



### The Adecco Group

With 30,000 full-time employees, operations in 60 countries and 3.5 million careers enabled annually, The Adecco Group is one of the largest staffing agencies in the world. The company's mission is to help organizations fill temporary and permanent staffing needs by connecting the right individuals with the right opportunities at the right time. A Fortune Global 500 company, The Adecco Group is powered by three global business units: Adecco, LHH, and Modis. The Adecco Group, AG is headquartered in Zurich, Switzerland and listed on the SIX Swiss Exchange (ADEN).



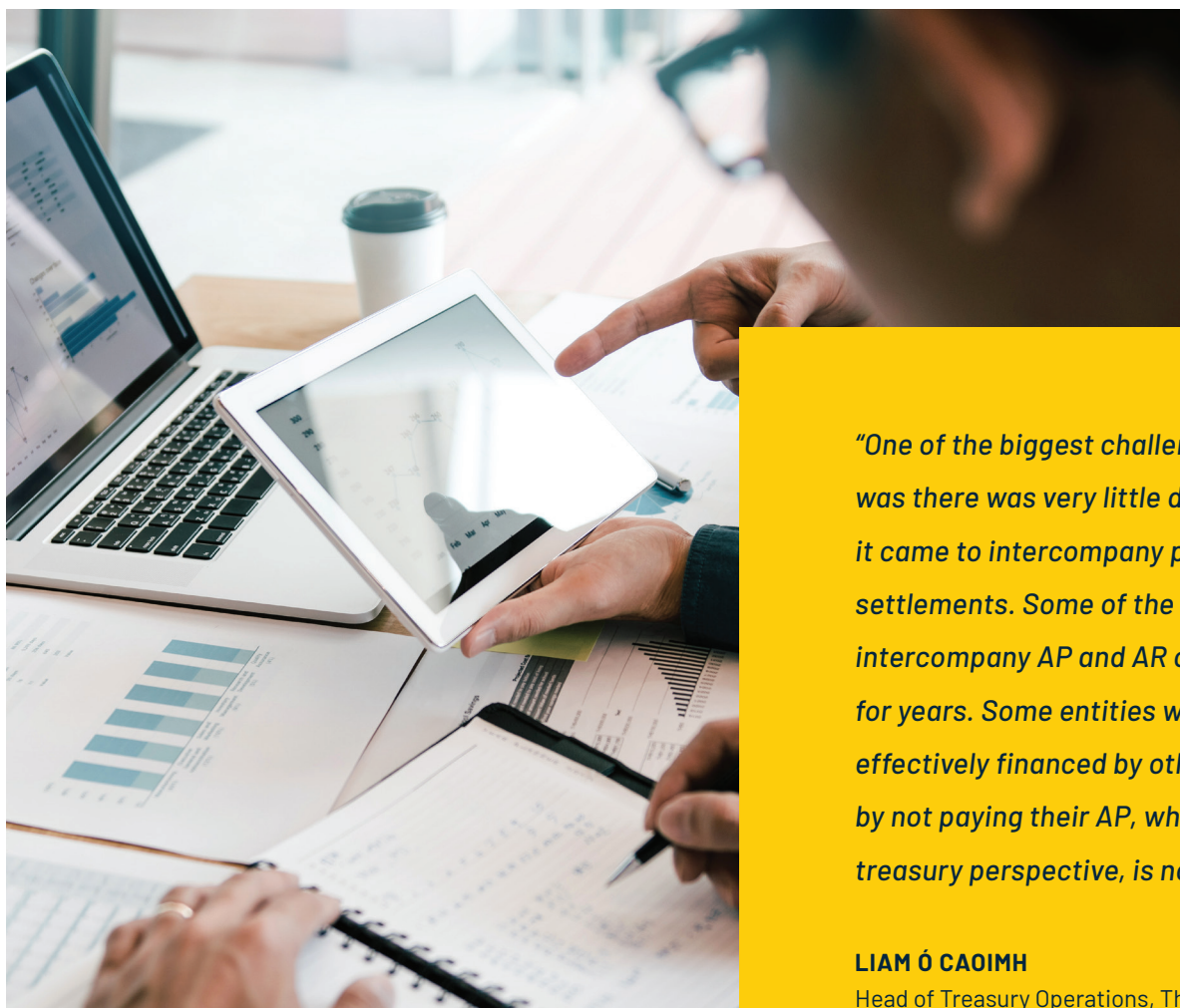
# The Adecco Group brings new structure and discipline to intercompany payments

## KEY RESULTS

- ✓ **Established centralized processes, expectations, and accountability for intercompany payments for 280 corporate entities worldwide**
- ✓ **Netting more than 6,500 intercompany invoices per month**
- ✓ **Approximate savings of \$100,000 USD per month from elimination of float and reduction in bank transaction and FX fees**

## INTRODUCTION

The Adecco Group, a Fortune Global 500 company based in Zurich, Switzerland, is one of the world's largest Human Resources providers and temporary staffing firms. The company has corporate entities in countries around the globe, operating in a wide range of currencies. During the several years prior to 2019, Adecco Group Treasury became more and more involved with the business units around the world, and the need for a multilateral netting solution to streamline intercompany payments became increasingly clear. Therefore, in early 2019, Adecco Group Treasury began the project to implement a group-wide netting solution to minimize the costs and time required to manage intercompany settlements.



*“One of the biggest challenges we had was there was very little discipline when it came to intercompany payments and settlements. Some of the countries had intercompany AP and AR outstanding for years. Some entities were being effectively financed by other entities by not paying their AP, which, from a treasury perspective, is not optimal.”*

**LIAM Ó CAOIMH**

Head of Treasury Operations, The Adecco Group

## THE CHALLENGE

Liam Ó Caoimh, Head of Treasury Operations at The Adecco Group, was surprised the enterprise did not already have a netting solution to settle intercompany payments when he joined the company in 2018. In fact, there were only basic processes and accountability surrounding intercompany accounts receivables/settlements. “One of the biggest challenges we had was there was very little discipline when it came to intercompany payments and settlements,” said Ó Caoimh. “Some entities were not being paid on time with long delays, and this was very disadvantageous for them. They were probably emailing or phoning each other every week, yet this would not be formalized.”

In essence, if the entities in Country X were complaining to Country Y that they needed to settle what they owed, The Adecco Group Treasury was never really involved. There was no mechanism to facilitate the formal interaction between the entities.

In addition, the impact of FX spreads was generally considered to be immaterial when taken on a case-by-case basis of payments between individual entities. However, The Adecco Group is comprised of a worldwide organization of entities involving 20 different currencies. When FX was looked at from the Group perspective, it became very clear that, if managed on a global scale, significant savings could be realized.





## THE SOLUTION

After considering a range of solutions, and receiving recommendations from other netting users, The Adecco Group knew Coprocess was the right solution to help them take control of intercompany payments. Starting off slowly, Ó Caoimh and team created a blueprint for a successful transition for all the entities. A steering committee, governance model, and success criteria were created before launching a three-month pilot with 12 entities, including the main legal entity, Adecco Group, AG, which acts as the netting center.

The key element for success was to educate the teams about how and why netting makes sense. “We had to do a lot of explaining, but we didn’t have to do a lot of selling because the benefits of the tool sell itself. We just needed to bring the concept of netting to the company,” said Ó Caoimh. To that end, the project team made use of the extensive library of training materials offered by Coprocess, including guides for all types of users, and technical specifications for the IT team.

The initial pilot was a big success, leading to a plan for adoption of netting by all the entities worldwide. “Adecco Germany; then Adecco Italy; Adecco UK; Adecco France; and then the U.S. These were big invoice countries internally. So, with every month we added another big country, and then people just understood it and were on board,” said Ó Caoimh.

*“One big plus with Coprocess is the API connectivity. We were asking our IT teams to implement a tool for a process which was new to them, but the technical connectivity was quick, modern, and something that they were familiar with; i.e. an API. We really tapped into that, easily connecting with most of our legal entities.”*

### LIAM Ó CAOIMH

Head of Treasury Operations, The Adecco Group

## RESULTS

Coproprocess brought clarity and discipline to managing intercompany payments at The Adecco Group. All company entities are expected to upload invoices on a certain date each month. The invoice matching date, monthly cutoff date, and most importantly, the final settlement date are also set and communicated throughout the enterprise. “I genuinely believe that our biggest benefit has been the qualitative side of Coprocess because we had very little before and now we have a really routine, disciplined, structured intercompany netting and settlement process,” Ó Caoimh said. “So many people are happy they are actually going to get paid. Not only that, but they will get paid on a certain day every month!”

However, quantitative results of the Coprocess implementation are also impressive. Before Coprocess, all transactions, no matter how large or small, were going through external banks and incurring fees, FX costs and possible effects of float when payments were not made on a specific date. Using the savings calculator offered on the Coprocess website, and using very conservative estimates for potential float, transaction and FX fees, Ó Caoimh estimates the company saves approximately \$100,000 each month now that Coprocess is fully implemented.

The Coprocess API integrations to back-end systems have also resulted in greater efficiency and productivity by significantly reducing the time it takes to upload invoices to the netting center. Risk management activities have also been improved. Prior to Coprocess, the treasury team would manually track incoming royalty payments from the Group entities in different countries to manage conversion of the payment currency to Swiss francs. “Coproprocess has brought huge organization to a very complex risk management process. It has given Group Treasury a lot more visibility and accuracy for our hedging,” said Ó Caoimh.

One unexpected benefit of the Coprocess implementation is that the entities that make up The Adecco Group now understand how taking the time and effort to consolidate intercompany settlement processes can improve operations for all.

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Coproprocess helps corporate treasury teams save millions by optimizing their intercompany settlement processes while improving efficiency and compliance. The company offers the market-leading Intercompany Netting Solution, as well as Reconciliation and Vendor Payments functionality. Robust API connections between Coprocess and treasury management systems, ERPs, and financial institutions make it easy to streamline intercompany flows, improve transaction visibility and save considerable time and money. The company was founded in 1991 and serves more than 180 clients worldwide.

## Contact Us

[Coproprocess.com](https://coprocess.com)

[CoproprocessMarketing@Coproprocess.com](mailto:CoproprocessMarketing@Coproprocess.com)

