

Payments Case Study
TRAX

For the Long Haul – Air France’s Payments Journey

Air France has been a long-standing user of the FIS™ payments solution, TRAX. By working with FIS to maintain the solution over time, central treasury and local finance units have continued to derive value from, and comply with, best practices in payments efficiency and security.

Organizing the cash management team

Air France has a generally decentralized approach to cash and treasury management, including payments and collections. Local representation in each country takes responsibility for managing its cash independently and either deposits surplus cash or requests internal funding from group treasury directly.

The exception to this decentralized arrangement is in Europe, where a shared service center (SSC) was established in Budapest two years ago. The SSC is responsible for supplier’s payments across the eurozone, with the exception of the group’s home country, France, where supplier’s payments and cash management continues to be conducted locally.

Taking payments and bank connectivity to the next level

Although cash management is largely decentralized, it is essential to Air France that business units manage their financial processes as efficiently and consistently as possible and that group treasury maintains high visibility over cash balances and exposures. Before implementing FIS’ payments solution, TRAX, each local representation acquired and maintained its own electronic banking tool and managed payment processes according to the operational and security requirements of the relevant system.

Maintaining multiple electronic banking systems and adopting disparate operational processes and controls created additional cost and resource overheads and compromised the group’s efficiency and security objectives. Air France’s treasury therefore decided to implement a centralized payment and bank connectivity hub on behalf of its entities, with the view that this could ultimately be rolled out across the Air France group.

PROVEN RESULTS

- Gained a single robust platform for transmitting payment instructions to multiple banks through diverse channels
- Improved visibility into payments, including balances and transactions
- Defined consistent processes and controls for payments globally
- Integrated a payment solution seamlessly with ERP
- Achieved scalability to meet evolving needs

Under the leadership of Eric Beranger, project manager, Air France evaluated their options and soon recognized that TRAX was the best fit for their centralized payments processing and bank connectivity requirements. In addition, treasury was impressed by FIS' long-term viability, credibility and commitment to meeting the current and evolving needs of the business.

Payment instructions are created in Air France's enterprise resource planning (ERP) system and transmitted automatically through TRAX. In most cases, payment instructions are then routed to the relevant bank via SWIFT once the relevant authorization has been completed, including in countries that are typically considered most challenging, such as Chile and Argentina. In a few cases, TRAX integrates directly with the bank's proprietary electronic banking systems, but this solution is being phased out wherever feasible.

"A few years have now passed since we first implemented TRAX. The original implementation progressed smoothly and in line with our project timeline, but just as important as the initial implementation is how it is maintained over time. Otherwise, it is easy to end up with an obsolete solution that is not supported on the company's technology infrastructure or does not meet the evolving needs of the business. We have recently undergone a major upgrade of TRAX that has delivered significant value to our business and demonstrated the commitment, skills and professionalism of the FIS team. In particular, it has proved a catalyst for us to update our processes in line with industry best practices, such as using ISO 20022 messages in most markets and replacing previous customizations with core functionality that is more easily maintained," Beranger added.

According to Eric Beranger, project manager, Air France "We first selected FIS' TRAX some years ago now, and we have since reappraised and validated our decision. Although other solutions have emerged since then, we remain confident that TRAX fits our payments processing and bank connectivity requirements."



A platform for the future

Having completed a recent upgrade of TRAX, Air France is in a better position to configure the solution to meet the evolving needs of the business. This includes adding complex new countries, such as Russia and Ukraine, without the need for specific customization or consultancy support. Treasury is also expanding the range of services that are delivered via TRAX. For example, treasury payments are now routed from the treasury solution, which is a non-FIS solution, via TRAX rather than maintaining separate electronic banking channels. Similarly, TRAX feeds data from the banks to update the cash position in the treasury solution.

What advice does Air France have for other companies?

Having successfully used TRAX for a number of years, Air France has built up experience not only on how to implement the solution successfully, but also how to continue deriving value over time.

As Air France evolves its internal organization, bank relationship strategy and payment processes over time, TRAX remains a robust and flexible platform to enable them to adapt to business change quickly, without loss of efficiency or security.

Key to success is keeping things simple: Don't try to do everything at once, and don't try to customize a solution heavily in order to imitate legacy processes. First, by taking your time and adopting a phased approach, you can deliver value more quickly and then build on this in subsequent phases. Second, by understanding the capabilities of the solution and adapting processes in line with best practices, you avoid complex customization that becomes more difficult to understand and maintain over time and increases project risk.

ERIC BERANGER

PROJECT MANAGER, AIR FRANCE



About FIS' Corporate Solutions

FIS offers a leading liquidity and risk management solution for corporations, insurance companies and the public sector. The solution suite includes credit risk modeling, collections management, treasury risk analysis, cash management, payments system integration, and payments execution delivered directly to corporations or via banking partners. The solutions help consolidate data from multiple in-house systems, drive workflow and provide connectivity to a broad range of trading partners including banks, SWIFT, credit data providers, FX platforms, money markets, and market data. The technology is supported by a full range of services delivered by domain experts, including managed cloud services, treasury operations management, SWIFT administration, managed bank connectivity, bank onboarding, and vendor enrollment. For more information, visit www.fisglobal.com

About FIS

FIS is a global leader in financial services technology, with a focus on retail and institutional banking, payments, asset and wealth management, risk and compliance, consulting and outsourcing solutions. Through the depth and breadth of our solutions portfolio, global capabilities and domain expertise, FIS serves more than 20,000 clients in over 130 countries. Headquartered in Jacksonville, Florida, FIS employs more than 55,000 people worldwide and holds leadership positions in payment processing, financial software and banking solutions. Providing software, services and outsourcing of the technology that empowers the financial world, FIS is a Fortune 500 company and is a member of Standard & Poor's 500® Index. For more information about FIS, visit www.fisglobal.com

