

DerTreasurer

ROUNDTABLE

Fokus: Cash Management

21. April 2020

Digital-
konferenz

VERANSTALTER

DerTreasurer
NACHRICHTEN FÜR DIE FINANZABTEILUNG

MITVERANSTALTER



WICHTIGE HINWEISE

- Schließen Sie alle anderen Programme im Hintergrund.
- Die Links zu den einzelnen Slots haben Sie per E-Mail erhalten.
- Informationen zu den Mitschnitten und den freigegebenen Präsentationen erhalten Sie in den kommenden Tagen.

TECHNISCHE PROBLEME?

- Häufig gestellte Fragen:
<https://www.dertreasurer.de/events/webinare/faq/>
- Nutzen Sie die Chatfunktion im Webinartool.
- Schreiben Sie uns eine Mail an webinar@dertreasurer.de.



PRAXISVORTRAG

Was neue Technologien für das Treasury leisten

Gerd Klevenz
SAP SE





Roundtable Der Treasurer

How new technologies help Treasury

Gerd Klevenz, Head of Treasury Operations & Processes, SAP SE

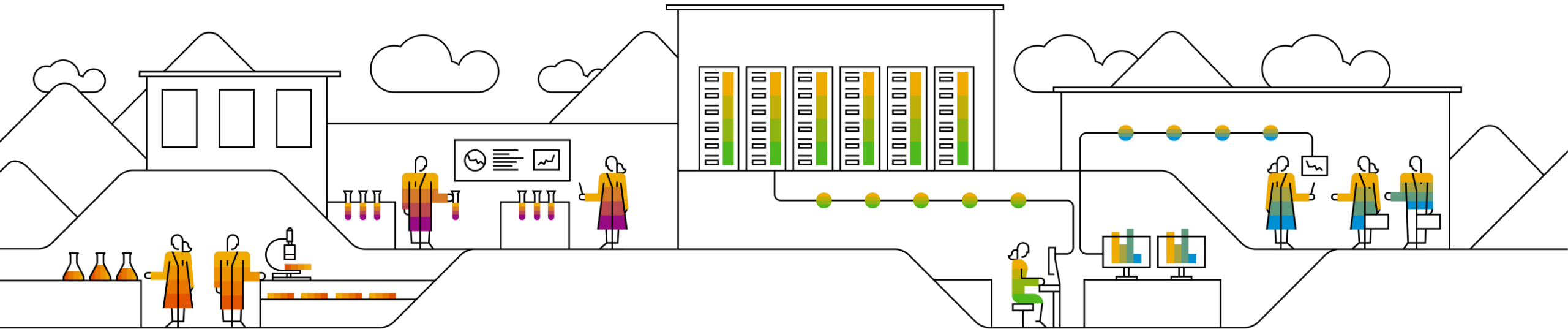
21. April 2020

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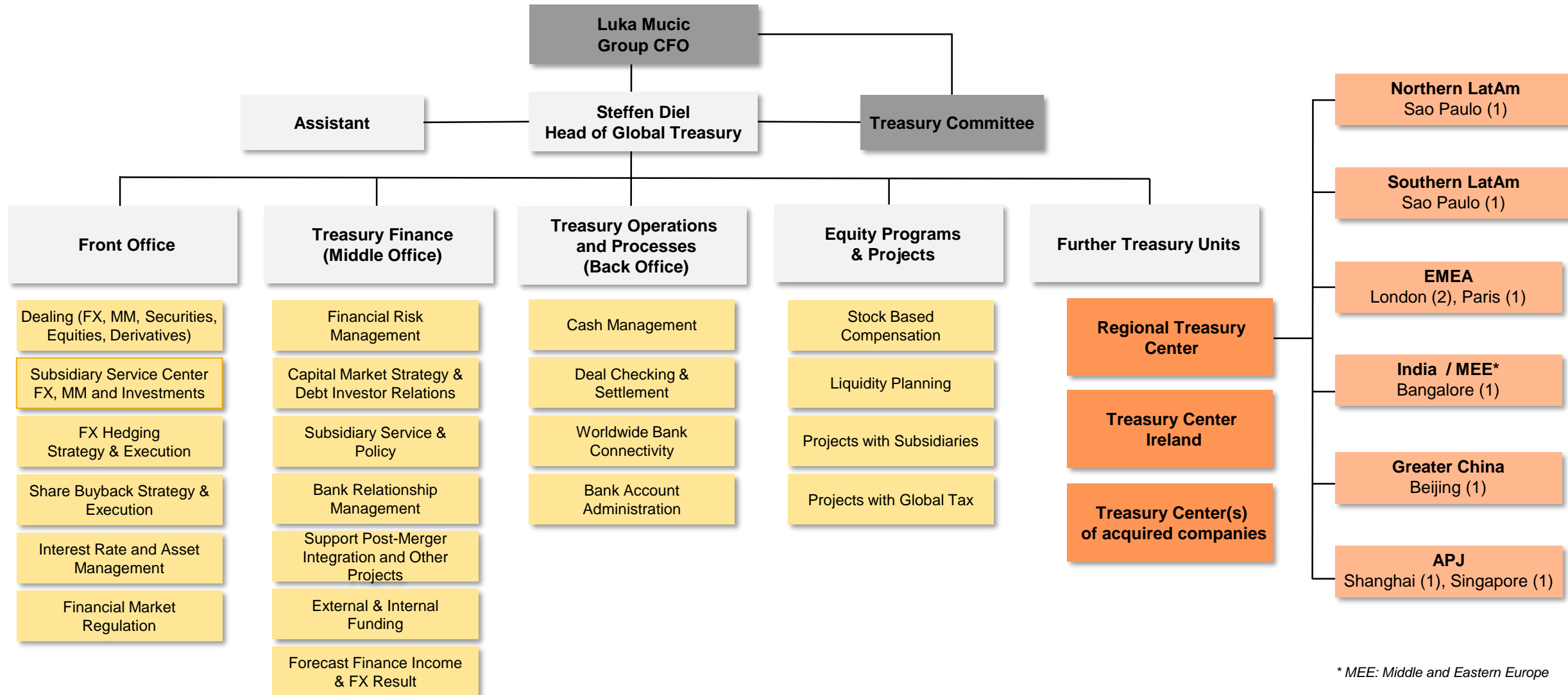
Agenda

- ❑ Global Treasury Organization at SAP
- ❑ Corona Crisis – Have we been prepared? How did we react?
- ❑ Digitalization in Treasury
- ❑ Instant Transparency – The real time Treasury Dashboard

SAP Global Treasury Organization



Global Treasury Organization at SAP



* MEE: Middle and Eastern Europe

Global Treasury – Areas of responsibility



Global Cash Management

- Bank account opening and closing, automated bank account statements
- Daily cash disposition, short-term liquidity planning, cash centralization
- Worldwide bank connectivity, bank account administration, cash centralization



Dealing & Asset Management

- Dealing (FX, Money Market, Securities, Equity Derivatives)
- Investment strategy with current focus to avoid substantial negative yield



Subsidiary Support

- Liquidity & Working Capital Management
- Bank account and payment services
- Local financial business support (e.g. bank guarantees)
- I/Co financing (foundations, capital increases, loans)
- I/Co dividend payments



External Funding

- Acquisition financing & debt capital market strategy
- Credit rating
- Bank relationship management
- Debt Investor Relations (together with Investor Relations)



Financial Risk Management

- Liquidity risk management (3-Pillar Financing Strategy, long-term liquidity planning)
- FX risk management
- Interest rate risk management
- Counterparty risk management



Other value-enhancing tasks

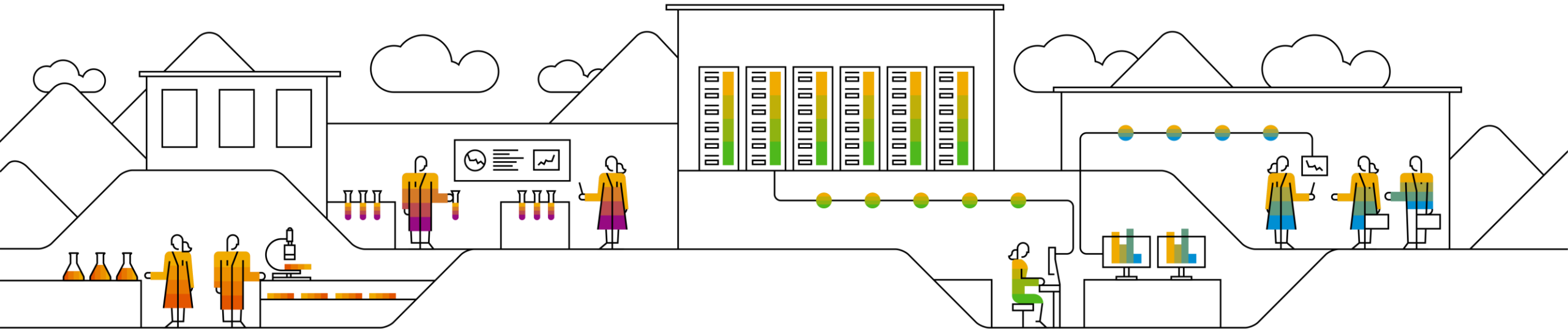
- Long-term liquidity planning
- Design of share-based compensation programs
- **Co-Innovation with Treasury Development, Analytics & IT**
- **Sales support: “SAP Treasury runs SAP” showcases**
- Deal-related support on FX structuring, guarantees, deal financing
- Thought Leadership (e.g. participation in working groups)
- Cross-departmental projects, e.g. with Global Tax
- **Development of Finance Talents / Future of Work / Digital Finance**



Corona Crisis

Have we been prepared?

How did we react?



From Business Continuity planning to Reality

Pre-Crisis activities – solid basis...

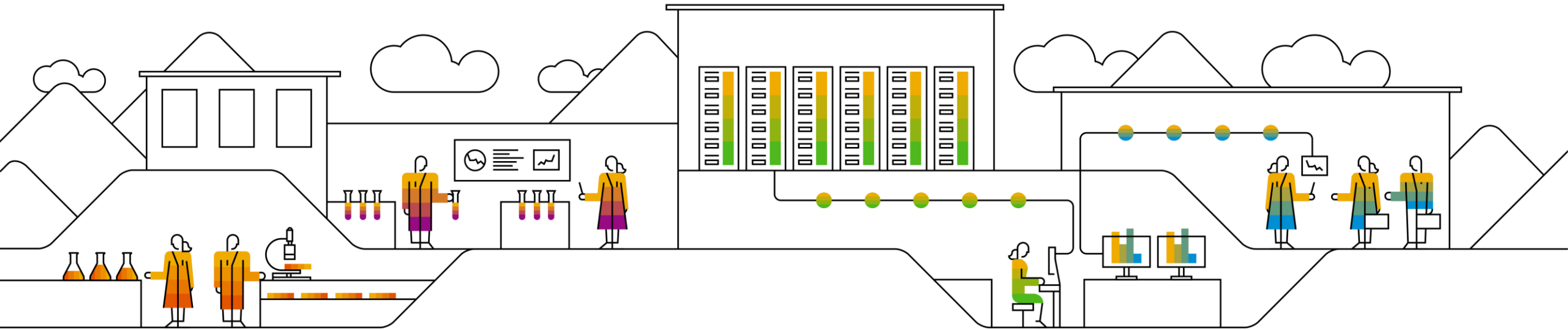
- ✓ Working from Home encouraged
- ✓ Mobile Devices available (Laptop, ...)
- ✓ Data access and collaboration tools - accessible from anywhere and anytime
- ✓ Payments, Bank Statements, Liquidity Reporting, FX and Counterparty Risk Management standardized and almost fully automated
- ✓ DocuSign implemented, but not yet rolled out



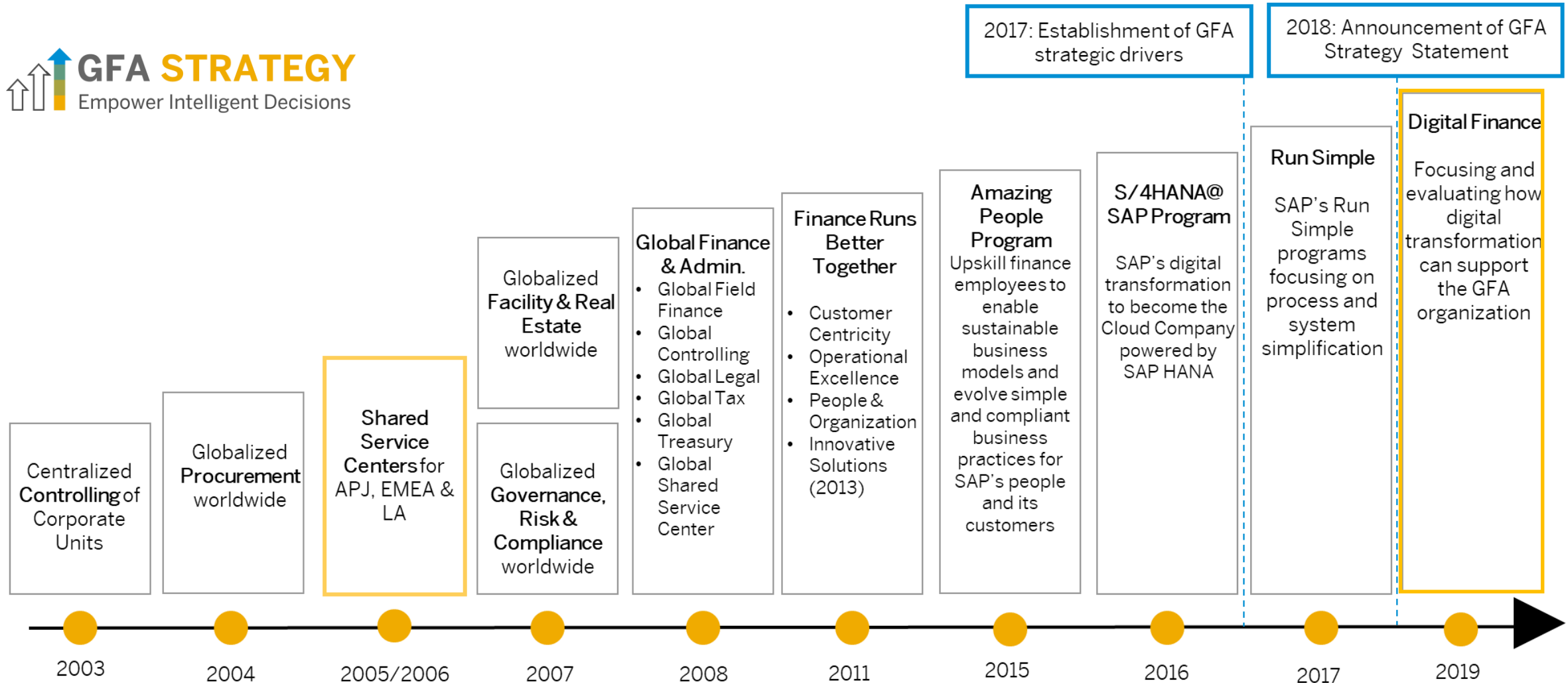
Pandemic impact – facing the reality

- Communicate, Communicate, Communicate – business and personnel relation!
- Learning from Chinese colleagues
- Alignment with Shared Services (tokens available? ...). SSC did shut down quickly!
- Close collaboration with Cash Collection Team
- Strong focus on Treasury by CFO, Board and Supervisory Board
- Guidance and support by Pandemic Task Force, HR, IT, ...
 - Extended online training – technical & social
 - Management calls with Q&A
 - Qualtrics Pulse Check Questionnaire

Digitalization in Finance and Treasury



Global Finance & Administration (GFA) Transformation Journey



The digital transformation is forcing SAP to adapt internal processes & systems

Digital trends driving the transformation of SAP's business model



Cloud Computing



Big Data & Analytics



Internet of Things



Machine Learning



Augmented Reality



Blockchain



Social



Mobile

SAP needs to change business processes and adapt enterprise architecture



Growing number of different business models: on-premise, cloud, business network and new customer services



Big Data & Analytics

From manual reporting to processing big data real-time and turn insight into action



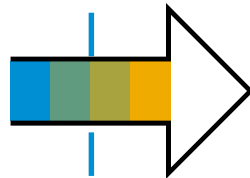
From human high-touch to automated, integrated & intelligent system landscape with a modern user interface

Digital Transformation at SAP Global Treasury

Increasing complexity and limited resources require new technologies

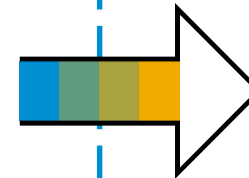
Past

- Manual and repetitive tasks
- Low degree of automation
- Custom coded solutions
- Inflexible processes



Present

- Simplified processes
- Standardized S/4HANA Core
- From batch to real-time processing
- From physical systems to virtual platforms



Future

- Perform sophisticated analytics
- Strategic decision-making
- Significant change of job profile: from task-driven to intelligence-guided activities
- Deliver the Intelligent Enterprise

The digital mindset – understanding the potential value of new technologies (rather than technical details)

Requirements

Core modernization



Working in **AGILE mode & Swarms**



Use of **cloud platforms**



Robotics & process automation



Visualization, reporting & **analytics**



New organizational set-up

Exponentials



Advanced Analytics



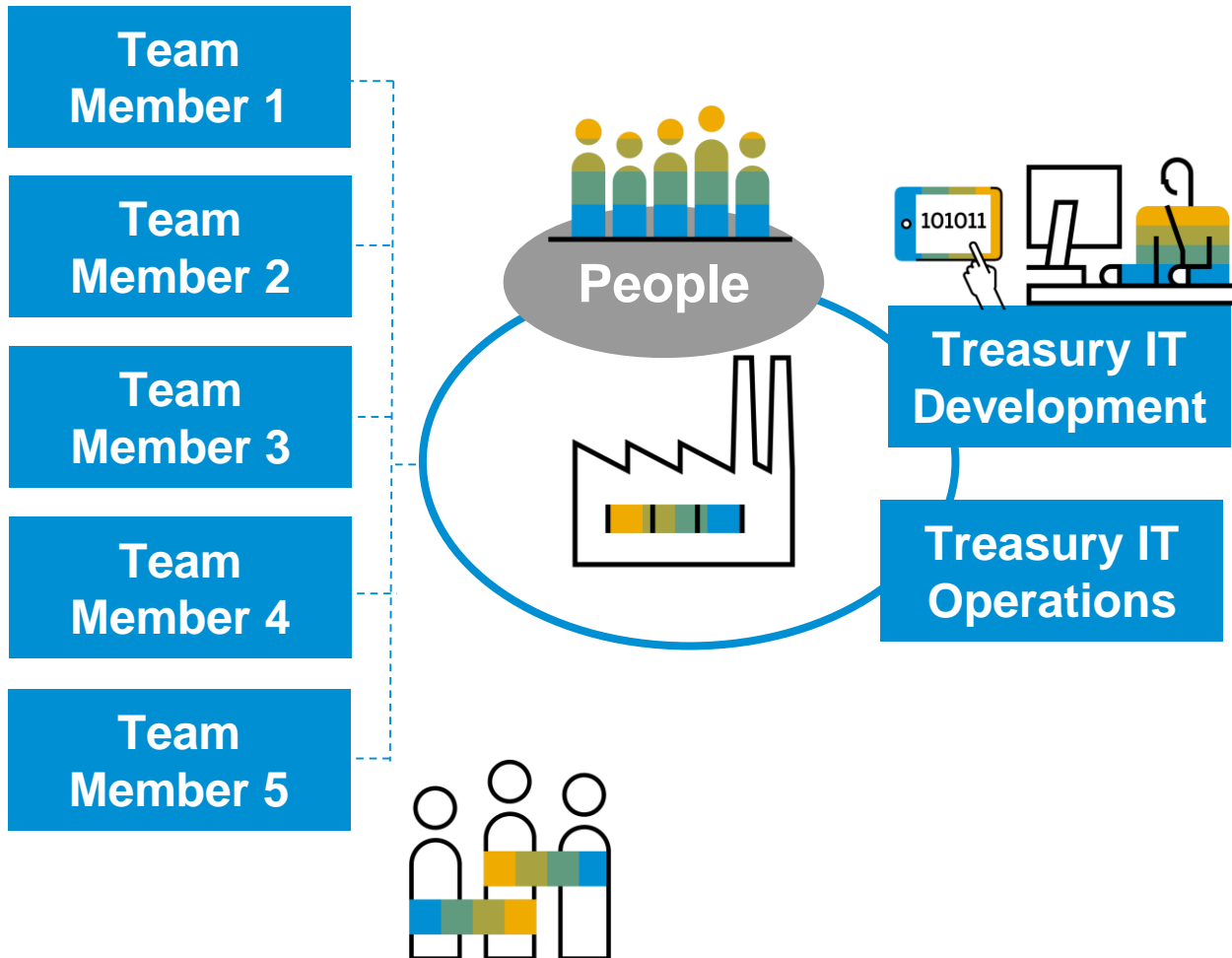
Artificial Intelligence / Machine Learning



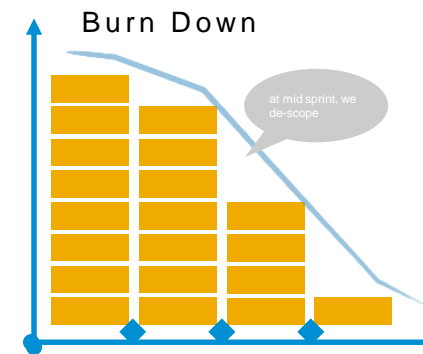
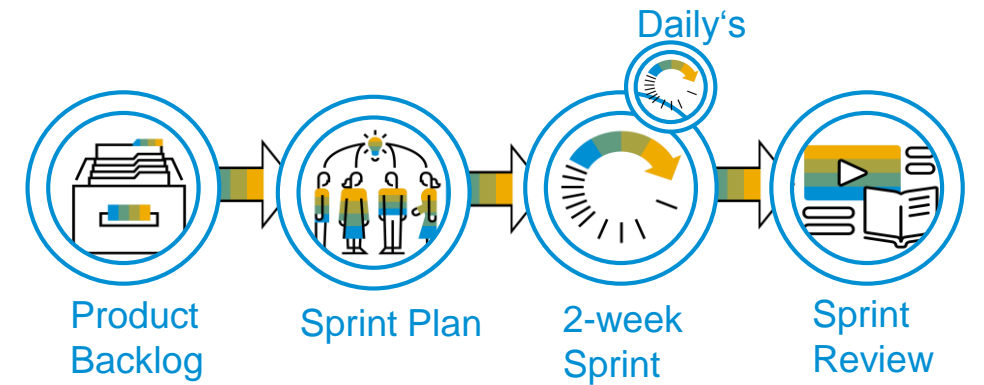
Distributed ledger technology

Working Model to support Digitalization

Treasury Business and Treasury IT working in Agile Mode

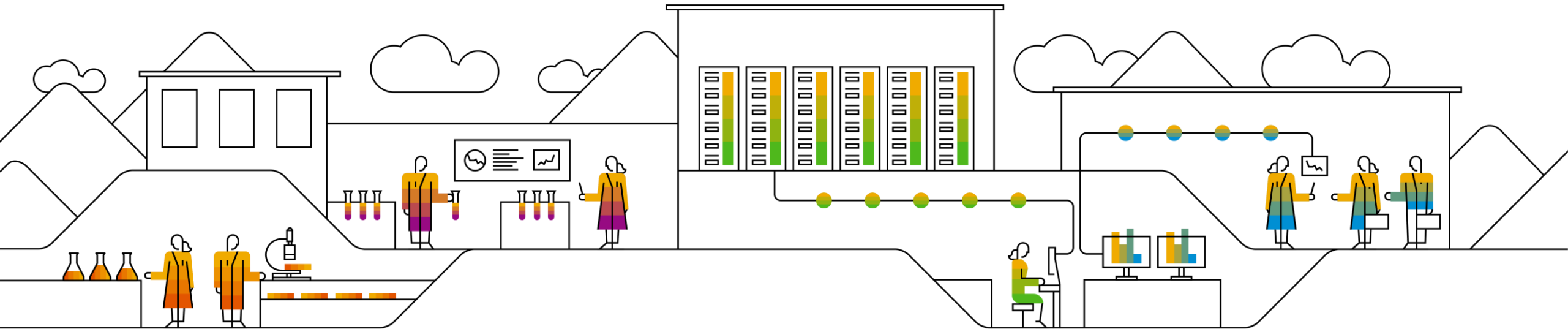


Working in Agile Mode



Instant Transparency

The real time Treasury Dashboard

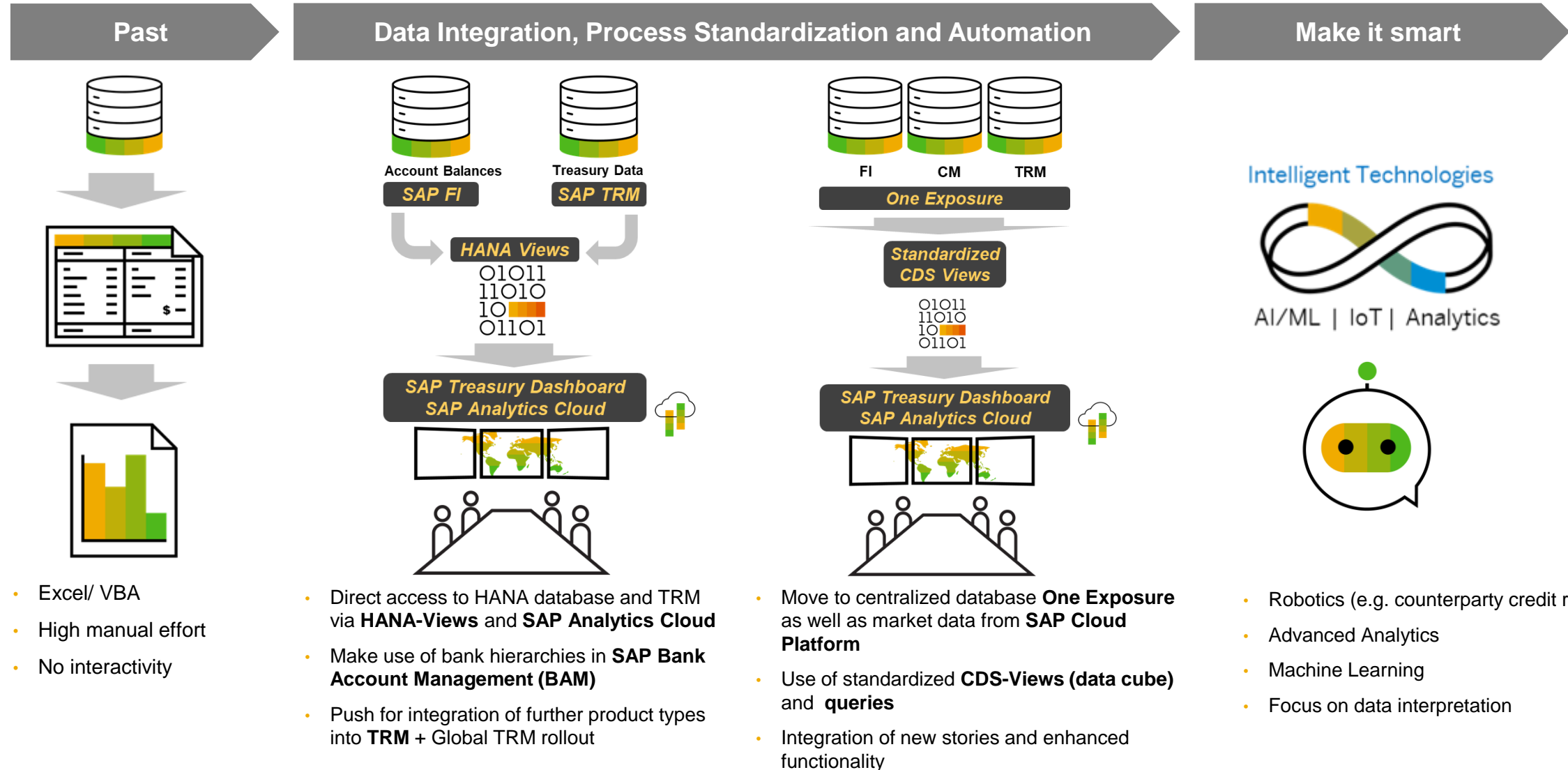


The SAP Digital Boardroom

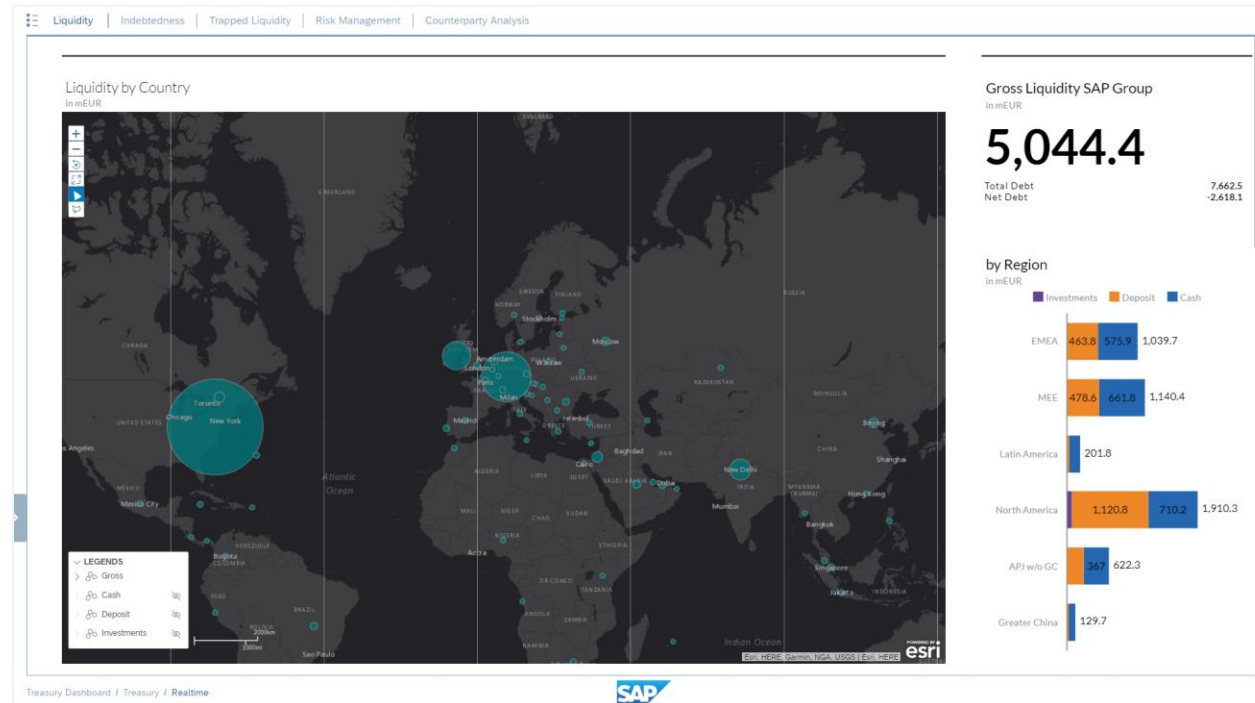


- Real-time insight into operating development of the company based on extremely fast data access via **in-memory database and S/4HANA technology**
- Visualization of internal and external content in **SAP Analytics Cloud**
- Embedded value driver tree provides **scenario analyses and simulation** “on the fly”
- The Digital Boardroom collects and analyzes data from different internal and external sources (HR, Finance, Sales, Financial Market Data, Financial News)
- In-built predictive analytics capabilities

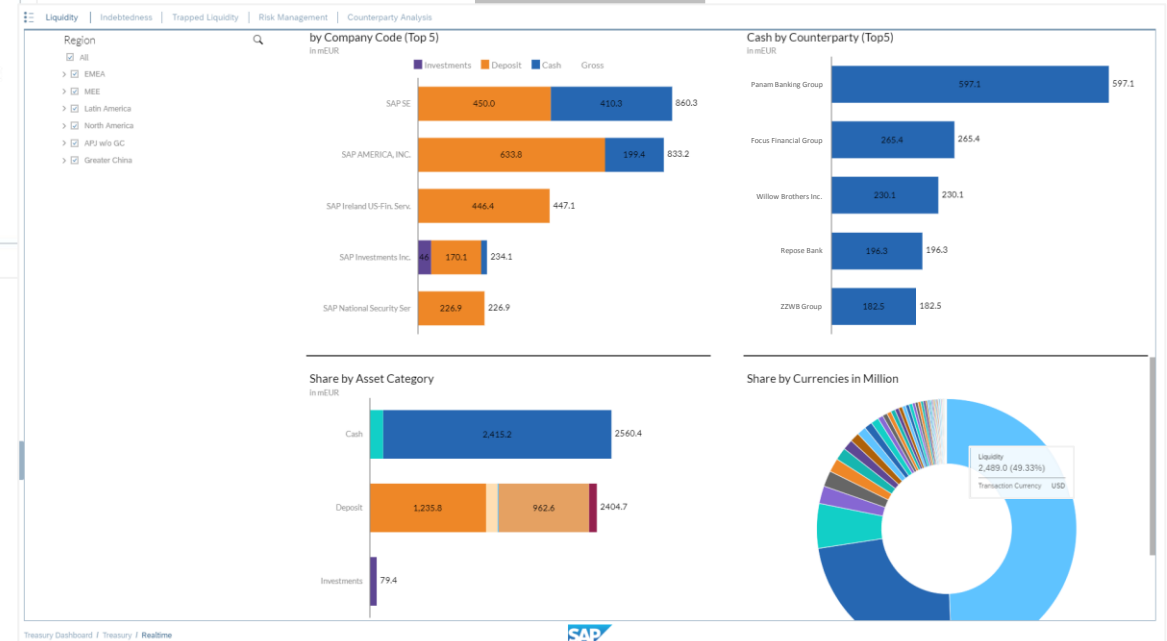
Interactive SAP Treasury Dashboard Journey



Business Insight – Treasury Dashboard: Liquidity & Investment Overview



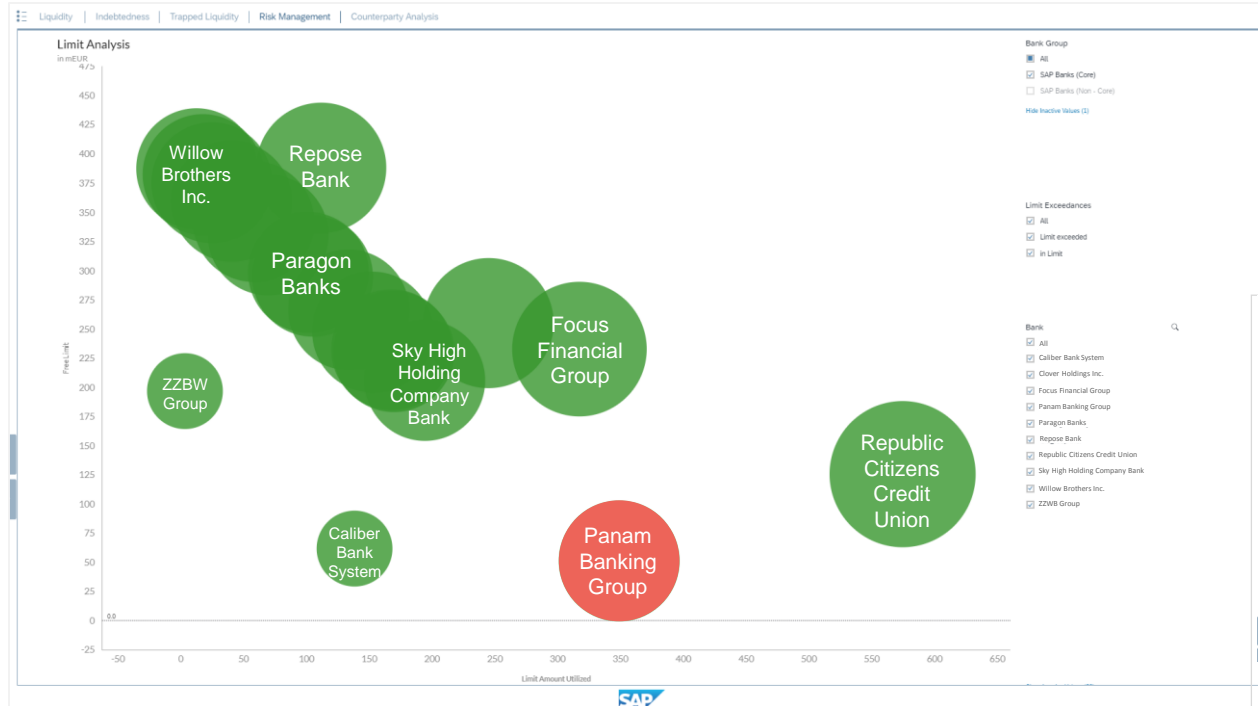
- The liquidity can be distinguished by different criteria like e.g. by asset type (deposits, money market funds, etc.), currency or by counterparty
- Furthermore, the user will get information on average yields and durations on investments
- Another important information to CFOs is the share of liquidity which can be centralized and is available as well as which part is trapped



- The liquidity map shows how SAP's funds are distributed across the globe on a real-time basis
- The bubbles on the map give CFOs, risk committees or treasury employees a simple, transparent and comprehensive view on the geographical distribution of SAP's group liquidity
- The user is able to choose a certain region or entity level in which he has specific interest and receives deeper information on the type of liquidity

Interactive Treasury Dashboard

Counterparty Credit Risk



If a bank shows a limit exceedance, the user is able to get more detailed information on the source of the exceedance, the exposure development over time and other bank specific KPIs.

Depending on the source of the exceedance, a treasurer can immediately initiate countermeasures in order to reduce the exposure




- Counterparty credit risk plays a central role in risk reporting and has gained significant importance since the global financial crisis and the default of Lehman Brothers
- This is why SAP Global Treasury defined limits for its core and non-core banks based on rating categories. The utilization of these limits is reflected per bank group on a compliance map which gives the user an intuitive view on limit exceedances and whether there is need for action

Interactive SAP Treasury Dashboard

Content



Liquidity and Investment Overview

- Overview Group Liquidity: Breakdown by 
 - Geographical Distribution/ Entity
 - Liquidity & Investment Type
 - Counterparty
 - Currency
- Liquidity Flows over time
- Trapped Cash
- Investments: Yields and Durations 

Financial Risk

- Counterparty Credit Risk and Limit Utilizations 
- Foreign Exchange Management Summary

Indebtedness


- Maturity Profile incl. Cost of Debt 
- Fixed / Variable Interest Rate Ratio 
- Bilateral Credit Facilities
- Bank Guarantees
- Intercompany Loan Agreements

SAP Treasury Dashboard


Powered by



Market Overview

- Major Foreign Exchange Rates
 - Interest Rates
 - Peer Comparison
 - Share Prices
 - News Room
- 

Bank Relationship 360°

- Bank Profiles
 - Treasury business with banks
 - Banks as SAP's customer
- 

Thank you.

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