



Cornelia Hesse
Head of Cash Management



BASF is the world's leading chemical company. The cash management function in the Germany-based Shared Services Center – BASF Services Europe GmbH – takes responsibility for the European bank account management. Given the scale of the operation, this demands tight control over key tasks such as account opening and closing, managing signatories, and validating year-end closing statements.

Problem...

Although BASF Services Europe is a long-haul SAP user, its core banking data had historically been stored and managed in a series of Excel spreadsheets. With manual processes and even paper-based analysis being executed in support of bank account management (BAM), it was increasingly apparent to Cornelia Hesse, Head of Cash Management, that process tracking, auditability and resource allocation was falling short of her required efficiency and effectiveness targets.

Whilst Hesse admits that aspects of BAM are “not amongst the most interesting tasks in treasury”, she absolutely acknowledges the importance of clear and correct record keeping. A call for data from an on-site auditor, for example, must be handled quickly and with precision. The most desirable way to achieve this, she believes, is to automate the entire process, facilitating timely delivery of accurate data “at the push of a button”.

Hesse had a clear set of goals to achieve. She was seeking to reduce complexity, paperwork and the time-consuming and risk-laden nature of manual BAM tasks through automation of all BAM processes within SAP. She also sought to create a procedure for heightening BASF Services Europe's audit compliance. This, she felt, would in part be achieved through electronic storage and archiving of all bank account data – including legal forms, terms and conditions and correspondence.

...Solved

Following a full scope of the market for solutions, a timely meeting with an existing provider – the SAP-certified financial technology and consultancy firm, Serrala Group – revealed the most promising option for Hesse. The vendor had just announced that it was going to market with its own XML-based FS² eBAM (electronic BAM) offering.

Having signed up as an early adopter, the implementation lineup (sourced mainly from Hesse's team and internal IT) was subject to a tight six-month schedule. In order to expedite the project, Serrala worked towards delivering a ‘train the trainer’ model. Working closely with a key member of Hesse's team during the set-up stage enabled the cascading of information to other BASF Services Europe personnel.

As the project progressed, this model created an exponential flow of knowledge across the whole team. It worked. The project finished one month ahead of schedule. It helped that there were no connectivity issues to report but Hesse's approach was such that the “house-keeping” of all data – ensuring it was de-duped and as clean and normalised as possible pre-migration – was managed to perfection in-house. “We like to be the master of our own data,” she states. “It's easy to have a consultant helping but at some stage they will go. You must take responsibility for your own data.”

With the solution fully rolled-out to the companies within the service group, and with new entities capable of being brought on-board immediately, Hesse has a clear sense of what has been accomplished. “I had to have a business case for the project application and I have achieved that,” she says with justified pride. “Our data is always up to date, we can track all open requests and the documentation is always available. It also means any audit requests, wherever they are issued from, are easily managed. What we expected was met.”

But Hesse and the team are not finished yet. Full automation, with end-to-end electronic processes between BASF Services Europe and all of its banks, is not yet a reality. This, she states, is not a reflection on Serrala. “We already have the eBAM solution but we will only have true eBAM when the bank account opening, closing and changing process is fully supported by banks in an electronic manner,” she explains. “This is what all corporates and banks need to work on.”

The independent SWIFT CGI-MP workgroup (a multi-agency forum dedicated to progressing various corporate-to-bank connectivity topics) continues to engage all stakeholders in achieving this goal through the development of common message standards. In the meantime, having partnered with Serrala in its move towards full automation, BASF Services Europe is very much in an advanced state of readiness for the moment this becomes a reality. And, adds Hesse, with the right tools in place, she is now insisting that all future cash management banking proposals feature the functionality to deliver eBAM. ■