
CAPITOL ESSENTIALS TAKES CONTROL OF MARKET VOLATILITY AND BUSINESS PROFITS

A CASH MANAGEMENT STORY

BECOMING A LEADING SUPPLIER OF NON-FOOD RETAIL PRODUCTS

Established in 1989, Capitol Essentials imports and distributes a wide range of quality non-food convenience products across the United Kingdom and Ireland.

In less than three decades, this family business has grown its product range to more than 300 non-food items in 12 fast-moving categories. This hard work has helped Capitol Essentials grow into the supplier of choice for more than 7,600 outlets.



Brian Steele, Director, Capitol Essentials (RT) with colleague

CAPITOL ESSENTIALS

The Business Need

- Manage USD payments to a wide range of international suppliers

The Challenges

- Spot market purchases exposed the company to currency risk
- Inefficient process caused by tracking exchange rates and payments on spreadsheets

The Solution

- The WUBS Cash Management Platform provides insight into currency exposures and easy invoice management

The Results

- Increased confidence in profit margins and budget forecasts
- Eliminated manual invoice management

CURRENCY VOLATILITY EATS INTO PROFIT MARGINS

Capitol Essentials' suppliers are primarily based overseas. They issue weekly and bi-weekly invoices in both EUR and GBP however USD remains the currency of choice for payment.

To settle these foreign invoices, Capitol Essentials previously purchased USD on the spot market through its bank. With no forward planning or protection in place to help mitigate any market movements, their bottom line was at risk.

Varying exchange rates and long-lead times made it difficult to maintain fixed margins and pricelists, often resulting in significant losses at the point of settling an invoice.

They had attempted to gain clarity around the actual costs of incoming and outgoing payments using spreadsheets to track invoices and exchange rate volatility, but found this process inefficient and open to inaccuracies.

A NEW WAY TO SEE CURRENCY EXPOSURES AHEAD OF TIME

In 2014, Capitol Essentials partnered with Western Union Business Solutions to improve its approach to managing foreign currency requirements. Capitol Essentials became one of the first UK businesses to use the WUBS Cash Management Platform that provides powerful insights into foreign exchange exposures, customised and configurable analytics functions, and simplified invoice management.

Today, the company also uses the WU® GlobalPay Platform to quickly and easily make international payments online. With support from Western Union Business Solutions risk management specialists, and with new credit facilities in place, Capitol Essentials is better positioned to strategically protect its bottom line.



“The WUBS Cash Management Platform brings me great peace of mind with the turbulent nature of current currency markets”

Brian Steele, Director, Capitol Essential

CONFIDENCE IN PROFIT MARGINS

The WUBS Cash Management Platform provides clear insight into how market movements will impact Capitol Essentials' bottom line. After inputting foreign invoices and other documentation (using a simple drag and drop function), it can easily track upcoming payments, and eliminate blind spots in cash flow by summarising foreign receipts in GBP.

Upcoming payments are viewed by settlement date, or currency, to get visibility into where profits are exposed to volatility. Then, working with Western Union Business Solutions risk management specialists Capitol Essentials can implement a hedging strategy to protect its bottom line.

The resource that was once tied down manually tracking invoices and markets is now free to concentrate on more strategic tasks. And, new credit facilities have released working capital for sales-related activities instead of funding volatility. With newfound certainty around budgeting and profits, Capitol Essentials is now better prepared for growth.

"I have been able to free up valuable time to focus on business growth, safe in the knowledge that my financial position is fully protected at the required level."

Brian Steele, Director, Capitol Essential

TODAY,

CAPITOL ESSENTIALS CAN:

- Get better visibility into how and when currency fluctuations impact its profits
- Pro-actively manage its currency risk and protect its bottom line
- Free up resources and increase control over foreign invoices

Get the insight you need to safeguard your profit margins.

For more information:
business.westernunion.co.uk



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