

# Case Study: How GE Receives and Warehouses E-statement Information Across Multiple Banks

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**This case study, which won the SWIFT Implementation Project of the Year at the gtnews Awards 2012, explains how GE solved the problem of accessing and retaining bank account statement information for 14,000 accounts, across more than 100 banking relationships and 98 countries, by working with SWIFT. The electronic statement (e-statement) project will save GE US\$1.7m and has eliminated the need to store paper documents. Crucially, it also enhances process efficiencies. It is shared here as an overview of how SWIFT can help introduce multibank capabilities to treasuries, and in order to encourage best practice.**

GE corporate treasury recognised a need to reduce its administrative burden when retrieving information from the corporation's many banks and accounts around the world. The treasury department required a streamlined process that would deliver greater efficiencies across multiple banks, in excess of 100 globally and 14,000 accounts worldwide. It naturally turned to SWIFT for its international reach and cross-border, cross-bank capabilities.

The corporation successfully introduced an electronic statement (e-statement) solution this year, working with SWIFT and its key banking partners at Bank of America Merrill Lynch (BofA Merrill) and JP Morgan (JPM) to develop it. The project start date was in February 2011 and the key objectives were as follows:

- Reduce the administrative burden of retrieving information from multiple banks by requiring the use of SWIFT FileAct to deliver an image version of a bank account's final period end statement.
- Dramatically reduce the effort needed to ensure compliance with internal rules and processes around risk and security by introducing automation and standardisation as much as possible.
- Reduce the company's carbon footprint by eliminating the printing, mailing, transportation and storage of paper. Paper was the enemy and needed to be eliminated as much as possible.
- Eliminate the need for staff to maintain entitlements and stay current on training to use multiple banks' different electronic e-banking and repository applications. If a single system could be used then training, flexibility and ease-of-use would all be enhanced.

The GE e-statement project involved the corporation's treasury workstation vendor, as well as SWIFT and the banking partners, and needed careful planning. The project was structured in three phases.

## **Phase One: The Technology Challenge**

Phase one of the GE e-statement project meant building the infrastructure needed to warehouse the electronic statements, as the data load was about to go up dramatically. The new system also needed to integrate with GE's treasury workstation and leverage the existing security access within the technology environment.

Phase one was therefore quite technical and took about eight months to complete by year end 2011, the designated target end date. GE had to first build a library warehouse and then to work with the treasury workstation vendor to establish an interface to the library warehouse. This was achieved on schedule.

### **Phase Two: Developing and Piloting the System**

The second phase of the project, running simultaneously with the other phases in the plan to ensure a quick delivery date, was the requirement to organise a pilot group of banks to participate in developing and implementing an industry standard with regards to the defined SWIFT FileAct delivery parameters. The education of about 3,300 GE business users on the new e-statement process and systems was also a necessity.

The extent of the work for this element of the project meant it ran for the full 18 months of the undertaking, concurrently with all other sections of the project plan. GE had to first introduce the concept of delivering e-statements over SWIFT FileAct to the banks. GE presented the requirements in a non-technical manner to clearly explain the project at this initial stage, as well as document the technical requirements latterly. The technical requirements document was continuously updated during the course of the pilot. This was in response to the findings that occurred during the testing process with the pilot banks.

### **Phase Three: Delivery**

The third section of the project plan was to work with GE's remaining relationship banks to implement a smooth e-statement delivery process and ensure a hassle-free go live in February 2012. The successful execution of the project required considerable project management and IT resources, as well as executive sponsorship at the board level and across the various partner banks and SWIFT.

Co-ordinating a large group effort such as this and keeping the team focused so they could deliver against a single goal was extremely difficult but the treasury project team managed to execute the structured roadmap they had developed, meeting all the appropriate deadlines along the way.

### **The Old Procedure**

For GE's treasury and finance teams, as well as for the various GE businesses that use the new e-statements solution, it has been a revelation. Obtaining over 14,000 paper-based statements for reconciliation, review, approval and auditing purposes used to be a real pain. Staff used to have to access multiple e-banking platforms, which in turn required them to be current on procedures and application training, as well as manage multiple passwords in order to actually get the

statements. With the new SWIFT-centred system only one standardised system is used, cutting down on expensive training and expensive duplication of effort over different solutions. The process efficiencies gained are considerable.

In addition, paper statements needed manually intensive processing in the past, via large and expensive internal mail systems. Each statement had to be opened, reviewed, reconciled and then physically stored. Document retention and destruction policies had to be adhered to in order to stay within strict regulatory compliance guidelines. Interrogating this paper system for reporting purposes or business insights was also very time-consuming, so rarely happened.

## **The New System**

The new system relies on SWIFT FileAct for its cross-border and cross-bank capabilities and it has been integrated into GE's existing treasury workstation as far as is possible to eliminate the old cumbersome and confusing set of multiple bank-led processes. There is no longer a need to print, store or destroy any documents as they are now immediately available as electronic images which are all safely stored in a secure database.

This electronic archive also delivers a positive environmental impact for GE as it does away with the printing, mailing, and storage of paper, aiding the corporation's corporate social responsibility (CSR) aims. It has cut the number of compliance and controllership issues and is delivering more benefits as GE involves more and more of its banks around the world in the e-statement procedure via SWIFT FileAct and the two key partner banks, BofA Merrill and JPM.

The new solution is also scalable for the future, says GE, with further integration into internal and back-office applications at the corporation currently underway. More process efficiency benefits are being targeted.

## **Benefits**

Staff hours have been cut due to the elimination of manual processes, with employees able to undertake other more rewarding tasks. GE has already realised process efficiency cost savings of approximately US\$200,000 in fiscal year 2012 and estimates further cost savings of over US\$1.5m next year. The security of the procedure has also been enhanced as paper and people have been replaced by secure online channels with appropriate access control.

Beyond solving a vexing treasury problem for GE, the new e-statement infrastructure has also allowed the participating bank members and SWIFT to move beyond offering domestic period end bank statements towards international bank statements, where possible. Other possible future benefits include the easier use of billing statements, lockbox cheque images in America, and so forth. Further process efficiencies are expected to accrue over the coming years.

- This case study is based upon an entry into the [gtnews Awards for Global Corporate Treasury 2012](#), sponsored by Bank of America Merrill Lynch (BofA Merrill). The winners of this year's annual awards, now in its third staging, were only revealed at a gala dinner on 24 May at the Sofitel Grand Hotel in Amsterdam, the Netherlands, after the opening of the two-day [gtnews](#)

**Forum for Global Corporate Treasury** conference. This winning GE entry is shared here from the SWIFT Implementation Project of the Year category as a best practice guideline and commentary. To see a full report on all the Awards winners and the gala dinner on 24 May please click [here](#).