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Adam Smith Webinars



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Company Overview



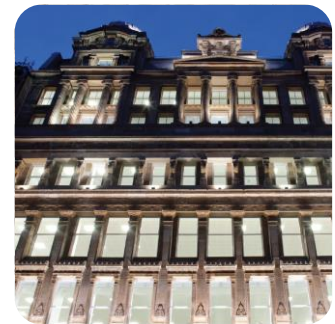
- Global Health Services Company: 89 million customers
- 37,000 employees with sales capabilities in 31 countries
- 2014 Consolidated Revenue: \$34.9 billion
- Three Operating Divisions
 - Global Healthcare
 - Life and Disability
 - Global Supplemental Benefits
- Our Mission: To improve the health, well-being and sense of security of the people we serve.

Company Overview



Cigna Treasury Operations

- **US**: Centralized operations – *40 people*: Key functions include Cash Management, Bank Reconciliation, Cash Accounting, Bank Administration, Capital Management, Treasury Technology and Treasury Consulting (includes 2 FTEs in Hong Kong to support Asia Pacific banking projects)
- **Europe**: Hybrid model - *15 people*: Shared service operations in Glasgow.
- **Asia Pacific**: Decentralized operations - *40+* people that have Treasury functions embedded in their Finance role



Past Pain Points

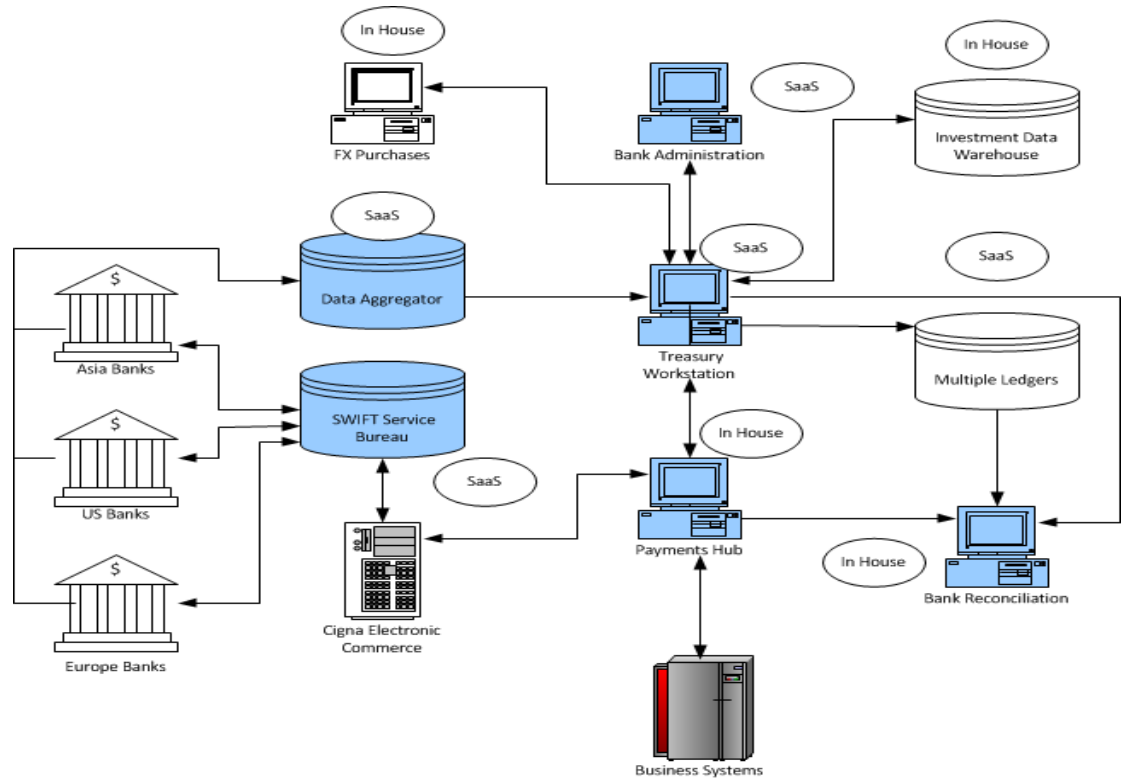
- Poor visibility to global cash balances and transactions
- Lacking functionality to capture metrics around cash forecasting
- No timely global counterparty exposure reporting
- Time consuming regulatory reporting (FBAR)
- Multiple systems/portals utilized for payments
- Global IT support lacking
- Inconsistent controls across offices
- Spreadsheet oriented environment outside the USA
- Manual processes

Goals for Transformation

- Increased net investment income due to better operating cash visibility
- Elimination of critical system risks from outdated Treasury technology
- SWIFT Service bureau eliminates the maintenance associated with multiple bank connections
- Full time equivalent (FTE) savings due to elimination of manual processes
- Automated regulatory reporting (FBAR)
- Improved risk management, including access to current bank ratings, FX positions and consolidated counterparty exposure
- Automated controls for all aspects of banking, cash management, payments, cash accounting and reconciliation functions

Cigna End-State Treasury Platform

- Bank data aggregator (SaaS)
- Bank account management platform (SaaS)
- Global payment hub (In-house)
- SWIFT service bureau/Financial messaging (SaaS)
- Treasury & Risk Management system (SaaS)
- Web services/Extract Transform Load (ETL) tools
- Integration with FX trading and settlement platform
- Integration with multiple general ledger platforms



Cigna's Project Scope

Project Scope - 3 Year Program

- Automated treasury management capabilities in virtually every global location
- 150 banks, 5,000 deposit and custody accounts \$250B in global cash flows of 200 legal entities
- 1.5M global cash accounting entries to be automated where possible
- \$1B in intercompany lending and pooling
- \$.5B in FX transactions in over 75+ currencies, \$5B in debt outstanding
- Foundation to expand domestic payment platform to regional international with consistent formats and controls

Cigna's Project Timeline

- Phase I (2014): Build Foundation & Implement Pilot
 - Global Holding Companies/US Medicare/Belgium Operation
- Phase II (2015): Europe, North America and Hong Kong
 - US/Canada/UK (European Shared Service)
 - Hong Kong Shared Service and Local Operations
- Phase III (2016): Asia Pacific
 - Q1: Korea/New Zealand/Australia
 - Q2: Taiwan/Indonesia/Thailand
 - Q3: India/Saudi Arabia
 - Q4: China/Turkey

Cigna's Project Structure

- Develop an effective project organization
 - Assign a project manager (dedicated resources where possible!)
 - Establish critical project workstreams (Cash Mgt, Accounting, FX, etc)
 - Actively involve the global team in the project organization
- Develop a project governance structure
 - Finance PMO (CFO's direct reports)
 - Project Steering Committee (Key Sr. Mgr stakeholders)
 - Workstream Committee (Leads of all workstreams)
- Develop a project communication plan
 - Identify all key stakeholders
 - You can't communicate enough!
 - Staff meetings/town hall meetings/lunch and learn demos, etc.

Other Things to Consider

- When preparing your business case....
 - Understand your company's Internal cost allocation process
 - Senior management support is critical
- Global implementations: Understand how you will support the model post implementation
 - SaaS or hosted vs. installed implementation
 - Outsourced vs. In-house support
- Include contingency for the “unexpected” in your project budget
 - Expect the “unexpected”

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Question time



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