

EMSLAND GROUP®

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Industry: Potato and Pea Processing Industry

Geographies: Europe

Challenges:

- Non-standardized, often manual processes
- Fragmented system landscape and banking relationships
- Stringent reporting requirements in relation to banks

Solution:

- Coupa Treasury

Results:

- Standardized, automated processes
- Enhanced planning and risk management
- Digital trade finance
- Optimized banking relationships
- Secure, reliable and automated processing of group-wide payments
- Fewer rush payments

Increased Productivity, Visibility and Control with Coupa Treasury

Emsland Group is an internationally operating company that manufactures innovative products for the processing industry based on raw materials from vegetables. Emsland is Germany's largest producer of potato starch and the market leader in flakes, granules and specialty products made from plants and vegetables. The group has seven factories which process a total of around 2 million metric tons of potatoes and peas and distributes its products to more than 120 countries. The company has about 1,400 employees and recorded sales revenue of around EUR 650 million in 2019/20.

The Challenges: Non-Standardized Processes and Fragmented, Siloed Solutions

As part of a financial restructuring in 2014/15, the group optimized its reporting structures. When the group's treasury unit was set up as a new and independent department against this backdrop, it was confronted with decentralized processes that had evolved over time, a plethora of manual procedures, and incompatibilities between different systems and formats.

The department wanted to introduce a treasury management system in order to create secure, reliable processes and full group-wide visibility and transparency, to benefit from excellent data quality and automation, and to boost productivity. In short, the aim was to overhaul treasury operations to make them more effective and efficient.

A Single Intelligent, Comprehensive Treasury Solution for All Tasks

Coupa Treasury is a cloud-based solution that is in principle accessible by all employees and enables them to collaborate. It supplies real-time data which is aggregated in a relevant way either automatically or with just a few clicks. The excellent quality of the data enables straight-through processing and a high degree of automation.

“Coupa Treasury means no surprises. We are always able to be proactive rather than reactive.”

— **Marco Hindriks,**
Treasurer, Emsland Group

The system's integrated payment solution allows the treasury unit to process payments from the system and enables data from banking communication to be processed, automated, and incorporated into secure, reliable workflows. Emsland Group uses the Coupa Treasury system for the full gamut of its treasury tasks, from cash management, planning and risk management to payments, bank relationship management and reporting.

Cash Management and Liquidity Planning with Coupa Treasury

Linking the Coupa Treasury system directly to Emsland Group's banks enabled the company's treasury to achieve significant automation of banking communications. Coupa Treasury imports and processes the statements for all accounts fully automatically. This not only saves a huge amount of time, but also prevents errors and ensures real-time quality data.

The speed of retrieval and reliability of account information is particularly useful for the group's entities abroad as their information previously arrived with a considerable delay. Treasury is also kept up to date throughout the day with the help of the intraday MT942.

All transactions are accurately assigned, based on the cash flow rules set up, to the categories Emsland Group also uses for rolling liquidity planning. The actual data calculation based on the bank statement data available on a daily basis enables the company to check the quality of its liquidity plan at any time by comparing planning and actual data in real time and to quickly identify differences – all done seamlessly in a single system.

All loans, lease and FX deals, and swaps are also captured centrally in the system. The accrued interest for loans and swaps is calculated automatically and can be used independently by the accounting department or transferred to the ERP system.

Coupa Treasury is at the heart of Emsland group treasury, providing system support for:

- Cash management
 - Liquidity planning
 - Payments
 - Bank relationship management
 - Trade finance
 - Risk management
 - Reporting
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Valuable Benefits of Full Cash Flow Visibility

Coupa Treasury is used for the cash flow forecast, which involves recording and evaluating rolling liquidity plans broken down by group company and currency. The base plans for the group's individual entities are evaluated, aggregated into a group-wide plan and combined with the cash flows from the account statements categorized in the system. The system support provided by Coupa Treasury has thus enabled the group treasury team to relieve the individual entities of much of the workload associated with liquidity planning.

Improved planning and visibility over short-term due dates have also resulted in Emsland Group significantly improving the efficiency of payments and, for example, halving the number of expensive rush payments.

Each time the treasury team looks at Coupa Treasury, it obtains valuable additional information. The team highly values this aspect of the system. There are no surprises; the team is always able to be proactive rather than reactive.

Contract management and hedging with Coupa Treasury

Emsland Group has used Coupa Treasury to greatly increase efficiency, security and reliability in its derivatives trading. Central treasury uses the 360T trading platform, which is directly linked to the system, to conclude deals. The treasury team can use Coupa Treasury's interface to compare the bids of its six main banking partners and to conclude a deal directly. The data is automatically captured in the system and the same-day electronic confirmation exchanged at the click of a button from the system.

In addition to electronic matching, Coupa Treasury is also used for EMIR reporting, deal administration and payment at maturity.

As soon as a deal is concluded on the trading platform, deal data is automatically imported into Coupa Treasury as an XML file with full detailed information, including competitive bids, and planned cash flows are recorded against the corresponding accounts. This enables the deal to be created from the outset in such a way that the cash flows are shown on the correct accounts for settlement and the payment is automatically executed when due via the integrated payment solution in Coupa Treasury.

Reporting with Coupa Treasury

All information available in the system can be used for reporting. In addition to the monthly treasury report, both daily recurring and sporadically available information must be prepared or retrieved in a targeted and simple manner. Coupa Treasury enables the treasury department to tailor the reporting criteria to meet its requirements and thus generate exactly the reports it needs.

Bank Relationship Management and Payments with Coupa Treasury

Emsland leveraged the flexibility of Coupa Treasury in relation to bank connectivity to restructure its payments. The aim was not so much to consolidate banking relationships and reduce the number of accounts, but rather to reorganize them based on cost and volume.

Coupa's system provides visibility of cash flows and the costs actually involved in payments. Emsland's treasury was therefore also able to save a considerable amount on fees by reorganizing payment orders and by effective cash positioning.

Emsland Group was able to use the Coupa Treasury system to introduce fundamental layers of security in payments. The system's integrated user permissions model is based on multi-stage approval and determines who can create master data, enter deals, settle deals and set up and authorize payments. Bank authorizations are also incorporated into the system. This has enabled dual approval to be incorporated across the system and separation of duties to be achieved.

Emsland Group's payment processes are now closed-cycle electronic processes in Coupa Treasury: payment files are generated from the ERP systems and imported into the system completely automatically via interfaces. Payments from bank accounts which are not connected via EBICS are made via the connected banks in MT101 format. Using appropriate templates enables individual payments to be entered more efficiently and securely than in online banking. The relevant account statements are then made available in MT940 format in the system itself. Data is also automatically transferred to the accounting department in the required formats.

The Project in a Nutshell

Coupa Treasury provides Emsland Group's treasury with a central tool that makes all financial information available in a reliable and easily visible manner. Data can be collated and filtered automatically or in just a few clicks and used for analysis or reporting.

The high quality of the system's data has allowed Emsland Group to establish automated, closed circuits for processes, especially payments, and straight-through processing in derivatives trading.

Managing user rights in Coupa Treasury and integrating the system into the group's system landscape enabled Emsland to create standardized workflows across the company and thus make a lasting positive impact on productivity, security and reliability in relation to all treasury issues, but especially with regard to the group's payment processes.

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“ Coupa Treasury has enabled us to fully automate many of our processes. This frees up valuable time for important strategic work and improvements. ”

— **Fabian Seifert,**
Head of Group Treasury,
Emsland Group

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Coupa Treasury](#)