CENTRALIZING YOUR PAYMENT PROCESSING TO CONTROL COSTS AND IMPROVE CASH FLOW FORECASTING IN A GLOBAL ORGANIZATION

DRIVEN BY TIGHTER REGULATIONS and the need for better cash management, corporations are more focused on expanding insight into their cash positions and forecasts. Many corporations however manage payables processes, payments, and banking relationships at the subsidiary or business unit level. This method often results in poor visibility and can contribute to increased transaction costs, higher cost of ownership, risk of fraud, and the lack of standardization as each locality supports a fragmented view of cash.

GAIN VISIBILITY AND CONTROL

For this reason, many corporations are now looking at Payment Factories as an integral part of their cash and liquidity management strategy. Payment Factories centralize the processing of payments using automation and configurable workflow with integration points to disparate systems. As a result, subsidiaries can maintain independence on a specified range of operations and processes but also operate directly with the centralized treasury group to deliver visibility and accuracy to a corporation's cash activities and liquidity management.

A Payment Factory is a payment processing system that offers back-end integration with ERP systems (via secure interfaces) resulting in an aggregated and centralized payment processing center. It handles incoming payment information in multiple data formats while providing workflow management of payment approvals and a rules engine to determine the lowest-cost method of payment.

CORE BENEFITS OF A PAYMENT FACTORY:

- Reduced Transactional / Operational Costs
- Improved Visibility to Enterprise-wide Payment Flows
- Harmonize and Optimize Payment Flows
- Streamline Banking Relationships
- Minimize Manual Processing
- Increase Efficiencies / Facilitate Growth
- Minimize Fraud and Error
- Sarbanes-Oxley Compliance
- SEPA Readiness

SIMPLIFY BANK CONNECTIVITY

Additionally, using a centralized platform, Payment Factories provide straight-through-processing (STP) of payments to simplify corporate-to-bank connectivity. The connectivity to banks or payment networks such as SWIFTNet streamlines the payments cycle and delivers out-of-the-box interoperability with major worldwide payment and bank statement formats. Increased visibility can also be realized through the use of consolidated account statements and reporting, giving a more complete view of liquidity.

A Payment Factory is also especially effective when the payables systems of multi-national subsidiaries are centralized, as cross-border banking fees can be significantly reduced. For example, a corporation can automatically offset payments due between its subsidiaries, resulting in smaller cash transfers and reduced foreign exchange charges, wire costs, and lifting fees (a fee charged by the bank for receiving a payment). It can additionally provide functionality to route payments through in-country accounts avoiding high international settlement fees.

The underlying goal of a Payment Factory is to successfully execute payments on an enterprise-wide basis. With an increased push to consolidate treasury activities to a smaller number of locations across the globe, payment factories can offer the required combination of localized flexibility with centralized control and visibility. A centralized treasury & cash management function along with a Payment Factory enables companies to attain cost benefits and improve visibility of cash and risk.

Visit www.sungard.com/avantgard for a complete copy of the White Paper: *How Payment Factories Improve Liquidity Management Through Centralized Control and Visibility.* SunGard's AvantGard is a leading liquidity management solution that provides real-time visibility into cash flows and increased operational controls around treasury, receivables and payments management.

For more information about SunGard AvantGard, email avantgardinfo@sungard.com.

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