

CASE STUDY

A Global Platform during a Global Pandemic

Isabelle Badoux, Head of Global Treasury Operations, Systems and Treasury Transformation, Sanofi

Sanofi is dedicated to supporting people through their health challenges. We are a global biopharmaceutical company focused on human health. We prevent illness with vaccines, and provide innovative treatments to fight pain and ease suffering. We stand by the few who suffer from rare diseases and the millions with long-term chronic conditions. With more than 100,000 people in 100 countries, Sanofi is transforming scientific innovation into healthcare solutions around the globe.

Sanofi's commitment to innovation extends not only to its healthcare solutions, but also its internal processes. In 2017, Sanofi launched a flagship project to implement a global ERP across the group and provide an integrated platform to support its operational and strategic ambitions. At the same time, Sanofi launched a treasury transformation programme. Isabelle Badoux, Sanofi's Head of Global Treasury Operations, Systems and Treasury Transformation, describes the impact of this project on treasury, and the factors that have driven its success.

Project Background

Sanofi has a sophisticated treasury function, but to keep pace with our increasing responsibilities and ambitions, we needed to upgrade our systems infrastructure. Our aim was develop one system for multiple stakeholders, offer enhanced, real-time visibility of data, achieve better collaboration and greater flexibility.

In 2017, the decision was made at group level to implement a global instance of SAP ERP based on new S/4HANA technology. This would allow us to rationalise treasury processes and data and implement treasury best practices based on SAP Treasury, fully integrated with finance. The project was initiated as a multi-year programme, with a series of project phases. Treasury processes were deployed alongside the ERP implementation, starting in July 2018, and the full core treasury solution was deployed in September 2020.

Adapting to the new reality

Given the timing, the treasury implementation was inevitably challenged by the COVID-19 pandemic. We moved to remote working just before we started on a training programme to support user acceptance testing. Fortunately, Sanofi was well-equipped to support remote working. We quickly adapted to the new environment by setting up smaller training sessions delivered via telecommunication platforms. User acceptance testing was more difficult when people could not work together on-site, but we overcame this with detailed test scripts and virtual support rooms, with people available online, all day, throughout this period to help with user queries.

Our users did brilliantly by stepping up to the challenge of taking on a new and unfamiliar system during remote working, and we worked hard to provide them with the support they needed. Whereas under normal circumstances, people can experiment and explore how they will use a new system, it was far more difficult to do this in a remote working environment. This was a tremendous challenge as we could not manage a parallel run between our legacy treasury systems and SAP.

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Leveraging the benefits of an integrated technology environment

The experience of moving to a single ERP, which provides both an integrated environment within and beyond treasury, represents a major step change for our business, including:

Integration. By eliminating most of our ancillary systems, we have reduced the number of interfaces, and became directly integrated with finance.

Streamlining processes. Previously, processes such as a cash and accounting reconciliation were separate, with considerable scope for differences; today, these are single processes based on the same core data.

Liquidity. Liquidity is far easier to manage, with timely, accurate visibility over our current and forecast cash position on a group basis.

FX exposure management. Under the legacy process, we had to collate FX exposures from across the business manually. We now have an aggregate position of exposures across entities, with automated dealing to streamline FX risk management. This is a considerable enhancement that we are keen to extend further as additional entities migrate to the new SAP platform.

Bank connectivity. This was an important priority for Sanofi, considering the high daily volumes settled via SWIFT. We have implemented direct SWIFT connectivity through SAP via SWIFT Alliance Access (i.e. without the use of a service bureau), enabling efficient, secure straight-through-processing, whilst remaining bank and vendor agnostic.

Adapting to change

It takes time to become accustomed to a new user experience of operating on a single, groupwide system in treasury. However, we are working far more collaboratively, both within treasury teams and more widely across the business. We are also changing the way we communicate, with a single source of the truth accessible by all relevant users, so we can spend our time discussing and analysing, and making more informed decisions. People understand each other better, and how the tasks and activities they perform contribute to the wider business.

Planning for the new future of work

Over the next two to three years, we will be migrating Sanofi's remaining entities onto SAP. We will also deploy our core model to our consumer healthcare business, providing it with the technology and resources so it can operate as a standalone entity within the group.

Now that the core model is in place, future deployments will be more straightforward and integral to the rollout of the central ERP. In addition, to better control upgrades and become more agile when taking on new capabilities, we are working with SAP to extend its down port capabilities to treasury, so we can adopt new functionality without the need for a full upgrade. This will allow treasury to revert to being a small, agile team, focused on optimising the way we use SAP to fulfil our specific cash, treasury, and risk management responsibilities, and manage bank relationships and connectivity.

As we look ahead, we are planning our future working model, based on structured teleworking. We expect that people will work remotely at least two days a week, so we are prioritising digitization and automation, as well as cloud-based solutions to support this model.

Sharing experiences

Even while facing a global pandemic, our migration to SAP has been an important success in treasury and the wider business. There were several reasons for this success:

Dedicated project resourcing. Some treasuries plan their technology implementation projects on the basis that their treasury team will work part-time on the project alongside their day-to-day responsibilities. In contrast, we set up a dedicated project team, with the right skills and staffing. This proved essential to manage the demands of the project without impacting on our normal treasury business.

Embracing change and best practices. It can be tempting to try and replicate existing processes and data structures in their current form, rather than leveraging the capabilities of a new system. This can be detrimental by attempting to “force” the system to work in a way for which it is not designed, while ignoring potential opportunities to improve processes and adopt best practices.

Selecting the right implementation partner. While it was our intention to retain project skills and experience in-house, which we succeeded in doing, we also recognised the value of engaging specialist expertise to support us. We had a consulting partner working on the SAP migration at a group level, but we also secured SAP specialist treasury consultancy support, INTENSUM, which helped us to overcome obstacles, challenge SAP and make the best use of the treasury functionality provided in SAP. 