

Payments Case Study

FIS CENTRALIZES AND STREAMLINES GLOBAL PAYMENTS PROCESSING WITH A PAYMENT FACTORY

FIS Background

- Fidelity National Information Services Inc., better known as FIS, is an international provider of financial services technology and consulting services for banks and corporations
- Headquartered in Jacksonville, Florida
- Serving clients in 130 countries
- Over 53,000 employees worldwide

Treasury & Payments Background

- Partially centralized international treasury and payments processing functions
- Use of FIS' Trax solution for centralized electronic payments processing
- Use of SWIFT as international bank communication channel
- Global deployment of FIS' Quantum treasury management system
- Single instance of Oracle ERP

The Challenge

As a result of rapid, international organizational growth, FIS treasury and payments processing functions had become increasingly decentralized, with limited straight-through processing and a lack of standardization in operations. The technology used for payments processing had become geographically fragmented, consisting of a combination of ERP, host-to-host, online banking portals and legacy solutions. In certain countries, payment processing activities like payroll payments had been outsourced. As a result of this decentralized and fragmented payment processing environment, FIS had limited visibility to global transactions, unscalable technology, highly manual processes and higher overall banking costs due to sub-optimization of low-cost payment channels.

FIS' Trax was the best solution to help achieve our vision for a centralized, streamlined global payments function.

KEN SHUYAMA
VP, INTERNATIONAL TREASURY



THE OBJECTIVES

FIS sought a state-of-the-art, global payments processing solution to achieve five key objectives:

- **Centralization:** Centralize payment processing activities across regions, to improve visibility to transactions, optimize payment types and reduce payment processing costs.
- **Automation:** Deploy payments technology to further automate all stages of payment processing, including user administration, origination, approval and associated reporting.
- **Standardization:** Standardize payment and statement processing with the help of ISO20022.
- **Security:** Achieve systematic compliance with internal control requirements, provide easy access to audit reporting and ensure payments are as technologically secure as possible.
- **Scalability:** As FIS continues to grow, ensure the payment processing architecture can facilitate an increase in payment volume and complexity, without the need for additional resources and cost.

THE BUSINESS CASE

There was a strong business case for FIS to adopt FIS' own Trax solution as its global payment processing platform of the future. Business case components included the following:

- **Labor Savings:** FIS anticipated labor savings in several areas touching the payments processing function, including treasury, accounts payable, accounts receivable, payroll, cash reconciliation and IT.
- **Risk Mitigation and Payments Fraud Prevention:** Due to the centralized deployment and administration of stronger, more systematic controls within the Trax solution help to make payments more secure, streamlined and error-free.
- **Bank Fee Savings:** With global visibility to transaction processing activities, FIS will be able to identify areas where lower cost forms of payment can be utilized. Additionally, FIS is anticipating lower payment repair costs, by managing repairs within Trax.
- **Payment System Consolidation:** FIS identified Trax as a system which could replace many of its decentralized, legacy payment processing applications.

Figure 1: TRAX Business Case Components

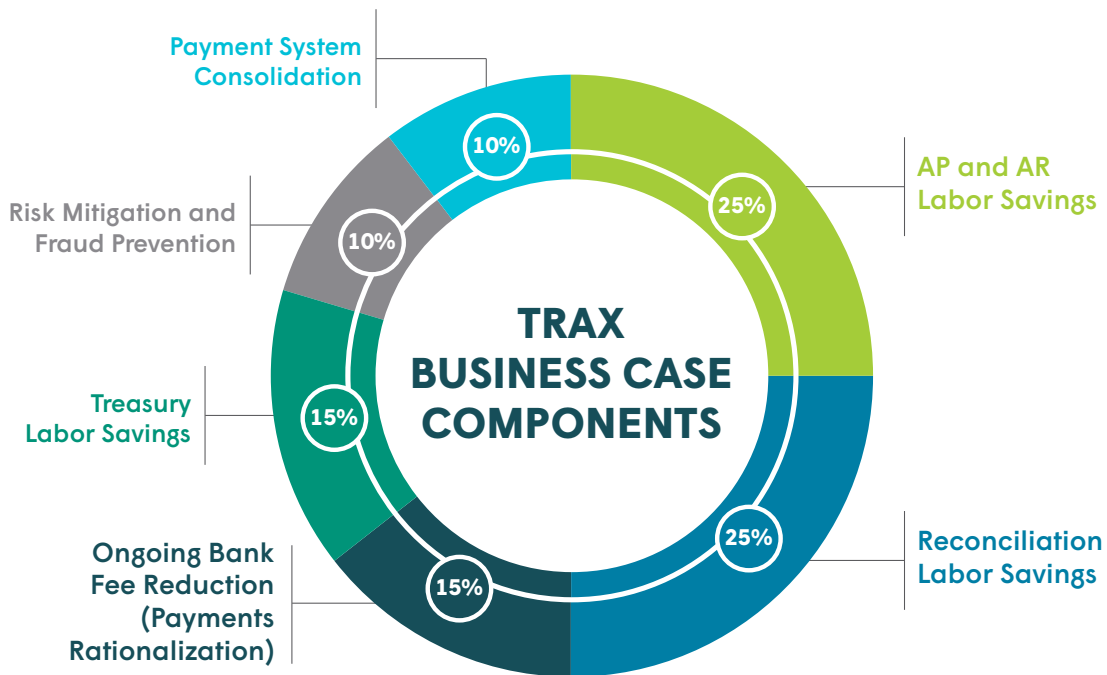
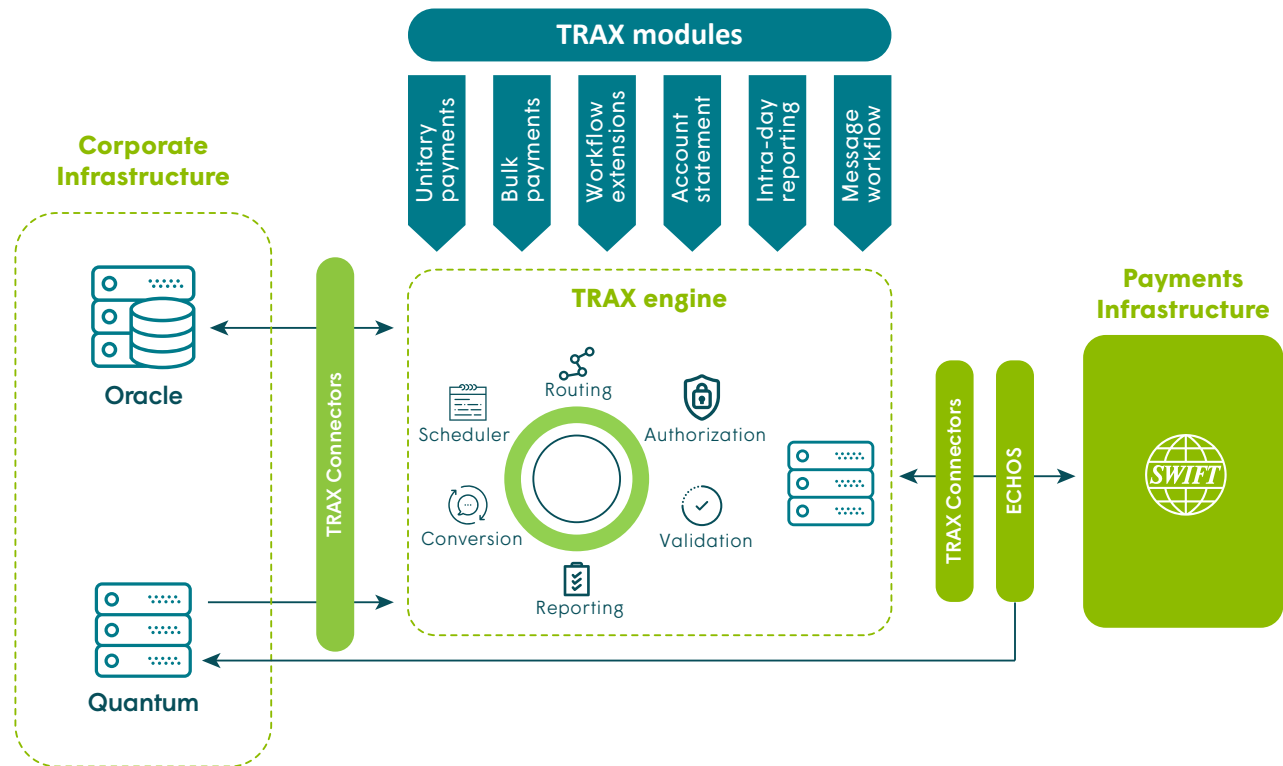


Figure 2



The Project

FIS selected Trax to centralize, standardize and automate payment processing activities globally. The scope of the first phase of the project was significant, consisting of 250 business units within 40 countries, connecting to multiple strategic banking partners, and integrating with mission-critical transaction processing systems Oracle and Quantum. FIS leveraged the SWIFT network to reach all global banking partners via one, streamlined communications hub for both statement collection and payments processing. The successful project took approximately seven months to complete, with the end result being the foundation of a far more scalable, streamlined payments function. FIS plans to continue to expand Trax usage globally over the next year, rolling out to additional countries and business units, while also adopting the latest in banking API technology for real-time transaction processing.

Project Scope

- 250 legal entities
- 40 countries
- ERP Integration
- SWIFT Connectivity
- Statement and payment processing

Conclusion

Through the deployment of Trax, FIS has achieved a paradigm shift in global payment processing functions. In the first month of its live operations, TRAX successfully processed over 10,000 combined statements and payments. Trax has helped FIS to realize a significant reduction in manual transaction processing efforts, provided improved centralized visibility of transactions and led to greater overall standardization in transaction processing activities, all with improved controls and the highest levels of application security. In a relatively short period of time, Trax has become a strategic and indispensable component of the FIS payments operation.

FIS is adopting cutting-edge technologies such as banking APIs to leverage the move to real-time payments clearing and settlement as well as real-time cash management.

KEN SHUYAMA
VP, INTERNATIONAL TREASURY

About FIS' Corporate Liquidity 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, and payments centralization and standardization. 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 and bank onboarding. FIS' solutions can be deployed in SaaS, public cloud or on-premise environments. For more information, visit www.fisglobal.com/corporatesolutions.

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.



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