



Insight Applied. Value Delivered.™

In House Bank Netting FastTracke5™

SAP IHC Netting Benefits:

- Provides intercompany netting solution equal to or better than that of banks and boutique software firms.
- Translates all intercompany payables and receivables to each entity's functional currency or base netting currency.
- Handles net cash settlements like other solutions.
- Handles cashless (book) settlements, which means no external cash transfers or fees.
- Fully integrates to SAP intercompany accounts payables and receivables.

IHB Netting FastTracke5 Benefits:

- Speed and cost savings for proven solutions compared to regular implementation projects.
- Comparable or better functionality to bank and boutique software, allowing companies to save significantly on annual fees.
- Easily extendable to integrate seamlessly with subsidiaries' intercompany payables, receivables and general ledger.
- Easily extendable to other functionality such as cross-company cash pool loan management and shared service center payment

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Tired of paying outsource services and banks to calculate and settle your intercompany payments? As the need to globalize operations has expanded and the associated cost to manage intercompany payments has exponentially increased, Treasurers have sought new ways to better manage cash and intercompany settlements in a distributed corporate structure where subsidiaries operate in different countries and multiple currencies.

Now, users of SAP have the opportunity to take greater control of their intercompany payment processing with a netting solution that substantially reduces costs while also providing the increased integration, control, and visibility essential in today's challenging global financial environment.

The **IHB Netting FastTracke5 for SAP** allows for the rapid implementation of the SAP In-House Cash netting solution with a fixed-price, fixed-scope project. Using the core functionality in SAP's IHC application and the rapid deployment made possible by the e5 IHB Netting FastTracke5, organizations can now implement a solution that greatly simplifies the intercompany settlement process by facilitating the internal calculation of multi-party, multi-currency netting settlement requirements; and do so on a timeline and budget that was previously unavailable. With the addition of available **e5 IHC Add-Ons**, organizations can further increase the value proposition by extending the solution to include automated seamless integration with SAP's Transaction Manager, Financial Accounting, and Intercompany Accounts Payable and Accounts Receivable. This SAP functionality enables organizations to settle their intercompany obligations without the need for external cash transfers where allowed by regulation and in countries where tax or legal regulation requires cash settlement, the solution can seamlessly blend the two together, allowing for total flexibility.

One Solution. Two Tiers.

To address different company requirements, e5 has developed two tiers to its IHB Netting FastTracke5 solution: IHC Netting Single Account and IHC Netting Multi Account. The first tier is a simpler model designed for companies who simply want to settle intercompany payments with the least amount of complexity, typically without a hedge program or desires to introduce market FX rates for use in settlement. The second tier is expanded for those companies who prefer to keep the different currency balances segregated and convert the balances based on non-accounting exchange rates, typically from FX market trading.

The first tier, **IHC Netting Single Account**, is a solution for companies for which each participant has a single account and all foreign currency transactions are converted at the prevailing accounting rate of the day. These net balances can then either be left as is or net cash settled if required.

The second tier, **IHC Netting Multi Account**, is a solution for companies who actively want to manage the exchange rate used for the posting of netting transactions. Under this model, all participants will have accounts in select currencies (i.e., EUR, GBP, CAD, and AUD) and their functional currency account (i.e., USD). Transactions will post to the appropriate account based on currency and each foreign currency account will be converted, based on a client's netting exchange rate, to the owning entity's functional currency account on a daily basis.

Both tiers include a manual IHC transaction creation program as well as an IHC transaction spreadsheet upload tool. Additionally, the creation of a PDF statement will be included. This statement allows participants to record the netting results. Both tiers include the ability to charge interest to facilitate cashless netting and the ability to facilitate netting cash settlement.

Expertise in all areas of Treasury and Financial Shared Service Centers for SAP® ERP Financials and Treasury Applications, including:

- Cash Position Management
- Liquidity Forecasting
- Payment Processing
- Bank Reconciliation
- In-House Banking
- Short & Long Term Investments
- Short & Long Term Debt
- Foreign Exchange Hedge Management
- Commodities Hedge Management
- Interest Rate Hedge Management
- Market Risk Management
- Credit Risk Management
- Bank Communications Management



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Extending IHB Netting FastTracke5: Add-Ons

In addition to these two packages, e5 will offer three add-on packages to further extend your IHC functionality. The **IHC TM Settlement Add-On** facilitates the integration of Transaction Manager with In-House Cash. The **IHC Account Statement Integration Add-On** allows for automated accounting at the subsidiary using electronic IHC account statements. Finally, the **AP/AR Integration Add-On** allows for automated end-to-end processing from the clearing of SAP Accounts Payable invoices to the application of payments and clearing of SAP Accounts Receivable invoices.

Whether using e5's IHB Netting FastTracke5 out of the box or with one of the Add-On packages, you can tailor your selection to fit your intercompany netting needs quickly and easily for immediate results.

Scrutinize. Optimize. Integrate.

e5 can help you more effectively navigate that world with your SAP® ERP Financials and Treasury Applications. With its roots at SAP and its in-depth expertise in treasury, e5 helps Treasurers better understand the full capabilities within the application – capabilities that match and often exceed standalone solutions – in order to optimize their use of the Treasury application for SAP for quicker implementations and better end results.

As an industry-recognized leader in solution design and implementation services for SAP ERP Financials and Treasury Applications, e5's expertise spans the full array of treasury and financial shared service center functions, including: Cash Management, Debt and Investment, Intercompany Loans, Market and Credit Risk Management, Foreign Currency Exposure Management, Hedge Management, Commodities Management, In-House Banking, Electronic Payments and Electronic Bank Statement Processing.

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e5 was established in response to the growing demand for broader, value-driven, strategic corporate finance platforms. Founded by the foremost experts in the SAP treasury and financial applications, e5 Solutions Group offers clients an unparalleled depth of knowledge and breadth of project experience that, when combined with the speed, flexibility and responsiveness only available in a smaller organization, delivers to clients a partner experience that drives effective, real-world results that can benefit the bottom line.

With successful implementations at Fortune 500 companies worldwide, e5 and its Add-On and Accelerator Plus™ programs help clients maximize their SAP investment by delivering comprehensive treasury and banking solutions across all critical financial functions. e5 is an SAP-certified Services and Software Development partner.

At a time when Treasurers are continuously searching for better ways to strategically manage their operations to improve financial performance, e5's the partner with the proven, time-tested expertise that can help you turn objectives into strategy, and strategy into reality.