

CLIENT CASE STUDY



Fides Streamlines Global Banking Operations for Massive Commodities Company

Abstract

While many companies boast of a global presence, Trafigura's operations are truly global, involving countless financial transactions across the globe daily. Prior to working with Fides, Trafigura's treasury department was managing their financial relationships manually, using each bank's proprietary platform. Making payments, monitoring accounts, and all the normal relationship-management chores were performed using the banks' ebanking platforms.

The Trafigura treasury leadership felt that centralization was the answer in making their international banking relationships more easily and efficiently managed. They decided to move to a more automated approach of centralizing all their banking relationships. But where would they turn?

About Trafigura

Trafigura has built a global business by providing the most basic of needs: moving physical commodities from where they are, to where they are needed. Trafigura sources commodities, stores them, blends and customizes them to accommodate regional preferences, and delivers them—by road, by river, by rail, and by ocean-going vessels. Trafigura fulfills a crucial role; without the services of companies like Trafigura, the engine that powers the global economy would falter.

But though crucial, Trafigura's services are anything but simple. Over the past quarter century Trafigura has built a global network that touches every corner of the globe. Trafigura maintains offices in 36 countries, supporting operations across all continents save Antarctica.

Through decades of unfailingly reliable service, Trafigura has earned a reputation as a global leader in oil, petroleum, metals, and mineral commodities. And, despite recent global downturns in certain commodities markets—particularly oil and petroleum—Trafigura remains a profitable company, with earnings of nearly \$1 billion in the past year

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- Gregor Mueller, Global Head of Treasury, Trafigura

Situation Summary

While many companies boast of a global presence, Trafigura's operations are truly global, involving countless financial transactions across the globe daily. Many different nations, corporate entities, and currencies are involved. And, of course, many different financial institutions.



Prior to working with Fides, Trafigura's treasury department was managing all of those financial relationships manually, using each bank's proprietary platform. Making payments, monitoring accounts, and all the normal relationship-management chores were performed using the banks' ebanking platforms.

The absence of automation resulted in numerous and daily challenges. The countless man-hours being spent on manual transaction and bank relationship management were expended simply in the performance of completing routine chores.

The Trafigura treasury leadership felt that centralization was the answer in making their international banking relationships more easily and efficiently managed. They decided to move to a more automated approach of centralizing all their banking relationships. But where would they turn?

Gregor Mueller is the Global Head of Treasury at Trafigura. Gregor helped formulate the decision to move toward centralization, and guided the process of selecting a SWIFT service bureau. In a recent discussion with Fides, Gregor reflected upon the process of evaluating and selecting a multibank service provider. Gregor also provided some insights into the benefits the Trafigura treasury department has enjoyed since centralizing banking operations.

Q&A With Gregor Mueller

What were some of the challenges you were facing that prompted you to search for a multibank solution?

"When I started at Trafigura in the early 2000's we used multiple E-banking platforms for most of our key banking relationships. With dozens of global banking relationships, this was a lot of manual work: checking bank accounts on each of the platforms; making payments from those individual platforms; etc. So we decided to move away from using dozens of single-bank platforms to a more sophisticated approach of having it all centralized.

"So then, of course, we faced the decision of having to choose—at the time, there were quite a few to choose from. We narrowed the field down to about five different ones, and ultimately choose Fides."

What drove your decision in selecting Fides?

"I would say that the deciding factors came down to two key differentiators.



“For one, we really liked the fact that Fides was fully owned by a bank. Credit Suisse. From a credit risk standpoint, we were very comfortable working with a service bureau and multibank provider that was backed by a bank—and one that we were already banking with as well.

“The second differentiator was the enrichment service that Fides provided—and in this they really stood out from all the others we were considering. We would be able to send Fides just a single format, and they would configure that in a way that it would be tailored specifically for each of our various banks. No one else offered that capability.

“Additionally, I should add that one of our subsidiaries, Puma Energy, was already a Fides customer, and had very good things to say about the company. What I specifically recall is that they essentially told us: ‘Whatever you need from a customer service standpoint, Fides will make it work. They’re very reliable.’ ”

Has your experience with Fides lived-up to Puma’s recommendation?

“Yes, I would absolutely say so. The support we get from each touchpoint within the organization is excellent in terms of quality and expertise and their response time is very quick. It is clear to me that Fides has a very customer oriented culture and I have come to rely on them as an extension of our team.

Fides is widely known for their excellence in multibank messaging and payment workflows. Can you tell us how you have incorporated their transaction aggregation and account reporting capabilities into your operations?

“While we initially began working with Fides to optimize our payment operations, we have now incorporated their Account Reporting Solution capabilities to help us aggregate, normalize, and reconcile our bank statements.

When we first began working with Fides, approximately 60% of our bank accounts were held with Deutsche Bank so already had proper statements reporting electronically for our key accounts. However, the remaining 40% were either being managed and compiled manually or were reporting back as third-party reports into the Deutsche Bank portal. Inconsistency was a tremendous problem for us and the exorbitant amount of time manually aggregating and reconciling these accounts was an event bigger challenge.

We have now consolidated all statements through Fides. This has turned to not only be more efficient for us but also a lot more economical. We are now getting all statements through Fides for about 1,600 accounts.



What was your implementation experience with Fides?

“Our implementation went very well. Typically, an implementation project of that nature can sometimes be quite difficult in an organization like ours. For us and many others, this project was born from a very real urgency. But as it happens in so many companies, there are so many other priorities that come up and the project can suddenly be placed on an internal back burner. In treasury, something new and something urgent is always arising. Fides helped us keep the project on track for us. They were expert at taking the lead and keeping things progressing in our best interest so that we could continue to progress towards our goals.

Throughout the project, Fides would respectfully and expertly provide the occasional nudge to help keep things moving along. And sometimes a proactive push is just what you need when the day-to-day routine of your job gets in the way.”

Since going live, how has your ongoing support experience been with Fides?

“Any support issues—new ideas; new products we might need; issues we come across where we think Fides might be able to help us—we can turn to our account manager for help. I can call him up to just float ideas and see what he thinks.

“And I can also reach out to the head of the Client Services team at Fides anytime I need to. He’ll even call me back on his mobile if he doesn’t happen to be in the office when I call. In fact, since we’re a global operation, a problem can crop up at any time. And in just the last 12 months there have been several occasions when a Fides team member would get back to me via their mobile for after-hours. I’ve really not seen that level of service from other companies.”

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About Fides

Fides is the global leader in multi-bank connectivity and transaction communications. Originally founded in 1910, Fides is an independently operated subsidiary of Credit Suisse. With the industry's largest bank connectivity network, Fides helps over 3,000 active clients communicate with more than 10,000 banks globally. Our geographic reach spans 170 countries across the Americas, EMEA, and the APAC regions.

Committed to helping corporations optimally connect and interact with their banks for over a century, Fides' connectivity solutions delivers critical multi-bank account statement, payment workflow, and reporting capabilities that allow treasury and finance teams to easily, accurately, and securely communicate with their banks through any possible channel such as SWIFT, EBICS or any alternative network.

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