

# FX Broker stands out from the pack: Delivers genuine risk management



## OUTCOMES

- 50% reduction in time to analyse a client's position
- 90% reduction in human error in the first six months

In the competitive world of international payments, one of Hedgebook's UK-based broker clients stand out as innovators. While competitors jostle to differentiate on price and service – two important cornerstones of the industry – this broker transformed its product offering to deliver powerful treasury management tools. It acted to provide better hedging results and value-added functionality, all as part of its standard service. A key component of this is a cutting-edge risk management platform powered by Hedgebook.

## A Background in Supporting Business Growth

A UK success story in its' own right, our client champions business growth by helping mitigate the risk of currency market fluctuations for companies selling offshore or participating in international supply chains. Experience in helping businesses manage detrimental market fluctuations has taught their management and trading team effective currency risk management is essential to supporting international growth ambitions.

They do this by employing an approach that starts by building a full picture of a company's foreign currency and cashflow exposure. It then moves to examining the impact of changing rates on profitability; by designing and executing against a treasury policy agreed with the client.

## The Challenge

While the team at this leading broker spend all day focusing on currency risk management they acknowledge FX is just one of many items on a long 'to do' list for busy finance departments or owner-operators. This often leads to a reactive approach where the business transacts when they have time, or after a rate move. Educating business on the pitfalls of such an approach – a two percent move in the wrong direction on a £500,000 contract is a £10,000 loss – is central to its mission of championing and supporting growth.

Aware of the need to provide customers with quick, relevant and actionable insight our client was also keen to understand how they could make its customers lives easier by relieving some of the administrative and compliance burden of managing foreign exchange risk. An analysis of client pain points found:

- an over-reliance on spreadsheets that often led to mistakes or missed opportunities,
- management and board reports were cumbersome and took time to create,
- accessing valuations for audit purposes was time consuming for the client and FX provider.

With these challenges in mind and a genuine desire to develop a client-centric solution, the broker engaged with a range of financial technology providers, eventually settling on Hedgebook. It was seen as an intuitive, easy-to-use treasury management system to help manage financial risk, streamline compliance and contribute to stronger relationships between businesses and their FX providers.

"Profitability and expanding into new markets and regions is the primary goal for our clients," explains the CEO. "Helping them to achieve this while managing the uncertainty of FX volatility was the motivation behind engaging Hedgebook, as is delivering an enhanced user experience, more sophisticated hedging platform and tailored treasury solution to our clients."

“When facing market volatility, it’s important to have visibility into financial exposures and positions. Hedgebook is a true treasury risk management solution that allows our clients to make the best hedging decisions and protect profitability as they grow their business.”

Senior Trader

“(Hedgebook) is an intuitive and effective tool that gives the team 24/7 access to our hedging positions, FRS 102 compliant reports to help decision making and allows us to check on the performance of our hedging strategy.”

Financial Accountant



## The Approach

The creation of the new platform was based on the simple premise that the customer should always be front of mind and their needs prioritised – an ethos shared by both Hedgebook and the broker. The solution therefore needed to be quick to set up, easy to use and provide tangible benefits.

Our client tested the software with a diverse range of customers, all with unique requirements. The feedback was unanimous: the software would deliver on their mission of supporting growth and add ongoing value to their business through the range of treasury tools and reports available.

Delivered via SaaS, Hedgebook digitises the risk management process, helping companies quickly move away from spreadsheets and devise hedging strategies that mitigate risk and protect profitability.

## The Results

### Time saved, compliance achieved

After using the platform, customers explain Hedgebook saves them time when preparing for audits, allows them to answer crucial questions about their hedging strategy and improves efficiency and effectiveness when engaging their account manager at the broker. It also delivers a range of other benefits including:

- Visibility of the impact of moving exchange rates
- The ability to value all contracts on one platform, irrespective of FX provider
- Understanding how far a business is from receiving a margin call from their FX provider
- The ability to identify when to close out deals in a cost-effective manner
- Protecting underlying profit margin by understanding close out or cancellation implications.

### Safer and Easier to Manage

Having data on a secure, cloud-based platform, which can be accessed from anywhere, has made life easier and given peace of mind that human error is eliminated. Our client estimates that human error was reduced by as much as 90% in the first six months of deploying Hedgebook.

They no longer store data on multiple spreadsheets as Hedgebook collates everything, giving a quick view of the client’s position. The SaaS solution is also scalable, meaning it grows with the business.

### Greater Focus

For their part, the team at our client has been more targeted in engaging clients, contacting them based on clear and material need that has added real value to their bottom line. Increases in both efficiency and profitability are emerging. They have halved the time it takes to analyse their client’s position and propose a new strategy meaning they can get twice as many proposals out in a single working day.

## About Hedgebook

Hedgebook is an intuitive and easy-to-use treasury management system that helps treasurers and finance departments improve the way they record, report and proactively manage foreign exchange risk. Simple and intuitive, Hedgebook provides real-time visibility and insights of hedge positions for better hedging decisions and eases the burden of management and compliance reporting.

For more information visit:  
[www.hedgebookpro.com](http://www.hedgebookpro.com)



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