

Bottomline Technologies
service underpins growth
in business



Ipes increases STP with Bottomline's SWIFT Access Service

Company Profile

Ipes was established in Guernsey in 1998 and is now one of Europe's leading providers of private equity fund services. Its team of over 130 experienced professionals manages in excess of \$43bn assets from full service offices in London, Luxembourg, Jersey and Guernsey.

Ipes pioneered a specialist approach to private equity fund services based on trust, expertise and working in partnership with clients. Today, they work with more than 90 clients with over 300 funds and 5000 investors worldwide.

Ipes is ranked fifth globally based on Private Equity assets under administration by ICFA magazine and second in Guernsey by Lipper Fitzrovia in the 2010/2011 Fund Encyclopaedia.

The Situation

Ipes is one of Europe's leading providers of private equity fund services with funds under administration in excess of \$US 43bn. Effective cash management is core to Ipes' service. With an annual transaction volume of \$US 5.5bn, a genuine straight-through-process from transaction initiation, banking and bookkeeping through to settlement, statements and reporting is essential to maximise efficiency and minimise risk.

Ipes created a web-based software platform, www.CapitalTracker.com, through which all of its services are performed. However the traditional approach to managing payments using the proprietary e-banking platforms of its many partner banks posed the following challenges for Ipes:

- Separate maintenance overheads from using and supporting multiple systems as each bank supplied their own dongles
- Re-keying between capital, banking and accounting systems
- Administration of multiple interfaces for each client

Ipes therefore needed to find a more streamlined approach to working with multiple banking partners via Capital Tracker.

**"We have increased
our operational
efficiency whilst
improving security
for our payments"**



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Think Bottomline

The Solution

As a globally standardised network of which all banks are members, SWIFT gave Ipes the mechanism with which to communicate with multiple banks through a single interface in real time. In turn, this allowed Capital Tracker to bring the transaction initiation, bookkeeping and reporting elements of cash management into a single, automated process.

As one of the early corporate entrants to SWIFT, Ipes sought the support and guidance of Bottomline Technologies. Tim Andrews, Head of Development & Technology, Ipes commented:

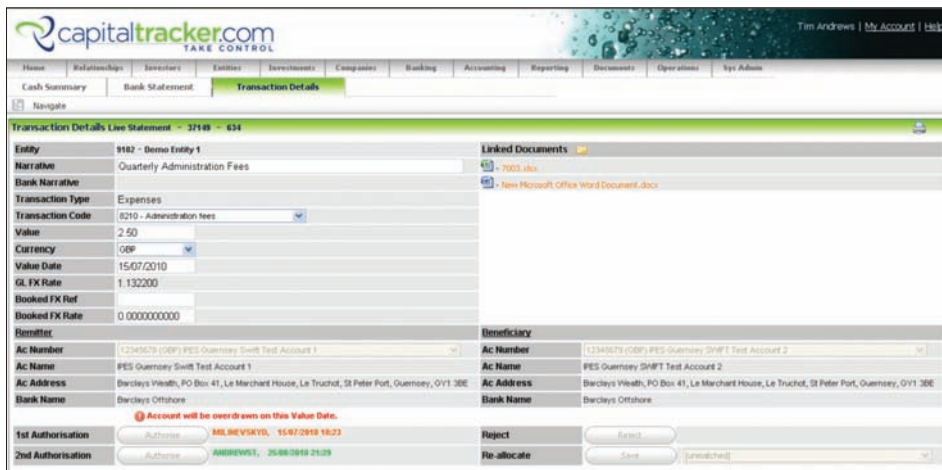
“Connecting and maintaining access to the SWIFT network requires expert knowledge. We therefore wanted to work with a specialist and chose to partner with Bottomline Technologies and deployed their SWIFT Access Service. Their consultants were accredited SWIFT professionals, who guided us through the process from the initial SWIFT application through setup, testing and finally, go live. This process took a total of 4 months. For Ipes the service bureau approach was a cost effective and efficient method of managing SWIFT connectivity and Bottomline’s expertise enabled us to implement a solution which met our needs and which fitted with our existing systems.”

Ipes’ Capital Tracker system processes 1,000 payment and income transactions per month. Once a transaction has been initiated, validated and authorised, an MT103 message is sent via the service bureau over SWIFT to one of the partner banks.

As soon as the transaction is processed an MT900 or MT910 message is returned via the same method by the bank to Ipes, giving Capital Tracker a real-time view of account activity. The process concludes with an MT940 from the bank overnight showing the cleared statement which finalises the bookkeeping process.

Each payment is processed according to a set of predefined rules, for example, “do sufficient cleared funds exist in the account in question” and “is the SWIFT message correctly formatted”, as part of the workflow process. Only when all checks, authorisations and validations have been completed is the payment released to the beneficiary bank over the SWIFT network.

Andrews added, “Since going live on SWIFT, the service bureau has delivered a secure, resilient and stable connection. Whenever we have a query we can call upon the experienced Bottomline consultants who provide an efficient and responsive service.”



Results and benefits

Pleased with the benefits of the new system so far, Andrews explained:

“We currently achieve a 93% straight through processing (STP) rate for our banking transactions and 100% STP for our core capital transactions from Capital Tracker. These improvements are a direct result of using SWIFT messaging and the service bureau. The project has delivered a number of tangible, practical benefits including:

- A single payment platform for Ipes’ main banking providers
- Enhanced banking terms with later cut-offs and competitive rates for Ipes’ clients
- Re-keying of payments has been eliminated
- Strict validation of payment details and authorisation
- Smooth FX processing without transferring cash between currency accounts
- Automated and standardised bookkeeping

These results demonstrate the real value of combining accounting and banking software with the proven reliability of a service bureau to leverage SWIFT connectivity.”

Andrews concluded, “I would highly recommend Bottomline’s SWIFT Access Service to other companies in the funds industry. The service bureau project has been a critical part of the success of our cash management service. We have lowered our operational risk, we are now able to process payments on a 24x7 basis and we can achieve the required authorisation earlier in the transaction processing lifecycle.”

About Bottomline

Bottomline Technologies, a leading provider of collaborative payment, invoice and document automation solutions, recently acquired SMA Financial, a London-based provider of Software as a Service connectivity to SWIFT. This acquisition combines a SWIFT Regional Partner for the UK, Ireland and the Channel Islands with Bottomline’s expertise in payments, treasury and cash management solutions. Bottomline now offers SWIFT Access Service and a range of business consulting, technical services and solutions to complement the SWIFT network to a range of bank, financial institution and corporate customers. Bottomline’s accredited team of SWIFT experts has more than 300 successful customer implementations.



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