Common Standards, a Superior Experience

An Interview with Hemant Gada, Head of Channel and Enterprise Services, EMEA, Treasury and Trade Solutions, Citi

A key priority for Citi is to offer a seamless, consistent and effective experience to its clients across the entire Citi global network. An important means of achieving this is through efficient, integrated and user-friendly channels between Citi and its clients. In this interview, Helen Sanders, Editor, discusses what this means in practice with Hemant Gada, Head of Channel and Enterprise Services for the EMEA region at Citi.

What are your clients’ major priorities today for bank communication?

Standardisation has been a priority for both our clients and Citi for a number of years, not least due to SEPA. SEPA has introduced new instruments based on ISO XML 20022 formats and prompted greater recognition of both the benefits of standardisation and the opportunities that now exist. For example, we are seeing considerable interest in adopting ISO XML 20022 formats across multiple banking partners and a wider geographic reach to replace diverse, fragmented formats.

To enable coherent information flows across all the countries in which Citi’s multinational clients operate and to help clients reduce costs and increase productivity, Citi is committed to promoting a standardised approach in the way that clients communicate with us. This includes supporting bank-agnostic communication wherever possible, including both the channels and the formats with which we communicate with clients. For example, we are expanding the use of XML across all our channels, including host-to-host, across our entire footprint with an aim to provide global homogenised format.

We recognise that Citi’s global network offers huge benefits to our clients, so we aim to enable them to operate consistently across our footprint. For example, while historically the processes for opening accounts in London, Shanghai or Johannesburg may have been different, we are striving to offer a standard process and format wherever possible whilst ensuring compliance with local regulatory and legal needs.

To what extent are clients able to access these services through a common channel?

Our services are available to clients through a variety of channels, including SWIFT, our host-to-host CitiConnect® offering and our web-based CitiDirect BE™ portal. CitiDirect BE is most widely adopted by our clients due to its flexibility and ease of access, with support for both domestic and cross-border payments and a range of other functionality such as account services. Equally we leverage our global CitiConnect offering to allow our clients to connect with us in an automated mode across the entire Citi network.

In addition, Citi is working closely with SAP to create the SAP Financial Services Network (FSN). This is a cloud-based, secure network managed by SAP that enables corporate treasurers and finance managers to connect with their banks directly through their SAP platform, without the need to manage individual bank connections. By leveraging the FSN, corporations are insulated from the idiosyncrasies of each bank’s systems and formats, and bank connectivity becomes seamless.

Why would a company choose to access its banks through the FSN as opposed to using SWIFT AllianceLite 2 or a service bureau?

SWIFT offers considerable opportunity for corporations of all sizes to connect to one or more banks securely and conveniently, and remains a major part of Citi’s channel strategy. For clients that are using SAP as their financial supply chain management platform, however, FSN offers another alternative through pre-configured connectivity to one bank or multiple banks without the need to access a separate service. Companies do not have to deal with different security requirements or formats, or manage integration with each bank. Consequently, although FSN is a
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In addition to streamlining communication between corporations and their banking partners, what other benefits are corporate treasurers seeking from standardised formats?

Corporate treasurers demand timely, accurate and usable data to ensure visibility and control over cash, and to facilitate automated processes. A focus for banks such as Citi over recent years has been to provide information as close to real-time as possible. The second step has been to standardise the way in which this information is presented, in order that clients have access to a consistent quality and richness of information across all accounts and regions. This is essential to digitise processes such as straight-through reconciliation (STR) which is as significant a requirement amongst treasurers and finance managers today as straight-through processing (STP) was in the past.

The increasing focus on standardised processes and information is helping to drive new opportunities such as eBAM (electronic bank account management). This is an important area of investment for Citi as we recognise the benefit of improving efficiency and control in account management processes that have traditionally been undertaken manually. Corporate treasurers seeking to centralise bank account management, increase process efficiency and achieve greater control over accounts and signatories are very interested in the opportunities presented by eBAM. While we have not yet reached an inflexion point in terms of customer adoption, it is building momentum. As eBAM has such obvious applicability across all banks in all markets, we expect it to become a homogenous, industry-standard solution in due course but in the interim, Citi’s eBAM solution is set to become increasingly popular for automating account management processes and achieving greater visibility and control over accounts.

Presumably Citi’s eBAM solution is also available through the CitiDirect BE portal?

Absolutely. We recognise that it is essential for corporate clients to be able to leverage a single channel across a wide range of solutions and services. Furthermore, users expect a common experience irrespective of the type of activity they are undertaking through the portal. In some cases, particularly amongst larger corporations, different individuals or teams are responsible for tasks such as account services, payments, etc. In smaller organisations, the same individuals or teams take responsibility for a wide range of activities, so a cohesive experience leveraging a single channel is particularly important for these users.

We have discussed channels and formats so far: security is the essential third element in corporate to bank connectivity. What initiatives has Citi undertaken in this area?

Pivotal to our channels and enterprise strategy is that every touch point we have with our corporate clients must be entirely robust and secure, irrespective of whether they communicate with us through CitiDirect BE™, host-to-host, SWIFT, FSN or any other method. In addition to our proprietary, industry-leading approach to security, we are also rolling out SWIFT’s 3SKey solution across all of our platforms. 3SKey is a personal digital identity solution developed by SWIFT in collaboration with banks and corporations that can be used to sign transactions digitally across both SWIFT and proprietary channels. We have 3SKey pilot projects in progress with clients using SWIFT, CitiDirect BE™ and host-to-host, enabling clients to take advantage of the same capabilities irrespective of their chosen communication channel.

In addition to 3SKey, there are a number of other industry-wide initiatives that Citi is proud to champion. One of these is TWIST’s Global Electronic Bank Services Billing Standard. This initiative aims to enable treasurers and finance managers to view bank charges across all of their accounts in a single format for comparison and reconciliation. At Citi, we have already rolled out the TWIST standard across 85 countries so far, with the remaining 10 or so to follow, enabling our clients to view, analyse and compare bank charges consistently.

Having provided this transparency to our clients, the next step is to move away from country-specific bank charges towards standardised charging mechanisms across our footprint. Visibility over bank charges and consistency in charging mechanisms are developments for which there is considerable customer demand, and is also supported through our standard channels.

You mentioned earlier the importance of a cohesive user experience across different functionality offered through a common channel. As users increasingly use a variety of devices with which to communicate with the bank, to what extent is Citi promoting cohesion across devices?

This is a point that is becoming very important to our clients as they shift from a desktop towards laptop, tablet and mobile devices. When seeking to optimise the user experience on each device, it is essential to bear in mind that increasingly, users leverage more than one device, so we need to offer comparable device relevant functionality and consistent look and feel irrespective of the device that the user chooses.

The standardisation theme will continue to feature prominently in the corporate-to-bank dialogue. As both proprietary and industry-wide initiatives evolve and mature, the nature of this conversation will change; however, Citi’s commitment to providing a consistent quality of experience and a high standard of information across devices, countries, regions and channels remains pivotal to our strategy.