



THIS IS A CUSTOMER SUCCESS STORY

ANTIPODEANS



Managing profitability with accurate forecasting

ORGANISATION PROFILE

Organisation Name:

Antipodeans

Web Address:

www.antipodeans.com.au

Location:

Australia

Industry:

Travel

STORY HIGHLIGHTS

Challenge:

Rapidly growing company needed the ability to forecast up to 24 months ahead

Solution:

Online platforms and currency hedging to help manage the impact of market movements

Results:

Effectively protecting profit margins from exchange rate movements

The Challenge:

Managing profitability in a shifting market

Antipodeans specialises in overseas volunteer work, gap years and educational travel for students and youths. Antipodeans' long-standing relationships with local communities (some more than 20 years) mean its volunteer projects and placements are part of that community's broader development plans – and not token gestures.

Arranging expeditions to more than 30 countries makes foreign exchange and international payments an integral part of Antipodeans' business. All revenue is in Australian dollars, but foreign suppliers require the organisation to deal in multiple currencies ranging from the Euro and USD to Malaysian Ringgit.

However, most suppliers prefer payment in USD and as the Aussie dollar began to weaken in 2015 Antipodeans found that currency risk became an increased challenge. It's not unusual for trips to be planned far in advance, with suppliers providing quotes up to 18-24 months before payment is due. With such long lead times, and a shifting AUD exchange rate, accurate forecasting became a critical part of managing the company's profitability.

As Aaron Lane, Commercial Director, Antipodeans, explains, "We are in a market that is challenging and we need to remain competitive, so foreign exchange is very important." Antipodeans required an easy way to track its currency exposures over the long term, and protect its profits from any shifts in the currency market.

Antipodeans can now forecast up to 24 months ahead and manage its profitability.

The Solution: A clear and simple overview of currency exposures

As a long term client of Western Union Business Solutions, Antipodeans was introduced to the WUBS Cash Management Platform. This powerful online tool allows the organisation to seize control of forecasting and cash flows.

Antipodeans can quickly input supplier quotes into the platform using a simple drag n' drop feature. This provides the company with a centralised view of all quotes in their local currency up to 24 months in advance, and can easily be configured by foreign currency, beneficiary and due dates.

With a clear overview of upcoming expenses, Antipodeans can clearly monitor where its profits are at risk of currency fluctuation and put protective measures in place. Ultimately this improves the accuracy of long term forecasting.

“ We really appreciate that Western Union Business Solutions are specialists in foreign exchange. As such, the information, service and support they provide is way ahead of other providers. ”

Lachlan Bunn, CEO, Antipodeans

The Results: Expense insights that help to protect profits

The WUBS Cash Management Platform has improved Antipodeans' ability to identify foreign exposures, while currency hedging helps to protect its profits.

Mr. Lane continues, “We put all of our supplier quotes into the platform so we can easily see what USD we need to cover our upcoming expenses. We use this knowledge to hedge the amount of USD we need, which means we know what our exchange rate is going to be in advance, and can maintain profit margins and forecast accurately.

“Our average price would go up at least 20% if we weren't able to manage FX this efficiently.”

To plan against negative shifts in the market, Antipodeans uses a combination of Option products to hedge their upcoming USD expenses.

The company uses the WU® GlobalPay Platform to make its international payments, but appreciates that it can rely on the service of a personalised account manager when needed.

“As many of our suppliers are not large, and don't always plan ahead sometimes we're forced to make sudden payments,” explains Mr. Lane. “It's a comfort to know that we can contact our Account Manager and get an urgent transaction through.”

“We really appreciate the personal relationship we have with Western Union Business Solutions. They are very pro-active, and generally keen to understand our business and figure out the best way to help us succeed.”

Western Union Business Solutions
business.westernunion.com.au



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