

Game On!

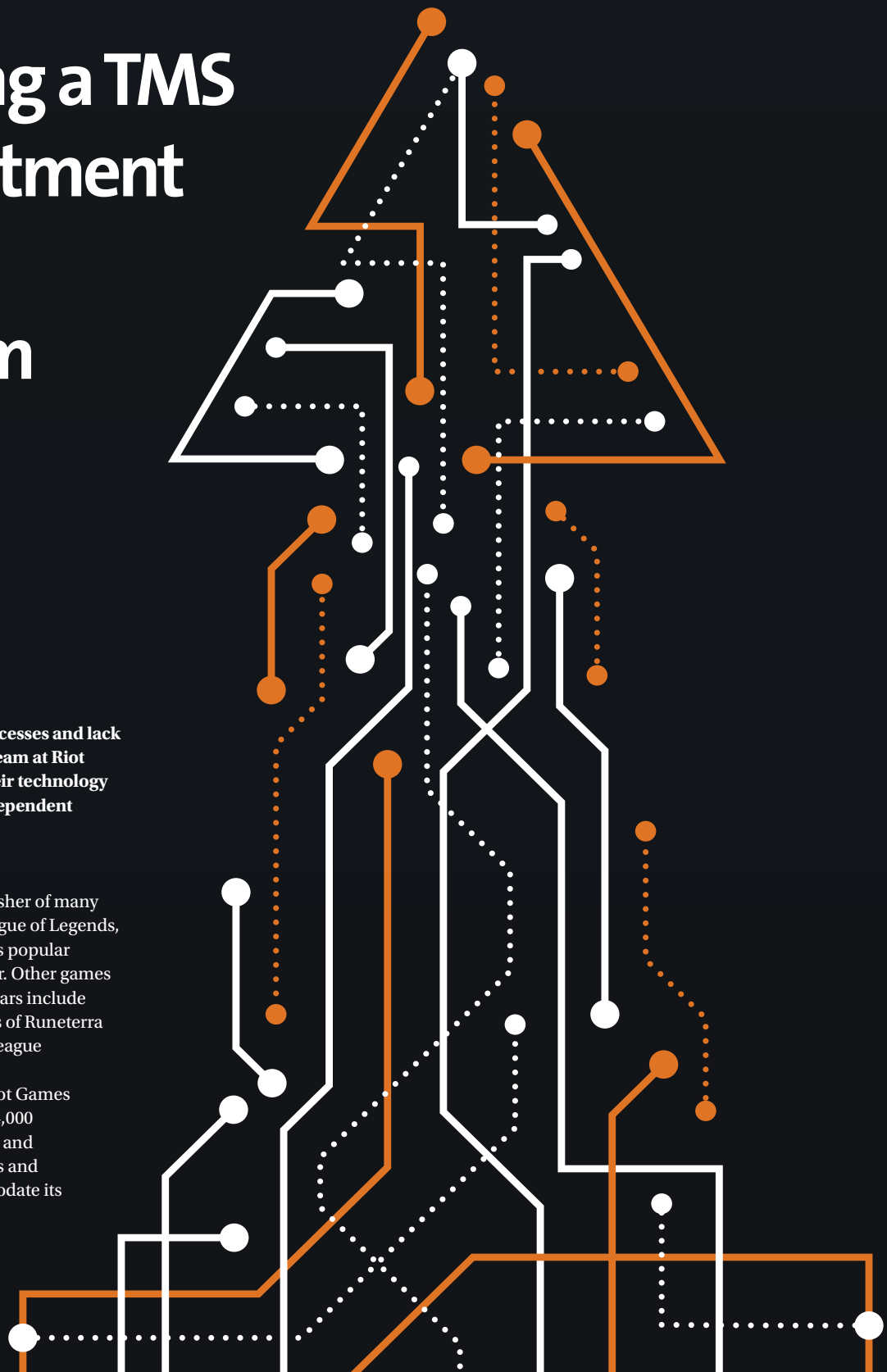
Combining a TMS and Investment Portal for Maximum Benefit

By Ben Poole, Columnist

Bogged down by manual processes and lack of resources, the treasury team at Riot Games opted to level up their technology by implementing a TMS and an independent investment portal.

Riot Games is a developer and publisher of many popular gaming titles, including League of Legends, which launched in 2009 and remains popular around the world some 13 years later. Other games launched by Riot in the past three years include Teamfight Tactics, Valorant, Legends of Runeterra and Wild Rift - a mobile version of League of Legends.

Headquartered in Los Angeles, Riot Games has grown exponentially, with over 4,000 employees and 20 offices worldwide and has implemented many new systems and processes over the years to accommodate its explosive growth.



Riot Games operates all over the world and collects revenue in various currencies. Due to its structure, revenue and cash go back to the developer's publishing entities. While most of the company's spending occurs in the US, several of its global publishing entities had built-up excess cash.

Philip Giron, Treasury Manager, Riot Games, explains: "Outside of China, where we publish through our publishing partner, Tencent, we have five major publishing entities worldwide in South Korea, the Americas, the European Union, Singapore, and Japan. These reflect the main currencies we manage — US dollars, euros, Japanese yen, UK sterling, Korean won and the Singapore dollar. We also hold up to 10 additional currencies and transact in almost every single currency in the world, reflecting our global customer base."

Working across over 150 global bank accounts, the treasury team's activity was highly manual, relying on spreadsheets and multiple banking platforms with various statement formats for reporting.

"It was a long turnaround time to assemble the global cash reporting," reveals Giron. "If the CFO wanted that information, I'd need a day to collect all the data. We wanted to make that information accessible to make data-driven strategic decisions."

Drawing up the plan

The Riot Games treasury team set out to implement a TMS for global operations, as well as focus on automating investments in Europe. In 2019, the treasury team of three began the treasury transformation project designed to dramatically close the gap between its limited resources and growing global responsibilities.

The goal of the transformation was to eliminate as many manual processes as possible across cash reporting, investments and payments to gain more time for strategic analysis and put its excess, idle cash to work.

"We attended a major North American treasury conference that is essentially the whole industry in one place, which was a great way to see all the products out there," Giron says. "We spoke to many different providers and practitioners working in the space and eventually decided that Kyriba was the best fit for our needs."

Riot Games implemented Kyriba's cash management, cash forecasting, bank account management, payments, and bank fee analysis modules as a phase one project. They also onboarded the independent investment portal ICD to access a broad selection of short-term investment products and efficiently research, trade and report on European investments with a streamlined, automated workflow.

"We knew about ICD and felt it was a no-brainer for what we were looking for as far as a neutral portal with access to many funds goes," Giron comments. "We also liked that there is no cost to using, setting up, or integrating ICD with our other treasury technology."

Best practices in implementation

Ensuring a solid project manager was assigned to the TMS implementation was paramount for the treasury team, who engaged Kyriba to shepherd the process and make sure milestones were met on time and on budget. The onboarding of ICD Portal followed a five-step process coordinated by the ICD team, and Riot Games was up and running with the investment portal in days.

"These teams have many years of experience doing this, so it's quite easy," notes Giron. "The most I had to do was work with the ICD team to provide legal forms, and they handled the rest. The actual set-up process was seamless."

The TMS implementation was split into two phases to help the lean treasury team get set up with the technology in a way that didn't negatively impact the day-to-day work.

"Phase one was all about having the information readily available and uploaded in the TMS," comments Giron. "While that sounds like a simple step, it was a long process as we have 150 bank accounts worldwide with up to 15 different banking relationships. We couldn't just flip the switch and immediately have access to information — it was a work in progress."

The global nature of the Riot Games business meant that some of the banks it was onboarding into the TMS, particularly some Asian institutions, were not necessarily using the same banking standards or systems that, for example, its core North American banking partners were. Trying to navigate this inconsistency



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required delicate handling by the treasury team.

“One of our biggest challenges was trying to get foreign banks, specifically China, to be amenable to our process and what we were trying to accomplish,” continues Giron. “Some banks would say that they didn’t operate with SWIFT or couldn’t work with Kyriba, but when we dug deeper and went up the chain of their organisation, we found that they did have that capability.”

With phase one complete, the treasury team has been able to move on to start phase two of its TMS implementation. This involves expanding the implementation beyond the US to its international subsidiaries and adding three more modules for cash accounting, multilateral netting and in-house banking.

“The first phase was purely about getting all our information in one system,” confirms Giron. “Now that we’re entering phase two, we can start to execute on the tools that will help us manage the cash. This is only possible since we achieved real-time, centralised cash visibility.”

The ICD implementation was somewhat more straightforward as, following the

onboarding process, treasury simply had to switch on the portal. Having initially added two entities for training with ICD, treasury is now adding a third entity.

Seizing immediate benefits

Using Kyriba, month-end reporting for Riot Games has been reduced from three days to less than one hour. The treasury team has reduced excess cash globally, working closely with international finance teams, enabling it to increase its return on cash.

On the short-term investments side, ICD Portal has enabled the treasury team to get in and out of trades quickly and easily. This all starts from the user interface experience at log-in, as Giron explains:

“When you log in to ICD, I like that it’s streamlined and easy to navigate,” he says. “It gives me easy access to information on all the funds I want to explore. In the current uncertain investment market, having access to all of the fund’s data in one place, including ratings and fund holdings, allows me to make the most informed decision possible, and allows me to ensure compliance with our investment policy.”

Having eliminated phone calls with each fund company directly, all trades using the portal are researched and executed in one

place, with one ticket through clearing.

“When we are executing on redemptions or purchases, I appreciate the ease of execution,” enthuses Giron. “There’s no red tape where you have to contact someone to approve it. For example, in just minutes, we rebalanced our MMF portfolio this morning through ICD.

The transformation also benefits the accounting department, which uses the portal’s comprehensive transaction and valuation reports.

“With ICD, the quick execution has freed up a lot of our time, as has the interface which allows for fast research of MMFs,” notes Giron. “Being a lean team, time is our most valuable resource. We have freed up more time to spend on cash forecasting, liquidity planning and investment portfolio analysis.”

Plotting a course to further gains

Through its global treasury transformation, Riot Games worked across departments to enhance reporting, eliminate excess cash outside of operational balances, reduce month-end reporting, from three days to less than a half day, and streamline short-term investments to save time and optimise its portfolio for the best returns.

Phase two of the TMS implementation will see the treasury team support its intercompany activity with technology for cash accounting, multilateral netting and in-house banking in order to optimise global cash balances. Beyond that, Giron can see a path for further integration to drive even greater efficiencies for the company:

“Our finance and accounting teams use Oracle, so my vision would be to further integrate Oracle with ICD and Kyriba,” he concludes. “I know that integration is possible because we’ve talked to finance professionals who have done just that. If you can get computer systems and software to work to your favour, it makes life better and gives treasurers the time to focus on more strategic aspects of the job.” ■

