

COVARIUS

# Advancing what matters in Treasury

Fully automated Trading and Cash  
in S/4HANA

Global IT Services Provider

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## Background



**A global leader in digital transformation, cybersecurity and cloud computing sought to upgrade its existing legacy SAP Treasury solution as part of the Group’s Finance Transformation journey to S/4HANA.**

As part of this journey, Group Treasury, which funds and manages foreign exchanges on-behalf subsidiaries in more than 60 countries globally, wanted to significantly automate cash management, internal trading requests and hedging operations.

With an existing investment in SAP Treasury, Covarius partnered with this client to devise an S/4HANA modernization strategy, which was able to leverage SAP’s newest cloud applications and modules for Treasury, to enable high-speed and value-driven upgrade.

## Challenges

- 1 Alignment and migration of unused SAP Treasury to an active S/4HANA on-premise environment largely realised in terms of Finance transformation.
- 2 Incomplete SAP Treasury configuration and master data in the current SAP ECC environment being migrated to S/4HANA.
- 3 Dismantling of existing internal subsidiary FX request and exposure hedging process based in custom SharePoint workflow solution.
- 4 Legacy implementation not integrated with the SAP GL, requiring extensive analysis of Chart of Accounts and rationalization.
- 5 Treasury ambition to leverage Money Market Funds as new approved Treasury instruments, and adoption into day-to-day and automated trading processes.
- 6 Incorporate outsourced automated risk management, hedge accounting and EMIR reporting As-Is services within scope of new SAP Treasury application and process setup.



# Approach

Determine and execute a sprint-based backlog supporting migration objectives and the realisation of modernisation in SAP Treasury for the client.





## Why Covarius?



Approach to determined architecture, roadmap and rollout that adapts to client's delivery culture and needs.



Knowledge of new SAP Trading Platform Integration, Market Rates and Treasury Executive Reporting solutions.



Footprint of on-time, successful S/4HANA SAP Treasury greenfield and migration projects for customers.



Cloud-based testing platform, to support distributed and expedited testing efficiencies for Treasury, IT and local teams.



Strength of relationship with SAP to enable success and speed in implementing SAP BTP Cloud solutions used.



## Delivery

- 1** Design and migration of SAP Treasury Transaction Management from ECC 6.0 to new single S/4HANA environment.
- 2** Setup and provisioning of SAP BTP environment for client to be able to consume SAP Market Rates Management, with SAP CPI API Integration to Refinitiv.
- 3** Decommission existing global spot rate feed for client's S/4HANA Finance environment and institute new rate feed leverage Market Rates Management and Refinitiv.
- 4** New SAP Cash Management solution providing daily cash positioning and liquidity forecasts for central Treasury and local affiliates.
- 5** Design of processes and implementation of SAP Trading Platform Integration with FXALL through SAP Treasury Transaction and Cash Management.
- 6** SharePoint library of knowledge transfer materials covering configuration, functional specifications and training materials developed for Group IT support function.

**“Covarius’s knowledge of SAP Cloud Platform Integration has been key to modernizing our integration architecture through the adoption of APIs and self-validating integration flows.”**

Finance/Treasury Solution Owner



# Impact

- 1** Significantly improvements in cash management master data and visibility of cash positions, payables and receivables forecasts for central Treasury.
- 2** Fully automated global FX trading process for Treasury and local affiliates, covering internal trade request submissions, bank execution and SWIFT confirmation.
- 3** Single, common API based global market rates feed delivered with SAP Cloud Platform Integration for the group by replacing legacy market data provider.
- 4** Straight-through processing of Treasury accounting for all instruments from SAP Treasury into the new S/4HANA GL.
- 5** Enhanced intercompany lending leveraging new risk-free reference interest rates and operationalization of new Treasury instruments such as Money Market Funds.
- 6** Automated trade book feed for outsourced risk management, hedge accounting and Regulatory EMIR reporting.

**> €10k**  
per month saving by adopting SAP BTP Market Rates Cloud solution.

**2 hour**  
improvement in daily Trading and Exposure management processes.

**< 8 mth**  
to deliver new SAP Cloud functionalities for Treasury and local affiliates.

**> 240**  
entities migrated to new S/4HANA SAP Cash positioning and forecasting

# Contact

## Covarius UK

+44 (0) 20 3948 1967

211 The Frames  
1 Phipp Street  
EC2A 4PS  
London

## Covarius US

+1 888-866-9799

111 Congress Avenue  
Suite 500  
Austin, TX, 78701

## Covarius ZA

+27 (0) 10 003 7760

61 Katherine Street  
Sandton, Johannesburg  
South Africa,  
2196

## Covarius PL

+48 12 347 07 32

K1 Building  
Al. Pokoju 1  
31-548 Krakow