



Modernizing Treasury

Reducing Risk and Increasing Margins through Automation

KYRIBA CASE STUDY

Consumer goods company, Newell Brands, has leveraged technology to complete a major treasury modernization project.

In 2016, Newell Rubbermaid purchased Jarden Corporation to form a new \$16 billion consumer goods company, Newell Brands. While the deal brought considerable business benefits, it also resulted in a number of challenges where treasury was concerned.

Need to Innovate

Before the acquisition, both teams spent a lot of time on manual processes—so opportunities to undertake value adding activities were limited.

Newell's treasury had under-invested in technology, which meant that the combined team had to take on numerous additional tasks without increasing headcount. Spreadsheets were being used for daily cash management, giving the company limited global cash visibility. Daily cash positions were manual and took two employees over 20 hours per week to complete, while global cash reporting was only available once a month.

Automation was also needed where hedging was concerned. Despite large FX transaction net losses, process inefficiencies meant the company had not implemented a balance sheet hedging program and was only hedging one-off intercompany loans. A standalone software solution was used to manage cash flow hedges, but this lacked automation.



Founded: 1903

Headquarters: New Jersey (US)

Industries: Consumer goods

Revenue: \$16 billion

Employees: 57,000



Gathering and assimilating data was the biggest challenge—and that is where we are seeing the greatest benefits."

— Amit Singh
SVP & Treasurer, Newell Brands



Quantitative Results



95% cash visibility



\$25M+ reduction in FX transaction net losses per year



\$120K technology cost savings



38 Legacy ERP systems included



\$1.3M Reduction in trading fees



4 Cash processing hours saved per day

Seeking a Solution

It was clear that technology and automation was essential if the treasury team was to achieve its goal of becoming more strategic and unlocking value for the organization. Following the acquisition, Newell's newly appointed SVP and Treasurer, Amit Singh, put a plan in place to integrate and modernize the combined treasury organization. Crucial to Singh's plans was the introduction of a cloud-based treasury management solution (TMS) and currency analytics solution that could automate manual tasks, mitigate risk and free up time for strategic data analysis.

Following a formal RFP process, Kyriba was chosen as the TMS for cash and liquidity management, payment management, bank connectivity, hedge accounting and interest rate derivatives. Newell also selected a cloud-based currency management platform, FiREapps, for its data collection, exposure consolidation, currency analysis and reporting and hedge recommendations. The company also relied on trading support from FXall, which was integrated with the Kyriba and FiREapps solution in order to automate the hedging process.

The Benefits

The project resulted in a complete treasury transformation. The new process pulls data from 38 legacy ERP systems and 25 different business units. As a result of the treasury management automation, modernized workflow, and more timely and accurate cash forecasting, the size of the balance sheet hedging program has grown from \$800M in 2015 to \$2B in 2016.

The biggest benefit was the massive reduction of P&L noise due to the new workflow efficiencies from Kyriba, FiREapps and FXall, which reduced FX transaction net losses from \$90M between 2013-2015 down to \$2M in 2016.

Also, with the implementation of the robust hedge accounting and trading solution, Newell realized \$1.3M in trading savings with the FiREapps and FXall integration.

Treasury processes overall have become considerably more efficient, with an automated workflow freeing up more time for value-adding activities. Cash visibility has increased from under 50 percent to 95 percent, while the consolidation of technology platforms has also resulted in savings of \$120,000 per year.

In addition to the existing benefits, the project lays the groundwork for future improvements. These could include adding in-house banking and currency netting functionalities in Kyriba, as well as expanding cash flow exposure forecasting processes in FiREapps.

Celebrating Teamwork

The project has completely modernized Newell's treasury processes—an achievement that Singh attributes to two factors. The first is the use of innovative technology. The second is the support of a dedicated and ambitious in-house treasury team, undeterred by the upheaval of a significant merger.

"It is one thing to have ideas, but quite another to implement them," Singh said. "I am fortunate to have a team that believed in the merits of technology in the treasury arena, and that worked so hard to put these solutions in place."

