

Innovations in Business Banking

InterAction



Working together Frank Crema, Assistant Treasurer, Goldcorp and Paula Merrier, Senior Manager, Global Transaction Banking, Scotiabank

Electronic Funds Transfer (EFT) Service

EFT is an electronic replacement for cheque collections and disbursements within Canada (Canadian or US dollars). It is ideal for high-volume, lower-dollar-value transactions.

This service:

- Provides an inexpensive and convenient means of collecting recurring, pre-authorized payments.
- Is ideal for recurring payments such as payroll, commissions, expense reimbursements, and dividend and supplier payments.
- Provides payors and payees with improved control and information on cash flows as both parties can be confident when transactions will occur.
- Keeps working capital in the business longer by making direct deposit payments.
- Helps reduce administrative expenses, payment errors, delays, interest charges and NSF cheques.
- Is known as ACH (Automated Clearing House) in the US.

Innovative software centralizes Goldcorp's banking system

In a smooth, successful transition, Goldcorp centralizes its automated payables at three newly-acquired mine sites

When Vancouver-based mining giant, Goldcorp, purchased three Ontario mine sites from a rival company, they needed to incorporate that rival's accounting system into their banking mix.

"Scotiabank was our existing bank," explains Frank Crema, Assistant Treasurer with Goldcorp Inc. "Enabling the new sites to operate on the same banking platform made our payment system easier and more efficient."

Goldcorp is one of the world's largest gold mining companies with the strongest production growth profile among all major gold companies. Their operations spread throughout the Americas, with 70 per cent of their reserves in NAFTA countries.

"The newly-acquired sites had a long-standing relationship with a different financial institution and they were all EFT enabled," Crema says. "So, while the sites were familiar with those processes, we wanted to take advantage of the efficiencies inherent in having our sites using a single service with Scotiabank."

In addition, some of the newly-acquired mine sites used different accounting software and file formats. Goldcorp had to find solutions that would both allow the new sites to continue processing their EFT files without interruption and ensure that head office maintained a centralized authorization process.

Rather than having the new sites go through the lengthy procedure of changing file formats to suit Scotiabank specifications, the Bank simplified the process by installing proprietary translation technology at Goldcorp's Vancouver head



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office. Acting as a translating device, the new software enabled the mine sites to continue using their existing formats to process EFT payments without interruption. It also provided Goldcorp's head office the ability to approve transactions before the information was transmitted to the bank for payment.

Paula Merrier is Senior Manager, Global Transaction Banking Vancouver.

"Now, all of the newly-acquired sites are able to process their EFT transactions quickly and efficiently using both Scotiabank's direct EFT service and the web-based EFT service," says Merrier. "The remote sites also have access to ScotiaConnect electronic banking, and all its features and functionality, such as viewing account balances and making wire transfers."

"Goldcorp also benefits from the online approval functionality that comes with the web-based service," Merrier says. "Functionally, it means the mine sites can upload these payable files, but Goldcorp's head office maintains control of the process. That was really appealing to them."

"The transition to Scotiabank's service was seamless," Merrier adds. "We gave Goldcorp an online product that gave them the functionality they needed and the conversion went very smoothly. It was completed within one month."

"Scotiabank's EFT Payments service is now used at Goldcorp's newly acquired mining locations for everything from purchasing equipment and office supplies to paying salaries and contractors' wages," explains Crema. "The process reduces administrative expenses and payment errors, while also improving cash flow."

"Using one bank across the country makes banking easier and more efficient," Crema concludes.

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