

Bringing Embedded Banking to Life for Mid-Market Companies

Digitization is a key theme for most mid-size companies as they look for ways to improve efficiency and accelerate their ability to respond to change. But many face a fundamental challenge when it comes to checking their bank account balances and matching them against invoices they have issued and payments they have made. The good news is that an innovative product is now available to help address these challenges.

The age-old challenge for mid-sized companies

Most firms work with multiple banks and must manually log into each bank's portal regularly to view account balances, payments and collections. When companies need to use that bank information to reconcile invoices, which sit on their accounting platform, they have to manually copy and paste it, and upload it to Excel - some companies even print and re-key the information. This not only takes time, but increases the risk of manual error.

The payment process is no less cumbersome. While a list of regular beneficiaries might be stored on the banking portal, suppliers' details are on a company's accounting platform. Companies must log in to their banking website, find the right supplier and manually enter payment information such as the amount or reference.

Larger corporates tend to use ERP systems that can easily integrate with their banks to automate many of these processes. But for mid-size companies using standard accounting software, such integration has been a pipe dream.

Quick Integration – via a simple download

Citi, working with a leading fintech partner, has developed a software package called Citi Integrator that can bring together mid-sized companies' accounting platforms and their bank information. This integration tool currently works with QuickBooks® accounting software.

“Citi Integrator uses APIs, which enable different systems to seamlessly interact with each other,” explains Estelle Shaw-Latimer, Head of Digital Platforms at Citi Commercial Bank. “As a result, integration is straightforward and requires no investment of time or resources – a common concern for many mid-size companies, which tend to have lean IT or accounting functions.”

Typically, IT integration projects take several weeks and require full IT support. With Citi Integrator, users simply download the software via a link, run the package and set it up. There is no need to share sensitive financial data or login credentials with third-party applications.

Moreover, certificate updates – which usually occur every six months and require secure tokens to be procured from a third party – are automatically updated for Citi Integrator, so there are no ongoing maintenance requirements.

Flexible reconciliation options

Citi Integrator gives users full access to their relevant banking information, including account balances for checking and saving/IMMA accounts, prior day and intraday balances, and transaction details (including debits, credits and dates).

Perhaps the most important feature in Citi Integrator is 'update to accounting platform', which removes the need for companies to check whether invoices have been paid and then update their ledger.

With Citi Integrator, clients generate an invoice in their accounting platform and issue it as usual. Citi Integrator automatically pulls in these invoices. When they are paid, the client can choose one of the two following options (on either a prior day or intraday basis):

1. Automatic reconciliation ('set and forget') takes place at a time of the client's choosing, and for their specified bank accounts.
2. Manual reconciliation enables the client to select a specific transaction within their accounting platform and click to reconcile it.

For payment initiation, Citi Integrator offers internal transfer between Citi accounts, domestic and foreign wire payments, as well as an invoice payment option. Again, all options are fully integrated with a client's accounting platform and are automatically reconciled in line with the client's choice of reconciliation option.

A game-changer for mid-sized firms

For too long, mid-sized companies have missed out on the efficiency and convenience benefits of integrating their accounting platform and bank information. With the costs of deploying an ERP system beyond all but the largest firms, most have continued to manually reconcile payments and collections.

Citi Integrator is currently available in North America for Citi Commercial Bank clients.



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