



Integrating logistical and financial processes

Case RosettaNet

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About Nordea Group

- **The largest financial services group in the Nordic region with €262 billion in total assets and 29,140 personnel**
- **A world-leading Internet banking and e-commerce operation with 3.9 million customers**
- **The largest customer base of any financial services group in the region**
 - **9,6 million personal customers**
 - **930,000 corporate customers**
- **A leading asset manager in the Nordic financial market with €105 billion under management**
- **The most comprehensive distribution network in the region including 1,200 branch offices**



The hot topic of today's financial industry

“Underlining the challenge for global corporates like Coca-Cola, which managed its global business using nine separate treasury systems to interface to the banks ... needed to pull information from these systems into its enterprise management and accounting software, a process that was largely inefficient”

David Taggart, vice president and treasurer, Coca-Cola



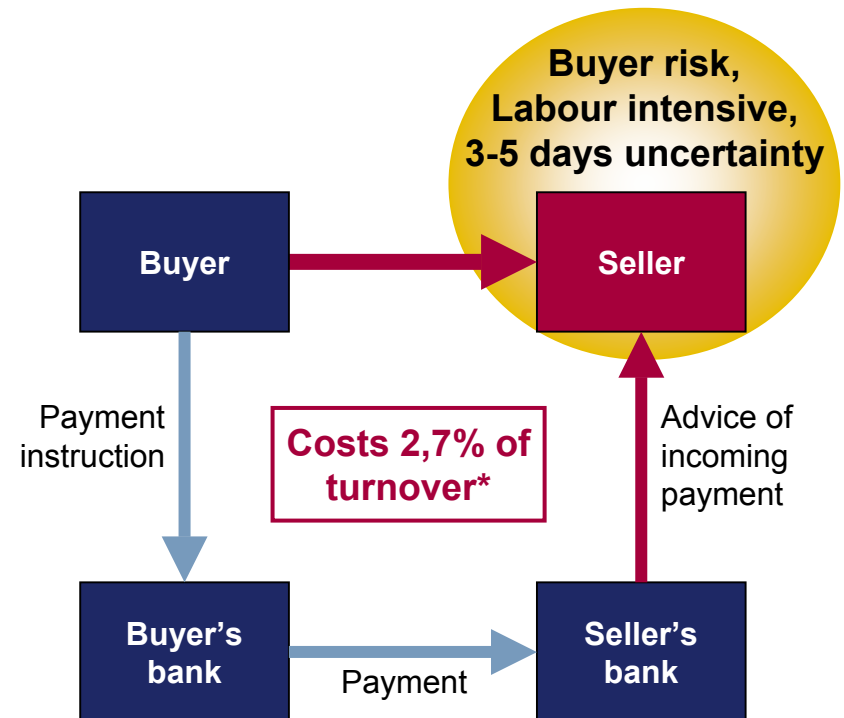
“...estimated EUR 580 billion in trapped capital as a result of the financial and logistical supply chains operating inefficiently”

“This is the time that the banking industry can really make a difference ... by paying attention to the supply chain”

Anne Cairns, head of working capital, ABN AMRO

Current situation in international payments

1. The seller must manually reconcile accounts receivables due to remittance information lost in cross-border payments
 2. Payment cycle time creates uncertainty of available funds and complicates treasury planning
 3. Buyer risk exists as no confirmation of payment can be given
- **Financial actions separate from logistical operations**



RosettaNet Payment Milestone Program

- RosettaNet and leading banks started a development program for integrated payments to remove inefficiencies in liquidity management and transactions
- Five key RosettaNet member companies committed to using the standard in their strategic procurement business

www.rosettanet.org/payment



NOKIA

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Founding members of integrated payments team



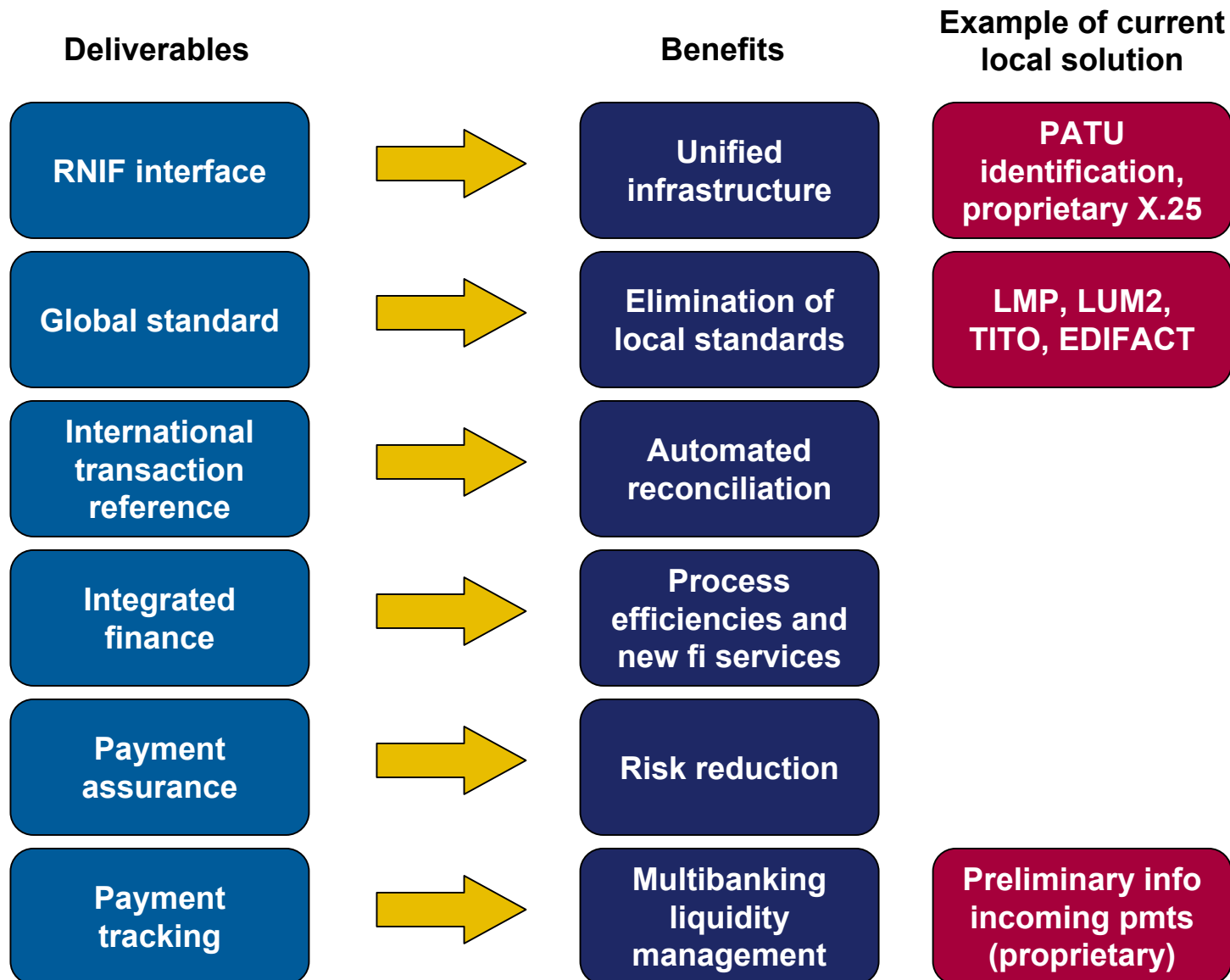
Result: global XML standard for payments

- **International standard for payments**

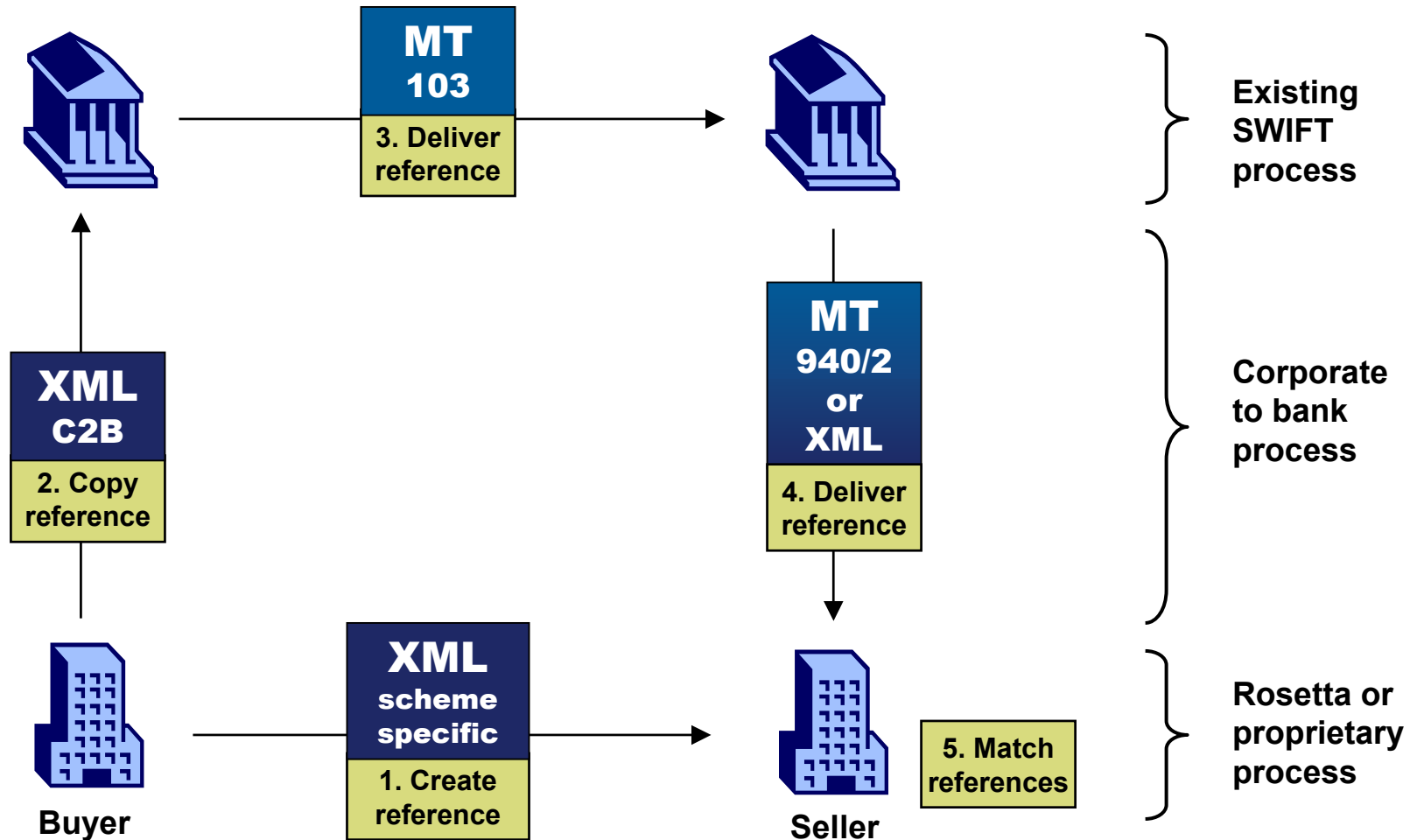
- The SWIFT standards for interbank communication will be extended to cover messaging between banks and their customers
- Global multibank methods simplify the operations of large corporates across regions (centralized payment factory)
- International relay of payment reference information is made possible
- The bank will generate the needed payment messages based on a single XML file

- **Communication interface supporting the needs of the industry**

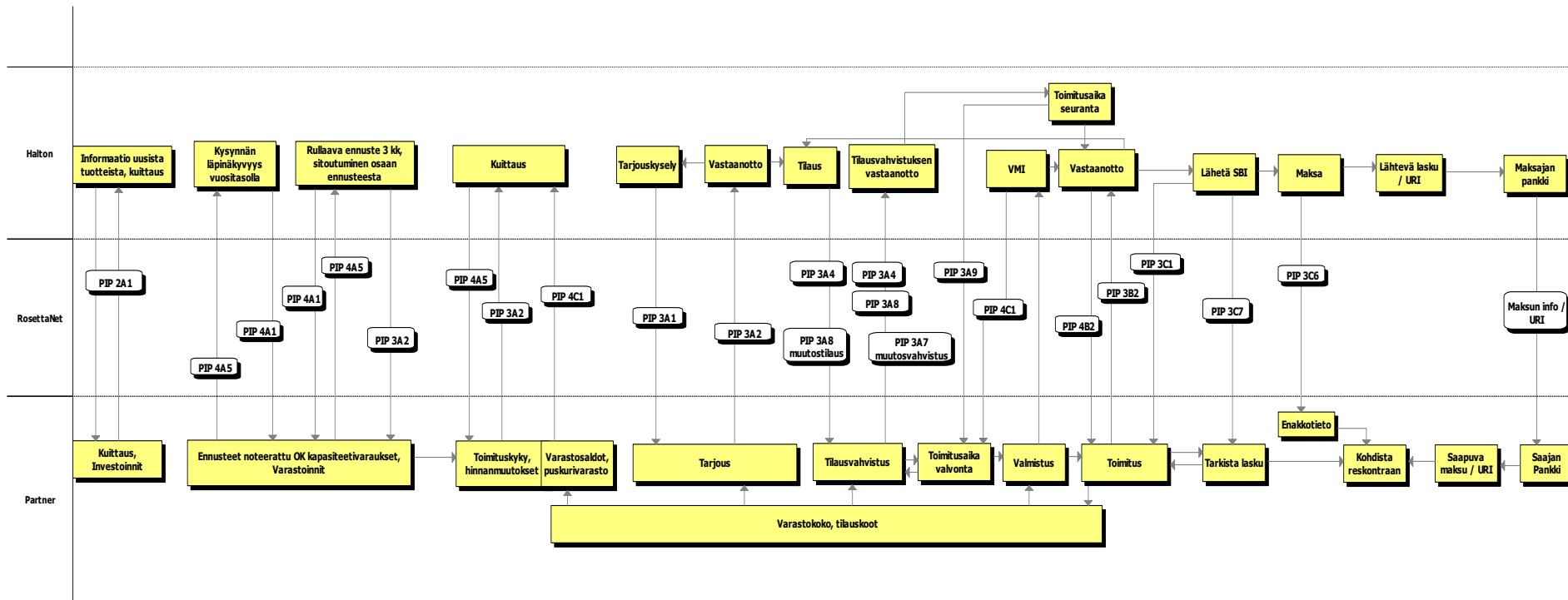
- Utilization of RosettaNet RNIF-interface in banking as well as supply chain communication
- Alternative to local security protocols



Corporate-to-Bank XML Message Flow



RosettaNet order-delivery process

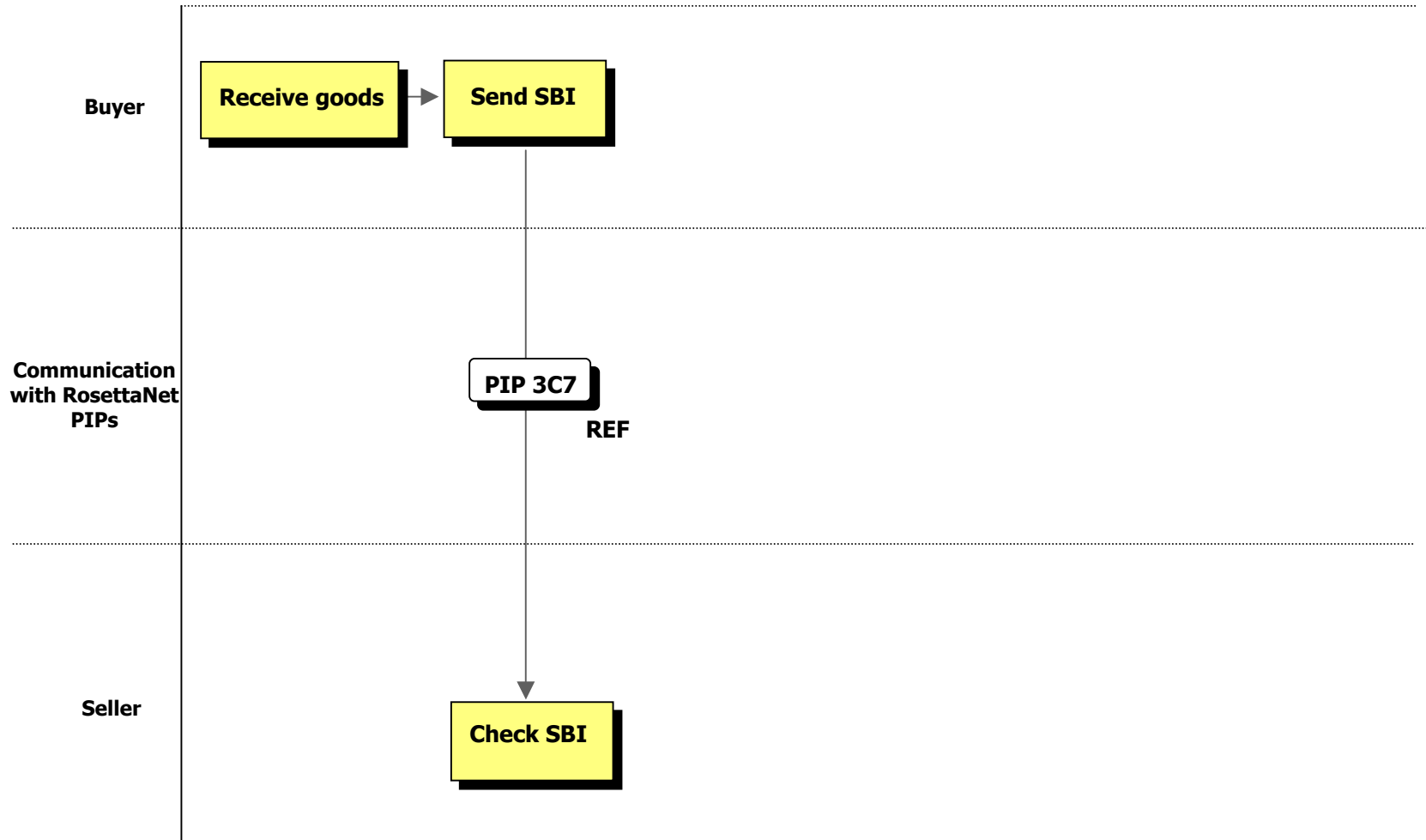


Traditional RosettaNet Process

Payment and Finance Process

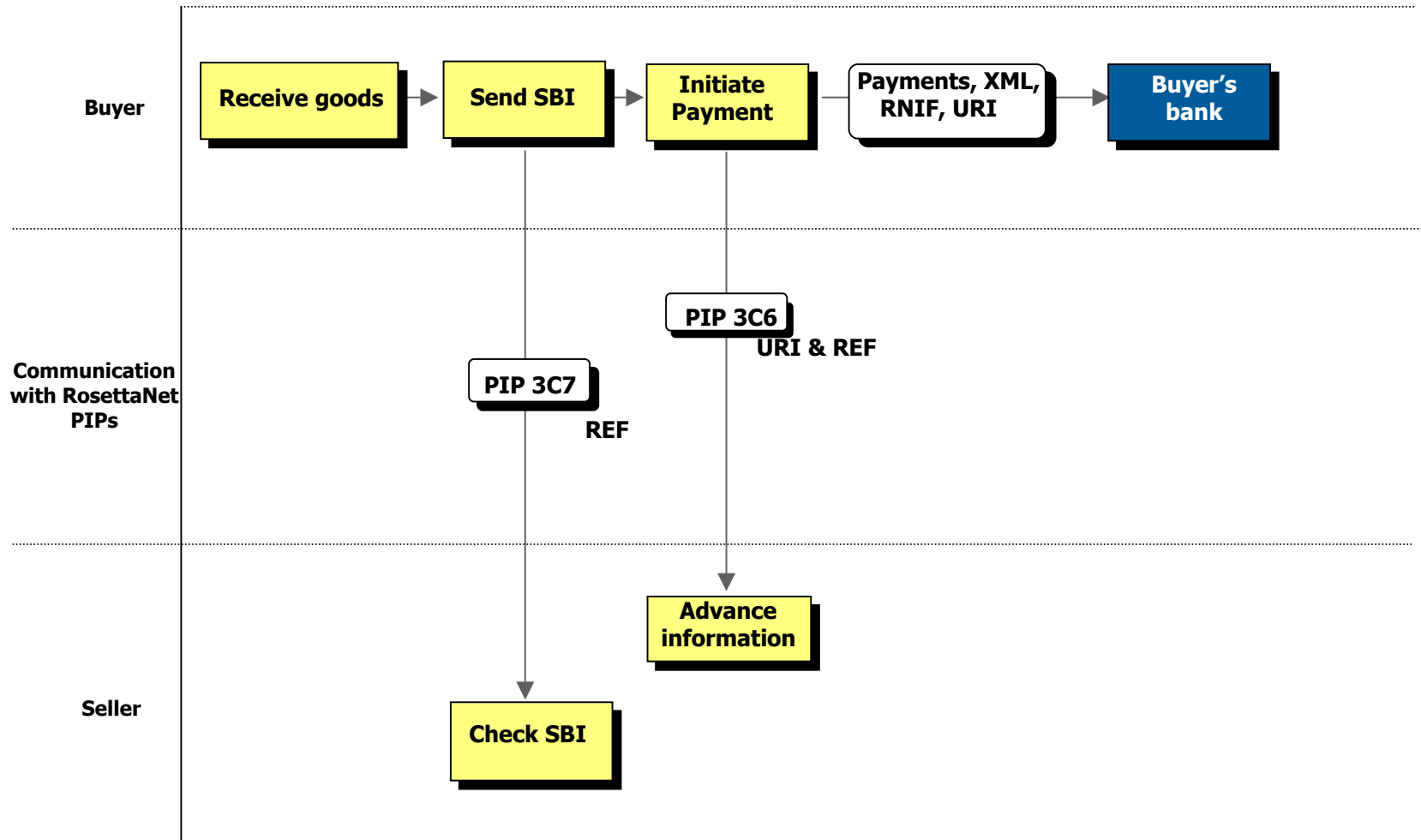
Self Billing payment process

Buyer informs seller of material usage according to the principles of Vendor Managed Inventory. REF lists the used materials.



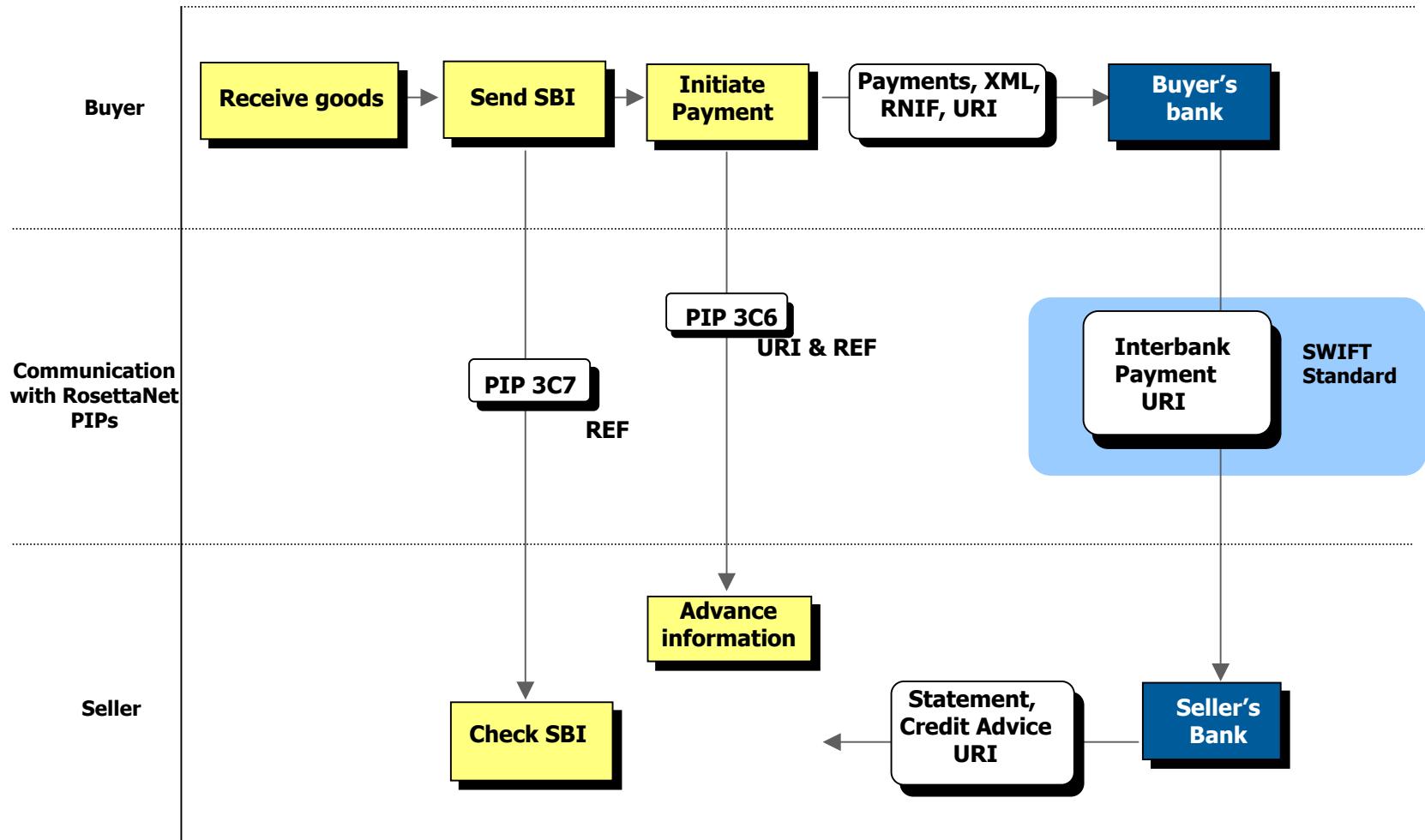
Self Billing payment process

The payment initiation includes URI reference number, which is also copied to the seller as preliminary information.



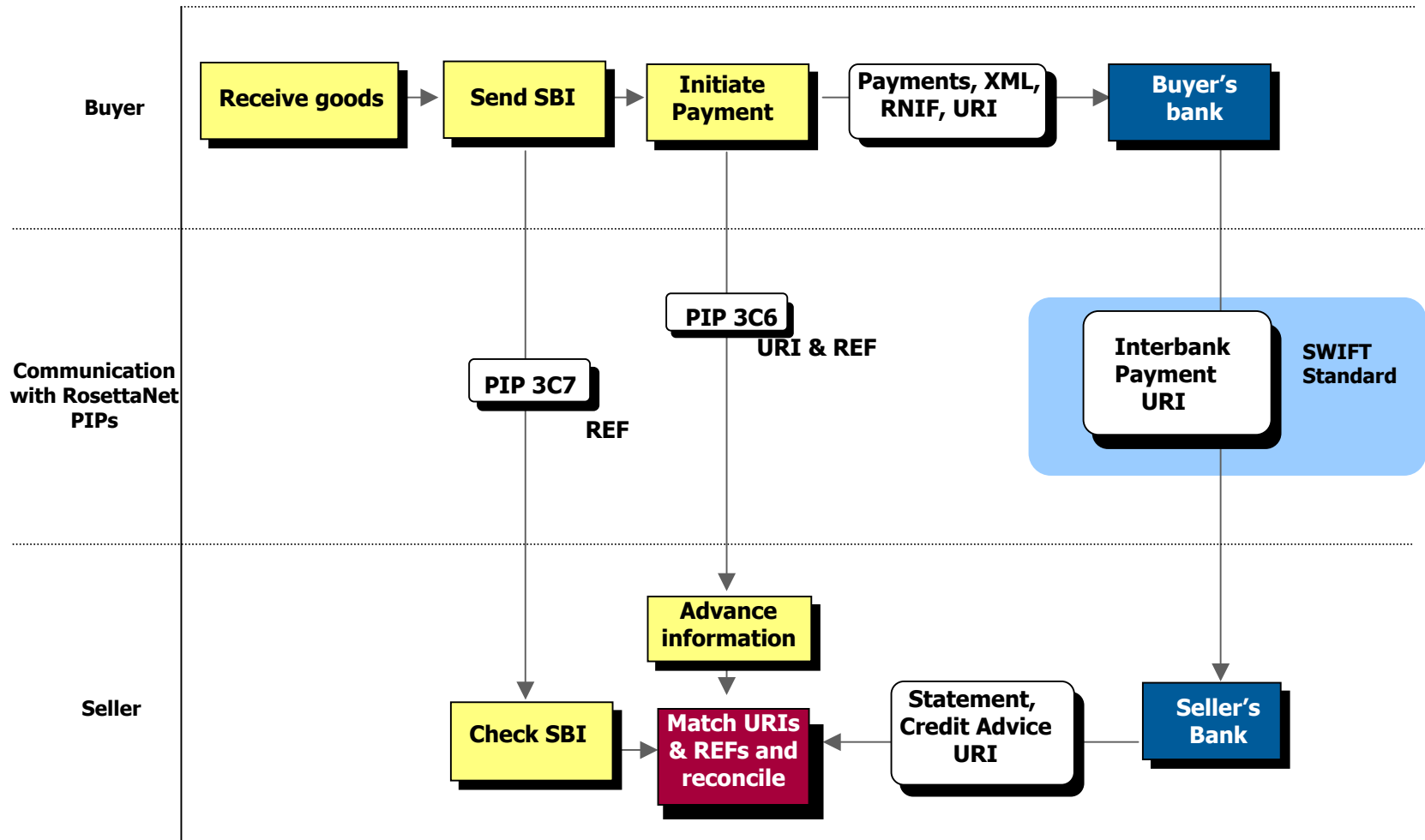
Self Billing payment process

Banks relay the transaction and the URI is presented to the seller as a part of the balance report.



Self Billing payment process

The references are matched and the payment is booked.



In the future

- **Standardized XML account statement**
- **Financing linked with the supply chain**
- **Global tracking of payment status**
- **Multibank liquidity management**
- **Centralized incoming payments**
- ...

Other quotes

“TeliaSonera as a forerunner of electric billing and payment will benefit from this money transfer automation in several ways. We get improved quality and efficiency in our own payment process.”

Niklas Sonkin, Senior Vice President, Marketing, products and services of TeliaSonera

“The new payment initiative demonstrates the extension of the RosettaNet standard into new, e-business process areas, across multiple industries.”

Jennifer Hamilton, RosettaNet President and CEO

C2B XML value added services

