

“GXS Managed Services provides a key component of our Global Cash Management Services that will enable us to meet local B2B integration requirements for businesses around the globe. This is a major competitive advantage that will increase flexibility and accelerate time to market.”

—KANG SHIN-SEONG, DEPUTY PRESIDENT OF SHINHAN BANK'S TREASURY AND GLOBAL BANKING GROUP



# GXS Gives Shinhan Bank Competitive Edge Through Global Cash Management System

GXS Managed Services Solution Enables Shinhan Bank to Offer New Services and Meet B2B Integration Requirements

## Corporate Profile

Shinhan Financial Group Co. Ltd. is Korea's first financial holding company that delivers comprehensive financial solutions through a powerful One-Portal network. Shinhan offers quality financial products and services in commercial banking, corporate banking, credit card, private banking, asset management, investment banking, brokerage and insurance services. Listed on the New York Stock Exchange, Shinhan serves more than 10 million active customers and has 29 offices in nine countries around the world.

## Business Challenge

Korean conglomerates continue to expand into international markets including the United States, Western Europe and China to capitalise on the tremendous business opportunities these regions represent. To be successful in their expansion efforts, Korean multinationals must be able to manage their financial processes centrally and optimise their working capital on a global scale. A key component of cash flow optimisation is having command and control of treasury and cash management processes in various countries. Corporations must have an accurate view of their cash positions in each of their bank accounts across the world. Idle balances should be put to work in sweeps or other interest bearing accounts to maximise yields. Additionally, disbursements must be able to be executed by regional shared service centers using the lowest cost payment instrument. Finally, customers should have the flexibility to free up working capital tied to accounts receivable or inventory through various financing mechanisms. Shinhan Bank needed a Global Cash Management and Supply Chain Finance solution that would enable them to meet the international B2B integration requirements of their multinational customer base.

## The Solution

GXS Managed Services enables Shinhan Bank to introduce new services such as global cash management and supply chain finance to its customers.

**Cash Management**—To offer a global cash management service, Shinhan Bank established a network of partnerships with leading banks in the US, Western Europe and other parts of Asia. GXS Trading Grid® is used to exchange financial reports and transactions between Shinhan and its network partners throughout the world. For example, Shinhan uses GXS to send payment instructions to partner banks on behalf of its corporate customers. Once received, the payment instructions are executed on

local clearing and settlement systems by the partner bank. Additionally, partner banks send intra-day and end-of-day account statements back to Shinhan Bank. The statements provide updated account balances reflecting recent collection and payment activity. Shinhan Bank can aggregate the balance information from all accounts to present a consolidated view of cash positions worldwide.

**Supply Chain Finance**—Additionally, Shinhan Bank now offers Supply Chain Finance services such as pre-export and post-export financing services to the suppliers of its larger customers. These small-to-medium sized businesses (SMBs) often lack efficient sources of financing to fund their manufacturing operations between order-to-cash cycles. GXS provides a critical component of Shinhan's Supply Chain Finance service by enabling the bank to integrate with its corporate clients' purchasing, logistics and accounting applications. Through ERP integration the bank is able to receive copies of supply chain documents including purchase orders, bills of lading and commercial invoices. Using the supply chain data, Shinhan Bank is able to identify trade transactions with extended payment terms that may be candidates for financing. The bank can then approach SMB suppliers with potential options for early payments to accelerate cash flows.

### The Benefits

Minimum upfront investment in the infrastructure and a flexible pricing system based on the on-demand offerings enabled Shinhan Bank to quickly utilise GXS Managed Services to extend the flexibility of its business models. GXS enables Shinhan to seamlessly integrate with corporate clients' ERP systems—whether they are running SAP, Oracle or Microsoft applications. This flexibility not only enhances the competitiveness of Shinhan Bank's cash management portfolio in sales opportunities, but also improves client delivery and service quality. Additionally, the global footprint of GXS Trading Grid and its Managed Services eliminated the need for Shinhan to make costly investments in personnel and infrastructure to support its international operations.



#### About GXS

GXS is a leading global provider of B2B e-commerce solutions that simplify and enhance business process integration and collaboration among trading partners. Organisations worldwide, including more than 70 percent of the Fortune 500, leverage the on-demand services on GXS Trading Grid® to extend supply chain networks, optimise product launches, automate warehouse receiving, manage electronic payments and gain supply chain visibility. GXS Managed Services, GXS' B2B outsourcing solution, empowers customers with the expertise, technical infrastructure and program support to conduct B2B e-commerce with trading partners globally. Based in Gaithersburg, Md., GXS has an extensive global network and has local offices in the Americas, Europe and Asia-Pacific regions. GXS can be found on the Web at [www.gxs.co.uk](http://www.gxs.co.uk).

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