

Misys Trade Portal

Carrefour & BNP Paribas

Carrefour automates and improves efficiency of its global trade business using the electronic banking solution, Misys Trade Portal



Carrefour & BNP Paribas

For Carrefour, the largest European retail group and number two in the world, one of the most critical factors in its success is the smooth operation of its supply chain. The visibility and coordination of all materials, information and finances has to be closely managed so that the flow of goods, credit agreements and money are as aligned as possible.

With Carrefour regularly interacting with several thousand suppliers across the globe, its executive team decided to evaluate its banking relationships with a focus on improving the management of its vast supply chain.

After an extensive tender process, Carrefour selected BNP Paribas, one of the world's leading trade banks. A critical factor in the selection was its electronic banking solution, developed by Misys Banking Systems, which provides the interface between Carrefour, the bank and the retailer's suppliers. BNP Paribas had recently licensed the award-winning trade finance solution, Misys Trade Portal.

This electronic banking solution brings benefits to all Carrefour's stakeholders, including an improvement in the relationship with its suppliers.

The team at Carrefour was looking for a bank that could cope with the typically high trade volumes found throughout the retailer's international network. It was vital that the chosen bank would speed up the trade process and be able to match the flow of goods more closely with payments and invoices. One particular challenge was that the issuance of orders and related payments would seldom be completed on the same day, so bringing delays and inefficiencies into the supply chain.

BNP Paribas as the trade bank of choice

In April 2003 BNP Paribas was selected above twelve other banks. Carrefour recognised that BNP Paribas had the capabilities to provide the team at the retail group, the deep trade expertise, the financing that was needed as well as access to the best trade services electronic banking solution on the market, powered by Misys Trade Portal. The bank processes Carrefour's international payments and securitisation, including LCs and recurrent fund transfers.

Alain Biscaye, head of global trade services at BNP Paribas, comments, "Key to the success of this deal was our strong international network of offices in 85 countries and the synergy it has with Carrefour's Trade Centres in France and Asia. When you add the access to an innovative and high-performance Internet tool, we were able to offer Carrefour the best solution."

The right combination of expertise and coverage from the bank

BNP Paribas is one of the largest international banking networks with strong positions not only in Europe, but also in Asia and the US. The global trade services organisation within the bank optimises, secures and finances international trade transactions for large corporate and mid-sized companies that are active in many sectors. BNP Paribas operates a network of trade centres - a model that is closely aligned to that of Carrefour.

Streamlining the supply chain

With more than 11,000 stores in 30 countries and nearly half a million employees, the supply chain is one of the most important functions within Carrefour's trade business.

“This is the first time that a bank and a client has worked so closely together in the trade arena. We are engaged with the Carrefour team to help provide the services and tools the group needs for it to achieve its goals. We look forward to continuing the relationship in the future.”

Alain Biscaye, BNP Paribas

The global sourcing department of the retail group relies heavily on the Letter of Credit (LC) as a means of securing its international trade transactions. As one of the world's major importers and exporters of goods, it processes approximately 5,000 LCs each year with its many suppliers and partners around the globe, which puts a strain on the internal resources at Carrefour. Misys Trade Portal allows the company to raise LCs automatically as soon as purchase orders arrive, removing the need for significant manual intervention. It also improves the way in which Carrefour interacts with BNP Paribas on one side and its suppliers on the other.

This has resulted in a faster delivery of goods globally and efficiency enhancements in Carrefour's trade operations, including significant cost reductions.

Improving the service while reducing the cost

Keeping track of all global trade flows and ensuring the alignment of the physical goods and finances was a resource-intensive and inefficient process. Carrefour set out to improve the way it undertook these trade transactions with the goal of reducing operational cost and increasing trading efficiency.

The executive team at Carrefour issued an international invitation to tender to trade banks that could satisfy the global sourcing department's plans. The chosen solution had to play an integral part in the automation of many of the processes in the trade operations at Carrefour

Return on investment from award-winning portal technology

BNP Paribas delivers its trade services through Misys Trade Portal, the innovative electronic banking solution. It plays the crucial role of consolidating

the view of all trade transactions and flow of goods throughout the supply chain for Carrefour and provides dynamic status reports on all credit engagements with the thousands of businesses that supply the retail group.

Carrefour saw immediate and significant cost savings by automating the management of LCs. It brings Carrefour and its importers improved task management capabilities as each user has a personal customised task list which is directly linked to Carrefour's business priorities.

Using the portal technology from Misys Banking Systems Carrefour has reduced its operational cost. It has strengthened the commercial relationship with its suppliers and has ensured the total involvement of BNP Paribas throughout the flow of trade through the supply chain. By working together Carrefour is able to draw on the bank's services and expertise in trade finance to improve efficiencies.

Ultimately, Misys Trade Portal improves the shared view of the supply chain for BNP Paribas, Carrefour and its suppliers. It brings them an open, transparent and effective management tool while enhancing reconciliation between the physical flow of goods and finances.

The operational cost savings for Carrefour, while confidential, are described by the retail group as significant. “The solution has brought us the enhanced visibility of the entire supply chain that we were looking for,” comments François Bouche, head of finance and administration for Carrefour's merchandise group. “Together with our own internal systems, it has harmonised the processes within our trade operations and improved the flow between us, our suppliers and BNP

Paribas. We have been able to reduce the administrative steps for issuing orders and increase the productivity of all our administrative and accounting functions. We look forward to improving the efficiency and the relationships we have with our suppliers still further.”

Alain Biscaye, from BNP Paribas, adds: “This is the first time that a bank and client has worked so closely together in the trade arena. We are engaged with the Carrefour team to help provide the services and tools the group needs for it to achieve its goals. We look forward to continuing the relationship in the future.”

Olivier Berthier, Head of Product Management, Misys Trade Services, sums up the arrangement: “We are seeing more and more banks provide the value-add our portal gives over and above pure financing arrangements. This is a truly collaborative venture as we have been able to help the team at the bank give Carrefour the solution that matches its trading needs most closely.”

“We have built a very strong knowledge of the trade services industry and have strengthened our relationships with some of the leading trade banks, such as BNP Paribas, over the last few years. We are well placed to continue to provide organisations like Carrefour with the best available tools to help them improve the efficiency and relationships they have with their suppliers.”

Integration with Carrefour's existing systems

Using its Local Service module, Misys Trade Portal was able to link and integrate the online service offered by BNP Paribas to Carrefour's internal information system.

This function has been designed to help organisations like Carrefour to achieve STP of their trade transactions by avoiding re-keying in the bank's service of data already available in their own information system. The Local Service module is used as a standalone program installed on Carrefour's site which accesses Carrefour's information system and retrieves the relevant data for the bank. It communicates through a secured SSL channel using the SOAP protocol. The resulting transactions are then available in the web-based front end until they are validated or amended according to the trade information.

Misys Trade Portal provides an interface for all of Carrefour's users so that LCs are initiated automatically when ordering goods against a purchase order prepared in the retail group's ERP system. Misys Trade Portal is transparently fed with the order details and an Import Letter of Credit is prepared accordingly.

For more information on
Misys Solutions please visit:
www.misys.com/banking

'Misys' is a trade mark of Misys Plc, a mark registered in various countries worldwide. Trade Portal is a trade mark of Misys International Banking Systems Limited and/or Misys group companies. All other product and company names may be trade marks of their respective owners.

Copyright © 2008 Misys Services Limited. All rights reserved.

Misys Services Limited is a member of the Misys group of companies.

Registered in England, No. 01941076 Registered Office: One Kingdom Street, Paddington, London W2 6BL.