



VALUE CREATION AND PROCESS IMPROVEMENT

International Container Terminal Services (ICTSI) is the Philippines' leading operator, innovator and pioneer in managing container ports and terminals. With a proven track record of operations in emerging markets, ICTSI is actively involved in the global shipping business through high volumes of imports, exports, business expansion, growth and acquisition of shipping terminals.

HIGHLIGHT

"The CS Lucas system frees up our time for more value-added activities. More importantly, the solution increased the accuracy of our calculations and the integrity of our treasury reports."

ICTSI Vice President and Treasurer Rafael J. Consing Jr

In this case study, Rafael Jose Consing Jr, Vice President Finance and Treasurer and Arnie Tablante, Cash and Risk Manager describe how in August 2013 ICTSI evaluated, selected and implemented the CS Lucas solution to meet organisational goals.

ICTSI's global treasury operations are based in Manila, Philippines. The team is in charge of managing treasury risks, asset and liabilities, and cash flow across all geographies. Their responsibilities include consolidating intercompany liquidity from all subsidiaries and managing the group's overall cash flow. Treasury activities include business transactions, loans, insurance, payments and dividends.

The objectives of ICTSI's treasury operations are:

- Measure, monitor and control liquidity risks.
- Track obligations required under local regulatory taxes.
- Conduct treasury management in an efficient and reliable manner.
- Maintain transparency of financial information across multiple departments.
- Support investment portfolios with sound treasury management.

Challenge: Moving Away From Spreadsheet

Before CS Lucas, ICTSI used manual recording of spreadsheets to manage treasury-related business processes. As acquisitions and trading volumes increased, treasury management became more challenging

Although the team managed to keep the number of errors and inaccuracies low, the greater workload meant that managers had to spend more time managing spreadsheets, which decreased workplace efficiency.

A treasury management audit was conducted. It recommended that ICTSI implemented an automated system to streamline treasury processes in a proper, systematic manner in order to increase control and efficiency.

Solution: Implementing a New Treasury Management System (TMS)

ICTSI decided that the company was best served by a treasury management solution that supports daily operations in an efficient and reliable manner, and frees up management time for more value-added activities. Following an evaluation process, ICTSI chose the CS Lucas solution as it fitted hand-in-glove with its treasury management requirements.

With the new TMS in place, ICTSI was better able to conduct its business with the view of building long-term shareholder value through an efficient, reliable and professional treasury management system.

Real Treasury Benefits

ICTSI benefitted from the system's accurate calculations and integrity of treasury reporting. With its user-friendly interface, treasurers can track, monitor and share information readily and seamlessly among multiple users. The CS Lucas solution provides immediate and direct access, minimises recording errors and time lags. This helped ICTSI progress from maintaining multiple spreadsheets created by different users in various locations, which are then consolidated manually –a step that invites mistakes.

The value-add that CS Lucas provides is the ability to get straight answers to complex financial questions. In ICTSI's case, this was achieved by enhancing the system with adjustments to local regulations, such as the Withholding Tax in the Philippines. By working closely with ICTSI to identify treasury needs, CS Lucas was able to meet the company's specific treasury requirements.

While ICTSI encountered the usual project management challenge of finding enough time to implement the new TMS, they found CS Lucas' technical support team very responsive –all the more impressive given that the CS Lucas support team is based in Singapore. The system was implemented in much less time than expected and within budget. More importantly, ICTSI staff members were eased into the system through sufficient training, consultant calls, and reference materials.