



BNP Paribas and XRT fill the bill for Nestlé

"In the past, our treasury operations were very decentralized, hindering optimal cash and risk management for the group's businesses and, to a certain extent, weakening our position vis-à-vis our competitors," explains Philippe Blondiaux, Group Treasurer at Nestlé S.A."

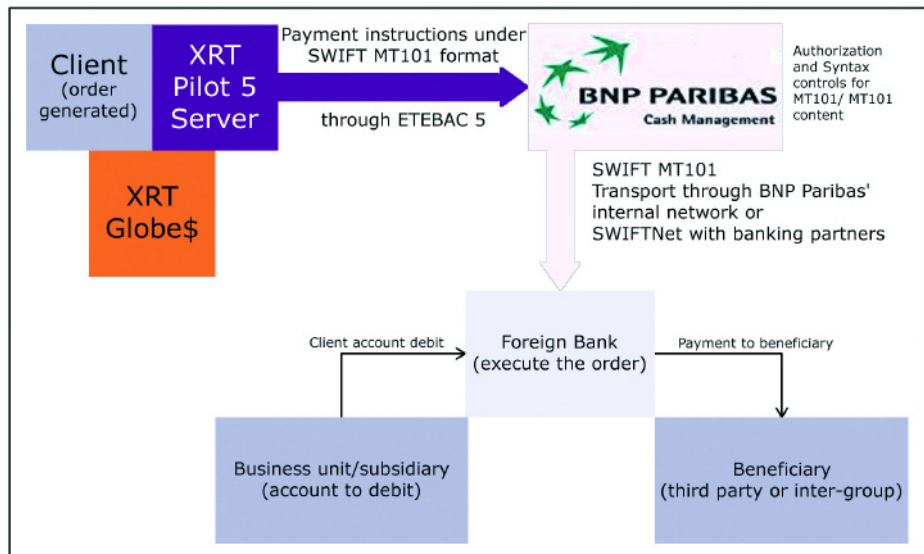
With its core operations focused on the food and beverage industry, Nestlé had a local organization approach for production and sales. However, recent regulatory developments and technological changes encouraged the sharing of certain functions among several operational units while also prompting the group to create a more centralized treasury structure.

Philippe Blondiaux says that regionalizing their businesses was a "mini-revolution" for Nestlé: "We directed our efforts on both the cultural and functional fronts, with our first phase focusing on Europe. I wanted to move this project along quickly—that's why we chose XRT's secure platform for cash flow management. With XRT Pilot 5 Server, we capitalized on the banking communication solution previously adopted by our French subsidiary. At the same time, we rationalized our banking relationships by reducing the number of banking partners and by choosing an overlay bank for our cross-border treasury transfers in Europe. In this area, BNP Paribas proposed an innovative solution allowing us to initiate all our European treasury transfers directly from Switzerland using a highly secure protocol."

The harmonization and perfect compatibility of the BNP Paribas and XRT solutions were determining factors in this choice.

Nestlé chooses BNP Paribas' Relocated Payments solution

BNP Paribas' Relocated Payments solution allows clients to debit a foreign account remotely, with the instruction processed as if it were issued locally, thus permitting substantial reductions in bank charges. Transfers are sent to BNP Paribas using Etebac 5, a secure communication protocol, whether they are to be debited directly from this French establishment or at one of its 90 banking partners.



As Philippe Blondiaux explains, "We send all our treasury files to BNP Paribas who then sends them to its own sites or to its banking partners for local processing. In this manner, BNP Paribas serves as the single entry point for our regional treasury platform: Nestlé Treasury Center Europe (NTC-E)." Nestlé's Group Treasurer also points out that "all these transfers are performed on the basis of a compensated value date, thereby optimizing Nestlé's cash management."



Another significant advantage of this service is that it frees Nestlé from the need to use proprietary electronic banking software, enabling it instead to avail itself of a standardized interbanking solution. Using its XRT platform, Nestlé thus sends transfer files to BNP Paribas in the SWIFT MT101 format, a standard universally accepted by major worldwide and local banks.

"Nestlé has been able to manage its treasury transfers at the local level without needing various proprietary banking software tools," confirms Philippe Blondiaux, "opting instead for a single, simple, standardized and highly secure solution."

In summary, Nestlé chose BNP Paribas' Etebac 5 Relocated Payments solution owing to its five key advantages:

- A service designed for the **relocation of transfers** issued remotely
- A service **alleviating the burden of proprietary banking solutions**
- **A single entry point:** BNP Paribas, accessible using a secure communication protocol and standardized formats
- A service **supporting the processing of transfers worldwide** thanks to the geographic coverage of BNP Paribas and its partners*
- **The perfect compatibility** between the service offered by BNP Paribas and the XRT Pilot 5 Server solution

Philippe Blondiaux adds, "the fact that XRT and BNP Paribas are used to working together, and that they regularly perform tests to ensure perfect compatibility between their solutions, was an important guarantee of long-term viability for Nestlé."

XRT Pilot 5 Server: Nestlé's choice and a worldwide deployment

"Once our cash management in Europe was under control, we extended our efforts to Latin America and Asia, while continuing to rely on XRT's solution and support. We set up regional treasury operations in Panama City for Latin America and in Manila for Central Asia. The benefits obtained by Nestlé are clear: perfect control of cash and risk management.

"What's more, XRT's secure cash flow-management platform allowed us to streamline our banking relationships by working with a single—and the best—bank in each region."

Looking forward to the future

This first project was a resounding success, and Nestlé continues to expand the scope of its treasury operations handled by the Relocated Payments solution. Using BNP Paribas' service directly from the XRT platform, Nestlé now processes its treasury transfers in 16 banks throughout Europe.

In late 2004, at the request of Nestlé, BNP Paribas will be able to accept the standard SWIFT M101 format for domestic transfers in France. This new offer, called Multivir, will allow Nestlé to use **a single format and communication protocol to perform all its transfers (treasury, third-party, international)** in all countries, with all its partner banks—and in all the main currencies.

Innovation continues at XRT with its latest solution, XRT Business Exchange Platform. Capitalizing on the success of XRT Pilot 5 Server, this new suite is the ideal financial consolidation solution. In addition to its heterogeneous communication functions, XRT Business Exchange Platform supports, via an intuitive and user-friendly Web interface, the streamlining of paper-based processes for payment orders as well as electronic signature processes and the distribution and management of bank reporting. Truly a worldwide solution, XRT Business Exchange Platform supports both international and local management rules.

"XRT's Business Exchange Platform and BNP Paribas' Multivir are fully integrated solutions relying on standard payment formats and protocols, providing absolute security for transactions," concludes Philippe Blondiaux. "Together they offer, in my opinion, the most economically advantageous and rational response currently available to meet the needs of organizations who wish to centralize their treasury operations, while retaining the freedom of choice."