

# Corporate independence

**Martin Bellin**, Founder and CEO of BELLIN, explains how technology is revolutionising treasury management and helping corporates to achieve independence from banks.

## How is technology changing the landscape in corporate treasury?

It is more than just a question of technology. That is a tool, but client expectations are changing and that means the financial business will also have to change which requires a completely new way of thinking.

The relationship between banks and corporates is changing: In the past, corporates had to comply with a bank's stipulations, however in the future, it will be down to the bank to convince a corporate that it is the best organisation to handle its business.

## To what extent are corporates looking to become independent of banks?

This is a key trend, which has its roots in the financial crisis of 2008. Before then, banks were considered safe havens, but now corporates have to take into account the fact that banks may not be as secure as they once were.

Corporates must ensure they are prepared when a bank struggles financially. That means that corporates are trying to establish independence from banks and working to employ a corresponding set-up. That starts with processes that can be commoditised, and that definitely applies to cash management and the entire payments industry.

In the past, corporates used banking portals to process payments, but that practice is coming to an end with the realisation that they can use apps, provided by fintech companies like ourselves, that can process all their payments and consolidate their banking portals. Payments processing has become commoditised and, as a result, banks are going to withdraw from front-end vendor technology and instead concentrate their offering on complex

products that require customisation and deep client knowledge. That will be their business in the future, while fintech companies handle everything that can be commoditised at the front end.

## How can fintech firms help corporates achieve that independence?

We are pushing that trend and have developed technology to make companies independent of banks; we are going to play a key role.

For example, we have onboarded more than 100 corporates to the SWIFT Network, which demonstrates the ability of a fintech company to push a trend forward in the global payments processing space.

That means that corporates have one access point to connect with all their banks globally, in order to process their domestic cross-border payments in any given country in one secure environment. Corporates now have a platform through which they can connect to all their banks worldwide via different technologies, including those such as the SWIFT Network. It is no longer necessary to build individual connections to every bank. Corporates just need to access the technology and plug and play to connect to any bank globally.

Technology is hugely important from a compliance point of view. It means that from one access point, a treasurer can see all the funds that are leaving the company and take full control of cash management and benefit from increased transparency.

## What implications does that have for network banking?

Corporates today often have regional network banks to cover their needs in different areas of the globe – in Asia, Europe or the Americas, for example. The main reason they have network banks is to reduce complexity, including related risks, and reduce their



Martin Bellin, Founder and CEO of BELLIN

administration costs. We have launched a “virtual network bank”, which means that corporates can connect to BELLIN who in turn connects to any domestic bank across the world, thus eliminating the need for a network bank from the corporate's perspective.

For example, corporates can approach us if they have a new company in Mexico, or indeed any country, and we select the right local bank for their needs, open an account and connect it to their single banking platform. There is complete transparency regarding the fee structure we charge to the customer, and it does not matter if a company is connected to 2, 20 or 50 banks through their virtual network bank, they only need to deal with us. If one bank is not performing, we will replace it with a better partner. The corporate does not necessarily need to be aware of which bank is connected to its network, it just wants its cash management demands met.

It is a full banking service that commoditises cash management and payments, which makes corporates completely independent from banks and their services in any country fully transparent. ■



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