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## SUCCESS STORY

# Outsourcing payments to a specialist

### CHALLENGES

- High degree of complexity in payment transactions as a result of the connection of various banks via their individual eBanking tools
- Security issues with using many eBanking tools
- Heavy time demands on the Treasury Department and the back office operations at Accenture as payment rejection information does not feed back into SAP automatically

### PROJECT OBJECTIVES

- Cost reduction through the reduction in the number of bank platforms
- Establishment of straight-through processing out of SAP
- Adherence to compliance regulations through the automation of bank transactions via a single platform

### THE SOLUTION

- Integrated interplay between Reval as the treasury management system and the TIS platform for all payment transactions
- Substantial support by PAN Consulting in the choice and implementation of the systems
- Maximum visibility and control of payment streams via a central cockpit
- Web-based access

### BENEFITS

- Measurable cost reduction in IT maintenance, operations, administration and bank fees
- Better decisions as a result of workflow-based processes between all subsidiary companies in the organisation
- Oversight of the liquidity position daily as required and at the push of a button
- Integrated view over payment processes as opposed to laborious use of diverse eBanking tools

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## A SINGLE POINT OF CONTACT FOR ALL CASH MANAGEMENT ACTIVITIES IN THE BUSINESS PAYMENTS

In September 2013 the Swiss chemicals company Clariant divested all of its former businesses in the textile, paper and emulsion product areas to SK Capital (a US-based private investment firm), giving birth to Archroma. This new company now serves a global market and is a leading industrial supplier of textile, paper, adhesives and surface coatings, with annual revenues of CHF 1.3 billion. Its head office is in Reinach near Basel, Switzerland. Archroma employs around 3,000 people in 35 countries worldwide. In its first year of operation Archroma managed to carve out its IT infrastructure and applications within 12 months, including building its own SAP platform. SAP cutover was done simultaneously with the outsourcing of finance services to Accenture. In terms of servers and infrastructure Archroma has adopted a strategy whereby it is aiming to outsource all (application and data) server activity to third parties.

In order to support a speedy carve out process (bank interface) and to reduce operational risks it was decided to concentrate the banking activity initially with one global bank. Despite a global reach still many countries needed to be serviced by other banks and as a result Archroma works with a total of 15 different eBanking tools. These connect the ERP landscape to around 220 accounts worldwide with the various banks.

With the completion of carve out activities end of 2014, Archroma has begun to look for its “final state” treasury IT platform inviting various providers to tender their Treasury and / or multibank systems in order to move from bank propriety systems to a single platform for the release of payments. The latter was a key decision driver as Archroma applies a strict payment release policy with only Treasury having the access to release all treasury and operational payments of the Group. Treasury finally selected TIS and Reval’s treasury management solution as the “most promising and powerful systems” on the

market to cover the company’s requirements. The selection process was supported by Peter Nobs from the Swiss consultancy firm PAN Consulting. This company supported Archroma to a substantial degree throughout the entire project and also undertook the system implementation. With Reval, Archroma can reproduce all of the business operations that arise in Treasury: foreign exchange and money market dealings, financing, ratings, risk management in currency business etc.

The subject of payment transactions was even more urgent for the team of Bas Coolen, Group Treasurer at Archroma. Of course, this could also have been handled via Reval-TMS, but on the other hand they would then have had to develop specific file formats and interfaces for the individual banks via Swift. “We wanted to get rid of the multitude of bank tokens and diverse eBanking systems,” is how Treasury specialist Coolen explains the basic company strategy for payment transactions.

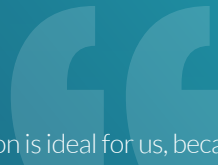
Archroma sought a solution that interacts closely with SAP and enables straight-through-processing of all payment transaction streams from the ERP system via a single platform. Automatic uploading of payment orders promised Archroma a significant reduction in the workload, reduced error rates and in consequence, adherence to compliance directives. Lastly, and importantly, the fact that the Enterprise Payment Optimization Platform by TIS is entirely webbased is ideally suited to the philosophy of the chemicals company, which outsources its entire IT infrastructure.

Archroma completed its Re-Financing through a bank syndication on July 1st 2015, which resulted in a change of its core Banking Group. As a result, Archroma will start diversifying its global bank business in the coming years. A process that should be facilitated by the implementation of TIS Bank Transaction Manager. European payment transactions now almost run completely via the TIS platform; Bank of America is the prime banking partner in this region. UBS, Commerzbank and other financial institutions involved in global transfer payments will be attached to the platform in due course. In total, the company has around 175 bank accounts, which in future will be uniformly managed via TIS.

“With TIS Bank Transaction Manager we now only have to use a single channel for the processing of our payment transactions – with a seamless connection

into SAP which supports increasing efficiencies of our back office processes.” according to Bas Coolen. With TIS as the single point of entry, Archroma also makes significant cost savings for the maintenance of eBanking tools and interface management. This all means a fast ROI for the solution.

Looking forward, there is also an intention that internal payments should in future be executed with the exact same procedure as external. In an organisation like Archroma with its almost 60 legal entities in 43 countries, intercompany payments are a permanent feature. “If these run without cash management via Reval as the in-house bank and TIS as the payment transactions platform, this will open up a further significant optimisation of Archroma’s internal payment streams on both the national and international levels,” according to Peter Nobs of PAN Consulting.



The TIS solution is ideal for us, because it means we only have to operate one channel instead of the 15 various eBanking tools used to date. The fact that the solution is completely web-based brilliantly suits our basic strategy to operate our IT systems exclusively through outsourcing.

**BAS COOLEN**  
Group Treasurer Archroma

## ABOUT THE AUTHOR: TIS

TIS is reimagining the world of enterprise payments through a cloud-based platform uniquely designed to help global organizations optimize outbound payments. Corporations, banks and business vendors leverage TIS to transform how they connect global accounts, collaborate on payment processes, execute outbound payments, analyze cash flow and compliance data, and improve critical outbound payment functions. The TIS corporate payments technology platform helps businesses improve operational efficiency, lower risk, manage liquidity, gain strategic advantage – and ultimately achieve enterprise payment optimization. Visit [www.tispayments.com](http://www.tispayments.com) to reimagine your approach to payments.

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