

Case Study: Celesio AG

Broadridge's SWIFT Outsourcing Service assists Celesio AG in achieving straight-through, highly efficient and more secure treasury processes.

Overview

Celesio is a leading international trading, logistics and service company in the pharmaceutical and health care sector that ensures optimum care and support for patients in a proactive and preventive manner. The group operates in 27 countries, employs a staff of approx. 47,000 and generated revenue of more than €23bn in 2011.

Celesio recorded continuous growth over the past 20 years, not least due to acquisitions made abroad. The new subsidiaries did not only bring into the group their own banking connections but also their own ERP and payment systems. It was in this way that, in the course of time, very heterogeneous payment systems evolved that had to handle more than 10 million direct debits and credit transfers per year.

"The different electronic banking solutions and a multitude of interfaces in the group contributed to the inefficient processing of payments and the considerable maintenance effort required for the interfaces between the various systems," explains Wolfgang Névir, Senior Country Manager in the Treasury Front Office of Celesio.

Therefore, Celesio's stated objective was to establish a central payments platform in the wake of its progressive group-wide conversion of the ERP systems to SAP - a platform that would not only handle the payment transactions of the holding group, but also give an increased level of efficiency and security to the payment transactions of the subsidiaries.

Opting for SWIFT

In order to put its payment transactions with domestic and foreign banks on a sound footing, Celesio opted for the standardised communication available through the SWIFT network. SWIFT is an acronym of Society for Worldwide Interbank Financial Telecommunication and was founded in 1973 by 239 financial institutions from 15 countries. The aim was to standardise financial communication at an international level and to set up a secure network for the exchange of messages in order to establish straight-through and effective financial processes and to minimise risks. Today, the SWIFT network spans over 210 countries and connects more than 10,000 financial service providers and companies. "Since we did not wish to build up and maintain a SWIFT knowhow of our own, we started looking for a service provider that could take on this task on our behalf," remembers Wolfgang Névir. "In the course of this, we opted for Broadridge Financial Solutions who impressed us in terms of their competence and experience."

Fast-track implementation of SWIFT

The starting signal for the project sounded at the end of September 2010. In parallel with the connection to the SWIFT network, Celesio installed the SAP Module Bank Communications Manager (BCM) as a central payment platform. The company's real time connection to the SWIFT network via Broadridge had already been completed by the end of February 2011. "In the beginning, the introduction of SWIFT included connectivity with two German and two French banks," adds Névir. "In the course of 2012 two additional French banks as well as banks from Norway and Austria followed suit."



At Celesio Holding, Treasury and FI payments based on corresponding payment proposals are generated by SAP on the payments' due dates, released in the SAP BCM module and transmitted via Broadridge to the SWIFT network.

Seamless SWIFT connectivity thanks to Broadridge

"The wholesale subsidiaries of Celesio in Germany and France have also been connected to the new payments system," continues Wolfgang Névir. "This means that payments from the local feeder systems generated by payment proposals are transferred to the central payments platform and passed on into the central approval processes. In the course of this process, payment proposals may originate from both SAP and non-SAP feeder systems. Particularly, in the case of a pure SAP environment we can therefore create straight-through and thus even more secure payment processes."

Moreover, the standardised SWIFT-based communication allows Celesio the timely tracking of dispatched payment orders. Corporate Treasury staff may at any time check the current status of a payment.

Additionally, electronic account statements for more than 100 accounts are transmitted to Celesio through Broadridge. Corporate Treasury staff can thus quickly gain an overview on the current cash position.

In the future, Broadridge's STM Monitor (SWIFT Transaction Manager) will be available as back-up system for Celesio's payments processing.

Secure and auditable payment processes

The advantages of the new central payments processing with SAP and the Broadridge SWIFT Service Bureau are clear. Celesio has been able to create straight-through, more efficient and more secure processes by replacing the many different local payment systems.

"Of particular importance to us has been the option to move a step closer to the harmonisation of our payments landscape and to advance even further by including other countries. We have been able to obtain a higher degree of security through the integrated use of SAP and SWIFT," sums up Wolfgang Névir.

"And the decision in favour of Broadridge turned out to be the right choice. Broadridge has proved to be an extremely professional partner, particularly in an international environment. The current SWIFT connection runs smoothly and Broadridge provides an excellent service."

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