



Outsourcing global payments offers a world of opportunity

Scotiabank's [Global Mass Payments](#) service makes it easier for Towers Perrin Share Plan Services to do business around the world

Mark West (left),
Manager and **Steven
Perry** (right), Share
Plan Administrator

The reality of today's economy is that companies are doing business beyond their domestic borders, which can present some challenges. For example, administering employer share or equity programs can be extremely complicated when companies have operations in several countries. U.K.-based Towers Perrin Share Plan Services Ltd., which provides fully customized, computer-based administration services for more than 40 different types of employer share programs around the world, faced just such a challenge when it was retained by a major Canadian multinational.

The company required Towers Perrin to administer redemption of shares from its employee equity plan by employees in the United States and Canada. After redeeming the employee shares, Towers Perrin would be responsible for ensuring the correct amount in the right currency ended up in the employee's bank account.

"It would have involved writing out thousands of cheques, transacting with dozens of different North American banks and generally spending countless hours administering the entire process," says Towers Perrin Share Plan Administrator Steven Perry.

Towers Perrin discovers an incomparable value

To help meet the challenge, Towers Perrin began searching for an outsourced payables solution. After investigating services offered by British banks, Towers Perrin chose Scotiabank's Global Mass Payments™ service, which disburses multi-currency payments worldwide through Scotiabank's global network.

"Scotiabank had the only service that could do exactly what we wanted at a reasonable cost," says Towers Perrin Manager Mark West.

"The banks in Britain were charging a lot more – as much as 10 times the amount per transaction," adds Perry.

Global Mass Payments service – the right solution

The Global Mass Payments service was developed to process high-volume, low-value payments such as pensions, dividends, payroll and supplier payments. The service is ideal for multinational enterprises, governments and correspondent banks that use wires or cheques for global disbursements or issue recurring global payments.



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“Scotiabank customers can send payments worldwide through direct deposit, cheque or EDI (Electronic Data Interchange),” says Harpreet Seetal, Scotiabank Senior Product Manager, “eliminating the high cost of international money orders and wire payments, and reducing foreign exchange costs.”

Customers send Scotiabank a single accounts-payable file in one of several standard formats such as ANSI X.12, ACH, S.W.I.F.T. MT102, or the proprietary Global Mass Payments format. The file includes electronic and paper-based payment instructions. Payments can be destined for multiple countries in many currencies. Scotiabank, in turn, remits funds to beneficiaries as required through Scotiabank’s extensive global network.

Centralizing payables improves efficiency

Centralized international payment services like Scotiabank’s Global Mass Payments service are increasingly necessary in today’s global economy as trade barriers continue to fall.

According to a study conducted by the Boston Consulting Group, cross-border payment volume in the Americas was quantified at \$249 million in 1997 and is expected to reach \$488 million by 2007. The payment volume between the Americas and Europe is expected to grow from \$79 million in 1997 to \$175 million in 2007. Trade flow to and within Southeast Asian nations (ASEAN) is expected to top these growth rates.

Dr. Gerard McArdle, the Managing Director of Finalysis UK, a consultancy specializing in advising companies on their banking relationships, says that utilizing a centralized international payment service makes it easier for a company to operate in Europe.

“With the advent of the Euro, Europe is now effectively a single region, but the reality is that banking services are not standardized,” explains McArdle. “This can make moving money across borders unnecessarily difficult and expensive. With a payment service like Scotiabank’s, a customer has a familiar point of contact that eliminates the need of dealing with multiple banks globally, while ensuring transactions are seamless.”

Making it easy to do business globally

“Ultimately, our goal is to make it easy for our customers to do business wherever they choose, with one banking partner,” Scotiabank’s Seetal says.

As a result, Scotiabank is committed to making additional improvements to make the Global Mass Payments service even more functional. For example, the system will soon be able to provide a recipient with e-mail confirmation that a deposit has been made to an account.

“This will enable our customers to settle multiple invoices more efficiently through a single payment,” says Seetal.

Towers Perrin benefits from the global payment solution

After using the Global Mass Payments service since last December, both West and Perry of Towers Perrin are convinced of the benefits.

“With Global Mass Payments, we can concentrate on our core business,” says West. “Our client is so pleased that he’s considering rolling out the plan to other countries and regions in addition to Britain and North America.”

