

BNP Paribas' BENTracker gives L'Oréal's Beneficiaries Visibility on Incoming Payments

When none of the different parties of an international payment transaction knows where a payment is in transit, fixing any delays is a challenge. L'Oréal, with support from BNP Paribas has created a simple solution that shines a light on every payment-related move, for all involved.

By **Tom Alford**,
Deputy Editor

With L'Oréal Group executing international transfers on behalf of most group entities worldwide, every transaction passes through L'Oréal's treasury systems. This, says Justine Dimovic, Global Head of Treasury & Financing, L'Oréal, means

that treasury is the nexus for all flows and settlements, and therefore the point of contact for each supplier looking for information about an expected payment.

With the L'Oréal-developed BENTracker, the group's operational



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units upload their transfer orders into the treasury system, signing them biometrically. An email is then generated for the relevant beneficiary, informing them of the impending payment. This includes identifying details such as the invoice number and a URL enabling the beneficiary expecting the payment to track it online and in real time. There is no longer a need to call L'Oréal's team to investigate the payment and when it can be expected to appear on the beneficiary's account. It is a system that works well. But it has not always been this way, comments Dimovic.

Previously, there was no visibility over the payment process once the request for payment transfer had been lodged in the banking system. With every payment "disappearing into a black box", when a problem arose, fixing it was a drain on resources for all. Tracking a misplaced payment can demand time-consuming three-way conversations, says Dimovic.

The SWIFT gpi initiative has already improved matters for L'Oréal Group Treasury by enabling more transparency and predictability, and by reducing the processing time of international transfers. But it does not provide a tracking that is accessible directly by the beneficiary of the payment. Now, says Dimovic, L'Oréal's current mechanism, co-created with BNP Paribas, pinpoints the exact location of every payment at each point of its journey, removing all uncertainty.

BENTracker is the result of a long-term close relationship between BNP Paribas and L'Oréal, with the bank very much in tune with its client's needs, comments Wim Grosemans, Global Head of Product Development, Payments and Receivables, Cash Management, BNP Paribas.

As an active participant in the BNP Paribas-initiated Treasury Board collaborations, L'Oréal already had a formal channel through which to discuss its operational concerns, alongside other

corporate contributors. These client-oriented regular discussion groups are a springboard for ideas that can be developed to benefit, with room for customisation, many more users – even banks – Grosemans explains.

Treasury solution

It's clear that BENTracker has had strong treasury input because it has worked just as it should from the outset. From the receipt of the payment file in L'Oréal's system, when BNP Paribas executes the transfer, treasury receives a SWIFT pain.002 message. This now contains the UETR (unique end-to-end transaction reference) of the gpi payment. Some corporates generate their own UETRs through their treasury management system (TMS), others use their bank. L'Oréal's are generated by BNP Paribas and returned to L'Oréal in the Payment Status Report (PSR).

L'Oréal's system automatically sends to its beneficiary, an email containing the UETR and the url link to the BENTracker. With this link the beneficiary just needs a web-browser to track its payment's progress, from end to end. It's a simple yet highly effective means of keeping contact with a payment's progress, and an important improvement in the relationship and service to the beneficiaries. L'Oréal's subsidiaries also have access to the tracking link via the group's internal portal.

BENTracker's tracking process is visually very similar to the experience consumers have of tracking an online purchase through a seller or its courier company, notes Dimovic. For a payment, it confirms every successful stage, or if there is a hold-up, it pinpoints the exact location of the payment and which intermediary bank needs to be chased.

Of course, BENTracker is bound



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by certain confidentiality and counterparties may not see all data, says Stéphanie Niemi, Deputy Head of Product Management, Global Channels, BNP Paribas. Names, addresses, banks account numbers are all anonymised, and payment amount and currency is not revealed. What is seen are the banks that are involved, processing times at each bank, and current payment status.

The purpose is thus clearly defined as a tracking tool. For Dimovic “it makes life much, much easier not just for the accounting department which receives the incoming request from the supplier, but also for the treasury team and our interaction with the bank”.

Gpi vs BENTracker

BENTracker uses gpi information such as the UETR and the tracking of the payment. As an early member of the gpi initiative, BNP Paribas advocates the whole range of gpi services to track and trace outgoing transactions. These can either be accessed in the bank’s e-banking platform, via the embedded gpi metroline, or by automatically receiving the g4C Pay and Trace PSR in the corporate ERP/TMS. The bank is set to deliver the same services for inbound payments in the coming weeks.

BENTracker is an innovative yet simple solution, co-created with a corporate client and enables all counterparties, even those which are not BNP Paribas clients, to access the service to track the international payments in their favour that have been initiated by L’Oréal (or, in the future, any other BNP Paribas client using BENTracker).

Development for BENTracker started about two years ago, before gpi inbound tracking was even on the drawing board. Today, the two run in parallel as complementary solutions, says Niemi. With L’Oréal’s input, BENTracker continues to develop.

Most recently it has been integrated with Connexis Cash, BNP Paribas’ Cash Management’s global electronic banking solution for corporates, allowing for greater self-service. Corporate clients can now instantly create and send to their beneficiaries payments advice notifications containing a link to follow their payment through BENTracker.

BENTracker for all

Today, optionality is on the table with BENTracker, gpi and Connexis Cash. In the longer term, removing systemic constraints so that instant frictionless payments are possible will make tracking systems redundant, says Grosemans. But he acknowledges that getting to that stage requires several more steps forward.

In the meantime, although Dimovic has been live with BENTracker for just a few months, she says it is already helping resolve one of the remaining few payments pain points. Although L’Oréal’s cross-border payments are mostly near-instantaneous, exceptions management generates extra work simply because lack of transparency makes them difficult to track. “Now we have a very efficient self-service solution that lets both our beneficiaries and our teams know the status and whereabouts of any payment.”

With all the payments information that BENTracker makes available to corporate clients, the uncertainty created by a payment disappearing into that ‘black box’ has been removed, she says. It has not gone unnoticed. “When we presented BENTracker to our entities, the request was for it to be available for all, not just international, payments. It’s a sign that it is very valuable.”

The collaborative effort between L’Oréal and BNP Paribas required to create this solution is another example of how the two partners have gelled over the years. For Dimovic, having the right relationship is instrumental in driving creativity. “As a corporate we are keen to co-create solutions that will meet the needs we have, and potentially those of other businesses. It’s a great pleasure to be working in this way with BNP Paribas.” ■



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