



Oil and Gas

Treasury requirements in the oil and gas industries

Kyriba works with a number of clients in the oil and natural gas industry. Our clients' expertise ranges from production equipment manufacturing, to exploration and extraction, to pipeline transportation.

While no two companies have exactly the same needs and requirements, many of our clients in the sector share one or more of these cash and treasury requirements:

Cash Forecasting - Increasing forecasting horizons and improving accuracy is a key requirement. With margins often tight, it is increasingly important to minimize idle cash and optimize cash returns. Kyriba consolidates forecast data and measures forecast accuracy to increase confidence in your cash projections.

Debt and interest rate hedging - Higher debt loads are common in the industry, so managing interest rates and enabling effective interest rate hedging programs is key for the treasurer. Kyriba supports debt and interest rate derivative position keeping, automated mark to market, and delivers regulatory compliance including hedge accounting support.

Multiple business entities - Kyriba's oil and gas clients commonly have multiple subsidiaries and lines of business across the globe, often in emerging markets with limited banking infrastructure. This drives cash pooling, netting, in-house banking, and intercompany requirements. Kyriba fully supports multi-entity businesses, offering positioning, forecasting, accounting, payments, financing, and risk management for parent and subsidiary treasury management.

Efficiency and productivity - As with other industries, CFOs and treasurers are focused on improving the efficiency and productivity of the treasury function. From optimizing bank accounts, to bank relationship management, and through automation of manual tasks to improve operational controls, Kyriba delivers productivity to the financial team enabling less time spent on treasury and more time allocated to business intelligence and strategic insight.

One example of a challenge faced by one of Kyriba's clients within the oil and gas industry, as well as how Kyriba addressed the challenge, is outlined below:

Challenge

As a result of the many governmental regulations in place, the company was required to adhere to several stringent accounting and financial processes. Specifically, it needed improved controls to provide increased visibility, from cash visibility to inter-company loan updates and bank account management.

To satisfy these particular needs, the company had a number of requirements: it was looking for a web-based solution that would provide payment, cash forecasting, along with electronic banking processes, such as bank account management and in-house banking (for intercompany loans) capabilities. In addition, the organization wanted to instill best practices that would allow the treasury team to be a more efficient and analytical partner to the business.

“On top of the major time and productivity benefits, Kyriba gave us huge peace of mind. Knowing that our forecast was accurate enabled us to be much more strategic in the way we used cash. The increased visibility also enabled us to comply with accounting regulations with a greater degree of confidence.”

Solution

Relying upon manual processes, the company was eager to implement Kyriba and eliminate the manual processes upon which it was relying. Kyriba's solutions for payment, cash forecasting, signatory management and in-house banking entailed:

Payments - The ability to generate payment requests that are released to the bank without needing to rekey information or to log into the bank's website – a huge savings in treasury teams time.

Cash forecasting – Before Kyriba, cash forecasting was an onerous and manual process that involved frequent re-keying – a critical area for manual mistakes. With a more complete picture of cash movement, cash forecasting has allowed the company's treasury team to be more effective in analyzing data that enables the team to assist in making critical company decisions – to pay down debt or invest in infrastructure needed to advance the organization.

Cash pooling – With only four banks, but over 300 bank accounts spread amongst these banks, maintaining control over account signatories was critical for both security and auditing. Moving from a manual process to manage these accounts to Kyriba's automated solution has ensured that the company can manage these procedures seamlessly.

In-house banking (intercompany loans) – Previously this was managed through multiple systems, which required separate journal entries. Over 100 intercompany loans are now managed entirely through Kyriba, with a 50 percent reduction in journal entries – and the entire process is down to hours from multiple days.

About Kyriba Enterprise

Kyriba's flagship product, Kyriba Enterprise, is the most adopted Software-as-a-Service treasury management solution in the global market. Fully in the cloud, Kyriba Enterprise offers the most breadth of any treasury management solution, solving the cash, treasury, and risk management needs of all sizes of treasury and finance organizations.

Clients Include:

