Sponsored by

Bank of America Merrill Lynch

gtnews | An Association for Financial Professionals® Company

the Awards

for Global Corporate Treasury

Winners Book 2012

Winning examples of treasury success

At a gala dinner at Amsterdam's prestigious Sofitel Grand Hotel, the winners of the 2012 *gtnews* Awards for Global Corporate Treasury, sponsored by Bank of America Merrill Lynch (BofA Merrill), were announced. More than 110 attendees gathered from around the world on 24 May to celebrate best practice and reward industry-leading projects and personalities. This winners book contains a collection of case studies based upon each winning entry into the 2012 Awards and is intended to demonstrate best practice and highlight some great projects.

The *gtnews* Awards for Global Corporate Treasury, sponsored by BofA Merrill, recognise the treasurers and teams who have done the most to contribute to the success of their organisation, wherever they are in the world.

Now in its third year, the Awards have a hard-earned reputation for authority and independence. The judging panel (see pages 4-6) consists of working treasury professionals from AkzoNobel, Etihad, and Thomas Cook, among many other corporates. All used their real world expertise to ensure that the very best examples of corporate treasury work were rewarded. The fact that the Awards are independently judged by a team of treasury professionals makes the accolade for the winners that much more special.

A member of the judging panel in 2012, Michael Connolly, vice president and treasurer of Tiffany & Co., acted as compere for the evening and announced the winners for this year. Connolly is also the serving chairman of the board of directors at the Association for Financial Professionals (AFP). He said he was impressed by the "international-ness" of the entries and that, "the companies participating were from many different countries, with entries spanning many borders".

According to Connolly, it is clear that treasurers face similar global challenges: managing risk across the enterprise; interacting effectively with diverse business units; working closely with technology teams; and fostering good partnerships with banks and others. "As a corporate treasurer myself," he said, "it has been an honour to see how my colleagues have met these challenges and how they have succeeded in today's financial environment".

Connolly went on to thank the support of the sponsor, BofA Merrill, whose head of global transaction services (GTS) for Europe, Middle East and Africa (EMEA), Carole Berndt, took to the stage to say the bank was delighted to be sponsoring these awards and to see everyone enjoying themselves. "These peer-reviewed awards demonstrate excellence in global corporate treasury and the winners are truly deserving of the accolade," she added.

There were 76 entries in total from 57 different treasury departments, spanning 11 different categories in the 2012 Awards for Global Corporate Treasury. The trophies were handed out in the evening following on from the opening of the *gtnews* Forum for Global Corporate Treasury on 24 May, a two-day conference that examined the key topics, trends and challenges currently facing treasurers, with speakers from the European Central Bank (ECB) and European Payments Council (EPC) addressing issues such as the single euro payments area (SEPA) and the eurozone crisis, among much more.

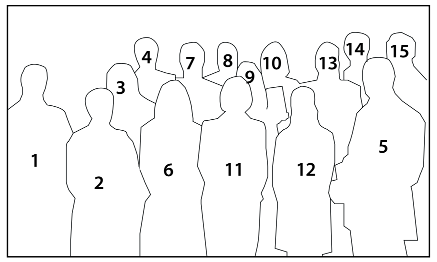
The 2012 Awards winners represent a revealing cross-section of all that is best in the world of treasury and show how corporations are coping with the pressures of an increasingly globalised marketplace, economic recession, and debt and exit fears in parts of the eurozone, allied to tight credit conditions and a raft of new regulatory compliance demands.

Our congratulations go to all the winners and highly commended entrants detailed in this book. I hope you enjoy this collection of best practice winning case studies and find them useful for your future treasury operations. We look forward to reviewing a further batch of awards entries next year and welcome any feedback in the meantime.

Best wishes,

Neil Ainger

Editor-in-Chief, *gtnews*



***1.** Mark Tweedie, head of technology, media and telecoms, EMEA, GTS, Citi, accepting on behalf of **UPS** and **Microsoft**, which respectively won the **Cash Flow Forecasting** and **Working Capital** categories; **2.** Doan Nguyen, financing and treasury director, **GE** Energy Power Conversion and **3.** Cara Hanrahan (behind), a treasury services sales executive, EMEA, at project partners, JP Morgan, accepting the best **SWIFT Implementation** trophy; **4.** Willem Dokkum, global head of sales, payments and cash management, ING, category sponsor for the **Shared Service / Payment Factory** category, which was won by **Philips**, working with project partners Zanders. The award was collected by **5.** Gary Throup, vice president and treasury controller at Philips. **6.** Jessica Ewing, treasury consultant, **Dell**, accepting on behalf of **Gary Bischoping Jr**, who won the readers' choice **Corporate Treasurer of the Year** award. **7.** Paul Boodee, director, Americas region finance, **Toyota Financial Services**, picked up the **Risk Management** trophy. **8.** Joerg Bermuller, head of cash and risk management at **Merck KGaA**, which won the **Supply Chain / Trade Finance** category and the **overall Gold Award** for the highest scoring entry across all categories. **9.** Vanita Aggarwal, director of treasury risk, Toyota Financial Services, collected the best **Treasury Technology** award on behalf of **Toyota Motor Credit Corporation**, with **10.** Juddith van Paassen, a partner at the category sponsors, Zanders. **11.** Carole Berndt, head of GTS, EMEA, at the overall event sponsors, BofA Merrill accepting the award for **Treasury Team of the Year** on behalf of **QinetiQ**. Her colleague, **12.** Jennifer Boussuge, head of global treasury sales at BofA Merrill, is on her right. **13.** Patrick Coleman, general manager for EMEA at IT2 is on stage with **14.** Alan Chitty, treasury controller at **SABMiller**, winners of the **Foreign Exchange (FX)** Project of the Year. **15.** Michael Connolly, vice president and treasurer of Tiffany & Co., was the compere of the 2012 Awards.*

The **Judging Panel**

All entrants to the *gtnews* Awards for Global Corporate Treasury 2012, sponsored by BofA Merrill, were judged by a highly qualified team of corporate treasurers. The peer review system in place for the Awards ensures that all entries are judged fairly on their merits by people who do the job themselves on a day-to-day basis and are well placed to pick the winners. The judging panel were assigned to the categories that best matched their expertise and brought their hundreds of years of combined experience to bear on deciding who should win.

The judging panel of 14 highly qualified professionals is completely independent: neither the Awards' sponsors nor *gtnews* itself has any control over which entries succeed.

Michael Connolly, vice president and treasurer of Tiffany & Co., who acted as compere for the Awards evening and is the serving chairman of the board of directors at the Association for Financial Professionals (AFP), unveiled the winners in 2012. He commented on what an "honour" it had been to see how treasury colleagues from around the world had risen to the challenge of succeeding in today's tough financial environment.

Another member of the judging panel, Craig Ehrnst, a certified treasury professional (CTP) and treasurer at NCCI Holdings, said he was impressed by "the scope and quality of the entries", while Linda Williams, assistant group treasurer at Thomas Cook Group said she found them "inspiring". According to Craig Busch, group treasurer at WorleyParsons, "the execution of the various projects was extremely high, which was even more impressive given the high degree of volatility that now exists in the markets that treasury operates in."

For Anthony Scaglione, CTP, senior vice president (SVP) of merger and acquisition (M&A) and corporate treasurer at ABM Industries, "the entries showcased a broad base of industry expertise and, in some cases, leading edge solutions", while fellow judging panel member, Ricky Thirion, vice president of treasury at Etihad Airways, said he thought "the standard of submissions continues to improve year-by-year."

The judges for the *gtnews* Awards 2012 were as follows:

Craig Busch
Group Treasurer at WorleyParsons

Craig Busch is group treasurer of Worley Parsons, a top 50 Australian Stock Exchange listed company employing more than 35,000 people across 43 countries. Busch is responsible for the global liquidity, funding and risk management strategies for the group and the management of the global treasury centres. He has 25 years of experience in financial markets, including as head of international and treasury for banks in Australia and Japan.

Michael Connolly
Vice President and Treasurer at Tiffany & Co.

Mike Connolly is the vice president and treasurer of Tiffany & Co., the world renowned jeweller and specialty retailer with retail stores and manufacturing and distribution facilities throughout the US, Europe, Asia and Latin America. Having been with Tiffany & Co. for over 22 years, Connolly's primary areas of responsibility include treasury operations, global tax matters, financial risk management, operational risk management, credit, accounts receivable (A/R) and insurance. He is also a member of the Tiffany & Co. pension, enterprise risk management, business recovery and continuity, security and safety committees. Connolly also currently serves as chairman of the board of directors of the AFP.

Craig Ehrnst
CTP, Treasurer at NCCI Holdings

Craig Ehrnst has been treasurer of NCCI Holdings in Boca Raton, Florida, US, since 2000. He was formerly with ExxonMobil's Latin American affiliate as a senior treasury manager. Ehrnst has been a member of the board of directors since 2008 and also serves as a member on the policy committee. He was a member of the AN08 Annual Conference Task Force and in the past he has served as the chairman of the Treasury Management Advisory Group, as well as with the AFP Working Capital Management Task Force. He has been a speaker at the AFP Annual Conference in past years, and currently serves on several local community advisory boards.

Jeff Johnson
CTP, Treasurer and Vice President, Investor Relations at Deluxe

Jeff Johnson is treasurer and vice president, investor relations at Deluxe in Shoreview, Minnesota, US. His responsibilities at Deluxe include treasury operations, investor relations, retirement plans, and risk management. Prior to joining Deluxe, Johnson was chief financial officer (CFO) with ABS Global. He is currently a member of the AFP Finance Committee and has spoken at the organisation's annual conference.

Robert Polansky
Assistant Treasurer, Treasury Operations at General Mills

Robert Polansky, chartered financial analyst (CFA), is assistant treasurer, treasury operations at General Mills in Minneapolis, US. Polansky earned AB and MBA degrees from the University of Chicago, and has been in General Mills corporate treasury for more than 25 years. His current areas of responsibility include overseeing the cash management function and managing all treasury trading operations including short-term and long-term debt, short-term investments, stock repurchase, interest rate derivatives and foreign exchange. Polansky also led implementation of SAP's treasury module, value-at-risk (VaR) for treasury and supply chain, and treasury issues of General Mills' Supply Chain Finance Project, which won the *gtnews* Corporate Treasury Gold Award in 2010.

Stacy Rosenthal
Head of Corporate and Payments Strategy Americas at SWIFT

Stacy Rosenthal joined SWIFT in early 2008 from Bank of America. At SWIFT, Rosenthal focuses on strategic banking and corporate initiatives, working on key projects with market infrastructures, banks and corporates including new product innovation, global remittances, information reporting, exception management and electronic bank account management (eBAM). While at Bank of America, she was SVP, product consulting in global treasury. She served as a subject matter expert for treasury front/back office integration, comprehensive payables, and electronic receivables. Rosenthal has broad knowledge of treasury management and the transformation from paper to electronic solutions. She was with Bank of America from 2003-2008. For 10 years prior to that, Rosenthal worked for leading enterprise software organisations on global initiatives. Her areas of focus included sales, business development, consulting, product launch and project management. Rosenthal has a BA degree from State University of New York at Albany and a MBA in management and technology from Long Island University at CW Post.

Anthony Scaglione
CTP, SVP of M&A and Corporate Treasurer at ABM Industries

Anthony Scaglione is vice president and corporate treasurer at ABM Industries in New York, NY. Prior to joining ABM Industries, Scaglione was vice president, assistant treasurer at CA. He currently serves as a member of the audit committee, as well as the strategic alliance committee. He has presented at a number of AFP conferences and gatherings.

Rey Sermonia
Treasurer

Most recently Rey Sermonia was treasurer of Qatargas in Doha, Qatar. He received his MBA from the University of Chicago and his MA from Williams College, Williamstown, Massachusetts, USA. Sermonia has a certificate in International Cash Management (CertICM) from the Association of Corporate Treasurers (ACT) and a certificate in Financial Asset Management and Engineering (CFAME) from the Swiss Finance Institute.

Paul Stheeman
Independent Consultant

Paul Stheeman started his career in international banking in various roles at Commerzbank in Germany. He then moved to the oil and gas industry, where he has worked in several treasury functions at Deminex, Veba Oil & Gas and most recently as director international treasury with Petro-Canada. He retired in April 2010 and is now using his experience to advise corporates in treasury matters. During his long career, Stheeman has worked in several European countries and has broad experience in setting up new treasury operations centres and in-house banks (IHB). He also has extensive experience in international cash management and financial risk management.

Ricky Thirion
Vice President, Treasury, Etihad Airways

Ricky Thirion oversees the treasury portfolio at Etihad Airways, which includes the treasury, corporate investments, corporate and structured finance and insurance departments. His highest qualification is a Masters degree in Mechanical and Aeronautical Engineering, and he also holds various financial and business management related qualifications. Thirion was voted Global Corporate Treasurer of the Year 2010 by the readership of gtnews and is an honorary fellow of the ACT. Prior to his role as vice president of treasury at Etihad Airways, Thirion was group treasurer at South African Airways, managing director for Andisa Treasury Solutions, and managing director with Standard Risk and Treasury Management Services, a subsidiary of the Standard Bank Group in South Africa.

Peter van Rood
Corporate Director of Treasury, AkzoNobel

Peter van Rood was appointed as corporate director of treasury for AkzoNobel in September 2007. Since then he has been responsible for a full transformation of the treasury function, comprising the replacement of IT systems, implementation of cash management solutions, benchmarking and rollout of new policies and a reorganisation of the department. Prior to joining AkzoNobel van Rood worked for 17 years for the Royal Dutch Shell Group in various roles across pensions, trading and corporate. During that period he was involved in a broad range of finance disciplines and projects. Van Rood completed a university degree in business economics from the Erasmus University in Rotterdam, the Netherlands, and holds a chartered financial analyst (CFA) designation and a controllers degree.

Linda Williams
Assistant Group Treasurer, Thomas Cook Group

Linda Williams is primarily responsible for the back office of Thomas Cook treasury, a key role given the extent of the travel group's hedging requirements and cash management activities. Reporting to the group treasurer, she has been with the group for four years and is responsible for some key projects including the development of their cash concentration structure and replacing the treasury management system (TMS). Prior to joining Thomas Cook, Williams was treasurer at Metronet Rail and the Laurel Pub Company. Holding the MCT qualification, she also trained as an accountant and held several positions in finance with Whitbread, the retail and leisure group.

Enrico Camerinelli
Senior Analyst, Aite

Enrico Camerinelli is a senior analyst within Aite Group's wholesale banking group, based in Europe. His current research at the consultancy focuses on global transaction banking, trade finance, cash management, the single euro payments area (SEPA) and the financial supply chain. Prior to joining Aite, Camerinelli was an analyst at Celent and, previously, an independent analyst and advisor to organisations such as the Supply Chain Council and the Theory of Constraints International Certification Organisation. Camerinelli has been vice president and research leader of the worldwide practice of Enterprise Application Strategies at Meta Group, and a senior marketing consultant at JD Edwards. He has also worked for more than 10 years in the industry as a supply chain and plant manager.

Nancy Atkinson
Senior Analyst, Aite

Nancy Atkinson is a senior analyst at Aite Group, specialising in wholesale banking issues including global business-initiated payments, trade finance and the financial supply chain, plus working capital management. Prior to joining the Aite consultancy, Atkinson was first vice president of institutional marketing at Mellon Bank, where she worked for more than 20 years in treasury product and operations management. She is a former vice chairperson of the National Automated Clearing House Association (NACHA) cross-border ACH Council, which developed US-Canada-Mexico cross-border ACH capabilities. She is also a former executive committee member of the Financial Services Technology Consortium (FSTC), where she prototyped the Bank Internet Payment System (BIPS), an early eXtensible Markup Language (XML)-based protocol. She holds an MBA from Cornell University and is a certified cash manager (CCM).

Winner: Cash Flow Forecasting Project of the Year

UPS Overcomes Data Aggravation, Integrates SWIFT to Improve Cash Flow Forecasting

This entry, which won the Cash Flow Forecasting category at the *gtnews* Awards 2012, explains how United Parcel Service (UPS) implemented a global SWIFT bank balance initiative, allowing it to obtain better daily visibility into its bank balances across 1,600 accounts around the world and to cut the overall number and save US$25m. By integrating SWIFT capabilities with its global cash flow forecasting platform, UPS has achieved significant results. This case study is shared here to provide an overview of cross-border cash flow forecasting and in order to encourage best practice among treasuries.

When it comes to shipping, freight, logistics and supply chain management, United Parcel Service (UPS) knows how to move packages pretty much anywhere in the world. Yet obtaining daily visibility into its bank balances across 1,600 accounts globally was anything but simple for the UPS treasury team.

To address this challenge, the treasury department recently implemented a global SWIFT bank balance initiative and integrated it into its global cash flow forecasting platform. The bank balance data serves as one of the main inputs for the cash flow forecasting process.

The key objectives of the UPS initiative, which won the Cash Flow Forecasting Project of the Year category at the *gtnews* Awards 2012, are outlined below:

- Attain previous day-ending bank account balances for each legal entity from every bank globally by a pre-determined cut-off time every morning.
- Use actual balances in the cash forecasting process. Part of the cash forecasting process involves a previous day set of actuals to be submitted. The purpose of this is to conduct forecasted to actual variance analysis. If the actual cash movements do not balance to the end of day bank account balances, the forecast cannot be accepted by the forecasting platform.
- Establish a standard global process enterprise-wide, as well as a centralised source of information.
- Link UPS regional treasury centres (RTCs) and local in-country subsidiary finance functions around the globe to a common platform.
- Enable bank balances and transaction information to be aggregated and automatically uploaded to the company's global treasury management workstation system daily.

A major part of UPS's corporate culture is its commitment to delivering the highest level of service at every touch-point of the organisation. To achieve its global SWIFT bank balance initiative goals, the treasury looked to apply these same standards throughout the planning and execution phases of the project.

In developing the project plan, the treasury team took a global perspective of the initiative, defining the process and determining the roles of key stakeholders in the RTCs and local offices. The plan also established a timeline and critical milestones. Once in place, the initiative was rolled out region by region, beginning in Europe, followed by Asia and Latin America.

Treasury worked with its banking partner, Citi Global Transaction Services (GTS), to execute on the framework that was established for receiving previous day-ending bank account balances and transaction information via SWIFT from third-party banks. A Citi project manager was responsible for working with third-party banks to enlist them in reporting via SWIFT. In addition to weekly conference calls, UPS treasury held quarterly meetings with the Citi team to assess the bank's success in recruiting third-party bank partners.

Citi also implemented its web-based TreasuryVision solution which facilitates visibility through multibank, currency and asset data aggregation, allowing UPS to manage reporting banks and accounts globally so they can more effectively manage global liquidity and risk across the enterprise. Citi feeds the aggregated data directly into UPS's treasury workstation, centralising critical information that is then easily accessible by the regional treasury teams.

Obstacles and Bank Account Reduction

The biggest obstacle UPS faced in implementing its global SWIFT bank balance initiative was getting third-party banks from around the world to send account balance and transaction information electronically via the SWIFT network.

> ***"The biggest obstacle UPS faced in implementing its global SWIFT bank balance initiative was getting third-party banks from around the world to send account balance and transaction information"***

To achieve this goal, the treasury team leveraged its relationships with these banks, and in cases where the bank was unable to send SWIFT messages, UPS consolidated those accounts with banks that could. By administering this process UPS was also able to focus on consolidating duplicate accounts within each of the business units. Since the initiative began, UPS treasury has consolidated 1,600 accounts down to 800 globally, delivering another significant project benefit.

To ensure that manual processing was kept to a minimum, Citi GTS's back-office tracked files as they arrived from the various banks, and provided UPS with a convenient dashboard indicating the progress of implementation of each account from beginning to end. This dashboard allowed UPS treasury to better manage its banking relationships. Part of Citi's monitoring process provides critical information on each tardy report, such as whether or not there was a holiday in the bank's country of origin. The partner bank is proactive in sending emails to third-party banks reminding them that UPS balances are due each day. These efforts have dramatically improved the level of automation made possible by the initiative.

Benefits

The programme has successfully delivered on its anticipated benefits, but has also yielded several that go beyond the original scope of the initiative. As a result of the push to automate delivery of account balance and transaction information via the SWIFT network, UPS treasury has subsequently consolidated its bank accounts, including eliminating those that can't accommodate SWIFT messaging. By consolidating 1,600 accounts down to 800, the treasury is now better able to manage its banking relationships, which are at a more manageable level.

Additional project benefits included:

- Facilitation of internal UPS programmes designed to minimise in-country safety margins on a daily basis. All excess cash is swept into a global cross-currency, cross-border notional pooling structure where that cash can be used for the greater benefit of the firm (fund acquisitions, external investments, etc).
- Establishing a platform that objectively helps UPS to undertake accurate cash flow forecasting variances.
- Improved coordination and communication between RTCs, driving greater efficiency and productivity.

UPS's global SWIFT bank balance initiative has proven to be an overwhelming success for the company. All of its objectives have been realised, including standardising and streamlining bank account balance and transaction data and reporting. Treasury has attained centralised visibility and control of vital treasury processes, and as a result is able to view overall positions and forecasts, and more effectively manage global liquidity and risk across the company.

Consolidation of bank accounts has enabled greater automation and controlled workflow processes, which have reduced operating costs and administration risk. The elimination of manual processes has allowed UPS treasury to increase productivity, and thereby focus critical resources on more strategic tasks. Overall, the global SWIFT bank balance initiative has led to either direct or indirect benefits to UPS that are in excess of US$25m.

(L to R) 1. Michael Connolly, vice president and treasurer of Tiffany & Co., and compere of the gtnews Awards 2012, with Jennifer Boussuge, head of global treasury sales at BofA Merrill, (in middle), present the trophy for the Cash Flow Forecasting Project of the Year to Mark Tweedie, head of technology, media and telecoms, EMEA, at Citi, accepting on behalf of UPS.

Attendees arrive at the Sofitel Grand Hotel in Amsterdam for the gtnews Awards for Global Corporate Treasury 2012, sponsored by BofA Merrill.

Highly Commended: Cash Flow Forecasting Project of the Year

The winner of this award (see previous page) was the treasury that was best able to demonstrate improvement in its cash management processes, whether in accounts payable (A/P), accounts receivable (A/R), cash forecasting, netting/pooling, etc. Two other noteworthy category entries received highly commended certificates in recognition of good treasury projects.

Carlsberg - Liquidity Management Project

Carlsberg's liquidity management project is already showing positive results. By having an automated and structured solution, the accuracy of company-wide cash flow forecasts has increased. The web-based Software-as-a-Service (SaaS) solution is hosted and maintained by Opus Capita. Carlsberg now has an attractive value proposition for its subsidiaries, as they have their own structures, processes and reports.

Merck KGaA - Global Restructuring of Cash Management Processes

The reorganisation of the cash management procedures at Merck KGaA was undertaken with the assistance of Deutsche Bank, JP Morgan and BNP Paribas, and delivered global benefits to the firm.

Winner: Foreign Exchange (FX) Project of the Year

SABMiller's European Treasury Centre Implementation Improves FX

This entry, which won the Foreign Exchange (FX) Project of the Year category at the *gtnews* Awards 2012, explains how Project Griffin at SABMiller built a European treasury centre in the UK to provide efficiencies and standardisation. The project has enhanced control and reduced risk across the board at the brewer, in addition to generating substantial savings and transparent workflow optimisation in FX pricing, cash and exposure forecasting. This case study is shared here to provide an overview of effective FX operations and in order to encourage best practice among treasuries.

The strategic objective of Project Griffin, the name given to the implementation of a new European treasury centre at the multinational brewers, SABMiller, was to leverage the scale of the corporation to deliver improved control and cut costs and risk exposures, including on its foreign exchange (FX) activities. Working in partnership with partners at IT2 and Citi, the project was started on 1 November 2010 and completed on time and on budget in April 2012.

The aim was to establish best practice treasury operations throughout the region, centralised on the UK offices. The key requirements in the project plan were to:

- Transition from decentralised to centralised treasury management at SABMiller by establishing a European treasury centre in the UK.
- Introduce an IT2 treasury management system (TMS) to the European business units, providing dependable FX exposure and cash forecast management capabilities.
- Ensure risk management centralisation.
- Introduce European bank rationalisation, reducing the number of local banking partners, and make Citi SABMiller's European regional bank.
- A simplified banking landscape was also targeted, allowing for an easier rollout of SWIFT FileAct/XML capabilities for operational banking purposes, covering accounts payable (A/P) and accounts receivable (A/R).
- The project aims, described above, were delivered over an 18 month deployment, across 12 countries and 14 businesses.

The Griffin team's approach to project management was central to achieving a superior result in terms of completeness, quality and timeliness. All 12 countries are now completely migrated to the new system, meaning that in excess of US$1bn in FX exposure is now under central treasury management at SABMiller.

The on-time execution of the project plan was thanks to the hands-on approach taken by SABMiller senior treasury executives and staff, allied to strong central management and scope discipline. A transparent project methodology, clear management lines of responsibility and escalation paths were also important.

No extra resource was needed beyond the original plan. The successful implementation of the new TMS and centralised European treasury centre involved diplomatic negotiations with the existing European business units' finance management structure, while enforcing SABMiller's standardised treasury operations model.

Obstacles and Difficulties

The excellence of the SABMiller treasury team's project management minimised the obstacles and difficulties encountered when implementing Project Griffin.

The team worked collaboratively with a diverse group of finance executives, from countries including the Czech Republic, Poland, Hungary, Switzerland, Slovakia and Romania. The education, planning and rollout processes were needed to achieve the local business units' buy-in, in order to ensure that the project benefits were worthwhile, realistic and deliverable.

The centre might enjoy the benefits of cost savings, banking efficiencies and improved controls, but the local business units needed to understand and accept the real overall corporate value of making cuts to their budgets. This required creativity and flexibility.

SABMiller treasury also successfully managed the substantial workload of financing the simultaneous Foster's beer acquisition, worth AUD$10bn (USD$10.1bn), without disrupting Project Griffin - a major achievement considering the amount of work involved in both initiatives.

Benefits

The precision of Project Griffin's planning left little room for achieving benefits beyond the original project scope. There was one such benefit, however, relating to accommodating a much more granular approach to hedge accounting than was originally envisaged. This takes advantage of IT2's in-house bank (IHB) facilities to allocate external hedges to more specific accounting categories, such as inventory, capital expenditure and operational expenditure. As a result, the actual deal volume is approximately double what was originally planned, and has been managed without cost or timetable slippage.

Project Griffin has already yielded a number of other, expected benefits. The advantages of the new TMS, harmonised banking infrastructure and new centralised European treasury operation are quantifiable against the previous situation at SABMiller, delivering:

- On-going FX and full time equivalent (FTE) benefits estimated to be worth US$1m per annum.
- Pooling and central funding benefits far exceed the original business case estimate of US$1m.
- There has been a reduction from 25 banks to one regional European bank, namely Citi.
- Bank fees have been reduced by approximately US$0.5m per annum.
- A simplified banking landscape allows for an estimated one-off deployment cost saving to be achieved for the installation of SWIFT FileAct/XML capabilities (still to be deployed).

Regional cash visibility via SWIFT messaging into IT2 and concentration had already been optimised through an earlier phase of the Citi multi-currency cash pool implementation.

"12 countries are now completely migrated to the new system, meaning that in excess of US$1bn in FX exposure is now under central treasury management at SABMiller"

resources and expertise, versus the preceding localised arrangement. The highly automated IT2 workflow integrates the information flows for SWIFT (for statement and payment management and deal confirmation), SAP (for G/L), 360T (for dealing) and the subsidiary network via IT2 .NET (for FX exposure and cash flow forecasting), reducing manual effort and error potential, and significantly enhancing transparency and control. The critical mass of headcount now allows best practice segregation of duties.

Forecasting frequency has now been upgraded to weekly for cash flows, on a 12-week rolling basis, and quarterly for FX exposures, on a rolling 18-month basis. The new environment now allows material forecast changes to be made on an ad hoc basis, at the business units' discretion. The centralised organisation also provides a future platform for the development and deployment of forecasting performance measurement and management tools at SABMiller.

Technology and Centralised FX Dealing

Technically, the results have been achieved using the web-based IT2 .NET module to intercommunicate between the business unit network and the centralised European treasury centre in the UK, producing the required robust, cost effective 24x7 service needed for proactive treasury management. There are about 40 IT2 .NET users supporting this part of the business.

FX pricing performance has been optimised through leveraging the efficiencies and added value of centralisation via a straight-through processing (STP) link between IT2 and 360T, compared with the business units' pre-project performance with their local banks.

In Europe, SABMiller can now concentrate FX exposures in the IHB, and execute securely with the most competitive counterparty. The centralisation of FX dealing brings the additional benefit of broadening the scope of counterparty risk management; this enables the treasury team to manage this kind of risk more effectively, with the efficient use of dealing lines and transparent exposure management.

The estimated deployment cost savings are based on the completion of a standard SWIFT FileAct/XML interface between Citi and SAP, meaning it is no longer necessary to build and support a series of one-off interfaces, enhancing the control quality and efficiency of A/P workflow on a continuous basis.

The SABMiller brewery now enjoys the dual benefits of SAP-based enterprise resource planning (ERP) and management, plus IT2's value-adding cash, treasury and financial risk management facilities.

Centralisation has generated many benefits through the concentration of front and back office professional

Michael Connolly (left), vice president and treasurer of Tiffany & Co., and compere of the gtnews Awards 2012, with Jennifer Boussuge, head of global treasury sales at the sponsors BofA Merrill, (on the right), present the trophy for the Foreign Exchange (FX) Project of the Year to Alan Chitty, treasury controller at SABMiller.

Highly Commended
Foreign Exchange (FX) Project of the Year

Amid increasingly complex and volatile markets in a globalised trading environment, the winner of this award (see previous page) exhibited best practice in FX hedging, currency control and management. Two other noteworthy category entries received highly commended certificates in recognition of good treasury projects.

Cognizant Treasury - FX Hedge Programme

The global treasury team of Cognizant Technology built an FX hedge programme covering both long-term cash flow exposures of the Indian rupee and European balance sheet exposures. The goal was to mitigate volatility on the income statement, thereby increasing the predictability of the company's margins, contributing to shareholder value.

Thai Airways - Comprehensive FX and Cash Management Solution

The comprehensive cash management solution deployed at Thai Airways, which was developed with Citi, efficiently supports day-to-day operations across 45 countries worldwide. It has also improved liquidity management and currency control in the Singapore hub.

Winner: Risk Management Project of the Year

Toyota Financial Services' Approach Towards Managing Brazilian Sovereign Risk

This article looks at Toyota Financial Services' evolution of managing sovereign risk in Brazil to support its intercompany lending activities. It details how the division found a special form of insurance known as political risk insurance (PRI) to be the most successful choice to suit its needs. The case study is shared here to provide an overview of sovereign risk procedures and to encourage best practice among treasuries.

Emerging markets are a strategic priority for Toyota Motors Corporation. Its captive finance arm, Toyota Financial Services, is expected to support Toyota's sales efforts in these markets whenever possible. Access to diversified, cost-effective sources of term liquidity is therefore critical to Toyota Financial Services' success in maintaining its competitive position in markets such as Brazil.

But even when attractive offshore funding opportunities arise, internal risk management policies related to emerging market sovereign risk exposure must be respected. What are some of the options and possibilities available to treasurers wanting to mitigate the sovereign risk associated with cross-border funding? This article will discuss Toyota Financial Services' evolution and approach towards managing its exposure to Brazilian sovereign risk.

Background and Funding Opportunity

Banco Toyota do Brasil (BTB) is Toyota Financial Services' affiliate in Brazil. BTB was established in 1999 to provide consumer retail, lease, dealer financing and insurance products to Toyota/Lexus dealers and their customers in Brazil. BTB's US$1bn balance sheet has benefited from the strong Brazilian economy and growth in the domestic automotive market. BTB funds itself primarily through the Brazilian interbank market and issues certificates of deposit (CDs) and finance bills supported by a brAAA, standalone, domestic credit rating from Standard & Poor's (S&P).

Strong capital inflows to Brazil over the past few years have created pricing disparities between the Brazilian real (BRL) onshore and offshore swap markets. Periodically, companies located in Brazil that borrow foreign currency from offshore sources are able to swap and hedge the proceeds in BRL onshore at significant savings compared to domestic alternatives. BTB wished to take full advantage of such opportunities, and Toyota Financial Services' global banking relationships were engaged.

Mitigating Sovereign Risk When Funding from Offshore Banks

Several banks were prepared to provide BTB with US dollar (USD) denominated term loans from their US offices, and the economics were compelling. However, a key risk was BTB's inability to pay its lenders, which in turn triggered an event of default under its loan agreements. The issue was not BTB's inability to pay because of its creditworthiness but, rather, its inability to pay due to a Brazilian sovereign event. Specifically, BTB would be exposed if the Brazilian government took actions that resulted in the BRL becoming inconvertible and/or if funds were non-transferable outside of Brazil. In other words, if BTB couldn't swap BRL into USD or remit funds back to its offshore lenders, then it would be in technical default. And irrespective of the probability (or improbability) of a Brazilian sovereign event actually occurring, Toyota Financial Services' global policies forbade exposure of its debt to emerging market sovereign risk. Unless the risk could be properly mitigated, BTB would lose its offshore funding opportunity.

The solution was to restructure BTB's loan agreements. If BTB was unable to pay due to a sovereign event, then the loan agreement would now allow BTB to pay the equivalent USD amount in BRL to an account in Brazil as specified by the lender. This in turn fulfilled BTB's USD loan payment obligations under the agreement. The ability of BTB to substitute its cross-border payment obligation with an in-country payment in its local currency effectively extinguished its exposure. In short, the sovereign risk was shifted from BTB to the banks.

The banks' reactions were mixed. Some were concerned with the revised language, while others were comfortable with their existing exposure levels to Brazilian risk. And it was clear that some would simply price the sovereign risk into the loans' cost of funds. Either way, the end result left BTB in a position to opportunistically execute USD term loans and benefit from the swap arbitrage, while simultaneously complying with corporate risk management policies.

Sovereign Risk and Cross-border Intercompany Funding in a Time of Crisis

BTB has drawn a number of offshore bank loans since 2007, and this funding source and the indirect method of managing sovereign risk served BTB well for several years. As the global financial crisis continued to deteriorate, however, many international banks either began to deleverage from emerging markets, or capital constraints made their loan pricing uneconomical. Although the arbitrage opportunities for Brazilian borrowers that could still fund offshore persisted, BTB couldn't effectively access the global capital markets to tap foreign currency debt. However, BTB's sister company, Toyota Motors Credit Corporation (TMCC), could. And with a global credit rating of AA-/Aa3, TMCC can source liquidity through its global funding platforms more cost effectively than most international banks or other captive finance competitors.

TMCC is Toyota Financial Services' US affiliate. TMCC's team of 45 treasury professionals located in Torrance, California, co-ordinate Toyota Financial Services' global capital market funding activities (US$20.5bn of debt securities issued in the US last year). It manages over US$20bn of direct issuance commercial paper and oversees the treasury activities of its Americas region affiliates. TMCC is already an intercompany funding provider to multiple affiliates and has the capabilities to easily source and manage term funding for BTB. But even though a compelling economic case was made, TMCC management was unprepared at that time to assume any Brazilian cross-border risk, particularly given the on-going precarious European sovereign environment.

TMCC's treasury team explored different risk management possibilities such as the purchase of Brazilian credit default swaps (CDS) or the execution offsetting derivative structures. However, all were imperfect hedges that were either cost prohibitive or would leave TMCC exposed to risk. For example, a CDS would be ineffective against a currency inconvertibility event if the Brazilian government continued to make payments on its sovereign bonds. And with offsetting derivatives structures, one must make strong assumptions with respect to the behavior of the BRL onshore/offshore swap markets following a sovereign event. After further evaluation, treasury ultimately chose political risk insurance to protect its intercompany lending activities.

Political Risk Insurance

Political risk insurance (PRI) functions much like any other insurance policy, whereby a policy is underwritten to protect a policyholder against certain risks during the policy's life. PRI is generally meant to protect the policyholder against loss from expropriation, political violence, or currency inconvertibility/transferability events. Loss from expropriation or political violence is not a material risk applicable to Toyota Financial Services' business. However, loss from inconvertibility/transferability events related to cross-border lending to emerging market affiliates is indeed a material risk. A policy to address this sole risk could be written for TMCC.

TMCC approached a broker who specialised in PRI. The broker solicited underwriters' interest in insuring TMCC's potential lending activities with BTB. TMCC then provided a forecast of its portfolio including loan amounts, tenures, disbursement dates, forecast interest rates, and the loans' amortisation schedule (quarterly loan amortisation versus bullet repayment was chosen to reduce the policy's premium). The underwriters quoted an annual premium based on the portfolio's outstanding balance each year (note that the premium's cost is clearly driven by the probability of the risk event occurring: e.g. sovereign risk for Brazil is much cheaper to insure today than, say, for Argentina or Venezuela). At the end of each premium period, a 'true up' would occur between the forecasted loans' cash flows and the drawn loans' cash flows, with the premium difference added or subtracted to the following year's premium.

TMCC may make a claim after proving loss from non-payment due to the risk events defined in the policy. Particular to PRI is a negotiable 'waiting period' of anywhere between 3-12 months before compensation for the claim is paid. The waiting period provides time for the sovereign event to potentially reverse or correct, allowing the borrower to then resume payments or make 'catch-up' payments to the insured during this period.

Results

TMCC executed a US$150m, seven-year policy in 2011 to protect TMCC against losses on a basket of Brazilian intercompany loans. To date, loans totaling US$125m with tenures of 6-7 years have been disbursed. BTB was able to capitalise on the swap arbitrage opportunities and will enjoy risk-adjusted interest expense savings of US$16m over the life of these loans compared to domestic alternatives. Furthermore, BTB is well-positioned to continue offering competitive automotive financing to Toyota dealers and their customers, particularly when production of small-sized vehicles in Toyota's new Brazilian factory commences later this year in 2012.

Additionally, the evolution of TMCC treasury's efforts to deliver effective risk mitigation solutions has provided the company's management with an enhanced understanding of emerging market sovereign risk and related risk management strategies.

All of the affiliates' existing offshore funding arrangements have now been reviewed to determine if proper risk mitigation structures are in place, and global risk management policies and guidelines have since been modified. Consequently, TMCC's intercompany funding capabilities can be leveraged and opportunistic funding structures for other affiliates in emerging markets are under evaluation.

Political risk insurance may not be the most suitable or appropriate choice in all cases for treasurers wanting to manage cross-border risk. For TMCC to support its intercompany lending opportunities and meet its global policy requirements, however, PRI was chosen as the simpler, better correlated and more cost-effective solution to manage its exposure to Brazilian sovereign risk.

Michael Connolly (left), vice president and treasurer of Tiffany & Co., and compere of the gtnews Awards 2012, with Jennifer Boussuge, head of global treasury sales at the sponsors BofA Merrill, (on the right), present the trophy for the Risk Management Project of the Year to Paul Boodee, director, Americas region finance, Toyota Financial Services .

Highly Commended: Risk Management Project of the Year

The winner of this award (see previous page) demonstrated how an enterprise-wide approach to risk management is now business critical. Two other noteworthy category entries received highly commended certificates in recognition of good treasury projects.

Aeroflot - Implementation of SAP in Transportation Industry Treasury

Aeroflot's broad and deep transformation of its operations and treasury has made it smarter and more competitive and positioned it to become a leading airline in Europe. Working with SAP and Citi, it has streamlined the use of information, centralised multiple functions and improved efficiency, visibility and control.

Henkel - Global Bank Account Visibility

Henkel has achieved automated visibility of all bank account details, including authorised signers, business purposes and so forth, allied to balance oversight on a daily basis. Thanks to this project it now meets internal audit guidelines and has consolidated and optimised its account structure and banking relationships, while improving counterparty risk management and the firm's ability to manage currency exposures.

Winner: Shared Service/Payment Factories Project of the Year

Next Generation Philips Payment Factory (NGPPF)

This entry, which won the Shared Service/Payment Factories Project of the Year category at the *gtnews* Awards for Global Corporate Treasury 2012, explains how Philips Electronics successfully completed the centralisation of all its global cash management and payments processing for 25 countries and 15 currencies. The Next Generation Philips Payment Factory (NGPPF) gives the firm greater control over the group bank infrastructure and payments. It enables treasury to advise local affiliates on efficient working capital management, while improving trade credit management and cash flow forecasting. This case study is shared here to provide an overview of payment factories and to encourage best practice among treasuries.

In 1998 Philips treasury introduced the Philips Payment Factory (PPF). The model for the PPF had been based on a bank styled intercompany current account that could be used for initiating intercompany and external transactions on bank accounts owned by the treasury (so called payments on behalf of (POBO). The PPF operates accounts in 25 countries and 15 different currencies.

Despite the many benefits, the PPF did not work for all subsidiaries and payment methods due to issues of a technical, fiscal or legal nature. As a consequence Philips maintained a global cash management and payment processing infrastructure, in addition to the PPF infrastructure. It was this that the electronics group wanted to remove with its Next Generation Philips Payment Factory (NGPPF) project. It worked with project partners at SAP, BBP, the Zanders consultancy, and with Citi and BofA Merrill to achieve its objectives.

Key Objectives

The NGPPF project had the following key objectives:

- Fully centralise bank communication for all countries and payment methods.
- Create an unbroken, online audit trail for payment processing.
- Minimise repair charges by banks.
- Provide full visibility on liquidity.
- Improve the flexibility in Philips' bank connectivity (reduce switch / maintenance costs).

The NGPPF is based on SAP EEC6 and SWIFTNet for Corporates and acts as a secure hub between the local enterprise resource planning (ERP) installations and the banking community. The NGPPF adds an additional processing centre in SAP IHC for local payments next to the original PPF. The additional centre receives the intermediate document (iDOC) SAP format data from local financial systems and forwards payment files via SAP business communication manager (BCM)/SWIFT link to local bank branches as instructions on the bank account owned by the subsidiary but selected by the centre in SAP IHC.

At the centre of the new solution is a custom built, rule-based logic that determines the most efficient final payment method and validates the completeness of the instruction, which allows Philips entities to use a limited number of originating payment methods that automatically get translated in an external payment method for the most efficient way of processing. For example, a payment method '5' can automatically get translated into an automated clearing house (ACH), single euro payments area (SEPA), real-time gross settlement (RTGS), book, or international transaction based on defined criteria and the available static data. Next to this, the central infrastructure supports local cheque, bill, direct debit payments,

> ***"From this foundation a new and more accurate cash forecasting and liquidity planning system can be built out"***

but also unusual requirements such as the French lettre de credit releve (LCR) transactions.

The NGPPF already provides payment processing in some 13, more complex environments, covering the Belarusian ruble (BR), Russian ruble (RU), Ukrainian hryvnia (UAH), Turkish lira (TR) and Taiwan dollar (TW), plus 13 additional currencies including the Lithuanian litai (LTL) and Bulgarian lev (BGN).

Project Execution and Timeframe

The business case for the NGPPF was approved in Q410 and the project was started at the end of Q111 with a small project management team from Philips' treasury and SAP application support. SWIFT connectivity was technically available for testing in August 2011 and available in production by December last year. The development was prototyped and unit tested between April and August 2011.

Implementation and user acceptance testing (UAT) was done in parallel with two treasury projects during the September-December 2011 time period. The new payment infrastructure for the supplier financing project went live in January 2012 and for the spin-off company TP Vision project completion was achieved by February 2012. Since this time Philips' has been rolling out the new infrastructure; a process which has now been completed.

Additional Benefits

The NGPPF platform comes with many fringe benefits for Philips, including the provision of:

1. **Visibility on all bank balances:** On all accounts operated by treasury and subsidiaries the new platform receives statements once. These are integrated for auto-matching locally and cash management purposes centrally. This provides treasury with daily visibility on all Philips cash, irrespective of it being under control of treasury cash pools. From this foundation a new and more accurate cash forecasting and liquidity planning system can be built out.
2. **Full control over bank account infrastructure:** Like most other companies, Philips has a policy that treasury has to approve the opening of any bank account. The NGPPF platform brings the enforcement of this policy to the next level because payment interfaces cannot now be implemented outside the central infrastructure.
3. **Full transparency on local payment processes:** All incoming and outgoing transactions are now processed via

"Bank statements on operational accounts are uploaded and processed automatically. This allows for closer supervision on daily post processing of statements. This not only reduces local financial aid cost, but also makes trade credit information more up-to-date"

the central platform. This provides an unbroken, online audit trail and detailed evidence about the use of (inefficient) payments instruments, plus ready access to bank charge information and the timing of cashflows. On outbound transactions, the platform provides control over the used payment method, allowing for cuts in the cost of transaction processing.

4. **Easy spin off/integration of new business:** Mid-stream during the NGPPF project, Philips spun off its worldwide TV business. Philips treasury had to provide a standalone cash management and payment processing infrastructure in more than 25 countries, six banking groups, 23 different currencies and eight different payment methods, including direct debits (DDs) and LCRs. The NGPPF provided the infrastructure to do this efficiently and effectively within the set timeframe of five months. Integrating new business is equally efficient given the standardisation on iDOC and XML interfacing.
5. **More accurate information on trade credit:** Bank statements on operational accounts are uploaded and processed automatically. This allows for closer supervision on daily post processing of statements. This does not only reduces local financial aid cost, but also makes trade credit information more up-to-date.

The above benefits stemming from the NGPPF project at Philips have allowed the company to complete what it started back in 1998 with the PPF and laid an effective foundation for still further improvements in the future.

The winner (left), Gary Thorp, vice president, treasury control and operations at Philips, shakes hands with the category sponsor in the middle, Willem Dokkum, global head of sales, payments and cash management at ING, while Michael Connolly, vice president and treasurer of Tiffany & Co. and compere of the gtnews Awards 2012, looks on.

Bottom left: Carole Berndt, head of global transaction services for Europe, Middle East and Africa (EMEA) from the overall sponsor BofA Merrill, speaks to Doan Nguyen, financing and treasury director at GE Energy Power Conversion, during the pre-Awards drinks.

Highly Commended: Shared Service/Payment Factories Project of the Year

The winner of this award (see previous page) exhibited a cutting edge approach to centralisation, whether through a shared service centre (SSC) or payment factory. Two other noteworthy category entries received highly commended certificates in recognition of good treasury projects.

AB Sciex - Readiness Project

In less than 18 months AB Sciex built global cash and currency management models and state-of-the-art payment factory solutions in enterprise resource planning (ERP) and in-house bank (IHB) systems operated by another multinational company for more than 35 entities worldwide.

Dassault Systemes - Treasury Using XML to Become a Key Support Finance Partner

The main objective of Dassault Systemes treasury was to better organise, control and secure the payments issuing from its European SSCs. Another goal was to implement straight-through processing (STP) of payments combined with electronic signatures and SWIFTNet transmission to bank partners across Europe.

Winner: Supply Chain/Trade Finance Project of the Year & the overall Gold Award for the highest scoring entry

Merck KGaA Global Guarantee Management – L/C Management

This entry, which won the Supply Chain/Trade Finance Project of the Year and the overall Gold Award for the highest scoring entry across of the all categories at the gtnews Awards 2012, explains how a small treasury team at Merck KGaA introduced a single global, consolidated bank guarantee facility worth €150m. Valid for all 250 subsidiaries, the system uses a single procedure and bank platform to minimise letter of credit (L/C) errors and has automated reconciliation and fee management, cutting the required documents from 575 to five, banks from 103 to just one, and time taken to issue a guarantee from two weeks to a day.

The pharmaceutical and chemical corporation Merck KGaA wanted to break new ground and introduce a consolidated bank guarantee facility to help improve the speed and efficiency of its supply chain and internal financing. Like every business the corporation has to rely on bank guarantees or letters of credit (L/Cs) issued by financial institutions to ensure that beneficiaries in its supply chain get payment undertakings and notifications. With 250 subsidiaries across the globe the complexity and cost of the process was something the firm wanted to improve. The procedure is, of course, a prerequisite for any operations unit at a multinational treasury and is required by customs and tax authorities, not to mention tender organisations if you are looking to win new business or prove bona fides.

The previous workflow relied on local terms and conditions with the individual banks that Merck KGaA's 250 subsidiaries dealt with, with the onus being on local units to sort themselves out. This was not an efficient procedure, however, and Merck saw an opportunity to centralise the group-wide bank guarantee business at its main German treasury unit and establish a standardised global process that had better transparency, quicker turnaround times and was scalable for the future.

The problem was that, as far as it is aware, Merck is the first multinational company to attempt to introduce a global guarantee and L/C management system so it couldn't simply copy best practice or install 'off-the-shelf' technology, instead having to rely on developing its own system, with an internal team of only two people and no budget for external consultants. Another challenge was that whatever was introduced had to comply with the local trade finance legal rules and regulations in each and every country around the world where the pharmaceutical and chemical giant operates.

An unconventional approach was therefore needed and the small treasury project team of two people embarked on a seven month long exercise, in addition to daily responsibilities, that ran from February 2011 until the end of the year. The team, led by Joerg Bermueller, head of cash and risk management at Merck KGaA, questioned each Merck subsidiary to scope out the project and developed a request for proposal (RFP). This led to a competitive tender and the selection of a single banking partner, and ultimately a new infrastructure for the start of 2012.

There were seven distinct project phases:

1. **Data collection and analysis:** The Merck KGaA treasury project team surveyed all 250 subsidiaries and discovered that 300 guarantees are issued each year, worth €150m. Bank fees from the 103 local banking partners used to run into the low millions per annum. The portfolio covered more than 900 guarantees or L/Cs across 43 countries, with 67 subsidiaries having guarantees outstanding.
2. **Market screening:** No existing consolidated bank guarantee solution could be found so the project team talked to five global trade finance banks about the feasibility of them developing one.
3. **Request for proposal:** A 14-page RFP was created by Merck from scratch containing 66 detailed questions. No template existed before and Merck has since become a valued advisor to other treasury departments, looking to emulate their achievements.
4. **Shortlist:** Five trade finance banks were whittled down to three after responding to the FRP, which prioritised two requirements - namely, a presence in the countries where Merck needs L/Cs and the availability of an online tool to handle subsidiary requests and oversight reporting.
5. **Beauty contest:** The three shortlisted banks had to answer an additional 35 questions, 15 follow-up queries and present a compelling case as to why they should be selected as Merck's partner, as well as meeting the prime precondition of providing a price reduction.
6. **Selection of banking partner:** Each bank was tested against the clear selection criteria that Merck's treasury project team developed. The winning bank would have to offer full country coverage; provide an online tool to suit Merck's needs; ensure that the issuance, booking and management procedures for guarantees fitted with Merck's requirements; demonstrate commitment; a clear non-complex implementation plan; and reduced pricing. All the competing banks received extensive feedback on their performance from the Merck treasury project team, but no bank was able to meet all the requirements. The winner, Deutsche Bank, had to develop a tailored online solution for Merck.
7. **Project implementation:** Merck and Deutsche Bank finalised the terms and conditions of the consolidated credit facility agreement and embarked upon the implementation phase which was completed at the turn of this year. Training for 150 users across Merck's subsidiaries was provided using webex teleconference sessions and onsite sessions in Darmstadt, Rome and Madrid to ensure that everyone could use the new computer systems and consolidated database. Extensive training materials and booklets were provided and a bank IT specialist was seconded to provide support and programme the online request, reporting and management tool.

The Solution

After the seven-month project, Merck was left with a single worldwide bank guarantee facility worth over €150m, valid for all 250 subsidiaries. The global online pricing grid also does away with the myriad of different platforms that each subsidiary used to use, delivering a single web-based tool. Other benefits include:

- One global guarantee issuance process for all types of L/Cs across all jurisdictions.
- One straight-through process (STP) that eliminates error-prone paperwork stages.
- One source of truth for reporting to ensure 100% transparency in the future.
- One interface with the in-house bank (IHB) cash management system for automated fee payments.
- One interface with the bookkeeping system for automated reconciliation.

Benefits

The benefits of Merck's new consolidated bank guarantee solution is that it has enhanced internal processes, meaning that paper has been eliminated and the time taken to submit an L/C request has been reduced from 60 minutes to 12. The issuance timeframe has been slashed from 14 days to just 24 hours.

Increased transparency has also resulted with all guarantees now residing in one online system, so the database can be mined and interrogated more easily. In addition, email notifications are now sent for required actions such as requests for authorisations and pre-notifications go out for expiring guarantees to ensure a smoother, easier procedure. The group accounting manual guarantee reporting process at the end of the year has naturally been made redundant. Global monitoring of fees and commissions is also now possible and, crucially, financial risk positions in the supply chain can also now be included at group level much more easily.

Complexity has also been reduced with the number of banks Merck uses for guarantees falling from 103 to one. The amount of required documents has been cut from 575 to just five per year, covering balance sheets to signature cards, profit and loss sheets, passport copies and commercial registers. More than 60 previously local-only processes have been eliminated.

Significant Cost Savings

As a result of the project, on-going bank fees have been reduced by almost half, so that they are now much less than €1m per year. The number of work hours needed for guarantee handling has also been cut from 250 hours every year to 25 hours per annum now, freeing up treasury staff and others to undertake other tasks. Courier fees in the procurement unit have been cut and Merck is estimating it will save €2m in extra efficiency savings resulting from the improved workflow.

The small project team of just two people achieved a lot, working in conjunction with their banking partner, and did so for an implementation cost of only €15,000, although Deutsche Bank will still receive reduced on-going fees of course. The seven month implementation timeframe, equating to approximately 200 work days on top of the project team's usual everyday responsibilities, was also impressive. Merck is now enjoying the benefits of its new global, fully automated, and standardised solution.

Michael Connolly (left), vice president and treasurer of Tiffany & Co., and compere of the gtnews Awards 2012, with Jennifer Boussuge, head of global treasury sales at the sponsors BofA Merrill, (on the right), present the trophy for the Supply Chain/Trade Finance Project of the Year – and for the overall Gold Award for the highest scoring entry across all categories – to Joerg Bermueller, head of cash and risk management at Merck KGaA.

Highly Commended Supply Chain/Trade Finance Project of the Year

This award (see previous page) was given to the corporate treasury that developed an innovative supply chain or trade finance project, and exhibited best practice in its relationships with its bank and business partners. Two other noteworthy category entries received highly commended certificates in recognition of good treasury projects.

Foxconn Technology Group - Supply Chain Finance Programme

Foxconn has grown to become the world's largest electronics manufacturing services provider, serving customers such as Apple, HP, Dell, Intel and Sony among others. It has large exposures to foreign exchange (FX) fluctuations and interest rate changes around the world due to its global client base, so has introduced an offshore US dollar supply chain finance solution in conjunction with BofA Merrill to mitigate risk and provide steady flows of capital.

Stanley Black & Decker - Supply Chain Finance EMEA Expansion

Following the merger of the Stanley works with Black & Decker in March 2010, the combined organisation embarked on its integration plan to leverage best practice across the new entity, including Stanley's experience in working capital improvement, expanding its supplier finance programme in the US and internationally.

Winner: SWIFT Implementation of the Year

How GE Receives and Warehouses E-statement Information Across Multiple Banks

This entry, which won the SWIFT Implementation Project of the Year at the *gtnews* Awards 2012, explains how GE solved the problem of accessing and retaining bank account statement information for 14,000 accounts, across more than 100 banking relationships and 98 countries, by working with SWIFT. The electronic statement (e-statement) project will save GE US$1.7m and has eliminated the need to store paper documents. Crucially, it also enhances process efficiencies. This case study shared here as an overview of how SWIFT can help introduce multibank capabilities to treasuries, and in order to encourage best practice.

GE corporate treasury recognised a need to reduce its administrative burden when retrieving information from the corporation's many banks and accounts around the world. The treasury department required a streamlined process that would deliver greater efficiencies across multiple banks, in excess of 100 globally and 14,000 accounts worldwide. It naturally turned to SWIFT for its international reach and cross-border, cross-bank capabilities.

The corporation successfully introduced an electronic statement (e-statement) solution this year, working with SWIFT and its key banking partners at Bank of America Merrill Lynch (BofA Merrill) and JP Morgan (JPM) to develop it. The project start date was in February 2011 and the key objectives were as follows:

- Reduce the administrative burden of retrieving information from multiple banks by requiring the use of SWIFT FileAct to deliver an image version of a bank account's final period end statement.
- Dramatically reduce the effort needed to ensure compliance with internal rules and processes around risk and security by introducing automation and standardisation as much as possible.
- Reduce the company's carbon footprint by eliminating the printing, mailing, transportation and storage of paper. Paper was the enemy and needed to be eliminated as much as possible.
- Eliminate the need for staff to maintain entitlements and stay current on training to use multiple banks' different electronic e-banking and repository applications. If a single system could be used then training, flexibility and ease-of-use would all be enhanced.

The GE e-statement project involved the corporation's treasury workstation vendor, as well as SWIFT and the banking partners, and needed careful planning. The project was structured in three phases.

Phase One: The Technology Challenge

Phase one of the GE e-statement project meant building the infrastructure needed to warehouse the electronic statements, as the data load was about to go up dramatically. The new system also needed to integrate with GE's treasury workstation and leverage the existing security access within the technology environment.

Phase one was therefore quite technical and took about eight months to complete by year end 2011, the designated target end date. GE had to first build a library warehouse and then to work with the treasury workstation vendor to establish an interface to the library warehouse. This was achieved on schedule.

Phase Two: Developing and Piloting the System

The second phase of the project, running simultaneously with the other phases in the plan to ensure a quick delivery date, was the requirement to organise a pilot group of banks to participate in developing and implementing an industry standard with regards to the defined SWIFT FileAct delivery parameters. The education of about 3,300 GE business users on the new e-statement process and systems was also a necessity.

The extent of the work for this element of the project meant it ran for the full 18 months of the undertaking, concurrently with all other sections of the project plan. GE had to first introduce the concept of delivering e-statements over SWIFT FileAct to the banks. GE presented the requirements in a non-technical manner to clearly explain the project at this initial stage, as well as document the technical requirements latterly. The technical requirements document was continuously updated during the course of the pilot. This was in response to the findings that occurred during the testing process with the pilot banks.

Phase Three: Delivery

The third section of the project plan was to work with GE's remaining relationship banks to implement a smooth e-statement delivery process and ensure a hassle-free go live in February 2012. The successful execution of the project required considerable project management and IT resources, as well as executive sponsorship at the board level and across the various partner banks and SWIFT.

Co-ordinating a large group effort such as this and keeping the team focused so they could deliver against a single goal was extremely difficult but the treasury project team managed to execute the structured roadmap they had developed, meeting all the appropriate deadlines along the way.

The Old Procedure

For GE's treasury and finance teams, as well as for the various GE businesses that use the new e-statements solution, it has been a revelation. Obtaining over 14,000 paper-based statements for reconciliation, review, approval and auditing purposes used to be a real pain. Staff used to have to access multiple e-banking platforms, which in turn required them to be current on procedures and application training, as well as manage multiple passwords in order to actually get the statements. With the new SWIFT-centred system only one standardised system is used, cutting down on expensive training and expensive duplication of effort over different solutions. The process efficiencies gained are considerable.

In addition, paper statements needed manually intensive processing in the past, via large and expensive internal mail systems. Each statement had to be opened, reviewed, reconciled and then physically stored. Document retention and

"The treasury department required a streamlined process that would deliver greater efficiencies across multiple banks, in excess of 100 globally and 14,000 accounts worldwide. It naturally turned to SWIFT for its international reach"

destruction policies had to be adhered to in order to stay within strict regulatory compliance guidelines. Interrogating this paper system for reporting purposes or business insights was also very time-consuming, so rarely happened.

The New System

The new system relies on SWIFT FileAct for its cross-border and cross-bank capabilities and it has been integrated into GE's existing treasury workstation as far as is possible to eliminate the old cumbersome and confusing set of multiple bank-led processes. There is no longer a need to print, store or destroy any documents as they are now immediately available as electronic images which are all safely stored in a secure database.

This electronic archive also delivers a positive environmental impact for GE as it does away with the printing, mailing, and storage of paper, aiding the corporation's corporate social responsibility (CSR) aims. It has cut the number of compliance and controllership issues and is delivering more benefits as GE involves more and more of its banks around the world in the e-statement procedure via SWIFT FileAct and the two key partner banks, BofA Merrill and JPM.

The new solution is also scalable for the future, says GE, with further integration into internal and back-office applications at the corporation currently underway. More process efficiency benefits are being targeted.

Benefits

Staff hours have been cut due to the elimination of manual processes, with employees able to undertake other more rewarding tasks. GE has already realised process efficiency cost savings of approximately US$200,000 in fiscal year 2012 and estimates further cost savings of over US$1.5m next year. The security of the procedure has also been enhanced as paper and people have been replaced by secure online channels with appropriate access control.

Beyond solving a vexing treasury problem for GE, the new e-statement infrastructure has also allowed the participating bank members and SWIFT to move beyond offering domestic period end bank statements towards international bank statements, where possible. Other possible future benefits include the easier use of billing statements, lockbox cheque images in America, and so forth. Further process efficiencies are expected to accrue over the coming years.

Michael Connolly (left), vice president and treasurer of Tiffany & Co., and compere of the gtnews Awards 2012, with Jennifer Boussuge, head of global treasury sales at the sponsors BofA Merrill, (on the right), present the trophy for the SWIFT Implementation Project of the Year to Cara Hanrahan, a treasury services sales executive, EMEA, at project partners, JP Morgan, accepting on behalf of GE.

Highly Commended: SWIFT Implementation of the Year

This award (see previous page) was given to the corporate treasury that has shown industry-leadership through its implementation of SWIFTNet connectivity. Two other noteworthy category entries received highly commended certificates in recognition of good treasury projects.

Johnson Controls International - SWIFTNet (TRAX) Implementation in Asia-Pacific/Middle East

JCI has achieved full access to all its bank accounts across 23 countries via a single new platform. It has gained full visibility of its bank accounts and streamlined money transfers, access rights and settlement procedures with a solution that is secure and reliable, while also being scalable and bank independent.

eBay - SWIFT Implementation

eBay has grown into a truly global business since its launch 17 years ago, but with more than 250 bank accounts across 37 countries a consolidation project was now overdue. Its work with BofA Merrill and SWIFT in introducing common standards and widespread mandated use of SWIFTNet transactions has provided considerable benefits.

Winner: Working Capital Project of the Year

Microsoft Takes its Liquidity Structure to a Whole New Level

This entry which won the Working Capital Project of the Year at the *gtnews* Awards 2012, explains how Microsoft introduced a completely automated international zero balance account (ZBA) structure into its global liquidity management function. The initiative has streamlined the cash concentration for hundreds of bank accounts and created a just-in-time funding model for subsidiary operating accounts. It is shared here as an overview of effective working capital management procedures and in order to encourage best practice among treasuries.

Microsoft runs a centralised treasury for more than 350 legal entities in 118 countries. The software giant has more than 1,100 bank accounts with 100 plus banking relationships worldwide. At the height of the global economic crisis in 2008 and 2009, each dollar held in local subsidiary managed accounts faced increased counterparty risk, sovereign risk, foreign exchange (FX) fluctuations, and fraud considerations so the process began to find a long-term solution.

Many of these former concerns are once again key considerations as the eurozone crisis and economic uncertainty once more raises its head, making Microsoft's recent introduction of a fully automated international zero balance account (ZBA) structure even more timely. During such volatile times few things are more important than having effective working capital management and oversight. "Now, Microsoft has a ZBA structure that sweeps each account to zero every day and creates journal entries with no manual involvement. And the solution has no negative impact on the operations of finance staffs in the subs," explains George Zinn, corporate vice president and treasurer at Microsoft.

As one of the non-aligned corporate treasurers on the judging panel of the *gtnews* Awards for Global Corporate Treasury 2012 pointed out, "the fact that Microsoft has developed a scalable, cost-effective platform that allows it to reduce counterparty exposure and gain [cash] visibility is very impressive".

Background

The global cash management (GCM) and the global cash operations (GCO) teams within Microsoft's large centralised treasury department in America are responsible for ensuring that hundreds of worldwide legal entities only have enough cash for operations, and that all collected cash balances are concentrated efficiently.

Microsoft has 175 actively funded subsidiaries and the process to fund them for payroll, accounts payable (A/P), taxes, and so forth is an exceedingly time-consuming and manual process. Additionally, the cash planning manager works with each subsidiary to repatriate any cash balances not needed for operating expenses. For the GCO team, the ultimate goal is to promptly transfer available balances to the parent account in order to maximise the investment return. However, it is time consuming to manually sweep hundreds of worldwide bank accounts and Microsoft were unable to perform same-day funds transfer for European and Asian accounts due to the time zone differences.

With these challenges in mind, the treasury at the software giant realised the need to develop a cost-effective strategy to reduce average daily balances by automating the collection sweeps and implementing a just-in-time funding model for subsidiary disbursements.

The GCM and GCO teams in the treasury, which lead the initiative, conducted kick-off meetings one year prior to the 'go live', with the project getting underway in August 2010 with a planned completion date of Q311. The goal was to develop a cost-effective strategy to reduce Microsoft's average daily balances. Many joint working sessions were scheduled internally with IT resources and externally with project partners, Citi, to outline the existing challenges and brainstorm a solution. During this initial planning stage it was quickly determined that the establishment of inter-company ZBA structures would be the optimal solution.

The Project

The project required close coordination and collaboration between numerous key stakeholders. The initial scoping meetings were held with the aim of developing a strategy to reduce Microsoft's average daily balances by increasing the frequency of collection sweeps and implementing a just-in-time funding model for subsidiary disbursements. The GCM and GCO treasury teams soon realised that while introducing a new cross-border inter-company ZBA structure could meet both goals, the current IT infrastructure was not up to the job. It could not handle ZBA transactions within the SAP in-house cash centre (IHCC), meaning that key changes needed to be made to SAP.

Numerous conference calls over a 10-month period were held with Citi and SAP developers to outline and test new configurations. Meanwhile, the treasury controllers group at Microsoft completed six months of comprehensive accounting testing to ensure that the planned new solution would impose no operational challenges. Once all this testing was completed, the GCM team held conference calls with all subsidiary stakeholders to advise them of the changes. The success of this project is largely due to the hard work and co-ordination of all these various stakeholders involved in the improvement drive, and their early engagement eased the process along.

Microsoft faced two significant obstacles in the execution of the plan:

- **The need for a ZBA with customised text capability:** Although many multinational banks have a ZBA product, no single bank offered a solution to contain customised texts in the transaction details. However, this is critical to the subsidiary identification function of the Microsoft IHCC. In fact, a ZBA transaction without this specific text will not be recorded automatically by the treasury's SAP enterprise resource planning (ERP) system, causing inter-company imbalances. Microsoft, therefore, partnered with Citi to develop and implement a new global cash concentration product called the Global Concentration Engine, which allows the required customised text to be included.
- **The need for automated accounting:** Despite ZBAs years' of history, there has not been an inter-company ZBA solution that allows automated accounting within an IHCC. If Microsoft were to automate the collection of sweeps and enable just-in-time disbursements for hundreds of accounts, the resources required to manually post accounting entries would be overwhelming. Therefore, the treasury

“Microsoft has developed a scalable, cost-effective platform that allows it to reduce counterparty exposure and gain [cash] visibility”

had to make a series of developmental changes to SAP to enable automated accounting. It did this by triggering the general ledger entries, based on the customised text, which is included in every ZBA transaction.

Challenges Along the Way

In response to the European debt crisis in 2011 and more recent events, Microsoft partnered with Citi to re-prioritise the ZBA implementation schedule, bringing forward the original start date to Q311. According to Microsoft, the company was able to promptly put its Ireland, Italy, and Spain accounts into the ZBA structure. This greatly reduced Microsoft’s cash exposure to high risk European countries, which have been suffering due to sovereign risk concerns amid the trials and tribulations of the eurozone.

Within the past year Microsoft has been able to reduce its balances in Ireland, its largest regional operating centre, by more than 99%. The successful completion of the project late last year has allowed the treasury to create a proactive offensive strategy that mitigates risk instead of playing defensively.

The key benefits of the project have been:

- A reduction of time. It no longer takes so long to monitor cash balances and cash sweeps at subsidiaries.
- A significant reduction in unreconciled balances, which is due to the automation of the accounting entries.

Benefits

The new inter-company ZBA structure at Microsoft’s treasury has not cost a penny extra in terms of IT costs, with much repositioning and programming of existing equipment undertaken, and it maintains a zero balance in more than 150 accounts. It also:

- Automates cash concentration for hundreds of bank accounts.
- Creates a just-in-time funding model for operating accounts.
- Enables 100% accounting automation.

The associated new global cash concentration product went live with Citi in nine countries, with more being added throughout this year. The following results have flowed from the rollout:

- Reduction of more than US$250m in worldwide average daily balances.
- Increase in monetary gain: More than 250,000 interest gains due to collections are now promptly transferred to interest-bearing concentration accounts.
- Reduced risks as subsidiary accounts are maintained at zero balance, which lowers sovereign risk, particularly in vulnerable countries such as Greece.
- Decrease in bank fees: wire volumes have been significantly decreased by more than 40%.

In addition, the treasury team at Microsoft has seen improvements in operational efficiency, with hundreds of work hours saved that were previously spent reviewing subsidiary cash balances to ensure that cash was effectively used. The new automated system also means that excess cash is transferred to the centralised portfolio account as a matter of course.

The accounting team has also saved countless hours that were previously wasted manually posting general entries. Subsidiaries can now devote more time to selling Microsoft products, instead of managing cash which should also have long-term benefits.

(L to R) Michael Connolly, vice president and treasurer of Tiffany & Co., and compere of the gtnews Awards 2012, with Jennifer Boussuge, head of global treasury sales at BofA Merrill, (in middle), present the trophy for the Working Capital Project of the Year to Mark Tweedie, head of technology, media and telecoms, EMEA, at Citi, accepting on behalf of Microsoft.

Highly Commended
Working Capital Project of the Year

This award (see previous page) recognised the treasury that has put into practice an effective working capital optimisation strategy and has the metrics to prove the results. Two other noteworthy category entries received highly commended certificates in recognition of good treasury projects.

Lehigh Hanson - E-payables Programme

With a large supplier base across North America, Lehigh Hanson was processing a huge volume of cheques every year incurring considerable associated costs and administration. Following discussions with its primary banking partner, BofA Merrill, they recognised the opportunity to cut the number of cheques substantially by introducing an electronic payables (e-payables) programme.

Roche - Global Commercial Card Project

Roche’s global commercial card programme with Citi spans 90 countries, 55 currencies and 25 languages, covering required countries across Asia, Europe, North America and Latin America. The solution ensures a single source of accountability, enhanced reporting functionality, consistent features and a user-friendly experience.

Winner: Treasury Technology Implementation Project of the Year

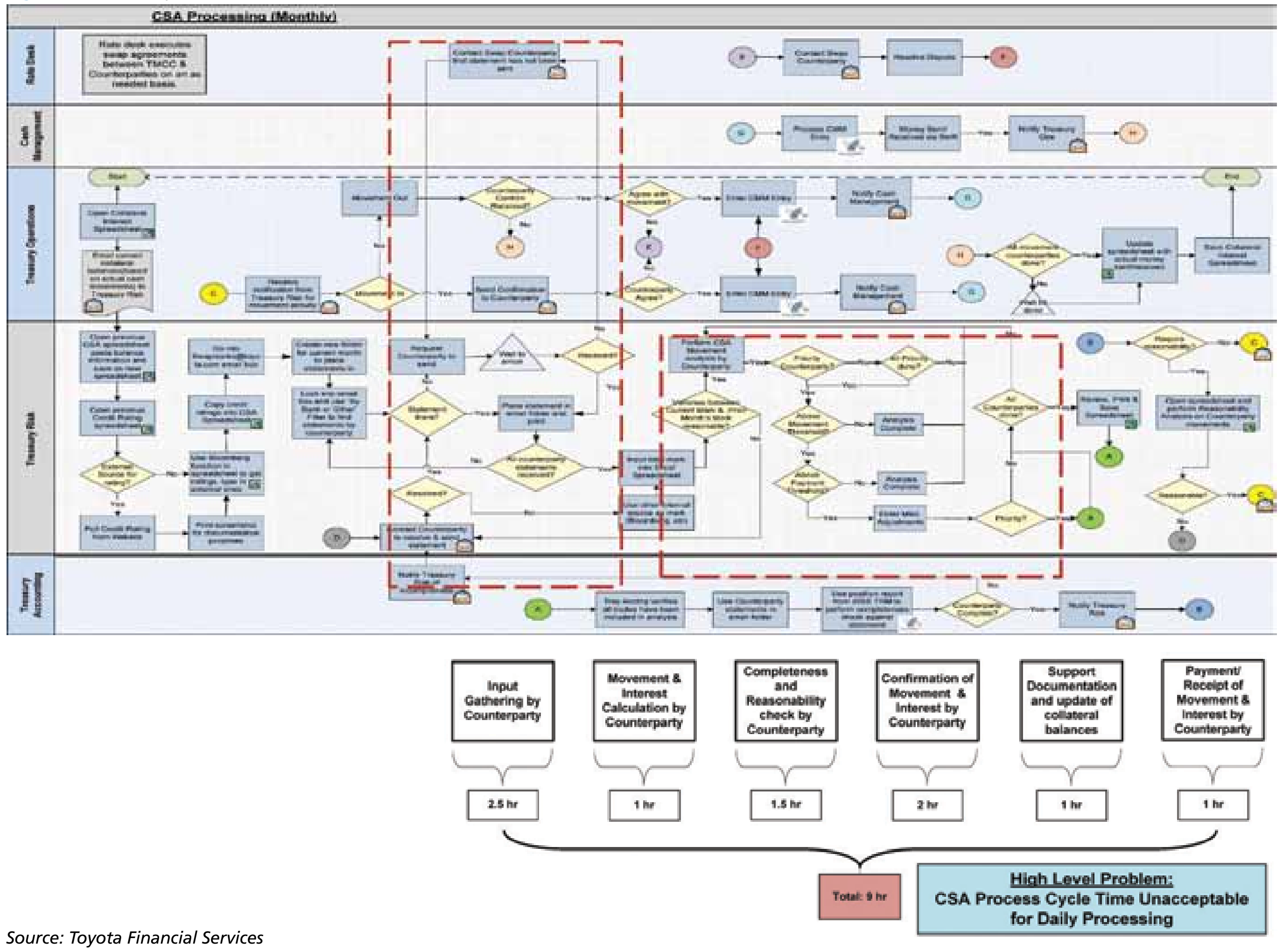
Toyota Financial Services’ Transformation to Support Daily Collateral Exchange

This entry, which won the Treasury Technology category at the *gtnews* Awards 2012, explains how Toyota Financial Services (TFS) mitigated risk from its derivatives trading arena with a new system and business practice designed to cut credit risk exposures, reduce operational risk and be ready for new post-crash regulations. It is shared here to provide an overview of the new derivatives procedures in place at TFS and the oversight technologies used, and in order to encourage best practice among treasuries.

The potential counterparty credit exposure on derivatives and other hedging instruments used by corporations before the financial crash of 2008 has caused many large multinationals to evaluate their credit support for derivative transactions and, more specifically, the frequency of collateral exchanges. Toyota Financial Services (TFS) was no different and with an appetite for decreased counterparty credit risk exposure, increased transparency demands and the looming Dodd-Frank regulation, there was a clear need for a new operational procedure and technology system.

Thanks to a strategic initiative that involved Toyota’s own Kaizen Methodologies, and technology supported from SWIFT, Wall Street Systems (WSS) and Bloomberg Valuation Services (BVAL), TFS has become the first corporate treasury to perform daily collateral exchanges with zero credit thresholds and same-day settlement. TFS has also reduced a previous unsecured exposure from US$1bn to near zero, providing significant financial and on-going oversight benefits to the company, while also reducing operational resource requirements to support the process. This project case study, which won the Treasury Technology category at the *gtnews* Awards for Global Corporate Treasury 2012, is shared here to provide an overview of the new daily collateral

Figure 1: Monthly Process Flow



Source: Toyota Financial Services

Figure 2: Cross Functional/Departmental Team

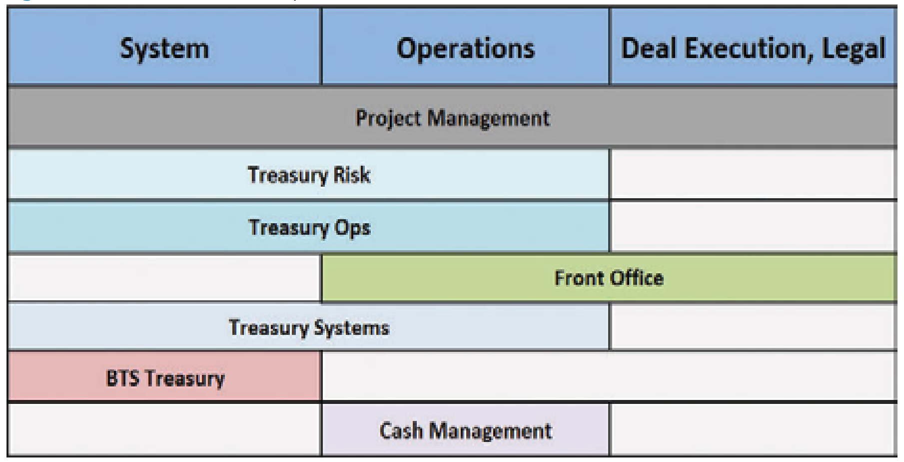
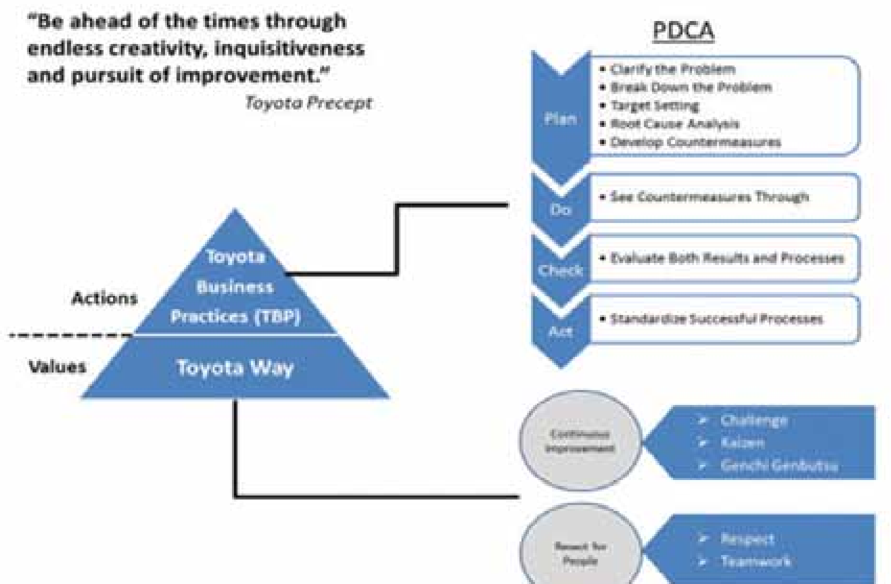


Figure 3: 'Toyota Way' Methodology



Source: Toyota Financial Services

exchange procedure in place at the firm and the technologies employed.

Project Background

The first wheel came off when the 2008 financial crisis hit. Decreases in credit ratings of key financial institutions left everyone wondering if their trades had been properly collateralised. This was especially true for TFS, which had over a US$100bn in derivatives with 23 swap counterparties at the time. Fortunately, TFS had executed bilateral International Swaps and Derivatives Association (ISDA) Credit Support Annex (CSA) agreements, and monthly collateral (cash) exchanges somewhat mitigated this risk. However, due to credit limits in the agreements, TFS still had a US$1bn unsecured credit exposure and exposure to intra-month credit risks.

Then all the wheels came off. Toyota's recall crisis, Japan's tsunami disaster, downgrades in Toyota's credit ratings, market volatility due to the eurozone crisis and finally, the pending Dodd-Frank regulation in the US proposing sweeping collateral management changes - all these things meant that something had to be done.

With the possibility of more frequent collateral postings, the use of a centralised exchange, and more stringent transparency requirements under Dodd-Frank, the velocity of change was at an impasse with our current collateral exchange process. Not only was TFS' process very manual (see Figure 1), it was taking nine hours to complete and involved eight associates from four functional groups. It was not scalable, transparent or adaptable to the changing derivatives landscape.

Something had to change - and technology was the answer. TFS set out to not only develop a best-in-class new process, but to transform the process to a daily collateral exchange via automation and the effective integration of technology. Through a strategic technology initiative that would involve treasury technology partners at WSS, SWIFT and BVAL and Toyota's own Kaizen Methodologies, the following project objectives were established:

- Deploy a technology solution that would enable TFS to perform daily bilateral collateral exchanges in a more efficient manner, requiring fewer resources and completed within two hours (previously nine hours).
- Produce internal daily valuations, replacing the dependency on counterparty as the valuation source.
- Comprehensive management and position reporting to increase transparency.
- Adaptability and scalability of the implemented technology to meet the changing regulatory landscape.
- Be more green; with a paperless process with controls and auditing for Sarbanes-Oxley (SOX) compliance.

Achieving these objectives would allow TFS to be the first corporate treasury to perform daily collateral exchanges with zero thresholds and same-day settlement. It would cut the firm's unsecured exposure from US$1bn to near zero and provide other long-term financial benefits.

Planning and Timeframe

The technology transformation project was properly planned from the start. After management approval, a cross functional project team (see Figure 2) was formed to ensure strong alignment of objectives. A detailed project plan was completed with a start date of 1 April 2011 and an expected completion date of 31 March 2012.

As with all internal initiatives, Toyota's foundational philosophy of improvement (Kaizen), including 'just-in-time' concepts, were leveraged to ensure successful project completion. This philosophy embodies two key founding principles:

1 Continuous improvement.

2 Respect for people.

These two key principles have guided Toyota as a global company, since the late 1940's and are part of its culture known as the 'Toyota Way' (see Figure 3).

Just-in-time concepts were leveraged as well, when working on this project. The 'before picture' was one of stagnant flow, with hidden waste such as batch processing and multiple rework loops. The 'after picture' reflects a just-in-time model, where TFS has independent, continuous flow, by bank, on a daily

Figure 4: RAPID.Net Application Developed with Just-in-time Processing and Dispute Resolution

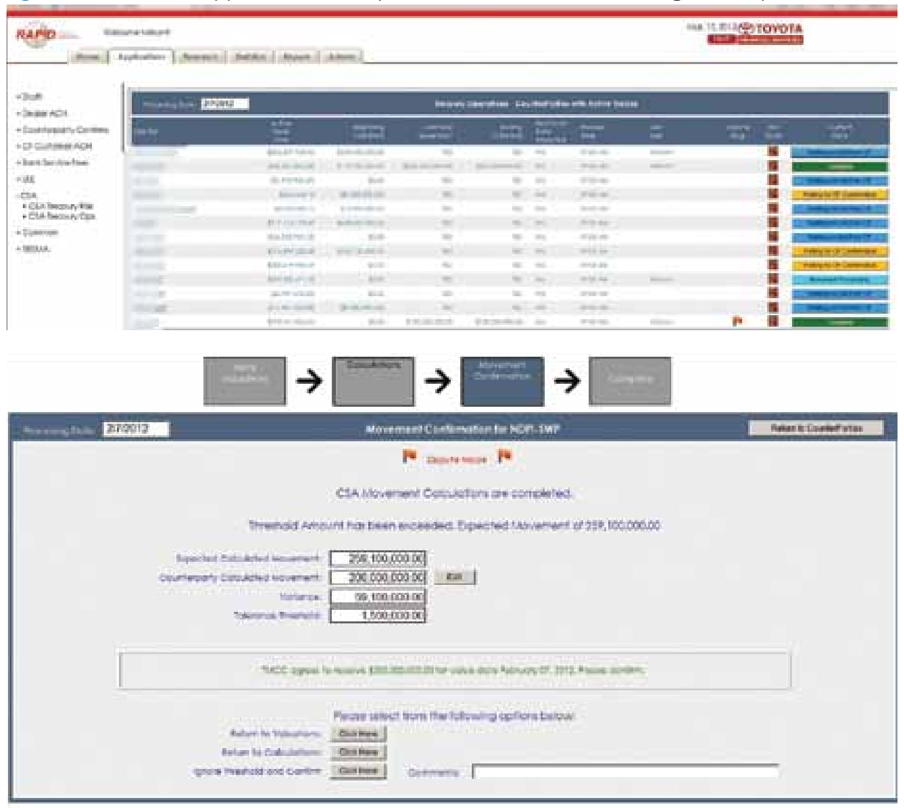


Figure 5: Daily Collateral Exchange Requirements.

Monthly Process	Daily Process	Current Process Possible?
Movement Calculation done 5 days prior	Movement Calculation done same day	X
Call Notices sent 5 days prior	Call Notices by 7am (Same Day)	X
Movement Confirmation done 3-5 days prior	Movement Confirmation by 9am (Same Day)	X
If disputed, resolved within 2 days	If disputed, resolved by 9am (Same Day)	X
Entire process takes 9 hours to complete	Entire process must be completed within 2 hours	X

Source: Toyota Financial Services

basis. Visual cues are now present providing real-time indicators for associates to process work, all with reduced cycle times and less waste, being the outcome.

Implementation

Through utilisation of the Kaizen methodologies, the following were discovered as opportunities from the previous existing monthly process:

- Operational processing was occurring as a batch process. For example, treasury risk would finish all of the counterparties risk analysis before handing it over to treasury operations for margin call or collateral confirmations.
- Due to the reliance on the counterparty as the valuation source, significant time was spent verifying trade population and valuation reasonability.
- Various Excel spread sheets were being utilised by the four functional groups as the source of record. This led to potential for human error and calculation mistakes.

Various components of the TFS technology solution helped achieve the project objectives. The major elements of it are outlined here:

Automation

TFS developed a web-based Microsoft. NET solution (termed RAPID) to encompass the entire collateral exchange process (calculation, confirmation and settlement). This enabled treasury to:

- Automate workflows that previously were done manually through Excel spread sheets.
- Enable just-in-time collateral exchange processing through separate workflows for operations and risk, along with visual cues for workflow states and dispute resolution (see Figure 4).
- Full dispute resolution with counterparty valuation analysis.
- Respond to timing requirements for daily collateral exchange (see Figure 5).
- Generate margin calls and valuation statements electronically.
- Perform pre-work to reduce processing time.
- Eliminate paper printing and provide reporting and controls.

Integration

Through the partnership with TFS' technology vendor partners at WSS, BVAL and SWIFT, TFS was able to develop various integration interfaces (see Figure 6) that allowed for collateral exchange straight-through-processing (STP):

- Upload of the trade population and counterparty information from WSS on a daily basis into RAPID.
- Upload of valuation marks on a daily basis from WSS and BVAL into RAPID.
- Upload of counterparty valuation marks for analysis and dispute resolution.
- Forecasts to TFS' funding desk to raise funds for collateral exchanges.
- Execution of payments/receipts from RAPID to SWIFT.

Adaptability/Scalability

Programming and user interfaces were simplified to allow for changes in active counterparties, calculation methodologies, communication methods and settlement. This enables TFS to meet any future changes due to volatile market conditions or any future regulatory actions.

- All static data (such as active counterparties, settlement information, dispute thresholds, etc) are maintained in its' core treasury management system (TMS), supplied by WSS. No static data is stored in the .net application, thereby reducing any development changes whenever a new counterparty is added.
- Modular development of application to allow for changes to collateral

"TFS has become the first corporate treasury to perform daily collateral exchanges with zero credit thresholds and same-day settlement. TFS has also reduced a previous unsecured exposure from US$1bn to near zero"

exchange communications (clearing exchanges, use of SWIFT, etc).

Business Continuity

Due to the daily nature of the collateral exchange process, systems and integration points had fail-back points in the event of downtime. This introduced resiliency and aided business continuity planning (BCP). A thorough failure mode analysis was performed to ensure availability and the following was implemented:

- A separate disaster-recovery environment at the file, application and database levels.
- Service level agreements (SLAs).
- Monitoring tools.
- Capability to rely on alternate valuation source.
- Dedicated support team monitoring all pre-work to ensure operational readiness.

Project Obstacles

Numerous challenges and issues had to be considered before TFS could go live with its new daily collateral exchange process and supporting technology infrastructure, such as:

- Off-the shelf, outsource, or in-house development? All three options were evaluated, but given our diverse derivatives portfolio, internal valuation capability and the cost/short timeframe, developing an in-house technology solution was the ideal decision and the route chosen (total cost US$100,000).
- East Coast/West Coast time difference: TFS is a US West Coast-based corporation and all of our derivative counterparties are located in the East Coast time zone in America. Margin calls needed to be executed by 7am Pacific Standard Time (PST) and all processing, including dispute resolution, needed to be complete by 9am PST. This essentially left TFS with a two hour processing window, which meant that performing pre-work provided significant lift (see Figure 7).
- Non-standardisation among banks regarding the daily exchange process: daily processing with same-day settlements and zero thresholds was a non-standard process with banks. Frequent conversations with all 23 banks TFS used occurred in order to have the process conform to the internal requirements. Due to the large number of swap counterparties, movement confirmations and settlements were all standardised to help increase the efficiency of system design and programming. This reduced implementation cost and increased return on investment (ROI).

Figure 6: Integration Points in Overall Solution ArchitectureResolution

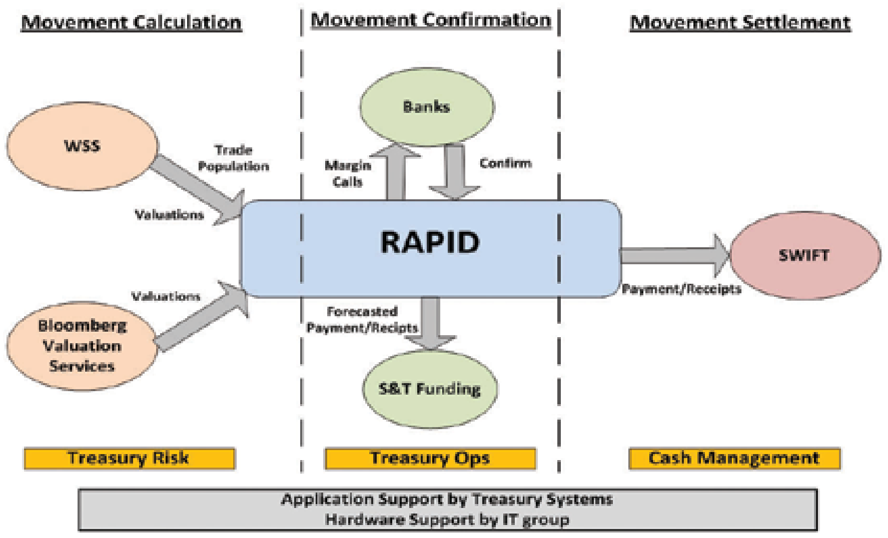


Figure 7: Pre-work Performed Before Operations Starts

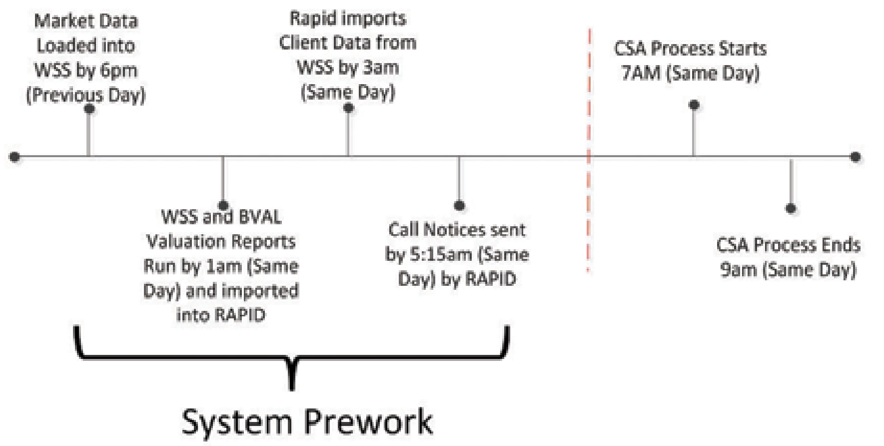


Figure 8: Process Efficiency Benefits

	Before	After	Improvement
Total Processing Time	9 hrs	1 hr	8 hrs, 2K hours annually
# of Associates involved	8	3	5 not required
Paper Savings	750 pgs/day	Paperless	24 trees annually
Processing Max. # of Banks	23	40	17 additional capacity

Source: Toyota Financial Services

"The project has also been a game changer in terms of effectively managing counterparty credit risk exposure within the company and the benefits are still being felt today"

- Project communication and execution: The Kaizen methodology was well suited for this and provided the framework and tools for weekly meetings, shared responsibility and quick execution.

Benefits

The benefits that have accrued from the now live TFS daily collateral exchange process and supporting technology infrastructure have been considerable and, in some cases, have gone beyond the original scope of the project, delivering:

- Reduction in costs of new derivatives execution (US$20m savings expected annually).
- Reduction of unsecured credit exposure from US$1bn to near zero.
- Daily validation of internally generated valuation marks (previously monthly).
- Greater associate engagement, communication and alignment within the entire department.
- First corporate treasury to achieve daily collateral exchange with zero credit thresholds and same day settlement.

Results

As a result of detailed planning, rigorous testing and Kaizen methodologies, TFS was able to successfully complete the project on 15 Oct 2011, five months ahead of schedule.

In terms of the technology solution, and on a total spend of US$100,000, TFS was able to achieve a quicker deployment time with 100% system availability and the flexibility to adapt to any future regulatory changes.

There were also considerable process efficiency benefits, as listed (Figure 8).

The project has also been a game changer in terms of effectively managing counterparty credit risk exposure within the company and the benefits are still being felt today and will be there long into the future.

(L to R) Michael Connolly, vice president and treasurer of Tiffany & Co., and compere of the gtnews Awards 2012, presents Vanita Aggarwal, director of treasury risk at Toyota Financial Services, with the car maker's trophy for the Treasury Technology Implementation Project of the Year. Juddith van Paassen, a partner at the category sponsors, Zanders, is on the right.

Highly Commended
Treasury Technology Implementation of the Year

This category covers any aspect of treasury technology and rewards its effective use to obtain business benefits. The award (see previous page) was given to the corporate treasury that developed and implemented an innovative IT project which solved a specific problem or established best practice within the organisation. Three other noteworthy category entries, more than any other category due to the volume and high quality of the entries, received highly commended certificates in recognition of good treasury projects.

Google Inc - M-Pesa Payments Project

Google has overcome the challenge of limited financial infrastructure with its latest African expansion. Working with Citi and Safaricom in Kenya, it has used the renowned M-Pesa mobile money transfer technology to ensure efficient and timely disbursements to field operatives, delivering cost effective, transparent and traceable processes while eliminating the risk of cash handling.

Philips Electronics - Next Generation Philips Payment Factory (NGPPF)

The NGPPF provides Philips with greater control over the group bank infrastructure and payment processing. It also enables treasury to advise local affiliates on efficient working capital management while at the same time improving trade credit management. Finally, it lays the foundation for enhanced cash forecasting.

Celio International - Realising Celio's Treasury Dream

Celio International's IT2 treasury management system (TMS) implementation was central to the treasury's move towards an international model. The project was delivered according to scope, on schedule and within budget. It encompasses cash and treasury management, in-house bank (IHB) and a payment factory implementation, based around a standardised, robust SWIFT-based channel.

Winner: Treasury Team of the Year

Delivering Treasury Services with QinetiQ's Winning Team

This entry, which won the Treasury Team of the Year category at the *gtnews* Awards 2012, explains how the treasury team of five people at QinetiQ managed to achieve a fast turnaround strategy, cutting debt by almost £400m during a tough economic environment when defence spending was contracting. The team improved billing milestones on projects, releasing more than £100m in working capital; undertook three IT improvement projects; held dividends; negotiated a new £275m credit facility; and sold some non-core businesses, among other measures, to dramatically improve QinetiQ's financial position at the start of this year. The case study is shared here as an overview of effective team performance and in order to encourage best practice among treasuries.

The global economic downturn resulting from the banking crisis heralded a period of austerity that significantly reduced defence spending. QinetiQ's financial performance weakened and it was uncomfortably close to breaching its covenants in late 2010. The treasury team at the defence and security company immediately took a number of steps to improve the company's financial position, resulting in a healthy balance sheet in Q112 when the award-winning turnaround project officially ended.

QinetiQ, the former research laboratories of the UK Ministry of Defence, was floated on the London Stock Exchange (LSE) in 2006. Its transition from the civil service to the private sector was incomplete, as inflexible working practices, a large staff, lack of commerciality and an unsustainable cost base were carried forward. With economic conditions looking inclement for the foreseeable future, a turnaround strategy was called for. This focused on strengthening the balance sheet, implementing a cost-cutting drive and enhancements to treasury operations and IT. The now completed project will also stand the company in good stead as another downturn beckons due to the on-going eurozone crisis.

QinetiQ's new executive team undertook an ambitious self-help programme to restore the company's financial position following the banking crisis and to address certain operational weaknesses. Slated to take place over 24 months, the majority of the turnaround activities were actually completed in half the time in late 2011, with some minor elements completed early this year. The company's financial position has been now been transformed. Group treasurer, Stephen Webster, played a key role in the detailed planning and execution of the turnaround programme, ably assisted by his four treasury colleagues who work across the UK, North America and Australia.

To focus on quickly enhancing the health of the balance sheet, QinetiQ undertook a number of measures, including:

- *Improved working capital:* Operating cash conversion jumped to 150-200% of profits, with increased focus on customer collections. The biggest gains were achieved by changing the approach to unbilled debtors. In the defence industry, stage payments for achieving technical or commercial milestones are common and QinetiQ had historically structured these payments to occur only a few times a year. To overcome this issue the company moved to restructure its deal profile to include more frequent payment milestones, releasing over £100m.
- *Held dividends:* Dividend payments were put on hold for 12 months while the turnaround occurred.

To cut costs and further improve the balance sheet QinetiQ also:

- *Disposed of assets:* The company disposed of a number of small, non-core businesses.
- *Negotiation of employment terms:* Employee contracts had not changed since QinetiQ had moved into the private sector. The new management team put the position to employees that a cost-cutting drive was needed to secure the long-term success of the business and revised redundancy terms were essential, enabling them to drive through necessary changes and rationalisation.
- *Renegotiated credit facility:* QinetiQ's treasury team also moved to renew its revolving credit facility (RCF). This did not immediately need to be refinanced, but with banking conditions improving in 2010, Webster and QinetiQ's chief financial officer (CFO), David Mellors, took the opportunity to discuss the matter in advance with its key relationship banks. A detailed pitch book focused on the company's unique position as one of a handful of trusted suppliers to the US and UK governments and showed that QinetiQ had solid 'order cover' - a good stream of pipeline business extending well into the future. This laid the foundation for a strong credit story by stressing 'here is a very resilient, long-term business built on solid foundations', which released extra funds and attracted new banks.

IT Projects

In parallel with these activities, the treasury team worked on three IT projects to enhance its productivity, improve transparency and cut costs. First, it has moved to a new online trading platform, 360T, for processing high volumes of foreign exchange (FX) trades, building a bespoke interface that can upload data without needing to be rekeyed. Second, the team has made better use of an existing SAP enterprise resource planning (ERP) system to improve the management of treasury operations and move away from data being stored in Excel files. And third, an interface with a Misys platform for matching trades between the business and its banks was established, delivering straight-through processing (STP) for all deals.

The refinancing of the group's principal credit facility redefined its banking and introduced new players. Following a formal tender process, QinetiQ introduced new banking providers in each of its major trading regions. This allowed the firm to implement the latest cash management systems and multi-currency pooling solutions.

With the 24-month turnaround strategy to strengthen the balance sheet achieved ahead of schedule in half the time, the improved financial position of QinetiQ allowed debt buy-back procedures to go ahead and the company quickly returned to paying dividends after its 12 months freeze.

In an outstanding year by any measure, QinetiQ's treasury team demonstrated last year the benefit that the treasury function can bring to a business. Through a well-planned and smartly executed turnaround strategy it has helped the company transform key indicators by paying off debt and cutting finance costs. It has also secured the safety net of a £275m credit facility and helped prepare the business to seize the opportunities of the future. The key project improvements delivered the following benefits:

- *Working capital revived:* Debt has fallen by close to £400m, while the banking covenant level has fallen from 3.0 times to less than 1.0 times in just 18 months.
- *Strong cash position:* QinetiQ has substantial cash reserves on deposit.
- *Debt buy-back:* With working capital improving, and market conditions not conducive to investment, the treasury team opted to pay down debt while also monetising related swaps. The first tranche of debt purchasing took place in May 2011, with a second round in March 2012.
- *A 'below terms' RCF:* In February 2011, a new banking group was established to provide a revolving credit facility of £275m. It was offered at investment-grade terms, thereby validating the long-term prospects for the business. The decision to go for the refinance was prescient. With sovereign debt and liquidity issues coming to the fore since the eurozone crisis erupted, banks are now passing on some of the pain in raised interest charges.
- *Rationalisation:* With employees agreeing to new terms of employment, the business downsized the UK organisation by 20% as defence markets weakened.
- *Efficiency benefits:* The changes made by the treasury team to its IT and procedures have delivered higher levels of automation and saved time, especially at reporting dates.

The cumulative effect of all of these changes has been to introduce a streamlined, more efficient company at QinetiQ that is well funded and able to look towards the future without a large debt burden hanging over it. The work of the treasury team in achieving this turnaround was crucial and the various initiatives they undertook have ensured the on-going survival and, hopefully, the prosperity of the company.

(L to R) Michael Connolly, vice president and treasurer of Tiffany & Co., and compere of the gtnews Awards 2012, with Jennifer Boussuge, head of global treasury sales at BofA Merrill, (on right), present the trophy for the Treasury Team of the Year to Carole Berndt, head of GTS, EMEA, at BofA Merrill, accepting on behalf of QinetiQ.

Highly Commended: Treasury Team of the Year

This award was for the corporate treasury team that best demonstrated vision, teamwork and innovation in terms of transforming their treasury department to meet future challenges. The winner (see previous page) showed excellence and resourcefulness across all treasury disciplines, covering working capital management, corporate finance and funding, liquidity and risk management, etc. Two other noteworthy category entries received highly commended certificates in recognition of good treasury teams.

Belron - Treasury Evolution

Belron's treasury team negotiated and closed a complex re-financing last year and has gone on to implement the IT2 treasury management system (TMS). The refinancing met or exceeded pricing and maturity expectations in the most demanding market conditions. The TMS implementation has improved cash visibility to 95% leading to substantial financial and efficiency benefits.

Live Nation - Integrated Global Cash and Risk Management Platform

A key accomplishment for Live Nation was the creation of an integrated global cash and risk management platform that includes an active foreign exchange (FX) hedging programme and credit card enhancement project. It allows the treasury team to centrally manage all worldwide company cash, FX, interest rate and counterparty risks.

Winner: Corporate Treasurer of the Year – Readers’ Choice Award

Gary Bischoping Jr., Vice President and Treasurer, Dell

Under the leadership of vice president and treasurer, Gary Bischoping Junior, Dell has substantially transformed its worldwide operations, moving to a single treasury management system (TMS) and a more centralised, efficient operation. His award was picked up on the night of the gtnews Awards 2012 by his colleague Jessica Ewing (see picture). The Treasurer of the Year is a readers’ choice award voted on by readers of *gtnews.com*. Our winner received 76 separate votes from his peers, who were all registered treasurers and readers of *gtnews*.

The winner of this year’s readers’ choice award is recognised by his peers as an industry spokesperson and leader – a treasurer who has either overcome the challenges posed by the financial and/or eurozone crisis, overcome natural disasters or other impediments to the supply chain, introduced a new more efficient operation, or got to grips with regulations or otherwise positively impacted the business and the sector. A demonstrable, outstanding contribution to treasury is the key requirement for our winner who was chosen ahead of six other entrants and three shortlisted contenders who garnered the most votes.

Under the watchful eye of Gary Bischoping Jr., Dell has transformed its global operations. A new single TMS now handles treasury activities for more than 700 bank accounts in more than 100 countries and it provides a single view of cash balances. A majority of treasury payment initiation and bank reporting communications now go via SWIFT, making Dell one of its largest corporate users.

The ‘big bang’ approach adopted by Dell over recent years to speed the transformation of its operations has meant a considerable amount of work replacing almost all of its old legacy proprietary banking platforms and processes. Not only does the new global treasury management system (TMS) significantly enhance visibility and streamline controls through a single channel, it also feeds into Dell’s forecasting system to provide improved forecasting accuracy. In Q411, for example, that resulted in an 80% decrease in receipts and disbursements variance.

Bischoping Jr. took the automation and standardisation project further and also created a centralised operations team in Bratislava, Slovakia, leveraging an existing Dell finance hub. Now the Dell treasury operations team is able to manage global cash positioning with three professionals (a significant cost saving) covering all of the European, Middle-Eastern, African (EMEA) and Americas time-zones. This internal cash management ‘centre of excellence’ has enhanced efficiencies at Dell via encouraging standardisation, simplification and improved controls and technology. The better positioning of staff and improved procedures and technology has also allowed Dell treasury to focus more on strategic initiatives that support business growth, and to concentrate on managing acquisitions and improving debt investor relations.

The improvement programme undertaken by Bischoping Jr. and his team mean that the Dell treasury is now better equipped and organised to face the challenge of the future, making him a truly deserving winner of our Corporate Treasurer of the Year – Readers’ Choice Award 2012.

“The ‘big bang’ approach adopted by Dell over recent years to speed the transformation of its operations has meant a considerable amount of work replacing almost all of its old legacy proprietary banking platforms and processes”

Michael Connolly (left), vice president and treasurer of Tiffany & Co., and compere of the gtnews Awards 2012, with Jennifer Boussuge, head of global treasury sales at the sponsors BofA Merrill, (on the right), present the trophy for the Corporate Treasurer of the Year to Jessica Ewing, a colleague of the winner Gary Bischoping Junior, who is vice president and treasurer of Dell. The treasurer of the year is a readers’ choice award voted on by readers of gtnews.com. Under the watchful eye of Bischoping Jr, Dell has substantially transformed all its worldwide operations to a single treasury management system (TMS). The TMS now handles treasury activities for more than 700 bank accounts in more than 100 countries. Bischoping also created a centralised operations team in Bratislava, Slovakia. The Dell treasury operations team also now manages global cash positioning covering all EMEA and Americas time zones.

Highly Commended
Corporate Treasurer of the Year – Readers’ Choice Award

The winner of this readers’ choice award was recognised by their peers as an industry spokesperson and leader - a treasurer who has either overcome the challenges posed by the financial and/or eurozone crisis, overcome natural disasters or other impediments to the supply chain, got to grips with regulations or otherwise positively impacted the business and the sector, and made a demonstrably outstanding contribution to treasury. This category received six entrants and is voted on by readers reading the biographies and entries on *gtnews.com*. Two other noteworthy entrants made the three-person shortlist for the category and garnered a considerable amount of votes.

Bill Lowe, Senior Vice President (SVP), Treasurer, Live Nation Entertainment

In 2011, Live Nation generated US$5bn as the largest producer of live music concerts worldwide, connecting 47 million in 40 countries fans via 22,000 events to 2,300 artists. It operates 130 venues and is one of the world’s leading live entertainment ticketing, artist management and e-commerce companies. Two treasury professionals and four staff support this operation. One is US-based SVP and treasurer Bill Lowe. Lowe has created an integrated global cash and risk management platform, where company cash, foreign exchange (FX), interest rate and counterparty risks are managed proactively from headquarters. When Lowe joined in October 2007, Live Nation had more than 60 banks with more than 700 accounts in the US. Domestic banking was paper-based, reconciliation was a nightmare, cash transparency was problematic and FX risk unchecked. Today, Live Nation has two primary domestic banks with about 200 accounts (excluding Ticketmaster), resulting in a 70% reduction in both accounts and bank analysis fees. The solution includes cash delivery that works well with artists, who typically are paid at performance end - often at night. Now all Live Nation domestic businesses conduct banking electronically with real-time reconciliation. Lowe also oversees an active FX hedging programme. Although tickets are purchased in various currencies, artists generally prefer US dollars. Lowe works with business managers setting tour budgets in dollars and employing hedging strategies that protect monetary expectations. In 2012, Lowe will extend the bank consolidation programme to Europe to lower counterparty risk, minimise costs and improve cash transparency using pooling and automated intercompany loan system.

Lisa Stone, Group Treasurer, Belron Group

Lisa Stone, reporting to the head of group finance, led the four-strong Belron treasury team through an exceptional 12 months of achievement last year. The team manages all of the group’s funding, bank relationships, hedging and daily cash management, as well as setting and monitoring the group’s treasury policy and standards. 2011 was the most challenging year in the treasury team’s history, with a requirement to refinance around €600m of debt facilities, cope with increased risk within the banking sector, and manage highly volatile FX rate scenarios. Simultaneously, the team implemented a new IT2 treasury management system (TMS) to improve its efficiency and effectiveness for future years. Stone was directly responsible for managing and negotiating the refinancing, which was achieved through a US private placement (seven to 12 years) together with a five-year club deal with the group’s core relationship banks. This complex operation was all achieved at competitive pricing (20 basis points below management expectations) thanks to the close relationship nurtured with the group’s lenders, who benefited from the clarity of the information supplied by Stone. All related cash management, interest rate and FX challenges were handled effectively and efficiently. The IT2 system was implemented on time and within budget; it is already delivering significant, incremental benefits, including a 50% increase in enterprise-wide cash visibility, to 95%, and process efficiencies through straight-through processing (STP). This outstanding record of success throughout 2011 - in two major, complex and exceptional projects - was achieved through Stone’s strong and effective team leadership, working with her colleagues and external partners.

Top left: Peter van Rood, the chairman of the preceding gtnews Forum, corporate director of treasury at AkzoNobel and a member of the judging panel, enjoys a canape before the 2012 Awards start.

Middle: Carole Berndt, head of global transaction services for Europe, Middle East and Africa (EMEA) from the overall sponsor BofA Merrill, speaks with Doan Nguyen, financing and treasury director at GE Energy Power Conversion, during the pre-Awards drinks.

Right: Enjoying the dinner and conversation at the gtnews Awards 2012. Then listening attentively for the winners as the results of the gtnews Awards 2012 are unveiled.

Top right: Michael Connolly (on lectern), vice president and treasurer of Tiffany & Co., who acted as compere for the evening, and is the serving chairman of the board of directors at the AFP as well as a judge, reads out the winners of the gtnews Awards 2012 to a rapt audience.

Left: Your carriage awaits . . . cars line up to take people home after attending the gtnews Awards 2012.

gtnews An Association for Financial Professionals® Company

Sponsored by

Bank of America Merrill Lynch

the Awards
for Global Corporate Treasury

***gtnews* hosted the third Awards for Global Corporate Treasury at the prestigious Sofitel Grand Hotel in Amsterdam, the Netherlands, on 24 May 2012.**

The *gtnews* Awards for Global Corporate Treasury 2012, sponsored by Bank of America Merrill Lynch, recognise the treasurers and teams who have done the most to contribute to the success of their organisation, wherever they are in the world.

gtnews would like to congratulate all of the 2012 category winners.

www.gtnews.com/awards