

Highly Commended Winner Best Cash Management Solution

Bristol Myers Squibb

Sarah Johannesen, Senior Director, Cash Management, Banking and Treasury Operations



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Bristol Myers Squibb (BMS) is a global biopharmaceutical company whose mission is to discover, develop and deliver innovative medicines that help patients prevail over serious diseases.

BMS upgrades its cash management in Europe and the US

The challenge

After multiple acquisitions, BMS had been diligently working on integrating and centralising all treasury activity into the BMS banking structure. The company's banking structure was sub-optimal, leading to inefficiencies and increased costs. The company was not centralising its cash effectively, resulting in reduced interest income and increased manual work. This fragmented approach led to excess bank accounts and higher bank fees. Historically, BMS managed multiple, fragmented accounts payable functions across Europe due to legacy processes and acquisitions. This decentralised approach created redundancies, inefficiencies and inconsistencies in payment processing. BMS also had inefficiencies in its decentralised banking operations, including the use of multiple e-banking portals and fragmented system administration.

The solution

To address these challenges, in 2024, BMS sought to implement a best practice cash and liquidity management structure by issuing request for proposals (RFPs), with the focus on the US and Europe. The aim was to create a more efficient and cost-effective structure that would look to enhance control, reduce risk and maximise returns on its cash balances. Treasury partnered with the accounts payable (AP) team to centralise AP operations under one streamlined core process. Treasury led a comprehensive project to consolidate these operations, significantly reducing the number of e-banking portal instances and centralising system administration in the US. The projects were a collaborative effort involving the treasury team, PwC, J.P. Morgan, Citi, Deutsche Bank, BNP Paribas and various internal stakeholders. As a result of the RFP, BMS worked with Citi to implement a single entity multi-currency notional pool (MCNP) in London for its European operations. BMS set up additional currency header accounts and expanded the target balance structure resulting in 20 Citi header accounts with over 80 source accounts. BMS had multiple AP functions in Europe with multiple banking partners due to acquisitions and legacy processes. Additionally, BMS migrated its lockbox activity to one US banking partner reducing bank fees and speeding up access to its cash. The RFP process resulted in reduced cash management

fees, harmonised FX spreads across all global banking partners and improved interest rates resulting in annualised savings of approximately US\$6m.

"Throughout the RFP process we identified opportunities to reduce our e-banking platforms by centralising the global banking function to treasury and alleviating some of the work the local markets were doing related to bank account administration. We further optimised our already lean banking structure by closing over 60 additional bank accounts. The implementation of our new cash and liquidity management structure has transformed our treasury operations," explains Sarah Johannesen, Senior Director, Cash Management, Banking and Treasury Operations.

As a result of the RFPs, BMS has enhanced its banking structure, reduced the number of bank accounts, decreased bank fees and obtained more favourable FX spreads on foreign currency payments. Most importantly, the company is now maximising the interest earned on its bank balances, enhancing its overall financial performance. The centralisation of AP has resulted in cost and time savings, along with the ability to close bank accounts. The centralisation of banking administration resulted in a reduction of bank fees by eliminating a large volume of different users and portals. This comprehensive solution has addressed the challenges BMS faced and positioned the company for continued success in managing its cash and liquidity.

Best practice and innovation

The RFPs resulted in reduced transactions bank fees (~40%), increased interest spreads, and reduced foreign exchange (FX) spreads on foreign currency payments (~45%), across all BMS banking partners. This has significantly lowered their overall banking costs and improved their financial performance.

The European MCNP and enhanced target balance structure allows BMS to optimise its cash management across 20 currencies. This initiative has improved liquidity management, enhanced return on cash and reduced manual workload.

By consolidating and closing numerous bank accounts (over 15%), BMS simplified its banking structure,

reduced administrative overhead, and undoubtedly helped minimise the risk of errors and fraud.

The team has worked diligently to streamline various treasury processes and centralise additional AP functions. This has led to closures of bank accounts, increased efficiency, better control and enhanced visibility over its financial operations. The reduction in e-banking portal instances and the centralisation of the system administration processes resulted in cost savings, enhanced oversight and likely reduced the risk of fraud and other potential risk exposures.

Key benefits

- Cost savings.
- Process efficiencies.
- Increased automation.
- Risk mitigated.
- Errors reduced.
- Number of banks/bank accounts reduced.
- Manual intervention reduced.
- Future-proof solution.

Bristol Myers Squibb and Citi have enjoyed a decades long relationship, sharing Ireland as a European base we have expanded as major hubs for global operations. We collaborated once again in 2024 on an ambitious RFP to optimise their European banking structure across 23 markets. One of the differentiating factors about the Citi solution was our network, as we had a 100% match across the markets in scope. This allowed BMS to take full advantage of ubiquitous connectivity, payment rails and advanced liquidity management to help bring economies of scale and realise full value through optimisation leveraging a single bank model.

David Nugent, Director, TTS Global Solution Sales, Services and Rizwana Ameer, Director, Global Subsidiaries Group
Citi

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Following their acquisition of Celgene, Bristol Myers Squibb initiated a strategic plan to centralise and optimise banking operations by rationalising legal entities and standardising the ERP system to SAP, transitioning Celgene's Oracle system. As one of the strategic banks for both BMS and Celgene, J.P. Morgan partnered with BMS during the RFP process to achieve substantial cost savings, enhance banking structures, align with industry standards, explore operational efficiencies and harmonise pricing across the merged entities. We are thrilled to receive this recognition. Congratulations to BMS from the entire J.P. Morgan relationship team!

Nancy Yu, Executive Director
J.P. Morgan Payments

in partnership with **J.P.Morgan**

PwC is proud to have partnered with Bristol Myers Squibb in optimising their cash management structure across Europe and the United States. Together, we delivered substantial cost savings while enabling BMS to leverage the latest innovations in cash management. It has been a privilege to support the BMS treasury team on their transformation journey. Congratulations to the entire team on this achievement!

Didier Vandenhoute, Partner
PwC

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