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The Broader Benefits of BRM - Speranza

Banking relationship management (BRM) systems can offer more benefits than first spring to mind. Glen Solimine, president of Speranza Systems, tells Jim Banks how BRM can contribute to your efficiency and transparency.

The automation of paper-based business processes is nothing new in itself, but the implementation of technology to move banking relationship management (BRM) into the electronic age has increasingly given companies further opportunities to improve efficiency and reduce costs.

'By moving to electronic account management you create transparency, which gives you an auditable, efficient environment.'

These benefits, however, deliver only part of the potential value of BRM systems, which are now spreading their influence within an organisation by interacting with systems in other departments.

The most obvious impact of BRM is the elimination of paper-based account management processes. According to **Glen Solimine, president of Speranza Systems**: 'Electronic bank account management is clearly the hottest issue. Companies want to manage the opening, closing or changing of signers on accounts without reams of paper. Many feel one of SWIFT's priorities should be to find standards for electronic account management at the messaging level.'

Speranza Systems focuses on the development of innovative, web-based solutions for global banking mandate and relationship management. Its technology works with ERP and treasury management software, providing a central repository to coordinate all data on banking activities.

BANKING RELATIONSHIP MANAGEMENT SOLUTION

The company recently launched its BRM product Speranza Command Center, designed to allow corporate treasurers and CFOs to comply with global regulatory demands, improve security, reduce bank fees and improve the accuracy of account and authority-related reporting.

The advantages of electronic account management are evident from simple use cases. Opening a new account at an existing bank, for example, is



Glen Solimine, president of Speranza Systems.



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simpler because some know-your-customer (KYC) requirements are bypassed. The process may require only one or two outbound communications and their reciprocal confirmations from the bank.

For opening an account with a new bank the same process will include KYC requirements, but is still quicker and easier with the paper-based processes eliminated.

‘Changing transactional authority for a particular account is similarly quicker once you get rid of the paper. By moving to electronic account management you create transparency, which gives you an auditable, efficient environment,’ says **Solimine**.

Most corporates’ visibility of account structures around the world is, according to **Solimine**, very poor. Often they have many more accounts and banking relationships than they realise. He says: ‘The big benefit of having standardised, paperless processes is that you get visibility of all your banking relationships very quickly. You see exposures to banks you may not know about. It is also useful to do annual reviews of banking relationships, looking at management fees and service levels.’

CLARITY AND CONTROL

Speranza’s Command Center is the kind of process-oriented solution that will take BRM to the next level, creating a controlled and audited environment for banking relationships.

A company using decentralised process to manage these relationships may find that accounts are set up with banks that have not been approved. With solutions such as Command Center, companies can restrict new accounts to a centrally authorised list, blocking unauthorised bank accounts. More detailed controls can also be applied. A company might, perhaps, specify that all interaction with a given bank must be electronic, which would eliminate the potential to duplicate signatures on an account.

Solimine adds: ‘The solution gives you end-to-end control that you cannot get with paper-based processes. The natural by-product is greater control. ‘It also means that any change to the structure of a banking relationship can flow through the company electronically. It also gives you the ability to integrate information from other parts of the company, such as treasury or HR systems.’

He believes that many companies retain employees as signers on accounts even after they have left the organisation. Linking BRM to HR through a hub like Command Center could, for example, automatically and immediately change authorisation on accounts when an employee leaves the company, reducing fraud risk. The market is waking up to BRM, excited that such problems can be resolved, and its appetite for the transparency that integrated hub solutions deliver can only grow.’