

## **Technology Driving Much Needed Visibility in Trade Finance says Blue Strata Trading**

*Visibility key to mitigating risk in complex environments*

**05<sup>th</sup> May 2015** – According to Blue Strata Trading, technology is playing an increasing role in the import and trade finance industries, both from a service provider and a client perspective and when used appropriately it can deliver significant value to the bottom line by reducing costs, providing better monitoring and control and mitigating delays.

Says Adam Orlin, CEO of Blue Strata; “It’s essentially about collaterally managing risk. Trade finance can be an unnerving at the best of times – and if we consider the current market, the unstable Rand and the volatile business environment, it’s no wonder traditional financial institutions are becoming more cautious with their lending. However, this could stifle growth. As a result we need a new way of valuing assets and stocks – especially for importers – whose stock is usually tied up while in transit, along with the capital – to ensure that risk can be properly outlined and managed – while still allowing for growth potential and this is where technology comes in.”

Having access to innovative technology provides importers with greater visibility for the strategic management of their import supply chain and improved control of their supplier relationships, costs and availability of product and with detailed information right down to container level, importers are able to manage their inventory even whilst goods are in transit.

Continues Orlin; “What’s more, having the right technology and system in place allows trade financiers to assign different values to different stock in a very dynamic way. This collateral risk management platform allows the company to update its risk management systems on a live basis in terms of the way it values assets. And by collaterally managing the risk, the trade financier is able to place value on goods in transit as opposed to simply taking stock and debtors at a point in time.”

Online access to real-time orders, Forex information, shipment and delivery details as well as payment particulars allow, importers to immediately have a dashboard view of their stock and investment which allows them to determine their

total landed costs, including the cost of finance and other disbursements.

“Greater visibility for the strategic management of the import supply chain and improved control of supplier relationships, costs and availability of product is opening up massive growth possibilities for importers in a resource constrained economy. More visibility means less risk and better forecasting – which goes a long way to encouraging inter-Africa and international trade, industrialisation and continued economic growth,” concludes Orlin.