE GOOD ADVICE.....	7
<b>5. IS THIS RELEVANT FOR YOU?</b> .....	<b>7</b>
<b>6. HOW TO GET STARTED</b> .....	<b>7</b>
6.1. TALK TO YOUR BANK.....	7
6.2. MAKE OR BUY.....	7
6.3. SELECT A PROVIDER.....	8
<b>7. WHAT ELSE?</b> .....	<b>8</b>
7.1. NEED FOR HARMONIZED STANDARDS.....	8
7.2. THE COMMUNITY.....	8
7.3. THE FUTURE - PAPERLESS TREASURY.....	8
7.4. LESSONS LEARNED.....	9
<b>8. CONCLUSION</b> .....	<b>9</b>
<b>9. APPENDIX: SUCCESS STORIES</b> .....	<b>10</b>
9.1. DEUTSCHE POST DHL.....	10
9.2. VORWERK & CO. KG.....	11
9.3. AUGUST STORCK KG.....	13
9.4. DEUTSCHE LUFTHANSA AG.....	14
9.5. AIR LIQUIDE.....	15
9.6. SIEMENS AG.....	15

## 1. Introduction

Automation is key in today's treasury practice. Improving processes and transparency is crucial because of the multitude and increasing complexity of operations. If we fail to achieve this we risk "not seeing the wood for the trees".

Banks, vendors and corporates alike are looking for ways to further streamline processes, to avoid manual handling of data and to fulfill compliance requirements. In addition, the transformation of paper-based workflows to straight-through processes (and saving some of those trees in the wood) is also receiving increased attention on all ends.

In the following case study we present the solution to a problem that most corporates share: how to achieve transparency and efficiency in bank fee controlling.

Therefore it is to be highlighted:

- why (electronic) bank billing is so important, also in the above context
- which processes are already up and running and
- what you can learn from others in order to take this topic to the next level.

The study aims at fostering a sustainable solution that works both for banks and corporates. We are convinced that we can achieve our goal if we work together. We hope that the study will reach numerous interested readers that will help us to reach the objective.

➔ **Automation is key in today's treasury practice!**

## 2. What Treasurers Want

After talking to many colleagues in recent years, we assume that treasurers and cash managers aim for "TESSA" with regard to cost and processes:

1. Transparency - Know what you pay and what is happening!
2. Efficiency – Get rid of manual/paper based workflows!
3. Simplicity - Make things easy! Get fast analysis!
4. Serenity - Make your auditors happy!
5. Advice - Give strategic input to Management!

Pretty much common sense for a Finance guy, we think.

Why shouldn't these objectives be applied to your bank relationships as well?

### 2.1. Transparency

Treasurers normally struggle to manage banking costs:

- Every subsidiary receives its own (paper) bill from banks:  
✗ No global overview on costs!
- Some fees are only shown on bank statements:  
✗ No overview on costs per bank!
- Other charges are just deducted from the amount - with no documentation whatsoever:  
✗ No overview how much the beneficiary receives!

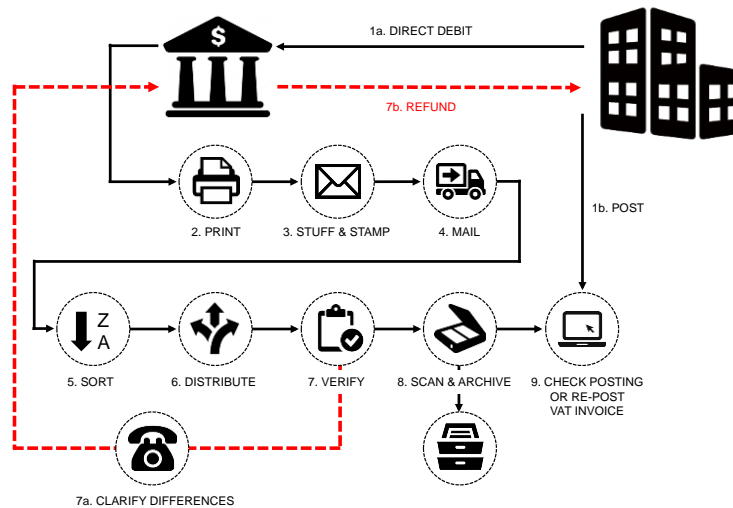
This also leads to problems with ➔ Efficiency, ➔ Simplicity, ➔ Serenity as well as ➔ Advice

If you do not know how much you pay, you are probably paying too much. Neither you nor your auditors would accept this lack of transparency from any other supplier, so why accept it from one of your most important suppliers, your banking partners?

### 2.2. Efficiency

It starts with the handling and processing of paper. Physical letters are being pushed around on the external and internal mail chain. They have to be sorted and distributed, scanned and forwarded. And please don't forget to archive them!

The figure below summarizes why the current workflows are not cost efficient and why they are a waste of time and material – on the bank and on the corporate side!



For tax relevant VAT invoices the process needs to be duplicated with additional manual workload: when the paper invoice arrives, an accountant has to manually find and delete the posting from the original direct debit and re-post net amount and tax amount separately. This is everything but simple.

These resources could be used for much more meaningful tasks. And should. Savings due to process automation will most likely surpass any savings you can make by avoiding overcharging by banks.

### 2.3. Simplicity

Ever negotiated a Cash Management pricing in the US? Did you cover all the 1500+ service items? No? Join the club!

Did you ever look at an invoice from an US bank? If you did, you have probably been surprised about what you found. Or no idea what it was about...

Next thing that is everything but simple: try to compare fees and services with 3-5 banks in one country? Have fun. It is mostly not that easy.

Together with the lack of Transparency, preparing a Request for Proposal (RFP) is really time consuming and difficult. Not to mention that these manual processes are rather inefficient.

Having all the data from your bank relationships at your fingertips greatly eases this pain and allows a more efficient handling of RFPs. The nice thing is: It eases the pain on both sides. It is easier for corporates but also much easier for banks if they know exactly which volumes and services will be used.

### 2.4. Serenity

It is probably beyond dispute that a corporate treasurer should do everything possible to avoid negative audit findings.

However, what do you do if you are being asked whether your Treasury Guidelines are being adhered to? Has the use of fax payments been eliminated across the entire company? You probably cannot guarantee that for all your subsidiaries. And we won't mention cash withdrawals yet...

As mentioned in the Transparency section, an audit proof invoice reconciliation (and posting) is nearly impossible (or inefficient), if you have to manually check hundreds of different price items every month. By having all the data available you, again, make everybody's life easier. Audit is happy, you are happy, what more can you ask for...

### 2.5. Advice

As the role of a treasury nowadays also includes giving strategic advice to Management, it should cover all relevant treasury details.

However, regardless of a centralized or local setup, management reporting mostly lacks the complete picture of Cash Management data and cost. Or it takes ages to put them together (Efficiency).

As a result, bank meetings do not happen at an equal level. In addition, incomplete data also prevents evaluating the corporate's comprehensive bank relationships and wallet. This might lead to imbalanced relationships across your main banks.

### 3. What happened so far?

#### 3.1. In the US and Canada

The situation in North America has long been different from the rest of the world. Mainly due to extensive product differentiation and strategic pricing decisions across US banks some 2,000 different cash management service items exist.

As a result, US treasurers have been able to electronically reconcile bank invoices since the late Eighties. With the help of the ANSI EDI 822 standard - adopted by about 100 major US banks - and the use of the unified AFP Service Codes, it is possible to easily validate, correct, compare and negotiate all relevant services with the help of a software solution.

In addition, the data can be used for internal process management and optimization, including reporting.

#### 3.2. Globally

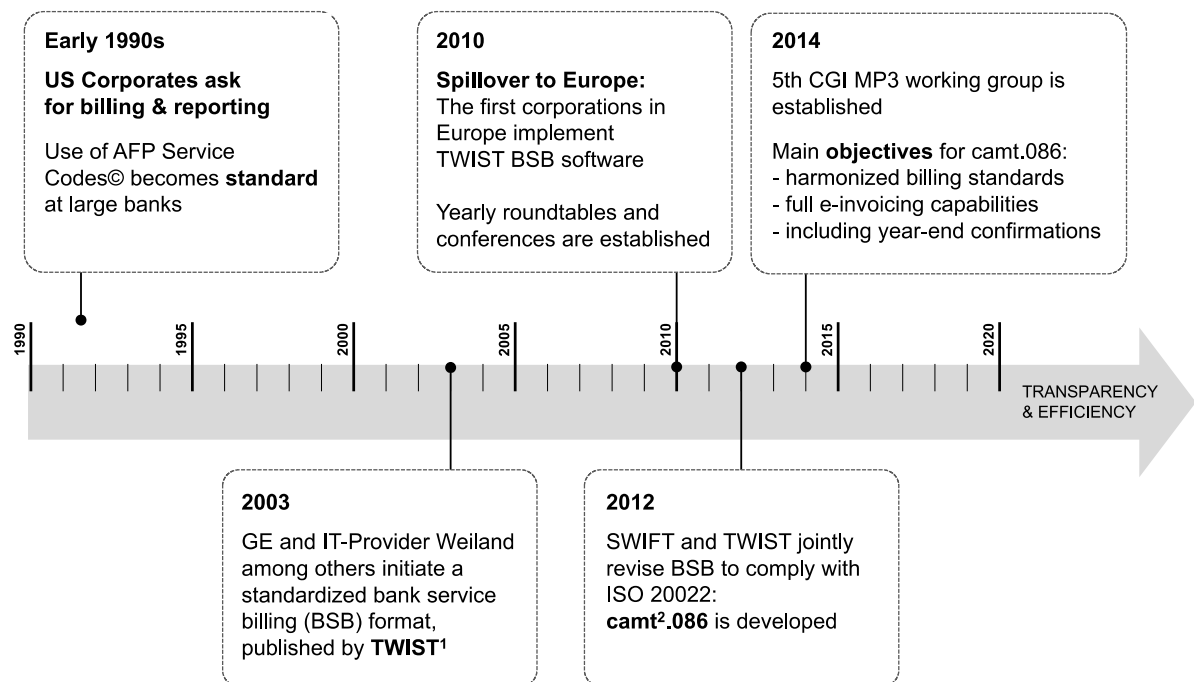
Paul Burstein († 2015) and others from GE founded the IBCT (The International Bank Compensation Team) a group of (ultimately) over 100 corporations advocating for creation of a global bank billing standard. In 2006 TWIST Standards, at the request of IBCT and some TWIST member banks, drafted a standard. The first version of the TWIST BSB (Bank Services Billing) was the result, enabling Banks to provide bank fee statements across the globe in a harmonized format.

In 2012 the standard was modified to meet the ISO 20022 requirements (camt.086 messages).

Around this time the AFP (Association for Finance Professionals) developed the AFP Global Service Codes® together with most of the large Global Cash Management Banks and Service providers. As a result, AFP presented a set of some 900 codes that aim at covering all transaction banking services globally.

Bank charges can now be delivered in a consistent set of codes or mapped accordingly, if banks still send invoices with their proprietary coding.

The below figure shows some milestones that have been achieved over the past 20+ years.



<sup>1</sup>Transaction Workflow Innovation Standards Team

<sup>2</sup>Cash Management Message

<sup>3</sup>Common Global Implementation – Market Practice

## 4. How To Get What You Want

Now that we have outlined the difficulties that the current setup and bank billing processes can cause, we focus on the possible and already existing remedies in this chapter.

Remember “TESSA”?

1. Transparency - Know what you pay and what is happening!
2. Efficiency – Get rid of manual/paper based workflows!
3. Simplicity - Make things easy! Get fast analysis!
4. Serenity - Make your auditors happy!
5. Advice - Give strategic input to Management!

Receiving TWIST BSB/camt.086 reports from your banks helps solving the biggest pain:

### 4.1. Achieve Transparency

Receiving electronic billing and reporting enables corporates to easily reconcile and check bank fees, clarifying if the negotiated price lists have been implemented for all items and group entities or if some errors have occurred. Especially in the US with its several hundred price items, this is the only efficient way to get an overview and to identify incorrect charges.

An electronic billing also supports the internal data hygiene. One of the first things that a bank will do upon opening a new bank account is to initiate the invoicing process. As it now appears in the group-wide reporting, a treasurer can check if internal processes have been applied accordingly. Additionally, inactive accounts or accounts from sold business units can be easily identified, immediately triggering the necessary actions.

### 4.2. Improve Efficiency

One of the first benefits is the fact that corporates no longer have to pay for paper based inefficiencies on their providers' end as well as internally. Processing electronic data (mainly STP) leads to time gains and cost reduction, as well as fewer errors originally caused by manual processes. Banks with a harmonized and electronic billing landscape – both for corporates as well as for the Inter-bank sector – could gain a considerable competition factor in the market.

Price negotiations are now much easier, if both parties know what basis they are talking about and how they compare to other countries or banks.

After the often strenuous process of selecting and implementing a new bank yet another tricky part appears: how do you make sure that all entities receive the (new) prices and services as negotiated? Having electronic billing greatly simplifies these processes, thus saving time and money on every step involved.

### 4.3. Make it Simple

Price negotiations are one key element in tenders for Cash Management services. Usually the bank with the best combination of price, service, capabilities and quality has the best chances to win a RFP.

Banks with a harmonized and electronic billing landscape – both for corporates as well as for the Inter-bank sector – could gain a considerable competitive advantage in the market.

Corporations preparing to conduct price negotiations with their bank need to be prepared with the knowledge of the necessary services, volumes and current costs. This requires enormous (manual) effort to collect (even if to only estimate) all relevant data. In most cases, a detailed and complete overview of current services, fees and volumes is not available at all. In a decentralized setup this hurts even more: a company-wide overview is nearly impossible to achieve without unreasonable (manual) effort.

### 4.4. Act with Serenity

Your auditors will like you very much if you can provide them an overview of fax payments – or other unwanted services – group wide and at the push of a button. Also enabling a quick and focused approach to correct these process deficits.

Clear reporting from the bank also ensures that all bank fees posted to your general ledger are posted correctly and no 'extras' are included or information missing.

#### **4.5. Give Good Advice**

With the BSB, aggregated and meaningful details can be easily assembled for comprehensive Management Reporting.

The Controlling department can now be supported with budget and planning information, based on real, verified, current data.

After all, if your CFO talks with a bank the full picture of the relationship with this bank needs to be available. Bank fees are an important part of that picture.

### **5. Is this Relevant for You?**

At which size does it make sense for a Corporate to engage in electronic bank billing?

This is a question often asked. You will get different answers depending on who you ask.

But then, why is this even a question? Do you ask if receiving a complete bill from your electricity or telecom provider makes sense? Why treat banks differently?

For audit and compliance reasons alone, even corporations with a handful of bank accounts should make sure their bank bill is correct and complete!

Not to forget process automation, bank RFP support as well as easy and comprehensive (management) reporting.

### **6. How to get Started**

#### **6.1. Talk to your Bank**

All it requires to start receiving electronic bank fee reporting is to ask your banks to send TWIST BSB, camt.086 (ISO20022) or EDI 822 (for US/Canada) messages. If they cannot provide these formats, xls or csv could be an interim solution.

The files can be received via various channels, from secure email, via SWIFT or host-to-host to having them provided on a platform for regular download.

Secondly, an overview of the current price lists for banks and countries in scope should be available. Experience has shown that this might take some time, if price negotiations took place some time ago or only on local level. It is worth the effort though, to unlock the value of a multi-country and multi-entity overview and reconciliation.

Thirdly, once received, it has to be decided how to process the electronic files (see [7.3.](#)). If quick wins should be achieved, a hands-on on-demand solution could be the preferred option as a start or simply to look at the files with Excel.

#### **6.2. Make or Buy**

After an initial analysis of the data, e.g. with Excel, a decision can be taken if the analysis should be supported with a dedicated system. Prior to implementing a software for processing electronic bank billing, corporates could question whether to build their own solution or buy it off the shelf. Depending on the internal IT setup and capacities as well as the necessary and desired interfaces, this cannot be answered in general at this point.

However, as almost all major Treasury System Providers offer a Bank Reporting Module in the meantime - in addition to specialized e-Invoicing vendors - choosing an available standard solution seems to be currently favored by most Treasurers.

### 6.3. Select a Provider

If the decision has been made to select an external solution, there is a wide variety of options. This starts with web-based and on-demand solutions, where xml files can be easily analyzed and reports generated that compare the negotiated with the billed pricings.

The other end of the scale is a fully integrated solution within a TMS. If this covers a central payment factory for example, it also becomes fairly easy not only to check the correct fees but also the correct volumes.

For all decentral payments most vendors offer some kind of deviation reporting, where volumes are compared against average figures from the past, triggering spot checks if something unusual appears in a report. For more information on vendor capabilities, you can view the results of the most recent survey here: <http://twiststandards.org/newsletters/bsb-newsletter-january-2017/>

In a nutshell, it basically depends on the current setup in Treasury: if a new TMS is selected or if a Bank Fee Module can be easily added to the existing TMS, this could be one option. If no IT capacities are available or if only an interim solution is sought – in order not to wait any longer for achieving bank fee transparency - an on-demand or cloud solution could be implemented rather quickly and without IT involvement.

## 7. What else?

### 7.1. Need for Harmonized Standards

After some time into the project it will become clear that there is an urgent need for some harmonization and standardization. Most banks still use their proprietary set of price codes and a flexible interpretation of the TWIST BSB or camt.086 standard. Even worse, some services are reproduced inconsistently in a report and/or reveal some gaps that are not correctly reproduced in an electronic bank bill.

### 7.2. The Community

This is one of the main reasons why a 5<sup>th</sup> working group was launched under the Common Global Implementation Market Practice (CGI MP) umbrella.

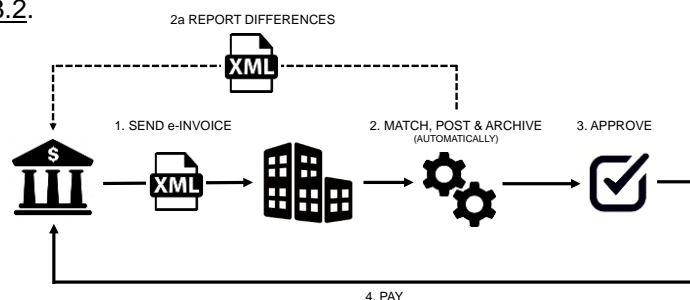
Next to harmonizing message formats and price coding another objective is to use camt.086 message as an e-invoice in order to eliminate paper altogether. With the current regulation in the US and EU (and parts of Asia) sending only an xml file as an invoice is now possible.

### 7.3. The Future - Paperless Treasury

Receiving paperless bank invoices is a first start to automate and enhance the involved processes. Until 2011, local legislation still made additional paper invoice mandatory for corporates. This has changed significantly within the EU, the US and many other countries since then: invoices can be received and processed electronically if certain standards and requirements are met.

Welcome e-Invoicing. The B2B sector is already widely adopting e-invoice solutions. Why not apply this for your bank invoices as well?

The following diagram shows how e-invoicing improves the current inefficient bank billing process discussed in Section 3.2.



A Straight-through e-invoicing process with no manual interference. See the difference? What are you waiting for?



## 7.4. Lessons Learned

It is often asked when the right time for starting such a project would be. Many banks argue that they are waiting for further investments in billing systems until the demand has increased on the corporate side. Some corporates on the other hand prefer to wait until more banks are ready in providing such services.

The results demonstrate however that it helps not to wait for ultimate global and multi-bank-compatible answers to all questions. Just by starting with the first and biggest countries and banks you will immediately unlock hidden value.

In addition, many corporates have experienced an increase in the billing data quality only by asking for electronic and group wide billing files.

As demand from corporates has increased over the past years, more and more banks seem to understand that a good bank-to-corporate relationship includes a comprehensible pricing and billing.

However, rolling out a centralized billing project globally often reveals how banks interpret standards and formats differently. This is another reason to engage a professional solution provider who has already found a remedy for the different interpretations now in the market.

It is worth the effort: after a while, the amount of data you have collected and analyzed will show how useful this information can be internally and externally.

Whether the bank sends a monthly, quarterly, or even annual file, as long as you receive the data for every month and look at it at one point in time, you will be fine.

Providing constructive feedback to the bank not only increases the billing quality but also improves the relationship. It also helps both sides to review and improve their business processes.

## 8. Conclusion

After having made similar experiences regarding this topic, many corporates conclude: in a business environment that is becoming more and more digital every day there is no way around an electronic reporting format like camt.086. Especially if it bears the chance to be used for bank fee controlling as well as electronic invoice and year end confirmations.

So the authors are motivating all Finance colleagues not to wait for a 100% perfect solution.

A joint approach in supporting each and everyone's efforts and engaging in networks like the CGI MP working group will help to further evolve this topic.

We are ready to welcome further companions!

And for all of you who would like to hear something about the costs....

We can only say it depends....

The cost of an automated bank billing solution depends on many factors. For example on the infrastructure you will choose. Whether you choose a software solution that is fully integrated, stand alone, or even use Excel. Some providers offer a full outsourcing solution.

With regard to manpower you can think about to involve a student or a member of your team. This are all decisions we can't do for you. And – of course – the size of your company and your business can have a significant impact on the cost of your solution as well.

The majority of the involved companies in this case study stated that the internal costs are reasonable compared with the benefits of what you will get. The value is not only about "cost savings" due to bank fee reductions. The benefits of stronger compliance, a more efficient process, greater visibility, improved accounting, and many others that cannot be exactly calculated should be considered as well.

## 9. Appendix: Success Stories

### 9.1. Deutsche Post DHL

Deutsche Post DHL  
Group

#### Cash Management @ DP DHL:

- 4.200 bank accounts worldwide
- 1.400 accounts implemented in Cashpools (ca. 90% of global sales)
- 32 foreign currencies
- Multi Currency National Pool
- Payment Factory

##### STARTING POINT FOR BANK CHARGES MANAGEMENT:

- No transparency about bank charges worldwide
- Therefore no reporting to management possible
- Information difficult to receive; often very implausible data
- Analysis and checking invoices on manual basis



##### IMPLEMENTATION OF BANK CHARGES MANAGEMENT PROJECT:

- Collection of electronic (13 banks)
- Implementation of analysis tool

##### MOST INTERESTING EXPERIENCES:

- No unique and individual product codes neither within one bank group nor across the banks
- Missing detail level leads to missing transparency
- Wrong calculation in reporting (price per item x volume \* total charges)
- Missing bank accounts and missing products, but in addition bank accounts of other customers contained
- Huge one-time customizing effort in the system



##### CHALLENGES ON VALIDATING THE DATA :

- Huge data to be analysed
- All types of bank charges need to be customized and validated
- Product descriptions often not clear and not consistent
- Reconciliation and discussions with banks bear lot of time and resources
- Solved issues occur again in reporting

**ACHIEVED BENEFITS:**

1. **Quality management:** → overview about used products, repairs etc. change management  
In Cash Management within Group improved
2. **RfP preparation:** → data base used for RfP instead of collection data from the entities
3. **Refunds:** → approx. 20% in average
4. **Relationship:** → positive impact on relation ship: discussion on "same level"
5. **Payment Factory:** → intention to implement the transactions in system



**LESSONS LEARNED LEAD TO FOLLOWING REQUIREMENTS:**

- AFP codes to be provided by all banks to achieve harmonization in billing systems
- Camt.086 to be standard for bank charges reporting
- Develop camt.086 into e-invoice and electronic year end confirmation
- Unique usage of Tag s in reporting and increase number of mandatory fields
- Extension of reporting for other bank products (guarantees, interests, trade finance etc)
- Commitment of banks not sufficient, legal requirements missing

## 9.2. Vorwerk & Co. KG



### **Initial Situation:**

No regular, standardized "group reporting of bank charges"

### **Decisions to be taken:**

1. WHERE?

→ Changeover in Germany first

2. KEY REQUIREMENTS?

→ Change of bank fee structure (from flat rate to service per account)

3. WHAT WITH?

→ Various Channels (Multicash/EBICS, Market Secure Inbox app, Banking portal)

4. SOFTWARE?

→ Outsourcing

## Results:

- Accessible via existing systems - minimal effort and expense
- Differentiated analysis options
- Internal Process optimization (due to transparency)
- Transparency of volumes and service prices
- More detailed checks: fees are not simply updated
- Minimal cash and time input
- Bank relationship management
  - Comparison of banking terms and conditions
  - Basis for negotiating terms and conditions
  - Initial results: bank statements issued as agreed

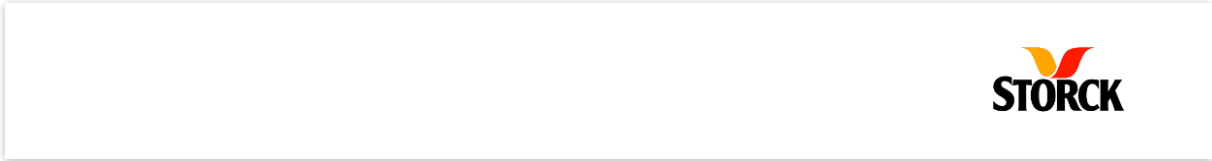
## Vision:

- Roll-out in Europe
- Transparency:
  - Internal: regional process benchmarking
  - External: bank relationship management
- Possibility to receive electronic year-end bank confirmation
- Influence on definition of core banks

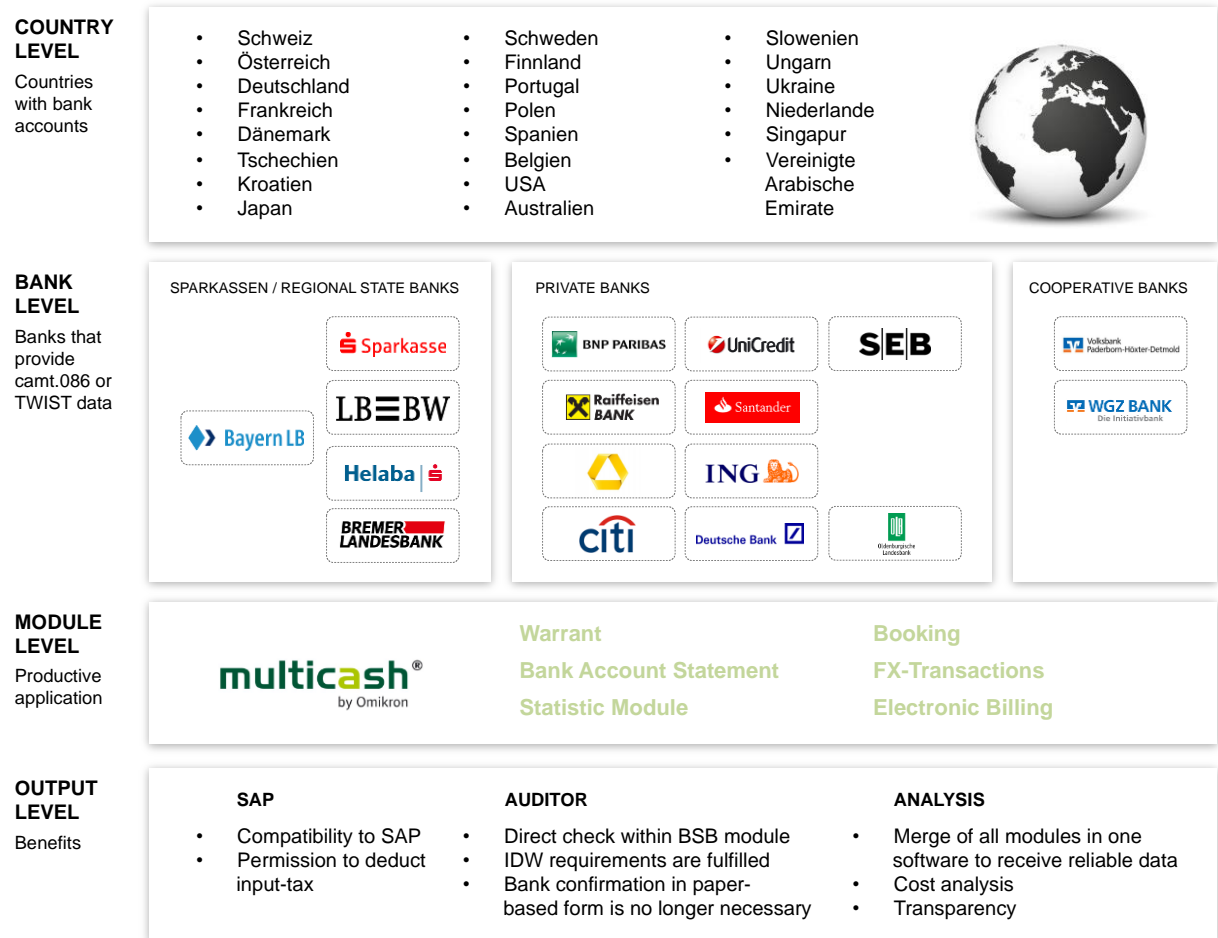
## Conclusion:

- **“Lets get simply started” (therefore “work package” and not a “project”- definition)**
- **Good feedback about process structure**
- **Review within a defined time interval (not every month)**

### 9.3. August Storck KG



The graph below describes the current situation regarding Electronic Billing at the August Storck KG:



The process is divided into 4 levels:

- Country Level
- Bank Level
- Module Level
- Output Level

**Country level:** Initially, the Country Level defines our country portfolio. Represented by the respective flags, we see all countries where Storck has at least one bank account. It is therefore important for us to receive BSB-data from the domestic banks, which should be preferably complete.

**Bank level:** On the Bank level we divide our bank portfolio into three groups, the Regional State Banks, Private Banks and Cooperative Banks. Many of the Private Banks already provide camt.086, TWIST or CSV data. The other two sectors still struggle but have promised to further investigate into this topic.

**Module level:** The Module level contains the productive applications given by Omikron's Multicash platform. Booking, FX-Transactions, Electronic Billing and even Bank Account Statements can be managed. Furthermore, the Statistic Module can be used to compare bank data with internal data to identify deviations.

**Output level:** Benefits and synergies are ultimately shown at the Output Level. The above-mentioned modules are fully compatible with SAP and reliable data give you the permission to deduct input-tax, which should be reason enough to get started! Additionally the auditor will be satisfied, because the audit can be executed within the BSB module without the paper chaos. Another huge benefit is the data analysis and the fact that all modules are centralized in one solution.

**Summary:** Camt.086 and TWIST is reliable, because the sum of the bank account statements can be compared with the quantity of the statistics module in the system thus allowing easy comparisons of volumes and amounts.

#### 9.4. Deutsche Lufthansa AG



Holding ~1500 bank accounts worldwide with a large number of banks, the Lufthansa Group has to face the same difficulties as many other corporates when it comes to bank service charges:

- Lack of transparency
- Labour intensive verification of billed bank service charges
- Time consuming data gathering and analysis
- Few controls in place due to partially decentralized responsibilities
- Compliance issues

In 2010 the central Cash Management department decided to address these issues by implementing a treasury reporting tool which is importing the TWIST xml files delivered by the major Cash Management banks providing detailed data in a standardized way. Figures such as number of accounts, billing volume, deviation to agreed fees, new fees and expensive fees can either be downloaded as an Excel file or exported into another tool allowing graphic presentation and processing of the data.

So far, the two major Cash Management banks deliver TWIST files on a monthly basis for 43 countries. Despite the use of bank proprietary codes (400 different codes were provided in May 2016) the simplified gathering and analyzing of data helped to improve both – internal processes as well as the relationship with the bank.

By means of the increased transparency we are able to:

- Report volumes and costs of bank service charges
- Verify bank service charges
- Quickly prepare for meetings with the banks
- Detect conspicuous bank service charges and clarify with the bank
- Steer the use of bank service products in our branch offices

The Lufthansa Group aims at further enhancing the bank service charge developments together with the banks and other corporates by supporting e-invoicing, standardization of bank service charge codes and continuously improving our own processes.

## 9.5. Air Liquide



"Air Liquide Group Treasury has started looking at BSB opportunities back in 2011. Yet, it took until the end of 2013 before a real BSB project was actually started.

BNP Paribas has been the first bank to provide both TWIST xml and camt.086 (ISO 20022 xml) standardized format Bank Services Billing reports, first for the European countries where Air Liquide subsidiaries work with the bank and then on a wider basis.

Little by little, Citi, JP Morgan and more recently Commerzbank and HSBC have started delivering periodic BSB files in different format (including EDI 822 in the US) covering more than 40 Air Liquide countries.

We have chosen to work with RedBridge DTA Consultants (formerly known as Bfinance), to outsource BSB files treatment, get a better central visibility over cash management fees, enhance control resources and be able to use their management tool on a distributed basis.

Getting more and more key cash management players being able to provide standardized added value services is a very interesting trend for Corporates.

It is now possible to enter the terms & conditions negotiated with our core Cash management banks, get dashboards and KPIs (by country, by bank, by subsidiary, by period etc.) and receive error reports.

We are now working to continue enhancing our processes and open the web tool to our Hubs (Houston, Shanghai, Dubai and Frankfurt). E-invoicing will probably be the next step!"

## 9.6. SIEMENS AG



In 2014 the company started with the implementation of an IT set up to automate the bank fee controlling process.

As the Bank Fee Controlling is becoming more and more important following main targets were defined:

- a) gaining transparency about the used services and products including the charged prices (picture of cash management set up)
- b) strengthen compliance requirements
- c) a faster and clearer way of receiving invoices
- d) avoidance of paper based documents
- e) comparison of fees between entities, countries and banks

a) Transparency is a value added for the relationship between the company and banks. Both parties should be able to refer to the same figures and information about services and products in use. Pricing is only one aspect of the issue. Over time provision of electronic statements should become a regular automatic process what will be helpful for both sides.

Another advantage is the better understanding of the needs on both sides. Transparency about the products and services could be used to evaluate whether the current set-up is the best way of doing cash management (in certain countries). An analysis could lead to a proactive approach from the bank to the customer to explain better ways of the setup, e.g. if an account is not really in use and can be

closed or a certain product could be replaced by a better one. A deep analysis of products and services is easier to conduct.

Equal treatment of all group wide entities from the bank is a further aspect of transparency. We expect for a growing relationship that we have a unique format and only one source for the billing information for all our entities.

b) Information provided with electronic invoices can support the adherence of compliance requirements with regards to payment methods, e.g. use of cheques, direct debits, cash withdraw.

c) Using electronic invoices makes the receipt of files faster and safer. The danger that invoices get lost decreases especially the bigger the company is.

d) To get rid of paper is a small but nevertheless an important point. In changing times when working from all over the world is getting more and more popular paper based documents do not fit into many processes anymore and causes a lot of unnecessary manual workload.

f) The comparison of fees between entities, countries and banks should result in an equal treatment of all group affiliates.

#### Experiences

As mentioned above we have experienced in some cases an increase in the billing data quality just by asking about electronic and group wide files.

However from our perspective main problem still is that banks often do not understand why this topic is important for corporates. The quality of provided electronic billings is often poor regarding the content and technical requirements. Treatment of big and small companies seems to be different and we often do not have the feeling that banks are willing to make progress.

Electronic invoices become more and more important and are already a crucial part of RfPs. So it is up to the banks to make progress and to be the winner.

Last but not least, in times of digitization a reliable, errorless and complete provision of electronic billings is to be seen as precondition and crucial element for any digitization strategy of a bank. If banks are not even able to gather, analyze and provide accurate invoicing data's how can they be prepared for a digitized future?