



SUCCESS STORY



Boehringer
Ingelheim

Payments of all kinds.

How **Boehringer Ingelheim** strives for global platform perfection.

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ABOUT BOEHRINGER INGELHEIM

Founded in 1885 by Albert Boehringer in Ingelheim am Rhein, Germany, **Boehringer Ingelheim has grown into one of the world's largest pharmaceutical companies with €24.1 billion in net sales in 2022.** This family-owned company has three key business areas: Human Pharma (HP), Animal Health (AH) and Biopharmaceutical Contract Manufacturing (BIO). As a global corporation, Boehringer Ingelheim has 176 affiliates, more than 53,000 employees and 25 R&D sites for Human Pharma and Animal Health.

Boehringer Ingelheim Key Facts At-A-Glance



Privately Held



176
Affiliates



24.1 Billion €
Turnover



53K+
Employees



5 Billion €
of R&D

**Statistics are representative of operations as of 2022, unless otherwise noted.*

CHALLENGES

Knowing very well that there is no such thing as “general perfection” in the complex and constantly changing world of global payments and cash management, Boehringer Ingelheim nonetheless started their Treasury transformation journey with the objective to find the perfect solution for their specific needs. Like any internationally operating company that grew organically and through acquisitions over time, **Boehringer Ingelheim had a plurality of systems architectures in place** (eg. SAP, Oracle). While it is per se difficult to find a way to establish connectivity, harmonization and integration between all these different technologies, in Boehringer Ingelheim's case, there was an additional complexity: **different HR payroll providers were used for salary payments in more than 46 countries.**

As a result of this multiple system architecture, **Boehringer Ingelheim's Treasury recognized room for improvement in regard to visibility and transparency of their global payment flows and processes.** Sanctions screening as well as fraud prevention were handled decentralized via different processes and different depth. In short, streamlined and standardized payment approval processes and a global KPI overview were missing. This in the end led to **inefficient processes and a heightened risk of fraud and potential financial losses.**

Solving these challenges with an inhouse IT-project was expected to be quite expensive, time-consuming, and resource-intensive. Therefore, Boehringer Ingelheim decided to issue an RFP with the objective to find a cloud-based, multilayered solution with extensive connectivity capabilities, which would enable them to streamline their global payment flows, enhance cash visibility, centralize KPI reporting, and increase overall security and compliance through advanced solutions.

BOEHRINGER INGELHEIM'S PAYMENT & TECHNOLOGY CHALLENGES



1.

Multitude of different systems (SAP, Oracle, and others, individual HR payroll providers in >40 countries)



2.

Lack of system integration and process harmonization



3.

Lack of central visibility and transparency into cash, payments, and workflows



4.

Process inefficiencies & automation gaps



5.

Risk exposure due to decentralized sanctions screening and fraud prevention

THE PROJECT OBJECTIVES

Boehringer Ingelheim set several ambitious goals for their Treasury transformation journey.

- 1 Firstly, they aimed to **reduce their running costs** through a reduction of banking partners and bank accounts.
- 2 Secondly, they strived to **harmonize their global payments** and system landscape and automate data exchange.
- 3 Thirdly, they wanted to **enhance overall technical security** and reduce fraud risks by leveraging encrypted channels, encrypted files and implement straight-through-processes.

In short, they wanted to eliminate the complexity, harmonize processes, streamline the banking landscape, and reduce financial and fraud risks.



BOEHRINGER INGELHEIM'S KEY GOALS IN DETAILS.

They wanted to:

1.



Harmonize payment flows

Use EBICS and H2H for main cash management activities with core cash management partners and use Swift to connect to local banks in different countries (for HR payments, special taxes, or other local services for which a local bank is required)

2.



Reduce IT costs

Outsource financial formats, format translations, as well as system and bank connectivity

3.



Centralize all global payments via one single platform

Achieve consistent approval workflows for all kind of payments (vendor, HR, tax, etc.)

4.



Reduce the number of e-banking portals

Avoid different logins, tokens, passwords, etc. and manual payments

5.



Gain transparency on payment status

Improve handling of return messages to monitor payment execution

6.



Leverage state-of-the-art bank account management

Replace different reporting solutions that are in place (including SAP and an old fashioned tool that was inhouse built)

7.



Increase cash visibility

Centralize cash management reporting (KPIs)

8.



Increase compliance

Centralize and standardize sanctions screening processes

9.



Increase security

Standardize fraud prevention measures and payment outlier detection methods



The most important aspects which led us to choose TIS were the adaptability and flexibility they offer. They were not only able to react to our specific needs, they also combine several other important treasury services in one integrated platform. Additional bonus points were the extensive format library and the server and data center redundancy - a duplication to prevent downtimes and ensure smooth processes.

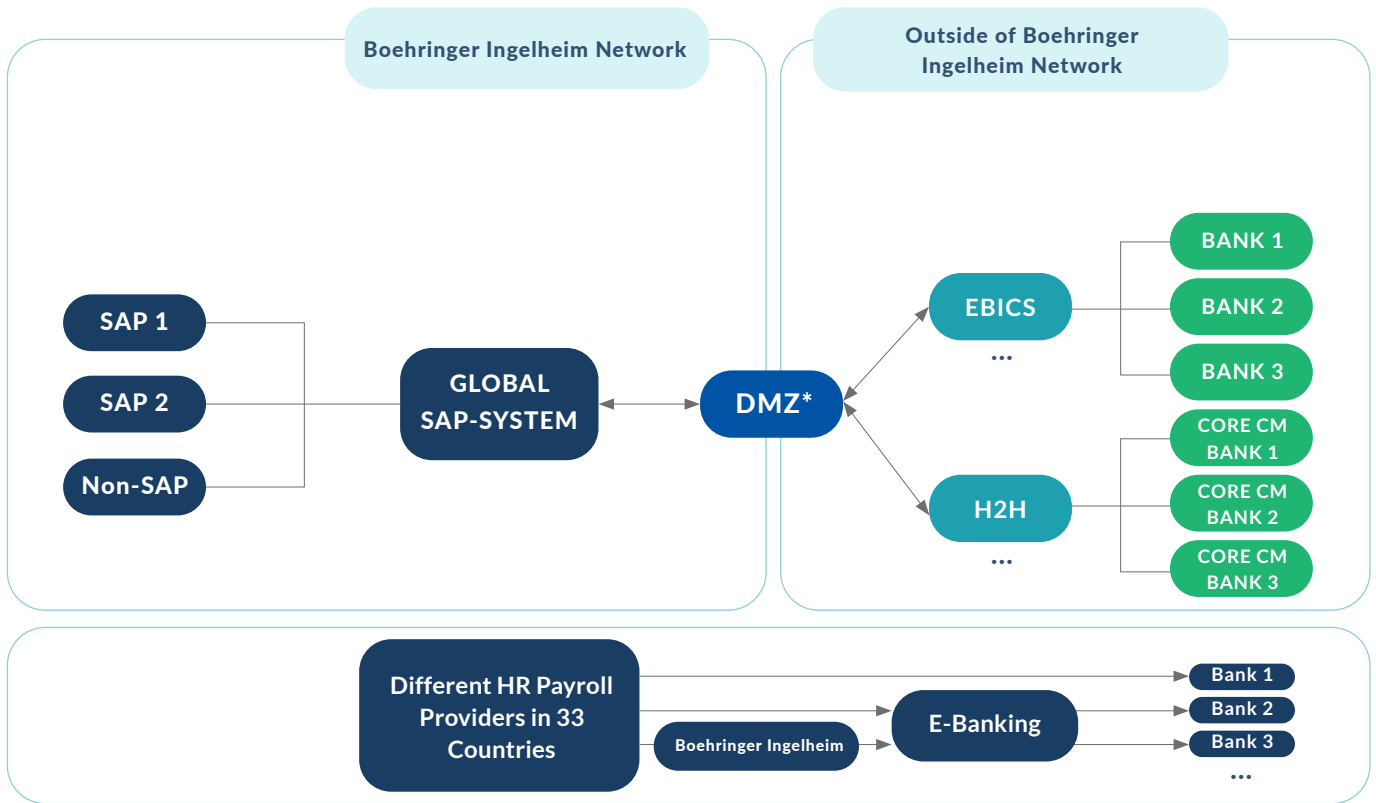
Stefan Eckart, Senior Manager Corporate Treasury, Boehringer Ingelheim



THE TREASURY TRANSFORMATION PROJECT

PAYMENT INFRASTRUCTURE - BEFORE TIS

SAP as the core payment infrastructure

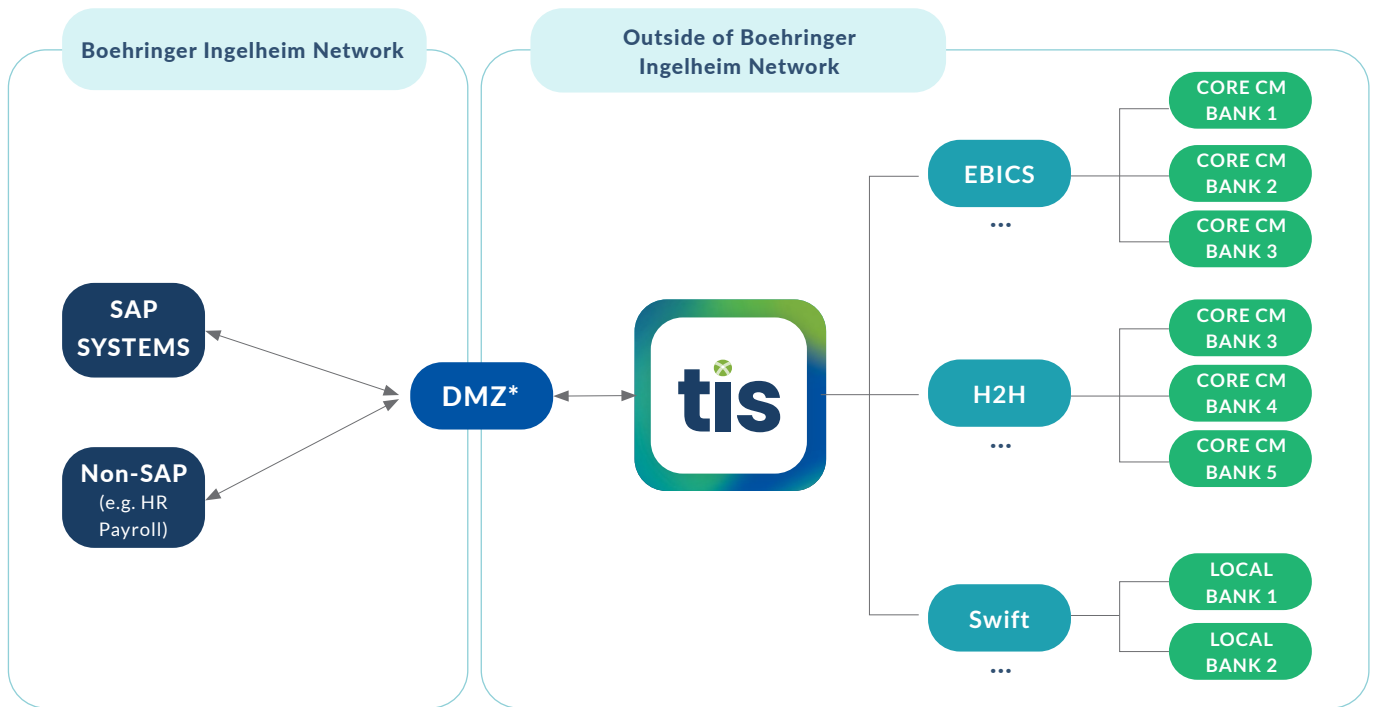


*DMZ: Demilitarised Zone, an additional security layer that protects a company's system environment against external attacks as it sits between the organisation's internal network and an external network.

Before the implementation of TIS, payment files from different local SAP instances and other ERP systems were routed to a global SAP instance. After approval through Boehringer Ingelheim's Treasury shared service centers these payment files were then routed via SAP PI/PO (Boehringer Ingelheim's main central gateway to external networks), and via Boehringer Ingelheim's own EBICS and H2H connectivity channels to the individual banks. Additionally, the numerous payroll providers which are in use had different processes in place for their payment files, including one instance, where HR colleagues downloaded payment files and manually uploaded them to the eBanking portal. Boehringer Ingelheim's Treasury was especially keen to close this gap in automation, which signified a possible compliance issue and potential exposure to manual mistakes or fraud.

PAYMENT INFRASTRUCTURE - WITH TIS

TIS as the core payment infrastructure



*DMZ: Demilitarised Zone, an additional security layer that protects a company's system environment against external attacks as it sits between the organisation's internal network and an external network.

In around two and a half years, Boehringer Ingelheim was able to transform most of their processes on a global scale. Their several SAP instances now separately route payment files via the SAP PI/PO with one central SFTP connection to TIS. TIS is handling all the bank connectivity via EBICS, H2H, and Swift. Swift connectivity is only in use for local banking partners as well as for the ones who provide special services for Boehringer Ingelheim, while the core cash management partners are connected via EBICS and H2H. Core Cash Management partners will be specifically connected via different channels (H2H & EBICS) to have a fallback option in case of issues with one of these interfaces. **Payment processes could be centralized and harmonized: All vendor and HR payments in 46 countries are now processed via TIS.**

TIS SERVICES USED BY BOEHRINGER INGELHEIM

CashOptix 

Bank Account Management
Bank Statement Management
Cash Insights

PayOptix 

Payment Execution
Bank Connectivity
Financial Messaging for delivering documents to banking partners
Sanctions Screening

as planned next step:

Vendor Master Data Screening

Payee Community Screening (PCS)



For us, remodeling our Treasury processes with TIS did not mean just a project. **It's a mutual journey with constant system updates and the exploration of new technological innovations**, aiming to stay at the forefront of global payment best-practices, compliance requirements, and fraud mitigation.

Eric Humbert, Senior Manager Corporate Treasury, Boehringer Ingelheim



THE BENEFITS IN OVERVIEW

The successful implementation of TIS as a central payments hub resulted in several benefits for Boehringer Ingelheim:

The global payments centralization project led to a streamlined and standardized payment approval process with increased compliance and security workflows. All this could be achieved with very limited IT resources.

A heavy involvement of IT colleagues for Treasury related topics (payment formatting, connectivity) is no longer needed. The additional services that are combined in the integrated platform bring further value to Boehringer Ingelheim's Treasury department. **All objectives from the RfP could be achieved.**

>90%

OF ALL PAYMENTS PROCESSED BY TIS

>88%

OF ALL PAYMENTS STRAIGHT-THROUGH-PROCESSED (NO MANUAL STEP)

>1,2Mln

PAYMENTS/YEAR

>€110Bln

PAYMENT VOLUME

LESSONS LEARNED DURING THE TREASURY TECH TRANSFORMATION FROM BOEHRINGER INGELHEIM'S PERSPECTIVE



1.

Connectivity is key



2.

Formats are a critical pain point, it is important to choose a vendor with an extensive library



3.

Cloud-based solutions are the future-proof way to move forward (no more on-premise)



4.

It's important to **streamline**, centralize and standardize several treasury services in one integrated platform to gain most out of it



5.

Flexibility and continuous support of a provider is very important in a constantly changing environment

ABOUT TIS

TIS helps CFOs, treasurers, and finance teams transform global cash flow, liquidity, and payments.

Since 2010, our scalable cloud platform and exemplary service structure have empowered the entire office of the CFO to become more efficient, automated, and controlled. Today, TIS excels in streamlining and unifying connectivity between all a company's relevant back-office systems and their external banks, vendors, and business partners. Our award-winning solutions are trusted by hundreds of organizations and thousands of practitioners for superior performance in cash forecasting, working capital, outbound payments, bank connectivity, financial messaging, fraud prevention, transaction compliance, and more.

With over 11,000 banking options, \$80 billion+ in daily cash managed, and \$2.7 trillion in annual transaction volume, TIS has a proven track record driving digital transformation for companies of all sizes and industries. Ultimately, we enable customers to gain strategic advantage, monetize data, improve operational efficiency, and better manage risk.

For more information, visit tispayments.com and reimagine your approach to cash flow, liquidity, and payments.



Cash Flow, Liquidity & Payments.

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