



Case Study

# SYNETIQ

## Going digital to drive growth

Time-consuming and people intensive manual reconciliation of inward receivables was hampering SYNETIQ's strategy of growing their high-volume business after the newly-merged company was established two years ago. A twin solution from HSBC has since achieved efficiencies and is positioning the company well for the future.

## Background

SYNETIQ is the UK's largest integrated salvage, dismantling and vehicle recycling company. Services include online salvage auctions, the sale of green parts and software solutions. Formed in 2019, it has brought together a number of pre-existing, household name businesses across the UK to deliver a bespoke service both online and out of physical sites.

With 480 employees on its books and an annual turnover of more than £150m, SYNETIQ's three-word growth strategy is "integration, innovation and sustainability".

Jonny Pervin, SYNETIQ's Head of Finance, was brought into the business to re-shape the financial operations and help the business retain its market lead for the future.

## The challenge

SYNETIQ handles over 50,000 vehicle transactions annually, manually reconciling each one in order to release the right vehicle to the right customer. This manual administration was a significant hurdle in its mission to digitize and streamline its operation to support rapid growth.

Jonny says: "As SYNETIQ was being created our legacy finance teams came together without investing in systems. We had four people constantly monitoring the bank for our customers' bank transfers, while trying to work out which vehicle each payment related to. With bank transfers, the customer could use any reference they

wanted, or even pay the total over separate amounts making reconciliation difficult and time-consuming. "We couldn't justify the fees being deducted from such high-value payments when using cards – which could mean up to £1m extra cost to our bottom line."

Over 75% of SYNETIQ's turnover in 2020 was related to vehicle sales, and it was clear that the amount of employee hours being spent on bank account monitoring and manual reconciliation carried a level of risk and expense that would hinder the business's growth plans unless some sort of automation could be introduced into the system.

## The solution

SYNETIQ's banking relationship with HSBC UK was by no means new – Jonny had already been discussing services with his Relationship Director at HSBC, Lee Manterfield, when the subject of trying to streamline processes through automation came up.

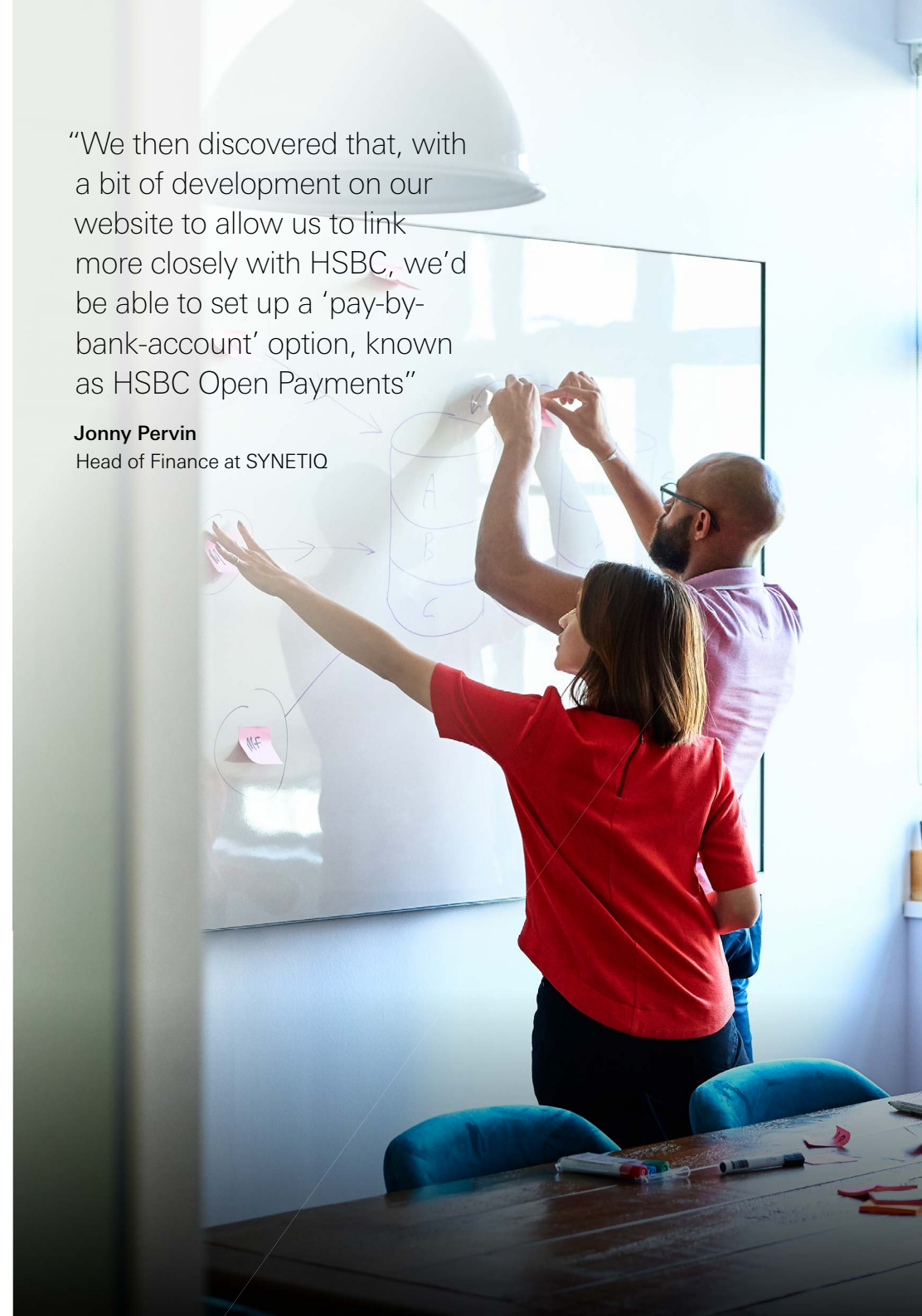
"We touched upon the idea of using Open Banking technology, which would in theory fix the transaction amount challenges and introduce a fixed transaction reference number, but importantly, also incur lower fees," explains Jonny.

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Head of Finance at SYNETIQ





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Following further discussions with HSBC product specialists, Jonny saw the added benefit in also implementing HSBC’s Treasury APIs which would advise receipt of funds from customers in real time and provide the data that SYNETIQ needed to introduce automatic reconciliation.

Tom Wood, Head of Global Liquidity and Cash Management at HSBC UK, echoes that break-through moment “HSBC Open Payments and our Treasury APIs are digitally native solutions that work seamlessly together to support SYNETIQ’s digital journey”.

HSBC UK Cash Management Consultant, Alex Emmett, agrees “By combining HSBC Open Payments and HSBC’s Treasury APIs, we have provided a platform for SYNETIQ to efficiently and cost-effectively

request, receive and reconcile payments, freeing up staff from the manual reconciliation processes.

“Once SYNETIQ sell a vehicle, the buyer’s check-out journey includes the option to pay via HSBC Open Payments. Customers who select this option are redirected to their own bank’s Online Banking service to review and approve payment. Once completed, the customer is taken back to SYNETIQ’s website to complete their transaction”.

Where once there were four people having to track all transactions manually, SYNETIQ has been able to re-direct attention to focus on the growth of the company. “The customer, too, has a much smoother journey, as there is a much speedier process from making payment to getting hold of the vehicle,” adds Jonny.

### **The process**

With the platform now in place, SYNETIQ can now focus on promoting the advantages of this payment method. Take up is already more than 20% in a few short months, without any active promotion so far.

“I was engaging with Alex on various other banking requirements and he highlighted Open Banking as something we could really benefit from due to the nature of our business,” recalls Jonny.

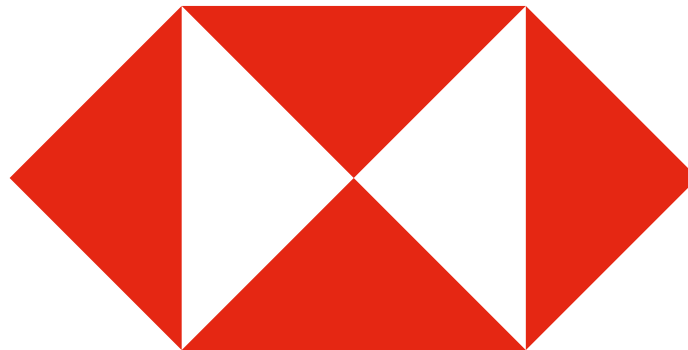
“We set up a call with their specialist team and it accelerated very quickly from there. Once the process had started, a project team was quickly assembled with people who were clearly experts in what needed to be done.

“The diligence they showed at our regular meetings made us feel confident about the whole project.”

Jonny adds that SYNETIQ’s ongoing relationship with HSBC “couldn’t be better”.

“I’m incredibly grateful for the way they are always on the front-foot when putting solutions in front of us which we may never otherwise have been aware of.”

SYNETIQ is now well-placed to face the next five years with confidence – their core business of vehicle sales now an integral part of a scalable future.



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