

Highly Commended Winner

Best in Class Treasury Solution in the PRC Aihuishou International Company Ltd

KYRIBA SUCCESS STORY

Technology platform is key to support rapid growth in the PRC

The Challenge

Aihuishou's rapid expansion in China and overseas accelerated its gross merchandise volume (GMV) to CNY12bn at the beginning of 2019. For each product line, the customer needs, settlement methods and settlement tools were different, making management complex and unreliable. Statements of more than 130 bank accounts required manual download from excel. The cash account types had to be manually marked on bank transactions details. It took 15 days to convert a cash flow report and the accuracy of the reports varied based on human coding errors. Cash management was fragmented and there was no cash planning with a lack of visibility on the global cash position.

The Solution

The company determined it needed to invest in its treasury team, improve its processes and implement a modern treasury solution. Initial requirements included the ability to centralise all bank accounts onto a single platform to reduce manual errors, gain time and efficiency, and the ability to improve cash management with real-time visibility of cash positions and balances and support expanding business overseas.

The team leveraged Kyriba to gain proven access to 1,000 banks with 45,000 bank testing scenarios, adding approvals, payments screening and bank format transformations to maximise connectivity and security with regional and country protocols and host-to-host (H2H) connectivity.

万物新生 A T R E N E W

Aihuishou International Co Ltd is a pre-owned consumer electronics transactions and services platform in China. The company focuses on the recycling business of electronic digital products such as mobile phones and notebooks.

Kyriba is very happy to congratulate our client, Aihuishou International Company, for being recognised as a best in class treasury solution in the People's Republic of China. Kyriba is honoured to support Aihuishou's global treasury operations and help modernise their cash, liquidity and treasury processes. By centralising visibility and optimising liquidity, the Aihuishou team has transformed into a world class treasury and is an example for others to follow, as treasury improves visibility, controls and productivity to unlock liquidity and drive business value across their organisations. Congratulations to the entire Aihuishou treasury team on your success.

Bob Stark, Global Head of Market Strategy, Kyriba

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Best Practice and Innovation

The team required real-time, accurate data reporting for cash forecasting and positioning. Partnering with Kyriba empowered the team with a centralised cash management solution that delivered a daily cash report with regional and group level analyses.

ESG is crucial to Aihuishou as it has two main businesses – mobile phone recycling and recycling of recyclable waste of residential life, which have made great contributions to environmental protection in China and around the world. Faced with the challenge from investors of financing ESG programmes with heavy fixed assets investment (CNY1bn), the treasury team solved this problem with lease financing. It reduced the big investment on fixed assets and strengthened their business and financial structure at the same time.

Aihuishou has taken giant steps in the PRC with its technology platform partner. Its next step is to connect network payments (eg Alipay, WeChat payments and other third-party payments) to the platform to enable a large amount of transaction funds out of bank accounts into the payments hub to gain more financial control, advanced fraud protection and intelligent management of payments.

While bottom line value is clearly a priority for Aihuishou, evidenced by the valuation the market placed on its initial public offering (IPO), the treasury team also prioritises ESG as a function of their treasury culture and ambition to build value across the enterprise.

“By mastering cash flow trends of each business unit and combining actual business needs, we now have intelligent cash forecasting and variance analysis data to equip the team to maintain stable cash flow.”

An Shuang, Head of Treasury

KEY BENEFITS

- 200+ domestic and overseas bank accounts centralised and managed on the platform, enabling real-time visibility into daily cash positions and balances.
- 400% improvement in cash flow reporting time from 15 to three days.
- Stabilised cash flow from intelligent cash forecasting and analyses that generated multiple 'what if' cash flow scenarios.
- Secured six months of cash stability with reliable cash positioning – gained valuable recognition from investors and capital markets.
- A fair, transparent, and secure supply chain finance (SCF) system has been established to support the enterprise's vast e-business.
- CNY1bn reduction of fixed assets through a financial leasing method to support the enterprise's light internet business.