

COVARIUS

# Creating success from separation

Pharma De-Merger

Consumer Pharma

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## Background



**In 2020 and 2021 Covarius partnered with a FTSE 10 global Pharma customer with a world-wide customer base on a successful de-merger project.**

Following the decision to separate the original parent company into a two fully independent business by the middle of 2022, the organisation was left with the challenging task of disentangling systems, people, processes and data in a tight timeline.

Having developed a close relationship with the parent company over a period of five years in transforming its Group Treasury operations, end-to-end, Covarius was asked to assist in leading the Treasury de-merger strategy and driving delivery of the TMS and SAP ERP separations.

## Challenges

- 1** Complex dis-entanglement of processes and re-alignment of target operating models for two organisations, covering multiple regions and entities.
- 2** Tight timelines driven by the board and wider programme of work within Treasury and Finance, meant that progress had to be tightly managed.
- 3** Impacts of Global pandemic resulting in all delivery and the eventual de-merger realising on a fully remote working model.
- 4** Complexity of delivering dependent TMS and ERP workstreams, across two organisations with different methodologies, but a single common overall timeline.
- 5** Cash and In-House Bank operations re-structuring, to support the client's new Day 1 Treasury across all areas and capabilities.



# Approach

Having built a trusted relationship over many years of guiding the client's Treasury transformation and architecture vision, Covarius was selected to develop and drive the separation strategy for the end-to-end Treasury operations.





# Why Covarius?



Experience with large listed clients in co-ordinating Treasury systems and operational de-merger work.



Knowledge of existing In-House Bank, Cash operations and intercompany structures.



Trusted and highly collaborative working relationship forged over a multi-year partnership.



Proven track record of delivery with client across In-House Bank, TMS deployment and operational transformation projects.



Treasury Finance and Accounting experience with the nominal and GL Ledger processes and setup for Treasury.



Depth of implementation experience in FIS Treasury Suite, SAP In-House Cash and SAP Cash Management solutions.



## Delivery

- 1** Process deep-dive to identify entangled processes and impacts on the separation design.
- 2** Build and tracking of a detailed and integrated project delivery plan across the TMS (Quantum) and ERP (SAP) streams.
- 3** Ground-up build of a new TMS instance for the new entity, including data separation and migration, configuration and interface re-design.
- 4** Advisory for the carve out of In-House Cash Centers from the existing client environment and preservation of historical data.
- 5** Build and execution of end-to-end testing of new platforms and processes for both the existing and new group entities.
- 6** Creation of a multi-stage, de-risked cutover strategy and construction of an integrated cutover plan for both the TMS and ERP.

**“The Covarius team is an important strategic partner for us. A trustworthy and reliable partner that understands our business and will be able to support the organisation in the future.”**

Deputy Treasurer



## Impact

- 1** Successful separation of the new legal entity on track and on budget with no regression impacts for the existing entity's on-going businesses.
- 2** By driving early adoption of future-state cash structures and bank statement feeds, Covarius assisted in de-risking go live and ensuring a seamless transition.
- 3** Zero go-live data quality issues within the separated In-House Bank, by virtue of the data migration expertise and data migration approach applied.
- 4** Covarius' comprehensive test library for the TMS (FIS Quantum) reduced lead times for testing and ensured focus on quality and end-to-end process execution.
- 5** Cutover strategy that was designed to progressively phase in functionality and interfaces, enabling a manageable cutover.
- 6** Covarius post go-live resourcing strategy which enabled on-the-ground hyper care and elimination of Day 1 challenges.

**614**

bank accounts migrated to new SWIFT BIC address

**> £60B**

worth of assets separated

**2**

new In-House Bank centres created

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