

# New options from TradeCard

Internet-based company offers variations on its basic service for automation of payments

BY HELEN ATKINSON

**T**radeCard uses the Internet to electronically gather purchase orders of hundreds of suppliers, and to match packing lists and invoices against the orders before releasing payment. Customers such as Radio Shack said the service works well, but that they wanted more options.

So TradeCard has expanded its web-based service to include domestic transactions and to offer three options for payments. Kurt Cavano, TradeCard's chairman and chief executive, said the changes reflect the way companies do business.

TradeCard already offered automated payments, guaranteed by Coface, the world's largest provider of export credit insurance, for \$150 per transaction.

But TradeCard customers said they needed services that served their more complex trading needs. Not all TradeCard users wanted the guarantees offered by Coface. Some users wanted a more basic system in which the supplier presents invoices for payment, without an automatic system. TradeCard now offers a variety of less-extensive services, at lower fees.

"Now a company can say: I want the guarantee or I don't want the guarantee; I can use this for cross-border or domestic transactions, and I can either automate or reserve the decision to pay," Cavano said. "Take an electronic importer who has 150 suppliers —

some of them work on account, some work on guarantee, some are domestic, some international. The buyer can decide how he wants to interact with each of the suppliers."



Because TradeCard already provided international, multi-currency payments, adding domestic payments and options was fairly simple. "We'd already done the hard part," Cavano said.

Several companies have services that automate part of the payment process.

Bolero.net, based in London, has developed software for automated payment and invoice matching as part of a broader mission to standardize electronic transactions and documentation among importers, exporters, transportation companies and financial institutions.

TradeCard's Cavano said automation of financial payments is a key part of the supply-chain improvement. "In the '90s, it was all about supply-chain automation," he said. "We believe this decade is going to be about enterprise and extra-enterprise automation. If you have the finance automated, you can go full circle. You can't get the full value of automation unless the whole process is automated."

But automation of financial services for logistics has been slow to catch on. A recent survey of 100 large

and mid-sized U.S. companies by AMR Research found that nearly 80% of current and planned users of online e-commerce exchanges expect to continue using their existing financial services.

AMR added, though, that "major moves" are likely in third-party financial services during the next three months.

TradeCard is trying to ride that wave. Cavano said the company is trying to determine what customers want and to produce payment services that dovetail with other logistics activities, and with trade financing, credit assurance, money movement, cargo insurance and inspection.

TradeCard now offers three options for electronic payment:

- "Auto-approved" payment. This begins when the buyer creates a purchase order and negotiates with the seller on terms that include not only quantity and price, but the extent of electronic data that has to change hands before payment can be triggered. Once that relationship is established, TradeCard automatically settles invoices, provided they meet the pre-agreed criteria.

- "Buyer-approved" payment. If a company is not comfortable with a totally automated payment system, TradeCard can match purchase orders and invoices according to pre-agreed criteria between buyer and seller, with the buyer approving each payment.

- "Invoice presentment." This service allows the seller to submit an invoice to the buyer directly through any one of the various TradeCard access points. The buyer decides when and what to pay. ■



Kurt Cavano