Blazing new trails in the Nordics

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Hotspot for innovation, hothouse for automation, hot bed for centralisation: ?The Nordics?, as we refer to them in the Cash Management community, are truly hot stuff. Ranking high in the Global Innovation Index*, they are also undisputed frontrunners in many other fields, from societal to business. Nordic corporates are no exception to the rule, so let?s find out which challenges and opportunities the Scandinavian setup creates.

Understanding the Nordics? landscape

?However technologically-driven Scandinavian corporates might be, relationship is highly valued over here when making business decisions?, explains Fabio Cacia, Head of Cash Management in the Nordics. It is as well, then, that at BNP Paribas, we believe that cash management is above all a people business.

The ?Nordics? corporate market is made up of small yet highly dynamic domestic markets with some players operating within a purely domestic scope (which in the Nordics means regional) while others have a global presence. While regional banks are fit to support growth within the region, BNP Paribas is particularly well positioned to support Scandinavian multinationals expanding in our domestic market, Europe, as well as in the Americas and Asia. ?We aim to be Scandinavian corporates? n°1 global bank?, adds Fabio. ?Given this objective, the broadening of our cash management offering in the past 10 years has repeatedly proven to be a strong asset?.

Innovation: second nature

The bar is seriously high. Scandinavian corporates are mature and demanding in terms of efficiency and return on investment, and they are equipped with the most advanced cash and liquidity management solutions. ?Corporates over here are well ahead of schedule as innovation is in their genes?, comments senior cash management sales executive, Harkan Bergqvist. ?Indeed, it?s really easy to access very senior people within the organisation. Provided you have a good business case, you?ll be sponsored at the highest level, which strongly fosters innovation?.

The results are there and so are the numbers: in 2014, the Global Innovation Index placed Sweden third, Finland 4th and Denmark 8th on the innovation scale. Innovation in the Nordics manifests itself in many ways, like, for example, the early adoption of best practises like the XML 20022 format, not forgetting that Finland was the incontestable forerunner in implementing SEPA.
In addition, standardisation and automation seem to be national sports with Scandinavian treasury departments. They have long engaged in such a path, with automation resulting in small, highly expert, central teams managing SSCs located outside the Nordics. The payment and collection processes are generally highly streamlined while manual tasks are reduced to a strict minimum as a result. Standardising the banking channels remains a hot issue for treasurers, as SEPA might not have kept all its promises to create a single, harmonised market. Treasury departments in the Nordics? corporate sphere generally aim for a single format, and the wide adoption of SWIFTnet among Scandinavian players is no obstacle to an emerging interest for innovative, complementary vendors? solutions that would support the ? one format, one market? promise.

Liquidity management is yet another area where the Nordics seem to have a head start: ?The Nordic cash pooling is unique in that it allows repatriating cash in real-time from any European country to the Region?, explains F. Cacia. Yet for Scandinavian treasurers there is always room for progress, so banks operating there know that going the extra mile is a prerequisite.

Matching high expectations with high standards

?With a long history in the Nordics, BNP Paribas is seen as the leading Euro bank offering the whole range of solutions and services that corporates want in a demanding, dynamic market?, explains Oslo-based Pierre de Fontenay, Head of CIB in the Nordics. The solutions designed by BNP Paribas for the Nordics go way beyond corporate banking, like working with telecom companies to create smartphone solutions for easy and safe payments. BNP Paribas has a full CIB offering in Oslo, Stockholm and Copenhagen, including cash management and trade finance services, as well as expert teams based in Paris and London who offer other complementary services. In short, just what it takes to meet the requirements of this very demanding market.

*The Global Innovation Index 2015 (GII) has been co-published annually since 2007 by Cornell University, INSEAD, and the World Intellectual Property Organisation (WIPO, a specialised agency of the United Nations). The GII is a leading benchmarking tool for business executives, policy makers and others seeking insight into the state of innovation around the world.

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