



# An Innovative Approach to Extending Treasurers' SAP Functionality through bdf Consultants' Cash Cockpit

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An Interview with Thomas Dohmen, CEO Treasury and Finance and Uwe Herrmann, CEO Product Development, bdf Consultants

In this month's Executive Interview, we feature Thomas Dohmen and Uwe Herrmann of bdf Consultants, based in Dusseldorf, Germany, who discuss the company's innovative new cash positioning tool, the Cash Cockpit, which supplements corporate customers' SAP installation.

## Not all our readers will be familiar with bdf Consultants. Please could you tell us more about the company?

We provide consultancy to multinational corporations both in Germany and across Europe, with a focus on optimising our customers' use of SAP across a broad range of business applications, including cash and treasury management. We have around 45 consultants, including business and SAP technical expertise, and SAP development resources.

## What is the background to the development of the Cash Cockpit?

Over recent years, our customers have increasingly asked us to become involved in treasury and payment-related projects, and consequently, we have built up a specialist consulting team in this area. One particular topic of concern amongst our customers was that their SAP installation lacked the functionality and tools that they required for their daily cash disposition.

We developed a tool that supports the treasurer along his daily 'value chain'. The Cash Cockpit provides a complete, integrated view of the daily cash position, including bank statement information and maturing treasury transactions. It supports the gathering of information on payments and collections planned by subsidiaries. Furthermore it allows fast funding decisions via a dashboard that not only displays key data on available credit facilities, but also offers a user-friendly and fast way to capture drawdowns.

Overall it reduces the time that you need between the decision and the execution of a payment resulting from this decision. This is a crucial process that exposes treasury departments every day to the same challenge. You want to delay the final decision on your funding or investment requirements as far as possible, because the information available to you becomes more accurate the longer you wait. But you need to make your decision and payments connected to your decision before the cut-off time of your bank.

Our solution represents a major advantage as the relevant data to construct a daily cash position is held in different parts of SAP, and it is time-consuming to piece together all of the various data elements manually.

A further challenge arises from the integration of business units which did not have access to SAP.

## How did you go about the development process?

As bdf has both business and technical expertise in-house, we were well-positioned to develop a cost-effective, efficient cash positioning tool that was closely integrated with SAP, easy to use and met our customers' demands. We spent about two man-years on development, which was an iterative process in order to incorporate customer feedback at every stage.

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### How does the implementation work in practice?

We hold customer workshops based on the standard Cash Cockpit product, and identify any additional functional requirements. If no further developments are required, it takes around a week to install and implement the tool, plus testing and remote customer training. We also provide on-going support to our customers through email and telephone support.

If additional developments are required, we scope the functionality with the customer, and then go through a realisation, testing and training process in the same way. In most cases, a customer can expect to be using the Cash Cockpit in live operation within a month of making the decision to implement it.

### What functionality does the Cash Cockpit provide?

The Cash Cockpit presents front-, middle- and back-office users with an integrated, complete view of their global cash position. This includes account balances that have been imported into from the banks using SAP Communication Manager, together with flows derived from treasury transactions and actual or projected flows from across the business. In some cases, business units will not use the central SAP infrastructure, so remote users can be given remote access to Cash Cockpit through an easy-to-use screen, including standard input abbreviations.

The user interface displaying the daily cash position is configurable according to the needs and preferences of each customer, and users can drill down into account balances and positions to view the underlying transaction detail. They can also validate whether subsidiaries have submitted cash flow information to ensure that the cash position is complete and up-to-date.

Having reviewed the daily cash position, users can monitor

counterparty credit limits in the Cash Cockpit based on data held in SAP. They can then input the resulting loan or deposit deals directly in the Cash Cockpit which automatically updates SAP, where the relevant payment instructions and accounting entries are produced. Payment requests can also be made directly through Cash Cockpit and passed to SAP for approval, allocation of settlement instructions and transmission to the bank.

An important dimension to the Cash Cockpit is xBAG (external Bank Account Guide). Multinational corporations have multiple businesses worldwide, which will each have a number of bank accounts, and increasingly, these organisations are seeking a central database of this information both for control purposes, and in order to administer bank accounts consistently. With new opportunities such as eBAM (electronic bank account management) emerging, this is becoming an increasingly important priority for treasurers. In SAP, however, there is no master database of bank accounts across all relevant modules; in addition, some data such as cash pool structures and signatory information is absent. Consequently, we have built xBAG as a central inventory for bank account related details both to support processes in the Cash Cockpit, but also processing within SAP itself. This is very valuable for audit purposes, with an audit trail of all additions, changes and deletions. Companies have the ability to manage bank accounts efficiently, transparently and consistently, including opening and closing accounts, and updating signatory information.

### How many companies have implemented the Cash Cockpit so far?

Although the Cash Cockpit has only been available for a short time, two major companies are already using it in live operation, with another customer currently implementing the solution. We are already seeing considerable interest in

the Cash Cockpit both amongst existing SAP users, and those that are replacing other ERP or cash and treasury management applications with SAP.

### How much could a company expect to pay for the Cash Cockpit?

The pricing will depend on the size of company and the degree of additional development that is required, but typically, license fees for the software are around €30,000-€50,000, plus consultancy support to implement and an annual support fee based on a percentage of the license fee.

### What would you highlight as the Cash Cockpit's competitive differentiators?

The Cash Cockpit elevates the functionality and usability of SAP substantially for treasurers without the need for a substantial additional investment in a separate cash and treasury management system. Indeed, the Cash Cockpit is typically more versatile than these systems as it provides treasurers and cash managers not only with cash management-related data, but also information related to accounting and controlling, and the full range of payments, such as vendor and HR payments.

Unlike other SAP add-ons, Cash Cockpit is not simply an ancillary reporting tool to SAP, it is a fully interactive analysis and transaction initiation tool. Users can action decisions, such as treasury transactions and payments, within the context of controlled, efficient processes.

### How do you anticipate the Cash Cockpit being developed in the future?

In addition to daily cash positioning and short term forecasting, we know from our customers that they are also experiencing limitations in SAP with medium- and long-term cash planning. We are therefore working on a liquidity planning module in the Cash Cockpit, which will be available to customers at the end of June 2012. □



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