



# Erismann smooths cross-border payments with innovative UniCredit FX solution

As part of its drive to support the real economy, UniCredit helps businesses of all sizes with their treasury challenges. German wallpaper manufacturer Erismann is one such example. Erismann's **Wilhelm Stark**, Deputy Head of Finance, explains how, faced with unfavourable FX rates and fees when collecting payments from its UK-based subsidiary, it partnered with UniCredit to find a solution.



Wilhelm Stark, Erismann

**Can you tell us a bit about Erismann? What challenges do you have as a business and how does that translate to the treasury?**

**Stark:** Erismann is a leading global wallpaper manufacturer for living spaces and businesses. Founded in Germany in 1838, we also have wholly-owned subsidiaries in the UK and Russia, as well as a sales department in France. We have 550 staff generating a yearly

turnover of around €100mn, which is processed by a treasury team of just 10 people handling regular cash management processes and cross-border payments. We usually invoice in euros, but a number of our smaller customers pay in foreign currencies, with roubles and sterling coming in regularly from our subsidiaries. This means we engage in FX conversions when we want to route funds back to our holding company in Germany – up until now this was sub-optimal.

Focusing on our UK subsidiary, we found converting sterling payments into euros on a near-daily basis very expensive.

Without a dedicated FX agreement in place, we were paying retail conversion rates and high transaction fees to UK-based banks in order to sweep funds into our euro master account. With a similar situation playing out with our subsidiary in Russia, it was clear we needed a solution.



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Wilhelm Stark, Erismann

### **What solution did you choose, and how did it help you overcome these challenges?**

**Stark:** At this time, we already had a current account with UniCredit and used a number of UniCredit e-banking applications such as UC e-banking Prime, which enables us to manage multiple bank accounts via a single interface. And when it transpired that we needed an FX solution, the bank was very proactive in anticipating our needs – approaching us quickly with a compelling offer. Our UniCredit representative, Maria-Ekaterina Ntuanoglu, met with us, analysed our processes and some of the previous payments we had made, and demonstrated the benefits of the bank’s proposed solution, UC PayFX.

UC PayFX works by processing all our inbound and outbound payments through a single UniCredit euro account

– with UniCredit converting currencies automatically. This way, via UniCredit, we are in control of the FX conversion process. It cuts costs for us by converting funds at more competitive, fixed, wholesale FX rates rather than retail rates, and also integrates the sterling-euro conversion into UniCredit’s existing cross-border payments flow, resulting in a fully automated end-to-end process.

The service has also made the conversion process simpler and more transparent. It reports on all spread data with every transaction, and provides a monthly inventory report. As the spread of wholesale FX rates are known and pre-agreed, we also always know the value of what is debited to our account ahead of time. The rates, time-stamped for every payment, are displayed on an account statement that is sent instantly upon execution of each transaction. UC PayFX therefore makes it much easier – and much less costly – to manage incoming money from the UK at our German headquarters.

### **Talk us through the implementation process, were there any challenges?**

**Stark:** The implementation process was remarkably simple and smooth. We simply received the necessary documents, signed and returned them, and then informed payers about the new service, asking them to send money to a new account. UniCredit monitors the market to know rate spreads and the costs of payments, and they cater for the legal particularities of our target markets, so all complexity is internalised on their side. There were no implementation or registration costs, and it took just two days from decision to implementation – impressively fast and an unbelievably easy process to handle!

### **What was the outcome of the implementation? Has there been any impact on the wider business?**

**Stark:** All of our sterling cross-border payments are now processed through UC PayFX and we couldn’t be happier with the result – a significant leap forward from the previous solution! On top of the qualitative benefits of the simple implementation, ease of use, increased transparency, and saved time, we’ve seen some significant cost savings – reducing our daily FX costs by 2% compared with our prior set-up – which amounts to a

hefty sum over the course of a year. It has also reduced the number of foreign banks accounts we have to deal with. As an added bonus, UC PayFX works with all major currencies from across the world, so we have made sure our sales department is aware of this so we can offer to take local currencies from customers in a number of other foreign markets. This means we can use a single euro UniCredit account to convert our payment orders automatically in all currencies, so our business can follow opportunities wherever they may be.

Lowering the number of bank accounts we offer to our customers to just one also means we make their lives easier, opens up more of a customer dialogue, and improves the reach and accessibility of our services – all serving to hopefully boost our growth in the near future. It’s great to have treasury capabilities driving business ambitions, as well as the other way round! Given the positive experiences we’ve had so far, we’re already looking to start transferring roubles from our Russian subsidiary – where we have encountered similar challenges – through the solution.

### **What is UC PayFX?**

UC PayFX offers FX conversions from euro into all major foreign currencies – and vice versa – to UniCredit clients looking to simplify FX delivery generated by cross-border payments. UC PayFX is integrated into UniCredit’s cross-border payments and FX systems – offering a fully automated end-to-end process that is always the same, regardless of the currency a payment is executed in.

Already in use by multiple client groups – ranging from small caps through to multinationals and financial institutions in Italy and Germany – UC PayFX solves a consistent challenge to the real economy across its pan-European and wider international reach. Its competitive conversion rates, clear, customisable terms, and advantageous spread for high transaction volumes enable clients to reduce their costs and gain greater transparency and control over their transactions.