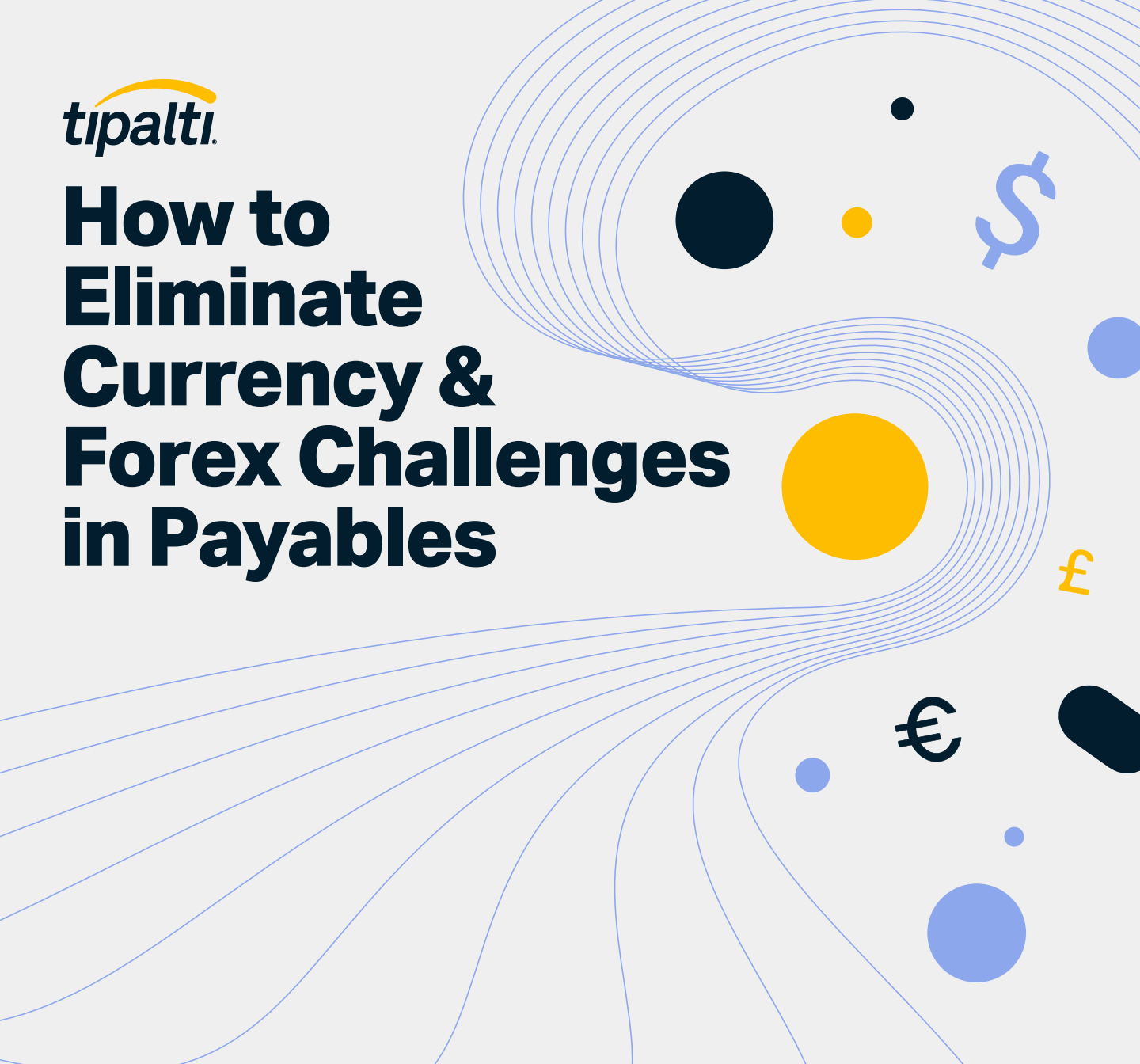


tipalti.

How to Eliminate Currency & Forex Challenges in Payables



In an increasingly global marketplace, companies of all sizes find themselves navigating both the opportunities and the challenges of doing business across borders. For these scaling organizations, there is increased complexity when it comes to currency and regulations.

Table of Contents

Currency & Forex Challenges
in Payables Overview ▶

The Importance of Currency
Management for Global Businesses ▶

Currency & Forex Management Today ▶

The Top Currency & Forex Challenges ▶

Payables Automation: Currency
& Forex without Complications ▶

Companies Streamline Currency & Forex
Management with Payables Automation ▶

Do You Need a Currency & Forex
Management Solution? ▶

Currency & Forex Challenges in Payables Overview

To manage growth, the role of currency conversion and forex management is becoming increasingly important to a company's financial operations. For finance teams, these are the top priorities when it comes to currency and forex management:



**Simplify
cross-border
operations for
global payables**



**Support
multiple
currencies**



**Optimize
for multiple
subsidiaries
and entities**

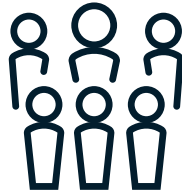


**Achieve
compliance
and increase
financial controls**

The Importance of Currency Management for Global Businesses

Today's finance organizations are expected to make payments to international suppliers in their local currencies. For some businesses, this means operating accounts in multiple currencies and having enough funds in these accounts to cover the amount of the entire payment run.

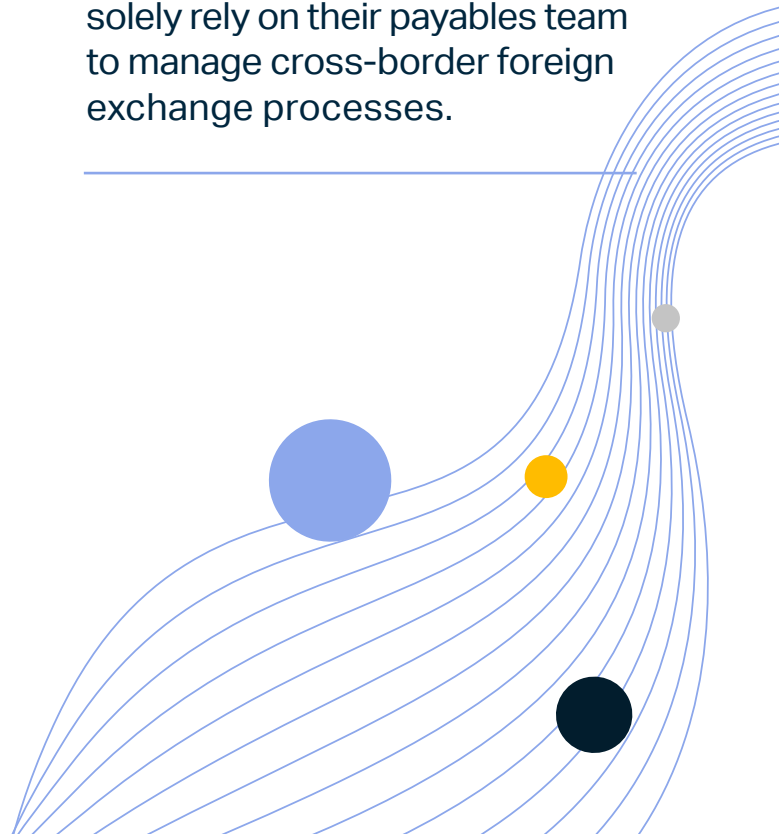
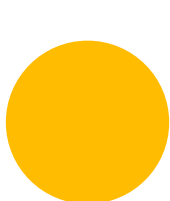
Similarly, companies with multiple subsidiaries often need to fund diverse geographic divisions to make local currency payouts—for payroll, taxes, or general expenses. These forex burdens cost finance leaders valuable time that could otherwise be spent focusing on high-impact strategic initiatives.



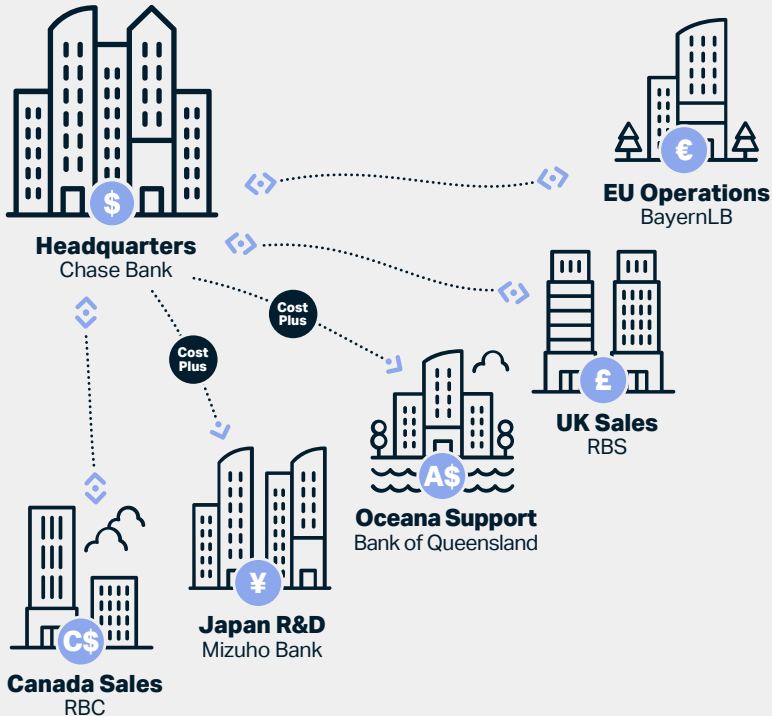
Based on a survey conducted by Tipalti,

89% of businesses

solely rely on their payables team to manage cross-border foreign exchange processes.



Currency & Forex Management Today



For a typical mid-sized B2B company, this is a standard structure for forex management.

Currency & Forex Management Today (CONTINUED)

In this instance, the company's U.S. headquarters converts funds to various bank accounts to make payments in local currency. Some of these offices are non-revenue generating and are considered cost-plus entities that do not support their own operating costs. For example, one might be an engineering group, or another might be a support and services office.

To fund these multiple accounts, the company's headquarters converts USD to the various banks and makes payments from those banks. In this example, the senior finance team is located in the U.S. and is responsible for managing funds and communicating with each bank to wire and convert those funds.

For large organizations, this process might be managed by treasurers whose entire role is focused on this one operation.



But for lean, hyper-growth companies, manually managing currency and forex is not sustainable as the company scales.



The Top Currency & Forex Challenges

These are the major issues that affect an organization's ability to execute forex management strategies successfully:



Inefficient Operations

Due to the sensitive nature of transferring funds, forex management is often the responsibility of a senior finance leader. But it's not a job that maximizes their time and skill set.



Bank Relationships

Foreign banks add layers of complexity, including timing lags, miscommunications, and language barriers. Plus, some banks add service fees on top of conversion fees for both the payee and the payer.

The Top Currency & Forex Challenges (CONTINUED)



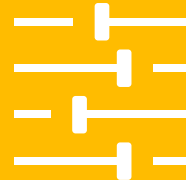
Immediacy

Often, currency conversions require an “on-demand” mentality, making it harder to employ a strategically-minded approach.



Conversion Fees

The cost of converting funds is often at a spot rate. For an individual business, those fees may not be the best in the market and, over time, can add up.



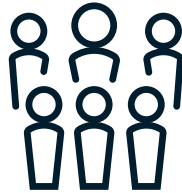
Risk Management

Currency fluctuations and exchange rate volatility have a direct impact on your cash flow and profits.

Payables Automation: Currency & Forex without Complications

For global companies with multiple subsidiaries, managing multiple banking relationships for entities that don't generate revenue and are strictly cost centers can add unnecessary complexity.

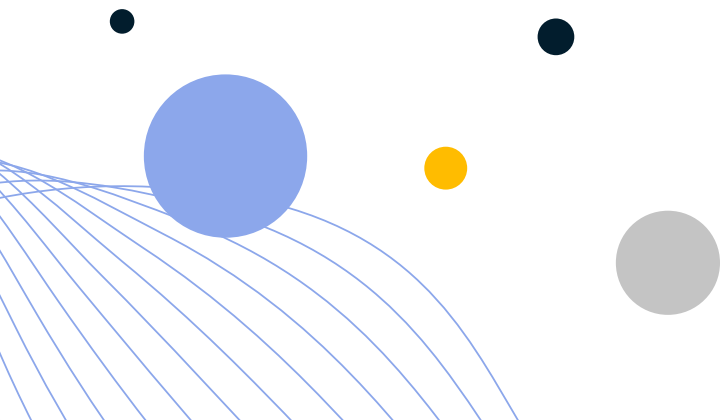
Payables automation with a seamless global remittance system eliminates the need to maintain regional bank accounts solely for payouts and provides one central virtual account to manage payments across all subsidiaries, currencies, and payment methods.



Whether your company operates in the US, UK, or anywhere else in the world, payables

automation can help save you time and money while also **optimizing the entire finance process.**

A global payables automation system improves the predictability of your payables spend and provides insight into costs for payments while reducing exposure to currency fluctuations and the ensuing impact on your cash flow.



Companies Streamline Currency & Forex Management with Payables Automation

“With payables automation, we no longer have to buy foreign currency on spot to execute our global payouts. Keeping everything in one system has been a great relief to eliminate the forex conversion burden.

Jason Wechsler

VP, Revenue Accounting & Finance Automation

■ **PubMatic**



“With payables automation, we've been able to reduce merchant processing and forex repatriation fees significantly—resulting in \$1,000,000 in FX savings.

Frank Pepe

VP of Finance, Controller & Treasurer

 younique



Do You Need a Currency & Forex Management Solution?

To meet the organization's needs while remaining flexible yet scalable, many businesses partner with a payables automation solution to help manage this process. To understand if your business can benefit from this type of solution, ask yourself the following questions:

Are you converting funds to cover payables activities?

How many bank accounts do you fund to support forex needs?

How many deposits (e.g., conversion activities) per month do you make across those accounts?

What is the average amount per deposit?

What is your annual conversion cost in terms of fees?
What are your current conversion rates?

**Who in your company is managing this effort?
How much time does it take each month?**

Can you centrally control these multiple payout accounts when you need to transfer funds?



Do You Need a Currency & Forex Management Solution? (CONTINUED)

Do you get into contracts with your international suppliers in a different currency than your funding currency?

Are these contracts for a fixed amount but payable only at a specific time in the future when goods or services are delivered?

Can you accurately forecast business currency requirements?

How do you currently protect yourself from FX currency fluctuations?

Do you have the funds available when the contract matures to cover the contract?

Based on your answers, adopting a payables automation solution might be the right step to **help streamline your operations for growth.**





Are you ready to scale?

Tipalti future-proofs your global finance operations by providing end-to-end payables capabilities for multi-entity companies in a single platform. Tipalti enables finance departments to manage growth and scale compliantly.

SCHEDULE A FREE DEMO

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