

The Volvo Group joins SWIFT to increase competitiveness

Published on 16 Jan 2014

The Volvo Group, one of the world's leading manufacturers of trucks, buses, construction equipment and engines for industrial and marine usage has joined SWIFT to benefit from its multi-bank messaging solution for documentary trade flows.

In an effort to gain efficiency through standardisation and automation, The Volvo Group started to use SWIFT's MT798 standards for export Letters of Credit (L/Cs) to help manage risk and meet country-specific legal demands. The group's ambition is to grow its business, with the finance department being more proactive towards sales and customers by offering prices on various L/C financing.

For our Trade Finance business we will prefer to do business with banks that are or will be able to handle SWIFT standards, like the MT 798— Jörgen Holmgren



J. Holmgren

"Using SWIFT for export letters of credit is a key milestone in our operations," explains **Jörgen Holmgren, Director Corporate Finance, AB Volvo**. "We expect to gain more business with competitive financing and improve our cash flow with more efficient operations and processes." In addition, The Volvo Group expects to improve its performance when it comes to issuing correct documents as the result of its deployment of a new multi-bank trade application. In order to automate the management of its export documentary credits globally, the Group selected the SWIFT certified @GlobalTrade Platform from GlobalTrade Corporation (GTC). This hosted solution enables The Volvo Group to manage its trade flows with any number of banks via SWIFT's cloud-based connectivity option Alliance Lite2.



J. Katsman

"We are very proud that The Volvo Group has selected our technology after a detailed RFP process," said **Jacob Katsman, GTC's CEO**. "Volvo's management has defined the project's objectives very well and has a clear vision about the process improvements, standardisation and efficiencies that they would like to achieve."

GTC's CTO Nick Pachnev said the @GlobalTrade Platform will enable The Volvo Group to standardise electronic exchange of export documentary credit messages with its banks using SWIFT's messaging services and standards, to improve efficiency in handling documentary credit and related documents internally and with logistics providers, and to speed up receipt of payment through electronic presentation of documents directly to the issuing banks.

The Volvo Group is also expecting to gain value from additional global visibility for internal reporting and control, as well as improved global coordination of the banks it uses for its Trade Finance business. "The possibility to be able to steer what banks we use is also one of the benefits of using SWIFT," says **Holmgren**. "For our Trade Finance business we will prefer to do business with banks that are or will be able to handle SWIFT standards, like the MT 798."

The implementation of the SWIFT and GTC systems has been a very smooth and rapid process. Within less than two months after signing we had everything up and running.

This is the result of excellent cooperation between SWIFT, GTC, Nordea and the companies within the Volvo Group.

— Jörgen Holmgren

Holmgren continues: "The implementation of the SWIFT and GTC systems has been a very smooth and rapid process. Within less than two months after signing we had everything up and running. This is the result of excellent cooperation between SWIFT, GTC, Nordea and the companies within the Volvo Group. We hope to continue to reap the rewards and intend to use the solution for additional trade messaging such as Guarantees in due course".

Soeren T. Andresen, Global Head of Trade Finance at Nordea explains: "This implementation enables us to integrate our respective workflow procedures by standardising the exchange of trade data. Parties benefit mutually by improving productivity, reducing risk and harmonizing global of way of working."

Alain Raes, Chief Executive, EMEA and Asia Pacific, SWIFT, concludes: "We are delighted to welcome The Volvo Group on to SWIFT. This decision demonstrates the growing adoption by corporates of SWIFT's multi-banking standards and messaging services for trade flows. It illustrates the win-win proposition that SWIFT offers to corporates and banks alike."