Catalysing Multinational Financial Management with Corporate Financial Portals

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Presentation Outline

Challenges of Centralized Multinational Financial Management

The Corporate Process Portal

Catalysing Financial Management at BAYER
Case: Streamlining FX Risk Management with Corporate Financial Portals

Conclusion & Outlook
Challenges of Multinational Financial Management

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Conclusion & Outlook
The Notion of the Corporate Process Portal

**Single point of access**
- to information, services and applications
- available everywhere 24/7
- using standard web-browser

**Integration platform and driver of integration initiatives**
- data & systems
- business processes
- organizational structures

**On-demand reporting**
- information aggregation for reporting
- integrated portal services that reduce information overload
- reduces time-to-information

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Corporate Process Portal Architecture

- **Corporate Center**
- **Corporate Process Portal**
- **Presentation**
- **State Controller**
- **Portal Model**
- **Component Integration**

- **Integration Layer**
  - Business Objects, EAI Adapters, etc.

- **Region A**
- **Region B**

- **Portal Applications**
- **Business Services**
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Catalysing Corporate Financial Management at BAYER

BAYER
  ▪ 115,000 employees working in 350 companies in 57 countries (as of 2004)
  ▪ Headquarters in Leverkusen, Germany
  ▪ Centralized financial management organization

Corporate Financial Portal Motivation
  ▪ Provide financial data, services and reports worldwide, 24/7
  ▪ Streamline processes and increase operational efficiency
  ▪ Provide subsidiaries with value-adding services
  ▪ Ultimately improve data quality
The Corporate Financial Portal

Foreign Exchange Risk Management Practice at BAYER

Define FX risk management targets & practices

Identification & measurement of FX exposure

Monitor FX exposure

FX risk management actions
Streamline FX Exposure Import & Monitoring

Exposure upload

ERP

STP ~ 80%

request for individual exposure reports

aggregated on-demand FX exposure reports on corporate level and entity level

on-demand FX exposure reports on entity level

Hedging FX Risk – Intercompany FX Transactions

1. request deal 24/7

2. real-time quotes

3. save

1. Request deal

2. quotes

3. save

4. deal confirmation (+hours)
dead reports (+days)

4. deal confirmation (+min.)
dead reports on demand!
Corporate FX Exposure Management Evolution

Overview - Corporate Financial Portal Services

Public Services
- Official Bayer Rates
- Documentations
- Affiliates Ov.
- ...

Planning
- Financial Planning
- Cash Forecasting
- Cash Planning
- ...

Treasury
- FX Trades
- IR Monitor
- Accounts Monitor
- ...

Controlling
- Backoffice Tools
- ...

Integrated Portal Services

Personalized Workflow Notifications

Personalized Background Reporting

Cofipot Financial Figures
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![Chart: Intercompany FX transactions - CoFiPot vs. Telephone]
Conclusion & Outlook

- The Corporate Financial Process Portal could be established as central point of access to corporate financial information & services
- Active user basis of more than 250 users
- The integration initiatives and the flexible process portal framework allows for the rapid implementation of new business processes at BAYER

Outlook & next steps

Empirical assessment of portal benefits in the context of financial management

Thank you