Comgás: Maximizing Control of the Treasury with SAP® Solutions

Facing unprecedented complexity and risk in operations, global entities seek improvements in control. Gaining the spotlight is treasury management. To minimize its risk, Companhia de Gás de São Paulo (Comgás), the leader in the Brazilian natural gas market, chose the SAP® Treasury and Risk Management application to **become more transparent in a complex world.**

Executive overview

Company
Companhia de Gás de São Paulo (Comgás)

Headquarters
São Paulo, Brazil

Industry
Oil and gas – supply, transmission, and trading

Products and Services
Distribution of piped natural gas

Employees
979

Revenue
US$2.3 billion

Web Site
www.comgas.com.br

BUSINESS TRANSFORMATION

The company's top objectives:
- Centralize control of increasingly complex treasury operations
- Eliminate risks and enable traceability in treasury processes and audits
- Improve quality of financial operations calculations

The resolution:
- Implemented the SAP® Treasury and Risk Management application and integrated it with the existing SAP ERP Financials solution
- Assigned a dedicated project team, including a strong local partner, to conduct the implementation
- Completed the implementation within budget in 6 months

The key benefits:
- Mitigated risk by identifying and eliminating root causes of risk
- Minimized errors and discrepancies in accounting operations and reporting
- Improved customer satisfaction

Read more

"Our new SAP solution not only helps us support the increasing demand for more accurate and timely treasury reports, but it also gives us extensive knowledge of advanced treasury operations."

Andrigo Parizotto, Cash and Financial Control Manager, Companhia de Gás de São Paulo (Comgás)

TOP BENEFITS ACHIEVED

100%
Elimination of treasury data reporting errors

33%
Reduction in time to reconcile data

100%
On-time delivery of accounting data

See more metrics

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Identifying improvements in treasury operations controls

Companhia de Gás de São Paulo (Comgás) is a Brazilian leader in natural gas distribution. It serves the state of São Paulo in the southeast region of Brazil, where the company owns more than 30% of the Brazilian market. The Comgás concession area includes the metropolitan area of São Paulo, Baixada Santista, Vale do Paraíba, and the administrative region of Campinas, where 68 of the 117 municipalities located there are served by Comgás. Established in 1872 to illuminate the streets of São Paulo, Comgás was privatized in 1999 and has been listed on the Brazilian Stock Exchange since 1997. Like other public services concessionaires, Comgás is regulated, but the company also has a long history of striving to constantly improve customer satisfaction.

The firm recognized a need to transform the way it managed its treasury operations. Processes were being managed manually, with employees entering data from spreadsheets into SAP ERP financials and controlling software. This proved to be time-consuming, subject to high risk, and prone to errors. In addition, over the previous five years, the financial volume managed by the firm's treasury had increased over two times. Comgás wanted to meet the demand for accurate data, fast reporting, accountability, and risk mitigation, but it needed an efficient solution – one capable of providing centralized and controlled treasury operations. With support from the IT group, Comgás initiated the search for an integrated treasury management solution.

"We found that SAP has deep knowledge of best practices in the treasury management market. In addition, our fit and familiarity with SAP and in piloting SAP solutions leveraged us to choose SAP."

Andrigo Parizotto, Cash and Financial Control Manager, Companhia de Gás de São Paulo (Comgás)

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Taking the reins on treasury management and control

A longtime user of SAP® solutions, Comgás turned to the market leader in enterprise software for the sophisticated treasury management and control solution it needed. "We found that it was time to implement a powerful tool," says Andrigo Parizotto, cash and financial control manager at Comgás, "a tool capable of supporting not only our increasing complexity but also best practices for managing and controlling treasury operations." That tool was the SAP Treasury and Risk Management application.

Comgás assigned a small, dedicated team to conduct the six-month implementation. The team included Essence Consulting, a local implementation resource. Essence's knowledge of SAP solutions and treasury management functionality, combined with the in-depth experience of the team, contributed to the success of the implementation.

The Comgás team was given intensive training in treasury management during the implementation, including in-depth exposure to market best practices. The team applied these practices to the detailed implementation blueprint it prepared, which underpinned the smooth progress made during the project.

The implementation of SAP Treasury and Risk Management began to streamline treasury management processes and improve controls and accountability almost immediately at Comgás. For example, it eliminated the need for double-checking of spreadsheets, and analysts gained an extra day of data analysis before sending the data to accounting.

"The company had increased asset management by 2.5 times and the portfolio of products by 1.5 times. It was time for a new solution."

Andrigo Parizotto, Cash and Financial Control Manager, Companhia de Gás de São Paulo (Comgás)

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Enjoying the elements of improvement in treasury control

Treasury and risk management at Comgás is now centralized, giving the firm a clear understanding of the difference between process control and people control. The average time to send data to accounting dropped 33% – from 3 days to 2 days. This gain gives analysts time to analyze data, compose the actual position in derivatives, and check the accuracy of data before studying the variances.

Faster calculations enable the treasury team to mitigate risks or prevent them. With faster resolution and less need for manual control, team productivity has increased 33%, giving team members more time for strategic analysis. Treasury data on every operation is now natively integrated with the accounting and financial operations in SAP ERP.

KEY BENEFITS

100%
Elimination of treasury data reporting errors

33%
Reduction in time to reconcile data

100%
On-time delivery of data and reports

33%
Productivity improvement in strategic analysis

100%
Improved accuracy of data sent to accounting

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Capturing a promising outlook in the treasury – and beyond

The ability to capture key performance indicators for the treasury department and to accurately monitor the performance of the department's processes and people has given Comgás the control and high-level accountability it sought for its treasury operations. Today at Comgás, any and all new requirements, such as those in timeframe changes, scheduled payments, or risk exposure reports, can be addressed and answered with optimum speed and accuracy.

Comgás is committed to continuous improvement and to mitigating risk, while being prepared to embrace the positive outlook that both the Brazilian economy and the energy sector are offering.

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