FMC Agricultural Products: Improving Treasury and Risk Management with Global Financial Visibility

To one of Brazil's more traditional yet fast-growing agricultural products companies, staying current is a key to longevity and growth. The time came for the company to replace its treasury system with a new, integrated solution to increase control over financial operations and transactions. To achieve that goal, it chose the SAP® Treasury and Risk Management application.

Executive overview

Company
FMC Agricultural Products (FMC APG)

Headquarters
Campinas, São Paulo, Brazil

Industry
Chemicals

Products and Services
Insecticides, herbicides, and fungicides for agriculture

Employees
5,000 (worldwide)

Revenue
US$3 billion (worldwide)

Web Site
www.fmcagricola.com.br

Partner
e5 Solutions Group LLC
www.e5solutions.com

BUSINESS TRANSFORMATION

The company's top objectives

- Increase financial control between corporate U.S. headquarters and the company in Brazil
- Increase speed of information exchange
- Replace legacy treasury system

The resolution

- Appointed a committed project team with deep technical knowledge to implement the SAP® Treasury and Risk Management application
- Involved key treasury and accounting users in collaborative project definition
- Enabled a true partnership of users from IT, business, and consulting

The key benefits

- Improved cash and process visibility between headquarters and Brazilian operations
- Provided online, real-time access to financial information
- Reduced manual errors by eliminating spreadsheets
- Improved compliance and risk control

Read more

"Before SAP Treasury and Risk Management, only 10% of treasury processes were automated. Today, 100% are, streamlining the process of closing reports and avoiding errors generated by manual work."

Evandro Piacente, IT Project Lead, FMC Agricultural Products

TOP BENEFITS ACHIEVED

90%
Increase in automated accounting processes

50%
Less time needed to gather data for reports

100%
Decrease in development of system interfaces

See more metrics

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Resolution

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Future plans

Improving treasury information management

FMC Agricultural Products Brasil, a subsidiary of FMC Corporation based in Campinas, São Paulo, has been serving the agricultural market of Brazil for 37 years. Always adapting to change, in 2010 the company recognized the need to replace its outdated treasury system, which could no longer support FMC APG's ambitious goal of doubling its size in the next four years.

FMC Agricultural Products was challenged to increase control of financial operations. With its corporate treasury office based in Philadelphia, Pennsylvania, and with treasury operations in 34 countries, the treasury office needed access to FMC APG's accounting systems in Brazil. For this, a new software solution was required, one that could provide the FMC corporate office with integrated financial management tools and controls.

The existing solution at FMC Agricultural Products Brasil was slow, generating spreadsheets and excessive manual rework for the accounting and treasury areas. It could not calculate exchange rates and worked with just one currency. It lacked parameterization and offered minimal operational support, other than collecting bank records. And no support for the software was available in Brazil.

In July 2010, FMC Agricultural Products Brasil appointed a team with a high degree of technical knowledge to zero in on the challenge and find a new solution. A much more robust solution was required – and the project team from FMC Agricultural Products found it in the SAP Treasury and Risk Management application.

"After each new business demand, our professionals were required to manually enter information and create a new report. Today, these professionals spend their time on more strategic tasks."

Milena Sigrist Sanches, Business Project Lead, FMC Agricultural Products

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Enabling automated processes for treasury data transparency

The SAP ERP application was used worldwide by FMC, and SAP ERP had been implemented in Brazil since 2007. However, to fully integrate its treasury processes into SAP ERP, FMC Agricultural Products needed a new solution. It selected SAP Treasury and Risk Management, not only because of the ease of software integration but also because SAP Treasury and Risk Management was a global solution that supported exchange rate calculations. By automating treasury processes, the application would help FMC APG eliminate the excessive controls and reliance on spreadsheets that had evolved over the years.

The six-month project to replace the treasury system received widespread leadership and sponsor support. The project followed a well-defined methodology, and FMC APG's implementation partner, e5 Solutions Group LLC, contributed deep technical knowledge and experience to the implementation. Team roles and responsibilities were defined early on in the project. Together with IT, FMC Agricultural Products also involved its key treasury and accounting users in the project definition, which resulted in a strong partnership and exchange of experience and information among these employees.

"In the project to implement SAP Treasury and Risk Management, a true partnership developed among IT, business, and consulting professionals," says Milena Sigrist Sanches, business project lead at FMC Agricultural Products. "That gave us a strong commitment and continuous communication throughout the project."

"We chose SAP Treasury and Risk Management because it is a highly scalable product, and we already had a high level of integration with SAP ERP, which we had begun using in Brazil in 2007."

Evandro Piacente, IT Project Lead, FMC Agricultural Products

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Speeding access to consolidated treasury data

Information is exchanged faster than ever. "Before, we were required to extract and consolidate Excel data to create a report," says Sanches. "Today, this information is extracted directly from SAP Treasury and Risk Management."

In addition to faster information access, the problems FMC Agricultural Products used to have integrating treasury data with SAP ERP have vanished. With compatible systems between FMC Corporation and FMC Agricultural Products, the company's Brazilian operation no longer has to bear the cost and effort incurred every time FMC Agricultural Products had to update its legacy system.

Whereas the legacy system used to support only 10% of FMC Agricultural Products' treasury processes, with SAP Treasury and Risk Management, the company is able to support its treasury processes 100%. This leaves professionals, who now enjoy a 50% reduction in the time it takes to prepare reports, with more time for strategic tasks.

KEY BENEFITS

90%
Increase in automated accounting processes

50%
Less time needed to gather data for reports

100%
Decrease in development of system interfaces

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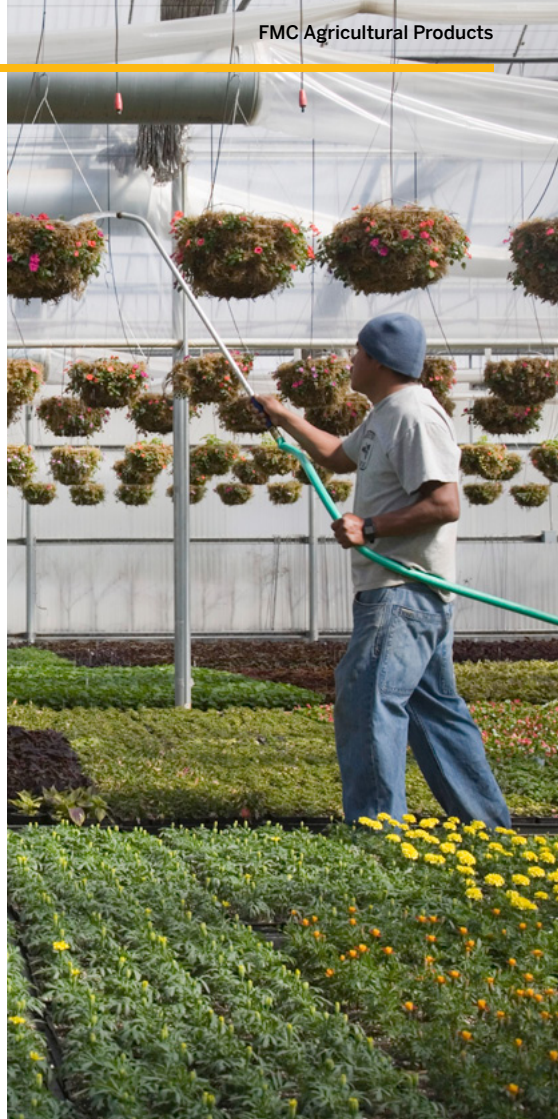
Benefiting from global financial visibility

Its problems of integrating FMC Agricultural Products' treasury data with FMC's management system have been resolved. With integration between SAP Treasury and Risk Management and financials and controlling functionality in SAP ERP, FMC APG no longer has to develop interfaces to exchange information with SAP ERP. And professionals no longer prepare reports that must be transferred manually to SAP ERP.

Today, the application is helping FMC Agricultural Products enjoy improved audit compliance, including transaction and modification tracking and risk control. The company's accounting close processes, which used to take three days, now take less than one day. Decision making is no longer controlled by manually produced spreadsheets. Most important, the FMC corporate office has achieved visibility into FMC Agricultural Products treasury operations. Now it has anytime, anywhere access to its cash standing and the financial information it needs.



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