



Списание за наука

„Ново знание“

ISSN 2367-4598 (Online)

ISSN 1314-5703 (Print)

Академично издателство „Талант“

*Висше училище по агробизнес и развитие на
регионите - Пловдив*

New Knowledge

Journal of Science

ISSN 2367-4598 (Online)

ISSN 1314-5703 (Print)

Academic Publishing House „Talent“

*University of Agribusiness and Rural Development
Bulgaria*

<http://science.uard.bg>

MANAGEMENT WITH INTERNATIONAL FINANCIAL TRANSFERS

Lenin Jovanovski

University of agribusiness and rural development, Plovdiv, Bulgaria

Abstract: Sending money abroad is now faster and easier thanks to new electronic technologies, so now small and medium-sized companies are making faster, cheaper and more valuable money transfer services. In the international and domestic markets, the bank can grant credit, issue and confirm credentials, maintain cash and collection items, maintain bank accounts, accept and deposit deposits, and borrow funds. The management of individual finances is responsible for developing and implementing sound, well-defined policies and procedures for money transfer. Management with individual financial resources should also ensure that policies and practices are clearly communicated to the appropriate offices and staff.

Keywords: management, financial transfer, bank and financial institutions.

THE NATURE OF FINANCIAL TRANSFER MANAGEMENT

The management of international financial transactions must ensure that banks and financial institutions operate safely and profitably and are liquid, ie able to meet customer requirements on a daily basis¹.

The management of the bank and the financial institutions should create conditions for a real balance of the received investments and the made placements and to make an appropriate profit.

“Management is a set of activities (including planning and decision-making, organization, management and control), asset management (human, financial, physical and information) in order to achieve the set goals of efficient and effective way”².

¹ Chapter 1: Methods of Payment in International, Export.gov, 2016.export.gov>eg_mai

² Army, Command, Leadership and management, (2005), Theory and practice, A. Reference Text U.S Army War College.

Planning involves selecting goals and objectives and actions to achieve your chosen goals and objectives. This requires decision-making, ie determining future guidelines for actions to be taken. The selection of the most favorable action will be made from several offered alternative solutions.

Organizing means establishing an organizational structure, ie grouping and connecting things to successfully achieve the set goals and objectives.

Leading means motivating or influencing people to accomplish their tasks more successfully, and thus contribute to the greater success of the entire organization.

Control is the measurement and correction of the work of both individuals and the organization as a whole to achieve the planned goals and objectives.

Management can be said to represent an act, ie the ability to manage, act, direct, direct, achieve goals, behave, conduct business, negotiate, negotiate, and control.

In general, management can be said to be a universal process of effectively and efficiently performing tasks with the help of other people and engaging resources to achieve predefined goals.

Financial transfer management, performed by banks and other financial institutions, like management in general, is the process of guiding these entities to achieve their goals and objectives. Today, they, like many other business firms, face strong influences on state, market and technology regulations. The management of these institutions means that it is managed, that all risks are accepted, that changes are monitored, and that the success of the operation is achieved by meeting the needs of the clients.

Managing financial transfers means leading employees to accept new challenges and implement the changes imposed by new technology. The management of the execution of the financial transfers must provide, to provide better services to the clients, ie the consumers by achieving maximum efficiency. Financial transfer management provides³:

- To perform the actual financial transfers of the real customers, ie consumers, in real time and in an appropriate way;
- Customers, ie consumers, to have access to the financial services they offer through appropriate channels, classic or electronic;
- Reduction of operating costs and realization of more profitable operations; Planning, managing and controlling the execution of international financial transfers, as well as measuring productivity, are key issues for the bank's management and other institutions. All this in order to achieve successful work. Supporting the different needs of consumers, starting with the classic financial transfers, then the Internet transfers, are operations that management must take to achieve⁴:

- to improve the performance of services related to financial transfers;
- reduce operating costs and labor costs;
- to increase employee satisfaction;
- to increase productivity.

In the conditions of modern, electronic and classical systems of performing financial transfers, customers expect to receive fast information on the realization of their financial transactions, to make transactions safer and easier. All this can be achieved with the help of well-functioning management banks and other institutions that perform international financial transactions.

³ A-C - Financial Action Task Force (FATF), (2020), www.fatf-gafi.org/glossary

⁴ Sending money overseas - Moneysmart, (2020), gov.aumoneysmart.gov.au/send

THE PROCESS OF MANAGING FINANCIAL TRANSACTIONS

Management understood as a process, covering the basic functions or primary activities performed by managers, allows each activity to be planned, to organize its execution, to coordinate the execution, to motivate the executors, ie to lead and take over corrective measures if there is a possible deviation in the performance of the activities.

With the resources, material and human, the management enables efficient use of the material and financial means for more successful achievement of the set goal. By coordinating people's efforts to get things done, they achieve the desired end result, or condition.

The goal is to achieve greater success, or better results, better functioning. It is a challenge that is successfully achieved with management.

Planning as one of the activities, ie the functions of management, as a rule is dimensioned, ie it is limited as strategic planning for a period not exceeding five years, tactically for a period of one to three years and operationally up to one year. However, the time dimension of the planning depends on the activities to be undertaken, by the financial entities in order for it to be prepared for the realization of the process with which the desired results will be achieved.

Strategic planning includes basic decisions about resource allocation and engagement, prioritization, and taking the necessary actions to achieve strategic goals. As a rule, strategic planning is oriented towards the outside and covers the current functional areas.

Tactical plans are prepared in order to implement the strategic plan and aim at achieving the goals of the strategic plan and transforming the strategic goals into specific goals. This level of planning includes the use of the necessary funds, labor, financial resources, the equipment necessary to achieve the strategic goals.

Operational planning covers the lowest level of planning and it includes time-consuming operations to complete tasks for a period not exceeding one year.



Fig. 1. Management and planning

Source: Vadim Kotelnikov: *New Management Model of or the New Knowledge Economy of Rampant Change and Rapid Globalization*, Ten3 Global Business Learning Report, 2010

Organizing means the management to build an organizational structure of the institution with which the plans should be realized at each level, which includes: determining the work, grouping the work, determining the kinship and the relations between the individual works, determining the main holders of things, coordinating activities between things and determining differences between things.

The role of management is to guide the work. Managers plan, decide, control, organize, coordinate and motivate. Management in every decision must take into account the efficient execution of things, to take care of the activities to be performed.

Managers need to create a vision for the future of the organization, monitor the work and motivate, inspire and lead.

Financial transaction management is a discipline that is closely linked to changes in business. Finances are, without a doubt, the most important operation that every financial manager needs to know well and know how to use the funds and their resources and how to spend them to achieve the goals of the organization. Financial managers play a key role in achieving business because they enable the proper use and allocation of financial resources, ensure a balance between inbound and outbound asset transfers, and achieve the company's goals.



Fig. 2. The role of the manager

Source: Vadim Kotelnikov: New Management Model of or the New Knowledge Economy of Rampant Change and Rapid Globalization, Ten3 Global Business Learning Report, 2010

Managing financial transactions should ensure that she knows what to do, how to work, where to work, when to do it, who to do it and how to do it.

The role of the management Innovation-friendly Organization 6 Components



Fig. 3. The role of the management

Source: *Vadim Kotelnikov: New Management Model of or the New Knowledge Economy of Rampant Change and Rapid Globalization, Ten3 Global Business Learning Report, 2010*

LEVELS OF FINANCIAL TRANSFER MANAGEMENT

Management levels, both in all enterprises and in banks and institutions that perform financial transfers, regardless of the numerous approaches to their explanation, can be grouped as: two-tier management: administrative and operational management; three-level management as: top, middle and lower management.

Administrative management is more concerned with planning and organizational functions at the system level, and less with others, while operational management is more concerned with the management functions related to the organization and immediate performance of the activities with which the set goals of the financial transfers should be achieved.

The top management takes care of the preparation and introduces the policy that directs the bank's activities to achieve the set goals and maintains communications and contacts with the external environment. The activities of top management are aimed at achieving success, or achieving results in the long run, creating a climate and building good mutual relations in the environment in which they work.

The middle management takes care of the implementation of the determined policy and the successful operation of the lower organizational levels. At this level of management, the individual initiative and thinking about the implementation of the policy and the directives of the top management are developed, the policy is revised, a new one is proposed and the goals for achieving the given goals are set.

Lower management takes care of the specific implementation of the policies and the achievement of the set goals of the organizational units through the procedures set by the middle and top management. At this level of management, the execution of planning tasks is monitored and a person-person relationship is built.

In top management, planning is more pronounced, other functions, above all, direct handling and control are less intense. At the middle level of management, almost all functions are equally represented, except for direct control, and at the first (lower) level of management, the functions of direct handling and control are most common.

ELEMENTS OF FINANCIAL TRANSFER MANAGEMENT

Management is not a simple step-by-step or straightforward process. It is an interactive process that requires hard work and the engagement of a large number of people to ensure the desired movement towards a certain future. He presents the new goals, ie the vision, on how to work in the future.

Management actually means running things. This means that it includes three elements:

- Analyzing,
- Formulating a strategy and
- Implementation of the strategy.

The analysis is done to determine the positions on where the institution is now, the formulation of the strategy means determining the future directions of actions and choosing the optimal ones from them, and the implementation of the strategy means effecting the desired changes.

Formulation of the strategy includes developing vision and determining goals, identifying external opportunities, determining internal or current situations, defining long-term tasks, developing alternative strategies and choosing an alternative strategy that will be monitored. Formulation of the strategy includes making decisions, what new things to enter, what things to leave, how to deploy resources, when to develop alternative activities.

Implementing the bank's strategy means determining annual tasks, policy making, motivating employees and operational allocation of resources so that the strategy can be implemented, formulating, ie determining a more efficient organizational structure, determining the necessary funds, developing of the information system.

Assessment, ie the evaluation of the strategy, is the final rate of the functioning of the management, and it means reaching a conclusion whether the implementation of the strategy means better operation and bringing the bank closer to the set goals. Assessing the implementation of the strategy means monitoring the action of internal and external factors that are the basis for the implementation of the current strategy, determining the measures for the implementation of the strategy and undertaking corrective actions, if necessary.

TASKS MANAGING FINANCIAL TRANSFERS

Management creates a new business environment and creates conditions for things to be realized as successfully as possible and for the financial organization or bank to grow.

Successful management assumes the observance of certain rules that will ensure the implementation of the objectives. The rules for implementing management activities are established in order to achieve greater success through good management. Each management activity contains a set of tasks for which various strategies for their realization have been developed. Task realization strategies are sorted according to task priorities. In addition, each strategy has short-term activities that need to be implemented in the near future and long-term activities that need to be accomplished over a period of several years. All this is supported and based on the created opportunities and available means to support the realization of the tasks. All strategies can be adjusted according to the changes that will occur during the realization of the determined tasks. Each management activity covers the procedures that need to be taken to get things done according to certain operating standards.

The key factors influencing the formulation and implementation of work strategies in the implementation of financial transfers are⁵:

⁵ International Money Transfers - Sending funds overseas? Check out these money transfer options, (2020).comwww.moneysupermarket.com›current-accounts›inte..

- profitability;
- customer loyalty, ie customers;
- increasing or maintaining the part of the financial transfers that are or are wanted;
- increasing the efficiency of all work processes;
- risk management (risk management);
- building flexible responsibility and organization that will enable the realization of tasks in conditions of change.

Technology will greatly influence the realization of such strategic commitments. Some of the key areas where technology will affect the successful operation of financial transfers can be:

- revenue growth;
- customer satisfaction and differentiation, ie customers.

New technologies in financial operations offer greater opportunities for successful operations, facilitate operations, and strengthen the bank's ability to achieve its goals.

In conditions of intense competition and different requirements and expectations of customers, when the desires should be turned into needs, it is necessary to offer appropriate services to each consumer. And in this case, the technology, above all, the new technology, can have an impact and provide greater flexibility in modifying the products and services of financial transfers and their adaptation to the needs and requirements of certain consumer segments. Technology can make it easier to make new configurations of services offered in the field of financial transfers, to make processes more efficient and to reduce costs. This can increase competitive advantage and expand the market.

Managing financial transfers in today's business environment must be oriented towards providing the best customer service by achieving maximum efficiency.

Financial transaction managers must know that:

- their clients will tell other people that there are always polite staff;
- their staff should be able to provide the right services to the right people, in the right way and at the right time;
- operating systems should ensure reduced customer engagement, and processes should be automated and improve the operation of classic manual financial transfers;
- customers have easy access to their financial accounts, through appropriate channels and constantly;
- to have access to the financial details that enable profitability;
- the staff working on the marketing activities should develop an appropriate marketing campaign and measure the results at any time.

In order for financial transfers to be successful, managers must follow the following criteria before deciding how much financial transfers to approve, what prices for the service they will set. Those criteria are:

- capital adequacy and role;
- asset and liability management, ie finding the ratio between receiving and giving funds;
- liquidity - expressed as a percentage of the given loans in relation to the total assets of the bank;
- the quality of the assets - what is the probability of a lack of funds;
- profitability - what is the income and growth of income.

Having all this in mind, managers must also take into account the regulations adopted by the state, which impose certain restrictions on the realization of financial transfers.

INTERNATIONAL MONEY TRANSFER MARKET

International money transfer is when money is sent to another person or company abroad or through a bank or through a third party as an international money transfer service. Money can be received in cash or in another currency. There are six steps to international money transfer⁶:

- Account registration,
- Data verification,
- Transfer lock,
- Remittance fee,
- Time required for the money to reach their destination,
- Fee charged by the recipient bank.

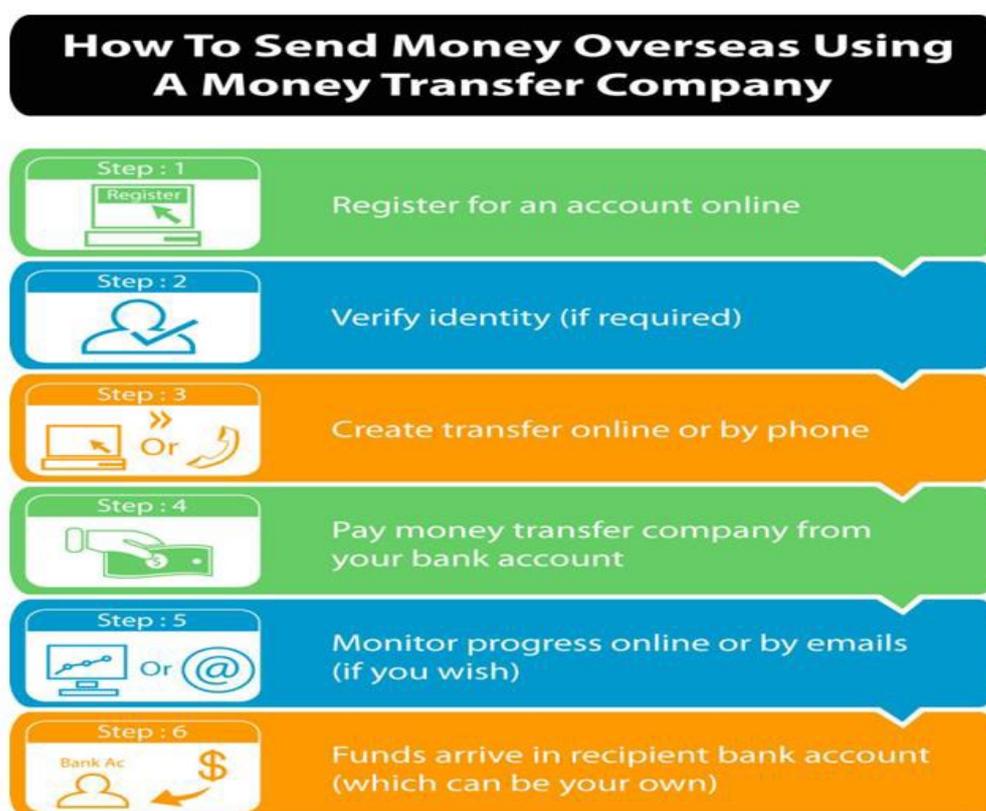


Fig. 4. Sending money overseas

Source: International Money Transfers (Uncovered) - Top 7 Compared, (2020), transumo.com ›international-

Sending money abroad is traditionally a laborious and expensive task. Today, international money transfers include the so-called International transfer operators. International transfer operators are financial companies that make cross-border transfer of funds using their internal system or access to another cross-border banking network. The complexity of different currencies and banking systems means that sending money from one country to another is quite different from domestic transfer. International money transfers take place from the sender of money from one country through an international transfer operator to the recipient of money in another country.

⁶ International Money Transfers (Uncovered) - Top 7 Compared, (2020), transumo.com ›international

There are activities that mean providing funds for transfer, providing and receiving information, sending money and receiving money⁷.

These operations are shown in Figure 5.

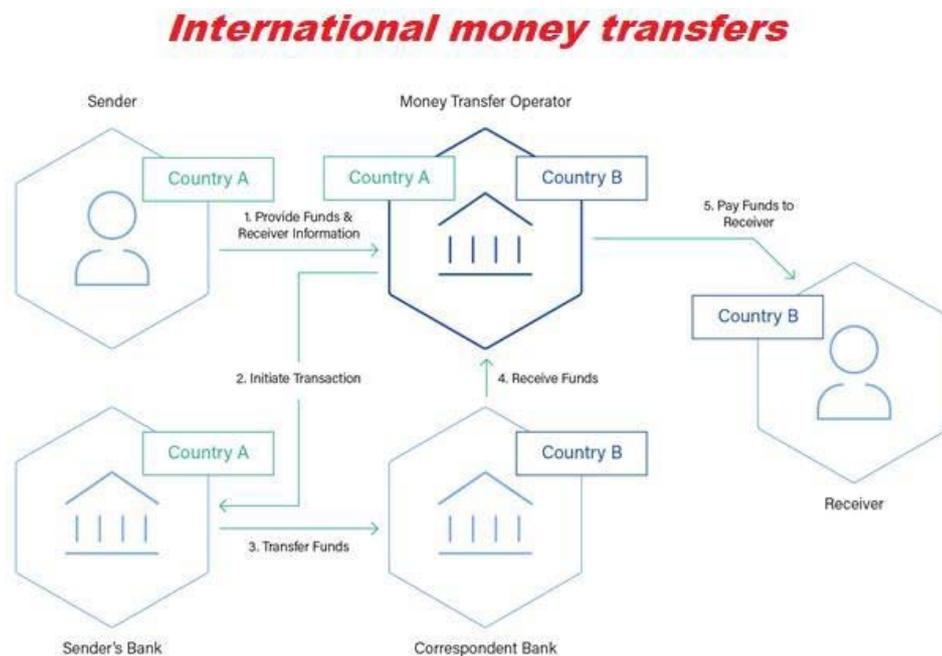


Figure 5. International money transfers

Source: Romaldini, F. M., (2018), How Is the International Money Transfer Market Evolving?, www.toptal.com > finance > i.

A typical international money transfer involves three key participants:

- sender of money,
- recipient of the money, and
- money transfer service provider.

International money transfer starts with the sender filing a money transfer request with the money transfer provider. Upon payment, the money transfer service provider will transfer the funds to the recipient.

International Money Transfer Service means the service for executing Money Transfer Transactions and related services to be offered by the Bank to its customers who have concluded an International Money Transfer Service Agreement with the Bank. Money Transfer Transaction means each transaction that the Bank carries out by the Cash Receipt Method or the Credit-to-Account Method, based on the customer's request. Payout Country means the country or territory that the customer designates, from among the countries and territories prescribed by the Bank, for a Money Transfer Transaction as that in which the receiver is to receive the transferred amount or the transferred amount is credited to the Receiver's Bank Account.

Receiver's Bank means the financial institution with which the receiver holds the Receiver's Bank Account. Receiver's Bank Account means the receiver's deposit account that is designated by the customer. Customer Information means the customer's personal information, transaction information and other information (including the contents of documents submitted by the customer, the details of any application for Money Transfer Transactions (the Money Transfer

⁷ Romaldini, F. M., (2018), How Is the International Money Transfer Market Evolving?, www.toptal.com>finance>i

Request), and information concerning the receiver) provided by the customer to the Bank in relation to the Account, the International Money Transfer Service, Money Transfer Transactions, or other various services or transactions which are performed through the use of the Account. Payout Currency means the currency that the customer designates, from among the currencies prescribed by the Bank, as that to be used for the payment to the receiver or for the crediting of amounts to the Receiver's Bank Account for the relevant Money Transfer Transaction.

In order to use the International Money Transfer Service, the customer must first enter into an International Money Transfer Service Agreement with the Bank. The International Money Transfer Service Agreement is subject to the rule of “one agreement for each individual”, and it shall be concluded when the Bank completes the examination process and approves the customer's application in the manner prescribed by the Bank. The application process shall consist of: the application for the registration of the sender (i.e. the customer); and the application for the registration of the receiver(s) under the relevant Money Transfer Transactions. The receiver designated by the customer shall be registered as such when the Bank completes the examination process and approves the application that the customer has made in the manner prescribed by the Bank. No change may be made to any of the matters registered in respect of a receiver.

International money transfer occurs when money is sent to another person or business abroad. International money transfer can be done through a bank or international money transfer service. International money transfer channels depend on the financial system, the overall institutional environment of the sending and receiving countries, the convenience and costs associated with using these channels, and the demographic characteristics of the sending and receiving money. Remittances can take many forms, from funds transferred through “formal” or regulated institutions or channels (eg banks, non-bank financial institutions and money transfer operators) to “semi-formal” and “informal” channels (eg hawala, cash made in person, transfers in kind).

CONCLUSION

International banking covers a wide range of financial services and products. which require a serious approach of bank management in conducting various transfers. Entities that make transfers of funds through banks include importers, exporters, multinational corporations, foreign businesses, governments, consumers, foreign banks and overseas branches of banks. Many banks provide personalized services to customers with high net worth through a separate bank unit better known as the private or personal banking department. Private banking is an important business line for many financial institutions because it encourages wealthy people to develop banking relationships and can generate significant compensation income.

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