

Case Study

Bordo International





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What does your company do?

Bordo International is a wholesaler and distributor of industrial and commercial cutting tools.

What countries do you trade with / which currencies do you trade in?

We trade with the U.S., New Zealand, Japan, China, South Korea, South Africa, Thailand, the U.K., the Pacific Islands, and some European countries. We mainly trade in USD and EUR, but we also do some trade in Japanese Yen, Pound Sterling and some other currencies.

What are your typical monthly currency volumes in AUD?

About A\$600,000 - A\$700,000.

What are your currency risks?

The volatility of the Australian dollar – one of the most volatile currencies in the world.

Why do you need to manage currency risks?

We commit to our product prices in printed catalogues. In order to maintain our margins, we need to not be at the mercy of the volatility in the currency.

What is your biggest challenge when it comes to receiving international payments and currency risk management?

How to reduce the risk on the downside that currency volatility will eat into our margins, while also maintaining some potential for upside.

Was there a specific reason that made you look to use a third party to manage your currency risks?

Years ago, we used to go through a bank for our currency needs, which was very expensive. You never got the best possible rate and there were substantial fees. They had all the power and they weren't interested in really working with you. So that's when we started looking for third parties.

How do you use Corpay to manage your currency exposure and payments?

We use a variety of forward contracts. Usually our Relationship Manager would give me a call and say we need to protect ourselves for the next six months. Depending on the dollar outlook and market conditions, he would give us some suggestions and options on how to manage our risks.

Sometimes we are locked in for a certain amount, for example US\$150,000 per month, and we'll be obligated to use it all or half of it. It just depends on what the dollar is doing and what our needs are at the time. They just work with us on that.

I'm not particularly technical with all this sort of stuff so their advice is very important to me.

What made you choose Corpay?

At the time, we were using another provider and we received a call from Corpay. It was the right time for someone to come out to make sure we were getting the best possible solution for our company. I was very impressed with his approach. He explained what they do. He was keen to find out about our company and what we do and how we need it. So, we decided to go with them.

Working with them is more like being part of a team and they know what we need, and they will come to us often with suggestions to help us manage that currency risk. They have a better idea on what is happening in the global currency world than I do, and they use that knowledge and the knowledge of our business to come to us.

I compared their rates to the other alternative and they were able to match or beat what we were on. I've compared them over the years with other people and I still think they are giving us the best rate we can get.

It was also partly their approach. Their online platform was fantastic. And that was important because the people we were with before had a great system and I was loath to change just for a few dollars if the workflow wasn't going to work for us. But it did all the things that I wanted it to do and that has been a big part of it, because I do all the trades online and wherever I am, anywhere in the world, I just do what I need to do, without trying to get in contact with someone. So, it has been really good that way.

We have an office and a warehouse in Belgium and in the US, and a trade show that I attend. Visiting facilities and suppliers is the main reason I travel for work.

What do you like about the online system?

I can prepare some transactions that I don't want to do now and save them and come back to them when I'm ready. It works for my time frame. I can build some transactions but not press the go button. I can come back the next day and I've checked all the invoices and I think it's alright, and the currency rate I'm getting seems good, so I'm happy to trade at that spot rate today. It's easy to use and flexible.

Can you give a specific example of how you've used Corpay to manage an international exposure?

The recent massive drop in the AUD due to the COVID-19 - it plummeted against every other currency. We had payments we had to make at the time in US dollars and we would have lost money on those if we hadn't had these forward contracts in place. It has enabled us to maintain our pricing to our customers because we haven't felt the exposure that our competitors might have felt. It helped us weather that currency drop.

What products / solutions do you use?

Spot, forwards, options and hedging with forwards.

How has Corpay helped you to address the challenges you face when trading internationally?

Corpay knows our business well and they come to us with a range of ideas and suggestions about how we can manage our currency risks. They work to explain to us how various options would work to help our business and then we decide what to do.

What specific metrics can you share about the business impact Corpay has had?

Increase in profitability since we started using it. Helped remain profitable and competitive.

What is the single biggest reason you would recommend our service offering?

Proactive advice from the team. They are always there to help, and you don't sit in a queue on the phone for hours. You can talk to someone straight away. Corpay make you feel like you are a team working together to solve our business problems.