

HIRCUS

ACCELERATING TEXTILE IMPORTS BY IMPROVING THE RELIABILITY OF INTERNATIONAL SUPPLIER PAYMENTS



BACKGROUND

Hircus' hallmark is the quality of its cashmere. The company sources its fine wool in Asia, and more specifically in the heart of the Gobi Desert in China, where the world's best suppliers can be found. This is the natural habitat of *Capra Hircus* goats that can survive temperatures of -40°C in winter and produce the wool required for premium cashmere.

While the quality of the raw material is a TOP priority, reliable and regular supplies are essential for the brand. Hircus needs to obtain items rapidly and to optimise the supply chain.

This is where iBanFirst comes in.

THE CHALLENGE

Buying in Asia and accelerating distribution in Europe without using intermediaries

For Hircus to be able to provide fair prices to its customers by eliminating sales intermediaries it needs to establish a fluid, responsive and optimised **supply chain**.

To ensure **good relations with suppliers**, trust is essential.

What concrete measures can a buyer take to create trust?

One of the biggest challenges that suppliers face is **payment times**. Their treasury is impacted when production is launched, and actual expenses are incurred.

Production does not start until payments have been at least partially received.

The same goes for carriers. Merchandise is not sent out until payments have been credited to bank accounts. This provides protection against delays or even missed payments, which are common in international trade.

After three years in business, Jean-Nicolas Payart, Hircus' co-founder, reached the limits of what traditional banks can offer when managing a key point: **the speed of international foreign-currency payments**.



Textile and Clothing

 Founded in **2014**

 **+20** employees

 **Asia, Europe**

Uses
Incoming and outgoing payments
Spot transactions
Forward hedging contracts

Currencies
EUR, USD

"We always need payment confirmation before the supplier releases the merchandise. And with our bank partners, there was always a one-week delay. This was very limiting, especially as I was unable to track payments as they passed through different intermediary banks. It made it impossible for us to be transparent with our suppliers on this issue"

Jean-Nicolas Payart, Hircus' co-founder.

🔦 THE SOLUTION

A reliable platform to manage foreign-currency payments with ease and speed

Hircus' management has chosen iBanFirst to optimise the speed of its payments and **ensure imports are received on time** in a clothing sector marked by sharp seasonal fluctuations.

"As the co-founder, I am responsible for supplier payments in foreign currencies. I do not have a dedicated team member or department to handle this. Spread out over a year, I make about one payment per month, but in actual fact, the vast majority of our payments happen in the autumn and winter months. And that's when I need as much simplicity and reliability as possible".

Beyond speed of payment, the platform simplifies his international payments by **reducing administrative management** to the bare minimum.

Above all, he gained his suppliers' trust at the same time: *"I do not even have to use iBanFirst's Payment Tracker function as my suppliers receive a notification informing them that the transfer has been sent. The next day, the funds are on their account. I have never had any problems. International payments are no longer a concern for me. I know the process is reliable and my suppliers know I'm trustworthy".*



Jean-Nicolas Payart
Hircus' co-founder

"The big advantage of iBanFirst is the speed of payments and conversions. I pay my Asian suppliers in US dollars, and I know that the funds will be on their accounts in 24 hours".

✔ THE RESULTS

An acceleration of operations, but also guarantees of protection against currency volatility

Hircus intends to continue growing and expanding its sales in Europe.

Imported volumes are also set to grow and the **EUR/USD exchange rate** will become more and more important for the company, as payment volumes will automatically increase.

To deal with this **growing risk of currency volatility**, Hircus has already begun using iBanFirst's hedging solutions: **forward contracts that block an exchange rate on a currency pair**. If the exchange rate weakens, it is possible to "block a budget exchange rate" to guarantee real gross margins.

To achieve this, iBanFirst provides the assistance of a **dedicated account manager and macroeconomic information** transmitted in real time.

"We are seeking to buy dollars more thoughtfully. This has been difficult this year, as nobody predicted such a steep fall in the euro against the dollar. For next year, we hope to do better with a partial hedging strategy of our dollar flows, while maintaining flexibility by combining this hedging strategy with spot currency operations. This will allow us to react better in all circumstances in an inherently unpredictable currency market".



Paris
+33 1 76 44 00 47

Bruxelles
+32 2 808 15 42

Munich
+49 89 26200644

Rotterdam
+31 85 808 1102