



IMX CASE STUDY

American Express and Australia Post: working with IMX Software to provide customers with a welcome added-value service





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For a number of customer-facing organisations, the provision of foreign exchange (FX) capabilities is seen not only as a potentially lucrative business enterprise, but as an opportunity to provide customers with a welcome added-value service.

BACKGROUND

For many years, American Express (AMEX) has been a leading player in the supply of wholesale currency services to retail outlets throughout Australia. One of its retail relationships is with Australia Post, Australia's number one trusted brand that boasts the largest retail network across the country with more than 4,400 retail outlets.

A key challenge for Australia Post to overcome was the storage of inventory on-site. A solution was needed to ensure that the large amount of FX stock they required did not need to be stored on-site. In response, the following business model was formulated:

- A customer order is taken at a retail outlet
- The order is forwarded to AMEX
- AMEX 'pick and pack' the order at their Sydney-based vault
- The order is then returned to the Australia Post outlet overnight for next-day collection by the customer (or within 48 hours, dependent on the location)

The second challenge was to ensure that both AMEX and Australia Post were satisfied with the process.

It soon became clear that the answer was to deploy a 'real-time' software management system in both AMEX and selected Australia Post outlets; one that would be practical, required minimal training and had the ability to both integrate into and communicate across organisational boundaries.



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It was also obvious that, given the wide geography and sheer number of Australia Post outlets to be designated as FX outlets, visiting and installing software at each branch would be both time-consuming and prohibitively expensive.

THE 'THIN-CLIENT' SOLUTION

As a global leader in the wholesale and retail FX market, IMX Software was well positioned to supply a pragmatic and revenue-generating software system that would allow the AMEX model to function optimally through its relationship with Australia Post.

After a thorough assessment of the processes involved and close consultation with both clients, IMX proposed a 'thin client' solution that matched the requirements perfectly.

The solution required that the Australia Post outlets had access to a web browser (the majority already had). The entire system was centrally hosted, so the outlets would log onto the ordering system and operate as satellites. The ordering process was collated within the Australian Post system and integrated to complementary back-office and distribution systems at AMEX's operation in Sydney.

The advantages of the IMX centralised solution are numerous:

- Day-to-day management of the system, such as setting exchange rates, can be managed centrally at the touch of a button
- Position management, inventory control and reporting have all been centralised to maximise revenues
- The cost of deployment was low as the solution is now centrally hosted
- Total cost of ownership was significantly reduced as any maintenance or software updates only need to be carried out on a central server
- The solution provides robust and sophisticated functionality



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COMPONENT SOFTWARE

The entire solution comprises of three key elements:

Ordering System – TMO

IMX's browser-based order taking system (TMO) was deployed into the Australia Post outlets. TMO was preset with the products available for sale and the exchange rates for each available currency. Rate changes are in a constant state of flux, so the rates can be updated via the centralised IBO back office system (see below). TMO allows the customer to buy multiple products and currencies in a single transaction with rules built in for transaction limits. It then calculates the total amount to be paid, together with the charges and fees. IMX was able to easily modify its TMO system to suit even the smallest point-of-sale terminals used in the Australian Post outlets.

Distribution System – DMX

The IMX distribution system, DMX, was deployed in the AMEX vault to fulfil orders from Australia Post outlets, and execute the pick and packaging process. DMX allocates cash and travellers cheques in each order, optimises packaging efficiency whilst also taking into account insurance limits on each package. The system also produces 'vault pull' lists to assist vault staff in collecting the correct stock when fulfilling orders. DMX then prints the necessary shipping paperwork, right down to the sticky labels for the envelopes. Finally, the packages are delivered back to the Australia Post outlet for customer collection.

Back Office System - IBO

IMX's back office system is used by AMEX to set the daily exchange rates to be sent to the Australian Post outlets, and also used to report on business information, such as turnover. In addition, IBO supports a critical part of the AMEX relationship with Australia Post – namely the revenue allocation between the two stakeholder



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companies - which is provided for via customised reporting facilities.

IMX's Chief Executive Officer, Bill Tickner, comments: "Helping both AMEX and Australia Post to introduce a high quality FX service into post offices across Australia was a great technology challenge which we were able to address in an elegant and robust way. The retail FX environment can be complex and difficult to manage but our solutions are designed to ensure our customers improve their efficiencies and maximise their opportunities."

"A thin-client automated solution was the ideal solution, not least in terms of management information and security," explains Mark Mulligan, Manager of AMEX FES JAPA. "Traditional paper-based systems require manual input which is time-consuming and open to inaccuracies. They're also, by definition, historical – so 'live' information is just not an option. But in a dynamic FX environment, management information is everything and IMX Software gives us this level of functionality."

Michael Burton, National Manager for Money Transfer Services, Financial & Agency Services Group at Australia Post agrees: "Australia Post offer a wide range of essential services to the public and we wanted to deliver those services in a more measured and manageable fashion. We now have an infrastructure that enables us to efficiently deliver vast quantities of FX to our clients, without the risk of storing inventory on-site."

About IMX

IMX Software is the global leader in banknote trading and travel money technology solutions. Founded in 1991 and headquartered in London, the company specialises in developing software solutions for three market segments: wholesale currency and banknote trading; currency distribution and fulfilment; and retail foreign exchange and travel money products for business-to-business.

IMX wholesale and distribution solutions automate the processes that support the purchase, sale, fulfilment, secure shipment and settlement of high volume bank note, foreign currency and precious metal trading with integrated reporting tools that support internal audit and compliance obligations to the high standards demanded by central banks. IMX retail solutions automate the provision of travel money products and cash, and foreign currency exchange via point-of-sale and e-commerce channels, with full support for international anti-money laundering regulations governing such transactions.

Over 100 organisations across the globe have benefited from IMX's solutions, including American Express, HSBC, M&S Money, ANZ Bank, Credit Suisse, Commerzbank, Royal Bank of Scotland, Travelex and the UK and Australian Post Offices.



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