

KUEHNE+NAGEL

**One channel, one format, one security
module and one security policy**

Wednesday 7th September 2016 at 15:00 BST | 10:00 EDT | 16:00 CEST



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Adam Smith Awards 2016 - Swift Project **Kuehne + Nagel**

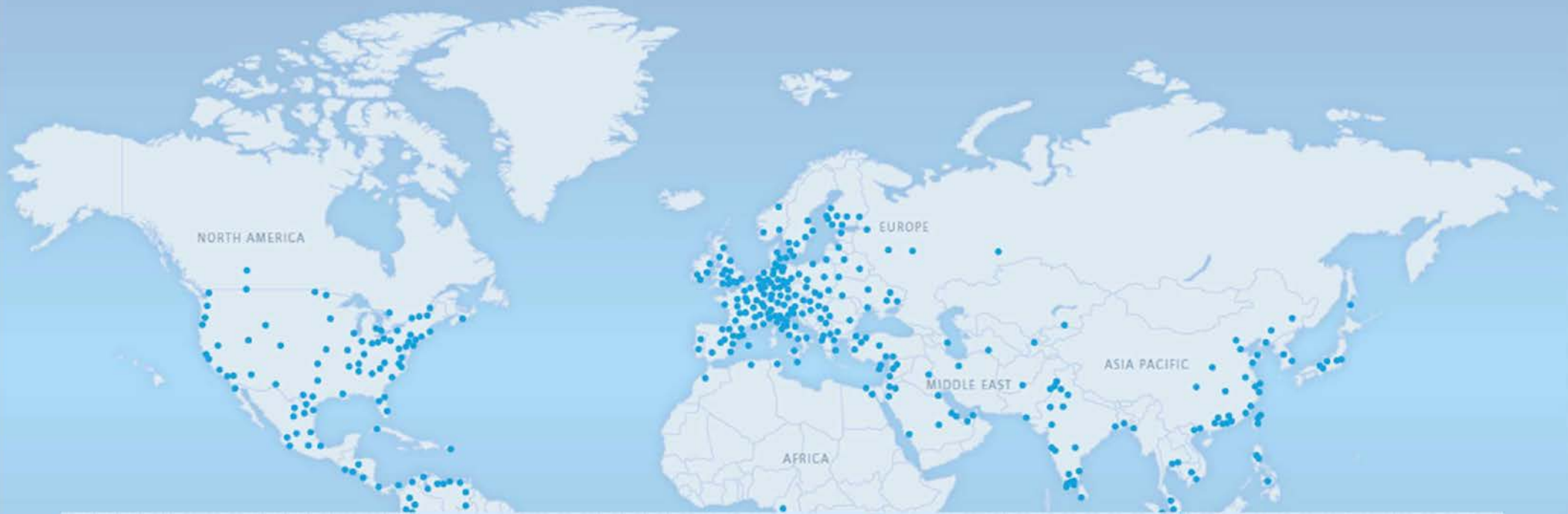
Benedikt Zimmermann-Kuehne
September 7, 2016



Kuehne + Nagel Group

Swift Project – Initial Situation

Swift Project – Solution, Lessons learnt



The Global Logistics Network

- Worldwide network – more than 1,000 locations in over 100 countries
- Integrated service portfolio – approximately 67,000 employees
- Net Turnover of CHF 16,731 million in 2015



Comprehensive Global Logistics Solutions World Class Capabilities and Positioning



Airfreight
Top 2 globally



Contract Logistics
Top 2 globally



Seafreight
No.1 globally



Overland
Top 3 in Europe



Integrated
Logistics
No.1 globally

3.8 million
TEUs shipped

1.25 million tons
handled

22.5 million
road orders

9.5 million m²
Logistics Centre
footprint

750 experts in
7 global Logistics
Control Centres

Note: All figures relate to 2015



Dimensions and facts

Kuehne+Nagel - Seafreight:

Volume in 2015: 3'820'000 TEU

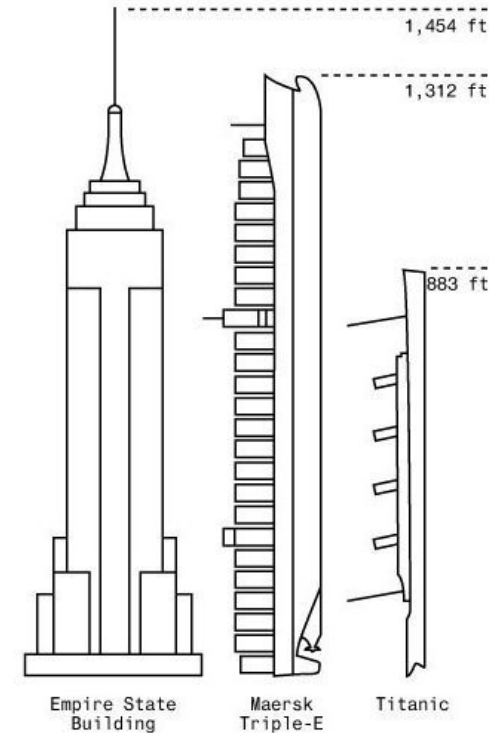
Largest vessel carries 18'000 containers

Equivalent to 212 fully loaded ships.

Each ship = 400 meters long



1 TEU = 20' container:
 200 full size mattresses
 48'000 bananas
 60 refrigerators
 400 flat screen tv's





Initial Situation

ERP

- Every country worldwide on the same ERP
- Inhouse developed ERP
- Every country in charge of bank connection

Business

- Local business with local customers and local suppliers
- Local bank accounts and local accounting

Banks

- Corporate Bank Concept



Initial Situation – Bank Connections Old ERP

Release of payments

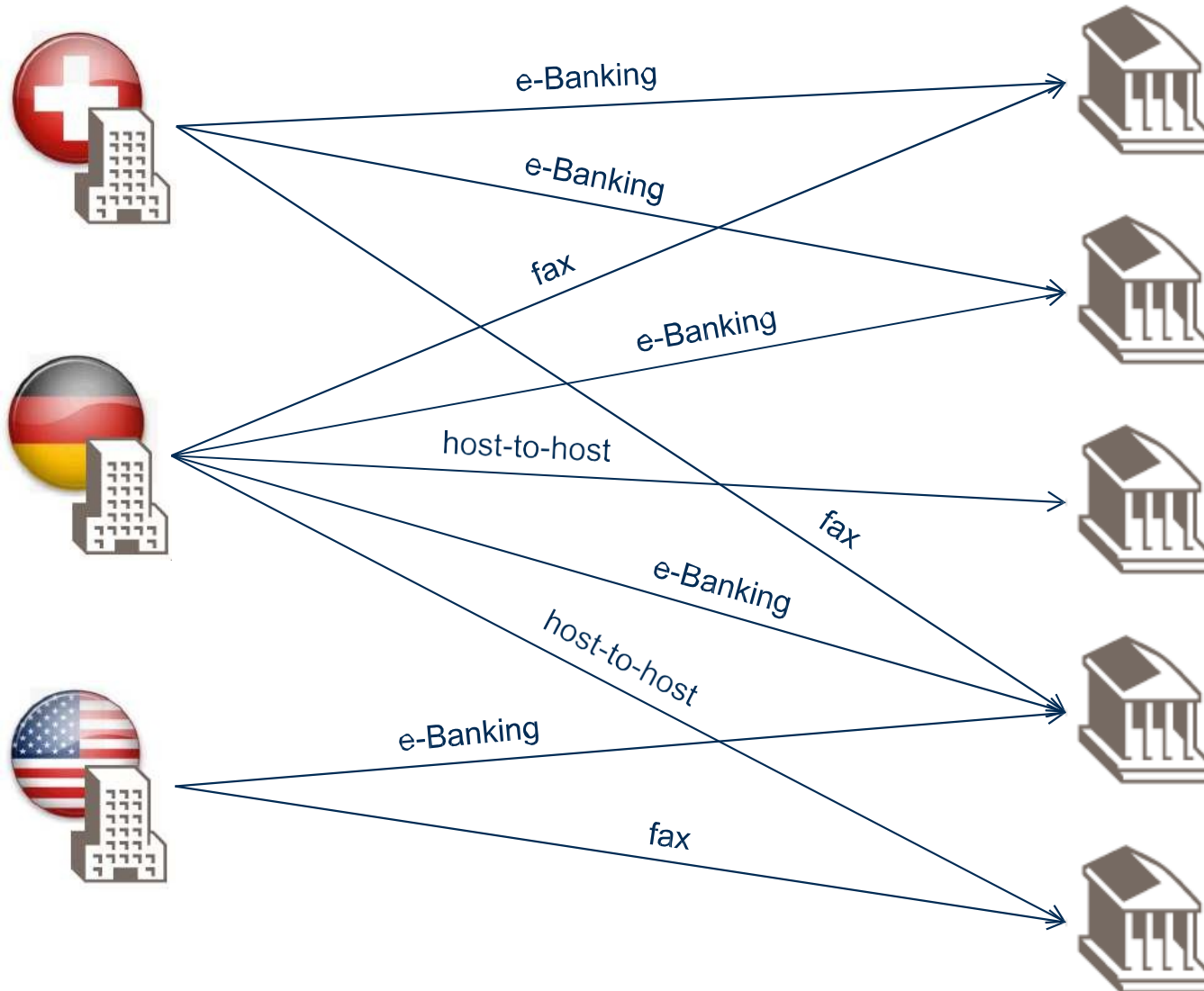
- different in every country (e-banking, host-to-host, fax etc.)
- different formats (txt, csv, ebics etc.)
- different security module
- different security policy

Incoming Statements

- different import process (manually, partly or fully automated)
- different formats



Initial Situation – Process Old ERP





Initial Situation – New ERP

In late 2014 roll out of new ERP

Inhouse developed on latest technology

Decision to rebuild all bank connections



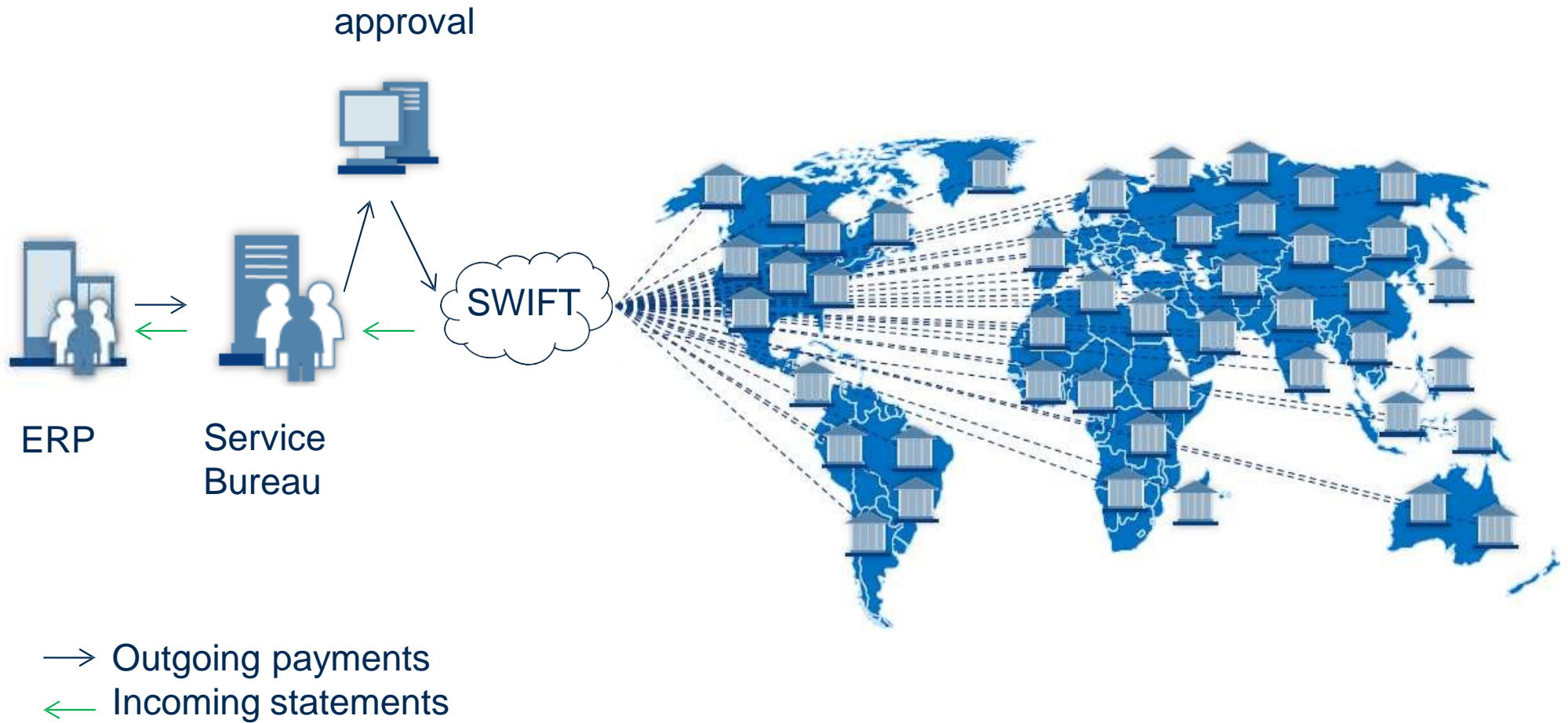
Project Start – Vision

We believe that it must be possible on our days, that Kühne + Nagel should be able to connect with “all” their banks worldwide through **one channel**, in **one format** and with **one security module** following **one security policy**.





Project Start – Process





Solution – Service Bureau

Why do we need a Service Bureau?

- Know-how & support
- Connectivity to SWIFT
- Managing the entire technical platform
- Format conversion
- Quality & security checks
- Web tool for approval



Solution – One Channel

One channel

- Payments out of ERP, via secure connection to Service Bureau, conversion, via Swift to the Banks
- Bank Statements via Swift to Service Bureau, conversion, via secure connection to us, booking in ERP



Solution – One Format

One format

- Internal standardized xml format for both incoming and outgoing payments (pain.001.001.05)
- Service Bureau converts internal format to different payment formats of banks (pain.00.001.03)
- Service Bureau converts all bank statements (camt053 and MT940) back into internal xml format



Solution – One Security Module

One security module

- Payment approval locally via a centralized platform
- Centralized monitoring of all payments
- Standardized reports on a company level on volumes (and values) of the payments
- Administration and user management is done centrally
- Regular user check against HR database



Solution – One Security Policy

One security policy

- All roles and user rights are setup centrally based on global policy
- Policy under control of head office
- No exceptions

Solution – Vision came true

Our vision came true

There is no difference in Channel, Format, Security Module and Security Policy.

No matter if the incoming or outgoing payments is made in New Zealand, South Korea, Bangladesh, Pakistan, Romania, Estonia, Switzerland, Belgium, Norway, Ireland, Canada, Chile or all other countries worldwide which are already implemented.





Solution – Statistics

Bank statements in more than 60 countries live

More 50'000 payments in August 2016, for 69 companies in 42 countries

By next year more than 80 countries for bank statements, more than 60 countries payments, yearly volume of 2 million payments



Lessons learnt

Score Contract

Contract for each country

Bank setup

Local Formats



Discussion



KUEHNE+NAGEL

QUESTION TIME



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