

Standardizing treasury processes for increased efficiency

Rieter's treasury department saves time and money with Fides and SAP



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CUSTOMER PROFILE

Company: Rieter

Industry: Textiles machinery

Headquarters: Winterthur, Switzerland

Employees: approx. 4,400

Website: www.rieter.com

Business Need

Rieter has more than 30 subsidiaries worldwide, partners with a large number of banks, and maintains numerous bank accounts. In order to boost business efficiency and cut costs, the company wanted to optimize its treasury department technology, standardize processes, and centralize treasury data.

Products, Solutions & Services

- Fides Multibanking Suite
- Hybrid Service Bureau
- Reporting
- Payments
- Compliance
- ERP Connection
- SAP TRM, IHC, BCM

Benefits

- Standardized, repeatable, scalable treasury processes
- Reduced risk of fraud
- Increased business efficiency and cost savings

About Rieter

Rieter is the world's leading supplier of systems for short-staple fiber spinning. Based in Winterthur, Switzerland, the company develops and manufactures machinery, systems, and technology components used to convert natural and manmade fibers and their blends into yarns. Rieter is the only supplier worldwide to cover both spinning preparation processes and all four end-spinning processes currently established on the market. Furthermore, Rieter is a leader in the field of precision winding machines. With 15 manufacturing locations in ten countries, Rieter employs a global workforce of some 4,390, about 20 percent of whom are based in Switzerland.

Rieter's Business Need

The Rieter Group has over 30 subsidiaries around the world. Its existing payment processes were not standardized, making bank reconciliation at the corporate level more difficult. The company was using a treasury management system in combination with multiple bank communication software solutions. Thomas Stäubli, Head of Group Treasury at Rieter, saw room for improvement in many areas. He wanted to integrate treasury operations into the company's existing technology landscape, standardize processes, and centralize treasury data to increase business efficiency and reduce costs.

Solution

The decision was made to introduce a complete, global solution consisting of various industry-leading software products. Automating, centralizing, and streamlining treasury and financial procedures would make them more efficient. The solution involved applications such as the SAP TRM, SAP IHC, and SAP BCM treasury modules as well as Fides EFT for payment processing and Fides ARS for reporting.

In addition, Rieter integrated all of its cash pools into its in-house bank, which takes the place of the current netting system. In addition to lowering costs, processes were completely automated, and the system of cash management can now be executed more efficiently.

The solution also further improved the automated hedging process, including the process of booking under IFRS 9. All of these treasury changes took place during the COVID-19 pandemic.

Now, Rieter is able to import a large number of the MT940s from its group companies and uses SAP through Fides to carry out a standardized payment process with various channels to the different banks. Treasury now imports roughly 150 account statements per day, and that number will climb higher.

"Fides itself is straightforward and practical, but putting in place a completely new treasury IT landscape with several applications and interfaces was challenging due to its complexity. That's why we are happy to have centralized our bank connectivity and payments with Fides as our sole middleware solution with connections to SAP."

– Thomas Stäubli, Head of Group Treasury, Rieter

Standardization of processes leads to greater efficiency

The main goal for the treasury project was process improvement to increase efficiency and, ultimately, lower costs. Stäubli explains that he initiated a process review project prior to implementation to ensure standardization. He adds, "I took everything that did not adhere to the standardized procedures and adapted it to be in line with the new processes to be carried out in the future. That turned out to be the right decision because it made the various treasury processes scalable, enabling them to be easily expanded to additional subsidiaries and business units in the future."

With Fides connected to SAP, treasury now has access to more granular details of SWIFT transactions, including messages related to payment acceptance or rejection. This level of transparency makes things much easier and increases security.

Bank-quality sanctions screening

Data protection, data security, and compliance are extremely important to Rieter. Stäubli cites the fact that Fides is a Swiss company as well as a subsidiary of Credit Suisse as being key aspects in Rieter's decision-making process. He states that Rieter benefits from the sanctions screening services that Fides offers, which meet the highest standards.

“Fides ensures that sanctions lists are always up to date.”

– Thomas Stäubli, Head of Group Treasury, Rieter

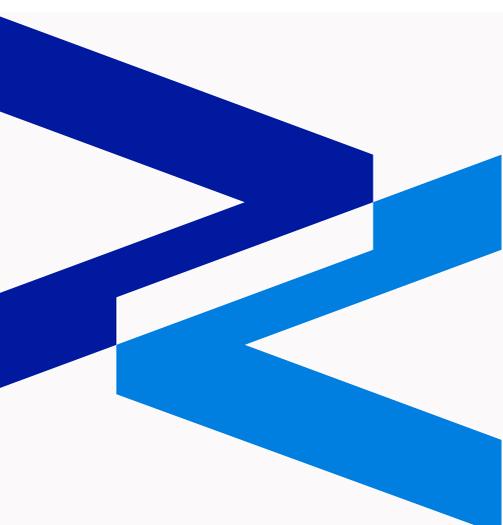
Rieter is also using Fides' bank format conversion services, which translate bank messages into the formats needed by certain individual banks and backend systems. Stäubli emphasizes that this is particularly useful for subsidiaries in emerging markets to ensure seamless connectivity without the need for manual processing.

Plans for the future

For the initial rollout, the company focused on its European subsidiaries. Stäubli is aiming to integrate all of its subsidiaries as thoroughly as possible, provided local regulations and the complexity allow that.

About Fides

Fides is the global leader in multibank connectivity and transaction communications, enabling corporates to connect to any bank, in any region, through any channel. Our solutions deliver critical multi-bank account statement, payment workflow and reporting capabilities for treasury and finance teams. Whether you are using a TMS, ERP, the Fides Multibanking Suite, or any combination, Fides is the only connectivity platform you need.



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