



SAP AND IN-HOUSE CASH MANAGEMENT

CREATING A VIRTUAL BANK TO BETTER MANAGE INTERNAL PAYMENTS

SAP AG regularly makes intragroup payments from one subsidiary to another. To reduce bank fees and the risk of trusting critical payments to a third party, SAP brought the payments process in-house using the SAP® In-House Cash application.

QUICK FACTS

Company

- Name: SAP AG
- Headquarters: Walldorf, Germany
- Industry: High tech
- Products and services: Business software applications and services
- Revenue: €10.7 billion
- Employees: More than 47,500
- Web site: www.sap.com

Challenges and Opportunities

- Handle increased flow of payments with globally dispersed subsidiaries
- Overcome lack of control over external banks that manage payments
- Improve efficiencies and reduce risk of exposure by bringing payments functionality in-house

Objectives

- Incorporate standard in-house cash functionality into existing business processes
- Use application to increase payments visibility and minimize the number of payments managed by external banks

SAP® Solution and Services

SAP® In-House Cash application, part of treasury applications from SAP

Implementation Highlights

- Coordinated with subsidiaries to analyze their existing processes and meet their requirements
- Worked closely with financial shared-services center to align processes globally
- Rolled out solution in phases to evaluate progress and make adjustments where necessary

Benefits

- Achieved optimal foreign exchange margins
- Eliminated bank fees for transactions managed in-house
- Improved internal controls due to standardization of payment process on a global scale
- Increased operational efficiency through automation
- Lowered financial risk through internal processing
- Reduced mandatory intraday settlement limits with external banks

“By bringing intragroup payments in-house with SAP In-House Cash, we have been able to reduce bank fees, minimize costs associated with foreign exchange rates, and significantly lower our risk as an enterprise operating globally.”

Gerd Klevenz, Head of Treasury Operations and Processes, SAP AG

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