AWARDS | 2023

FOR INNOVATION & EXCELLENCE

Corporate Recognition Award Winners

2023

YEARBOOK

Supported by

Treasury First

Showcasing the Bleeding Edge of Treasury Creativity

ELEANOR HILL, EDITOR, TMI

Innovation and excellence are essential components of modern corporate treasury. Both can help drive value creation and business growth in an increasingly complex and competitive landscape. This is why the annual TMI Awards continue to recognise the most impactful projects in these twin areas, highlighted by the varied and impressive case studies in this Yearbook.

Eleanor Hill, Editor, TMI

But in the day and age of AI and progressively smarter digital treasury tools, it is important to remember that innovation isn't confined to lines of code and algorithms. Rather, it's a mindset, a culture, a way of working and being – and in many senses, the lifeblood of the profession. Done right, it permeates every facet of treasury management, and generates tangible wins, while moving the industry forward.

The same can be said of sustainability. As we recognise in our Treasury4Good Awards (pages 10-15), embracing ESG is not just a case of implementing a policy and adhering to standards. It's a question of integrating green and clean practices alongside socially progressive initiatives, not to mention promoting diversity, equity, and inclusion at every turn.

All of this can be achieved from within the treasury function – with the right tools, the right opportunities, and the right people.

"In the day and age of AI and progressively smarter digital treasury tools, it is important to remember that innovation isn't confined to lines of code and algorithms. Rather, it's a mindset, a culture, a way of working and being."

The human touch

In fact, people are essential to the creativity that lies at the heart of this year's award-winning projects. The endless ingenuity and resourcefulness of treasury team members, who harness their expertise to build never-before-seen solutions, or to find paths around obstacles, never fails to impress.

What's more, teamwork is essential for achieving excellence in corporate treasury. Collaborative efforts among treasury functions, procurement, sustainability teams, IT specialists, banks, vendors, and other stakeholders are instrumental in implementing innovative projects and overcoming challenges.

Cross-functional teams also bring together diverse perspectives and skill sets, fostering creativity and supporting a culture of continuous improvement.

In short, groundbreaking projects such as these highlight the importance of human intelligence in achieving transformative outcomes. They also showcase the collective dedication and expertise of treasury professionals working towards a common goal. Congratulations to all our winners!

Corporate Recognition Award Winners 2023

Contents

Treasury Management International Ltd,
Waney Edge Barn, Foxhill Lane, Playhatch,
Reading RG4 9QF, UK Tel: +44 (0)118 947 8057
e-mail: tmi@tmi.co
Internet: www.treasury-management.com

EU Office: Treasury Management International
Kft. 2161 Csomád, Verebeshegy u. 11., Hungary

TMI TREASURY MANAGEMENT INTERNATIONAL
is published by P4 Publishing Ltd, Waney Edge Barn, Foxhill Lane, Playhatch, Reading RG4 9QF, UK. Subscriptions are available on a complimentary basis only. We do not receive paid subscriptions and the magazines therefore have no commercial value attached. While all reasonable care has been taken to ensure the accuracy of the publication, the publishers cannot accept responsibility for any errors or omissions.

TREASURY TEAM OF THE YEAR

EDITOR'S PICK

TREASURY4GOOD AWARDS

OUTSTANDING TREASURY4GOOD LEADER

TOP CORPORATE TREASURY TEAM FOR CSR/ESG

EDITOR'S T4G PICK

BEST SUSTAINABLE TRADE AND SUPPLY CHAIN PROJECT

BEST ETHICAL INVESTMENT INITIATIVE

AWARDS | 2023
FOR INNOVATION & EXCELLENCE

View the full Awards listings online at tmi-awards.com

** Sensitivity precludes publication

BEST TREASURY INITIATIVE FOR VALUE CREATION

18	Chalhoub Group	GOLD

BEST AI DEPLOYMENT

19	Pearson	GOLD
20	IKEA	SILVER

BEST API PROJECT

21	Satin Creditcare Network Limited	GOLD
22	PingPong	SILVER

BEST AUTOMATION PROJECT

23	Microsoft	GOLD
24	Merck	SILVER
25	Dräger	BRONZE

BEST CASH AND LIQUIDITY RESTRUCTURING PROJECT

26	Arçelik Hitachi	GOLD

BEST CASH POOLING SOLUTION

27	Mediahuis	GOLD
28	China Communications Constructions Corporation (CCCC)	SILVER

BEST CORPORATE FINANCING AND/OR FUNDING SOLUTION

29	Siemens	GOLD
30	British American Tobacco	SILVER

BEST INTERCOMPANY SOLUTION

31	S4Capital	GOLD

BEST INVESTMENT SOLUTION

32	SAP SE	GOLD
33	InterGlobe Aviation	SILVER

BEST PAYMENTS/COLLECTIONS PROJECT

34	Fortum	GOLD
35	Cummins	SILVER

BEST RISK MANAGEMENT SOLUTION

36	Westcon-Comstor	GOLD
37	Microsoft	SILVER
38	F Hoffman La Roche	BRONZE

BEST SCF IMPLEMENTATION

39	Kuehne+Nagel	GOLD

BEST TECHNOLOGY TRANSFORMATION

40	WNS	GOLD
41	Johnson Controls	SILVER
42	UNHCR	BRONZE

BEST TMS IMPLEMENTATION

43	Subway	GOLD
44	URSSAF Caisse Nationale	SILVER

BEST TREASURY TRANSFORMATION PROJECT

**	China National Cereals, Oils and Foodstuffs Corporation (COFCO)	GOLD
45	ADNOC	SILVER

BEST VIRTUAL ACCOUNTS SOLUTION

46	Ksher	GOLD

EMPOWERING TREASURY GENIUS

The Treasury App

GET IT ON Google Play

Download on the App Store

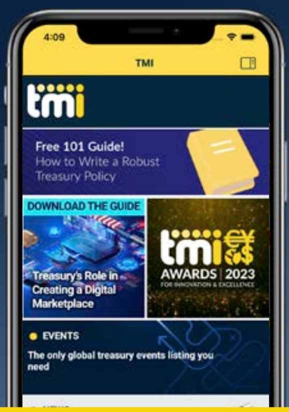
TMI is delighted to present its acclaimed magazine in a new app format which is free to download now! Keen to deliver top treasury content through sustainable means, TMI continues to enhance its digital experience which users can enjoy anytime, anywhere.

Reasons to Download:

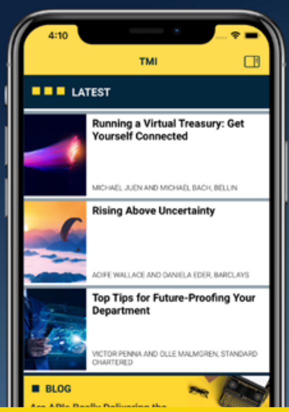
- Continual stream of content delivered through push notifications
- Early access to articles, in advance of magazine release
- A comprehensive library of articles, blogs, podcasts, videos and press releases
- Intuitive, easy-to-use interface
- A streamlined, interruption-free user experience with no requirement to provide log in details and an absence of any in-app purchases.
- Fully sustainable, paper-free magazine experience

Download via the QR codes or simply search TMI Treasury in the App Store

Home screen latest issue of TMI



Home screen access to the latest articles



Swipe right for the latest treasury articles

All the latest TMI news, blogs, videos and podcasts

Change Agents at the Heart of Treasury Innovation

TORY HAZARD, CHIEF EXECUTIVE OFFICER, ICD

Events over the past four years have shown us that the speed of change requires treasury to apply skill, process, and technology in a manner that empowers teams to think fast and act smart. By virtue of the Awards the 2023 winners have received from TMI, it is clear that treasury professionals like you are the change agents that expand the function and increase the value treasury provides to your organisations.

Tory Hazard, Chief Executive Officer, ICD

With shockwaves sent through every corporation, irrespective of industry, location or size, the role of treasury has shifted from on-demand to real-time in the way it serves the business. This shift has ushered in a new way of working, not just physically or virtually, but also regarding the immediacy with which treasury needs to provide answers to questions rarely asked.

While these market shocks have been challenging, they have also made us better. At ICD, we co-innovate investment technology solutions with dedicated teams that work hand in hand with our clients. In the wake of the banking crisis in 2023, we launched ICD Portfolio Analytics, an AI-driven cloud solution that automates the collection and normalisation of investment data, providing a comprehensive view into an organisation's entire investment portfolio. Manual approaches to portfolio analysis and reporting won't provide the speed, accuracy or frequency treasury needs to respond to the question 'what is our exposure?'

While it is a fast world that we operate in, it is also a connected one, where integration with other technologies and providers in treasury's ecosystem ensures workflows are seamless and efficient, and data is at your fingertips. Our short-term investment platform, ICD Portal, for example, integrates with treasury management systems, banks, data providers, and others to support the workflow and data you need for research, trading, compliance, and risk analysis. We partner with more than 40 fund providers to bring the market to you, so you can choose from more than 450 investment products and control and execute your strategy as you see fit, at the speed of change.

Change is constant and the demands on treasury are accelerating. The winners of this year's TMI Awards have demonstrated the ability to go beyond simply meeting these demands to becoming true change agents for their organisations and for the profession. Our heartfelt congratulations to all.

ICD
Treasury First

> **"With shockwaves sent through every corporation, irrespective of industry, location or size, the role of treasury has shifted from on-demand to real-time in the way it serves the business."**

GE Healthcare Creates Fully-Functional Standalone Treasury in Just 12 Months

A major overhaul was needed at GE Healthcare after it was spun off from its parent, requiring the creation of a brand-new treasury technology infrastructure and architecture. Technology-wise, 36 legacy systems were consolidated down to nine, while organisationally the treasury function's structures and ways of working were comprehensively re-designed – all within a year.

When GE Healthcare (GEHC) was separated from GE on 4 January 2023 to become an independent $20bn organisation, with 55,000 employees, serving customers and patients in more than in 160 countries, a new standalone treasury function was born.

The huge reorganisation and restitching together of a treasury team and technology stack – including a TMS and payments hub with specialist FX and trade finance solutions feeding into it – to support the new standalone operation was achieved within just one year. As a result, GEHC was more than deserving of the Treasury Team of the Year Gold trophy at the TMI Awards 2023.

Accomplishments abound

During the course of the ambitious project, the team, led by Robert O'Keef, GEHC's Corporate Treasurer, managed to:

1. **Build a fit-for-purpose global treasury organisation from scratch in 12 months.** This involved hiring and training more than 50 professionals across 15 countries. And the project spanned all aspects of treasury from capital markets, capital planning, pension management, supply chain finance, rating agency management, treasury operations, FX and commodities risk management, global liquidity management, risk management and insurance, global order-to-cash
2. **Design and implement a world-class treasury tech stack,** reducing 36 legacy GE treasury systems, down to nine on an FIS Quantum & TRAX chassis – achieving an 80% cost reduction in the process
3. **Build a world-class banking and liquidity infrastructure.** This involved a huge rationalisation exercise across almost 1,000 bank accounts and 280 legal entities, as well as seamless mobilisation of operating cash via regional and global cash pooling structures. Payments processes were also revamped,

GEHC Team - (L to R ,front to back) – (Front Row) **Rohan Chaddha** (Asst. Treasurer, Corporate Treasury), **Patricia Bates** (Director, Risk Management & Insurance), **Siddharth Tiwari** (Director, Global Capital Planning), **Aman Bhutani** (Assistant Treasurer, Business Treasury), **Shreeram Lakshmanan** (Director, U.S. Treasury), **Melissa Cohron** (Director, Treasury IT), **Aditi Agarwal** (Chief of Staff & Director, Global Treasury Operations), **Christine Vaccaro** (Director, Global Order-to-Cash), **Kara Blodgett** (Director, Treasury Human Resources), **Bob Blee** (Director, Global Capital Markets); (Back Row) **Aun Singapore** (Senior Treasury Counsel), **Robert O' Keef** (Treasurer), **Max Jessernigg** (Chief Financial Risk Officer), **Herbert Lohmann** (Treasury Controller), **David Harrington** (Director, International Tax), **Peter Claus-Landi** (Assistant Treasurer, Global Treasury Operations)

Treasury
Team of Year

GOLD WINNER

GE Healthcare

GE HealthCare

with 91% now automated and a 99.5% straight-through processing rate

4. **Design and implement a fit-for-purpose capital structure in a condensed timeframe,** including establishing solid investment grade credit ratings, raising $13.5bn of capital, including the largest med-tech debt IPO in history
5. **Design and build market risk management policies and capabilities,** including large-scale FX risk management. This led to successful hedging of exposures across 70+ countries and 50+ currencies
6. **Create a governance and management capability for $25bn of global pension plans,** and immediately take de-risking actions, such as hedging a meaningful portion of the interest rate risk
7. **Build risk management and insurance capabilities,** negotiating 25+ key policy towers with $5bn of cover, and implementing back-office insurance processes and systems to facilitate the operations
8. **Create a global trade finance capability,** which issues $2bn+ of instruments in 50+ countries to support GE HealthCare's commercial operations
9. **Implement a robust direct cash flow forecasting and accountability model** to drive meaningful free cash flow improvement in 2023. This was also the first time that the business leadership team had been able to achieve real-time cash flow visibility.

Downsizing while future-proofing

Interestingly, the 'from-to' journey that GEHC undertook, as it was spun off from GE's former over-arching treasury, meant the 50-strong team actually needed to sub-optimise the new entity's operations somewhat. Not all of the parent's state-of-the-art technology and processes were needed. Right-sizing the tech stack for a healthcare business with a smaller scale was the best course of action.

"The phrase 'good enough' was often used, without compromising quality or control," explains O'Keef, in the rush to meet the one-year timeline for creating the new standalone entity. "For instance, can the TMS at GEHC do hedge accounting that is good enough for a $20bh healthcare company, or do we really need the niche hedge-accounting software add-ons utilised by GE Capital, which, at its peak, was a $650bn financial institution?" The answer was that GEHC didn't need the full functionality.

However, GEHC also wanted to be flexible enough to cope with the simultaneous 'Treasury 2028' future-proofed vision that O'Keef was additionally set. All systems are scalable and flexible for this reason.

The task was to then achieve a deeper integration with the smaller new business entity and plug the treasury organisation into financial planning and analysis (FP&A), investor relations, and other key finance and business functions, while totally reformulating the way of working. Establishing links with the new legal, tax, and accounting departments was a key part of this, so that the treasury team's corporate finance and optimised cash management skill set could be brought to bear.

A true team endeavour

GEHC treasury collaborated with hundreds of people internally and externally during the project, including more than 30 key relationship banks, covering 150-plus branches, more than 40 payroll vendors, the aforementioned technology vendors, middleware providers and at least 10 ERPs to create its new environment. It thoroughly tested the structure before it went live and provided all appropriate training. A pre-deployment disaster recovery and continuity plan was formulated as a failsafe, and the first week of the go-live meant 24/7 office hours and close monitoring.

Very few companies get the chance to build a treasury function and technology infrastructure from scratch. The GEHC team has successfully done so, transforming the company into a 130-year old post spin-off 'startup', which is ready for the future.

An in-depth case study on this project can be found in the 2023/24 edition of Journeys to Treasury, a comprehensive report produced by BNP Paribas, PwC, SAP, and the EACT. Visit journeystotreasury.com to download your complimentary copy.

TMI is also producing a feature-length interview with the GEHC treasury team, covering all aspects of this winning project step by step. Keep your eyes peeled for this exclusive article, or email tmi@tmi.co to receive a copy in your inbox as soon as it is published.

TREASURY TEAM OF THE YEAR

DEME Digs Deep to Overhaul its Payments and Sanctions Compliance

Treasury
Team of the Year
SILVER WINNER
DEME

Reducing more than 1,000 bank accounts by 60% and streamlining payments processes across 44 countries, all while reducing the risk of sanctions violations, is the result of an impressive group-wide collaboration.

Marine engineering and dredging company DEME has transformed its treasury, winning a Treasury Team of the Year Silver trophy at the TMI Awards 2023 by introducing a new centralised and automated payment system, TMS, and sanctions-screening tool to improve its efficiency, risk oversight, and compliance.

The revamp of its banking base, treasury technology, and operations at Belgium-headquartered DEME has been comprehensive. As well as the help of core banking partners, such as BNP Paribas, and treasury consultancy, PwC, this project required collaboration between the tax, legal, treasury and technology teams, plus the shared services centre (SSC) and external vendors, with:

- Trax from FIS, supplying the new centralised payment system
- Bridger from LexisNexis, the sanctions-screening tool, to check all outgoings against EU, UN, and US Office of Foreign Assets Control (OFAC) lists
- Integrity from FIS is the new TMS, with an IHB module keeping track of intercompany positions emanating from the new POBO set-up

Cutting risk, enhancing control

A previously fragmented technology landscape and the possibility of making manual payments, has been transformed. Crucially, the risk of making payments to sanctioned individuals or firms, has been eliminated.

The visibility, control, and efficiency of all payments have been enhanced thanks to the new structures, systems, and automation deployed at the company. The POBO set-up has also eliminated local foreign currency payments where no legal or tax restrictions apply, cutting FX risk.

Cash visibility improved by 95%

Previously, 45 different electronic banking systems were used to initiate payments via local banks before centralisation. A SWIFT interbank global payment connection, and a co-ordinating TMS were introduced as part of the overhaul.

More than 85 different banking partners, with 1,030 different costly accounts, were formerly in use. But this has now been rationalised with the closure of 606 accounts (60%), and the establishment of 10 core relationship banks around the world instead. Immediate cash visibility has gone up by 95% across DEME thanks to this new set-up.

The revamped infrastructure is now live for all 162 entities of the group spread across 44 countries. Payments are initiated and approved in the local ERP systems and sent to the relevant bank without any manual intervention. They are also automatically screened against the latest sanctions lists. The implementation of the new TMS automated many previously manual tasks, such as treasury accounting), enabling the small treasury department to support the growth of the entire company. And such a comprehensive overhaul, and huge team effort, was truly deserving of this Treasury Team of the Year Silver Award.

DEME

Listen to the DEME treasury team and banking partner, BNP Paribas, explain more about this award-winning solution in TMI's TreasuryCast, recorded live in Barcelona in 2023: http://tinyurl.com/yc4h377v

treasurycast

EDITOR'S PICK

Edtech Passes Efficiency Challenge With Flying Colours

EDITOR'S PICK
GoStudent

No ERP, no TMS, and no fixed financial structure meant treasurer Dominic Lynch could create his dream team – and machine – to propel GoStudent to even greater success.

GoStudent, a global educational technology firm, has built a corporate treasury from scratch after experiencing rapid growth and becoming a start-up unicorn valued at €3bn.

The Austria-headquartered company has five subsidiaries and more than 20,000 tutors in 24 countries, teaching in excess of 30 school subjects online. It hosts 1.5 million tutoring sessions per month, and these numbers keep growing. As such, GoStudent has a large volume of ACH transactions to pay its global tutors which currently represent 95% of the company's 170,000 payments per month.

A treasury department and supporting technology was needed to better handle these obligations and move away from the ad hoc financial structure that had arisen to cope with its stellar growth since it was founded in 2016.

There was previously no ERP, TMS or centralised transaction management. GoStudent had relationships with six banks. But the company needed to streamline to cut the complexity and cost of its operations and enhance visibility into their group-wide cash and risk positions, thereby improving reporting and compliance capabilities as well.

Harnessing the power of AI

Dominic Lynch was hired as the first treasurer in March 2022. He built out the treasury function and nascent team and implemented a plan that included a TMS from FIS (Integrity Edition, installed in just five months) and a centralised banking relationship with Citi. Uniquely, GoStudent has also integrated a data lake with AI-powered data-crunching capabilities via APIs between these partners.

The data lake, linking to the TMS and its banking partner, and the AI tool installed to get the most out of it, supports analytical capabilities in the risk arena. An advanced liquidity model, with better working capital, is also possible thanks to AI's ability to spot patterns and enhance accurate cash forecasting.

AI-power with a data lake, fed with information from the TMS and bank, has also enhanced the investigation and adjustment of payment files. For instance, transaction data fed into the AI can detect issues in payment failures and prevent them happening again by highlighting and implementing the changes. This unique aspect of the project has much to teach other, older established corporate treasuries, which perhaps haven't yet fully realised the power of AI.

The establishment of a new treasury team from scratch and its supporting technology won GoStudent the Editor's Pick trophy at the TMI Awards 2023, as an especially noteworthy project.

Simple but scalable

"We were looking for a system that was very scalable from a cash management perspective," explains Lynch. "It needed to be fully SaaS and modular, so that it could scale as we grow. We also had members of the finance team, in accounting and controllers, who didn't have a treasury background that required access to the system, so it needed to be simple to use."

"We are presently pulling the data into the data lake, so we can carry out further analysis reporting on different transaction movements which we then feed into the AI forecast model," continues Lynch, as he sets out one of the many end uses of its innovative new solution. "We are now able to see the group transaction reports centralised right in the TMS. As a result, we have been able to reduce FTE by 1.5 across other functional departments. "

Automation and efficiency have increased at GoStudent since the establishment of its new treasury and supporting systems. Moving forward, the use of AI analytical power will be useful in predicting interest rate risk, which is currently particularly volatile, currency movements, and other such risk mitigation duties, while also enabling the organisation to be more strategic and data-led in its future planning.

GoStudent

TREASURY4GOOD AWARDS

Jose Luis Marti is an ESG Warrior with a Heart of Gold

Outstanding Treasury4Good Leader

GOLD WINNER

Jose Luis Marti

The career of Microsoft's Jose Luis Marti embodies the profound impact that conscientious leadership can have on shaping a more equitable, sustainable, and socially responsible future – while driving a global treasury team to award-winning heights.

"CSR is not just something that is written in a document, but rather something that is lived and breathed by everyone in the company." This is the vision of Jose Luis Marti, Senior Director - Global Operations, Microsoft.

In the somewhat traditional landscape of corporate finance where CSR is not always top of mind, Marti is a beacon of exemplary leadership, notable for his pioneering efforts in ESG and DEI practices within operations at Microsoft Global Treasury and Financial Service (GTFS), and beyond. According to his colleagues and senior managers, Marti possesses an exceptional blend of strategic vision, relentless dedication, and a profound commitment to driving positive change, both within the corporate's own four walls and in the broader community.

Reaping diversity dividends

Marti's leadership is characterised by an unwavering dedication to fostering a corporate culture grounded in diversity, inclusion, and sustainability. He understands that supporting diverse communities is not only the right thing to do but is also good for business.

Actively spearheading various employee resource groups (ERGs) advocating for LGBTQ+ rights, minority empowerment, and cultural diversity underscores, Marti is committed to cultivating an equitable and inclusive workplace environment. Moreover, his pivotal role as one of 19 employees driving Microsoft's Social Entrepreneurship programme underscores his proactive stance towards effecting tangible social change.

Through this programme, Marti has been instrumental in forging a transformative partnership between Microsoft and Fundación Capital – a leading international organisation dedicated to eradicating poverty and promoting financial inclusion. Leveraging Microsoft's technological prowess, Marti has played a pivotal role in facilitating Fundación Capital's digital transformation journey. In turn, this has helped to amplify the foundation's mission on a global scale.

Elsewhere, at the forefront of Microsoft's sustainability endeavours, Marti was the founding member of the Sustainability Warriors team, a GTFS team focused on promoting sustainability initiatives and orchestrating several impactful initiatives aimed at promoting environmental stewardship and social responsibility. This includes leading extensive sustainability training programmes to co-ordinating large-scale environmental conservation efforts across global office locations. Indeed, Marti has influenced 65% of the global GTFS workforce to take the company's 'sustainability in action' training.

A true corporate pioneer

Marti's visionary leadership is also driving heightened employee engagement with CSR initiatives. And his combination of personal passion with professional responsibility has not only enhanced Microsoft's CSR stature but has also catalysed positive change on a broad scale, touching the lives of countless individuals and communities.

The TMI judges are therefore delighted to recognise Marti's exceptional contributions to ESG and DEI leadership within the treasury domain. His tireless advocacy for inclusivity, sustainability, and societal advancement embodies the ethos of a true corporate pioneer, deserving of the Gold Outstanding Treasury4Good Leader Award.

Microsoft

"Marti's leadership is characterised by an unwavering dedication to fostering a corporate culture grounded in diversity, inclusion, and sustainability."

TREASURY4GOOD AWARDS

The Trailblazing Leadership of Piero Luigi Fratini Takes Bridgestone to Greener Pastures

Outstanding Treasury4Good Leader

SILVER WINNER

Piero Luigi Fratini, Bridgestone

Fratini's journey from a distinguished career at the European Commission to spearheading sustainable finance initiatives at Bridgestone highlights his outstanding contributions to ESG integration within the treasury domain.

The word 'Fratini' is thought to derive from an Italian dialect, and roughly translates as 'scrubland' or a 'rugged place'. But Piero Luigi Fratini, Head of ESG Finance, Reporting and Compliance in the Treasury Team, Bridgestone EMIA, has nurtured and grown a well-stocked garden of sustainability initiatives at the world's largest tyre and mobility solutions company.

Upon joining Bridgestone in 2021, Fratini embarked on a mission to establish robust sustainable finance initiatives from scratch. He laid the foundation by creating the company's first sustainable finance policy, designed to guide investment decisions and mitigate risks associated with greenwashing. This policy sets clear guidelines for incorporating ESG factors across various financial activities, ensuring alignment with Bridgestone's wider corporate sustainability goals.

The policy is also designed to mitigate potential risks related to misleading sustainability claims (greenwashing) by establishing ESG standards for corporate investments, financial products, and services.It applies to all entities within Bridgestone EMIA, encompassing all corporate investments".

Chalking up the wins

The policy is built upon four interconnected key pillars (read more about these in the Top Team for CSR/ESG Award Case Study on page 12 of this Yearbook), aimed at promoting responsible investment practices, attracting sustainable capital, and ensuring transparent reporting to stakeholders – all under the careful stewardship of Fratini:

1. Sustainable capital allocation programme
2. Sustainable funding
3. Stakeholder engagement and value creation
4. ESG reporting

Throughout 2023, Fratini led his team to new heights through this targeted ESG approach. Notable wins include a significant reduction in financing costs due to the company's outstanding sustainability score – the Ecovadis Platinum Medal – placing Bridgestone in the top 1% of organisations assessed.

> "Fratini's collaborative engagement with industry leaders in both the banking and ESG spaces underscores his dedication to collective action."

Fratini's, and therefore the company's, robust approach to ESG also attracts cost-effective capital, including funds from public FIs and governments, supporting innovation and sustainable R&D efforts.

Ahead of his time

According to his colleagues, what sets Fratini's leadership apart is the holistic integration of ESG principles into treasury operations, from strategic planning to execution. His pioneering spirit and commitment to innovation have led to transformative initiatives that are driving tangible sustainability outcomes, alongside financial results. Moreover, Fratini's collaborative engagement with industry leaders in both the banking and ESG spaces underscores his dedication to collective action in advancing sustainable finance practices.

His accomplishments are more than deserving of the Silver trophy for Outstanding Treasury4Good Leader 2023. And TMI looks forward to seeing how Fratini continues to inspire change within the 'traditional' treasury sphere as an enabler for a sustainable future.

BRIDGESTONE

Solutions for your journey

TREASURY4GOOD AWARDS

Bridgestone EMIA's Treasury Team Streaks Ahead in Sustainable Finance

Top Treasury Team for CSR/ESG

GOLD WINNER

Bridgestone EMIA

The impressive achievements of the tyres and mobility solutions company's EMIA treasury team are reshaping the landscape of sustainable finance.

Since late 2020, Bridgestone EMIA's treasury team has been at the forefront of driving innovative finance operations with a strong emphasis on integrating ESG principles across its activities. The team's pioneering initiatives, such as a sustainable SCF programme and an ESG-linked loan, have garnered global recognition – including a previous TMI Treasury4Good Award in 2021.

One of the major achievements underpinning the team's success has been the establishment of a clear Sustainable Finance Framework, driven by Piero Luigi Fratini, Head of ESG Finance, Reporting and Compliance in the Treasury Team, Bridgestone EMIA (featured on page 11 of this Yearbook as an Outstanding Treasury4Good Leader). The framework has four key pillars, under each of which many goals have already been achieved:

1. **Sustainable capital allocation programme.** This plays a crucial role in guiding investment decisions across the treasury function. It directs working capital toward investments that significantly contribute to ESG objectives, such as low-carbon and climate-resilient activities. In addition, internal and external KPIs have been introduced to evaluate sustainability impact alongside financial metrics. After a triumphant pilot phase, 2023 saw remarkable expansion in both the scale of investments and the diversity of businesses encompassed by the programme. The approach is being extended to all corporate investments and various business areas, including logistics, retail, and mobility solutions.
2. **Sustainable funding.** High-impact investments from the sustainable capital allocation programme are identified and receive support through a newly established ESG Special-Purpose Funding Centre of Excellence. These capital opportunities generally offer favourable terms compared with traditional funding instruments. By utilising these instruments, treasury enhances communication about its sustainability journey to investors and to bolster the Bridgestone brand. In 2023, this approach resulted in significant financing cost reductions due to the company's outstanding sustainability score.
3. **Stakeholder engagement and value creation.** The treasury team's commitment to ESG also encompasses Bridgestone's entire value chain. Initiatives such as an award winning Sustainable SCF programme demonstrate a collaborative approach to promoting sustainability among business partners and supporting socially inclusive projects. Since its implementation, the sustainable SCF programme has grown globally, covering annual spends of $1.8bn USD in regions including Europe, India, South Africa, and North America. In 2023, the team also initiated a sustainable deposit programme with Citibank India. This is aimed at helping to finance socially inclusive businesses in India, supporting initiatives in healthcare, education, smallholder farming, and infrastructure. The team is also exploring opportunities to further integrate sustainability beyond account-related liquidity into trade finance tools (e.g., documentary trade finance, payment and liquidity management, buyer/supplier trade finance).
4. **ESG reporting.** The Bridgestone EMIA treasury team ensures transparent and consistent ESG reporting practices, aligning with EU regulation (CSRD, Taxonomy) and global international standards such as the International Sustainability Standards Board (ISSB). By conducting comprehensive assessments and adopting a Double Materiality Assessment (DMA) approach, the company demonstrates accountability and transparency in its sustainability reporting practices. In addition, the ESG reporting pillar has seen substantial growth in 2023, surpassing statutory requirements to develop a comprehensive and credible ESG disclosure framework across the entire value chain, including upstream, operations, and downstream activities.

What sets this treasury team apart is its holistic and integrated approach to sustainable finance, making ESG part of business-as-usual. Moreover, treasury's innovative ESG initiatives and tangible outcomes make Bridgestone EMIA's treasury function the deserving recipient of the Top Treasury Team for CSR/ESG Award. It's leadership in driving sustainable finance not only benefits the company and society, but also stands as an inspiration for other treasury professionals, and supports a global movement towards a more sustainable future.

BRIDGESTONE
Solutions for your journey

TREASURY4GOOD AWARDS

LGFA's Treasury Team Takes the Lead in Funding the Future

EDITOR'S PICK

New Zealand Local Government Funding Agency

During 2023, this municipal funding agency has proven itself as a front-runner in sustainability, innovation, and best practice – navigating complex challenges with ingenuity and resilience.

The New Zealand Local Government Funding Agency's (LGFA's) journey is characterised by unprecedented success in municipal financing, boasting a remarkable 90% market share of council borrowing since its inception in 2012. However, recent challenges, including rising interest rates and regulatory uncertainties, necessitated strategic interventions to sustain this momentum.

In response, LGFA undertook a multifaceted programme to diversify funding sources and pioneer innovative financial instruments. Noteworthy initiatives include venturing into the Australian dollar bond market with an inaugural five-year bond issue, a landmark achievement that broadened LGFA's investor base and enhanced liquidity.

A global ESG first

Perhaps most impressively, however, LGFA also introduced the world's first Sustainable Financing Bond (SFB) in New Zealand, underscoring the organisation's commitment to environmental and social responsibility while attracting a diverse array of investors.

The NZ$1.1bn tranche of a seven-year May 2030 SFB was first issued in April 2023 and upsized by NZ$500m in September 2023. This was the first SFB globally where the use of proceeds is applied to a commingled asset pool of green, social, and sustainability (GSS) loans and sustainability-linked loans (SLLs) that LGFA provides to its council members.

To illustrate the success further, the 34 investors in the transaction amounted to the second highest number of participants across the 16 syndications that LGFA has undertaken to date. And the final order book of NZ$1.6bn for the initial syndication was the largest order book in the history of LGFA bond issuance.

Furthermore, the SFB issue is as liquid as the existing LGFA bond tranches and is the most heavily traded bond on the NZX Debt Market (NZXDX) since it was issued in mid-April 2023. In fact, the SFB has traded 127 days out of the 132 days since listed and comprised 7.5% of turnover on the NZXDX.

A runaway success

One of the main reasons for the SFB's great success was the large amount of preparation undertaken over a three-month period ahead of issuance. This involved 10 documents being created from scratch, as well as regulatory exemptions being requested and received. These exemptions will also make it easier for other issuers to follow in LGFA's shoes, as the team's groundbreaking bond has now set a precedent in the New Zealand market.

Given its runaway success, LGFA intends to issue more SFBs and develop a yield curve comprising SFBs (every even-year maturity) and vanilla bonds (every odd-year maturity). But the team's huge victories to date are entirely deserving of the Editor's Special Treasury4Good Award 2023.

Indeed, the pioneering issuance of the SFB, alongside LGFA's other strategic funding initiatives undertaken in 2023, has diversified funding sources, and broadened investor participation. As a result, this has helped ensure the uninterrupted flow of cost-effective financing to local councils while enhancing stakeholder satisfaction. Notably, LGFA's innovative overall approach has garnered exceptional feedback from council stakeholders, with satisfaction scores consistently exceeding 98%.

All told, LGFA has made well-informed decisions from a strategic and tactical perspective, while also laying the groundwork for a new era of SFB issuance in New Zealand.

LGFA
New Zealand Local Government Funding Agency
Te Pūtea Kāwanatanga ā-rohe

TREASURY4GOOD AWARDS

Best Sustainable Trade and Supply Chain Project

GOLD WINNER

Teva

Teva Encourages Better Supplier 'Health' Through ESG-driven SCF Programme

The global pharmaceutical company based in Israel has embarked on a pioneering ESG journey through initiatives within its treasury operations – culminating in a new sustainable supply chain finance programme.

A pioneer in prioritising ESG considerations, Teva Pharmaceutical Industries (Teva) set a high sustainability benchmark in 2021 through its groundbreaking Sustainability Linked Bond (SLB) issuance. At the time, the $5bn bond was the largest of its kind from any sector, the first issued by a generic medicines company, and the inaugural such issuance by an Israeli group[1].

Teva's core business involves the development, production, and marketing of generic and specialty medicines worldwide. With a significant presence in the US, Europe, and various other markets across the globe, the company has long recognised the integral role of ESG principles in its operations.

Incentives through partnership

One innovative aspect of Teva's ESG journey lies in its treasury operations. In 2018, Teva and its banking partner BNP Paribas established an SCF programme aimed at enhancing cash flow efficiency within Teva's European operations. However, in 2023, Teva decided to extend its ESG focus into this already successful programme – winning it the Gold trophy for Best Sustainable Trade and Supply Chain Project at TMI's Treasury4Good Awards.

By partnering with BNP Paribas and EcoVadis (the world's largest provider of business sustainability ratings), Teva created a sustainable SCF programme to incentivise suppliers to improve their ESG performance. The incentivisation is achieved through tiered pricing based on EcoVadis assessments and a pricing grid provided by BNP Paribas.

A bounty of benefits

The solution enables suppliers to accelerate their cash conversion cycle by discounting receivables on a non-recourse basis. Beyond the financial advantages, this set-up offers impressive sustainability benefits not only for suppliers that are encouraged to progress their sustainability journeys but also by contributing to Teva's global ESG strategy. This includes goals such as:

- **Climate action and resilience**
  - o Reducing Scope 1 and 2 greenhouse gas (GHG) emissions by 46%
  - o Reducing Scope 3 GHG emissions by 25%
- **Responsible use**
  - o Increasing energy efficiency by 10%
  - o Increasing electricity from renewable sources to 50%
  - o Reducing total water withdrawal by 10% in water-stressed areas
- **Emissions, effluents, and waste**
  - o Increasing the proportion of recycled and responsibly sourced materials by 10%
  - o Assessing and minimising antimicrobial discharges from company operations and the supply chain

Blazing a sustainable trail

Teva's ESG initiatives reflect a broader market trend towards responsible supply chain management – yet many companies are still sitting on the sidelines, whereas Teva is leading by example.

Indeed, the Israeli firm's collaboration with BNP Paribas and EcoVadis on this sustainable SCF solution demonstrates its leadership in driving positive change throughout its value chain. And with a comprehensive ESG strategy, including several treasury initiatives, Teva continues to pave the way for sustainable business practices within the pharmaceutical industry and beyond.

teva

Notes

1 https://www.tevapharm.com/news-and-media/latest-news/tevabecomes-first-pharmaceutical-company-to-execute-sustainability-linked-bond-tied-toboth-climate-and-/

TREASURY4GOOD AWARDS

Best Sustainable Trade and Supply Chain Project

SILVER WINNER

Louis Dreyfus Company

Louis Dreyfus Company Drives Sustainable Trade Finance in India

By providing liquidity to suppliers and promoting sustainable agricultural practices, a pioneering sustainable trade finance solution in India is enhancing financial inclusion, improving cash flow efficiency, and fostering a more ecologically sound future for the agriculture industry.

Louis Dreyfus Company (LDC) is a leading global merchant and processor of agricultural goods. Active in more than 100 countries worldwide, LDC established its presence in India in 1997 and has since grown its operations to cover the entire agricultural value chain, with multiple business lines such as coffee, cotton, grains, oilseeds and sugar.

As a major agricultural hub, India presents both challenges and opportunities. With approximately 70% of rural households relying on agriculture for their livelihoods, sustainable agricultural practices are imperative. Recognising its role and responsibility in supporting farmers connected with its supply chains, LDC is committed to promoting sustainable agricultural practices and fostering long-term partnerships with local farming communities.

Accordingly, LDC actively collaborates with a range of partners to drive positive change in its value chains, exemplified by its partnership with the Better Cotton Growth and Innovation Fund in Maharashtra.

Making trade sustainable

In line with its commitment to sustainable business, LDC recently embarked on a pioneering sustainable trade finance initiative in collaboration with Standard Chartered, aiming to provide trade finance for the procurement of cotton certified by Better Cotton, thereby promoting sustainable agricultural practices among cotton farmers.

With the bank's support, LDC rolled out a pre-to-post shipment invoice financing solution to finance the purchase of certified cotton from the company's suppliers. The timely payment to suppliers trickles down the supply chain to cotton ginners (who separate the cotton fibres from the seeds), which in turn, supports and encourages farmers to produce more certified cotton and attracts other farmers and ginners to become a part of this initiative.

The benefits are tangible:

- **Improved liquidity:** the invoice-financing solution provides liquidity to suppliers during the pre-shipment phase, enhancing the buyer's cash conversion cycle
- **Cost efficiency:** in the absence of LDC's anchor support, suppliers would have had to seek financing at higher interest rates, impacting their working capital cycle. The solution offered by LDC and Standard Chartered ensures cost-efficient financing for vital sustainable agricultural practices
- **Financial inclusion:** by providing necessary financing support, LDC is enhancing stability for its suppliers, and fostering financial inclusion within the supply chain

Above and beyond

Beyond financing, LDC's partnership with Better Cotton means that farmers are also being educated on best practices such as water conservation, efficient fertiliser use and soil-health protection, which enhance crop yields and ultimately increase farmers' livelihoods sustainably.

In summary, LDC's sustainable trade finance solution demonstrates the company's commitment to creating fair and sustainable value for all stakeholders, making it a worthy winner of the Silver trophy for Best Sustainable Trade and Supply Chain Project.

LDC.
Louis Dreyfus Company

> **"LDC has established itself as a key player in promoting sustainable agriculture."**

TREASURY4GOOD AWARDS

ADM Sows the Seeds of Success with Sustainable LC Programme

Best Sustainable Trade and Supply Chain Project

BRONZE WINNER

ADM

A pioneering sustainable export letter of credit programme – rolled out across diverse agricultural sectors and geographical regions – marks a significant step towards promoting eco-friendly farming practices and sourcing sustainably produced goods "from the farm gate to the dinner plate".

Archer Daniels Midland (ADM) is a global leader in the food and agriculture industry, with a mission to unlock the power of nature to enrich the quality of life. Sustainability is deeply ingrained in ADM's purpose and growth strategy, underpinned by a commitment to supporting more sustainable solutions across its value chain.

With supply chain stakeholders spanning farmers to multinational customers, ADM acknowledges and embraces the importance of sustainability in driving positive change across industries such as food, fuel, and industrial and consumer products. Aligned with the United Nations Sustainable Development Goals (SDGs), ADM focuses on several of the 17 pillars, including: Zero Hunger; Clean Water and Sanitation; Decent Work and Economic Growth; Climate Action; and Life on Land. ADM has also committed to ending deforestation and preserving biodiversity in its supply chain.

A multifaceted endeavour

Keeping ESG front of mind, the company's structured finance team wanted to launch an ambitious sustainable export letter of credit (LC) programme to support supply chain trackability. An additional aim was to foster greater adoption of sustainable farming and production practices, thereby promoting positive effects on resource efficiency, deforestation, energy use, and social impact.

The challenge for ADM, however, was to replicate this across diverse agricultural industries and geographical locations, since the scope of the programme was to operate in three key booking centres – Singapore, the UK, and the US. The company reached out to Standard Chartered to assist, and the collaborative effort that followed won ADM the Bronze trophy for the Best Sustainable Trade and Supply Chain Finance Project at the 2023 TMI Treasury4Good Awards.

Making the complex seem simple

Through seamless collaboration between Standard Chartered's teams in the locations of the three booking centres, along with group teams and sustainable finance experts from the bank, a sustainable export LC programme was born. The scope of the project covered the transport of commodities such as soybeans, oilseeds, and cotton from Latin America, the US, and Australia to European countries.

The programme was enhanced with the incorporation of third-party issued certifications from initiatives including the Round Table on Responsible Soy (RTRS); the US Soy Sustainability Assurance Protocol (SSAP); International Sustainability and Carbon Certification (ISCC); and the Better Cotton Initiative (BCI), aligning with Standard Chartered's own Green and Sustainable Product Framework. These certifications not only ensure compliance with sustainable standards but also help ADM fulfil its sustainability objectives, enabling the company to identify and facilitate flows that align with its goals under the aforementioned framework.

Encouraging sustainable change

ADM's initiative stands out for its scalability, replicability, and direct impact on the environment. By addressing ecological concerns in agriculture and providing financing support for eco-friendly practices, ADM's sustainable export LC programme contributes to mitigating environmental degradation and promoting long-term ecological balance.

Commenting on the success of the programme, Olivier Boujol, Vice President and Global Head of Structured Trade Finance, ADM, said: "Sustainability powers our strategy, and is foundational to our purpose as a company. With an integrated value chain spanning food and agriculture, ADM is uniquely positioned to drive sustainable practices across our industry, and we're continuously scaling up our efforts to power positive change.

"We're proud to work with Standard Chartered to support and encourage sustainable agriculture and food production from the farm gate to the dinner plate, and we look forward to continuing to expand our structured trade efforts in sustainability."

TREASURY4GOOD AWARDS

Making Money Matter by Investing for Purpose

Best Ethical Investment Initiative

GOLD WINNER

T Rowe Price

Through a partnership with a pioneering fintech platform, a global asset management firm has committed $50m to address the racial wealth gap, showcasing how strategic corporate treasury decisions can drive positive social change.

As businesses increasingly recognise their responsibility towards both employees and communities, some are exploring new avenues to fulfil this duty of care. This exploration often requires substantial effort and genuine commitment, but when tangible results emerge, it fosters a culture wherein 'doing good' becomes the norm.

One firm that has taken this journey to the heart of its operations – and financial decisions –is T. Rowe Price, an American publicly owned global asset management firm. Wanting to bring about social change, the Black Leadership Council (BLC) at the company initiated a workstream to leverage impact investing as a means to empower under-represented communities and narrow the racial wealth gap.

Partners in diversity and inclusion

For T. Rowe Price, impact investing is a strategic endeavour that requires careful consideration of a confluence of factors – not least security, liquidity, and yield. Through thoughtful planning and collaboration, the firm aims to achieve positive outcomes for both investors and the communities it serves.

To this end, after careful consideration, the BLC decided to partner with CNote, a specialist impact investment platform, recognising its alignment with T. Rowe Price's own mission. In particular, CNote's focus on unlocking diversified community investments, including funding for small businesses owned by women and people of colour, resonated with the investment management firm's social impact goals. What's more, CNote emphasises the importance of capital preservation and adherence to industry standards, while maintaining a balance between social objectives and financial considerations.

Endorsed by top management, T. Rowe Price then committed $50m to this initiative. Naturally, the partnership underwent thorough due diligence, ensuring legal, risk, and IT security compliance. Throughout this process the two partners also collaborated to define social impact themes and geographic targets for the deployed funds, setting the stage for meaningful community engagement.

Paying it forward in abundance

By leveraging CNote's expertise and technology, T. Rowe Price has been able to maximise the deployment of its funds, supporting more than 50 mission-driven financial institutions. And by focusing on areas such as affordable housing and business development, the investment manager hopes that its funds will go some way to addressing the US racial wealth gap, while maintaining a balanced approach to capital preservation and impact goals.

T. Rowe Price continuously monitors its financial position and impact metrics through CNote's online portal and quarterly impact reports. And despite minor technical quirks that required a little ironing out between the two parties, T. Rowe Price remains committed to leveraging CNote's solutions for ongoing impact investing initiatives.

T.RowePrice
INVEST WITH CONFIDENCE

To discover more about this impact investment journey, visit TMI's blog, where Evantz Perodin, Vice President and Assistant Treasurer, T. Rowe Price, explains in detail how the global investment management firm is meeting its investment criteria while changing lives for the better:

https://treasury-management.com/blog/investing-for-change-a-treasury-tale-with-a-happy-outcome/

BEST TREASURY INITIATIVE FOR VALUE CREATION

Chalhoub Group Luxuriates in a First-Class Transformation

Best
Treasury Initiative
for Value Creation
GOLD WINNER
Chalhoub Group

A multifaceted project underpinned by professional development and value creation has delivered significant savings, reduced risk, and future-proofed a flourishing business.

Chalhoub Group is a partner and creator of luxury experiences in the Middle East with a portfolio of eight owned brands and over 300 international brands. It has recently focused on team building to drive value creation and the development of its treasury, led by a senior ACT (Association of Corporate Treasurers) qualified treasurer.

The multiple initiatives undertaken by Chalhoub's group treasury in 2023 were supported by a high-performance treasury team who – together with ACT-trained project resource from LHD Research – captured nearly $2m in savings, through several initiatives. These included digital transformation with a TMS roll out, operational efficiency through a digital payments team, an innovative cash management structure in the Kingdom of Saudi Arabia (KSA) and debut sustainability-linked finance facilities that were launched at COP28.

The treasury team's efforts have been recognised with a Gold trophy at the TMI Awards 2023 in the Best Treasury Initiative for Value Creation category.

Under the leadership of their group treasurer, a Fellow at the Association of Corporate Treasurers, the highly skilled and experienced treasury team has delivered significant value to the diverse business, which is present in over 14 markets with 15,000 team members, thanks to these specific initiatives:

- **A centralised digital payments team within group treasury.** This team built strong relationships across the group's commercial brands. And by leveraging their professional expertise with financial institutions and PSPs like Checkout.com, they were able to integrate multiple different websites under a common payment initiative to standardise the operational process. This has led to savings of $600,000 - a significant achievement considering the digital payments team was new to Chalhoub, as well as group treasury, and developed in response to the accelerated online sales after the pandemic
- **TMS enhancement.** Introducing FIS Integrity TMS in the cloud, alongside Swift connectivity, a Microsoft Power BI automated reporting tool, and Refinitiv trading and risk mitigation tools (now called LSEG Data & Analytics) have improved efficiency and capability across the group. The treasury team has onboarded many bank accounts across 14 markets to the TMS using Swift MT940 messaging and uses Power BI to produce local country reports on cash, debt, and funding, thereby retiring prior Excel usage. The package has already cut bank fees and enhanced interest rates by concentrating cash in the newly centralised operation, delivering significant efficiency benefits so far
- **A cash concentration structure for the KSA market.** In 2023, Chalhoub Group needed to provide adequate funding and a cash management structure to support strategic investments in KSA. A new local law on intercompany loans recently allowed cash pooling, so the group has implemented this, in partnership with BNP Paribas, and also negotiated a debt funding programme with multiple new banks. Net interest costs are reduced by the new structure, and counterparty risk has fallen because a prior dependency on a single banking partner in the country has been reduced to within acceptable policy levels of in-country group business
- **M&A strategy and sustainable finance.** The new training and skills within the treasury team have been put to good use, ensuring capital was available when the group recently made acquisitions in the UK and LatAm, expanding beyond its traditional Middle East core markets. The treasury also unveiled new sustainability-linked finance facilities, in partnership with Mashreq and Emirates NBD, as part of its ongoing efforts to future-proof the business

The focus on centralisation, flexible technology, as well as training and accreditation with professional bodies such as the ACT, has helped Chalhoub Group deliver the above projects and benefits, with the first private company cash pool in KSA being particularly noteworthy. But the enhanced internal skill set of the team will continue to deliver value long into the future – which the group now faces with confidence.

CHALHOUB GROUP
SINCE 1955

BEST AI DEPLOYMENT

Educational MNC Does its Homework and Passes Cash Forecasting Test

Best AI Deployment

GOLD WINNER

Pearson

Pearson has operations in 200 countries with 160 million users. This means granular insight into its cash position is vital.

Educational publisher and edtech specialist Pearson has mastered how to improve its cash predictions thanks to new AI-powered software, which also helped it win the Gold trophy at the TMI Awards 2023 in the Best AI Deployment category.

Pearson has developed its processes using a new cloud-based cash forecasting solution that uses TIS' cash forecasting software-as-a-service (SaaS) option to back-test its model to identify gaps or inconsistencies in its predictions. It then adjusts its logic for subsequent forecasts, thereby increasing accuracy over time.

The actual vs. forecast analysis is driven by an AI model that learns as it goes along, enabling Pearson to increase accuracy and efficiency when managing its cash forecasting. The complexity of managing cash across so many currencies and collating information from large numbers of stakeholders previously limited the team's ability to analyse and respond to the data.

The most obvious benefit has been in improved consistency of group operating cash flow, which now consistently achieves 100%, or close to, as a percentage of operating profit. This comes from tighter working capital understanding and management and has resulted in improved efficiency in FX conversion, lower interest costs, and lower levels of gross debt.

Across-the-board visibility

Getting its cash position right ahead of time, so that funds are in the correct place to oil supply chains, meet payroll, pay for acquisitions or to optimise liquidity options is essential for Pearson, as with any firm. But it's not easy to do this efficiently when operating in 200 countries with a 160 million-strong user base and a $4.7bn turnover.

The platform gives Pearson visibility of all entities managed by the central treasury team, allowing for multicurrency forecasts and to include the impact of all expected treasury settlements. This means the company can make robust plans for its liquidity and FX needs.

Not all cash flows are suitable for AI, either due to small sample sizes (dividends or acquisitions for example) or due to inherent unpredictability. Nonetheless, the AI model helps the team to better understand where efforts would be beneficial to change processes to make the timing of receipts and payments more predictable and those benefits can be quantified.

Relevant financial data can easily be pulled on to the SaaS platform with AI functionality to run analyses on primary cash flow drivers. Data is continuously reviewed and analysed to ensure that it is properly categorised, as this forms the basis of the AI-based forecast. The models used for prediction are also interrogated to ensure that they are consistent with how the business expects to perform in the future and adapted as appropriate.

In addition, reports can now be more easily shared by the treasury with other departments and stakeholders thanks to the cloud-based SaaS functionality, which also means collaboration is easier. Elsewhere, this functionality means the platform can handle frequent updates as well as being scalable for the future.

Overcoming hurdles, managing growth

Gaining granular insight into the company's cash position is extremely valuable and the team has worked to progressively develop its visibility and understanding of its cash flows. The TIS system complements existing Pearson systems by offering one designed to provide the insights needed by the treasury team. Granular data from the AI can – and does – positively impact cash flow dynamics under the new solution.

Interestingly, the TIS system has shown its worth as Pearson's business has changed. The ability to segment by business, currency and flow type means that it is relatively easy to test hypotheses about growth in receipts from new products, the impact of cancelled exams, as happened during the pandemic, and acquisitions. The flexibility of the new solution can handle reformulating its models better because data inputs are faster and more granular. It does also mean the system has coped well with post-pandemic challenges such as rising interest rates, global conflicts, and increased volatility, which all make good cash forecasting more vital than ever.

Pearson

BEST AI DEPLOYMENT

AI Furnishes Ingka Group (IKEA) with Instant Cash Insights

Best AI Deployment
SILVER WINNER
Ingka Group

Cash forecasting at Ingka Group, the largest franchisee of the IKEA brand, is now brighter thanks to a custom-designed solution that was developed in just eight months.

Ingka Group, the Dutch holding company for IKEA Retail that also has shopping centres and investments under its umbrella, has applied AI to its cash flow forecasting gaining a Silver accolade at the TMI Awards 2023 in the Best AI category for its use of ML algorithms.

The AI application deployed by Ingka Group delivers real-time insights that enhance its overall cash management across its diverse global footprint.

Traditional methodologies previously relied on manual data entry into Excel spreadsheets, with significant assumptions that could lead to human errors and inaccuracies. But by harnessing human expertise allied to AI in its new custom-designed solution, Ingka Group now has a faster, more efficient, data-led, accurate tool. It was developed in-house in just eight months.

The AI benefits from tapping human knowledge inputs during the set-up to help the application understand the various operational, investment and financing cash flow drivers, as well as the unique intricacies of the firm's businesses and investment portfolio.

Avoiding garbage in, garbage out

An important part of the project was to enhance interdepartmental relationships to help treasury access all the relevant data the forecast relies upon. A detailed assessment of historical data was then fed into the AI to ensure the spectre of garbage in, garbage out was avoided during its establishment.

Sophisticated forecasting techniques such as statistical models, scenario analysis, and ML algorithms were deployed to improve the company's cash forecasting accuracy and pattern-spotting capabilities. Already 55 scenarios, based on different parameters and assumptions, have been identified to help Ingka Group plan better.

Financial trends, customer behaviours, investment patterns, and economic indicators were fed in to establish a good base from which the AI can learn and build upon in the future. As the AI plugs into more and more real-time data, it then compares this with historical norms and segment-specific information to make Ingka Group more risk aware and on the front foot in optimising its assets.

As Guzmán Chavert Posa, Cash & FX Forecast Team Leader, Group Treasury, Ingka Group, says: "The capacity to process vast amounts of data enables the business to make well-informed decisions and swiftly respond to changing economic situations, enhancing agility."

Enhancing performance

More accurate and timely forecasts can:

- Address cash flow challenges such as trapped cash, FX and other risks
- Optimise investments
- Release working capital

The new AI application has become the backbone of Ingka Group's IHB operations, helping it efficiently manage the organisation's cash, liquidity, and financial risks. Automated data entry and calculations reduce the risk of manual errors as well as increasing efficiency.

Adaptability to meet future volatility challenges has also been enhanced. "AI-based cash flow forecasting models can adapt and learn from new data, making them more flexible in handling changing business environments," says Chavert Posa. "As economic conditions, customer preferences, and market dynamics shift, the AI model can continuously update its predictions, enhancing the ongoing accuracy of the forecasts."

IKEA®

An in-depth case study on this solution can be found in the 2023/24 edition of Journeys to Treasury, a comprehensive report produced by BNP Paribas, PwC, SAP, and the EACT.

Visit journeystotreasury.com to download your complimentary copy.

BEST API PROJECT

Microfinance Firm Maximises APIs to Provide Fully Digital Loans

Best
API Project
GOLD WINNER
Satin Creditcare Network Limited

Satin Creditcare has made borrowing swifter and smoother for millions of rural Indians.

Indian microfinance firm Satin Creditcare Network Limited (SCNL) has used APIs to create a fully automated, end-to-end digital loan application and disbursement process to serve millions of rural individuals and businesses in 26 of India's 36 states and union territories.

The onboarding process for new customers has been streamlined from up to 10 days down to just three. Existing customers can now get an approved loan in a matter of hours, disbursed directly to nominated accounts. The system takes advantage of the instant payments infrastructure powered by the National Payments Corporation of India (NPCI) and the Unified Payments Interface (UPI).

The use of APIs at each stage, covering beneficiary validation, bulk payment initiation, and payment status enquiries ensures end-to-end near real-time validation and payment processing. An account balance API also helps SCNL monitor its overall liquidity position.

The project won the Gold trophy at the TMI Awards 2023 in the Best API category for its comprehensive solution.

SCNL has also created a superior customer experience (CX), assisting acquisition, and driving greater efficiency across the organisation through the elimination of cash and adoption of automation.

Secure, cashless, and streamlined

Developed with banking partner HSBC, the microfinance firm's comprehensive solution combines digital tools and an entire suite of APIs to streamline connectivity, data exchange, and the workflow, which comprises:

- A loan management system (LMS), which has speeded up approvals
- Tablets with an in-built borrower onboarding platform that can be used by the firm's community service officers (CSOs) in branches, and an application that syncs with the LMS. Captured borrower details now flow into SCNL's systems in real-time
- Each entry automatically triggers a beneficiary validation request for the borrower's account details. This enables beneficiary name and account status to be validated on a near-real time basis before electronic disbursement
- Data is shared with the credit bureau via an API, with the response shared back within minutes. Borrower details are automatically matched against SCNL's existing data repository, which enables it to make decisions on borrower's credit using various rule-based scenarios
- Data on the loans to be disbursed from the company's loan application centres across India now flow into a centralised system
- An API request sent to HSBC initiates the loan disbursement at half-hour intervals
- A payment status enquiry API enables SCNL to track payment status right up to the point of the borrower receiving the loan
- Account balance APIs provide visibility into overall intraday balances, which improves liquidity management

The end-to-end loan disbursement process is now fully automated. Repayments can be made via the earlier implemented UPI AutoPay solution, which gives borrowers secure and cashless loan repayment.

Positioned for growth

Approximately 140,000 loans a month with a collective value of $3.6m are now disbursed in a matter of hours by the company's newly digitised procedure. Benefits include:

- A paperless experience and digital documentation stored in the cloud enabling more efficient KYC compliance, onboarding, record-keeping, and data interrogation
- Cashless disbursements at 100% of branches ensures a wholly digital journey, with integrated checks and controls on the LMS platform enabling fully automated and secure processing. Automation enables a headcount reduction and improved CX with real-time updates and dashboards
- The infrastructure put in place is scalable for volume. As an illustration, loan disbursement volume has grown 23% after the solution's implementation

SATIN

BEST API PROJECT

PingPong Puts a New Spin on Payments for E-commerce Sellers

Best
API Project
SILVER WINNER
PingPong

Hangzhou PingPong Intelligent Technology's new virtual account tool relies on APIs to give clients instant connectivity to its payment processing services.

Chinese e-commerce sellers represent a large constituent of PingPong's client roster, with many of the SME players requiring card and bank connectivity from them to process online payments.

Fintech PingPong has therefore rolled out a Standard Chartered solution that enables it to create virtual accounts (VAs) attributed to its clients to enhance reconciliation in its own collection procedures and accelerate their clients' order-to-cash cycle and access to fast payments.

Instant and cost-effective

The use of APIs powers this online connectivity to payment services, IBANs, and easier data exchange between digital marketplaces and their service providers. PingPong's use of APIs won it a Silver accolade for the Best API Project at the TMI Awards 2023.

Using APIs from PingPong to the Standard Chartered platform – and then onwards to the payments facilitator's clients – means that instant VA allocation to online sellers is possible in a quick and cost-effective manner. This gives tangible benefits in terms of being able to process payments quickly, introduce risk mitigation on cross-border currencies, and form strategic partnerships. Additional benefits include:

- Accelerated market entry
- Revenue growth for the end client and PingPong
- Cost reduction for all parties
- Enhanced customer experience (CX) and fast onboarding for e-commerce and trade-supply clients of PingPong's
- Faster collections for all parties

Enhanced operational and cost efficiency via increased automation is also a crucial benefit, as no manual procedures are now necessary.

Powering 21st century e-commerce

The rationale behind the solution is to instantly enable VAs to support sellers in multiple markets through PingPong's connectivity with Standard Chartered. The bank's solution creates VAs and IBANs on demand via in-built API connectivity. Sellers experience seamless onboarding and a frictionless journey on PingPong's portal, meaning they can get down to the business of selling in emerging markets without delay.

Standard Chartered gives the VA an IBAN to facilitate local collections and cut the time-lag traditionally associated with setting up new accounts and establishing collections procedures. After all, speed is of the essence in the fast-moving digital marketplaces of the 21st century, where the low barriers to entry mean competition is fierce.

PingPong maintains any essential physical accounts, depending on local regulations and laws, in the background, and oversees the essential VA infrastructure at the front end, which is now powering the provision of its online payment services. Sellers that onboard use the currency of their choice. Upon receipt of collections via the VA, the seller can withdraw or use those funds as they wish.

pingpong

> **"Using APIs from PingPong to the Standard Chartered platform – and then onwards to the payments facilitator's clients – means that instant VA allocation to online sellers is possible in a quick and cost-effective manner."**

BEST AUTOMATION PROJECT

Microsoft's Dual Automation Project Enhances AP and AR Efficiency

Best Automation Project

GOLD WINNER

Microsoft

With customers increasingly seeking greater efficiencies and demanding faultless third-party payment integration, the global giant created an end-to-end AP and AR e-invoicing service in-house – with glittering results.

The tech MNC has created a new in-house accounts payable invoice automation (APIA) solution to capture, validate, and process e-invoices and purchase orders, and deliver STP efficiency, while also developing a smart cash-matching solution to enhance AR reconciliation (see box). The linked development emanating from different spheres of the business has enhanced outgoing and incoming flows.

On the AP side of the business, Microsoft's customers are increasingly digitising their procure-to-pay (P2P) processes, seeking to integrate purchasing and AP to create greater efficiencies for themselves, often via third-party providers such as Ariba, Coupa or Taulia.

To cater to this trend Microsoft has developed its own e-invoice servicing tool to connect with these third-party providers. The first connections have been offered to those platforms with the highest volumes to ensure the greatest initial impact.

The digital transformation has brought many benefits to Microsoft's customers. It won the company a Gold trophy at the TMI Awards 2023, Best Automation category, which also recognised its separate AR work (see box) in the joint Award. On the AP side, the positive impact of linking to third-party P2P providers has been the increased potential for business and other benefits via:

APIA tools match e-invoices to purchase orders (PO) and contracts, or create a code for any lacking a PO, in order to deliver STP efficiencies. Microsoft is responding to the rising trend in customer requests for invoice delivery to P2P services, up 20% annually, by launching its new tool. It pulls data from multiple billing engines, such as SAP, Oracle, and Dynamics, to name just a few, to ensure STP.

In search of a digital handshake

The APIA solution Microsoft has developed relies on partnerships with service providers via a data contract. This ensures that Microsoft invoice fields match their customer's PO fields to aid the automation.

Microsoft's solution is agnostic, so it's scalable across P2P service providers and capable of meeting a customer's preferred purchasing experience.

At Microsoft, the team has created an end-to-end service that aligns with governmental and business drivers towards e-invoicing. It is also compliant with all relevant standards and protocols, such as the Peppol network in Europe or the Digital Business Networks Alliance (DNBA) in North America. Connecting to these networks as digital marketplaces, invoicing and indeed commerce generally becomes less paper-reliant in the 21st century, is vital. Microsoft stands ready to meet the challenge.

AR is A-OK

With revenue at Microsoft bursting through $200bn in 2022 and growing at 17% year-on-year, processes in AR need to keep up and deal with increasing complexity, without requiring new hires. An innovative in-house, smart cash-matching system, which was implemented with minimal system changes, was the answer – with the added benefit of incurring no extra expenditure on external vendors or consultants. It has improved the automatic matching rate of payments to invoices and reconciliation at Microsoft, giving the company greater efficiency, scalabilty and cost savings.

The solution uses customers' historic payment behaviour and exceptions-handling analysts' prior actions to prepopulate as much data as possible in the search for automation.

Microsoft receives thousands of payments every month from its thousands of customers, spanning more than 100 countries. The challenge lies in swiftly and accurately applying these payments to the corresponding invoices. Achieving STP has enabled them to faster apply payments and thus far saved more than 32,000 hours' manual labour annually and associated cost.

BEST AUTOMATION PROJECT

Merck Leverages the Perfect Chemistry to Automate FX Cash Settlement

Best
Automation Project
SILVER WINNER
Merck

The German MNC sweeps away cumbersome manual processes and fully automates FX cash settlement.

Pharmaceutical giant Merck has fully automated its FX cash settlement, winning a Silver accolade at the TMI Awards 2023 in the Best Automation category.

Merck has a centralised IHB dealing with everything related to FX risk, which is managed by its corporate treasury that uses daily FX rates and hedges against all its exposures. The activity covers more than 40 different currencies and handles a substantial volume of more than 10,000 FX transactions annually, resulting in more than 20,000 cash flows.

“Given the predominantly manual nature of the legacy process, we decided to embark on a complete redesign,” explains Uwe Reinemer, Head of Treasury Operations, Merck. “This involved streamlining sub-processes such as managing standard settlement instructions [SSIs], payment netting, payment processing, and monitoring. The transformation, and automation, has effectively converted the treasury department from a processing entity into a process steering team that now handles only monitoring and exceptions.”

A time saving, equivalent to a full-time equivalent (FTE) job, has been made thanks to the overhaul.

Automation steps

The key hurdles in this project concerned stringent security and reliability standards, and related steps with corporate and bank partners that are in many cases still performed manually, creating inefficiencies. Merck was determined to change this situation and achieve an end-to-end automated FX cash settlement and monitoring solution via:

1. Automatic updates of external SSIs
2. Automatic creation of net settlement amounts and reconciliation with external counterparties
3. Automatic release of payments after successful fraud monitoring
4. Real-time payment tracking via the direct access enabled by the Swift GPI for Corporates (G4C) platform

Typically, banks send their SSIs to clients via emails with PDF attachments. Each SSI has a different layout with varying provision of mandatory information, which is usually entered manually, and there is always the risk of entry errors or hitting spam filters.

Since banks communicate their SSIs with other banks using the Swift MT 671 message type, this information can also be utilised by corporates. As such, Merck used its Swift Service Bureau access to retrieve SSI information from its relationship banks without having to call them. An automatic upload imports the MT 671 messages into its TMS and notifies the treasury team of pending approvals for their attention (and any exceptions handling remedial work, should it be necessary). Data security, speed, and efficiency have been enhanced.

The team can now directly reconcile all outstanding netted FX cash flows with the counterparty using the confirmation matching services on Finastra.

“BNP Paribas was the first adopter and implementor of this process and carried out a lot of the groundwork,” explains Reinemer. “This helped Merck to become one of the first corporations worldwide to achieve complete automation of FX settlement reconciliation with its relationship banks.”

Full transparency over fees

External confirmation from the counterparty regarding the beneficiary bank account enables treasury to eliminate manual payment releases altogether in terms of FX settlement. Of course, there are rigid controls. “The automatic release of FX settlement payments is contingent upon a payment fraud screening process and limit monitoring,” says Reinemer.

Swift GPI functionality, combined with the aforementioned process steps, enables treasury to monitor each FX settlement through a payment dashboard. Additionally, high-value FX settlements are executed within 30 minutes. The team has full transparency over bank fees and FX conversions.

BEST AUTOMATION PROJECT

Hedging Benefits Add Up with Dräger's Cutting-Edge FX Calculation

Best
Automation Project
BRONZE WINNER
Dräger

Replacing intuition with hard data has slashed currency risks and given the German medical and safety tech firm everything it needs to carry out more effective hedging.

Dräger has introduced a new data-driven solution to automatically assess its FX risk exposures and improve its hedges.

Headquartered in Germany, the company has €3.1bn in net annual sales, with 16,000 global employees and more than 100 subsidiaries worldwide. As a result, Dräger has significant currency exposures. Replacing its previously manual Excel-based workflow, in conjunction with technology partner Nomentia, won Dräger a Best Automation Project, Bronze trophy, at the TMI Awards 2023.

Dräger has totally rethought its FX procedures developing a new methodology that uses historical and current data to provide an exposure forecast that is based on data, not intuition. Its new Cash Flow at Risk (CFaR) calculation is a solid foundation for hedging decisions and is backed up by Nomentia technology to drive automation and data analysis.

Workflow reimagined

The new workflow extracts data from Dräger's pre-existing SAP ERP and its Business Warehouse to feed the exposure forecast and CFaR calculation which – after optimising for minimum hedging cost - informs which FX hedging option is the best one to take. Much thought went into which exposure categories should be covered and how to populate the model.

This data is then passed to the 360T trading platform for actioning once the optimal hedges are selected. The technology loop is completed with exposure and hedge data feeding back into the ERP, creating an up-to-date and holistic system. The CFaR calculation includes financial cash flows, such as loans from the HQ to subsidiaries, which a micro hedge can easily cover, right through to more diverse operational cash flows. A step-by-step process is now in place to assess FX risk and establish the best overall hedging portfolio.

Enriched database

"To determine the exposure, we start with basic current and historical data and then we have specific models to derive planned exposures based on anticipated growth rates for specific entities and currencies," explains Frank Freitag, Dräger's Senior Controller, FX Risk Management, who was in charge of the overhaul. "Treasury then imports current market data on currency volatilities and correlations, which enriches the database. The software then performs the CFaR calculation using Monte Carlo simulations."

The Nomentia platform undertaking this data analysis is accessible via the web, and treasury obtains the results to verify optimal hedging. "We now have a fully integrated circle of data flow – going from our source systems into Nomentia and from Nomentia back into these systems," says Freitag. "This gives us everything we need."

Dräger

"We now have a fully integrated circle of data flow – going from our source systems into Nomentia and from Nomentia back into these systems. This gives us everything we need."

BEST CASH AND LIQUIDITY RESTRUCTURING PROJECT

Joint Venture Between Household Names is a Game-Changer

Best Cash and Liquidity Restructuring Project

GOLD WINNER

Arçelik Hitachi

European home appliances manufacturer and Beko brand owner, Arçelik, based in Turkey recently entered into a 60:40 joint venture (JV) with Hitachi to increase its APAC footprint, forming Arçelik Hitachi. The treasury team created a new cash management and liquidity structure in just six months.

Arçelik Hitachi implemented a centralised structure and digital tools with the help of Bank of America (BofA) designing a customised solution to meet Arçelik Hitachi's specific and unique needs, spanning its global payments, receivables, FX transactions, liquidity, and reporting. The JV's centralisation project has delivered several benefits principally: release of $150m in trapped cash from Asia; reduction in the number of bank accounts by 70%; savings of $2.5m in reduced bank fees; and optimisation of its interest rate by concentrating its balance.

The new entity has complete visibility over currencies, while simultaneously reducing the need to do as many FX transactions or hedges. A single banking portal processing all transactions under one umbrella has automated and improved cash flow forecasting, freeing working capital. The latter benefit boosts liquidity optimisation. And the treasury team's efforts won the Best Cash and Liquidity Restructuring Project, Gold trophy, at the TMI Awards 2023.

Overcoming legacy challenges

Arçelik Hitachi had inflexible legacy systems across more than 200 disparate bank accounts with paper-intensive transaction processes, including cheques and cash usage, allied to multiple legacy ERP systems that presented reconciliation challenges. An RFP saw BofA win with a digital automation solution that provides electronic AP and AR, combined with virtual accounts and its AI-based intelligent receivables solution (IREC) to drive reconciliation enhancements, and a tailored liquidity solution which allows Arçelik Hitachi regional treasury to effectively manage their cash flows in both liberal and trapped cash markets. The solution provides automated access to surplus funds in countries with working capital deficits, enabling easier movement of money.

Cutting risk, boosting visibility

The new structure cut paper payments and receipts by 50% in the first three months and this figure has declined significantly since. The firm has achieved an STP rate of 99.7% across all countries. BofA's CashPro tool offers detailed reporting and data analysis capabilities, which aids risk mitigation. An FX tool manages risk in this area more effectively.

Bank consolidation has given the JV greater visibility over thousands of transactions on a monthly basis and released trapped currencies within its new over-arching liquidity and account structure. This is estimated at $60m of freed cash in China alone – just over one-third of the total amount of money released across the organisation. Arçelik Hitachi now has access to 100% of its cash, relieving credit requirements by 60%, and opening up a credit line that can finance future CapEx investments, powering its Asian expansion plans. By connecting APAC and European structures, the treasury team of four at the JV can now seamlessly and automatically transfer cash and has automated consolidation of liquidity at a global level. Full host-to host connectivity enables the treasury team to manage cash directly from the ERP, further deepening the advantages of its centralised treasury structure.

According to Onur Kolat, Head of Corporate Finance and Treasury, Arçelik Hitachi, "In the face of complex joint ventures and decentralised systems, this project stood out by ingeniously transforming treasury operations, leveraging automation and centralisation to enhance liquidity management. In streamlining processes and reducing costs, it not only optimised working capital but also secured a remarkable $2.5m in interest savings [5% of total profit before tax], setting a new standard in financial efficiency and control."

Erhan Ökmen, Director of Treasury and Cash Management, Arçelik Global, also shared that the beauty of the bespoke BofA solution was that it addressed the specific needs of the company. BofA provided a hybrid solution "that went to the very heart of the JV's problems. Being able to gain interest rate optimisation, free up trapped cash, and automate a host of operations is not something you normally do easily."

BEST CASH POOLING SOLUTION

Why Zero is a Magic Number for Mediahuis

Best Cash Pooling Solution

GOLD WINNER

Mediahuis

The European media group celebrates its bold project to release millions in trapped cash and concentrate its myriad bank accounts into a zero-balancing cash pool.

Mediahuis is a Belgium-headquartered European media group that has introduced a multi-entity cash pool with BNP Paribas offering concentration benefits and an overdraft facility to cover any local shortfalls. Its ongoing project won a Gold accolade at the TMI Awards 2023 in the Best Cash Pooling category.

Mediahuis has businesses in the Netherlands, Ireland, Germany, Luxembourg, Belgium, and the UK with a consolidated turnover of €1.2bn in 2022, and recurring earnings of €200m before interest, taxes, depreciation, and amortisation (REBITDA).

Decentralisation complications

"We always tried to ensure that all excess cash from the local operations flows to the holding company," says Kristiaan De Beukelaer, CFO, Mediahuis group. But this has become more complicated in recent years following extensive acquisitions that have caused some decentralisation.

The group found itself with hundreds of accounts divided among different banks and legal entities holding between €50m and €60m in trapped cash driven by the concern to retain a certain level of cash locally as a buffer to cover any bills.

The rationalisation game

The issue has been resolved by opening more than 60 new bank accounts with BNP Paribas across the countries where Mediahuis operates, gradually consolidating with one bank operator with relative ease thanks to BNP Paribas' Welcome digital KYC account-opening procedure. This cost-cutting digitalisation process was followed by the centralisation of more than 10 million SEPA direct debits (SDD) and latterly also SEPA Credit Transfers (SCTs), so eventually all revenue was onboarded. Eventual rationalisation of the different banks, cutting on fees and complexity, is already well advanced.

From a group perspective, the next step involved setting up a zero-balancing cash pool feeding into one master account in Belgium. Every night, all outstanding amounts are now settled into this master account, so there is a zero balance on all local accounts in the morning. This maximises interest, enables tougher rate negotiations, and optimises balance sheets and working capital, as well as providing numerous other down-the-line benefits such as the elimination of overdraft fees on the funding side of the operation.

"Related to the zero-balancing, we now have an ongoing overnight facility to ensure we always have available liquidity to pay suppliers or employees", explains De Beukelaer. "This has the potential to expand in line with the growth of our group."

Since the project went live, Mediahuis has succeeded in freeing up the trapped cash in individual accounts with what is in the credit line relating to the cash flow, gradually reducing netting as the new structure has become established. Now that the new structure is fully up and running, treasury can turn its attention to assisting with more acquisitions, and other longer-term strategic projects.

MEDIAHUIS

> **"Related to the zero-balancing, we now have an ongoing overnight facility to ensure we always have available liquidity to pay suppliers or employees."**

BEST CASH POOLING SOLUTION

Chinese Construction Firm's New Cash Pool is a Sparkling Success

Best Cash Pooling Solution

SILVER WINNER

CCCC Overseas Treasury Management Limited

With a diverse global footprint, this engineering and construction giant undertook an ambitious treasury revamp and is reaping the benefits of centralised control.

The China Communications Construction Corporation (CCCC) is active in more than 150 countries. Its new CCCC Overseas Treasury Centre (COTC) in Hong Kong runs a cash concentration and disbursement pool designed to maximise control, returns, and liquidity.

Given its involvement in the Chinese Belt and Road Initiative – a development, diplomacy, and infrastructure construction effort – CCCC is active in South America, Asia, and Africa, alongside traditional marketplaces in America and Europe. The company needed a treasury structure to handle this diverse global footprint optimally and has acted accordingly to streamline and centralise its overseas cash flow.

The long-term plan to improve bank host-to-host connectivity by linking its treasury management platform with its various accounts at partner Bank of China (Hong Kong) (BOCHK) and then sitting a cash concentration structure atop that, with POBO/COBO functionality, won the company a Silver accolade for Best Cash Pooling Solution at the TMI Awards 2023.

Increased efficiency, lowered costs

Establishing the Hong Kong treasury centre improved control and governance, as it is authorised to manage both local and foreign accounts, offering effective cash concentration and disbursement.

Through the COTC, the group has transformed its approach to overall liquidity management, enabling it to consolidate multiple banking relationships across regions. This also means the company now has improved group yields as surplus funds are aggregated to maximise returns. Other benefits include access to instantaneous liquidity position data with its intelligent global internet banking system, lower operational cost, and the ability to better manage its overall balance sheet with internal fund scheduling.

In the meantime, centralised management by COTC helps internal and external customers achieve higher efficiency by reducing accounts with duplicated functions.

The real-time, seamless host-to-host bank connectivity that enabled the COTC to be set up now provides enhanced security and compliance, plus valuable input data from regional pools and acts as a parallel less-centralised resilience plan in the event of any issues.

The POBO and COBO automated digital solution has strengthened the efficiency of payments and receipts, replacing the redundant bank accounts in different overseas entities with a much more efficient structure centralised in Hong Kong.

Reduction in idle cash

The key benefits of the project are:

- **Reduced banking fees:** by consolidating payments and using a single banking relationship, companies can negotiate better fees, resulting in a 60% decrease in payment costs. It is expected that annual banking expenses will be reduced by at least HKD2m ($255,000)
- **Centralised control:** with a concentration and POBO/COBO solution, the new Hong Kong treasury centre now runs more than 70 accounts. This automation cuts errors, increases compliance, and streamlines the payment process to achieve maximum efficiency
- **Improved liquidity management:** a local and cross-border cash pooling structure enables companies to consolidate their cash balances at a united level, which facilitates better management of liquidity, reduces idle cash, and improves cash forecasting.
- **Enhanced income from deposits and investments:** the centralisation project and having control of a large amount of funds in a pool creates the opportunity for better communication with the partner bank, releasing more favourable deposit interest rates. At the same time, it enhances the ability to generate additional returns from external investments

The tailor-made cash pool structure combines local and cross-border automated concentration benefits, giving the company reach and liquidity optimisation, especially when combined with the POBO accounts. The innovative structure can be replicated by other construction companies, making it an exemplar for the industry and treasurers.

中交财资管理（香港）有限公司
CCCC OVERSEAS TREASURY MANAGEMENT LIMITED

BEST CORPORATE FINANCE AND/OR FUNDING SOLUTION

Trailblazing Siemens Issues Digital Bond on Blockchain

Best Corporate Finance and/or Funding Solution

GOLD WINNER

Siemens AG

German multinational technology conglomerate hits digital milestone and faces the future of securities issuance with confidence.

Siemens has issued a pioneering digital bond on a public blockchain, securing the Gold accolade at the TMI Awards 2023 for the Best Corporate Finance and/or Funding Solution.

It has been possible to issue blockchain-based digital bonds in Germany since the eWpG came into effect in June 2021, but uptake has been relatively slow outside of pilots or small-scale usage. Released in accordance with Germany's Electronic Securities Act (eWpG) covering digital securities, Siemens' issuance is the first time a DAX 40-listed corporate has used the law, making the company a technology and legal trailblazer.

Issuing the digital bond – with a volume of €60m and a maturity of one year – on a blockchain provided a number of benefits, principally:

- Removing the need for paper-based global certificates and central clearing, speeding up the usual time-to-market from eight days down to just two
- Enabling the bond to be sold directly to investors without needing a bank to function as an intermediary, which significantly reduces cost

Hauck Aufhäuser Lampe Privatbank acted as the bond registrar for the transaction. DekaBank, DZ Bank, and Union Investment invested in the bond.

Ready for action

In addition to the above benefits, Siemens decided to issue on the blockchain in order to be future-proofed and ready for the rise of digital securities and wider commerce in the 21st century. As outlined, the company sold the digital bond directly to investors without engaging established central securities depositories (CSDs).

Payments were made using traditional methods via bank accounts, as the digital euro is not currently available. But this further digitalisation step may be possible if future fundraising activities are undertaken.

The successful bond issuance acts as a prime example for the securities industry's future evolution and emphasises the advantages of adopting cutting-edge technology that can enhance:

- Security
- Transparency
- Efficiency
- Trust

"We have reached an important milestone in the development of digital securities in Germany," said Peter Rathgeb, Group Treasurer, Siemens. "We are going to actively drive their ongoing development."

The project demonstrates Siemen's commitment to innovation and staying at the forefront of technological advancements.

Ralf P. Thomas, Chief Financial Officer, Siemens, concluded: "It is logical that we test and utilise the latest digital solutions in finance. We are proud to be one of the first German companies to have successfully issued a blockchain-based bond. This makes Siemens a pioneer."

SIEMENS

"We are proud to be one of the first German companies to have successfully issued a blockchain-based bond. This makes Siemens a pioneer."

BEST CORPORATE FINANCE AND/OR FUNDING SOLUTION

BAT Hits a Six on the Financial Markets

Best Corporate Finance and/or Funding Solution

SILVER WINNER

British American Tobacco (BAT)

Timely move to de-risk debt and boost resiliency pays dividends for global tobacco giant.

British American Tobacco (BAT) had the largest combined new issue and liability management transaction from an EMEA-based corporate on the financial markets in 2023 when it raised $5bn and bought back $4bn of debt, paying a very small premium to insure against future price increases and near term refinancing risks. This achievement garnered the multinational corporation (MNC) a Silver trophy at the TMI Awards 2023 in the Best Corporate Finance or Funding category.

The aim was to improve resiliency and funding efficiency, and simultaneously de-risk BAT's near-term debt towers, while extending its weighted average maturities beyond 10 years.

At the end of July 2023, BAT launched a new USD benchmark five-tranche transaction to take advantage of a constructive market tone, while announcing a concurrent tender offer that targeted 10 series of GBP, EUR and USD notes maturing between 2024 and 2027.

Exceptional interest

Proceeds from the new issue were to provide funds for the purchase of the tender offer notes and to deliver net funding requirements for 2023. The dedication to preparation allowed for the decision to approach the market before the summer break. This decision was validated by events that took place afterwards, most notably heightened treasury volatility. The move in higher yields following launch also served as a tailwind for the buyback prices of tendered securities.

Shortly after the concurrent tender had been published, initial price thoughts (IPTs) on BAT's new issue were announced at 8:30a.m. (NYT). Despite a busy primary market, the order book built on excellent momentum from the outset, peaking at circa $26bn enabling BAT to set the spreads 25bps (basis points) inside of IPTs across all tranches. Even with the price revision, all books remained strong at launch, landing a final order book of $23.4bn and printing $5bn over 5-, 7-, 10-, 20- and 30-year tenors, with an average oversubscription of 4.7x per tranche.

There was exceptional depth and breadth of investor interest whether measured by aggregate book size, 'real money' orders or geographic diversity. The addition of a 20-year tranche in the new issue minimised price breaks and provided best execution capabilities to achieve desired size objectives. Clear communication and monitoring of the financial metrics enabled a successful outcome, while remaining within the KPIs, which were:

1. Minimise 2023 and annualised net finance cost impact
2. Attractive weighted average breakeven spread on a portfolio basis
3. Equitable maturity profile management across '24, '25, '26 and '27 towers
4. Market stability throughout the new issue and tender offer period

Towards resiliency and agility

The over-arching strategic objectives of the project, overseen by the treasury team were:

1. Reduce near-term refinancing risk by addressing the maturity towers
2. Insure against uncertain market conditions and continued access in the future
3. Extend weighted average maturity of the existing debt portfolio by issuing bonds into longer maturities
4. Reduce liquidity needs of the group and create additional incremental flexibility to target better funding opportunities, thereby building a more resilient and agile debt portfolio

Prior to announcing the transaction, the group had circa £17bn ($21.5bn) equivalent of debt in total maturing over the next four years with circa £4bn ($5bn) maturing per annum from 2024 to 2027, primarily driven by the 2017 strategic acquisition of Reynolds American Inc.

The timing of the exercise allowed BAT to issue at good prices and conclude the liability management exercise well within the target breakeven rise in borrowing costs, paying a very small premium to insure against both future price increases and refinancing risk. Given the volatility of the markets and expectation of interest rates to be higher for longer, the group no longer requires to fund large maturities regardless of market conditions and can choose opportunistic windows for future funding needs rather than being locked into a single period. BAT is now better placed for the future, and the TMI judges are proud to recognise the treasury team's success in this regard.

BAT
A BETTER TOMORROW

BEST INTERCOMPANY SOLUTION

Netting Initiative Lands a Golden Catch

Best Intercompany Solution
GOLD WINNER
S4Capital

Since its founding in the UK in 2018, S4 Capital Group, a digital-only advertising and marketing company, grew fast and globally. It rose to become a £1bn-plus revenue company. But the management had not yet considered an intercompany netting programme. Putting that right four years later has simplified its monthly reconciliation and saved more than £1m annually as the business continues to grow.

S4 came together from the acquisition of more than 30 businesses under its brand and a singular P&L approach that necessitates high-volume intercompany invoicing and cost recharging, including significant cross-border activity that is reflective of the borderless digital world in which it operates.

After the company outgrew its initial finance operating model, it hired Christof Nelischer in 2022 as its first treasurer and the person responsible for building out the function. No pre-existing technology existed to help: no TMS, ERP or netting capability. S4 Capital decided to introduce a netting programme as part of a wider overhaul and a lever to trigger rapid change across the entire organisation.

Nelischer selected the GTreasury Netting intercompany netting module, based on prior favourable experiences and the fact it is a SaaS application that requires no IT integration as well as being scalable for the future. He then led an innovative approach to implementation that stressed speed, follow-through, and impactful efficiency gains.

This strategy established S4's new treasury team as the business partner within the organisation that would initially handle all system activity. That pragmatic decision – keeping system access within treasury only – eliminated the significant time and cost overhead usually expended on conducting lengthy personnel training and managing user access.

S4 CAPITAL

Streamlined and stripped back

The treasury team's position, serving as the conduit between S4's businesses and GTreasury Netting both for intercompany data submissions coming in and netting statements going out, enabled efficiency, as did Nelischer's insistence on a stripped-back approach. The result was a streamlined and intuitive upload template for its businesses that asks for just five parameters to be filled in.

A process was established with S4's divisional controllers to provide intercompany netting information via the simple means of filling in a template. Within just two days of deciding on this approach, the controllership team - many of whom had no prior experience with netting - had prepared a massive upload spreadsheet. The treasury team uploaded it into GTreasury Netting, and it worked, enabling the system to immediately output netting statements.

To test the validity of this pilot, the treasury team treated the resulting netting statements as if they were fully manually created. Governance is not for sale, it simply moved to a different stage in the process. This was followed by a manual reconciliation process to check that the solution worked. It did. There were virtually no errors in the netting statements. The divisional controllers gladly signed off on the statements, and S4's first intercompany netting process was settled and complete.

The analogy that Nelischer uses for the team's innovative approach is that: "If you want to learn to swim, you need to jump in the water. We skipped every bit of project and institutional overhead that would have slowed us down. Learning by doing really helps with intercompany netting, where stakeholders, who largely don't know what that is, can talk and talk. The hands-on approach is vastly more efficient."

The netting programme has naturally eliminated most intercompany FX positions, reducing FX exposure to S4, and doing away with the cost of prior FX dealing at subsidiaries. Aggregated amounts also attract better rates. Reconciliation is simplified and transaction costs have fallen. In terms of risk management, there is a major benefit as well because the netting cycle introduces more discipline, clarity, and speed in managing positions.

Non-financial benefits have also been evident, such as improved communication between entities for matching or disputing invoices and better shared visibility over future flows, which enables refined cash management and credit lines, feeding into other areas such as enhanced hedging. The net benefits to the business are considerable.

BEST INVESTMENT SOLUTION

APIs Power Enhanced Connectivity and Investment Efficiency at SAP SE

Best Investment Solution

GOLD WINNER

SAP SE

Seamless integration capability puts an end to the risk-laden and tedious task of manual inputting and offers users 'total governance' over SAP's investments and liquidity.

SAP SE's Global Treasury Group already uses ICD's investment portal to park excess cash in short-term instruments, but entering transaction data manually was tiresome, which was inputting that same information into the back end of its SAP Treasury and Risk Management (TRM) solution. Using APIs to connect the portal to SAP's TPI trading platform has deepened its enterprise-wide integration and cut time-consuming, low-value manual work, and the risks associated with human error.

With a single sign-on capability, the new SAP-ICD API integration has created an end-to-end workflow for treasury teams to better manage money market investments and liquidity, winning it the Gold trophy at the TMI Awards 2023 for the Best Investment Solution out of the hundreds of corporate entries.

Responsive and seamless

Jonathan Kluding, Business Product Owner within SAP Global Treasury Group, worked with his colleagues, ICD, and SAP's Treasury IT Group to map out the specialised requirements and shared vision for a seamless and integrated workflow for all future money market investments. This was made easier thanks to his and Laura Bormuth's extensive and varied treasury experience as traders and risk managers – with a keen understanding of the team's difficulties in managing cash and short-term investments.

> **"The SAP Global Treasury Group is now able to do more with less, carrying out more strategic, impactful investment work for the business."**

"Right from the start, ICD was very responsive," said Kluding. "We set up a test environment very quickly, which enabled us to configure the system capabilities to our needs. Because ICD uses the agile methodology for continuous innovation, our requirements were on the roadmap for the very next release."

Poised for a global roll-out

The SAP Global Treasury Group is now able to do more with less, carrying out more strategic, impactful investment work for the business. Indeed, the team is now processing hundreds of transactions through the ICD Portal annually in an STP manner thanks to the API connection established with the universal integration platform SAP TPI, and ultimately onwards to its TRM.

STP fosters automation, thereby eradicating multiple data entries and disrupted workflows. By eliminating manual breaks in the process, the SAP Global Treasury Group has been able to reduce its:

- Processing time
- Costs
- Risk associated with human error

As an additional benefit, the enhanced ICD Portal integration can now be offered free of charge to more than 5,000 SAP TRM clients around the world via the SAP Cloud Marketplace.

Thanks to the new set-up, SAP's Global Treasury Group has already benefitted from improved governance over trades, and cut approximately 10 minutes of manual work per trade. The volume of transactions and additional hours saved will also scale up in the future as the system is rolled out worldwide to additional SAP entities.

"We now have total governance over where and how trades are processing, without the need to immediately involve IT. We are our own first level of support," concluded Kluding.

BEST INVESTMENT SOLUTION

IndiGo's Overdraft Facility Solves Returns Conundrum

Best Investment Solution

SILVER WINNER

InterGlobe Aviation

Significant savings together with substantial extra income are the results of a bespoke, risk-free overdraft solution that benefits IndiGo and its banks.

InterGlobe Aviation (IndiGo) sells travel tickets via agents and direct online. Its treasury manages cash and an investible corpus of INR300bn ($3.61bn) across various fixed income instruments. But some are very short-term to meet immediate outflow needs and offer low returns, especially after the daily 1.30pm cut-off where any funds are uninvested that day. To tackle this issue, IndiGo settled on an innovative solution in the form of an overdraft facility secured by a fixed term deposit (FD) to minimise risk and maximise returns.

The challenge was marrying the need for security and liquidity with a requirement to optimise returns. IndiGo's treasury solved this by adopting a flexible overdraft (OD) facility with the help of multiple banks. It is secured by an FD, in compliance with Indian regulations, that offers OD facility at an interest rate that is very close to the FD rate, thereby offering security but also good returns to the company.

With an overall annual sales volume of INR600bn ($7.22bn) this was an important consideration, as any funds left idle as a float cause a significant loss of interest income. IndiGo's current account is now minimised.

Overcoming hurdles

The chosen solution offers a unique flexibility to square off the overdraft amount without any restriction on tenor. Furthermore, the OD rate is linked to the FD rate, which eliminates any divergent movement of interest cost vis-à-vis returns. Notably, such an OD facility is free from any credit risk for the bank providing the facility, and it does not add to the net debt position of the company. Therefore, in spite of it being a credit facility, by utilising it IndiGo treasury is able to enhance its investment returns without adding any additional credit risk.

The flexible credit facility has enabled the company to substitute short-term cash parking to ensure better investment yields and minimise its use of very short-term instruments that don't deliver as good a return as longer-duration annualised schemes or deposits.

In addition, the OD facility can be utilised and settled at any time, including on the same day or the next day. When implementing the solution, IndiGo revised its investment methodology, directing surplus funds into longer-duration schemes to match the investment horizon, including long-term fixed deposits that allow access to the OD facility. The solution is also used to cover any shortfalls on days when substantial payments are due. The OD balance is gradually reduced from the net surplus either from funds received post cut off or on subsequent days.

Furthermore, IndiGo successfully eliminated balances in non-interest-bearing current accounts by gaining flexibility to invest anticipated surpluses by leveraging the OD facility. The OD facility is employed to invest funds expected to arrive after the investment cut-off and is subsequently settled as funds are received. Any negative balances are carried forward to the next day. This approach also avoids sub-optimal conservative investment decisions without the risk of defaulting at the end of the day.

Concrete wins

While the positive impact of the solution has been wide-ranging, the immediate financial benefits of the project include:

- Additional income of INR90m ($1.1m) by moving towards the higher end of the interest rate curve
- Annual savings of INR20m ($241,000) by eradicating current account floats

Taking all of this into account, TMI has no hesitation in recognising InterGlobe Aviation for its innovative solution and awarding it the silver accolade for the Best Investment Solution of 2023.

BEST PAYMENTS/COLLECTIONS PROJECT

Fortum's Indian EV Charging Now Offers Multiple Prepayment Options

Best Payments/Collections Project

GOLD WINNER

Fortum Charge & Drive (C&D) India

Customer choice, speed, and an enhanced UX are the hallmarks of Fortum's collaborative payment solution.

Fortum Group's Indian electric vehicle (EV) charging stations have been hampered by a cumbersome post-payment and collections model. The Fortum Charge & Drive (C&D) unit has introduced new pre-authorised credit risk-free payment options via a physical or virtual card, with an associated app, to improve convenience. This links to the National Payments Corporation of India's (NPCI) RuPay domestic payment-processing network and the instant interbank funds transfer capabilities of the country's Unified Payments Interface (UPI).

The co-creation project was undertaken by Fortum C&D in conjunction with its long-term primary banking partner, BNP Paribas India, and the Indian payments fintech, Pine Labs. The two key objectives of the project were to:

- **Minimise end-customer credit risk** when using its unmanned EV charging stations by introducing multiple options where users can pre-authorise payments before dispensing a charge. A physical card linked to RuPay, the Indian equivalent of Visa or Mastercard, can be used to prepay. This can also be used at other EV charge providers, e-commerce sites or in physical stores. Alternatively, the app payment option offers enhanced functions including an EV station search function, loyalty points, access to a transaction history, and linked RFID (radio frequency indentification) key-tags to ease and speed prepayments still further.
- **Enhance user experience (UX).** This project aim has been achieved by offering the aforementioned multiple payment options and extra app functionality. Customers no longer have to enter their payment details every time. Internal efficiency has been boosted and customer credit risk been eliminated.

Taking a co-creation approach, a co-branded open-loop payment solution was developed, using Application Programming Interfaces (APIs) to connect to Indian payments fintech Pine Labs' merchant acquiring platform. With that connection in place, the RuPay network sits in the background, managing the settlement between the issuer and card acquirer. UPI integration then provides instant interbank fund transfer capabilities. Enhanced collections are a given in this new set-up.

As an additional UPI benefit, a current Indian government subsidy scheme also reduces the merchant discount rate (MDR) to zero. This bonus is driven by the Indian government's Digital India programme, which is seeking to remove manual paper-based processes across the board, digitising its economy for the 21st century.

Overcoming legacy issues

"Previously, customers had to provide payment information every time they used a C&D charging point," explains Rajani Modi, Head of the Project Finance & Treasury team, Fortum Group India. "Transactions could be tracked only via customers' bank statements in the past. The legacy payment experience was sub-optimal."

Its successful overhaul in what is a 'sunrise' sector vis-à-vis EVs is a win-win for BNP Paribas India and Pine Labs which is gaining traction in an emerging field. The latter was chosen from a shortlist of five vendors by the bank because of its history of successful projects and the fact that it was the only domestic vendor capable of offering Fortum unified access to the country's three primary cash collection points. Pine Labs can collect from card-present POS terminals and e-commerce platforms, as well as acting as a licensed prepaid card issuer.

"Our customers are happy with the new solution," confirms Modi. "For those who were used to the old post-payment process, now having it available in their mobile and being able to see how much is being debited at the point of use is a huge step forward. And now they can also use our card across other charging stations and merchants, they no longer have to carry multiple cards."

TMI is delighted to recognise Fortum C&D India for its flexible solution and awarding it the gold accolade at its Annual Awards for the Best Payments/Collections Project of 2023.

fortum

For further detail on this Award-winning collaboration, visit the TMI website and read the complete story: treasury-management.com/articles/the-power-of-partnership/

CTIPL Digitises and Speeds Up Incentive Payments

Best Payments/ Collections Project
SILVER WINNER
Cummins Technologies India Private Ltd (CTIPL)

A fresh loyalty programme for mechanics replaces a cumbersome paper-based incentive scheme, cuts out any middlemen, and swiftly puts cash in the pockets of the people who matter.

Cummins Technologies India Private Ltd (CTIPL) designs, manufactures, distributes, and services diesel and alternative fuel engines and generators, as well as supplying parts to mechanics. As key selling partners, mechanics generally decide which brand of parts to offer to customers at a dealership. As such, incentive schemes are important.

To improve legacy processes, CTIPL has partnered with Standard Chartered Bank India to digitise its brand and speed up incentive payments to mechanics via the new Saathi app. This is a first-of-its-kind, OEM-agnostic mobile application for the Indian trucking community. It relies on the Immediate Payment Service (IMPS) and the Unified Payments Interface (UPI) mobile functionality from the National Payments Corporation of India (NPCI).

The new Cummins Mechanic Loyalty Program (MLP) is a QR code-based programme that enables mechanics to easily redeem points and earn incentives by simply scanning the code on product packs with the Cummins Saathi app, releasing fast incentive payments.

The app replaces the previous paper-based incentive scheme that was slow and cumbersome. The digital mobile-based instant system that is now in place, deepens the connection to CTIPL's key customers.

A collaborative approach

Developed with Standard Chartered Bank India, the Saathi app, has also made it easier to manage redemption coupons, while also offering mechanics a reliable way to identify genuine Cummins parts, helping the firm to build its customer experience (CX) and its own credibility. It is already handling 50,000 transactions per month on average from 5,000 mechanics and is growing all the time.

In terms of collaboration between CTIPL's treasury and the bank – which the TMI Awards judges praised in selecting CTIPL as the Silver winner of Best Payments/Collections Project 2023, the undertaking involved:

- Re-engineering the legacy process end-to-end
- Digitalising incentive management from document submission and approval through to payment release and reconciliation

Standard Chartered also collaborated with Cummins to help integrate the mobile app into the firm's banking systems using APIs. The connections established now mean it is a simple matter to trigger immediate payment requests to mechanics, who must register their bank details in the app, to release incentives directly into their bank accounts. Once registered, the mechanic can scan the QR code printed on the Cummins product packs to begin the process. The workflow is as follows:

- As soon as the QR code is scanned, the app flashes the amount earned before transferring the same into the mechanic's bank account
- Scans are approved digitally, which then triggers an API call to Standard Chartered's switch for initiating an NCPI-powered payment request
- Following the processing of a payment, the relevant status is hosted on the API server of the bank for reverse feed via an API to the company
- The company directly shares this status with the mechanic via the mobile app

Security and peace of mind

Project benefits include immediate payments to mechanics same day, strengthening their appreciation for and use of the Cummins brand, with an expectation of further sales as it is now differentiated from its rivals. A seamless experience that also cuts out middlemen taking profits away from the mechanic and the supplier is delivered. Digitised sales data can also now be used to make better informed business decisions in the future.

Commenting on the project, Ajay Patil, Chief Financial Officer, said: "It is a step towards bringing financial security and peace of mind to the mechanics who are integral to living our brand promise of innovation and dependability."

BEST RISK MANAGEMENT SOLUTION

Putting Westcon-Comstor on the Front Foot in an Unstable World

Best Risk Management Solution
GOLD WINNER
Westcon-Comstor

A thorough overhaul of FX processes rewards tech specialist with clarity, foresight, and a bespoke plan of action in a risky world.

In response to FX volatility after the pandemic, the Russian invasion of Ukraine, and Liz Truss' disastrous UK Budget when she was Prime Minister for 50 days in 2022, Westcon-Comstor instituted a risk policy review and refined its FX processes. New controls, reporting and risk management procedures now provide an enhanced risk framework and the agility to deal with future challenges.

The overhaul at Westcon-Comstor was implemented so that its key USD reporting currency would be less impacted by global volatility in future. It included staff training to incubate a more proactive approach, and a hedge accounting revamp to enhance the clarity of its risk reporting and speed in minimising exposures. The wide-ranging project, completed within a year, won the Gold trophy for the Best Risk Management Solution at the TMI Awards 2023.

Steeled against adverse events

Automating multicurrency cashflow forecasting was a key element of the project, as this enabled enhanced liquidity reporting, better FX exposure data analysis, and oversight. The key strategic objectives were to:

- **Manage exposure to FX spot rates better** in the future
- **Understand the importance and risk associated with interest differentials**, as well as the underlying tenor of Westcon-Comstor's risk
- **Manage credit and credit-line availability better**, including a full counterparty review. This led to four new banks and counterparties being added to the roster to bolster the amount and variety of ongoing support that is available
- **Capture value from accepted risks more fully**. This enables the firm to protect itself against unacceptable outcomes. For example, Westcon-Comstor can now use (and self-fund) options should a 'Truss' event happen again. The option-based, systematic portfolio hedging approach it now follows means it's always on the front foot

Prepared for the unexpected

Some examples of how Westcon-Comstor has improved its risk reporting include a redesigned real-time risk reporting suite and an in-house derivative Black-Scholes valuation model. The model was built to manage, value, reconcile, and report on all its derivatives, without incurring the expense of a TMS. Allied to the improvements in areas including hedging and staff training, this new data mastery at Westcon-Comstor has helped to improve the speed and ongoing proactive risk stance of the firm.

Enhancements to the company's FX risk management tools and approach have been aided by Dukes & King, a corporate finance and risk management firm, which was brought in to assist on the project. Treasury operations now have a better view into FX and other risks, and a plan of action for any given scenario. The training provided helps Westcon-Comstor to foresee, or react fast to, anything unexpected.

Governance has also improved. The corporate is now fully aligned with the FX Global Code of Conduct that outlines best practice in this area.

Westcon-Comstor currently has a much more solid platform from which to handle any future FX risks, and indeed any others, that might arise in an increasingly unstable world. Its enhanced risk management framework gives it a more resilient, agile, and value-creating treasury that is primed for ongoing improvement.

BEST RISK MANAGEMENT SOLUTION

Innovative Risk Management Solution for Microsoft's $100bn Investment Portfolio

Best Risk Management Solution

SILVER WINNER

Microsoft

By transitioning away from an outsourced model to an automated in-house approach to investment risk analysis, this impressive project resulted in significant process efficiencies and important strategic wins.

Microsoft manages a diverse investment portfolio worth more than $100bn, spanning various asset classes such as fixed income, equities, private equity, venture capital, real estate, and commodities. Initially, the tech giant relied on an outsourced investment risk model. As many treasury leaders will understand, internal resources and expertise were needed elsewhere, so the outsourced model made sense.

Over time, however, Microsoft's needs evolved – and the growing requirement for complete transparency and control prompted a re-evaluation of the approach. The team deemed the scenario risk computation via the outsourced model to be slower than desired, as well as manual, and less intuitive than it could be. For example, investment positions were uploaded to the third-party platform through a series of time-consuming steps. It was clear that change was needed.

Innovation through automation

As such, getting rid of the existing 'black box' to enhance control, automate processes, and garner process and cost efficiencies was the team's main goal. To address these challenges, Microsoft decided to draw on its own talent and expertise.

Treasury developed an in-house risk model and process that integrated with its existing primary portfolio management system, BlackRock's Aladdin. Recognising that Aladdin alone couldn't provide a comprehensive solution for its complex portfolio, however, the treasury team combined it with a proprietary Excel risk model. This hybrid approach enabled faster, more cost-effective, and transparent risk analysis.

Cheaper, faster, and clearer

And the results speak for themselves. The new bespoke model costs $500,000 less per year, runs the required risk computations in under 15 minutes, can operate on any machine and is easy to scale. Eliminating manual uploads to a third-party system also reduces the chance of errors and increases the internal automation and connectivity of Microsoft's risk management procedures.

Key benefits at a glance

- Cost savings
- Process efficiencies
- Increased automation
- Improved visibility and transparency
- Reduced errors and manual intervention
- Enhanced system connectivity
- Achieved quality accreditation

Overall, Microsoft's innovative risk management solution not only addressed its immediate challenges but also positioned the company for greater efficiency and effectiveness in managing its investment portfolio.

In turn, this has improved Microsoft's ability to make better decisions and given investors reason to be more confident that the company's investments and revenue will continue to support its capital return and investment strategies. The MNC is also now better positioned to withstand any changes in the macroeconomic environment from rising inflation, geopolitical tensions, and FX volatility.

In summary, by reimagining its approach to risk management, Microsoft not only optimised its processes but also set a precedent for innovation in the industry – making it a deserving winner of the Silver trophy for Best Risk Management Solution at the TMI 2023 Awards for Innovation and Excellence.

Microsoft

BEST RISK MANAGEMENT SOLUTION

Roche Revolutionises the Approach to Cross-Border Payments

Best Risk Management Solution

BRONZE WINNER

F.Hoffmann-La Roche

Direct access to Swift saves Swiss healthcare MNC from excessive FX fees and boosts efficiency.

Roche's treasury function has deployed a monitoring solution that analyses cross-border vendor payments based on its access to the Swift GPI for Corporates (G4C) portal. The ability to view this data enables it to avoid excessive FX fees, increase transparency, and negotiate better rates.

The FX risk mitigation dashboard tool can track payments, analyse master data, and improve efficiency. It was recognised with a Bronze accolade at the TMI Awards 2023 in the Best Risk Management category.

Analysing transactional data gives Roche the ability to look at KPIs such as payment duration, fee deductions, conversions, and correspondent bank involvements, in order to better understand and manage its FX risks.

The project has harnessed this advantage to negotiate better rates, partnerships, and improve procedures. For example, a margin as high as 10% was noted on an examined currency pair versus the instructed amount, enabling restorative action to be taken, or at the very least no repetition of such excessive fee-taking.

Switching from slow to speedy

Roche developed its internal solution based on SAP cloud analytics, MT199 and pain.002 feedback messages, plus its direct access to SWIFT GPI for Corporates (G4C). The initiative involved structuring thousands of messages received from various banks and then aligning them to create an internal portal with controlled access rights. It has been deployed to support the corporate's shared services centre (SSC), AP, procurement, credit management and other key group-wide departments that are involved in handling cross-border vendor payments.

Previous payment analysis was slow, limited to individual requests, and lacked the comprehensive overview and speed that G4C direct access provides.

Insights and fresh opportunities

By simplifying the integration of this data into its revised analytics process, Roche has gained valuable insights into the end-to-end payment process.

It now better understands: payment timelines; confirmation of successful credits; tracking of correspondent banks' actions; and identification of any changes in fees, deductions, and margin considerations in FX rates.

The newfound ability to benchmark correspondent banks, compare channel efficiency, and assess charges applied by vendor banks has enabled Roche to enhance its AP processes. It can now choose the correspondent banks that offer the most favourable prices, and address vendor claims with evidence of unjustified deductions or unfavourable exchange rates.

The procurement department has joined the analysis to explore opportunities for vendors to optimise their margins through account location changes and repricing negotiations.

All SSC colleagues have access to the user-friendly tool developed with PDF functionality. This lets them generate detailed reports for each transaction, providing a full overview of all Roche payments, the banks involved, incurred charges, and credit confirmations, which can aid vendors in obtaining specific transaction details. Additionally, Roche includes its unique end-to-end transaction reference (UETR) tracker ID, so that vendors can independently and continuously monitor payments via their banks.

Slashed handling times

Roche's solution has significantly reduced handling times per request, which are now down to just two minutes for SSC clerks using the self-service functionality on the dashboard. Previously, it took an average of seven minutes in the SSC and five minutes in group treasury to interrogate payments, along with the additional time for bank investigations and email exchanges.

The efficiencies in procurement, with hidden margins to catch FX volatility no longer necessary, have been considerable. Moreover, the improvements in SSC intercompany payments, as well as the fees that Roche AP pays to banks or other payment processors, have been significant. The cumulative effect of all of these benefits makes Roche a worthy winner.

Roche

BEST SCF IMPLEMENTATION

Freight Firm's SCF Initiative Unleashes Working Capital

Best SCF Implementation

GOLD WINNER

Kuehne+Nagel

Kuehne+Nagel, the world's leading logistics company, partnered with Standard Chartered Vietnam on an SCF programme designed to promote efficiency, resiliency, and automation in the supply chain.

The use of Standard Chartered's Straight2Bank (S2B) online platform eliminates paper and inefficiency in payment processing and reporting related to the digital SCF programme. It helped Kuehne+Nagel win the Gold trophy at the TMI Awards 2023 in the Best SCF category. The collaboration delivered the core project aims to:

- Provide suppliers with access to liquidity and ensure that their business remains sustainable
- Offer suppliers the possibility of obtaining favourable financing rates by leveraging Kuehne+Nagel's good relationship with the bank
- Potentially negotiate commercially with suppliers in the future on the back of their improved liquidity position

The three-month project began in June 2023 with the bank's vendor management team (VMT) designing a specific programme for Kuehne+Nagel after extensive early-stage collaboration and testing work. The partners then successfully onboarded Kuehne+Nagel's first supplier. The first live transaction followed in July. More suppliers can easily be added to the SCF programme now that it is fully up and running.

Certainty at the touch of a button

Operationally, the solution works by enabling Kuehne+Nagel to upload a single file of accepted invoices onto the S2B digital platform. Without any further manual touchpoints, its suppliers can then receive early payment automatically and immediately upon acceptance.

Alternatively, suppliers can selectively obtain finance any time during the shipping and delivery process right up until the maturity of the invoice. This offers working capital when and if it is most needed. The bank uses the STP and tracking capabilities of the system to deliver the financing.

Kuehne+Nagel has full visibility at all times with real-time status updates available for the uploaded invoices and the supplier's financing status accessible at the touch of a button. The programme helps to strengthen its relationships and the resiliency and certainty of its supply chain.

"The SCF programme is currently running smoothly and we hope to receive continuous support in the future as well."

The benefits for Kuehne+Nagel are that the single file upload serves as payment instruction for all the suppliers included in its SCF programme. As the solution integrates with the company's ERP, the STP efficiency benefits delivered are considerable. In addition, the transparency of having real-time data enhances control and oversight.

For the buyers of Kuehne+Nagel's logistical services, the suppliers themselves, the benefit of improved visibility of the trade cycle obviously also applies to them. Crucially, they gain the flexibility to receive funds when needed to support business growth. Less manual effort is required on their part because they automatically receive early payment (auto-finance) or by submitting online requests for prepayment (selective finance), depending on their preference. It's a win-win for everyone.

Commenting on the project, Tram Bui, AP Supervisor, Kuehne+Nagel, expressed her gratitude for the bank's assistance in setting up the system, especially "its proclivity to solve any issues" during the go-live and ramp-up phase of implementation. "The SCF programme is currently running smoothly and we hope to receive continuous support in the future as well."

KUEHNE+NAGEL

BEST TECHNOLOGY TRANSFORMATION

WNS Triumphs at the Optimisation Game

Best Technology Transformation
GOLD WINNER
WNS

The business process management (BPM) services provider has refreshed its tech stack with its in-house intelligent treasury module and custom AR/AP analytics solution, streamlining payments and collections, optimising funds management, as well FX risk management, while boosting investment income and providing actionable data insights.

WNS is a digital-led business transformation partner to global marquee brands, enabling them to outperform by delivering solutions that are at the nexus of domain expertise, talent, technology, analytics, and AI/ML – including, more recently, generative AI. The company has heeded its own advice and optimised itself with a treasury technology overhaul to cope with its growth and increasingly complex global operations.

The firm has designed (from scratch) and deployed a new treasury module that leverages data, automation and analytics to enable effective cash forecasting, investments, and hedging for treasury operations. Further, the firm has implemented Liquidice, an automated payments processing module for efficient and accurate payment processing across its Indian and global footprint.

Meanwhile, WNS' endeavour to build touchless functions – keeping domain, technology, and analytics at the core – gave birth to the proprietary AR/AP solution. The dual technology revamp has won the WNS a Gold trophy at the TMI Awards 2023 in the Best Technology Transformation category.

Bank-agnostic, integrated, and fast

WNS has 66 offices in 13 countries, more than $250m in cash, borrowings of $165m, plus 18 currency pairs and a notional FX exposure of $1.1bn. The treasury module was designed in-house by WNS, with the help of functional consultant EY, to cope with this exposure, providing FX and investment hedging capabilities, while also optimising WNS' control over its workflows, plus its reporting and accounting capabilities. Reduced manual effort, and enhanced cash and treasury management have also been key benefits, with wins including:

- **Higher investment income** through effective utilisation of funds by cash aggregation/pooling. An incremental income of approximately $50,000 per annum through efficient cash pooling has been realised
- **Automating complex hedge and investment accounting** for more than 18 currency pairs and 1,600 deals outstanding. This has saved time, cutting a prior procedure that typically took four days in half, while enhancing reporting and data oversight capabilities
- **What-if analysis** is now possible as data is more readily accessible across the evermore digitised IT environment. This makes running risk optimisation and reduction scenarios much easier than before. It improves the timeliness of decision-making and the efficiency of managing the treasury's operations

Automated AR/AP analysis

Meanwhile, WNS' AR-AP Analytics solution is end-to-end automated where data is extracted from the ERP system, joined, transformed, and loaded into the front-end tool using a fully automated Python ETL workflow running on pre-defined schedules. The solution has intuitive action boards and calls-to-action and is powered by machine learning-based forecasting. It provides pre-built reports, automated insights, and multi-level drill-downs to be consumed by users. Alongside analysis of cycle times, collections and payments ageing, as well as customer and vendor concentration, other key features include:

- **Payment term rationalisation.** This functionality identifies multi-geography vendors with multiple payment terms to negotiate better standardised payment terms, directly impacting the bottom-line
- **Short-term cash in-flow/out-flow forecast (4-8 weeks).** Giving a heads up to the treasury team about collections and payments expected in the short-term, so that they can effectively deploy funds
- **Long-term cash in-flow/out-flow forecast (rolling 12 months).** Helping the treasury team in better planning for deploying expected surpluses and managing shortfall of funds in the long-term

If those benefits alone were not impressive enough, the AR-AP Analytics solution helped WNS' treasury team generate an additional $25m in cash – a feat truly deserving of a gold trophy.

BEST TECHNOLOGY TRANSFORMATION

Data is King at Johnson Controls

Best Technology Transformation
SILVER WINNER
Johnson Controls

The Cork-headquartered company that uses smart solutions to improve the safety, security and heating/cooling of buildings has harnessed the flexibility of a business intelligence tool to share data across its global business.

If data is the 'new oil', as is commonly stated, then Johnson Controls is lubricating its business well thanks to the Microsoft Power BI data aggregator and interrogation tool. This has recently been rolled out across its treasury, shared services centre (SSC), payment factory (PF) and entire operation to improve how the company accesses and uses data to benefit tasks including payments and cash management.

The enterprise-wide installation was created, developed and deployed by Mario Del Natale, Treasury Director, Global Digital Treasury, Tyco Fire & Security Finance, a Johnson Controls International subsidiary. It won the Silver accolade at the TMI Awards 2023 for Best Technology Transformation for the way that it frees useful data, via the cloud, for all users who can access the BI tool from multiple devices.

Making drilling down simpler

Treasury personnel can use the solution on laptops, PCs or mobiles to gain an overarching view of the business or deploy the multilayer analytical 'slicer' option that enables users to drill down to view more granular data, such as specific bank statement transactions or payment details from the PF.

Failed payments, fraud statistics and true real-time global liquidity positions can all be easily interrogated thanks to a unified user interface (UI) where colour coding makes drilling down into specific information simpler. The standardised navigation is accessible by all. Liquidity scorecards and other such business aids can also be easily developed.

The treasury pursues an agnostic strategy for IT, banks, and its data software providers because it doesn't want to suffer from undue technology lock-in, where it is forced to use certain solutions. It therefore builds its own dashboards and analytical tools, using the BI and other flexible, scalable tools that it deploys. For instance, no new set-up or coding is required if a new bank or account is added to its PF. The functionality is simply spun up, with appropriate parameters added in, as would be the case when using a virtual server to provide computing power in the cloud.

Skilled staff and flexible tools

Johnson Controls has the ability to execute certain specialist tasks itself thanks to its highly trained staff that possess structured query language (SQL) database programming skills, enabling them to use standard but advanced SQL scripts to code the outcomes it wants. This can be carried out in a staggered or sequential manner. Flexible BI and other tools can obviously make this task easier and the desired outcome can, as a result, be reached faster.

Some out-of-the box AI features from Microsoft's Power BI are being used. For instance, ML can spot potentially fraudulent and anomalous patterns of behaviour that may deserve further investigation.

The entire SSC and treasury are now fully relying on the new analytical tool to acquire data they need to run the business. It provides cash management and liquidity data, procure-to-pay functionality and over-the-counter (OTC) trade and risk mitigation information, among many other vital specifics.

Since Johnson Controls specialises in using technology to make residential and business buildings globally smarter and safer, it makes sense that the company's treasury should adopt a similar approach to its processes. And thanks to the successful conclusion of this project, the treasury team now has intelligence at its fingertips, including the status of mor than 3,000 bank accounts, linked to more than 250 branches and spread across at least 150 ERPs.

Johnson Controls

BEST TECHNOLOGY TRANSFORMATION

UN Agency's Far-Reaching and Streamlined Project is a Worthy Winner

Best Technology Transformation

BRONZE WINNER

UNHCR, THE UN REFUGEE AGENCY

The United Nations High Commissioner for Refugees (UNHCR) has adopted transformational technology, introducing a TMS together with a new banking connectivity hub, and an electronic bank account manager (eBAM), all fully integrated into an ERP within just two years.

The main benefits of the project are improved efficiencies, cost reductions, increased traceability for liquidity and risk mitigation, as well as simplified treasury processes thanks to the introduction of best practices. It also provides UNHCR with the ability to better manage 400 bank accounts globally, many of them in remote areas of the world where it is difficult to uphold UNHCR's operational requirements for payments.

Multiple partners were involved in the initiative, including PwC's treasury advisory practice, the UN relationship banks, since banking reach is important to the UN organisations, the United Nations Development Program (UNDP) – a participating agency, and The United Nations International Computing Centre (UNICC) for technical support. The technology partners were Oracle for integrating the cloud ERP, 360T for web-based trading technology to execute FX, and FIS provided the following systems: Treasury and Risk Manager (TMS) – FIS Integrity; Bank Account Manager – FIS eBAM; and Banking Connectivity Hub – FIS Trax.

The project has improved global cash forecasting, global visibility on liquidity, and automation capabilities, as well as enhancing UNHCR's data flows, money flows, fraud and risk management capabilities.

Meeting treasury's strategic objectives

UNHCR's aim was to create a fully standardised, streamlined, and interoperable treasury technology infrastructure while applying best practices, automation, with seamless access to global banking connectivity and transactional delivery, supported with real time reporting. Meanwhile, the goal of this technology transformation was to integrate the full stream of process flows throughout the TMS, bank account management system, ERP, and centralised banking connectivity hub. Moreover, the project aimed to further enhance collaboration opportunities for other United Nations Agencies to participate and to have available a UN-wide financial gateway to access global financial ecosystems and markets.

Many benefits in merely two years

UNHCR identified the requirements and designed the new technology infrastructure, together with cloud ERP implementation, to obtain all possible synergies. Also synergies of implementation with several sister agencies bring benefits in the areas such as cost reduction and economy of scale, streamlining delivery with common project team members from service providers, and accelerating the deployment of capabilities and scale up.

The benefits to UNHCR's treasury processes include the visibility and accuracy it gets from FIS' bank account management solution. It is connected to the TMS, which links to 360T trading and risk management tool, Oracle's ERP, and the FIS banking connectivity hub which further connects to the organisation's banks.

The general ledger is managed in the cloud-based ERP. All accounting entries flow into the ERP – as does FX and investment data from the TMS, payment execution data and so on. The ERP sends payment files to the FIS banking connectivity hub, which then pushes the statements back to the ERP to create full traceability, reconciliation and financial reporting.

All bank account information and signatories are kept in the FIS eBAM solution. This pushes data to the banking connectivity hub, ERP and TMS for data standardisation. The ERP also receives bank account updates from eBAM for applying bank account data to send payment files through the banking connectivity hub for disbursement.

Implementing a transformational technology solution, with multiple overlapping elements in a tight time frame was no easy undertaking. Particularly as the wider UNHCR's business transformation programme for streamlining and modernising system tools and processes was also taking place at the same time.

UNHCR
The UN Refugee Agency

BEST TMS IMPLEMENTATION

Subway Gets a Slice of the Treasury Optimisation Action

Best TMS Implementation

GOLD WINNER

Subway

Fresh leadership at the global food franchise has brought almost 60 years of manual treasury operations to an end with an ambitious and rejuvenating project.

Subway previously had no dedicated treasury team catering for its 37,000 restaurant and take-away franchisees around the world. Instead, an overlarge finance team collected weekly royalty and advertising fees, and manually supported its payments, cash management, and other activities. That was until a new leader introduced a specific treasury team and TMS.

The company's original leadership, which ran from the 1960s until the latter part of 2019, had shied away from establishing a specific treasury team or investing in supporting technology. As a result, Subway had no technological means of accessing its banks or managing its high-volume treasury function activities.

A large finance team used to manually pull bank statements, perform reconciliations, and maintain balances by relying solely on the general ledger. Naturally, that general ledger information could and would become out of date, leading to poor cash visibility.

Axing arduous processes

Subway had a large AP group, tasked with manually processing tens of thousands of payments annually, largely completed via wire transfers. That process included printing out documents, collecting physical signatures, logging into bank portals, manually keying in wire instructions, and then having another person review and approve that paperwork.

It was a time-consuming, inefficient, and laborious way to operate, which led to the company's new CFO insisting on a dedicated treasury team and new support systems, designing and implementing them with the assistance of Actualize Consulting.

TMS up and running

The transformation of the financial operation at Subway won a Gold trophy at the TMI Awards 2023, specifically for the Best TMS Implementation, which was a key part of the overhaul.

The company has introduced:

- A GTreasury TMS: this cloud-based system co-ordinates cash management on a scalable basis. The vendor assisted throughout the overhaul
- GTreasury payment module: this has largely automated Subway's AP, cutting its headcount in half. An API integrates the old ERP with the new TMS to ensure end-to-end functionality. Rationalisation of Subway's previous 400 global banks has happened with host-to-host connectivity established with key banking partners, plus a Swift connection aids cross-border payments
- Rejuvenation of the Microsoft Dynamics GP ERP system: with the help of BTP Technology, a value-added reseller, Subway now makes the most of its digital solutions, connectivity, and data-centric operations
- OneStream Software: this carries out automatic matching and reconciliation to ensure maximum efficiency

The first bank reporting was received into the TMS in just 30 days. After extensive design work and the establishment of a dedicated treasury team, the overall implementation, with all banks reporting in and global payments implemented, took around two years, covering over 100 countries. It means Subway can now perform technology-based cash management and forecasting.

The project achieved automation for recording of cash entries into the general ledger, the GTreasury system programmed to recognise routine, identifiable transactions, and automatically create entries for import into Subway's ERP. Key benefits of the multifaceted technology overhaul include:

- 85% payment automation. This figure is still rising, as more efficiency flows throughout the organisation
- 95% cash visibility
- Repatriation of cash from more than 100 countries, with associated closures of non-core bank partners
- More timely access to data to aid risk mitigation and optimisation strategies
- Easier onboarding as new franchisees join

All in all, the project has ensured Subway now has a modern infrastructure and a dedicated treasury team that has access to global banking, accounting automation, and transaction matching, plus all the other benefits of centralised control. The company has a solid base on which to build further innovation in future years.

BEST TMS IMPLEMENTATION

Revolutionising French Social Security Payments with a TMS

Best TMS Implementation

SILVER WINNER

URSSAF Caisse Nationale

A vital government agency hindered by a cumbersome system has eliminated delays, expense, and inefficiencies by investing in a sophisticated technology solution.

Managing a country's €1,500bn social security contributions is a complicated task. URSSAF Caisse Nationale, the French agency with that responsibility, was hampered by legacy technology and 26 regional subdivisions with their own directors, tools, and ways of working. A new TMS introducing standardised processes and a centralised cash pool in Paris has helped ease complexity and inefficiencies in its payments and cash management.

The past reliance at URSSAF Caisse Nationale on bespoke software that was becoming increasingly complex and expensive to manage, and bank connectivity that was fragmented, was a somewhat broken system that needed fixing. The French social security agency decided that all the stakeholders should in future be on the same system.

A scalable on-premise Datalog TMS was selected to achieve this aim. It can add new entities easily, handle complexity, and manage high volumes of transactions – all functionalities which were crucial in winning the agency a Silver accolade at the TMI Awards 2023 in the Best TMS Implementation category.

Centralised and embedded

After consultations with local teams across France, and a separate finance unit, an RFP was issued by the Paris treasury team for a new TMS and technology stack. Datalog TMS was chosen.

Installing the cash management module was the first roll-out step. This helped centralise the treasury in Paris and embed it much more deeply into the agency as it oversees cash flow on the new solution from its central position.

Phase two of the project began in September 2023. This involved the implementation of a payment factory (PF) and the banking communication modules of the TMS necessary to improve connectivity, a key requirement in directing the high volumes.

According to Omar Pazmiño, Information Systems Mission Manager, URSSAF Caisse Nationale: "We are now migrating all the direct debits and adding new workflows. Previously, with some of these flows, somebody had to physically walk from one place to another to sign a document, and then go to the bank to issue the wire transfer. But now everything is done via the new system."

> "As operator of essential services in France, it is imperative to recover social security contributions to meet social benefits linked to retirement, health, poverty, and unemployment."
>
> Loïc Girard, Treasury Project Manager, URSSAF Caisse Nationale

URSSAF Caisse Nationale has around 15 applications feeding data on payments and direct debits into the TMS. Whenever the rules around SEPA payments alter, as they do every so often, changing 15 different tools was previously necessary. This caused delays and expense. The single system now in place means that this isn't an issue anymore. "We just update the TMS," explains Pazmiño. "Having everything centralised in the TMS is a significant improvement for us."

The next step, undertaken by the treasury and finance team in Paris, was to establish a data lake. Through the tools in the TMS and information such as intraday statement reports, the Parisian headquarters can now analyse data much more effectively. It verifies all the local subdivisions are sending funds to the central treasury on time and the cash pool is growing as expected.

Further efficiency gains are being investigated as the new system beds down at the agency. For instance, the Electronic Banking Internet Communication Standard (EBICS) payment protocol in the SEPA zone has a TS variant that allows for the easier exchange of payment files. It facilitates faster digital signing of banking orders.

"We wanted to – and now can – use a token to sign files instead of connecting to the bank to check them," explains Pazmiño, citing just one of the many new tasks that URSSAF Caisse Nationale is able to perform, thanks to its new TMS.

Urssaf
Caisse nationale

BEST TREASURY TRANSFORMATION PROJECT

Ambitious IHB and Treasury Overhaul Win Recognition for ADNOC

Best Treasury Transformation Project

SILVER WINNER

Abu Dhabi National Oil Company (ADNOC)

Simplification, rationalisation, and automation mean the UAE-based leading diversified energy group can face the future with confidence.

Abu Dhabi National Oil Company's (ADNOC's) treasury has been transformed after it implemented an in-house bank (IHB) in just a few months to bring about real-time cash management and pooling across the group. Its new ERP is reliant on SAP's S/4HANA In-House Cash tool, which is backed by virtual accounts from First Abu Dhabi Bank (FAB) and J.P. Morgan. This has created a fully centralised treasury model that has POBO and COBO functionality to sweep cash and increase flexibility.

The creation of ADNOC Group Treasury Services (AGTS) as the sole banking provider to the group has garnered a silver trophy at the TMI Awards 2023 in the Best Treasury Transformation category. Accenture assisted with the introduction of the ERP. All the project partners worked together to overhaul the cash and liquidity management procedures at the Group. The centralised treasury helps with tasks including POBO/COBO, intercompany netting, and FX risk management.

The new ADNOC IHB is registered in the Abu Dhabi Global Market (ADGM) international financial centre located on Al Maryah Island in the UAE capital.

The building blocks provided by the virtualisation efforts of J.P. Morgan and FAB were the first foundational stages of the centralisation efforts at ADNOC.

The second phase was the establishment of the IHB and AGTS, which used Accenture's consulting services and SAP's S/4HANA technology to execute the overall vision. The key centralisation benefits achieved so far are:

- Simplified funding management and improved return on equity (RoE). All achieved by funding the group via access to centralised, real-time fungible pooled cash. This meets the working capital requirements of group companies and enables growth
- Leveraging a centralised bank account and operating model has transformed the cost, risk, and resource burdens associated with bank account administration and KYC across 17 group companies

Rationalisation efforts have resulted in:

- Thirteen KYC records being reduced to one
- The number of physical bank accounts being reduced from 46 decentralised accounts down to three centrally managed physical accounts, which are accessible only via treasury.
- The new virtual account structure has reduced cross-border intercompany movements, currency risks and costs significantly.

Increased accuracy and forecasting

Real-time pooling and daily zero balance accounting (ZBA) to the designated liquidity bank increased the return on cash available to the Group by 50% in 2021, when the new structure was first rolled out. Further improvements have since been made. Cashflow forecasting accuracy is now up to 98% across the Group, as oversight has improved. Better planning and cash optimisation releases more funding and leads to new growth opportunities.

Prepared for change

Automation of reporting, cash consolidation, forecasting and payment processing, plus reconciliation and intercompany loan management have introduced considerable efficiency savings. Additionally, ADNOC is now seeing an improvement in specific tasks, such as the ease of onboarding new clients, collections, and data-led reporting obligations.

ADNOC's treasury operating framework is now much more scalable and flexible, making it easier to power growth, investment, and adapt in later years, which could be useful as net-zero investment changes and ESG-related amendments to energy sources and operational procedures hit the sector. In addition, the amount of useful risk, transactional and other data now available to the company has also markedly increased, while bank fees and other costs have significantly decreased.

أدنوك
ADNOC

BEST VIRTUAL ACCOUNTS SOLUTION

Ksher Makes Borders and Inefficiencies Virtually Disappear

Best Virtual Accounts Solution
GOLD WINNER
Ksher

An impressive virtual accounts solution means online buyers and sellers using Ksher's platform are no longer restricted by complicated and expensive legacy banking requirements.

Thai fintech Ksher is an e-commerce payments facilitator enabling local merchants to accept Chinese Alipay, WeChat Pay and other such electronic orders online thanks to its new virtual accounts structure.

The innovative solution was developed with Standard Chartered Bank Thailand, which was already Ksher's main cash management bank in its 'home' country of Thailand. Such a 'home' concept is, of course, alien in the increasingly borderless digital marketplace of the 21st century where orders may come in from anywhere in the world, including from Chinese manufacturers or consumers, or others in the APAC region looking to source Thai products, or indeed vice versa.

These merchants look to Ksher to enable such e-commerce transactions easily. The provision of a virtual account (VA), which ties back to a single Ksher account operated by SCB Thailand, means client merchants can take online bank payments without having to resort to expensive card payments, wire transfers or other more complicated means of accepting money.

Speed and convenience of payments is vital in the online world and the new solution delivers it, which is why Ksher won a Gold trophy for the Best Virtual Accounts Solution at the TMI Awards 2023.

Speedy and scalable

The VA solution supports Ksher in streamlining cash reconciliation and the company's COBO offering, so that a merchant no longer needs to present a bill (invoice), nor hold an account in Thailand, to facilitate the collection of e-commerce payments.

Without the solution, it would have been challenging for Ksher to reconcile more than 30,000 monthly transactions without increasing the cost of service or requesting more information from payers, thereby slowing down the procedure. The new structure is also more scalable for the future.

In addition, an automated FX solution has been built for Ksher to remit funds on to the respective banks of Thai merchants in the appropriate currency.

"The provision of a virtual account means client merchants can take online bank payments without having to resort to expensive card payments."

Farewell expensive reconciliation

Ksher receives hundreds of payments daily into its account and previously it relied on Standard Chartered to manually verify which transactions were associated with which merchants, and additional information from the payer was a must. This has been swept away and reconciliation is no longer manually intensive and expensive.

A new entirely digital procedure has been established that starts with applying for a virtual account number, through to activation and collection, and subsequently onwards to payouts to the merchant.

The key benefits of the project are its end-to-end nature and:

- VAs reduce the time it takes Ksher to reconcile, plus the automated data-led digital approach lets the fintech identify the receiving merchants and subsequently pay out faster
- More merchants can be onboarded faster, with the same manpower. There is now a lower customer acquisition unit cost
- Compliance and risk procedures are enhanced by the digital operation

Ksher

WINNERS 2023

Bank & Technology Awards

BEST BANK FOR CASH & LIQUIDITY MANAGEMENT

Europe	**BNP Paribas**
Asia Pacific	**Standard Chartered Bank**
China	**Standard Chartered Bank**
Middle East & Africa	**Societe Generale**
North America	**Bank of America**
South America	**Citi**
Global Bank of the Year	**HSBC**

BEST BANK FOR TRADE & SUPPLY CHAIN

Europe	**ING**
Asia Pacific	**HSBC**
China	**HSBC**
Middle East & Africa	**Societe Generale**
North America	**Bank of America**
South America	**Citi**
Global Bank of the Year	**BNP Paribas**

TREASURY4GOOD AWARDS

Global Bank of the Year for CSR/ESG	**BNP Paribas**
Best Provider of Green Cash & Liquidity Solution	**Standard Chartered Bank**
Global Bank of the Year for Sustainable Finance	**Standard Chartered Bank**
Global Bank of the Year for Sustainable Trade Finance	**ING**
Best T4G Technology Solution	**BNY Mellon**
Best T4G Innovator	**CNote**

INVESTMENT AWARD

Innovation in the Short-term Investment Ecosystem	**TreasurySpring**

TECHNOLOGY & INNOVATION AWARDS

Accounts Payable & Receivable Solution	**Global PayEx**
Bank Connectivity	**Fides**
Best Innovation Lab	**FinanceKey**
Innovation Lab *Highly Commended*	**HedgeFlows**
Innovation Lab *Highly Commended*	**Agicap**
Cash & Treasury Management Solution	**FIS**
Bank of the Year for Best Customer Experience	**Citi**
Best Customer Experience *Highly Commended*	**Standard Chartered Bank**
Best Customer Experience *Highly Commended*	**Bank of America**
Best Mobile Technology Solution for Treasury	**Bank of America**
Portal Technology	**ICD**
Risk Management Solution	**ICD**
Risk Management Solution *Highly Commended*	**CoorpID**
Solution Innovation	**Deutsche Bank**
Solution Innovation *Highly Commended*	**BNP Paribas**
Solution Innovation *Highly Commended*	**Bank of America**
Trade and Supply Chain Finance Solution	**Standard Chartered Bank**
Trade and Supply Chain Finance Solution *Highly Commended*	**UniCredit**
Trade and Supply Chain Finance Solution *Highly Commended*	**Surecomp**

ADVISORY AWARDS

Best Risk Management Advisory Service	**Dukes & King**
Best Cash Management Advisory Service	**Pecunia Treasury**
Best Treasury Technology Advisory Service	**Automation Boutique**