

# Highly Commended Winner Harnessing the Power of Technology

## Alexion Pharmaceuticals Inc

Stacy Liparidis, Associate Director, Treasury

ALEXION

Alexion is a US\$6bn global biopharmaceutical company focused on serving patients and families affected by rare diseases and devastating conditions through the discovery, development and commercialisation of life-changing medicines.

### Alexion Pharmaceuticals transforms cash visibility in automated treasury overhaul



#### The challenge

As a cash rich, highly acquisitive company with leading R&D programmes, including a phase three study in severe COVID-19 cases, Alexion needed to have a real-time picture of its cash to optimise liquidity for its operations. The goal was to automate as many of the company's treasury processes as possible, boost data validation and data accuracy and build a world-class treasury dashboard.

As a result of acquisitions, the company had new treasury colleagues with little to no treasury experience. Elsewhere, IT systems were at the end of their contractual life, clunky and highly manual. Everything ran in Excel.

The group manages cash and payment approvals for 68 global business units, trades derivatives with six banks and 12 currencies, and has 34 counterparties in the credit facility and 150 bank accounts globally. Alexion's

treasury needed to increase speed and accuracy, and deliver global cash reports on a daily, monthly, and longer-term basis to the wider team for quick, easy visibility into treasury activity as well as to identify strategic initiatives.

#### The solution

In 2020, the company completed a treasury transformation, establishing an integrated, SaaS infrastructure for FX, cash management, investments and reporting.

The company now has data flowing seamlessly across all key activities for a fully automated, end-to-end process. By integrating their newly implemented TMS (Kyriba), independent investment portal (ICD Portal), derivative transactions (Chatham Financial) and ERP (SAP) – which all have connectivity to other third-party systems and entities such as the company's banks, trading platforms and fund providers – Alexion is able to produce a comprehensive Daily Liquidity Dashboard, which serves as an invaluable tool for the business. The dashboard provides cash visibility, arming treasury with a single, simplified report of the metrics important for discussions with the CFO.

The process required a project manager to keep sight of the end goal of the vision. Success also depended on collaboration between internal and external teams to find a balance between routine activities and the project requirements, making implementation highly efficient. Alexion created and distributed new SOPs to the support team for training, incorporated new interfaces into audit narratives, and established a business continuity plan for disaster recovery.

#### Best practice and innovation

Alexion prides itself on being an innovative company in the development of medicines and sought to leverage that spirit in its financial initiatives too. In line with its growth, the company was ready for a massive, innovative treasury transformation. The result is a simplified Daily Liquidity Dashboard that has become the treasurer's 'favourite morning read.' The CFO has metrics important to her, and treasury has the information ready, at-a-glance. Alexion has gleaned real benefits from time-savings to increased

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visibility and data accuracy to a dramatic reduction in uninvested cash.

These benefits also extend beyond treasury to other departments, including vendor payments, cash application, bank reconciliation and accounting teams. With the SaaS-based infrastructure in place, the company is set up for continued success. Currently, Alexion is also exploring setting up a cash pool to consolidate uninvested balances into a separate entity, allowing treasury to gain interest on the cash swept into a parent account.

### Key benefits

- Clear visibility and close accountability of cash movements which has helped reduce global uninvested cash balance from double digit to single digit percentages of total cash.
- Real-time cash visibility.
- Increased accuracy, eliminating manual errors and saving valuable time.
- These benefits extend beyond treasury to vendor payments, cash application, bank reconciliation and accounting teams.
- The company is able to incorporate AR/AP data from SAP for all its business units and can now forecast out to ten weeks accurately.
- With the onboarding of ICD and 360T and partnerships with deposit banks, the company is able to leverage its cash forecast as a basis for its investment portfolio decisions.
- SaaS-based infrastructure brings the treasury function together. The team is split between headquarters in Boston and a centre of excellence in New Haven, CT. Treasury sits in the headquarters, away from operations, making real-time cash visibility, reporting and access critical.



ICD congratulates Alexion for their vision of what treasury can be when harnessing the power of technology. Their disciplined execution on this project not only rallied the collective efforts of their technology partners, but also armed internal stakeholders with what they needed from technology to move the business forward.

As provider of an independent investment portal that focuses solely on treasury, ICD brings decades of experience integrating with the industry's ecosystem of technologies. Given the digitisation of treasury today, it is the integration of vertical applications that has a multiplying effect on efficiency and on treasury's impact on the organisation.