

CASE STUDY

INTERNATIONAL AIRLINE AUTOMATES GLOBAL PAYMENTS PROCESSING WITH FIS PAYMENT HUB - QUANTUM EDITION

Airline background

- Major international commercial airline, with an extensive domestic and international network with service to more than 325 destinations on six continents
- Headquartered in North America
- Over 80,000 employees worldwide
- Serves more than 180 million customers each year

Treasury and payments background

- Centralized treasury and payments in North America, with international payments processing functions located in respective geographic regions
- Use of FIS® Payment Hub - Quantum Edition (formerly Trax) for centralized electronic payments processing
- Use of SWIFT as international and domestic bank communication channel
- Global deployment of FIS® Treasury and Risk Manager - Quantum Edition (formerly Quantum)
- Use of SAP ERP for domestic AP payment origination and integration to Payment Hub - Quantum Edition

The problem

The airline historically relied on SAP for AP payments and bank portals to enable treasury payment processing activities. However, those systems only partially met business requirements. Because of functional shortcomings within existing systems, a considerable number of manual processes, redundant controls and workarounds were in place.

One major problem was related to the inflexibility of SAP in processing a varied, ever-changing range of payment types. SAP was not able to systematically react to changes in global payment standards, such as SEPA, a situation that forced the airline to often revert to the manual processing of payments and workarounds. Additionally, SAP was not able to process payments in real time at any given time. These SAP limitations, coupled with lack of standardization in bank connectivity channels and formats, made for an unnecessarily complex payment processing environment at the airline.

We started out looking for a traditional treasury management system, but quickly found our complex payments requirements would be better managed within a specialized payments engine, FIS Payment Hub - Quantum Edition.

The objectives

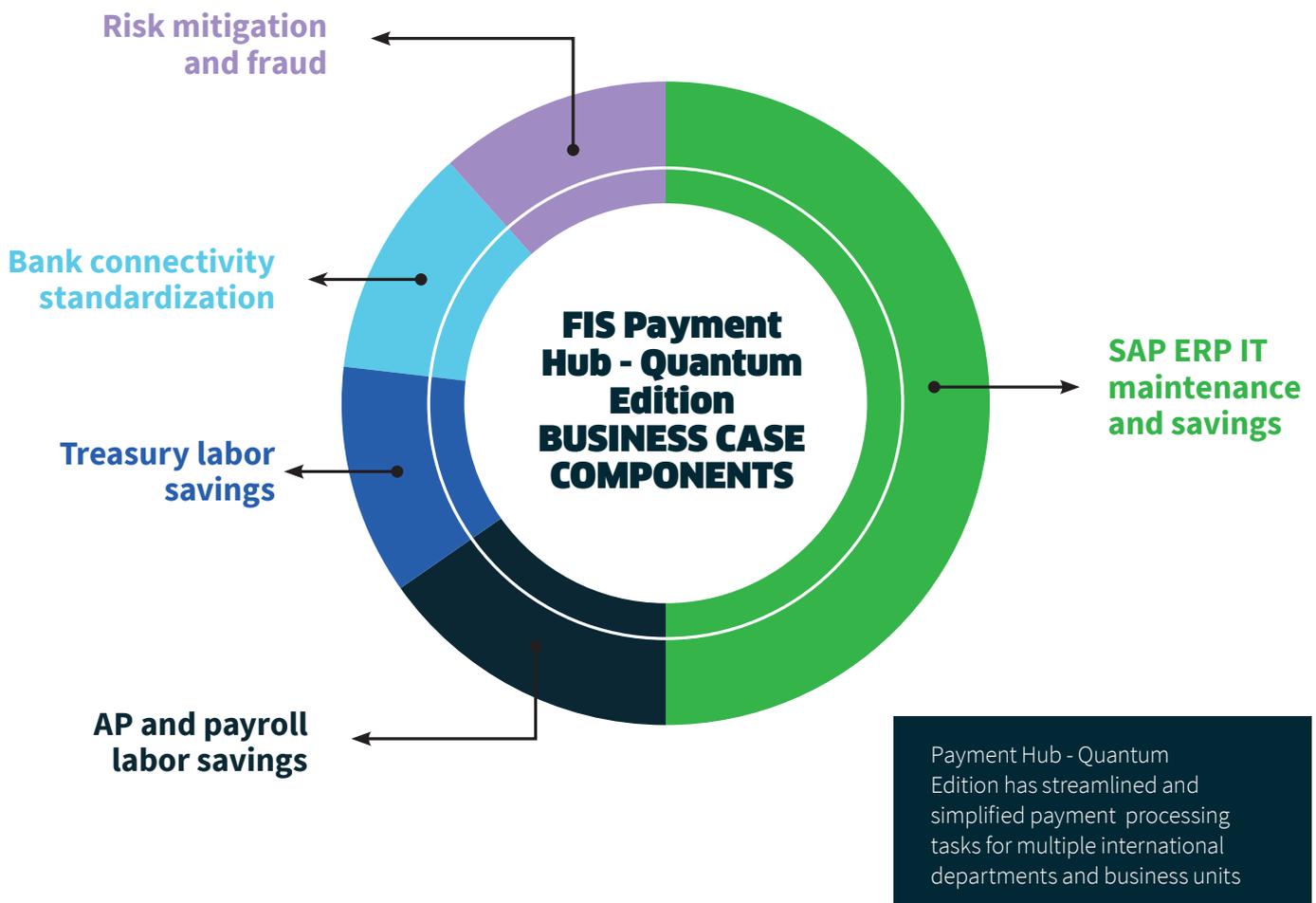
The airline sought a powerful, specialized global payments processing solution to meet several key objectives that spanned a number of departments and functions:

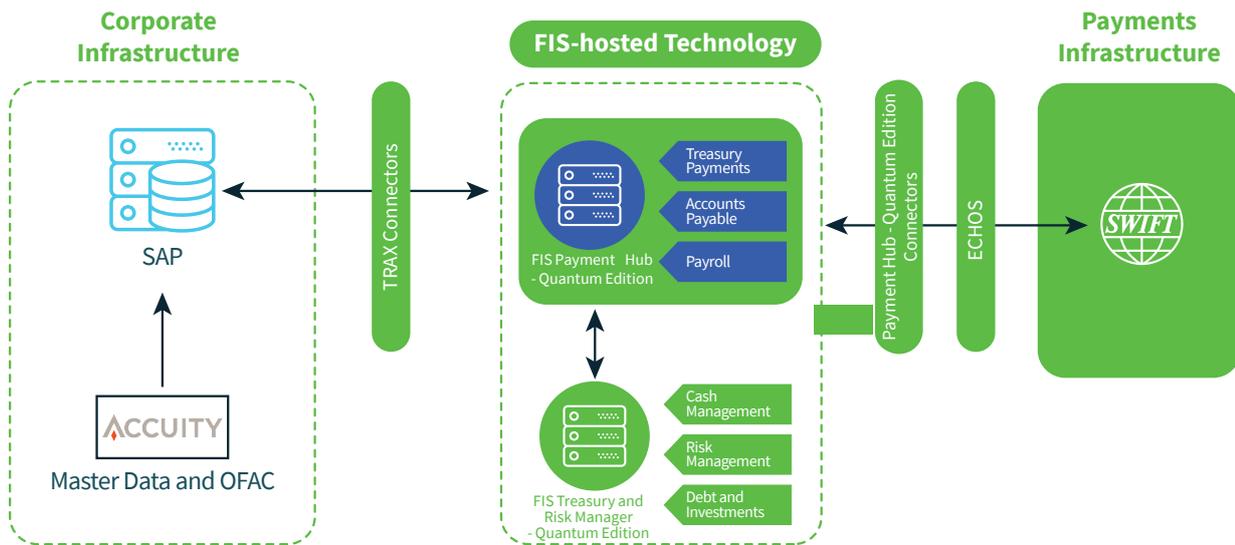
- **Flexibility:** Become a more agile, global payments processor to improve responsiveness to business units and reduce reliance on IT resources for systems configuration.
- **Simplified integration:** Standardize and simplify bank connectivity channels and formats through SWIFT to reduce processing errors and reliance on online banking platforms.
- **Automation:** Automate manual processes within accounts payable, payroll and treasury.
- **Improved controls:** Standardize all transaction processing activities and use more secure, systematic payment processing technology.
- **Analytics:** Improve analytical capabilities and available information for more informed and timely decisions.

The business case

Limitations in existing payments technology made a strong business case for the airline to adopt Payment Hub - Quantum Edition as its global payment processing platform. The business case components included:

- **SAP ERP IT maintenance and savings:** Ongoing SAP payments maintenance, configuration and customization costs were considerably higher than Payment Hub - Quantum Edition.
- **Labor savings:** The airline identified international and domestic payroll, accounts payable and treasury as primary areas to benefit from greater automation in payments processing.
- **Bank connectivity standardization:** Through the adoption of SWIFT and payment messaging standards, the airline was able to consolidate individual host-to-host connections with key banking partners.
- **Risk mitigation and payments fraud prevention:** Increase automation in processing and accuracy in reporting, which help reduce the risk of error and internal and external fraud.





The project

The airline began the system selection by only evaluating traditional treasury management systems. However, it quickly became clear that the complexity of its payment requirements were beyond what a cash management system could handle.

The airline therefore selected Payment Hub - Quantum Edition and Treasury and Risk Manager - Quantum Edition to meet a combination of traditional treasury and global payments business requirements.

The scope of the first phases of the Payment Hub - Quantum Edition project focused on international and domestic payroll and domestic AP processes as well as treasury payments. Currently, the airline receives bank statements from 12 banks representing roughly 300 bank accounts for use in Treasury and Risk Manager - Quantum Edition and SAP. The airline leveraged the SWIFT network to reach all global banking partners via one streamlined communications hub.

Now that it's live, the airline plans to continue to expand Payment Hub - Quantum Edition usage globally for international accounts payable, rolling out to additional countries, business units and banking partners.

Project scope

- **Roughly 300 bank accounts**
- **42 countries**
- **SAP ERP and Treasury and Risk Manager - Quantum Edition integration**
- **SWIFT connectivity**

Payments processing for the future

The airline has achieved several technical and procedural improvements spanning accounts payable, payroll, bank statements, IT and treasury:

- Customized host-to-host connections with key banking partners were eliminated and replaced with standard SWIFT connectivity.
- Manual AP, payroll and treasury processes were eliminated through the use of Payment Hub - Quantum Edition.
- Automated bank statements eliminated manual cash positioning processes.
- Payment flexibility within Payment Hub - Quantum Edition translated into less manual intervention, reduced redundant controls and improved overall payment security.
- Information reporting and transaction processing were centralized within Payment Hub - Quantum Edition, improving reporting, cash visibility and global processing standards.

The airline now processes an average of over 350,000 payments and 6,000 statements through Payment Hub - Quantum Edition each month, successfully integrating with Treasury and Risk Manager - Quantum Edition, SAP and key banking partners over the SWIFT network. With the airline's expectation that the scope and volume of Payment Hub - Quantum Edition usage will grow as the company does, Payment Hub - Quantum Edition has become the payment processing solution of the future.

About FIS

FIS is a leading provider of technology solutions for merchants, banks and capital markets firms globally. Our employees are dedicated to advancing the way the world pays, banks and invests by applying our scale, deep expertise and data-driven insights. We help our clients use technology in innovative ways to solve business-critical challenges and deliver superior experiences for their customers. Headquartered in Jacksonville, Florida, FIS is a Fortune 500® company and is a member of Standard & Poor's 500® Index.

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