

COVARIUS

The power of dreams, realised.

Treasury Systems Modernisation

Global Auto Manufacturer

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Background



Covarius worked with a leading global automotive manufacturer to create an integrated treasury and shared services target vision and operating model.

The client's treasury had, for a number of years, been underpinned by legacy payment platforms and an out-of-support Treasury Management System (TMS). With this legacy footprint, the client recognised the risk to its treasury environment and the need to take a significant stride towards modernising its treasury operating model and simultaneously capitalising on technology options.

Challenges

- 1** Cash forecasting process characterised by **significant manual workload, idle cash and high cost of funding** resulting in a low level of trust in cash management.
- 2** **Expanded mandate for Shared Service Centre (SSC)** to accommodate additional Treasury cash and back-office process support, in addition to existing Finance and In-House bank processes.
- 3** **E-banking and manual host-to-host payment solutions** resulting in a high cost of banking.
- 4** **Legacy Treasury Management System** which was not integrated with the client's In-House Cash and Financials SAP deployments.
- 5** **Need to illustrate value** associated to transformation and technology objectives in order to obtain necessary funding for projects.



Approach

Initiate a new operating model and technology vision for the Treasury department centred around a single, integrated technology leveraging SAP Treasury, SAP Cash Management and SWIFT Alliance Lite 2.

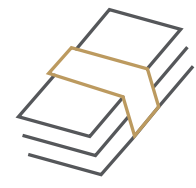




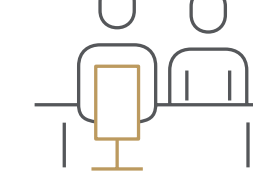
Why Covarius?



Approach to value-led delivery and vendor selection, enabling robust Treasury delivery foundations.



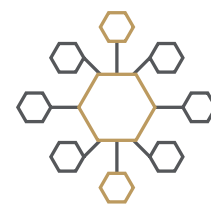
Track record in SAP Treasury and In-House Cash implementations at large organisations.



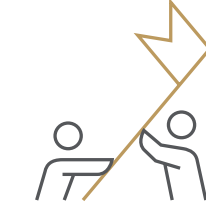
Consulting skills depth covering payment factory and single bank connectivity gateway vendor offerings.



Experience in integrating Treasury vendor, dealing and banking platforms with SAP environments.



Transformation impact tracking illustrating clear linkages between solutions and value rendered.



Implementation methodology similarities ensuring best-of-both worlds for design and testing.



Delivery

- 1 SAP Treasury Transaction Management for Money Market, Lending and Foreign Exchange.
- 2 SAP Cash Management daily cash, intraday cash and liquidity forecast views.
- 3 SAP Bank Communication Management covering SEPA, Non-SEPA payments and payments approval for SAP Treasury, In-House Cash and Financials.
- 4 SWIFT Alliance Lite 2 infrastructure.
- 5 SAP Process Orchestration integration workflow for delivery of outbound payments to SWIFT Alliance Lite 2 and inbound SWIFT bank responses.
- 6 Custom ABAP development for SAP Cash Management in order to support value date views of cash and seamless exception management from payment run to In-House Bank.

“Raising the profile of our Treasury Team amongst our peers is something I am very proud of, and hopefully we can inspire other Treasury Teams to follow a similar journey.”

Group Treasurer



Impact

- 1** Rapid, big-bang timeline for implementation. In comparison, similar projects have taken upwards of eight months to implement, with a saving of over 30% in consulting time.
- 2** Fully integrated, SAP Treasury application architecture that automates dealing platform execution and confirmation through FxAll, as well as payments.
- 3** SWIFT Alliance Lite 2 payment gateway fully automating all payment batching, approval workflow and bank responses for the group.

- 4** Consistent, end-to-end, value-date driven views of cash and low-touch payment rejection unwinding.
- 5** New operating model and banking partner selections enabling significant In-House bank efficiencies and Shared Services outsourcing to Poland.

> 90%

Improvement in weekly cash accuracy using SAP Cash and custom development.

4 months

Timeline for rollout of SAP Treasury and single bank connectivity gateway.

> 5000

Historic Treasury deal set migrated during the implementation.

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