



Case Study

Banner



A Corpay Risk Management
Customer for Over a Year

Company Overview

The Banner brand has been developed over time as several brands have joined together, including Beau Brummel, Blue Max, Banner, Orion and SWI, to create what we know today as Banner. Our name has changed but our focus remains the same, to maximise opportunities for our brands and continue to innovate the schoolwear market with our products and service. The new name reflects the breadth of our brand focus across two distinctive divisions: Schoolwear and Sportswear and is underpinned by our mission to be the best in everything that we do.

Employing over 180 people across three sites in Trowbridge, Altrincham and Seaham, the company has achieved significant growth following a management buyout in July 2015, backed by Private Equity Investors, MML. The business is in a strong financial position and continues to invest heavily in stock, new product development, marketing and design, new technology and people, ensuring that we not only continue to supply our customers with innovative quality products and excellent service both now and in the future, but we centre our approach around making the supply of schoolwear as easy as possible.

The Challenge

The business has a substantial exposure to USD from imports from the Far East. Despite having a strong financial team, Banner felt they needed to improve how they manage and mitigate the risks with currency market movement. Banner also wanted to improve on their existing credit term with their bank where they held collateral for any hedges placed.

As Banner's USD forecasts are reasonably accurate due to seasonality with school terms, they decided to look at currency hedging specialists to discuss their concerns and objectives. The team at Banner engaged with 3 FX brokers who came in and ran through Banner's requirements. Each FX company presented their proposals including hedging products, services etc. Banner then presented their findings internally at the board level and decided to move ahead with Corpay as our preferred FX partner.

Why Corpay

Banner chose Corpay for several reasons. From the outset, the approach was consultative, professional, and engaging, and Corpay was able to understand Banner's needs and provide tailored solutions to meet these needs. In addition, the Corpay account representative was great to deal with and ensured their needs were understood and presented very well. The Banner team likes and trusts him which stood Corpay in good stead as he stood out from other representatives from other FX companies that Banner had received calls from and met with.

They also wanted the personal trader relationship in conjunction with a user-friendly online platform, both of which Corpay delivered and the online demonstration of our Corpay Cross-Border online trading platform stood out from others they had reviewed.

“Our dedicated team at Corpay are hard-working, receptive, knowledgeable, and we value our relationship with the individuals and the company. As a result, we would highly recommend Corpay to other companies who wish to explore alternative hedging solutions and we expect to be working with them for the foreseeable.”

Rob James

Financial Controller | Banner

However, as their main focus was mitigating their currency risk longer term, it was the hedging suite that Corpay could deliver that really impacted Banner's decision. Corpay have expertise in alternative hedges outside conventional Forward Contracts where Banner could attain peace of mind with a guaranteed worst-case scenario rate of exchange, whilst potentially benefitting on a rebate upon expiry. What set Corpay apart from other FX providers, was the fully flexible drawdown capabilities on these products which was integral to their needs.

Corpay could also deliver very competitive credit terms where Banner does not pay any deposit upfront for any of their hedges catering to their needs. The Banner team recognize that they are not currency professionals, but having the products choice, trust and engaging dealer relationship with Corpay enables them to essentially have a dedicated team to assist them in this area.

The Solution

- Corpay have delivered hedges that have given them peace of mind for their medium and long-term USD exposure, protecting Banner's budget rates and profits.
- These hedges have also delivered sizeable rebates upon expiry due to positive market movement adding to our P&L as FX gains.

- Banner have freed up cash from deposits they had with their bank due to Corpay's competitive and deposit-free credit terms.
- They have developed a very close working relationship with the team at Corpay who have worked around their requirements, increased their credit lines prompted by Banner's change in strategy.
- Corpay also lets Banner know when events are upcoming that could impact their currency exposure and equally, communicate when the market has moved in Banner's favour knowing that they have hedges to book.