



# Leveraging Technology for Value Creation



Michael Sack, GN Group

**G**N Group is a global leader in intelligent audio solutions, with key brands: Jabra; ReSound; Beltone and Interton marketed in 100 countries globally. Through these innovative products, GN enables users to hear more, do more and be more than they thought possible. This same aspiration extends to treasury which is constantly striving to achieve better visibility over data and transactions, enhanced productivity and an even greater ability to add value to the group in new ways as it pursues its growth strategy. To achieve these objectives, treasury needs to leverage new technology to deliver greater efficiency, address changing risks, enable centralisation and provide a platform for future growth.

## Treasury objectives

With GN's rapid growth, treasury recognised the need to upscale its activities in anticipation of more complex treasury needs as a result of further business expansion. Although GN's treasury processes were appropriate to the existing business, they lacked scalability to meet

future financial and operational objectives. Cash and treasury management was largely decentralised, with entities connecting directly with local banking partners. As a result, GN has embarked on a treasury optimisation exercise to reflect the evolving strategic and operational needs of the business, supported with state-of-the-art technology.

## Setting the transformation roadmap

With additional recruitment to the treasury team, GN is now embarking on a step change in treasury centralisation, process efficiency and automation. By doing so, the company will be able to further rationalise its banking relationships, reduce costs by insourcing some activities formerly conducted by banks, standardise processes and controls and constantly deliver best-in-class reporting and decision-making.

The first step has been to outline the scope and objectives clearly. For example, as GN has grown, it has built up a portfolio of around 300 bank accounts with 50 different banks. This creates the potential for fragmented liquidity and a high connectivity and administration burden. Compliance going forward is also a major priority, so centralising bank account management, and obtaining electronic bank statements through a single channel will be essential.

*"Technology is key to this centralisation and transformation initiative. In particular, we wanted to expand treasury's reach, depth and influence in the company, and facilitate growth, without the need to increase the size of the team in the future."*

**Michael Sack, Group Treasurer, GN Group**

## Innovation through technology

A crucial step has been the decision to implement treasury management system (TMS) Kyriba as its treasury hub. The system supports consistent processes and reporting across the business, irrespective of users' location. An essential capability is Kyriba's one-stop connectivity with the group's banking partners via SWIFT. Kyriba and SWIFT have a proven track record of working together successfully on similar client engagements globally to offer seamless cash, treasury and bank communication capabilities, which makes this co-operation very positive for GN. Having used various TMS at other companies in the past, the treasury team was attracted to Kyriba's modern technology, intuitive look and feel, scalability and flexibility to adapt to its evolving needs. The solution also promises to be cost-effective with the additional benefit of local support in Singapore.

*"Bank connectivity through SWIFT was a critical requirement for us. Although banks offer proprietary solutions that offer multi-bank communications, we did not want to be tied to a single bank. Bank risk has increased significantly over the past decade, so independent access to the banking community is essential, working with a vendor with the stability and longevity to be a reliable business partner."*

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Although GN is in the early stages of implementation, the team has already made progress towards achieving its objectives with demonstrable outcomes.

Treasury now has access to comprehensive cash and treasury management capabilities across the group with a single gateway to banking transactions and information with its banks. GN is intending to use XML ISO 20022 formats across all major banks, so processes can be automated based on standardised information. High straight-through processing rates are an important target, with consistent, end-to-end controls over payment and information flows.

*"My working day has been transformed as a result of implementing Kyriba with SWIFT. Today, I can see my kids, get coffee and check my cash balances, even before the school bus arrives. Visibility and transparency of information is fundamental to everything that we do in treasury, and we rely on Kyriba and SWIFT to provide this."*

**Michael Sack, GN Group**

## Overcoming challenges

Implementing change always takes careful planning and communication, particularly as users had been accustomed to existing ways of working over many years. Senior management has been very supportive, which is essential to empower treasury and minimise organisational friction. Treasury is building a core team of users who will act as ambassadors to the rest of the group as the system is rolled out. This approach has proved very successful in other organisations, who have found that it encourages enthusiasm for the new system and rapid recognition of its value in enhancing people's roles. Kyriba's ease of use will be critical to this. Furthermore, with seamless integration with SWIFT, users can

access bank information and services through a single channel without the need to log on to separate systems with different user security arrangements.

Looking ahead, GN will complete the roll-out of Kyriba and SWIFT across its banking and user community, and expand the reach of its activities. For example, treasury is seeking to integrate Kyriba with its accounting system to automate account postings, including setting up an in-house bank.

*"Treasury is not measured on the implementation of technology, but on the value that this delivers in terms of reduced costs, greater automation and standardisation, and ultimately the quality of decision-making. With enhanced visibility across the business, we can now forecast cash flow more effectively, and therefore supporting group-wide liquidity and risk objectives, and contribute proactively to achieving growth objectives."*

**Michael Sack, GN Group** ■

## Key Points

- GN Group, supplier of intelligent audio solutions, has recently expanded its treasury team and is undertaking the optimisation of centralisation, efficiency and automation
- The decision was taken to implement a TMS and Kyriba was chosen as the treasury hub, providing one-stop connectivity with the group's banking partners via SWIFT
- Although still in the early stages of implementation, some objectives, including cash and treasury management capabilities across the group, have already been achieved
- Further plans include the use of XML ISO 20022 formats and the completion of the roll-out of Kyriba and SWIFT across the group's banking and user community