

# Overall Winner

## Best in Class Treasury Solution in Latin America/Caribbean

AbbVie Inc.  
Esperanza Casillas Arana, Regional Treasurer,



### LATAM and Canada managed from Treasury Centre of Excellence

#### The challenge

Since its spin-off from Abbott in 2013, AbbVie Inc. has had a clear vision of what its treasury and cash management foundations and strategy should look like. The following summarises the core elements:

- Centralised treasury operations.
- Single ERP.
- Simplified account structure.
- Regional Centre of Excellence to support Latin America and Canada.
- Careful selection of banking partners.
- Process automation and standardisation.
- Centralised management.
- Outsourced non-core activities (AP/AR/payroll).
- Empowered core team cross-trained to operate multiple markets/regions.
- Cyber-security at the center of its projects.

Prior to the separation, the company operated a decentralised treasury model. AbbVie's goal was to move away from that and implement a centralised and more efficient cash management and treasury operation. The challenge faced at the time was building on the above-mentioned core elements, while supporting the newly created business entity; AbbVie Inc.

#### The solution

AbbVie started with a single instance SAP implemented for all countries. As part of its digital treasury journey, in 2019 it committed resources to migrating from SAP EEC to S/4 Hana, looking to enable quality data integration from various systems, enhance its ability to manage real-time data analytics and offer better information to senior management/decision makers.

In 2019, a remnant of some cash management activities in Central America, which were managed by the local finance/business teams, were migrated to the Centre of Excellence (COE) without any additional FTEs. These activities were absorbed without incremental headcount to the COE, as they built it into their daily operations through process automation (ie e-cheque solution implemented in Argentina, tax payments via

host-to-host (H2H) in Brazil, automated delivery of reports to AbbVie's users without access to electronic banking platforms, etcetera).

Using CitiDirect BE for Trade, the COE began to implement online local guarantees issuance for Peru, Guatemala and Dominican Republic. This solution eliminates the need to submit physical paperwork while streamlining electronic initiation, provides central control and approval access to reports in order to track the various performance bonds issued.

Payroll payments initiation, which had been outsourced to a third party, became part of the responsibilities of the central team. Electronic cheque collections in Argentina, via Citi's e-cheque solution, was completed, eliminating the need to scan post-dated cheques and later send originals to the bank for custody until cashed.

The company also implemented a new short-term assignment programme in treasury as a career development opportunity, based on the process documentation library built by AbbVie since the formation of the COE. This process documentation discipline has been regularly updated. The training included: payment initiation process, cash flow forecasting, hedging, use of derivatives, FX management, reporting, while continuing to manage other day-to-day responsibilities.

More recently, various CitiDirect BE users in the Dominican Republic who did not have their physical token when the COVID-19 lockdown was issued, were successfully activated as CitiDirect BE MobilePass users, granting them access to initiate transactions in Citi's electronic banking platform while working remotely.

#### Best practice and innovation

AbbVie's team envisioned a centralised treasury model, supported by technology, the most qualified treasury professionals, rigorous control mechanisms, cyber-security and overall, a working environment that would foster innovation, flexibility and best practices adoption.

#### Key benefits

- Full control and visibility.
- Improved efficiencies.
- Enhanced working capital metrics (DSO, DIO and CCC).



I have worked with AbbVie since 2013 and we have developed a business partnership where open dialogue, transparency and trust are key factors. AbbVie began their journey with a clear vision to make the centralised treasury model sustainable, drive projects through innovation, flexibility and invest in technology and talent as needed. Treasury is a key partner to the business, entrusted with responsibility to ensure a simple, digital, cost-efficient and seamless treasury operation making this the overall winning submission in this regional category.

**Daniella Quintero, Regional Solution Sales, Treasury and Trade Solutions, Latin America, Citi**

in partnership with



AbbVie's mission is to discover and deliver innovative medicines that solve serious health issues today and address the medical challenges of tomorrow. It strives to have a remarkable impact on people's lives across several key therapeutic areas: immunology, oncology, neuroscience, eye care, virology, women's health and gastroenterology, in addition to products and services across its Allergan Aesthetics portfolio.