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_ Karen Fagan, Treasury Back Office Manager, ITV Plc

ITV Improves Cash Reporting and Integrated End-to-End Treasury Processes with Bottomline's SWIFT Access Service

Company Profile

ITV is the largest commercial television network in the UK. It is the home of popular television from the biggest entertainment events, to original drama, major sport, landmark factual series and independent news. It operates a family of channels including ITV1, ITV2, ITV3 and ITV4 and CITV which are broadcast free-to-air on analogue (ITV1 only), Freeview, digital satellite (Sky/Freesat) and cable.

ITV is also focused on delivering its programming across multiple platforms including itv.com, video on demand on cable television and other 'closed' platforms, mobile devices and games consoles. ITV Studios produces and sells programs and formats in the UK and worldwide, and comprises of ITV's UK and international production operations, international distribution, home entertainment, publishing, merchandising and licensing.

The Situation

ITV Plc operates a Business Service Center to support its different companies and subsidiaries such as ITV Studios and ITV Broadcasting. With domestic and international operations, it has the challenge of managing multiple bank accounts in approximately ten currencies. It had a highly complex treasury infrastructure.

There was a great deal of manual processing and the confirmations process was time consuming. International bank statements were sent by the different entities to the treasury department but this could be on a weekly or monthly basis.

ITV decided to introduce, in the UK, a physically pooled operational banking structure with zero balancing alongside an in-house bank. To achieve its goals ITV required a more integrated and secure method of sending payments, receiving confirmations from counterparties, accounting and to receive statements from its banking partners. It had selected a new Treasury Management System (TMS) from City Financials (eTC) which would be connected to the SWIFT network. The SWIFT connectivity was key to ITV's long term goals to future proof and expand the capacity of the proposed treasury infrastructure over time.

The Solution

ITV evaluated three outsourced service bureaus before selecting the SWIFT Access Service from Bottomline Technologies. Karen Fagan, Treasury Back Office Manager, ITV Plc explains:

"The outsourced service bureau approach offered many advantages over managing the SWIFT infrastructure in-house. We chose SWIFT Access Service from Bottomline Technologies right from the start as they demonstrated an in-depth understanding of the challenges faced by corporates that want to connect to SWIFT and their solution was already used at several of the UK's largest corporates. Bottomline had an existing relationship with Barclays Corporate and City Financials and were able to clearly explain exactly how the service bureau would work alongside our proposed treasury infrastructure."

Bottomline's SWIFT expertise was evident throughout the project from helping ITV with the initial SWIFT application through to testing and go-live. The decision to use Bottomline's service bureau was made in September 2010 and zero balancing and SWIFT connectivity went live in January 2011. It allowed ITV to receive MT940's from various banks over SWIFT which are concatenated by the service bureau and uploaded automatically into the TMS where balance reporting and Treasury account statement reconciliations takes place.

ITV has also gone live with a new system from Trintech which is used for reconciliation of operational accounts. By automating the process of receiving the statements over SWIFT, ITV is able to reconcile daily and use more up-to-date data.

For foreign exchange and money market trade confirmations, whenever a deal is entered into eTC a MT320 or MT300 is generated and sent via the service bureau over SWIFT to the counterparty bank. At the same time the counterparty sends ITV their MT320/300 message. The messages are captured and automatically reconciled in eTC to ensure that they match and the deal is confirmed, otherwise it is flagged up for further investigation. eTC will then only release the payment for processing once the confirmations are matched.

Results and Benefits

ITV Treasury were aiming to achieve more integrated and streamlined Treasury processes enabled by utilizing the best available in Treasury systems on a cost effective basis. This was achieved by selecting a combination of vendors, designing an architecture from scratch to effectively combine the various new components with ITV's suppliers to achieve its objectives.

"The treasury project has enabled us to automate time consuming manual processes such as accounting and reconciliation and free up our resources to focus on resolving exceptions. By adding SWIFT connectivity to our TMS we have benefited from greater operational efficiency and lower levels of risk. It has allowed us to develop and roll out better treasury controls while improving the ease and convenience with which we make our payments," said Karen Fagan. *"We have the scalability to increase the volumes processed without a significant impact on the ITV Back Office treasury department, and we now have a more complete view of cash balances across all bank accounts."*

ITV is already planning to leverage its investment in SWIFT connectivity by using Oracle Lockbox to identify receivables from the MT940 statements, and automatically post these to the debtor's account. ITV has also requested all overseas entities to report electronic cash balances over SWIFT on a daily basis which will give ITV even greater visibility of its true cash and liquidity position.

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Karen Fagan commented, "I would advise other corporates who are considering SWIFT to use an outsourced service bureau. Having service providers such as Bottomline Technologies, Barclays Corporate and City Financials who have already worked together on other corporate treasury projects is hugely beneficial. This was evident during the implementation process as the project managers involved knew each other and had a ready understanding of what needed to be done, resulting in lower project risk and a smoother implementation."

Karen concluded, "We see Bottomline as a strategic technology partner and we are already leveraging their proven payments products. We are planning to work with them to bring the same high level of automation to the management of nontreasury payments, such as the BACS run for vendor, payroll, expenses, SEPA payments, international payments and faster payments. This will enable ITV to eliminate further manual processing while increasing efficiency."

About Bottomline Technologies

Bottomline Technologies (NASDAQ: EPAY) provides cloud-based payment, invoice and banking solutions to corporations, financial institutions and banks around the world. The company's solutions are used to streamline, automate and manage processes involving payments, invoicing, global cash management, supply chain finance and transactional documents. Organizations trust these solutions to meet their needs for cost reduction, competitive differentiation and optimization of working capital. Headquartered in the United States, Bottomline also maintains offices in Europe and Asia-Pacific. For more information, visit www.bottomline.com.



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