



Success Story



# Pushing the Boundaries of Treasury Technology



## Success Story: Nordson

**Nordson, a precision technology company with worldwide exposure, was able to improve its treasury insights into data quality particularly with regards to bank-related transactions, into processes and treasury KPIs with the support of the innovative technologies provided by Serrala: FinanceSuite (now available as next generation FS<sup>2</sup>) modules for Payments, Cash and Liquidity Management, and Cash Application.**

The Nordson company serves numerous consumer non-durable, durable and technology end markets including packaging, nonwovens, electronics, medical, appliances, energy, transportation, construction, and general product assembly and finishing. Founded in 1954 and headquartered in Westlake, Ohio, USA, the company is listed at the NASDAQ. Nordson has operations and support offices in nearly 40 countries. In 2016, Nordson reported sales of \$1.8 billion and 6,127 employees worldwide.

### Pushing the boundaries of treasury technology

KPIs are important for every treasurer to make well-informed decisions. The data a treasury team needs is often held in its ERP system. The problem, however, is that this data is not always easily accessible and exportable into the treasury systems.

**“To summarize the results of the project, we can say that thanks to the SAP-integrated approach of Serrala delivering many intelligent solutions and highest levels of automation and transparency, we have been able to achieve much higher data quality than before.”**

Alexander Schulze, Cash Manager Europe  
Nordson Holding

At Nordson, the treasury team decided to look for a solution that would deliver the KPIs from within the existing SAP ERP set-up and that would fit the Shared Service Centre structure of the company. With the new solution, Nordson sought to address a number of key challenges it has identified for its treasury. The banking processes, for example, lacked standardization and best practice approaches. “Moreover, we identified a couple of potential risks with financial transactions and lacked the visibility and benchmarking needed both at pool and global company level. Our infrastructure was rather fragmented with several local tools and interfaces in place. Data quality from the existing systems was rather poor and difficult to track. Mitigation controls were dominated by paper-based and thus time-consuming processes that added complexity to fulfilling compliance with our internal regulations. Any new acquisition or task like adding a new bank to our system were complex and time-consuming to implement within SAP”, described Alexander Schulze, Cash Manager Europe at Nordson Holdings.

“Our objective was to streamline finance processes into a system driven workflow processes in which data would be automatically reconciled and financial transactions automatically logged and audited by the system. We thus looked for a smart cash forecasting and liquidity planning program that would enable us to do all that. The solution should be fully embedded in our SAP system and provide

geographic independence so that we would have a single central platform to manage and control all transactions. The new solution would also have to visualize valuable key performance indicators (KPI) and provide reporting to support business and management decisions. Overall, we wanted to significantly improve our risk analyses and control, and eliminate errors that occurred during manual processes in the past”, explained Alexander the objectives of the project.

## Process Optimization with Serrala Finance Solutions

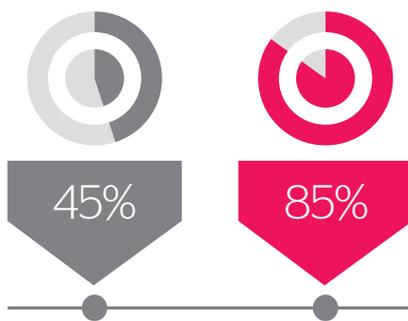
After the global crisis a few years ago, the banking landscape changed so that Nordson Corporate Treasury started looking for a global treasury software solution. The list of requirements was long, the most important being:

- Integration in SAP: one fully embedded tool using the SAP database – most of the Nordson subsidiaries are set up on the SAP ERP system.
- One-platform solution: the cash & liquidity planning and forecasting was time consuming and inefficient (Excel) and rooted on several sources and should thus be managed in a single platform in the future.
- Efficient processes: cash concentration, cash disposition and working capital had been time consuming and difficult to research. The time to provide the full reconciliation of all transactions needed to be improved and automated.

Nordson took the time to do thorough market analyses and research of potential software providers. As the different Serrala modules are fully SAP-integrated and provide all the features Nordson was looking for, Nordson selected the FinanceSuite modules of Serrala, which are now available as the next generation version FS<sup>2</sup> and which Nordson will shortly migrate to.

# Effects and Benefits: the Serrala Solutions Implemented by Nordson

## FS<sup>2</sup> AutoBank: Intelligent Cash Application



Cash application automation increased by 55% rate

- The first phase of the global technology rollout started in Europe with the implementation of the module FS<sup>2</sup> AutoBank in 25 entities across 19 different countries.
- In addition to this ambitious roll-out, Nordson performed a re-mapping of the banking partners, a huge master data cleansing and the streamlining of most of its finance processes.
- The project took only six months from blueprint to go-live and Nordson stayed below the project budget. With FS<sup>2</sup> AutoBank the automatic matching rate for cash application has been raised from 45% to 85% in 2017 for all of its European entities.
- Overall, FS<sup>2</sup> AutoBank provides Nordson now with a full insight into all cash flows accounted for. The rule-based software enables the treasury department itself with little or no IT support to adapt the rules to changing regulations or conditions thereby continuously enhancing the automation rate further. Human errors have been reduced to a minimum. These results have a positive impact on the days sales outstanding (DSO) and the data quality in general. In addition, all bank balances are reconciled immediately when the statements are imported into SAP, granting full view on all cash positions right away.

## FS<sup>2</sup> Payments: Smart Payment Management

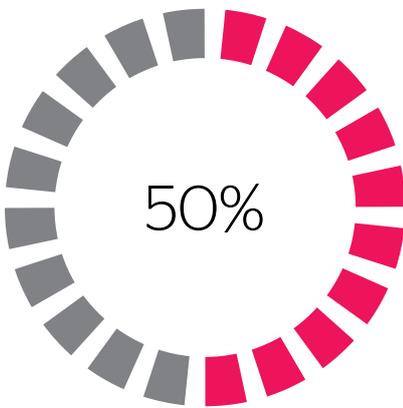
- FS<sup>2</sup> Payment Management helped Nordson to achieve compliance with the SEPA regulations that became mandatory in 2014.
- Payment authorizations have been centralized to one single platform, now fully embedded into SAP.
- Today, there are only six signers and three users required to process all payments down from over 100 previously. This is a huge improvement to before and has helped minimize payment risks and to significantly increase payment security for Nordson.
- All payments that are managed via the Serrala solution are automatically used for forecasting within the Serrala module for cash and liquidity management. This not only increases the accuracy of the short-term cash forecast but also gives Nordson more flexibility in using any cash surpluses identified that way and helps improve working capital.

## FS² Cash & Liquidity: Clever Cash & Liquidity Management

- Nordson's approach was to use the precise data obtained from the cash application and the payments modules for improving the forecasting and planning.
- FS² Cash & Liquidity centralizes and consolidates cash, liquidity and treasury management functions into one tool. Nordson gets instant cash information for all European operations via FS² SAP, AutoBank and Payment Management.
- Cash & Liquidity enables Nordson to increase the cash concentration frequency and helps provide sufficient liquidity to the business whenever and wherever it will be required. This way, it was possible to set up a specific liquidity planning which is reflecting Nordson's reporting and forecasting requirements in the area of Treasury more adequately than before.

## Summary of the Key Benefits

"To summarize the results of the project, we can say that thanks to the SAP-integrated approach of Serrala delivering many intelligent solutions and highest levels of automation and transparency, we have been able to achieve much higher data quality than before. There are now considerably less rejects, our accounting is correct and highly automated. Thanks to the integration and automation we have improved our straight-through processing. The better the data quality, the better our cash and liquidity management. We simply did not have the visibility that we have now. We have significantly saved time and costs as cash application and payment processes run much faster than before. We estimate that we have saved at least 50% of processing time. As all our data and control steps are now fully logged and audited within SAP with the help of the Serrala modules, our documentation is much better now in terms of comprehensiveness and quality - our internal and external auditors are delighted!", summarizes Alexander Schulze the benefits of the solutions. The next step is to move to FS², the next generation of the Serrala modules. „We are also looking at enhancing our business intelligence by introducing FS² Analytics. And we are considering Serrala's new solutions for credit management, disputes and collections“, he concludes.



Processing time reduced by 50%

## The Wider Implications for Treasury Practitioners

“The data a treasurer needs is already there. The numbers are often just not easily accessible and exportable into a TMS solution. However, by enhancing the underlying processes – such as cash application, payments, cash forecasting – so much can be achieved as we realized in the project. By automating and streamlining these processes and integrating them with the treasury functions in the central ERP system, the treasury department stands to gain a lot, particularly in terms of data quality, accelerated processes, time and cost savings, and – last but not least – the reliable KPIs needed for well-informed treasury decisions.”

## FinanceSuite AutoBank Automatic Cash Application – now FS<sup>2</sup> AutoBank

The Serrala solution FS<sup>2</sup> AutoBank helps companies worldwide to optimize their automatic cash application process thanks to intelligent reconciliation features for bank statements, incoming checks, remittance advices and lockboxes. Any format is easily processed by FS<sup>2</sup> AutoBank which automates at the invoice level on average by 80%, with peaks to 98%. Unique post-processing features, self-learning functions and powerful application techniques ensure same-day processing and highest efficiency in the Order-to-Cash-Cycle at all times – also when business volumes are rising! Fiori apps provide instant access to key processes accelerating cash application even further. With FS<sup>2</sup> Analytics, the solution offers in-built business intelligence reporting capabilities, a central and real-time overview of key figures and the status of processes. FS<sup>2</sup> AutoBank is fully embedded in SAP and works with SAP S/4HANA Finance, HANA as well as previous SAP systems such as ECC. Best-in-class matching rates are enabled with this solution sustainably driving down DSO.

# Serrala Brings Clarity to Complexity

Serrala optimizes the universe of payments for organizations that seek efficient cash visibility and secure financial processes. Serrala supports over 3,500 companies worldwide with advanced technology and personalized consulting to optimize all processes that manage incoming and outgoing payments: from order-to-cash, procure-to-pay and treasury to data and document management. Represented on three continents with 17 regional offices in Europe, North America, Middle East and Asia, over 600 employees are dedicated to service companies of all industry sectors – from medium-sized companies to global players. Over 30 years of industry experience provide us with the necessary knowledge and understanding to be your trustworthy partners.



**SERRALA**

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