COVARIUS

Acquisition of digital maturity in Treasury

Rapid Modern Integration

Global Pharma

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Background

In 2023 and 2024, Covarius supported a long-standing FTSE Pharma Treasury customer with its acquisition of a new biotech group, considered the largest agreement struck since the start of the Covid-19 pandemic.

Following a period of initial preparatory organizational integration work, Covarius assisted the client to finalise a transformation strategy for consolidating the acquisition target's legacy TMS platform and operations into it's FIS Quantum TMS.

Covarius was tasked with developing, designing and executing the programme for Treasury. This included supporting operating model consolidation, process harmonization across both organizations, optimising existing cash-sweeping arrangements and a digital-first approach to consolidating operations to the FIS Quantum TMS, supported by FIS ERP Connector integration with SAP.

Challenges

1. **US operation reliant on UK** for funding, supported only by manual processes and reporting. No true global cash visibility.

2. **Mixture of off-system** intercompany lending and settlement processes **and on-system system processes** through Kyriba FX dealing for FX dealing.

3. Acquired company business units not included into the monthly netting cycle operating out of the UK netting centre.

4. Existing process, **procedures and controls documentation primarily un-documented,** and not standardised across UK and US.

5. **Manual SAP Journalling interface** through Blackline for transactional deal execution, intercompany, bank clearing and cash reconciliation.

6. **Disparate cash-pools and banking partners requiring cash-pool restructuring** to support a simpler model for sweeping and daily cash funding.

Approach

Establish a comprehensive transformation programme to merge both Treasuries, leveraging delivery underpinned by digital accelerators and modern integration.

1. **Definition of transformation programme** to cover migration of Kyriba to FIS Quantum, operating model integration, SAP workflow modernization and process documentation.

2. **Detailed process requirements analysis** of acquired business **and FIT/GAP** to existing FIS Quantum solution, identifying change impacts, and risk areas for regression testing.

3. **Turn-key configuration and comprehensive managed testing of FIS Quantum** for acquired entity supported by Covarius' test platform and library of test content.

4. **Deployment of FIS ERP Connector for Journal module** to enable the modernization of intercompany and cash sweep journal workflow through real-time SAP API integration.

5. **Delivery of a process and systems procedures Wiki knowledge base,** to align the consolidated TMS platform across both Treasuries and promote self-sufficiency concepts in Group Treasury.

Why Covarius?

Proven approach to delivering end to end transformation in enterprise corporate Treasury customers.

Covarius turn-key services and assets to rapid accelerate realization of TMS implementation and embedding systems and processes to operations.

Vendor domain and consulting expertise in FIS Quantum, Kyriba, SAP Finance and FIS ERP Connector integration modules.

Only FIS ERP Connector deployment partner within the Treasury Systems implementation consulting space.

Relationship as FIS Quantum implementation partner with customer spanning > 10 years.

Delivery

1. Detailed inventory of **process requirements and FIT/GAP to existing template** to ensure no regression risks or budget/timeline impacts.

2. Inclusion of acquired entities into monthly physical netting cycle resulting in further **efficiencies on intercompany settlement costs** and manual processes.

3. Delivery of updated and comprehensive **reporting in FIS Quantum to provide global cash visibility** across existing and newly acquired entities.

4. **Fully managed testing,** enabled by Covarius' content library, tailored to client-specific FIS Quantum scenarios. Enabling comprehensive internal audit support and IT governance.

5. **Deployment of FIS ERP Connector Journal module** to enable API-based integration of GL Ledger journalling between FIS Quantum and SAP ECC.

6. Build of an end-user focused, searchable SharePoint wiki of standard and customized **procedural and knowledge content for FIS Quantum** across all entities.

"Together with the business, the Covarius Team were instrumental in transforming challenges into triumphs through our collective efforts and passion. To every team member who contributed their expertise and commitment, thank you for making this achievement possible."

Treasury Manager, FTSE Pharma

Impact

1 Standardisation of global Treasury operating model, enabling a **single control and governance framework** across all regions, entities and processes.

2 **Reduction of overall gross trade positions** on a ccy-by-ccy basis by aggregation and reporting of FX exposures for combined entities.

3 Intercompany FX exposures consolidated to Treasury netting centre on standardized payment terms, enabling **standardization of FX hedging for the group.**

4 Over 300K USD of **recurring savings on licensing costs** through the decommissioning of legacy and duplicate platforms.

5 **Elimination of manual interventions and Blackline for intercompany accounting** through zero-touch integration and fully automated Treasury accounting SAP workflow.

6 **Full visibility, control and autonomy on inter-group funding** from centre, enabled by enhancements on pooling structures, and inclusion of all entities into the TMS.

>100hrs
saved p.m. by interco team using FIS ERP Connector

$11m
annual interest benefit through better cash return

>$500m
cash on deposit with Treasury due to enhanced pools

<8mths
to deliver new consolidated Treasury operation

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