

EPC Newsletter

OPINION AND EDITORIAL

SEPA Survey 2009: Corporate Readiness on the Rise

The findings confirm that early movers have everything to gain

29.01.10 BY EDDY OUWENDIJK AND JORIS BARBAS

The "SEPA Readiness Survey 2009" by Deloitte focusing on the corporate sector finds that SEPA readiness has significantly increased compared to 2008. The Survey shows that those corporates which have a dedicated SEPA team and strategy in place are already deriving significant benefits from implementation. At the same, the majority of companies now identify SEPA not only as a compliance issue, but also as a business opportunity. Based on the survey results, Eddy Ouwendijk and Joris Barbabas predict: preparation is everything and early movers will make the most of it.



EDDY OUWENDIJK

Corporates are getting ready to engage

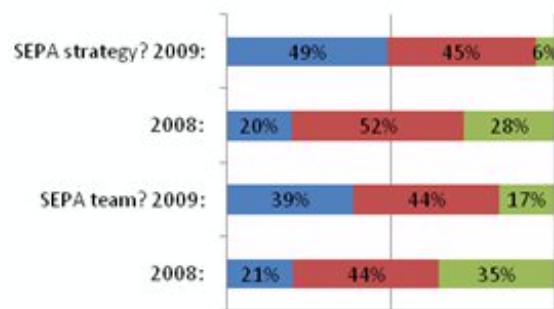
Since the Deloitte SEPA Survey 2008 a lot has happened. The contours of a harmonised payment landscape throughout Europe are starting to take shape. By November 2009, nearly all countries in the European Economic Area (EEA) have transposed the Payment Services Directive (PSD) into national legislation, and the SEPA Direct Debit (SDD) Scheme became available. The banks are prepared for SEPA and now it is the turn of the corporates to engage in the process. In its recurring survey, Deloitte presents findings on the current state of SEPA adoption amongst corporates in the Euro payments area. The results of the SEPA Survey 2009 show that one third of the corporate world is now assessing the consequences and opportunities associated with SEPA and some are already implementing SEPA solutions. The early results seem to indicate that they will be rewarded for taking this head start.



Corporates confirm: SEPA has major impact on business processes

This survey was sent to Chief Financial Officers (CFOs), finance managers, cash managers and treasurers of corporates in euro countries. Responses indicate that most corporates take SEPA seriously; just 13% of the respondents regard SEPA only as a compliance issue. Most respondents

Figure 1 SEPA strategy and team 2009 vs 2008





JORIS BARBAS

acknowledge that SEPA has a major impact on payment processes (51%), and almost half of

the respondents think that SEPA offers major business opportunities (46%).



Compared to the 2008 results, the 2009 survey found that an increasing number of corporates are getting ready for SEPA. Almost half of the respondents have a SEPA strategy (49%), and 39% of the respondents already have a designated SEPA team (see figure 1). One third of the respondents stated that the implementation of SEPA has begun, whereas 46% claim that their back office system is now able to process SEPA payment files.

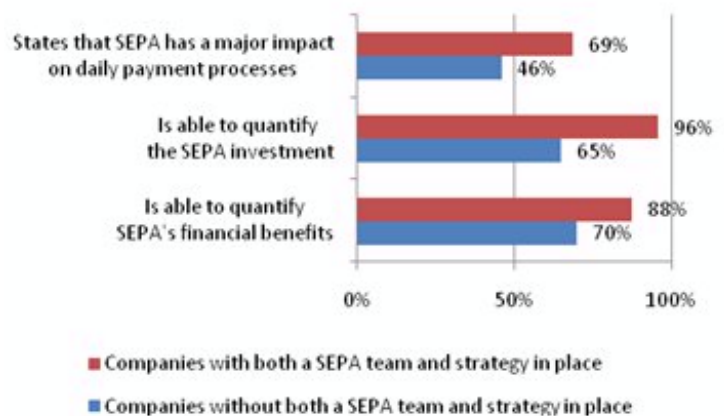
Future plans

The results demonstrate that corporates are proactively taking action to prepare for SEPA and even more action is expected in the near future. 61% of the respondents plan to use the SEPA Credit Transfer in 2010, whereas 28% expect to use the SEPA Direct Debit within the first year of availability (e.g. in the course of 2010).

Preparation is everything

Almost one third of the respondents are prepared for SEPA adoption, having both a dedicated SEPA team and a SEPA strategy in place. These corporates have already started deriving significant benefits (see figure 2). 69% of this group acknowledge that SEPA will have a major impact on their payment systems, compared to 46% of the corporates that do not have a dedicated team or strategy in place. Furthermore, those corporates which acknowledge that SEPA will have a major impact are better able to estimate their SEPA investments (96%) and have a better idea of the financial benefits for their organisation (88%), than corporates that do not have a SEPA team or strategy in place.

Figure 2: Companies prepared for SEPA implementation vs companies not prepared for SEPA implementation



The new approach to SEPA: a corporate opportunity

The results of last year's survey showed that readiness for SEPA amongst corporates was low. However, the results of this survey show that the situation has significantly changed, which is not surprising. An increasing number of corporates understand that sooner or later their payment systems need to be adopted to SEPA. Furthermore, some of these corporates have already found opportunities to directly benefit from SEPA.

Adoption of SEPA has become a necessity. The bare minimum for every corporate is to become SEPA compliant. This includes adapting systems to be able to process SEPA payments, collecting IBAN and BIC information, and adjusting direct debit mandate forms. Most banks already use SEPA payments for international cash transfers and an increasing number of banks will use SEPA for domestic transfers.

However, as the results show, most companies think of SEPA as more than a mandatory compliance exercise. This is in line with several studies that have demonstrated the potential benefits of SEPA ranging from 50 to 175 billion euro. Corporates should therefore regard SEPA as an excellent opportunity to reap the benefits from cost reduction,

increased transparency and reliability through ¹:

- More efficient account reconciliations
- Lower IT costs
- Increased scale of automatic processing
- Reduced number of bank accounts and banking relations
- Easier centralisation of cash management
- Opportunities to use e-Invoicing, e-Reconciliation and mobile payments
- Direct Debit, one debit system throughout Europe

Early movers benefit most

The results of the survey indicate that almost one third of corporates have taken a head start in their assessment and implementation of SEPA. These firms will most likely have minimum difficulties in meeting the preliminary requirements of the banks to process SEPA payments and, more importantly, will be the first to gain from the SEPA's benefits and opportunities.

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Related link:

www.deloitte.nl/SEPA

Related files:

[Deloitte Corporate SEPA Readiness Survey 2009](#)

EPC Publication: [Business - the 10 best Reasons to practice SEPA](#)

EPC Publication: [SEPA for Business](#)

Related articles in previous issues:

[Better Business with SEPA Direct Debit. Corporate customers confirm benefits of SEPA implementation \(EPC Newsletter, Issue 4, October 2009\)](#)

[Improving the Bottom Line. ISO 20022 meets key corporate expectations \(EPC Newsletter, Issue 3, July 2009\)](#)

1. "The economic impact of the Single Euro Payments Area", ECB Occasional Paper No 71, August 2007 / Estimate by EACT (European Association of Corporate Treasurers) based on real user-cases

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