

A Development Financial Institution Centralizes Global Payment Management

WorldLink® platform enhances visibility and standardizes processes worldwide

Case Study

The Client A large development financial institution with offices in over 100 countries focused on reducing poverty and promoting economic and social development globally.

The Challenge The organization's headquarters historically provided funding to its local in-country accounts across the globe so that in-country staff could execute payroll, pension and vendor payments. As part of its initiative to centralize its payments processing, the organization issued an RFP for global payments to support its intense volume of payroll, pension and accounts payable transactions. The organization's payroll function processed salaries in over 90 currencies, making approximately 36,000 payments each month to 17,000 staff members in over 100 countries, while the pension department processed nearly 9,000 pension payments in 40 currencies monthly. In terms of vendor payments, local staff made payments in over 100 currencies, with an average of nearly 14,000 payments made each month from all country offices. The organization needed a banking partner that could match its global footprint – particularly in countries with challenging banking systems – and demonstrate sensitivity to the value dates for the payroll and pension payments to tens of thousands of staff members worldwide. Noting these challenges, the solution still needed to offer cost benefits to the client.

The Solution Citi was awarded the mandate for global payments, enabling the organization to consolidate its payroll, pension and country office vendor related payments centrally through a single banking institution. With the ability to execute 99% of total payment volume in the organization's requested currencies and service local offices in countries where most banks cannot do business, Citi was uniquely positioned to win the business. Citi's solution provides comprehensive payment coverage via WorldLink Cross Border Payments in the form of funds transfers, SEPA, ACH and checks in local currency or USD. Citi's file services allow the organization to send a consolidated payment file and leverage Citi's ERP Integrator for SAP to accelerate and simplify file integration. Comprehensive reports and internet ad-hoc inquiry capability further streamline and simplify the reconciliation process while providing the organization with visibility to activity.

The Result The project, covering payments across 144 countries and 117 currencies, has centralized the global payment management and execution at the organization's head office, removing the function from the local in-country offices. With an annual payment volume of 395,000 transactions, the organization has leveraged Citi's global footprint, on-the-ground payments expertise and relationships with regulators that accompany Citi's 232 memberships in cash clearing systems across the globe. Citi's centralized, file-based payment method now enables the organization to eliminate banking administration from local country offices and achieve global process standardization. Further, the organization has reduced costs from an operational perspective at the country office and head office levels with payment processing straight to beneficiaries via file transmission, and has achieved lower overall pricing in benefitting from Citi's global support as the largest FX provider in the world.