

Saint-Gobain is its own bank

Thousands of transactions without fees with own Internal Bank

Saint-Gobain has 87 subsidiaries in the Nordic and Baltic countries. Therefore they need a Treasury Management solution that can handle a huge number of transactions in an easy and clear way. CGI's solution TWIN can handle that.

87 COMPANIES

Hundreds of accounts. Transactions worth several billion euro every year. It sounds like a real bank. But the figures cover Saint-Gobain's Treasury Management solution TWIN which the company uses in the Nordic and Baltic countries. The company produces and sells construction materials and products and is present in the Nordic and Baltic countries with 87 subsidiaries. In Denmark the plumbing wholesaler Brødrene Dahl, the DIY retailer Optimera and the insulation producer Isover are some of the subsidiaries.

- Our challenge as regards Treasury Management is our complexity with 87 subsidiaries that - having a turnover of 5 billion euro - carry out a lot of currency transactions. Without our Treasury Management solution TWIN it would be extremely difficult, says Christian Bak, Treasury Manager of Saint-Gobain General Delegation Nordic and Baltic countries.

IN CONTROL OF TRANSACTIONS

TWIN is CGI's Treasury & Asset Management solution. It provides the Treasury department of the Nordic Saint-Gobain headquarters in Denmark with a tool for administration of its Internal Bank. For instance, all internal deals are handled in TWIN.

- Each subsidiary in the region has its own accounts in TWIN. Using these for internal deals we do not have to involve an external bank and pay transaction fees. At the same time we have an overview of all transactions and can easily make sure that our guidelines - like for instance making all internal transfers on the same day every month - are followed, says Christian Bak.

TWIN also ensures that you are prepared for the EMIR regulations. The solution manages both internal and external deals.

A HIGH DEGREE OF AUTOMATIC CONTROL IN THE ACCOUNTS DEPARTMENT

TWIN also acts as a bank to the subsidiaries in other ways. By means of the Money Market module, the Treasury department manages internal loans and financings between the internal bank and the subsidiaries and the company's currency exchanges take place internally with the Foreign Exchange module. Both takes place via TWIN where the means are

CASE STUDY

FINANCIAL SERVICES

Advantages for Saint-Gobain with TWIN

- Well-functioning Internal Bank
- Minimal transaction charges
- Current overview of the company's accounts
- Automatically daily reconciliation of accounts, ensuring proper booking
- Seamless integration with ERP system
- User-friendly solution
- Flexible solution, allowing changes to be made by user
- High degree of automation, releasing time for analysis and advice

Saint-Gobain is a global company that among other things produces building materials, glass containers, technical ceramics and composites, and in addition, sells DIY articles.

The Nordic headquarter is located in Denmark. In the Nordic and Baltic countries Saint-Gobain has approximately 13,000 employees distributed in 87 subsidiaries with a turnover of about EUR 5 billion. Internationally, the group has approximately 190,000 employees distributed in 64 countries with a turnover of EUR 42 billion.

transferred between subsidiaries and the main group which is in contact with the external banks.

- TWIN makes it easier for us to centralize our banking in the main group which acts as a bank to the subsidiaries. By creating volume we can get better terms in our external banks, like for instance lower interests. In that way TWIN helps us save a lot of money, says Christian Bak.

The solution is built to reflect Saint-Gobain's Cash Pool structure in the external banks, and every day all transactions in TWIN are automatically balanced with the transactions of the external banks through file transfers to TWIN.

- Besides saving us a time-consuming manual task, the automatic balancing also ensures that the bookkeeping is in control, says Christian Bak.

The solution can be integrated with all ERP systems; at Saint-Gobain it is SAP. Bookkeeping files from TWIN can be imported into SAP automatically and in a simple way, saving a lot of time.

- It is hard for me to imagine everyday life without TWIN. For instance, it would be much harder to keep track of our currency trades and when to execute them to our subsidiaries, says Christian Bak.

GOOD SERVICE AND FOCUS ON BUSINESS

TWIN does not only work well in operations, the solution is also flexible and does not require you to be an IT expert.

- At one point the file from the main group with currency trades sent to TWIN was changed. In the Treasury department we were able ourselves to write the specifications of how to handle the new file in TWIN, says Christian Bak.

User-friendliness recurs in the daily use of TWIN. The solution is clear and provides the employees of the Treasury department with a fine overview of their activities and workflow. At the same time the user interface is easy to use and understand, making it simple to train new employees internally.

The automatic transfer of data from TWIN to the ERP solution of the main group means that the employees in the Treasury department can spend their time on services which benefit the group - for instance, analysis of currency hedging and counselling of the subsidiaries.

- We deliver good service with TWIN. Centralizing our banking makes our subsidiaries able to concentrate on their own business and at the same time we get better terms in the bank, says Christian Bak.

TWIN FUNCTIONS

- Front/Middle/BackOffice-system with workflow tool
- Fixed Income (loans, cash account, bonds, derivatives)
- Foreign Exchange (spot, forward, swap, options)
- Equity (shares, derivatives, corporate actions)
- Commodities (spot, forward, futures, options)
- Hedge accounting (with reporting and accounting functions / IFRS39)
- Risk management (operational/ financial management)
- Cash pools
- Internal Bank
- Bank interfaces to all banks requested
- Integrated General Ledger for drill down transaction
- Integration to the company's existing general ledger (SAP, Navision, Oracle, etc.)

For more information, please contact TWIN Product Manager:

Kjeld Ibarra-Hansen

M: kjeld.ibarra.hansen@cgi.com

T: +45 21 71 72 27

Or visit www.cgi.dk