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## From the JIBC Publisher

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*First Author's Name:* **Nahum Goldmann**

*First Author's Title/Affiliation:* **ARRAY Development, Ottawa, Canada; Publisher and Member of the Editorial Board, JIBC**

*Author's Personal/Organizational Website:* <http://www.arraydev.com/>

*Email:* **[Nahum.Goldmann \(at\) ARRAYDev.Com](mailto:Nahum.Goldmann@ARRAYDev.Com)**

*Brief Biographic Description:* Nahum Goldmann, President, ARRAY Development, is a leading expert and a lecturer on building and securing ebanking and ecommerce, procurement, financial and governance strategies, Knowledge Process Outsourcing, as well as regulatory and government policy issues.

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## Effectiveness of Cross-Border Corporate Payments

At the age of cutthroat global competition and razor thin Internet-transparent margins, corporate cash management is one of just a few remaining sources of increased profitability. Efficient cash management allows for substantial cost reduction and improved corporate Governance, Risk and Compliance (GRC). The companies that neglect to pay sufficient attention to their security, privacy and payment fraud issues might find themselves disappearing literally overnight.

Today, improving electronic payments by its clients and vendors is a high priority for all SMEs involved in the international trade, as it often means survival versus perishing. Additional critical features, such as e-invoicing, eprocurement, advanced payment

notifications, financial reporting, intelligent data analytics and searchable transactional databases with the exception management capabilities, directly contribute to the bottom line and strengthen mutual strategic relationships.

For an Internet operating company that mostly sells abroad in different currencies, if cross-border corporate payments were run properly, pre-tax savings could be as high as 2-3% of the annual revenues. Effective currency exchange (Forex) management, hedging, addressing obsolescence of corporate ERP legacy systems and reducing processing errors with the use of advanced quality control methods might improve revenues even further, making the difference between a profitable or unprofitable business.

On the other hand, cash management is a highly specialized, complex, labor intensive and risky activity that most companies try to outsource. With the notable exception of several very large global banks, that in turn concentrate on the needs of their Fortune 1000 clients, effective corporate currency management is not a core business function even for the banking industry at large or top multinationals. For Small and Medium Enterprises (SMEs), it is currently all but inaccessible.

Cash management and payments, being outsourced to a well run specialized company – including Internet based Software as a Service (SAAS) – allow SMEs and their trading clients enjoying the economies of scale that on their own they would be unlikely to achieve. Instead of being unproductive administrative overhead, improved payment-related GRC also leads to better positioning of a trading corporation, either when it operates at the global marketplace or deals with the local regulators. As a final point, involvement in B2B epayment activities is a substantial career enhancing move for any ecommerce and ebanking expert, academic, graduate student, entrepreneur and investor.

For every business, development of a *Corporate Foreign Exchange, Payments and Risk Management Policy Manual* is an essential step for structuring critical cross-border corporate payments, to ensure their effectiveness. Such a Policy Manual has to be accepted and signed by the Board of Directors as a strategic document that defines corporate and outsourcing activities for cross-border multi-currency payments. For an SME actively involved in the international trade, the only realistic alternative is haphazard 'hit-and-miss' currency exchange, money wiring and reporting, which would inevitably lead to substantial loss in profits and, perhaps, to endangering the very corporate existence.

*Corporate Foreign Exchange, Payments and Risk Management Policy Manual* should cover in suitable details corporate policy objectives for cross-border payments, internal authorization structure, tools and strategies, and controls and reporting. For an actively trading ecommerce corporation, such a document would only be useful if it were paying back for its development many times over, ensuring substantial savings in corporate revenues.

On a different but critical subject – JIBC is growing, and as a part of new opportunities we are looking for two new key members of our editorial team to act as *Assistant Editors*. The candidates should be open to evolving responsibilities, have strong research,

organizational and communication skills, ability to work both independently and with the JIBC editorial team, proficiency at multitasking, and be passionate about the newly emerging field of electronic banking and commerce. Past editors have used the position as a staging ground for the leading positions in the global academia and industry.

For a highly qualified person well familiar with HTML and looking for a world-class career in ecommerce, these positions opens unparalleled opportunities to work closely with a wide range of international scholars, to learn the modern online publishing ropes, to develop familiarity with the style guides and establish useful academic and industrial connections. It provides an excellent opportunity to hone your editing and time management skills, to gain experience in academic publishing, and to actively develop an understanding of issues considered of great import to the electronic banking and commerce.

Successful candidates will help JIBC Editor-in-Chief Prof. Nikhil Agarwal and our Managing Editor Dr. Xin "Robert" Luo in working with the JIBC authors to ensure high academic quality contributions and preparing submissions for our leading publication. They will provide the editorial input on the articles' fitness for publication, and perform formatting of each article to ensure that their language, layout and style meet academic standards.

As we only issue JIBC three times a year, the volunteer Assistant Editors will be asked to commit just 2-3 hours of work per week performed on their own schedule. Please send your CV to JIBC Chief Editor Prof. Nikhil Agarwal or myself if you would like to participate and contribute to our advanced global community.

Again, I am asking each and every one of you, our readers and subscribers, to email JIBC to at least 3 of your colleagues, friends and discussion groups that you are participating at, and recommend that they also subscribe. Please share information about JIBC articles with the Internet community and suggest to us new ways to promote JIBC among academics and professionals from around the globe.

As well, I am challenging all the current and past authors and editors to email your own articles -- along with the rest of JIBC edition -- to at least 10 of your peers and colleagues in academia, government and industry. Make sure that they are well aware of your articles and the *Journal of Internet Banking and Commerce*. Recommend that they also subscribe to email editions. After all, we send it around just 3 times a year.

A special appeal to ecommerce/ebusiness students to pass a word about JIBC to your professors and classmates and, more important, to ask them to supply new articles and tell everybody to subscribe.

Please contact us with the suggestion of how to submit information on JIBC to other leading search engines and academic reference publications. Also, if you notice publications referring to JIBC articles, please let us know.

Let's spread the word!