

Amway's Journey to Transforming and Centralizing Global Payments



Amway is an entrepreneur-led health and wellness company based in Ada, Michigan. It is committed to helping people live better, healthier lives – across more than 100 markets worldwide. According to Forbes magazine, it is among the Top 50 privately held, family-owned companies in the United States. Top-selling brands for Amway are Nutrilite™, Artistry™, and XS™ energy – all sold exclusively by entrepreneurs who are known as Amway Business Owners. Amway is the No. 1 direct selling business in the world, according to the 2021 Direct Selling News Global 100.

Industry: Customer Goods

Headquarters: Michigan, USA

Employees: 16,000

Revenue: \$8 Billion

Founded: 1959

Key Payments Challenges

The continued growth and global nature of Amway's business presented many positives, but it also created challenges for the treasury function. Amway's operations spanned more than 80 markets, but more than 200 local banks were used for cash management and 50 banks initiated and transmitted payments. Maintaining bank connectivity with source systems was taxing and the treasury team recognized that a transformation of the global payments process was required to scale to growing business needs.

The key challenges that drove treasury to this conclusion included:

1. A lack of transparency into global payments
2. Inconsistent payment controls across countries
3. Inefficient alignment of payments to shared services operations
4. Increased risk of unauthorized and fraudulent payments
5. Numerous banking connections needed for source systems

A Plan for Payments Transformation

At the inception of the project, Amway conducted a detailed analysis to help identify specific areas of the payments process that needed improvement.

The analysis concluded that the company's technology infrastructure was unable to meet expected future payments volume; current processes did not support remote access and payment connectivity; and payments were initiated out of too many banks and accounts resulting in unnecessary banking fees.

To remedy the issues, Amway established a list of goals for the payments transformation process:

1. Implementation of a single payment hub technology to consolidate payment activity into one portal
2. Automatic management of bank payment formats
3. Support of [SWIFT connectivity](#) and select host-to-host connectivity protocols for enhanced bank security and encryption
4. Integration with the company's new ERP solution for digitized integration of approved payment files

“We have standardized what were once fragmented, global payment processes across multiple ERPs, enabling automation, stronger controls and better visibility.”

– Janice Minter, Senior Treasury Analyst, [Amway](#)

50%

Reduction in Payment Banks

100

Countries Treasury Consolidated and
Eliminated Manual Activities Across

600+

Hours Gained per Month
in Global Productivity

Building a Better Payments Workflow

Post-needs analysis, Amway chose Kyriba powered by AWS as its [treasury management system](#) (TMS) and designed an entirely new global payments workflow, including a technology roadmap that outlined the need for a best-of-breed payments platform.

In the new workflow, business units initiate payments for approval within the ERP system. After all approvals are in place, the payments are added to the ERP's payment file and sent from one of three regional finance shared service centers to the Kyriba payment hub where the appropriate banking formats for each bank are identified.

To address Amway's complicated banking connections to source systems, a singular pipeline (standard payment template) was created. Today, Amway's source systems leverage that template to provide the payment file to Kyriba and Kyriba manages the connections/specs with the

company's banking partners, freeing up IT resources to focus on other business initiatives.

After banking formats for each bank are identified and attached to each payment, an approval at the batch level is required for payments to be transmitted by the bank's choice of connectivity, including a direct host-to-host solution to transmission via Amway's SWIFT BIC.

After the payment file is received by the bank, payment acknowledgments (ACKs and NACKs) are imported into the payment dashboard within Kyriba. Service center staff leverage this data to track payments in real-time. To close out the workflow, prior-day bank statements also flow into Kyriba and the ERP's cash management module, enabling automatic reconciliation of daily bank statements. Lastly, verified payments are processed to the general ledger.



An Award-winning Payments Centralization Program

Amway's initiative to transform the way it managed global payments was no small feat. The centralization of payments to three regional shared service centers was a significant shift away from local expertise and siloed payments. Local bank portals and processes were replaced with payments technology from Kyriba and the number of banks used for payments were cut in half. Amway was able to drive cost savings and operational efficiencies through overhauling their payments process. In recognition of its

efforts, Amway won the 2019 Silver Alexander Hamilton Award in Working Capital and Payments.

Overall, Amway was able to realize reduced risk of payment fraud, improved productivity, standardized payment controls and a reduction in working capital requirements. reconciliation of daily bank statements. Lastly, verified payments are processed to the general ledger.