

# Pandemic Powerhouses

## TMI Corporate Recognition Award Winners 2020

By Eleanor Hill, Editor

**I**n one of the toughest years for treasury in the past decade, treasury teams stepped up their innovation projects and rolled out digital best practices at speed. Here, we celebrate their successes.

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# Corporate Recognition



What a year 2020 was. As much as the financial crisis of 2007/8 had provided some insight into the management of 'black swan' type events, no one was prepared for the impacts of a global pandemic – and managing treasury operations from home. Nevertheless, treasury teams executed their day-to-day responsibilities with aplomb, and continued their efforts to become more efficient, while adapting to the latest technologies.

It seems fitting, then, to start our celebrations of the 2020 TMI Corporate Recognition Award Winners with the **Best Treasury Transformation** category. The judges awarded two **Highly Commended** accolades here, the first being **Tecnica**. New shareholders (in 2017) triggered a digital transformation process designed to upscale and streamline Tecnica's treasury workflows. The transformation involved partnering with a selection of fintechs – including **Piteco**, to fully digitise treasury management; **SAP**, to establish efficient accounting and finance practices; and **Anaplan**, to implement structured reporting capabilities. At the same time, **UniCredit** was brought onboard to advise on Tecnica's transformation and sought to rationalise the company's numerous subsidiary accounts – establishing a complete, digital payment factory solution, spanning the length and breadth of Tecnica's large sales and production network. The Covid-19 crisis functioned almost as a stress test for the new treasury infrastructure – and Tecnica passed with flying colours.

The other **Highly Commended** organisation was **The Hongkong and Shanghai Hotels (HSH)**. Throughout 2020 HSH has undertaken an ambitious treasury transformation, with the help of **HSBC**, to achieve better efficiency, tighter internal controls and direct economic benefits for the company. The project covered liquidity management, reporting, systems, treasury policy, strategic cash

management, account rationalisation and standardising the company's cash flow forecasting methodology. The benefits of the transformation are numerous, including significant cost savings and improved process efficiency, freeing up the treasury team for more strategic tasks. The TMI judges were impressed by the scale of the project, its speed, and its successful outcome.

Our overall winner for Treasury Transformation was **Microsoft**. Of course, Microsoft already has a very sophisticated treasury function but the team consistently excels in further transformation – and this makes them a leader in the industry.

The treasury has no treasury management system (TMS) and instead uses around 40 treasury apps – and thanks to the user-friendly Microsoft PowerApps technology, non-technical engineers are able to create new tools, enabling continuous treasury transformation. The TMI judges appreciated how, by embracing technology, the Microsoft treasury team has completely reinvented itself. The team also continues to redevelop many of its already best-in-class tools to further automate and leverage cloud-based solutions. In addition, treasury has also taken an expanded role within the company to redevelop and/or design solutions for

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*In one of the toughest years for treasury in the past decade, treasury teams stepped up their innovation projects and rolled out digital best practices at speed.*

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## CORPORATE RECOGNITION AWARDS

Best Treasury Transformation .....	Microsoft
Best Treasury Transformation - <i>Highly Commended</i> .....	Tecnica
Best Treasury Transformation .....	The Hongkong and Shanghai Hotels, Limited
- <i>Highly Commended</i>	

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*No one was prepared for the impacts of a global pandemic – and managing treasury operations from home. Nevertheless, treasury teams executed their day-to-day responsibilities with aplomb.*

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bank account management, intercompany lending, subsidiary investments, SWIFT on Azure, and implementing new solutions for machine learning, to name just a few. These have set the company up for success, especially in a remote-working environment.

Next, the Award for **Best Corporate Finance & Funding Initiatives** went to **Drax**. During Covid-19, the company's liquidity remained strong, but treasury was nevertheless keen to pursue the economic refinancings that were planned in advance of the pandemic. While the new remote and virtual surroundings offered a number of challenges, the company successfully explored new markets including undertaking a term loan B (TLB) roadshow, it also refinanced its environmental, social and governance (ESG) term loan, reducing cost and extending maturity, launched and priced an inaugural euro bond, and finalised the refinancing of its revolving credit facility (RCF). Busy times!

Another treasury team that has been industrious throughout the pandemic is **Bahri** – winner of the **Highly Commended** accolade in the **Best TMS Implementation** category. Previously, Bahri's treasury operations, in particular cash management, debt, payments, foreign exchange (FX), reconciliation and bank connectivity were manual. The team knew

they needed a treasury management system (TMS) and started the search. After a rigorous selection process, Bahri chose **FIS' Integrity SaaS Solution** and has since achieved huge benefits including 90% of treasury tasks being automated and digitised and a 40-50% improvement in operational efficiencies.

The overall winner for **Best TMS Implementation** was **Galls** – a leading US supplier and retailer of public safety equipment and uniforms. The organisation had billion-dollar growth plans and treasury needed a technology solution to support those ambitions, and scale with the organisation. The choice of provider was a no-brainer and Bottomline TreasuryXpress was soon implemented. The TMS has since created a virtuous circle of improvement within treasury and is enabling Galls to deliver on its goals. (Read an in-depth case study of this project on the TMI Treasury App.)

The **2020 Best Supply Chain Solution** category was hotly contested, but **National Oilwell Varco (NOV)** scooped a **Highly Commended** accolade. Due to the nature of its business, NOV required a financing solution that could both supplement its cash flow during the down cycle, but also be seamlessly scaled back during the up cycle. In particular, the solution had to be extremely flexible in terms of time frame, since NOV did not know how frequently its cash flow would need to be supplemented. The company worked with **UniCredit** to implement a novel approach to receivables financing, whereby UniCredit offers financing based on the expected payment date, rather than the due date, and prices the financing accordingly. NOV can now shorten its cash conversion cycle on a flexible basis – and redeploy cash to where it's needed most. (See the case study in issue 273 of TMI to learn more.)

The winner in this category was **Borealis**, which collaborated with **C2FO** to create a dynamic customer financing (DCF) solution. This innovation enables treasurers to strengthen customer relationships by accelerating, or extending, timelines for outstanding receivables – to suit both supplier and buyer. The judges were impressed by the ingenuity of this solution and the timing for its roll-out made it a perfect innovation to help support supply chains throughout the Covid-19 pandemic. The genuine co-creation of this

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### CORPORATE RECOGNITION AWARDS

Best Corporate Finance & Funding Initiatives.....	Drax Group
Best TMS Implementation.....	Galls
Best TMS Implementation - <i>Highly Commended</i> .....	Bahri
Best Supply Chain Solution .....	Borealis
Best Supply Chain Solution - <i>Highly Commended</i> .....	National Oilwell Varco

solution between Borealis and C2FO was also noteworthy, with the idea being fuelled by a great relationship and a willingness to push the boundaries of best practice. Bravo! (Find out more about DCF and its benefits on the TMI Treasury App.)

Another category that saw many great corporate entries in 2020 was **Best API Project**. The judges awarded two **Highly Commended** accolades, with the first going to French health insurance provider **Mutuelle Ociene Matmut**. For health insurers, processing reimbursement claims into the thousands every day can be a huge resource drain – taking up valuable time and effort, representing huge costs to the organisation. Ociene Matmut wanted to simplify and automate the process and approached one of its banks – **BNP Paribas** – which was able to offer its new corporate application programming interface (API)-based, real-time payment solution. For Ociene Matmut the benefits of utilising an API network are twofold: the automation of invoice processing, and the ability to make instant payments. This solution encompasses the spirit of innovation and excellence entirely.

The second **Highly Commended** accolade was picked up by **Bharti Airtel**, parent of Airtel Kenya, for its work to integrate treasury's internal systems with those of **Standard Chartered** via an API. Airtel Kenya wanted to improve its operational efficiency and eliminate delays in the allocation of e-value to its agents. With its old process, Airtel was only able to deliver e-value to an agent's wallet within 60 to 90 minutes after receiving payment. Following the API implementation, the delivery time has improved significantly. The solution provides real-time information to Airtel's treasury team and by integrating with Airtel's systems, Standard Chartered can deliver a real-time feed to Airtel Kenya for each payment. This, in turn, immediately triggers an automatic transfer of e-value to an agent's wallet without the need for any user or operator action.

The overall winner in the Best API Project category was **Autoneum** which worked with **J. P. Morgan** on an API project to increase visibility over its account data. Because of its international footprint, gaining real-time visibility over Autoneum's cash balances in its global subsidiaries was a challenge and was impacting its treasury management. Autoneum needed a treasury solution that

could provide enhanced visibility and could also be set up quickly and integrated with its existing software platform. It was especially important that it had strong fraud and cybersecurity protocols, such as allowing easy monitoring and tracking of users. J.P. Morgan's API solution was a perfect fit and provided treasury with real-time visibility into its balances and transactions globally. To simplify the user experience, the API also utilises an Excel plug-in, enabling Autoneum to retrieve treasury data at the click of a button. This has greatly improved its reconciliation and forecasting processes, while providing insight into its cash positions. (Read the case study on TMI's Innovation Lab to find out more.)

**Best Cash & Liquidity Management Project** was a very competitive category in 2020, but **GN Group** took away the **Highly Commended** accolade. GN is embarking on a strategic growth path underpinned by innovation and global partnerships. Revenue growth targets from 2017 to 2019

were set at high single digit annually for its two core businesses and it required all-round support from staff functions, including treasury. The Group's global operations collect large amounts of USD, mainly in the US but also across Asia, and non-US suppliers are being increasingly paid in USD to achieve a natural hedge. This has increased the need for a seamless, real-time and fully-integrated USD 'sweeping' solution. There was no one-size-fits-all solution for GN, so the company worked with **Bank of America**, **Kyriba** and **Deloitte** to implement a cash management solution comprising domestic and cross-border USD cash pools, and a POBO/ROBO structure for third-party transactions combined with an in-house-bank. The solution demonstrates best practice and innovation on many levels.

The worthy winner in this category was **Microsoft** for its Subsidiary Investment Tool for restricted markets. Due to currency, capital controls, and liquidity needs to

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**CORPORATE RECOGNITION AWARDS**

Best API Project .....	Autoneum
Best API Project - <i>Highly Commended</i> .....	Ociene Matmut
Best API Project - <i>Highly Commended</i> .....	Bharti Airtel Kenya
Best Cash & Liquidity Management Project .....	Microsoft
Best Cash & Liquidity Management Project - <i>Highly Commended</i> .....	GN Group



support local operations, the company had accumulated significant levels of cash held around the globe in restricted markets. Treasury needed a tool to help gain visibility over all of this cash and invest any excess liquidity appropriately. In true Microsoft style, the team set about building an in-house tool using PowerApps and held on the Microsoft Azure Cloud. This has enabled treasury to integrate the data from subsidiary investments with other important data elements. And almost overnight treasury was able to gain visibility over more than a billion dollars of cash held in restricted subsidiaries globally.

The **Best Risk Management Project 2020** was another clear win for **Drax**. The treasury team continues to strive for excellence in the corporate derivative space, innovating and adapting to the market to hedge the risk in the best way possible. Throughout the difficult conditions resulting from the Covid-19 crisis, treasury continued to risk-manage its portfolio, which is recognised as one of the top corporate derivative portfolios in Europe, by developing new bespoke solutions with banks – including **NatWest** markets – to manage its risks in a targeted and innovative way. The team even co-

created solutions to hedge risk that has not originally been catered for in the banking market. Impressive indeed.

Meanwhile, the **Best Working Capital Project Award** went to the well-deserving treasury team of **PTT Exploration and Production Public Company Limited (PTTEP)**. Due to a period of expansion at the company, the treasury team was looking for ways to transform its cash management and liquidity structure, with the aim of improving controls, automating and digitising processes, gaining higher visibility on account balances and generating cost savings and operational efficiencies, wherever possible. During 2020 the company has successfully centralised its treasury processes to Thailand and undertaken a complete transformation of its treasury and liquidity structure, with the help of **Bank of America**. Overall, this has resulted in vastly improved working capital management.

A new category for 2020 was **Treasury Technology Problem Solving**, as the TMI judges witnessed a wealth of creativity in this year's submissions. **Highly Commended** in this category was **Shanxi Securities International Asset Management Ltd**, which worked with

**HSBC** to implement a one-stop cross-border technology platform to assist international investors to benefit from its new exchange traded fund (ETF) product. This solution not only satisfies all regulatory requirements but has also provided an enhanced experience for end-customers, while increasing cash velocity and streamlining payments and reconciliation.

The winner in this category was **Danone**. The company has undertaken a huge technology programme with **Kyriba** to solve issues of manual inefficiency. The success of this project is far too large to explore in detail, but it involved: rapid deployment Kyriba to maximum areas of operations; seamless integration of individual functional blocks with Kyriba; end-to-end automation; enabling pricing visibility and transparency; systemic integration to reduce manual workload; and the ability to customise in response to future to business demands. With clear, quantified dollar savings in its FX hedging process and 240-plus FTE days saved due to improved automation, treasury has truly solved problems and added value to the organisation.

Another new category, inspired by some groundbreaking submissions, was **Treasury Technology Trailblazer**. **Highly Commended** in this category was **Bandwidth**, which has worked with **ICD** and **Trovata** to create an entirely integrated treasury workflow. This API-driven innovation is a light-touch technology solution that will help the company achieve its growth plans, while being flexible enough to leverage the latest technological developments. ICD and Trovata worked together on the integrated workflow concept, with input from Bandwidth's treasury, but with virtually no resource requirements from the corporate's side. The three-way collaboration sets a precedent for a future where treasury leverages a seamless ecosystem of specialist technology solutions. (Find out more in the case study on the TMI Treasury App.)

The winner in this category, was once again **Microsoft**. The team's work with Microsoft PowerApps has been quite incredible and sets a completely new path for the development of treasury tools. The TMI judges were also highly impressed with the Dashboard functionality in the TreasuryGo Intercompany Loan tool as

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### CORPORATE RECOGNITION AWARDS

Best Risk Management Project .....	Drax Group
Best Working Capital Solution Project .....	PTT Exploration and Production Public Company Limited
Treasury Technology Problem Solving.....	Danone
Treasury Technology Problem Solving - Highly Commended .....	Shanxi Securities International Asset Management Ltd
Treasury Technology Trailblazer.....	Microsoft
Treasury Technology Trailblazer - Highly Commended .....	Bandwidth

well as the Treasury Go Bank Account Manager tool, which enables everything a treasurer could want around bank account management. The team at Microsoft truly continues to push the boundaries of treasury technology and sets the bar higher each year.

While established treasury functions have been busy improving, we have also seen a number of new treasury functions being set up – in record timescales and with cutting-edge technology in place. One example of this leapfrogging came from **Siemens Energy**, which was **Highly Commended** in the **Best New Treasury Function** category. Siemens Energy was spun off from Siemens Group in September 2020. In preparation, Siemens Energy built up its treasury landscape from scratch to an outstanding, digital treasury department – all in less than a year. Challenges included building up the new treasury function in parallel to running day-to-day treasury operations at the parent company, Siemens AG. An existing hedging portfolio of several thousands of transactions also had to be transferred from Siemens AG to Siemens Energy without material impact on the business. In addition, FIS Quantum needed to be rolled out in a seamless manner. There was no room for error or delay, but the project was achieved in circa 11 months, thanks to treasury's determination and the support of FIS. (Find out more on the TMI Treasury App.)

Our winner was **Fareva**, which worked with **BNP Paribas** to establish a dedicated treasury function from the ground up, putting in place essential cash management plumbing alongside leading-edge cash centralisation and optimisation projects. With the company expanding rapidly, with 39 sites across 12 countries, teaming up with BNP Paribas meant that Fareva could roll out a TMS that includes SWIFTNet connectivity, across all of those locations alongside projects such as bank fee harmonisation, and a working-capital-related project. An enhanced cash pooling structure has also been implemented, centralising cash through BNP Paribas. All of this was achieved with just two full-time employees on Fareva's side, making the success even more impressive. (Read the case study in issue 276 of TMI for the full details.)

Meanwhile, the **Best Cash Pooling**

**Solution** saw **China Three Gorges Corporation** take home the **Highly Commended** accolade. The company worked with **Bank of China (Hong Kong)** to implement a three-layered cash pool that utilises various double tax and treasury centre tax incentives in Hong Kong. This project truly demonstrates a best practice global cash management model for a state-owned enterprise on its 'going global' journey. In order to support the rapid growth in overseas investment and business expansion, it is crucial for these corporations to ensure the control of funds overseas and enhance the efficiency of treasury management outside mainland China. This is the perfect example of such development.

The overall winner was **Aspen Pharmacare**, which worked in partnership with **BNP Paribas** to implement an

innovative physical cash pooling solution that was the first of its kind in South Africa. The ambitious project has unleashed a host of improvements – from interest cost savings to simplifying the reconciliations process. There were challenges along the way with this undertaking, such as securing regulatory approval for the project, but in collaboration with BNP Paribas, Aspen's treasury team has created a healthy environment in which its cash can now flourish. (An in-depth case study on this ground-breaking project is available in issue 276 of TMI.)

A reflection of innovation in the market, **Best KYC Solution** was won by **Pepper Group**, which has been an early mover with **SWIFT's KYC Registry**. Given the variety of countries it operates in, Pepper employs a multi-bank model

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*The Drax treasury team continues to excel and, alongside its award-winning risk management and financing activities, has driven the sustainability agenda and explores new technology avenues.*

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#### CORPORATE RECOGNITION AWARDS

Best New Treasury Function .....	Fareva
Best New Treasury Function - <i>Highly Commended</i> .....	Siemens Energy
Best Cash Pooling Solution .....	Aspen Pharmacare
Best Cash Pooling Solution - <i>Highly Commended</i> .....	China Three Gorges Corporation
Best KYC Solution .....	Pepper Group

with approximately 30 different banking partners globally. With that number of banking relationships, keeping on top of KYC requirements can be time-consuming. Thanks to its willingness to embrace SWIFT's KYC Registry, the company has achieved numerous efficiency benefits and is educating the wider treasury community on the possibilities of the solution. (Discover more about this project in Issue 278 of TMI.)

Another new category was the **Covid-19 Response Awards. Highly Commended** here was **The Hong Kong Council of Social Service (HKCSS)**, which is an umbrella organisation for more than 480 non-governmental social service agencies of Hong Kong. The council is an essential partner of the Hong Kong government in social welfare and development. Together, HKCSS and **Standard Chartered** rolled out a joint programme helping to rapidly disburse around \$5.16m (HKD 40m) in donations, supporting some 4,000 rent payments during the Covid-19 pandemic. This solution leverages faster payments and is a great example of treasury innovation leading to tangible benefits in the real world.

The winner in this special category was **KPJ Healthcare Berhad** together with

its banking partner, **HSBC**. An approved hospital for Covid-19 testing in Malaysia, KPJ Healthcare was keen to make the process of testing as easy and safe as possible for everyone, including when it came to taking payment. An inspired solution came in the form of a cashless collection set up with HSBC that leverages instant payments and quick response (QR) codes. In addition to the efficiency benefits of this solution for the healthcare provider, patients and their next of kin now have a convenient, contactless payment solution that brings them peace of mind during the toughest of times. A job very well done.

There was a clear winner of the **Editor's Award for Best Practice Treasury & Innovation** in 2020, namely **ST Telemedia**. The team has done an amazing job across all elements of treasury's responsibilities – from cash and liquidity management improvements to running a successful medium-term note programme and implementing FIS' Integrity TMS. The team was also quick to respond to the challenges of the Covid-19 pandemic and within a very short timeframe, was able to continue day-to-day treasury operations without disruption. The team's hard work and dedication to best practice and

innovation is exemplary. Well done!

A special accolade, **Treasury Commentator of the Year**, went to François Masquelier, CEO, SimplyTREASURY. Now using his expertise in the treasury consultancy space, François continues to educate the treasury community and share his opinions and advice with TMI readers. We applaud his dedication and thank him for his ongoing contributions, which are outlined in more detail on the TMI Treasury App.

Now on to our final and most-prized accolade, **Top Treasury Team of the Year. Highly Commended** was **Lanxess**, a leading speciality chemicals company based in Cologne, Germany, which has circa 14,300 employees in 33 countries. With the introduction of **TIS**, Lanxess now has integrated its ERP systems, HR systems and all bank connections on one single cloud-based platform. One of the best practices that sets Lanxess apart is its excellent corporate culture and amazing collaboration between treasury and IT. People are the key to the team's success and they thoroughly deserve this recognition.

Our Winner of **Top Treasury Team 2020** was, without a shadow of a doubt, **Drax**. Although the team may be small, the sheer breadth and complexity of areas that Drax's treasury covers is immense. From risk management of an incredibly complex financial derivatives portfolio to insurance portfolio management and mergers and acquisitions (M&A) support, the team continues to go from strength to strength – even through the toughest times. In addition to impressive capital market activities undertaken throughout 2020, the Drax team continued to upscale its pioneering ESG Commercial Deferred Letter of Credit (DLC) structure with **Bank of America**, which increases Drax's working capital efficiency while incentivising the parties to meet sustainability objectives. The team has also explored new areas, such as working with a fintech, demonstrating its pioneering spirit.

In short, the Drax treasury team continues to excel and, alongside its award-winning risk management and financing activities, has driven the sustainability agenda and explores new technology avenues. This all-round approach to treasury innovation and excellence is the perfect embodiment of TMI's Top Treasury Team – congratulations! ■

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## CORPORATE RECOGNITION AWARDS

Covid-19 Innovation Award .....	KPJ Healthcare Berhad
Covid-19 Innovation Award - Highly Commended .....	The Hong Kong Council of Social Service
Editor's Award for Best Practice Treasury & Innovation .....	ST Telemedia
Treasury Commentator of the Year .....	François Masquelier
Top Treasury Team of the Year .....	Drax Group
Top Treasury Team of the Year - Highly Commended .....	LANXESS