

RENATO NOVAIS – 6TH OF NOVEMBER 2019

Escolhendo o parceiro certo

Detalhes de um processo de RFP



Renato Novais

Introduction

-
- Bachelor in Business Administration from Universidade Mackenzie
 - Executive MBA from EABS, certified by GAFM Global Academy of Finance & Management
 - ABB Brazil (current)
 - Head o Treasury and Insurance Risk Management
 - Director and AETQ
 - ABB HQ Zurich (2007 - 2015)
 - Global Cash Management
 - Risk Management
 - Corporate Finance
 - Liquidity Management

Agenda

ABB

ABB Treasury

Vision

Starting point

Strategy

The Journey

Detalhes de um processo de RFP

Questions

ABB: the pioneering technology leader

What

(Offering)

Pioneering technology

Products 58%

Systems 24%

Services & software 18%

For whom

(Customers)

Utilities

~35% of revenue

Industry

~40% of revenue

Transport & Infrastructure

~25% of revenue

Where

(Geographies)

Globally

Asia, Middle East, Africa 38%

Americas 29%

Europe 33%

~\$35 bn revenue

~100 countries

~132,000 employees

Corporate Treasury Mission

ABB's in-house bank

- Be a valuable partner to the business and corporate functions
- Develop financial solutions to support the profitable growth of the business
- Proactively manage the financial assets and exposures
- Implement and manage the company's financial infrastructure
- Manage the relationships with financial counterparties



We manage ABB's financial risks and ensure liquidity to support business growth and Group's finance strategy

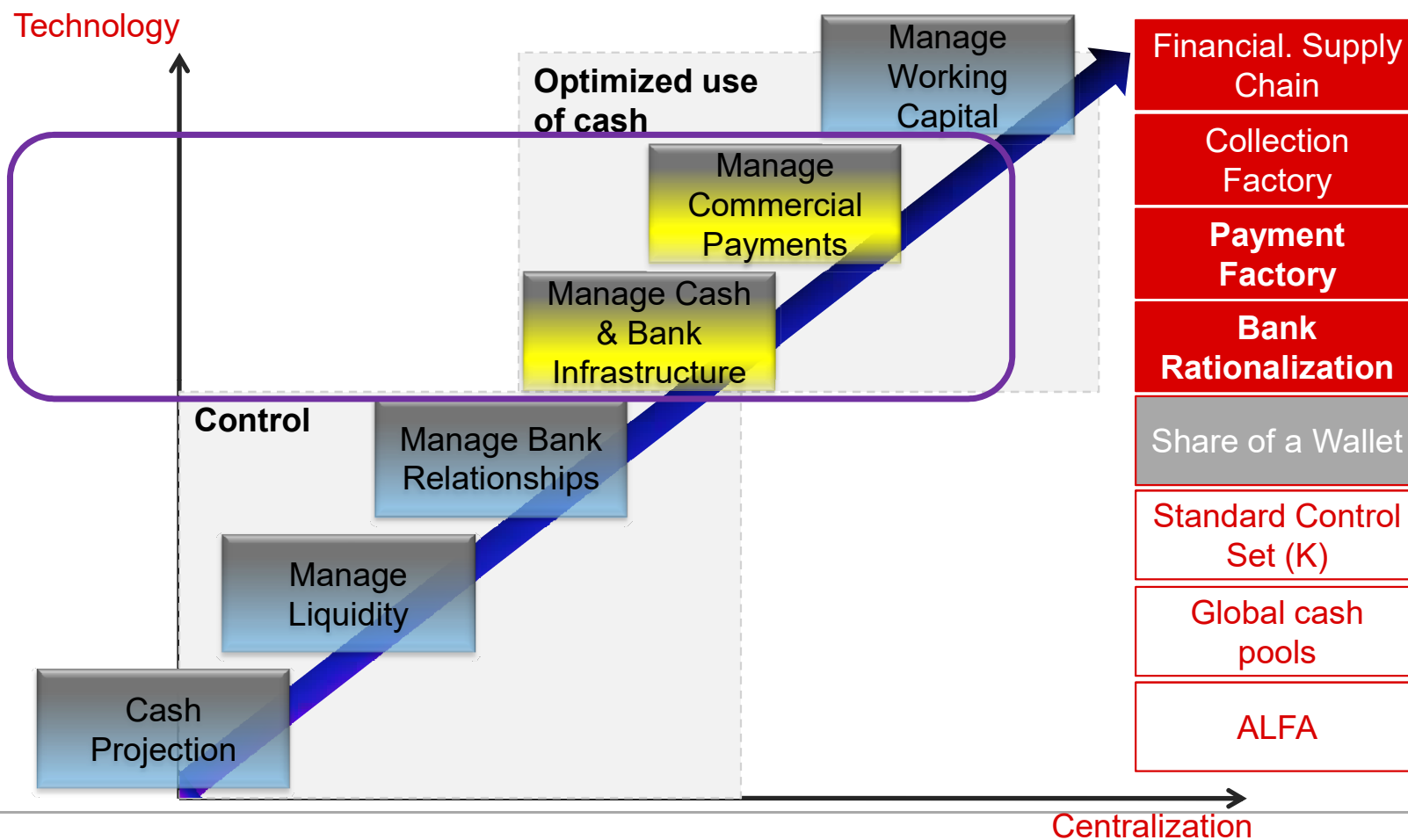
Corporate Treasury Organization



- ★ Operations Hub in Zurich
- ★ Regional Treasurers in Connecticut, Dubai and Zurich
- Country Treasury Organizations

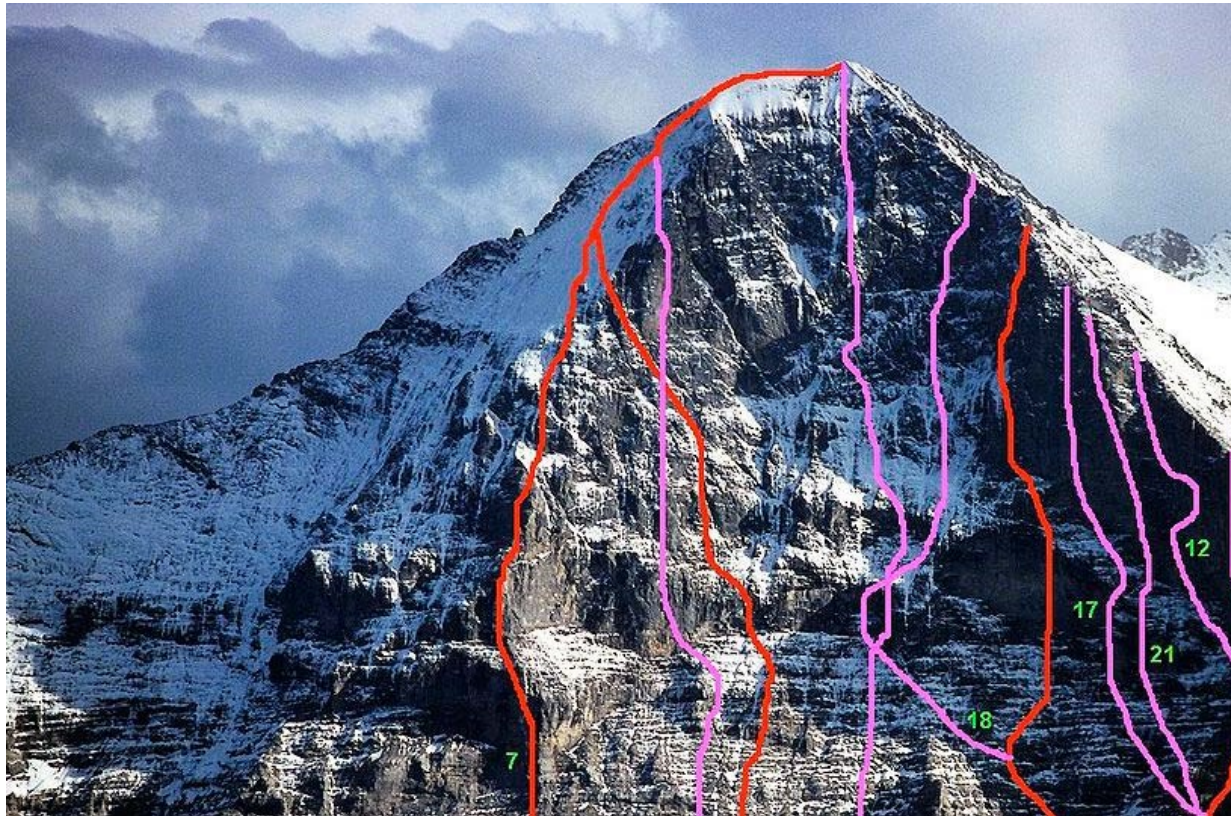
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VIEW



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Plan how to get there



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Starting point



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The Legacy

Systems

- 1 Treasury Management System
- 65 Enterprise Resource Planning
- 1 Enterprise Application Integrator
- Too many Electronic Bank

Things

- Lots of Bank Accounts
- Too many Banks
- 100 + Countries
- 5 Core Currencies
- Lots of Local Cash Pools
- 37 Shared Services Centers
- ??? AP / AR Processes
- ??? File Formats
- 13 Group Directives
- Infinite Resources

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The Legacy

Systems

1 Treasury Management System

1 Enterprise Application Integrator

Things

5 Core Currencies

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The main drivers

Risk Reduction



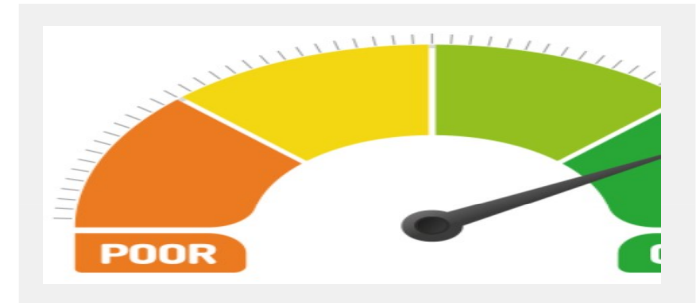
Credit
Payment Security
Operational

Cost Reduction



Bank fees
Processes

Efficiency



Standardization
Automation
Technology

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Benchmarking – 4 Questions

Parameters

1

What parameters would you use for selecting banks to invite to the RFP?

Banks

2

What banks would you invite as of today?

Scope

3

Would you limit the RFP only to cash management or would you include a broader scope?

Structure

4

Would you limit the RFP to regional or to a currency basis or would you look for a global solution?

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The Strategy

Based on the benchmarking' s feedback

- Limit the RFP only to cash management
- Mix - one bank per currency and regional structure
- Minimize number of accounts (evaluate use of virtual accounts)
- Accounts in one location per currency
- Zero balancing pools
- Use of group core systems
- Use group treasury to manage payment/statement flows

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Setting off on the journey



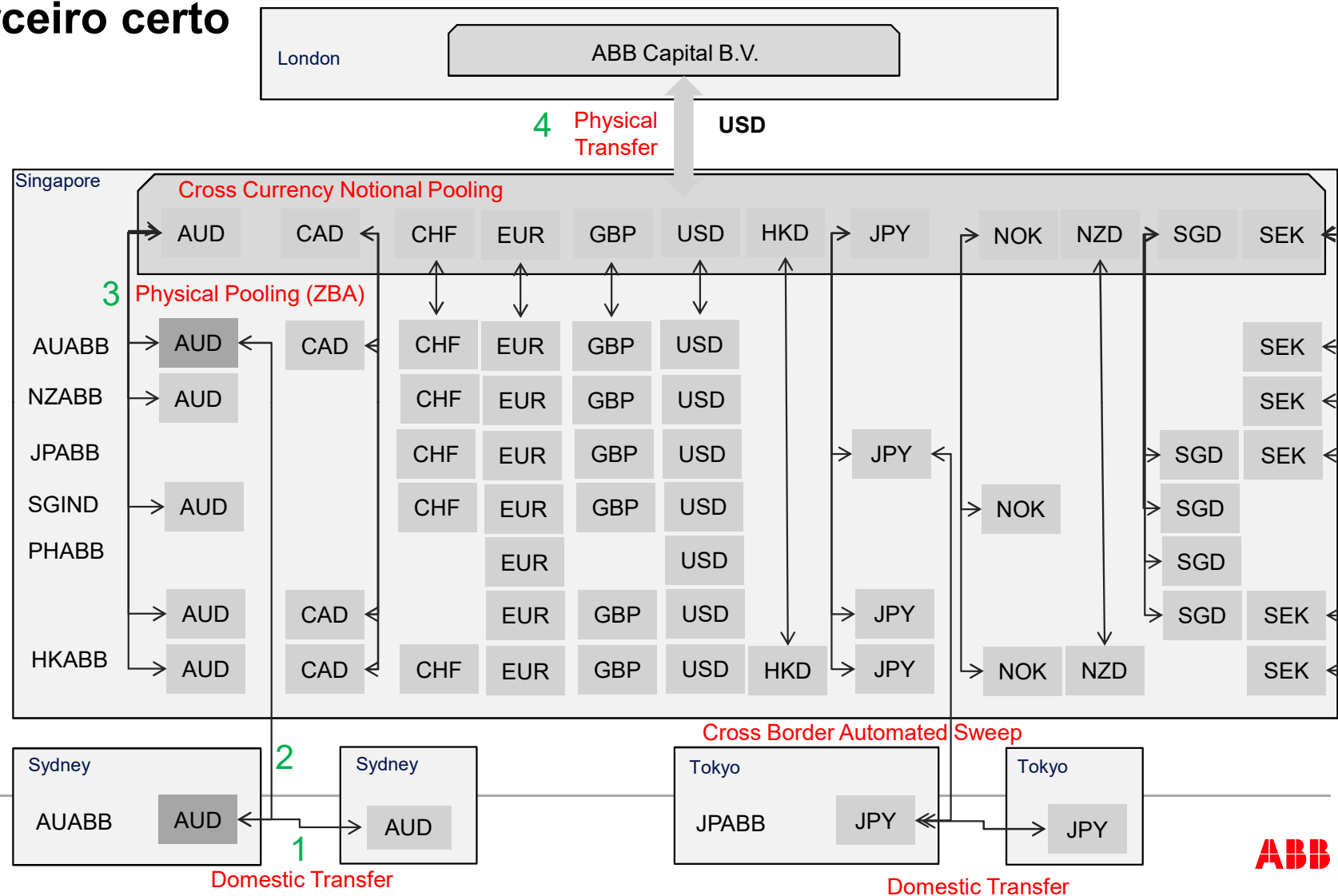
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Progress – step by step



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Asia Cash Pool



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USD Cash Pool

Strategy

- One USD bank
- All accounts held in NYC
- Two pools – Resident (domestic) and Non-Resident
- Zero balancing

Benefits

- 22 hour window for same day processing (payments & receipts)
- Very high book transfer rate
- Group wide tariff
- Standardized process,
- Standard KYC

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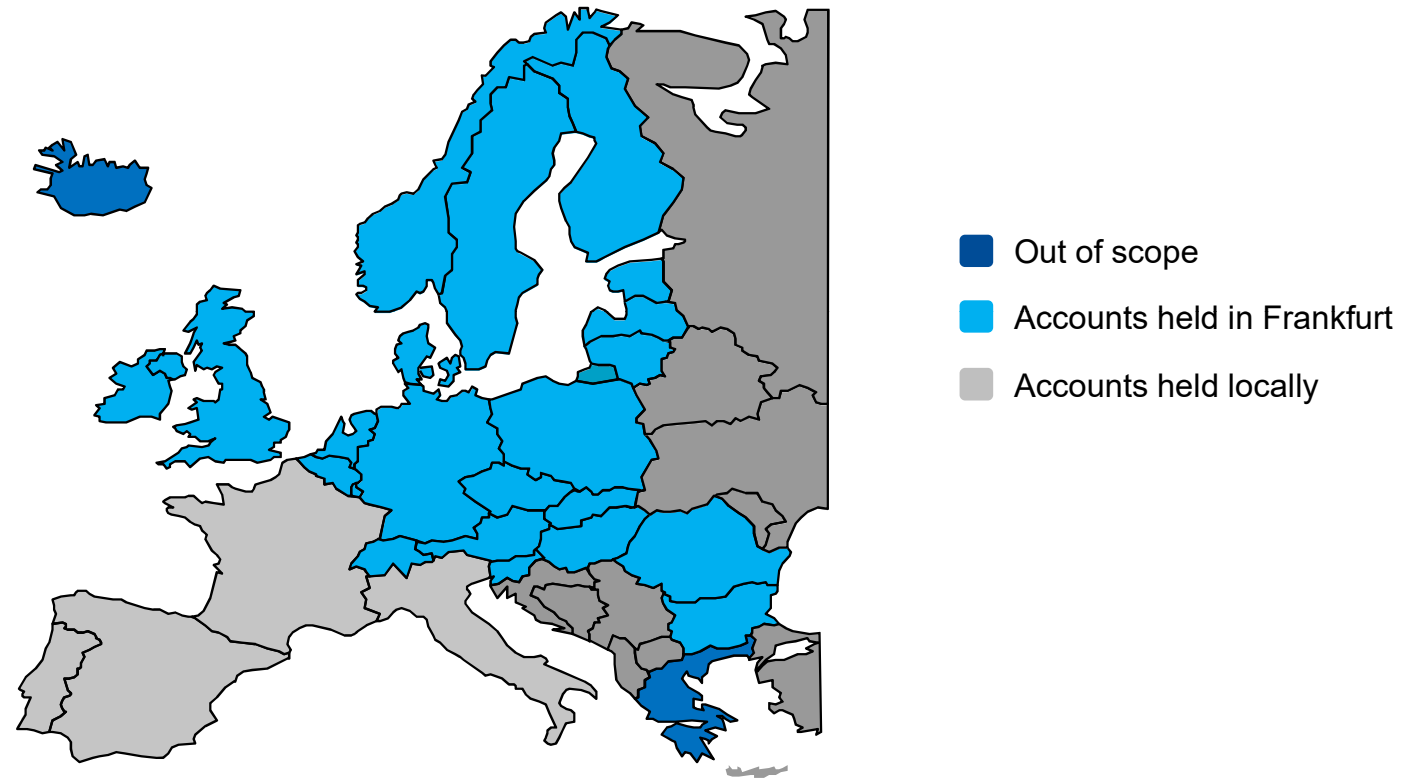
EUR



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RFP for EUR Cash Pool

- 27 countries
- Daily cash flows
- Diferente AP/AR processes
- Short/Long balances



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Sponsor from the top of the organization

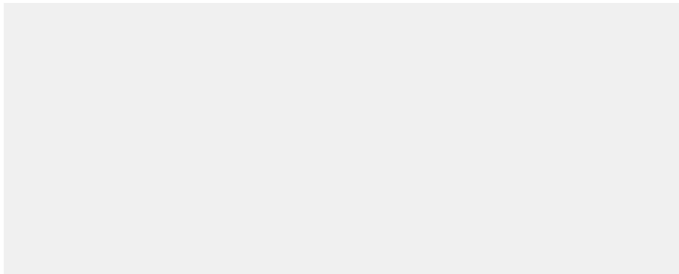
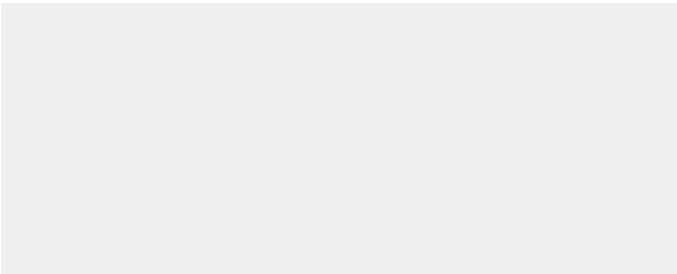
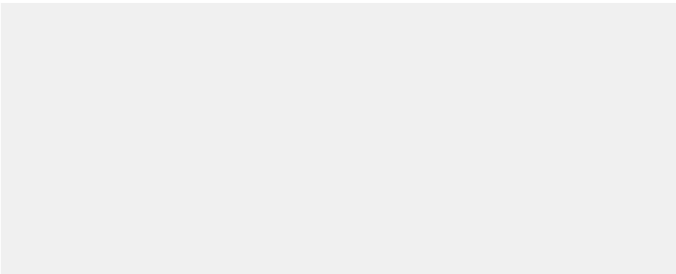
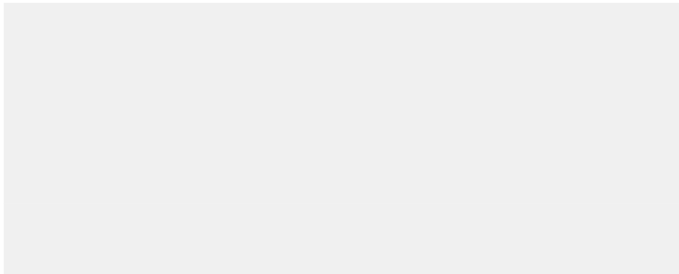
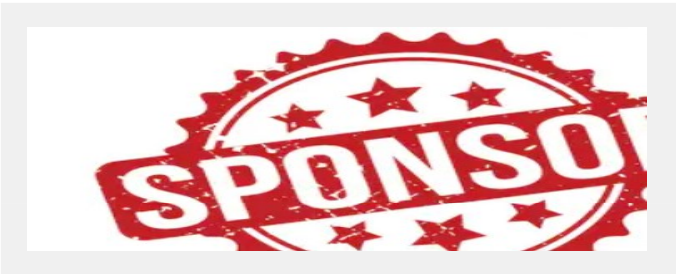


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Detalhes de um processo de RFP

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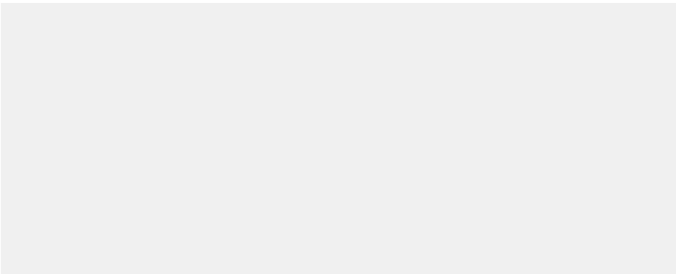
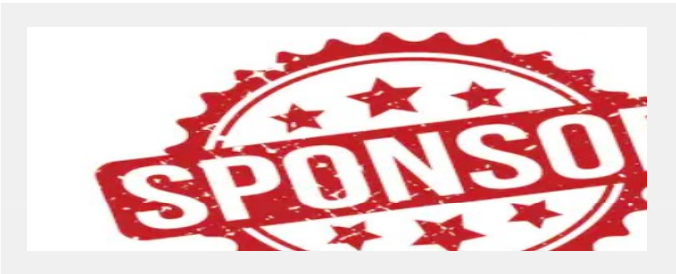
Steering committee



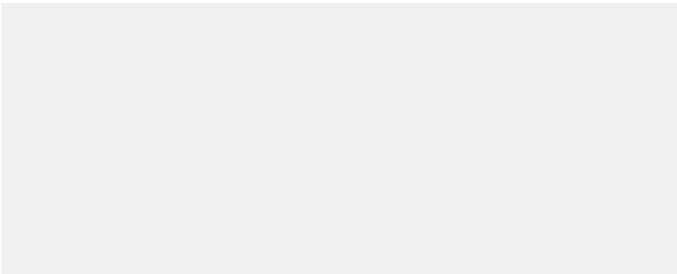
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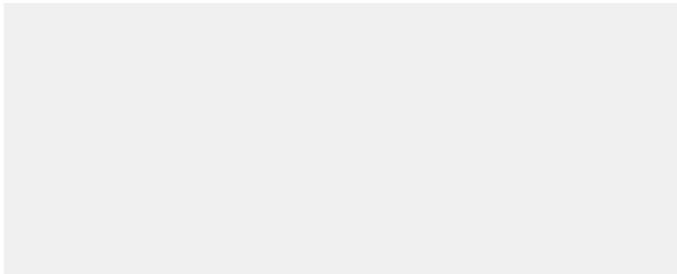
Sponsor from the top of the organization



Steering committee



Project team



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Detalhes de um processo de RFP

Project team

Treasury	Finance	Information System	Legal
<ul style="list-style-type: none">– Cash manager– Operations and control	<ul style="list-style-type: none">– AP manager– AR manager– Accounting manager	<ul style="list-style-type: none">– TMS Leader– ERP Leader– EAI Leader	<ul style="list-style-type: none">– Contract review specialist

For a successful RFP process we must to get the BUY-IN from all stakeholders

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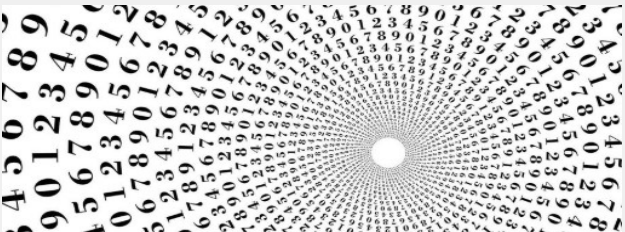
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Steering committee

Project team



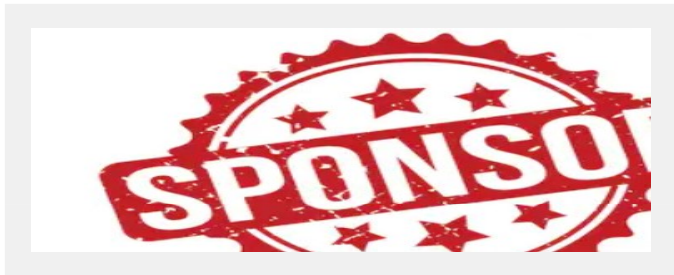
Number of banks invited



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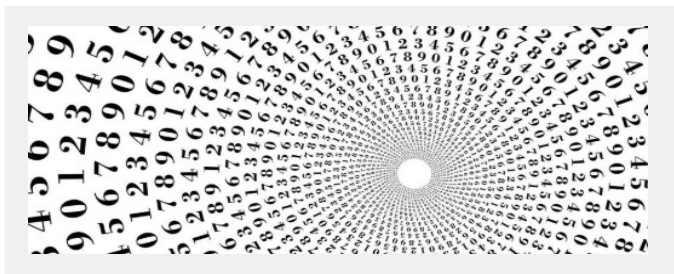
Steering committee



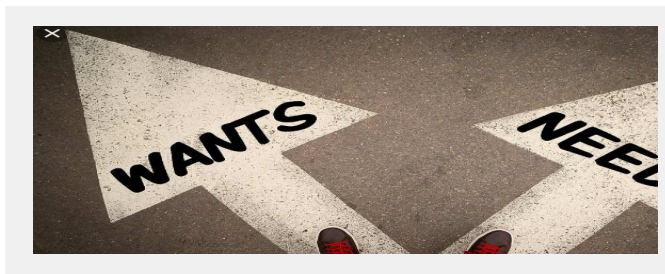
Project team



Number of banks invited



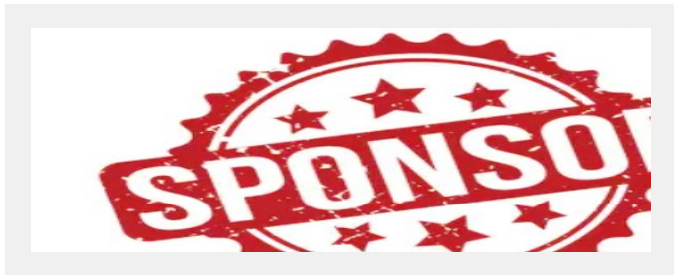
Letter: tell your needs/pains



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Sponsor from the top of the organization



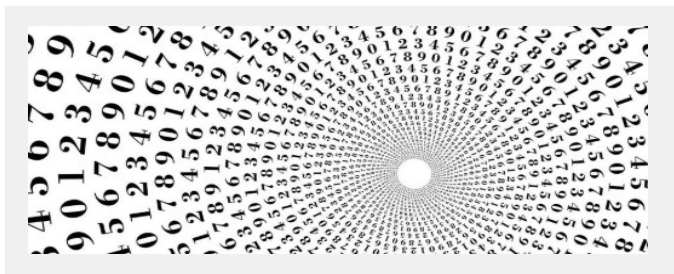
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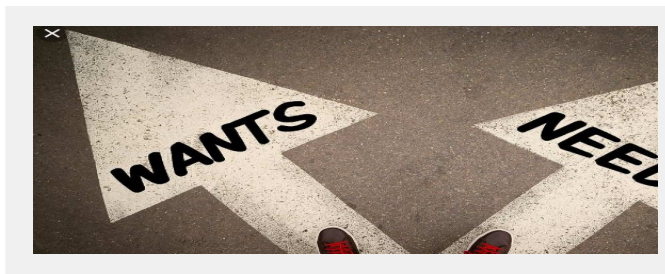
Project team



Number of banks invited



Letter: tell your needs/pains



Evaluation scorecard



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Evaluation scorecard (we used)

- Cash management solution
- Bank accounts structure
- Collection solution and coverage
- Tax payment coverage
- Reconciliation solution
- Electronic Bank System
- ERP interface solution and security
- Payments contingency plan
- Commitment and implementation
- Pricing
- Core bank/Credit Rating
- References

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Evaluation scorecard (we used)

– Cash management solution	10%
– Bank accounts structure	10%
– Collection solution and coverage	10%
– Tax payment coverage	10%
– Reconciliation solution	5%
– Electronic Bank System	10%
– ERP interface solution and security	10%
– Payments contingency plan	5%
– Commitment and implementation	5%
– Pricing	10%
– Core bank/Credit Rating	5%
– References	10%

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Detalhes de um processo de RFP – Presential meetings/Presentation



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Detalhes de um processo de RFP - Presential meetings/Presentation



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Detalhes de um processo de RFP - Presential meetings/Presentation



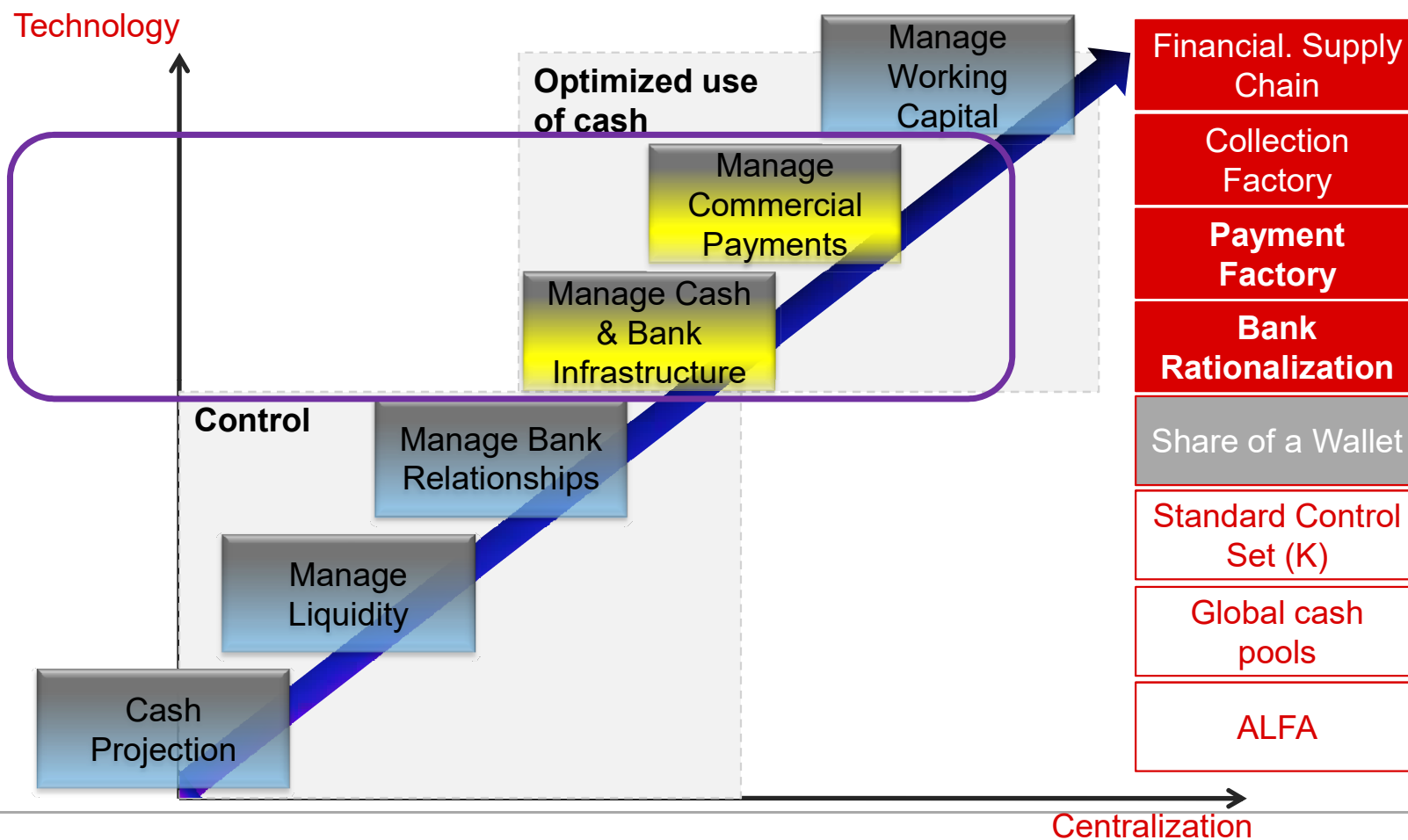
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Detalhes de um processo de RFP – Decision Making



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Next challenges



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THINK OUTSIDE THE BOX!!!



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QUESTIONS?

