

The power of automation in B2B collections

Citibank e-Billing and CitiConnect are powerful enablers of company cash management operations

In order to succeed in today's business environment and create a sustainable competitive advantage, companies are keen to effectively manage working capital, improve operational efficiencies, and find new ways to increase sales. Companies are demanding solutions that can automate financial and commercial business processes to reduce operating costs, accelerate cash collections, automate reconciliation, improve information flow, and ultimately optimize working capital.

There are enormous opportunities to find efficiencies through the use of automation in the payment and collections cycles. Two prime areas for automation are invoice management and funds collection. To meet customers' needs, Citibank has incorporated into its core collections capabilities two new solutions: Citibank e-Billing, an Electronic Bill Presentment and Payment (EBPP) platform, and CitiConnectSM Web-Enabled Financial Services, an online collections platform. These two solutions form an integrated accounts receivable process, improving communications and providing better control over the payables and receivables processes for both the buyer and the seller, offering significant commercial benefits for companies.

Electronic Bill Presentment and Payment

Electronic Bill Presentment and Payment (EBPP) allows the billing organization (biller) to provide its invoices electronically over the Internet as the medium of communication or delivery channel. The paying organization (payer) can directly access and process the invoices online. EBPP facilitates the efficient processing of invoices by providing better visibility and control over both the payables and receivables processes for biller and payer. EBPP can replace the traditional paper billing process which is plagued by long delays. In Asia, the time that an invoice is in transit can be up to 7 days, particularly when invoices are sent across the region from a single location. Further float is incurred while the invoice is distributed within the payer's organization and while verification, approval and payment initiation take place. The entire float can span a number of weeks.

Technology can have a dramatic effect on the billing process by reducing a company's Days Sales Outstanding (DSO). By using an electronic billing solution, an invoice can

be presented automatically. This slashes the invoice float by immediately routing the invoice to the correct department and allowing the dispute management process or the payment process to commence without delay.

Aside from the savings on postage and paper, companies using EBPP can realize significant savings on time and resources relating to dispute resolution. By sending out bills electronically, the payer can review the bills online. If for example, a payer disputes one item in a series of invoices, the electronic billing process allows the payer to pay the rest of the bill while continuing to seek clarification on the disputed item. Online communication between the buyer and seller provides both parties with access to invoice information on a real-time basis over the Internet.

Citibank e-Billing and CitiConnect can help you achieve greater efficiencies in your receivables management process by automating the billing and collections process.

Automating online collections

There is no question that the key to improving working capital management is an efficient process to collect funds from buyers. To have the highest efficiency, sellers need to be able to collect funds electronically, online, at the time the transaction is completed by the buyer with immediate authorization and certainty of funds. Furthermore, a key requirement is that payments must be protected by strict security and privacy standards.

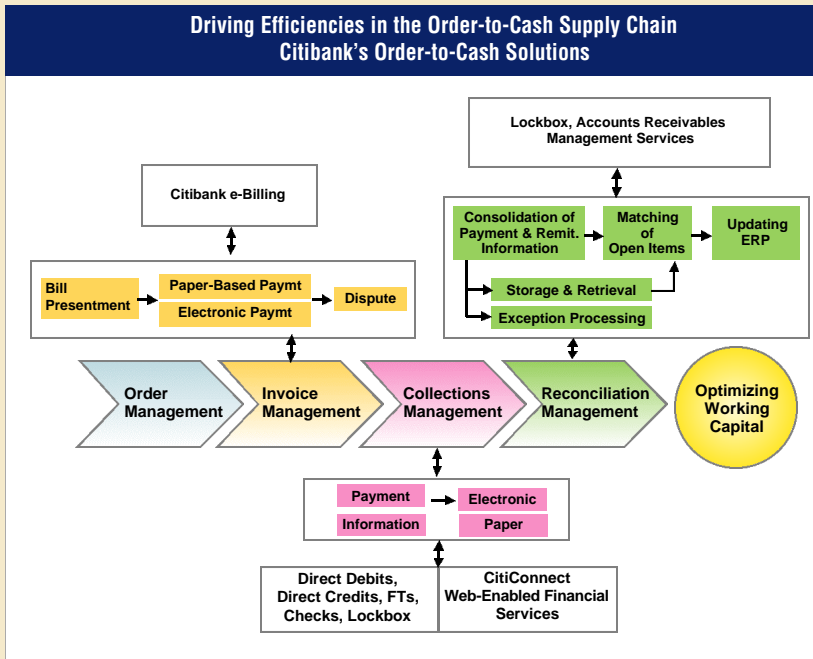
Integrating an effective online collections platform into the seller's business workflow can help the seller lower transaction costs, reach new markets and reduce processing time. Online collections add a new dimension to e-commerce activities by allowing both parties to complete the commercial transaction automatically online. It can provide sellers with greater control, transforming the way they do business and extending their reach to new markets.

The Citibank solution

Citibank's collections solutions, Citibank e-Billing and CitiConnectSM Web-Enabled Financial Services, can help you achieve greater efficiencies in your receivables management process by automating the billing and collections process.

Citibank e-Billing

Citibank e-Billing is oriented to open account relationships where there is frequent trade between buyers and sellers.



Initially the solution was focused towards large sellers, but increasingly large buyers are seeing the need to use electronic payment to increase visibility and control over the payables process. Citibank e-Billing has been designed for treasury departments in Asia Pacific and the platform has been extended to other regions.

Some of the salient features of Citibank e-Billing that provides significant benefits to companies are:

- Customized invoice presentment, allowing the billing organization's branding and interface to be shown to its buyers and payers
- A hosted solution, which decreases risk and costs, and ensures data is secure in accordance with stringent Citibank standards
- Line-item dispute management capabilities
- On and offline payment and reconciliation
- The comprehensive collections infrastructure of Citibank in Asia Pacific for payers using traditional payment channels
- Citibank's reporting and downloading capabilities for billers and payers in XML format to enable simple integration into ERP systems.

CitiConnectSM Web-Enabled Financial Services

To help you automate collections in the online marketplace, Citibank provides CitiConnectSM Web-Enabled Financial Services. CitiConnectSM is an electronic payment platform that integrates with sellers' existing websites to allow automated online collections from buyers. When CitiConnectSM is integrated with the seller's website, buyers will be able to initiate

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CitiConnect is for companies focusing on electronic distribution or electronic procurement that require online payments and settlement capabilities. This product allows corporations and their customers to derive the maximum benefits from e-commerce.

Some of the salient features of CitiConnect that provides significant benefits to customers are:

- A broad range of settlement options including direct debits, credit cards, commercial cards, domestic and international fund transfers
- Real-time responses providing immediate authorizations and certainty of funds for payments from Citibank accounts and real-time notifications for other payment channels
- Streamlines processes by eliminating paper and embeds payment in the commerce cycle, hence reducing cycle-time
- Eliminates the need for linking to multiple payment providers by providing a single point of connectivity to an ever-expanding array of financial settlement channels
- Encourages adoption of existing web offerings by complementing them with an online settlement solution.

Driving efficiencies through automation

With Citibank's web-enabled receivables management solutions, treasurers can enjoy greater control over payments, thereby improving liquidity management. Citibank e-Billing and CitiConnect are powerful enablers of effective cash management operations, providing businesses with greater visibility and control over their receivables management. Combined with Citibank's broad solutions set for receivables management, Citibank can help you achieve greater efficiencies in the order-to-cash supply chain. ■



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