A fast-growing software developer is experiencing demand for its products and services from outside Europe. Fexco provided a simple, efficient, and cost-effective solution to better manage the company’s foreign currency inbound payments.

The Challenge:

As the company extends its global footprint to markets outside of the EU, it required a solution to manage its inbound payments of Canadian Dollars (CAD). Although the business invoiced in CAD, payments were being made to its euro account in a Dublin bank.

As the bank automatically converted CAD to euros, the company realised that it was not able to control its profit margins and was not receiving the best exchange rate available.

High-cost bank charges also meant that the process became too expensive, and the company had to seek a more cost-effective solution.

Added to this, the business found its administration time and costs were growing with difficulty matching invoices with credits in the Euro account. This made reconciliation more time consuming for finance staff. Managing the costs on its international receivables and reducing time spent on mundane tasks soon became a priority.

The Solution

Fexco Corporate Payments was chosen by the company for its long-standing reputation in international payments solutions and was recommended by a Non-Executive Board member who had used Fexco in the past in another company.

As part of the receivables solution, the business could now instruct its buyer in Canada to pay Canadian Dollars directly into a Client Asset Account with Fexco. This meant that the company had full transparency over the receivables process and now knew exactly that the amount on the invoice, matched the amount received.

At the end of each month, the company’s Finance Manager instructs Fexco to convert the Canadian dollar amount received into euro and transfer to the company’s euro account. Knowing the exchange rate upfront means that the business has greater visibility of cash flow which makes budgeting easier.
More competitive rates from Fexco on the exchange meant that transferring high value funds each month became much cheaper. As the process became more streamlined, finance staff could also focus on more value-add tasks.

Today the company has Canadian exports worth over €2 million with sales growing into other countries. A streamlined receivables process now means the company can avoid hiring more administration staff and the reduction in costs sees a significant margin improvement on their bottom line.

Do you want to better manage your international receivables process?

Speak to a member of the team to find out how you can mitigate currency risk and costs on your incoming foreign currency payments.