

CASE STUDY

Crédit Agricole CIB Secures Competitive Lead



Improving services with a competitive offering is vital to our business. Working with Finastra has enabled us to continue to innovate for our customers and quickly respond to changing market conditions.”

François Cron
Head of Trade Finance e-Banking,
Crédit Agricole CIB

**(THE FUTURE OF
FINANCE IS OPEN**



At a Glance

Products

- Fusion Corporate Channels

About Crédit Agricole CIB

Crédit Agricole CIB is the Corporate and Investment Banking arm of the Crédit Agricole Group, the world's ninth-largest bank.

The Group is present in 70 countries and has 162,000 employees worldwide, offering its clients a comprehensive range of products and services in capital markets, brokerage, investment banking, structured finance, corporate banking and international private banking.

The bank's typical trade finance customers are large French corporations, typically in the CAC 40. These are global businesses with multiple international subsidiaries and are mainly engaged in open account trade alongside traditional trade finance.

The Challenge

Crédit Agricole CIB (formerly Calyon), wanted to significantly increase its trade finance business and knew that it would need to offer customers something special if it were to succeed in such a highly competitive market.

The Solution

In partnership with Finastra, Crédit Agricole CIB has launched an innovative supply chain finance solution that is already growing rapidly in Europe and will now be rolled out across the bank's global network.

The Results

The bank's solution puts its corporate customers in the driving seat—giving them unprecedented visibility and control over their trade finance transactions and supplier relationships. It also allows the bank's customers to give their suppliers financing quicker and more transparently than ever before.

ca-cib.com



The solution was very quickly rolled out, from proof of concept and testing to implementation with a customer.”

François Cron

Head of Trade Finance e-Banking, Crédit Agricole CIB

Crédit Agricole CIB’s new supply chain finance solution has put its customers in the driving seat, giving them unprecedented control and visibility of all their traditional trade and open account transactions through a single platform

The Challenges of Open Account Trade

Open account trade presents unique challenges to trade finance banks. The main challenge is in demonstrating the value the bank brings to these transactions. The risk of disintermediation is high and can undermine the rest of the banking relationship. Customers looking to consolidate their banking relationships may decide to move away from a bank entirely if the bank cannot demonstrate the added value of its trade services.

Crédit Agricole CIB sees significant volumes of its corporate customers’ trade finance transactions being managed on an open account basis and has set itself the objective of making these transactions as efficient and uncomplicated as possible for its clients.

Smart Technology Empowering Corporates

The bank’s implementation of the trade services module of Fusion Corporate Channels delivers on this objective. This online banking solution automates many of the complex workflows that exist between buyers and suppliers in the supply chain, such as Purchase Order to Invoice, and provides a collaboration suite where the bank’s customers can communicate directly with their suppliers.

Corporate customers can log on to their own secure section of the portal and review all their transactions and trade finance instruments in one place, giving an instant overview of their current and upcoming commitments. The portal supports open account trade by providing a quick and transparent channel for offering early payment discounts—whether domestically or for international transactions.

Buyers can offer early payment to their suppliers in return for a discount on the invoice. The buyer can pay early because they borrow on their credit line with Crédit Agricole CIB using their existing credit rating and limits. The bank’s customers manage the whole process themselves, from setting up their suppliers within the portal right through to sending the advance payment. The bank avoids having to offer supplier finance to unknown suppliers based on their invoices and the buyer benefits from higher discounts from their suppliers.

Radically Improving Supplier Relationships

The ease of use and simplicity of Fusion Corporate Channels has helped the bank’s customers rapidly on-board their suppliers and improve supplier relationships as a result. Suppliers find it easy to complete the online forms, upload their invoices and to accept or reject financing offers.

The platform also enables Crédit Agricole CIB’s customers to keep an electronic record of the entire history of each transaction, replacing the emails, faxes, and telephone calls that previously constituted the process. This electronic record makes auditing much simpler and more reliable.

Additionally, both supplier and buyer can check the status of each transaction at any time in the process—a key advantage of automation. The risk of manual re-keying mistakes is minimized and the transaction can be picked up by any member of staff in case of unplanned absences. In this way, managerial overview is enhanced and business planning is made much easier.

Crédit Agricole CIB has deployed online services to its international network for traditional trade finance, and is applying the solution to its supply chain finance program as well.

Single Platform for all Types of Trade Finance

Crédit Agricole CIB has combined its services for traditional trade and open account on a single platform. While using Fusion Corporate Channels to manage their open account trade more efficiently, the bank's customers can also use it to request more traditional trade finance from Crédit Agricole CIB, such as a Letters of Credit or guarantees.

The combined platform allows for additional benefits. For instance, the collaboration suite allows customers to agree trading terms with their suppliers online before the LC is issued, reducing the risk of errors and delays.

Purchase Orders can also be uploaded electronically from the buyer's ERP system and once reviewed and accepted by the supplier, the data can be re-used in the LC application, saving time and further reducing the risk of re-keying errors.

Such automated workflows help buyers manage their trade transactions more efficiently, with fewer mistakes, and offer the flexibility of both traditional trade and open account within the same online application.

Benefits for Crédit Agricole CIB

Crédit Agricole can offer its customers a unique solution—the level of automation in Fusion Corporate Channels and the ease-of-use is exceptional, giving the bank a distinct competitive advantage.

Working with the market-leader in trade finance solutions also helped ensure quicker time to market and return on investment when compared with developing an in-house solution.

The solution has also proved flexible. By working closely with the Finastra team, Crédit Agricole CIB has been able to respond quickly to client requests for changes.

Looking to the Future

Crédit Agricole CIB is watching the developments around the SWIFTNet Trade Services Utility (TSU) with great interest and is now well placed with Finastra to take advantage of the SWIFTNet TSU in the future.

The bank has already deployed online services into its international network for traditional trade finance and now applies this expansion to their supply chain finance program as well, as it sees great opportunities for this solution in its international customer base.

About Finastra

Finastra unlocks the potential of people and businesses in finance, creating a platform for open innovation. Formed in 2017 by the combination of Misys and D+H, we provide the broadest portfolio of financial services software in the world today – spanning retail banking, transaction banking, lending, and treasury and capital markets. Our solutions enable customers to deploy mission critical technology on premises or in the cloud. Our scale and geographical reach means that we can serve customers effectively, regardless of their size or geographic location – from global financial institutions, to community banks and credit unions. Through our open, secure and reliable solutions, customers are empowered to accelerate growth, optimize cost, mitigate risk and continually evolve to meet the changing needs of their customers. 48 of the world's top 50 banks use Finastra technology. Please visit finastra.com

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