

Highly Commended Winner  
**Best Investing Solution**

**Delivery Hero SE**

Julian Weber, Senior Specialist Treasury Risk and Investment



Roderick Mackenzie, ICD, Julian Weber and Christian Schmahl, Delivery Hero



Delivery Hero is the world's leading local delivery platform, operating its service in around 70 countries across Asia, Europe, Latin America, the Middle East and Africa. The company started as a food delivery service in 2011 and today runs its own delivery platform on four continents. Additionally, Delivery Hero is pioneering quick commerce, the next generation of e-commerce, aiming to bring groceries and household goods to customers in under one hour and often in 20 to 30 minutes. Headquartered in Berlin, Germany, Delivery Hero has been listed on the Frankfurt Stock Exchange since 2017 and is part of the MDAX stock market index.

**Delivery Hero lands new investment strategy and taps MMFs**

**The challenge**

The treasury team at Delivery Hero, the global group that drops our favourite brands at our door, had been left waiting for a best in class investment strategy. The absence of a standardised infrastructure made it impossible for the group to scale cash management processes across its eight treasury hubs; diversify investments, mitigate counterparty concentration risk and capture the opportunity of investing in high-yielding money market funds (MMFs).

In addition, the lack of technology in Delivery Hero's investment processes was at odds with technological leaps in other corners of the company's treasury function. "From a technology perspective, our goal was to continuously improve standardisation across the organisation for more efficient and scalable processes and to gain transparency and access to data for better business insights," says Delivery Hero Director Treasury, Christian Schmahl.

**The solution**

Delivery Hero onboarded ICD's independent portal for short-term investments. Supported by the group's centralised treasury, Delivery Hero used its own digital IT infrastructure to create a scalable, integrated straight-through process for managing cash and investments across their global operation.

The streamlined operation has cut the time treasury had to spend on manual work. Following a revision of its investment policies, the company could invest in MMFs as an alternative to bank deposits. A change that quickly benefited from higher returns when MMFs reset following central bank rate hikes.

The new technology and alternative investments also reduced the danger of concentrated bank deposits and credit risk, highlighted in the collapse of Silicon Valley Bank and turmoil at Credit Suisse.

**Best practice and innovation**

Delivery Hero's treasury team combined a new investment strategy with a transformative technology project to establish a scalable and focused approach to cash investing in a three-phase strategy.

First, the centralised treasury team collaborated with eight regional treasury hubs to benchmark interest rates at the bank accounts in their operating countries. The team then created a priority list with the highest potential interest earnings based on interest rates in-country and bank account balances.

From this, the team re-negotiated bank account and deposit terms with their partner banks.

In a third phase, they onboarded ICD Portal and integrated it into SAP treasury and risk management systems using the SAP/ICD API further to increase the product range and counterparty risk allocation. Using the SAP-ICD API on SAP's trading platform integration (TPI), treasury achieved a seamless workflow with single sign-on to their SAP treasury and risk management system.

The team revised their investment policies to include money markets. The integrated technology solution enabled treasury to gain visibility into excess cash, diversify cash balances using a broader range of investment vehicles, and mitigate counterparty concentration risk while achieving significantly higher returns globally – within four months of the first interest hikes.

Through the use of tools and investment products, including ICD, the team increased interest earnings by more than 10% globally. Savings have been generated through automation and system integration. Moreover, Delivery Hero's issuer credit rating improved by four notches; the strategy was also compliant from an IFRS and local GAAP perspectives in more than four continents and more than 20 countries and currencies.

**Key benefits**

- Process efficiencies.
- Return on investment (ROI).
- Increased automation.
- Risk mitigated.
- Improved visibility.
- Errors reduced.
- Manual intervention reduced.
- Increased system connectivity.
- Future-proof solution.
- Exceptional implementation (budget/time).
- Quality accreditation achieved.
- Improved key performance indicator (KPI) metrics.



ICD congratulates the entire Delivery Hero team on having a real impact on the business. Combining a localised investment strategy with a global digital strategy enabled the team to capture market opportunity while mitigating risk. We are proud that ICD Portal is part of Delivery Hero's standardised technology infrastructure and core to their seamless process for managing cash and investments, globally. With ICD Portal, the team not only gains trading efficiencies, but also unbiased access to more than 500 investment products from over 40 fund providers. They have what they need, when they need it, to execute their cash investment strategy.

