

BRAC Bank Transformed Supply Chain Financing in Bangladesh with Nucleus Software

Nucleus Software Implemented Its Flagship Transaction Banking Suite, FinnAxia™, enabling BRAC Bank to meet Client Needs and Stay Ahead in the Growing Supply Chain Finance Industry

IBS Intelligence



Bangladesh's supply chain finance market is growing rapidly, driven by the demand for financial solutions that support small and medium-sized enterprises (SMEs) in managing their working capital and supply chain financing needs. Despite the large size of the market, only a few banks and non-bank financial institutions (NBFIs) are able to offer supply chain financing solutions, thus offering significant opportunities in this sector.

BRAC Bank Limited is a private commercial bank in Bangladesh. Established in 2001, the bank has rapidly grown to become one of the largest financial institutions in the country, offering a range of banking services to individuals, small and medium enterprises, and corporate clients.

“As a SME-focused bank, BRAC Bank always strives to cater to the evolving needs of the grassroots SME business owners. Aligned with the mission, with our new Supply Chain Finance solution developed by Nucleus Software, we will be able to help businesses keep pace with competitive and fast-changing business landscape through seamless and faster financing support. The solution will fast track financing with digital tools, immensely benefiting the SMEs.”

- Mr. Selim R. F. Hussain, Managing Director & CEO of BRAC Bank

Nucleus Software Exports Limited is one of the leading providers of lending and transaction banking solutions for the financial services industry. Nucleus Software's, FinnAxia™ is a transaction banking suite that provides a host of solutions, including liquidity management, virtual account management, trade finance, etc.

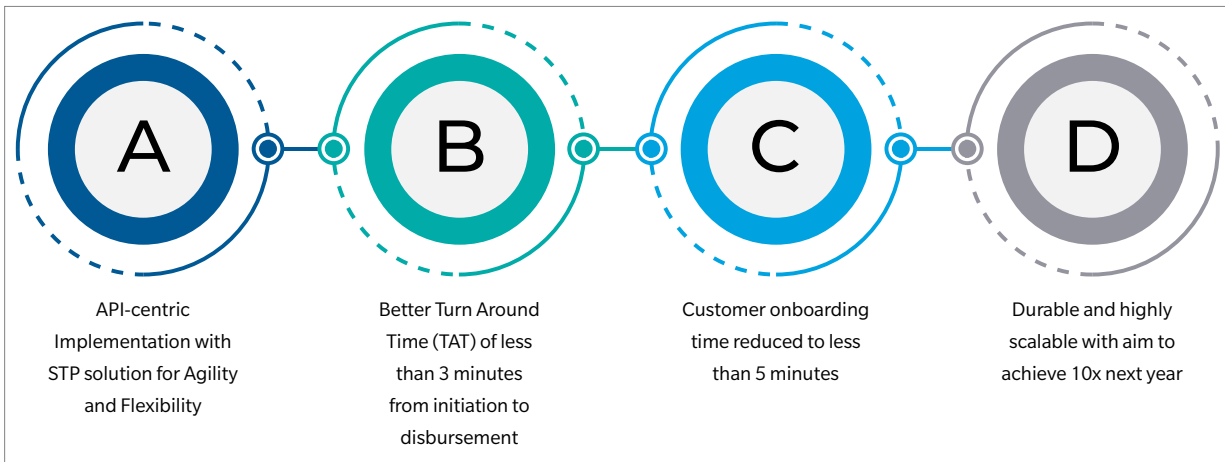
BRAC Bank Ltd. required a solution that could fast-track financing with digital tools, ensuring faster service delivery, enhancing efficiency, productivity, and scalability to expand. Given the complexities, it chose to implement FinnAxia™ to serve its customers in Transaction Banking space and the supply chain finance market.

Project and Solution Overview

The project aimed to implement a robust and state-of-the-art transaction banking and financial supply chain management solution for BRAC Bank Ltd in Bangladesh. The solution, FinnAxia™ by Nucleus Software Exports Ltd, equipped the bank with the capability to provide a seamless and user-friendly experience for its corporate and SME customers by facilitating paperless and hassle-free working capital loans and comprehensive management information systems.

Implementation Process

The implementation process of the Supply Chain Finance solution by Nucleus Software for BRAC Bank was a complex and multi-faceted effort. The solution involved multiple complex integration touchpoints with Core Banking and Corporate customer ERP systems, which were addressed through the use of an Enterprise Service Bus (ESB) layer. This layer ensured seamless connectivity and enhanced the speed of execution.



The implementation process involved the execution of approximately 11,500 test cases to ensure quality and accuracy. Using a blend of Waterfall and Agile models and a Runbook to drive solution deployment in different environments, including System Integration Testing (SIT), User Acceptance Testing (UAT), Production, and Disaster Recovery (DR). The implementation team used simulation to test the ERP integration before onboarding customers onto the platform.

The entire process was guided by a strong governance model including a steering committee which focused on capturing the customer's voice and ensuring stakeholder alignment on timelines and deliverables.

Overall, the implementation was handled 100% remotely due to the COVID-19 pandemic, with BRAC Bank exposing all endpoints for a seamless interface.

Benefits Achieved

Following are the few benefits achieved via the implementation:

- Faster and more efficient transaction banking services for customers, with the introduction of a sophisticated and automated platform.
- Within the first month of launching, BRAC bank onboarded 17 clients, 9 Anchors and made 135 transactions worth BDT 26 crores, i.e., USD 2.5 Million. More than 100+ customers have been onboarded since go-live.
- The potential for significant growth in the portfolio of customers and transactions, with the bank aiming to reach 10 times its current portfolio in the next year.
- API-centric implementation of FinnAxia™ FSCM, with STP Solution has been vital in increasing efficiency by bringing down the customer onboarding time to 4.87 minutes, loan initiation to disbursement processing in just 3 minutes, ERP integration processing in 0.1 minute and bulk invoice entry to a mere 0.17

minute, thus adding prominent value for smoother operations.

- Digitization of supply chain financing services with a paperless solution that allows customers to operate seamlessly and view real-time statements.
- Improved cash management for large corporate clients through a payment and collection solution that takes the burden of receivable and collection off their shoulders.
- Increased customer delight and engagement through a hassle-free and automated financing process.

Conclusion

In conclusion, the implementation of FinnAxia™, a transaction banking platform for supply chain financing, by BRAC Bank Ltd in collaboration with Nucleus Software Exports Ltd has been a big success in a short span of time. With an extensive network of 457 SME unit offices and around 3000 sales force, BRAC Bank has the capability to provide efficient transaction banking services to its customers.

With the introduction of FinnAxia™, a completely paperless and digital platform, BRAC Bank is now able to offer hassle-free supply chain financing solutions to its clients and improve their cash management process. The digitization and automation of banking services is the future, and BRAC Bank with FinnAxia™ has taken a big step in this direction.

Key Facts:

Supplier: Nucleus Software
Headquarters: Noida, India
Founded: 1986
Client: BRAC Bank
Solution: FinnAxia
Timeline: Go live in May 2022

