

# *Alive & Kicking: The Treasury SSC*

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EuroFinance Barcelona – 04<sup>th</sup> October 2017





## Company Overview

Iconic brand in American business for **140 years**

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**\$160 billion+** in revenue; world's largest communications company by revenue

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**Premier global network** spanning 6 continents

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**149 million** wireless subscribers in the U.S. & Mexico

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**#1 pay TV provider** in the U.S.

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**260,000 employees** in 60+ countries worldwide



# AT&T in the EMEA Region

- 6,500 regional workforce of sales, service, support, development, marketing and operations located across 35+ Countries
- Serving over 60% UK FTSE 100 companies, 85% DAX (German) companies and 90% CAC 40 (French) companies
- 24/7 Customer service in six languages
- 6 Internet Data Centres (UK, Germany, Netherlands and France)

- Customers all corporate multi-national with US HQ or large overseas HQ
- Shared service center in Redditch, UK – 120+ Finance personnel



# The start of the SSC in Redditch....

- Mid 1990's, the Financial Controllershship in Redditch managed 5+ UK Legal Entities with 8+ bank accounts
- October 1997 – began the closure of the Brussels European accounting center - effectively THE BEGINNING OF THE SSC!
- By the end of 1999, the SSC managed some 50+ Legal Entities across 30+ Countries - this was a huge learning curve for all UK employees.

From This



To This



# Why was the SSC Formed...??

## AT&T were experiencing

- Consistency Issues

- Coding differences

- Ledger date closes at different times

- Differing file submission timetables

- Staff coverage in smaller entities

## Factors affecting the decision of Location...

- Cost of human resources, quality and availability

- Local Language skills

- Infrastructure availability



# Redditch, in Worcestershire.....

- Centrally located and good air connections from Birmingham airport
- Cheap and modern accommodation – in London, the rent for a room in a shared house in a run down area costs more than the rent for a one bed roomed flat in Redditch
- Calm, leafy, close to beautiful countryside yet on the doorstep of the second City in the UK with the nightlife, culture and arts





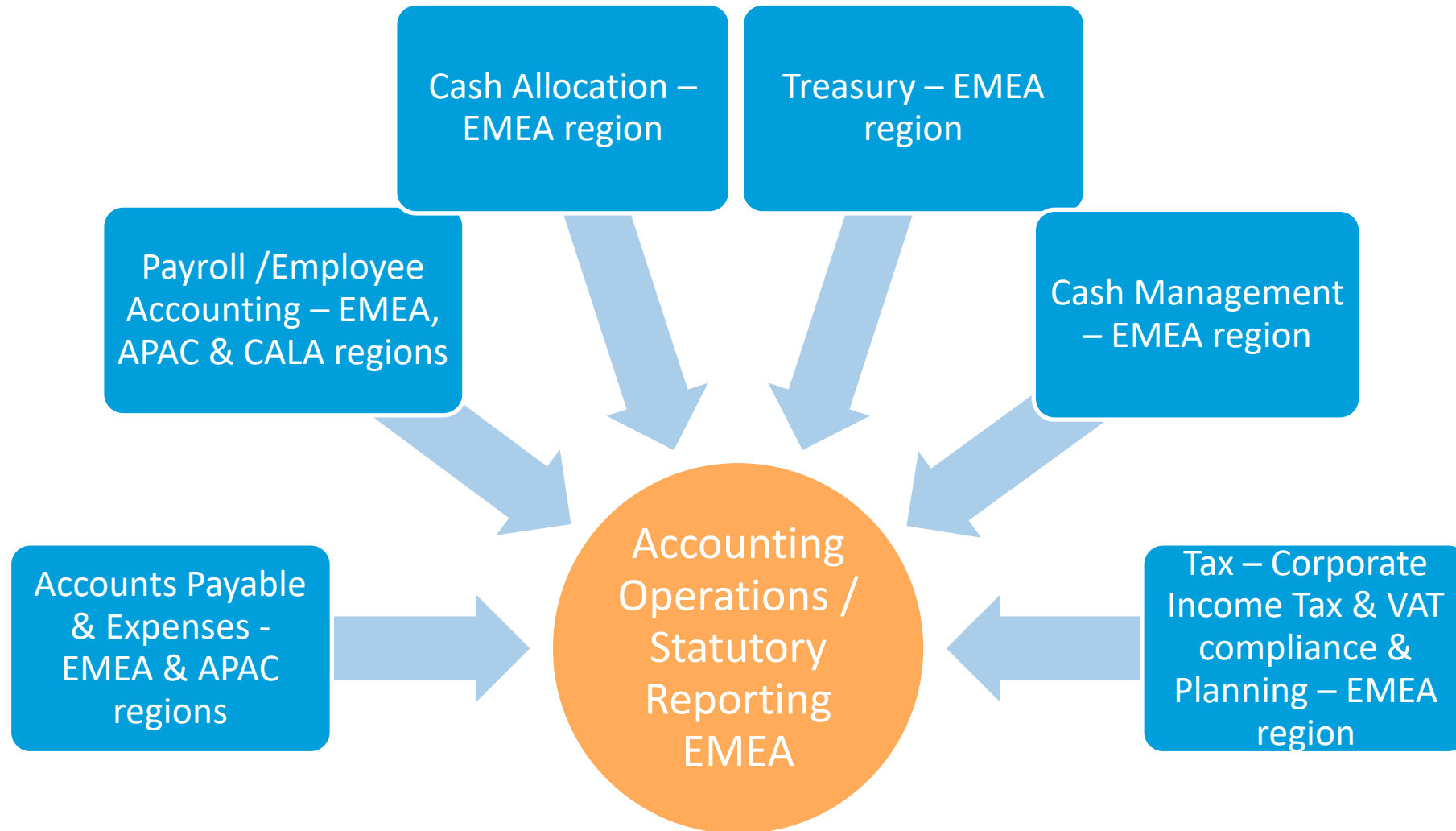
➤ 26 languages spoken by 19 different nationalities

Relative ease of recruiting language speakers is due to;

- English being the first “second” language in the World
- Easy integration into the UK for the employee and spouse/partner
- World class universities which attract foreign students that then flow into the UK workforce after their degree, visa permitting
- Membership of the EU so free movement, for the moment...



# AT&T – Functions Supported at the SSC





# Activity by the numbers....

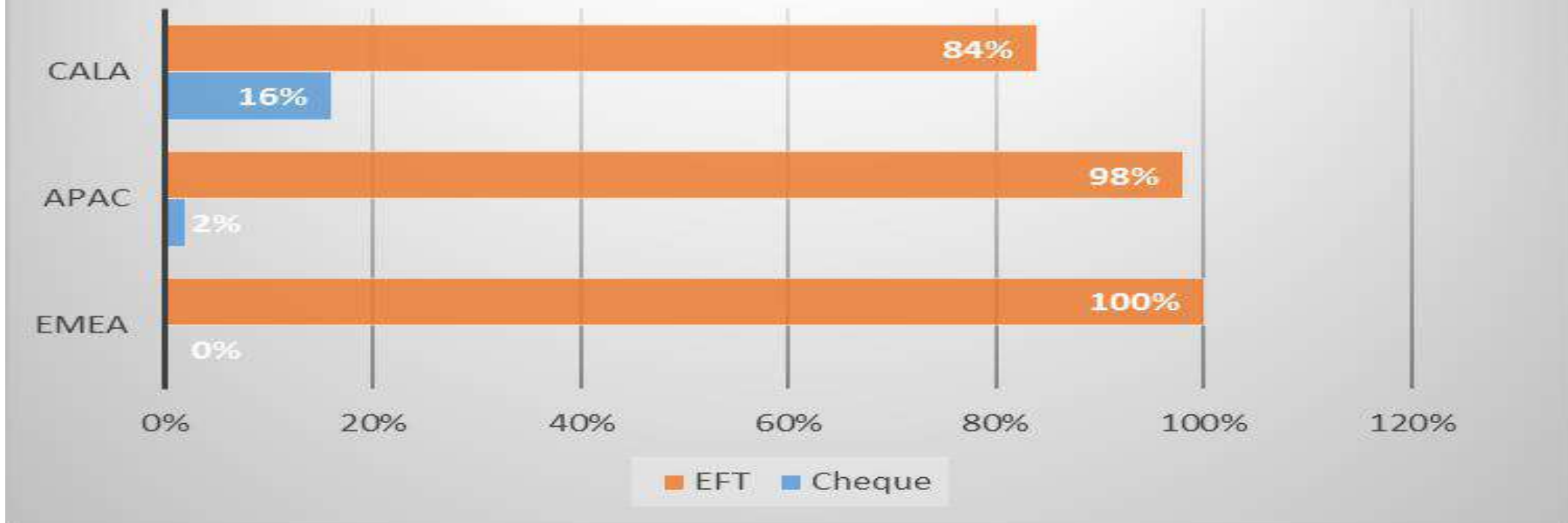
- Controllers team manage;
  - 34 external company audits
  - 120 regulatory returns & 380 statistical returns
  - 150,000 customer and backbone network circuits accounted for
- Payroll - employees across 75 Legal Entities in 59 countries paid monthly
- Cash Allocation - approx. 8,600+ Receipts received & allocated each month;

Type of LE	Number of Legal Entities (EMEA only)
Wireline	46
Mobility	12
Other	6
Total	64

Wire	99%
Cheques	1%
Other (eg. Direct debit)	0%



## Payment Methods



- Approx 19,000+ Invoices received each month and 5,200+ Payments initiated
- Majority of payments go “host to host” – AT&T mainframe to bank mainframe  
Approval all at the front end – invoice is matched to purchase order



# Treasury & Cash Management at the SSC

100+ bank accounts with 10+ banks across 37 countries and in 23 currencies managed daily

Core cash management which also includes;

- Bank relationships & documentation – KYC!
- Debt portfolio and liquidity management
- Trade finance & Letters of Credit
- Cash repatriation
- Going concern analysis working with cross functional teams

Quantum TMS used for;

- Bank Statement uploads which then post to CFAS Cash Management & General Ledger
- Reporting – cash balances, Loans, Guarantees etc

Daily management of the Global Cash pool;

- Cross currency, cross-border notional pool held in Amsterdam
- Fund or de-fund daily to bring to a zero position
- In EMEA, some 20+ of the largest legal entities participate.
- Supplies immediate, pre-approved short term funding
- Does not require inter-company loans and the associated accounting

# SSC's gone by.....

Process standardisation – more focused on functions, transactions and unit cost reduction

Lowering cost per transaction



The concept of SSC's is evolving from being solely a cost saving to one that delivers value across the organisation. Previously the SSC was more about cost reductions achieved through;



# ... and now it's about service level excellence!

## Best Practice

Improve visibility and control, process quality and overall business performance by implementing best practices around collections and payments



## Reporting

More focused on accurate and reliable reporting

Cash Optimisation and reduced error rates



## Technology

Higher level of standardisation required and technology improvements



## The People!

Team expertise and coverage for payroll / supplier payments, cash allocation, global pooling and accounting, amongst others



# SSC – why it works for AT&T in EMEA.....

Education, skill set, team work and coverage!

- Teams of excellence are built up and at all times, there is cover – as far as regulatory allows, processes are standard.
- All daily financial operations are managed from the SSC, this ensures;
  - No payment delays due to staff shortage or lack of education
  - No penalties for late filings – always team coverage to ensure timetables met
- Diverse teams with many language skills and different cultures. This builds and actively encourages understanding and great team integration.



# Happy to take Questions.....

