CASE STUDY

"The ability to better manage fraud brings considerable added value. By checking and securing transfers throughout Europe involving very large amounts of cash, we enjoy a higher level of security."

Bernard Gall – Assistant Treasurer at Arianespace

About Arianespace

Arianespace was founded in 1980 as the world's first commercial satellite launch company. Its shareholders include CNES, Astrium and all European space agencies, representing 10 European countries. As of January 1, 2013, the company had 315 employees, located at corporate headquarters in suburban Paris, at the Guiana Space Center (CSG) – launch site for Ariane 5, Soyuz and Vega - and at local offices in Washington D.C., Singapore and Tokyo. In 2012, seven launches of Ariane 5, two launches of Soyuz at CSG and one launch of Vega generated revenues of €1.3 billion, an increase of more than 30 percent compared to 2011.

Since it was founded, Arianespace has signed contracts with 85 customers, carrying out 215 Ariane launches, 31 Soyuz launches (five at CSG and 26 at Baikonur Cosmodrome in Russia, via its Euro-Russian subsidiary, Starsem) and two Vega launches. More than half of the commercial satellites in service today have been launched by Arianespace.

The Kyriba Solution

By virtue of its size, Arianespace is considered a small to medium-sized enterprise, but in its operations, the company is similar to a major industrial group, with revenues of more than €1 billion. "Arianespace is a company that finances the development and markets satellite launches by employing a major industrial network. From a financial point of view, the number of launches are low, but the sums involved are significant." Despite the fact that Arianespace is a well-managed, vibrant and debt-free company with an entrepreneurial spirit, it still has to deal with constraints related to cash investments and exchange rate management. After the transition to the euro, Arianespace wanted to improve its banking communications: "We knew that moving to the euro would entail new technical constraints like using SWIFT codes, replacing ETEBAC protocols and implementing SEPA, and we also needed to reinforce our treasury management system."We could no longer just conduct transfers without checking and securing them!"

Their internally developed solution was not scalable or sustainable, and required a significant amount of effort and time to manage. "It was a tool designed to manage cash positions, determine yields on securities, and calculate purchases and sales on a forward basis, etc. However, in economic terms, it was not cost-effective, and maintaining the system was not really my or my team's line of work. It was obvious to me that a software-as-a-service (SaaS) system was the best fit!" For Arianespace, the main challenge was the inability to communicate with its banks in a timely manner, and the team anticipated that risk: "I wanted a solution that integrated banking communications so that we could move towards international standards and avoid heavy investments in the future." Kyriba was chosen in 2006 and deployed in 2007.

CASE STUDY

Arianespace and Security

By implementing Kyriba, Arianespace is able to eliminate checks and paper permanently since transfers are now carried out electronically. In the past, the company had to manage around 100 checks and 30 bank transfers every month. What's more, doubts lingered about whether the money had actually been deposited in the recipient's bank account or not. All in all, an enormous amount of time was spent processing the checks and the risk of fraud was quite high. "The elimination of checks brought a breath of fresh air to the treasury team!"

The most important advantage was the increased level of general data protection and security during transfers, particularly when very large amounts of cash were involved. While the volume of transactions is low, the value for Arianespace's operations is significant: "In our case, the ability to better manage fraud brings considerable added value. By checking and securing transfers throughout Europe involving very large amounts of cash, we enjoy a higher level of security. Without these capabilities, we would still be concerned about the security of our financial exchanges."

Treasurer = Business Partner

Arianespace's treasury team was forward thinking in its approach. In the mid-2000s, the SaaS model was still relatively unknown, and there were several reservations regarding IT systems management. At that time, the team was already prepared to deal with fraud management, and more generally, it intended to refocus on its core responsibilities. "It was important to get the department out of its ivory tower and reposition itself as being integrated throughout the organization, with a strategic reach. We had to explain the project internally and how teams were going to work together moving forward."

End-users rapidly understood the advantages of this solution: "They simply press a button, and all their files are generated automatically. In broader terms, they were able to refocus their activities on their jobs and become more autonomous." In addition to end-users, the management team has also benefited from Kyriba: "While I emphasized the fact that we were going to reduce our bank charges, I ultimately sold the system internally based solely on security concerns - the real return on our investment. Even though Arianespace is classified as a small to medium-sized enterprise, we operate as a major industrial group, and the entire organization has to ensure the highest levels of security."

Today, Arianespace manages its long-term forecasts on a two-year basis and its investments on UCITS and other products in the longer term. "We control our risks and fiscal constraints. At this stage, I would like to get involved in future developments and implement even smarter tools available within Kyriba."

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.

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