



# HOYA CORPORATION

## OPTIMIZING CASH MANAGEMENT ACROSS OPERATIONS WITH SAP® SOFTWARE

### QUICK FACTS

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**Michiel Copier**, European Managing Director of Finance and Administration, Hoya Corporation

#### Company

- Name: Hoya Corporation
- Location: Uithoorn, Netherlands
- Industry: Industrial machinery and components
- Products and services: Electro-optical devices and ophthalmic lenses
- Revenue: Approximately €5 billion (2008)
- Employees: 35,000
- Web site: [www.hoya.co.jp/english](http://www.hoya.co.jp/english)
- Implementation partner: Uphantis BV

#### Challenges and Opportunities

- Manage central payment factory and team for European operations
- Control short- and long-term liquidity
- Manage financial risks
- Integrate new acquisition into European financial operation

#### Objectives

Deploy treasury applications from SAP to centralize control over the cash management of a new acquisition and geographically dispersed business centers

#### SAP® Solutions and Services

- SAP® Bank Communication Management application
- SAP Cash and Liquidity Management application
- SAP ERP application (finance and controlling components)
- SAP In-House Cash application
- SAP Treasury and Risk Management application

#### Implementation Highlights

- Smooth integration of SAP software to enable centralized control of treasury functions
- Minimal software customization
- Comprehensive project management

#### Why SAP

- Market leader in financial software
- Comprehensive in-house banking and liquidity management functionality
- Full integration of SAP ERP and SAP NetWeaver® Business Warehouse (SAP NetWeaver BW) component
- Reliable supplier

#### Benefits

- Achieve efficient, straight-through processing via integration across SAP software
- Enable in-house bank to manage liquidity, risk, payments, and accounting for all 24 European business centers
- Centralize reporting and provide a single source of financial information across all European operations
- Lower costs by centralizing procurement
- Improve cash management via full insight into the flow of funds

#### Existing Environment

- SAP ERP Financials solution
- SAP NetWeaver BW



Hoya Corporation is a global leader in optical solutions for the information technology and consumer markets. Due to its strong growth and acquisition of digital camera manufacturer Pentax Corporation, Hoya needed to integrate, streamline, and standardize the cash management operations of its 24 decentralized European business centers scattered across the continent. To meet this challenge, Hoya turned to the suite of treasury applications from SAP. These integrated SAP® solutions include the SAP Bank Communication Management application, SAP Cash and Liquidity Management application, SAP In-House Cash application, and SAP Treasury and Risk Management application. In addition, Hoya also deployed the financial and controlling components of the SAP ERP application.

A Japanese corporation with annual revenues of approximately €5 billion, Hoya employs some 35,000 people worldwide, including 2,500 in Europe. The company's European operations are based in Uithoorn, Netherlands.

### **Challenges – Integrate, Streamline, and Standardize**

Hoya has relied on SAP software including the SAP ERP Financials solution and SAP NetWeaver® Business Warehouse component to help manage the financial operations of its European business centers for some time. Several objectives drove the company's decision to expand its use of SAP software. "We wanted to streamline our incoming and outgoing flow of funds, as well as our intercompany financial flow between our European business centers," explains Michiel Copier, European managing

director of finance and administration at Hoya Corporation. "This would let us reduce our high banking fees and hedge against currency exchange risks. We also wanted to integrate our newly acquired organizations and centralize the financial management of all our European operations to decrease cost and increase efficiency. Finally, we wanted to standardize our business processes and increase their transparency. This would improve the overall quality of our operations and provide better insight into our cash reserves so we could optimize investment returns. What's more, this all had to be done against the backdrop of ever-increasing regulation and compliance requirements."

The first step in meeting these objectives was to analyze the company's existing financial management processes. Working with business integration partner

Uphantis BV, the Hoya project team set out to identify optimized, transparent, and universal processes that could be replicated across all existing business centers and newly acquired companies. The team's in-depth analysis led to its recommendation to use SAP software to implement a centralized in-house bank, along with a fully integrated payment factory based on a standardized procurement-to-pay process.

### **Solutions – New Procurement-to-Pay Process and In-House Bank**

The smooth integration of SAP software enabled Hoya to centralize control of its treasury functions with minimal software customization. Today the software supports a fully standardized, streamlined, and automated procurement-to-pay process that has increased efficiency and reduced cost. The authority to create



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and approve purchase orders remains with each local business center, but the procedures used are identical. This standardized model also applies to booking received goods and services, as well as invoices. To further automate the process, all incoming invoices are scanned to a workflow module that deals with exceptions. Invoices that meet predefined criteria are automatically paid. As an added benefit, a centralized view of purchasing enables Hoya to negotiate better terms with suppliers.

SAP software is also the foundation for Hoya's new, centralized, in-house bank that has helped improve cycle times and reduce bank fees. All accounts receivables from Hoya's European business centers are now automatically transferred to the in-house bank on a daily basis, resulting in a zero cash balance at each center at the end of every day. The in-house bank carries out all payments to external parties on behalf of the busi-

Hoya also leverages its SAP software to gain insight into the daily cash flow throughout its European business centers. This enables the company to increase investment returns by temporarily transferring cash reserves to accounts with higher interest rates. “Thanks to the insight provided by SAP In-House Cash into our daily flow of funds, our company is able to maximize returns on cash,” says Copier. “By concentrating cash and using it more effectively, we can improve profitability and increase shareholder value.”

### **Results – Control, Flexibility, and Transparency**

In addition to driving increased levels of standardization, efficiency, and profitability, Hoya's automated, new cash management solution enables centralized reporting and speeds the delivery of higher quality information. The solution also improves data accuracy and

As Copier explains, “Information is now closely linked with several business processes and flows freely through our company. Opportunities and risks are clearer, flexibility has increased greatly, and our entrepreneurship flourishes as never before. Thanks to improved reporting, we are also compliant with new Japanese legal regulations governing the financial reporting of public companies.”

With standardized and streamlined cash management processes designed by Uphantis and enabled by proven SAP solutions, Hoya is well positioned to support future growth, along with the full rollout of SEPA. “We have more control over the business, and our organization is more lean and flexible than ever before,” says Copier. “We have proven that a transparent cash management process can be easily transferred in a standardized manner to newly acquired organizations to achieve a more simplified integration process.”

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ness centers. It also settles the financial entitlements and obligations between business centers. By streamlining all these financial reconciliations, the in-house bank enables compliance with the Single Euro Payment Area (SEPA) initiative, established by the European Union to simplify intra-European payments.

consistency by providing a single source of financial information to support payment management, risk management, and compliance across all European operations. Built-in checkpoints in the cash management process automatically detect key facts and risks.



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