

Case study: GrandVision

Pan-European optical retailer GrandVision needed a flexible and reliable cash management system to create a seamless link between its extensive UK operations and its Paris headquarters. HSBC provided the answer.

GrandVision operates stores in 15 countries including France, Spain (where it trades under the +Vision brand), Belgium (GrandOptical), Switzerland (VISILAB) and the UK (Vision Express).

As well as directly owning retail outlets, GrandVision also works with franchisees and other stores on a joint venture basis. This blend of operating models has enabled the business to grow rapidly, from 529 stores in 2005 to 1,235 at the end of 2008.

"As a retail company, we strive to have a fast and efficient process for collecting cash generated in stores," says Benoit Deryng, GrandVision Group Treasurer, responsible for monitoring and maximising the efficiency of payments and cash across every outpost of the business.

"In France, this involves dealing with large numbers of cheques; in the UK, credit card payment is widespread; while in other markets, cash remains popular."

One of Deryng's current priorities is greater centralisation of outgoing payments, especially those conducted by smaller affiliates in Portugal, Italy and other markets.

"If a local affiliate makes a payment with a local bank, cash efficiency can suffer, so it makes sense for us to harmonise the payment process," he says.

Centralising outgoing payment activity also reduces exposure to foreign currency fluctuations. Deryng adds: "This centralisation process is a work-in-progress, but is already complete in our main markets."

Cross-border control

GrandVision's fully integrated payments and cash management system in the UK demonstrates just how valuable this centralisation process can be.

"Three years ago, we decided to move to one single bank partner in the UK, so we put our cash management activities out to tender," Deryng explains.

GrandVision selected HSBC as its favoured partner, for its online banking platform *HSBCnet*.

Andrew Hemphill, Sales and Cash Manager for Vision Express UK, says that the cross-border capabilities of *HSBCnet* have enabled the company to integrate all UK payments and cash management activities with group-level systems in Paris seamlessly.

"For example, we transfer all surplus cash over to GrandVision at no cost, because it is treated as an intra-company transfer."

HSBCnet has also enabled GrandVision's treasury team to open a euro bank account in France that is dedicated to serving the needs of the firm's UK operations.

"Benoit's Paris team can lend Vision Express UK money via this account, and we can pay our suppliers out of it," Hemphill explains.

HSBCnet is also bringing a range of other tangible business benefits to GrandVision's treasury team. Crucially, because it is an online tool, *HSBCnet* provides Deryng with complete

access to all UK payables and receivables information from his desktop in Paris – or indeed from anywhere in the world.

“Using *HSBCnet*, we can repatriate funds, monitor account balances and conduct foreign exchange transactions using a single tool,” explains Thomas Redouin from HSBC Payments & Cash Management in France. “It provides total visibility of, and control over, UK activities from the Paris head office.”

Hemphill agrees: “Because the data on *HSBCnet* is live, it allows the UK division to get as much information over to the group-level Paris team as possible.”

The Web-based nature of *HSBCnet* also eliminates the need for GrandVision to update cash management software or worry about backup systems, because all this happens automatically.

“This means that we can focus exclusively on our business,” says Deryng.

“*HSBCnet* is straightforward to use and does everything that we want it to do,” adds Hemphill. “HSBC is also adding improvements to the system all the time. For example, new analytical tools on the system allow you to view the credit card transactions conducted at a particular store on a particular day. Functions like this are very useful for measuring performance.”

On top of this, *HSBCnet* is also making it quicker and easier for GrandVision to integrate the payables and receivables of newly acquired stores into the central cash management system.

For example, in May 2008, GrandVision acquired Bateman Group in the UK, adding another 75 optical retail stores to the company’s empire.

“Prior to the acquisition, the Bateman stores were partnered with another bank. HSBC was very quick and efficient in migrating accounts over, sending out paying-in books to each new store, and so on,” says Hemphill.

Better payments performance

At group level, GrandVision is also using *HSBCnet* for cross-border payments. Deryng says that the flexibility of the system makes it an ideal centralised tool for conducting outgoing payments on behalf of affiliates.

“It makes it easier for us to link our payments system with other organisations and it creates a full audit log of what payment has been made, who has approved it and so on,” Deryng says. “It also provides us with direct and instant confirmation when a particular payment has been completed.”

GrandVision’s partnership with HSBC has other benefits:

“The service the bank provides has always been fantastic in my experience,” says Hemphill. “Our queries are always answered promptly, for example, which is crucial in any successful relationship between a company and their banking provider.”

Indeed, like the payments and cash management system itself, HSBC’s ongoing support for GrandVision is also structured to cater for both local and group-level requirements.

“Our UK team has regular discussions with GrandVision’s UK financial controller, while I support the Paris-based treasury team with group-level issues, such as the management of Vision Express’s non-resident euro account,” says HSBC Relationship Manager Charles Du Verdier.

Deryng is certainly happy with the service that his teams in both France and the UK are receiving: “*HSBCnet* is a fantastic tool, which continues to improve month after month,” he says. “We will use it more and more in the months ahead.”

“When you link the powerful online capabilities of *HSBCnet* with the fact that HSBC has branches in multiple countries, it’s easier to manage your cash,” concludes Redouin.

Next steps

If you have any questions relating to this service or would like any further information:

- Speak to your HSBC Relationship Manager
- Email pcm.enquiries@hsbc.com
- Visit www.hsbcnet.com/solutions

hsbc.com

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