

The Dutch Unbundling Act requires energy companies to separate their grids from their commercial activities. It is a requirement with a significant impact and means that an entirely new company is created from scratch where systems, departments and processes must be set up. Zanders supported the brand-new treasury department of grid manager Alliander – formerly part of Nuon – in configuring their new treasury system.

Zanders supports Alliander Treasury

With more than 5,000 employees, Alliander distributes energy to a large part of the Netherlands. The new organisation is the result of the splitting up of the Nuon group into grid manager Alliander and production and delivery company Nuon. The segregation came into effect organisationally on 1 July 2008. The intention is to complete the legal side of the split on 1 July 2009.

The division meant that Alliander had to set up a new treasury department. The existing department was embedded at the separated nv Nuon Energy. Alliander faced the challenge of

getting the new department up and running in record time – and this may sound easier than it actually is. First of all, the Alliander treasury had to be unbundled from the systems and processes of the 'old' Nuon. Subsequently, a new treasury platform had to be set up within Alliander's new ERP system (SAP ERP 6.0) by implementing SAP Treasury. Last but not least, staff had to be recruited and trained. In parallel with this process it was necessary to press ahead on preparing the segregation from Nuon and a new credit facility, credit rating and financing had to be obtained for Alliander. While the preparations were in full



Ivo Kok, corporate treasurer at Alliander and Bart Mol, senior consultant at Zanders. Kok: "The Zanders people feel like colleagues. They contributed to the spirit in our treasury team."



swing, the Ministry of Economic Affairs had to give the go-ahead for the segregation. This process ran from October 2008 to early April 2009.

Transition

Corporate treasurer Ivo Kok has headed the new treasury department at Alliander since July 2008. He admits that he found himself at the eye of the storm. “We were working on an awful lot of things,” he recalls with a sense of understatement. “So we quickly asked Zanders whether they would support us in setting up SAP Treasury.” Over the past 10 years Zanders has carried out numerous contracts for Nuon and its legal predecessors. They vary from providing general treasury advice and interim support to conducting research into the relationship between value drivers and shareholder value and the implementation of SAP Treasury. “Normally you would chop up a project like this into smaller pieces,” says Kok. “But Zanders knows the company, they know the people and they understand our processes. That was why we had no hesitation in handing over the entire SAP Treasury project to them.” In view of the substantial transition the company experienced, Kok had little time to watch over the setting up of the new system. “The Zanders people noticed that I was unable to

“Above all we now have a tool in which transactions can be entered and processed with a minimum chance of mistakes.”

Corporate treasurer Kok remains down-to-earth about the new tools he now has at his fingertips. “Above all we now have a tool in which transactions can be entered and processed with a minimum chance of mistakes. We have mirrored our accounting organisation – the front, mid and back offices – in the system. Overnight this has assured the combination of accounting processes and internal controls. This is very important for me. With the amounts we deal with you don’t want to run any risks whatsoever.”

The system has not been live long enough to be able to form a definitive opinion but Kok is satisfied for the time being. “If everything works

“Ultimately, Zanders delivered far more than requested.”

devote all my attention to them. At crucial decision-making moments there was good consultation and Zanders took its responsibility on board well. Ultimately, Zanders delivered far more than requested.”

Consultant Bart Mol started by developing an extensive blueprint for the treasury system. “Ivo wanted the new system to do everything that was possible in the old system. And wherever possible, it had to do it better.” Alliander needs various treasury functionalities that are supportable by SAP Treasury. Among other things the company needs the treasury platform to manage interest-rate risks and financing. According to Kok: “We have € 6 billion on our balance sheet. Half is financed with borrowed capital. The interest-rate sensitivity this causes is something we want to be able to control as firmly as possible. The interest-rate component forms an important part of our profit and loss account. What’s more, you must ensure that your short-term cash management is in good shape.” The new SAP Treasury forms part of the company-wide SAP system of Alliander and now integrates seamlessly with other processes. The advantage is that no complex interfaces are necessary to let the system interact with other applications, systems and sources. Kok says: “That saves a lot of maintenance and IT costs. It’s also a lot easier for our accountant to audit everything.”

Minimal chance of mistakes

After the blueprint had been approved, the next step was for the Zanders consultants to set up and configure the system. It took roughly from July to November 2008 to set up the system. This was followed by the test phase and, after ironing out the last hiccups, the go-live in February 2009. In tandem with setting up the treasury platform, Zanders trained new treasury employees in ‘treasury best practice’ and SAP processes.

properly, our reporting level will rise significantly,” he says. “I also expect us to make greater use in future of a number of functions that we seldom use at the moment, for example scenario analyses for risk management purposes. You enter a swap and assess what effect it will have if market conditions change. We will also make more use of the other analysis and reporting capabilities that SAP offers.”

Consultant Bart Mol looks back on the project with considerable pleasure. “It’s always nice when you can start work on such a job with a new group of people. There was an excellent atmosphere in the department and there was smooth cooperation. The dynamics of this project were also exceptional. We completed the entire implementation in about nine months. You don’t see that often in projects of this size”. Kok keenly agrees: “The hands-on mentality of Zanders appeals to me. They are professional, solid and can get the job done. The Zanders people feel like colleagues. They contributed to the spirit in our treasury team.” <



▶ ZANDERS HAS A LOT OF EXPERIENCE IN SETTING UP TREASURY MANAGEMENT SYSTEMS SUCH AS SAP TREASURY. FOR MORE INFORMATION ABOUT OUR SERVICES PHONE BART MOL ON +31 (0)35 692 89 89.