



FUJITSU SIEMENS COMPUTERS

AT TREASURY SHARED-SERVICES CENTER,
EIGHT PEOPLE MANAGE CASH AND RISK
IN 11 CURRENCIES FOR 50 SUBSIDIARIES

QUICK FACTS

“Cash is a strategic resource for growth – you have to have a clear picture of your current cash position and future cash needs for successful operation of the business.”

Sabine Schweiger, Head of Corporate Treasury,
Fujitsu Siemens Computers

Company

- Name: Fujitsu Siemens Computers
- Industry: High tech
- Products and services: Full-line IT-infrastructure provider (with strategic focus on Mobility and Dynamic Data Center products, services, and solutions)
- Revenue: About €6.95 billion (2006)
- Employees: 10,700
- Web site: www.fujitsu-siemens.com
- Implementation partner: SAP® Consulting

Challenges and Opportunities

- Managing short- and long-term liquidity and market risk in volatile global financial environment
- Centralization of treasury (to function as service center for 50 worldwide subsidiaries)
- Managing global treasury with small team
- Clear assessment of liquidity and risk and the effect on profit and loss

Objective

Implement treasury software within tight deadline for single shared service worldwide to accelerate processes, improve quality, and reduce risks and costs

SAP Solution and Services

SAP Treasury and Risk Management application

Implementation Highlights

- 6-month on-time rollout
- Strong project management
- Emphasis on concept and prototyping
- No system enhancements – implemented SAP software as is
- Direct access to development team via SAP Consulting

Why SAP

- Integration with SAP ERP application
- Highest score from evaluations of entire tender process
- Strong in-house banking and cash management functionality
- Reliable system vendor
- SAP's market leadership

Benefits

- Efficiency gains, from straight-through processing
- Ability to operate the in-house bank, manage cash, risk, payments, and treasury accounting for 11 currencies across 50 subsidiaries with 8-person team
- Real-time transparency into global liquidity
- Less risk, through better analysis and control
- Detailed planning for short-term cash
- Reduction in external fees via in-house bank
- Ability to view profit and loss across risk scenarios
- Lower IT costs, with no separate applications or interfaces to maintain

Existing Environment

- Multiple, nonintegrated treasury software systems
- SAP ERP

Third-Party Integration

- Database: Oracle
- Hardware: Fujitsu Siemens Primepower 850 FlexFrame for SAP
- Operating system: Solaris



Treasury today is at the heart of the modern corporation. It not only has to navigate through volatile markets, it also has to assess credit and financial risks, as well as liquidity concerns in the global economy in real time. Fujitsu Siemens Computers recognized this earlier than most, building a centralized treasury center around the SAP® Treasury and Risk Management application to provide shared services to subsidiaries across Europe, the Middle East, and Africa.

“Using SAP Treasury and Risk Management, a team of eight people can effectively operate our in-house bank and manage groupwide cash, risk, internal and external payments, as well as treasury accounting for 50 subsidiaries in 11 currencies. The cash management team provides real-time transparency into our liquidity position across the entire company and generates detailed plans for short-term cash requirements,” says Sabine Schweiger, head of corporate treasury at Fujitsu Siemens Computers. “Cash is a strategic resource for growth – you have to have a clear picture of your current cash position and future cash needs for successful operation of the business. This is what SAP Treasury and Risk Management provides.”

SAP Treasury and Risk Management tightly integrates into the SAP ERP application for seamless information transfer. “We aim for perfect straight-through processing, without having to look things up via interfaces to other applications,” says Andree Stubbemann, head of cash management at Fujitsu Siemens Computers.

Explains Stubbemann, “SAP Treasury and Risk Management provides end-to-end automation of treasury and in-house banking processes, in full compliance with international financial reporting standards. Each morning we import and process electronic bank statements without any manual effort. Liquidity plans, credit and market risk positions, and intercompany and general ledger accounts are automatically updated in real time. Integration with cash management means we can immediately take into consideration expected cash flows from our operations, treasury deals, or in-house bank.

Tracking Risk

Simulation and what-if analyses keep Fujitsu Siemens well apprised of risk. “Our company is centered around foreign-exchange risk management. We are a European-based company competing with U.S. vendors, selling products built with components purchased in U.S. dollars,” says Schweiger, who continues, “One of the biggest benefits we’ve realized with SAP Treasury and Risk Management is integration –

from recording the underlying risk position at the subsidiaries to executing the hedging instruments via linkage with external companies such as 360T, which provides an online exchange for trading foreign currency, to risk reporting and what-if analyses. This allows us to run real-time scenarios for our CFO on what the P&L will look like if the market changes.”

The software also enables quick response to change. “If operations need to purchase U.S. dollars to fulfill an unplanned order, we will see that immediately and adjust our risk position accordingly by executing the necessary hedging instrument,” Schweiger says.

These capabilities have raised the profile of treasury. Says Schweiger, “The role of treasury has advanced from managing liquidity, foreign exchange, and interest risk to becoming a real strategic partner within the company. Treasury is at the center of the value chain and the key to managing working capital. It is no longer sufficient that treasury just makes sure the company has sufficient funds for operation. Treasury has to be involved



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in the business plan to provide a long-term perspective to funding and risk management. This is what SAP Treasury and Risk Management enables us to do.”

Replacing Multiple Systems with Straight-Through Processing

Fujitsu Siemens’ previous treasury software could not support its vision of a single, integrated application power-

Fujitsu Siemens issued a request for proposal and narrowed its choice down to three vendors. The company conducted workshops with each, evaluated the RFP responses, and checked compliance with its matrix of functional requirements. “SAP emerged from the selection process as number one,” Schweiger says. Stubbemann adds, “Integration was the most important factor. The SAP ERP application is our

Fujitsu Siemens implemented on schedule, rolling out the SAP software in six months to 30 subsidiaries; 50 are currently up and running. “We had a strict timeline to meet because our implementation went hand-in-hand with the upgrade of our SAP ERP application,” says Schweiger, who then adds, “We didn’t request any functional enhancements. We adapted our workflows to SAP best-practice business processes for a fast rollout and for simplified future enhancements.”

“[SAP] understands that if treasury is at the heart of corporate information and linked into the entire value chain, treasury processes must be supported in a state-of-the-art manner. This is what SAP Treasury and Risk Management delivers. . .”

Sabine Schweiger, Head of Corporate Treasury, Fujitsu Siemens Computers

ing a shared global service. “We had a fragmented IT landscape, with multiple systems,” Schweiger says. “We needed an integrated solution with seamless interfaces to all departments, from product operations through sales, accounts payable and receivable, as well as general ledger and treasury accounting.”

core corporate landscape. Financial transaction and cash information flow easily from our worldwide SAP ERP software into a centralized treasury function. We didn’t have to concern ourselves with interfaces.”

Fujitsu Siemens appreciates those treasury best practices. “SAP recognizes that treasury has evolved into an important success factor for a company,” Schweiger says. “It understands that if treasury is at the heart of corporate information and linked into the entire value chain, treasury processes must be supported in a state-of-the-art manner. This is what SAP Treasury and Risk Management delivers, through strong functionality and tight integration across the end-to-end processes of the corporation.”

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