

# Integrated Risk Analytics and Reporting MSF Sugar



## ABOUT

*MSF Sugar Limited is an integrated grower, processor, marketer and exporter of raw sugar based in Far North Queensland, Australia. The company holds a wide range of assets from sugar mills and agricultural infrastructure property, through to investments in distribution and exporting operations. MSF Sugar is the third largest producer of raw sugar in Australia producing around 550,000 tonnes of raw sugar per year, and contributes*

## THE BUSINESS REQUIREMENTS

### The Challenge

To create accurate, comprehensive and informed reporting of aggregate commodity and foreign exchange risk across multiple sugar related grower pools.

MSF Sugar administers and/or operates in excess of 30 corporate and grower pools on behalf of its stakeholders. Each pool is managed to ensure the best return on sugar price exposures for its participants. Weekly analysis and reporting is undertaken for each pool to capture multiple performance metrics across FX and commodity risks, and reports containing different levels of detail are provided to internal and external stakeholders. Reporting was previously carried out in spreadsheets and demanded significant manual effort from a single resource. As the pool management requirements for MSF Sugar became more complex, the need for an automated and integrated system to reduce operational risk was recognised. The GTreasury system offered the most optimal solution through its innovative reporting application and delivery of best practice to MSF Sugar.

## KEY RESULTS

- Greater control and reduced operational risk.
- Enhanced visibility of sugar price & FX risk, driving better commercial decisions.
- Improved automation and efficiency of reporting across multiple grower portfolios.

## Highly Commended – Best Risk Management Solution 2014 Adam Smith Awards

In 2014, MSF Sugar were recipients of the Highly Commended Award - Best Risk Management Solution at the annual Adam Smith Awards Asia, for their work in implementing their Risk Analytics and Reporting solution.

The solution enabled the automation of multiple reports which detailed integrated commodity and foreign exchange risk profiles and 'what-if' scenarios across their portfolios. The results were an accurate and comprehensive risk analysis for senior management and external stakeholders, allowing for more informed decision-making and insightful performance.

The annual Adam Smith Awards Asia are hosted by Treasury Today and recognises those treasury teams and projects across the Asia Pacific region, who have transformed their corporate treasury function and contributed positively to their organisation.

## The Solution

Through GTreasury, MSF Sugar has gained greater insight into the performance of corporate and grower pools through the ability to analyse and report on the integrated commodity and foreign exchange risk to which they are exposed. As a result,

“GTreasury’s implementation team was really great about taking our ideas and bringing them to fruition. They helped us to solve a problem and, in turn, other clients are able to utilize those same tools.”

—Rachel Obert, CTP Manager Banking and Investments

MSF Sugar is confident that data integrity in the respective pools provides a sound basis for making educated and well-informed management decisions.

The reports implemented by GTreasury automatically calculate and visualise MSF’s key performance metrics by modelling USD sugar price scenarios, and then translating that through to potential AUD/USD currency scenarios to derive key performance metrics in AUD per tonne. GTreasury enables simulation based Cash Flow at Risk (CFaR) analysis to further test user assumptions underlying the analysis. The reporting is consolidated in a price sensitivity matrix, resulting in improved visibility of potential future revenue variability.

Gunnar Andresen, Commercial Manager at MSF Sugar says “Managing large sugar price exposures on behalf of grower suppliers and ourselves demand that we operate Best Practice Risk Management. The GTreasury solution enables us to monitor pricing strategies, provides daily insights into the associated risks and allows us to make informed decisions and plan potential actionable strategies”.

## The Result

The level of operational risk at MSF Sugar has reduced significantly. The myriad of spreadsheets previously used has been eliminated along with much of the risk of user-error that accompanied them.

The greatest reward from implementing the GTreasury solution has been the automation of comprehensive reports across multiple portfolios at any given time. These reports are generated in 10 minutes and are accessible by all system users as and when they are required. GTreasury were able to customise the reporting component of the system to reflect the way reports were used by senior management, grower representatives and other stakeholders of MSF Sugar, enabling greater control and visibility when making commercial decisions.

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is the company’s cost center, instead emphasizing its role as the gatekeeper of corporate money. This has raised the team’s profile and won it respect at the senior executive level. The tax project has also extended benefits to other departments within Horace Mann beyond treasury. It has also produced support for other projects, such as integration for short-term investments and a money market portal. In the end, having chosen GTreasury’s multi-tenant SaaS solution for treasury management means that Horace Mann’s efforts to improve its payment processes not only moved the company forward, but it helps moves the needle on efficiency and compliance for other treasury organizations using GTreasury.

## ABOUT GTREASURY

GTreasury’s integrated TMS not only keeps pace with today’s rapidly evolving enterprises, it surfaces the critical relationships between cash management and risk management. In this way, your treasury information becomes an invaluable driver of strategic business decisions.

For more information visit [gtreasury.com](https://gtreasury.com)



**GTREASURY**

the clarity to act