

Overall Winner

Best Foreign Exchange Solution

Viatrix Inc.

Arijit Dasgupta, Assistant Treasurer
 Ciaran Fegan, Senior Director
 Ruben Medina, Senior Manager



Ruben Medina, Viatrix Inc, Gary Duffy, Kyriba, Robert Wade, J.P. Morgan, Ciaran Fegan, Keith Lynch, and Arijit Dasgupta, Viatrix Inc



Viatrix was formed in November 2020 following the combination of Mylan N.V. and Pfizer's Upjohn business, creating a global healthcare company providing medicines across 165 markets.

Viatrix addressed a complex FX environment with an impressive technology solution

The challenge

Following its formation, the company faced a complex FX environment. FX risk management was performed separately at legacy Mylan and legacy Upjohn entities with each process relying upon different systems and inputs. The global treasury team immediately kicked off a project to redesign the FX risk management framework and leverage technology to create a thorough, efficient and fully integrated risk management process.

Three key challenges were identified:

- Resourcing:** treasury had a single resource dedicated to the end-to-end FX risk management process.
- Data:**
 - Exposure reporting was decentralised and manual. Multiple teams across the globe sent balance sheet information several times per month in various excel formats.
 - Six ERP systems across the organisation added complexity to gathering balance sheet data.
 - Treasury individually calculated each entity's FX exposures based on the format of the data and timing of when the data was provided before manually executing FX hedges.
- Back office processes:** back office processes relied on manually confirming trades and manually booking individual close out tickets for non-deliverable forwards (NDF) hedges. This was manual and time consuming. The manual nature of these critical activities needed to be updated to scale up.

The solution

Viatrix Treasury took a holistic approach to redesign the risk management process addressing each issue with different approaches.

Resourcing: as part of broader finance transformation, Viatrix built a shared services treasury centre of excellence (COE). Within that organisation two full-time employees were hired to focus on exposure reporting.

Data: to address data issues, treasury implemented FIREapps. This software links directly to multiple ERP systems that Viatrix operates across multiple entities. This permits treasury to

access data in a consistent format at scheduled intervals. The exposure reporting team then uses Alteryx to compare prior data sets against the current data set. This identifies which entities/currencies/GL accounts have changed. Where there is a significant delta, analysis is done with the entity's finance team to investigate drivers and confirm validity of the exposure. Once the data is validated, existing hedges are imported to FIREapps and the tool compares the exposures against the hedges, identifying where additional hedges are required. Treasury reviews the data and proposes new hedges, FIREapps outputs the data to FXall for execution. FX hedges STP via file transfer to the TMS system FIS Integrity.

Back office processes: Viatrix worked with its TMS provider FIS and FXall to create an automated confirmation process, moving from a one-way to a two-way STP process where FXall and FIS communicate directly. FXall trades STP to Integrity which sends confirmation details to FXall settlement centre then back to Integrity indicating if trade confirmation is matched.

Best practice and innovation

Treasury built a risk framework that utilises best practices to enable Viatrix to transition from a manual, decentralised process to an automated, centralised risk management framework. The company has:

- Updated its FX risk management policy to reflect the significant changes to its processes and operating environment.
- Centralised FX risk management and trade execution.
- Automated real-time ERP data access providing accurate and timely information.
- Automated exposure data analysis and validation via Alteryx analysis.
- STP of FX trades and confirmation matching, ensuring automated trade flows and validity of hedge data in the TMS.
- Significantly enhanced its ability to analyse P&L on exchange, including identifying drivers of FX gain and loss and taking action, where necessary, to reduce future volatility.

This innovative solution created a scalable process suited to the transformational change Viatrix was undergoing through the

combination of Mylan and Upjohn. Viatrix Treasury partnered with IT, shared services and other functions to implement FIREapps for legacy Upjohn entities alongside their migration from Pfizer's ERP onto its own. By implementing FIREapps alongside the ERP migration, treasury had input to the migration process and could leverage work done by the IT and finance/accounting teams mapping GL accounts for each entity. This permitted Viatrix to integrate the Upjohn entities into the exposure reporting process immediately upon cut-over.

Key benefits

- Risk mitigation.
- Cost savings.
- Headcount savings.
- Process efficiencies.
- Increased automation.

- Improved visibility.
- Errors reduced.
- Manual intervention reduced.
- Increased system connectivity.
- Scalable for future.
- Exceptional implementation (budget/time).
- Improved key performance indicator (KPI) metrics.

"Our FX risk management solution is unique in terms of the scale of the solution as well as the magnitude of change we were going through. The combination of the two large multinational companies to create Viatrix and the risk complexities created for our treasury demanded a best in class solution," explains Arijit Dasgupta, Assistant Treasurer.

Viatrix' treasury transformation since its formation in 2020 has been an overwhelming success for the business. Following the merger of Mylan and UpJohn, Viatrix' treasury faced numerous legal entities and significant foreign currency exposures globally. Viatrix embarked on multiple ambitious initiatives to consolidate and streamline its treasury operations, including global risk management. The fact that Viatrix was able to accomplish this in such a short period of time is a tremendous achievement. Through strategically prioritising resources and with support from Global Integrated Services, the treasury team is empowered to focus on large-scale, long-term, best-in-class processes that will continue to benefit Viatrix' objectives well into the future.

Congratulations to the Viatrix team from all of us at J.P. Morgan.

Mukundan Iyengar, Managing Director, Global Sales Head – Healthcare, J.P. Morgan Payments

in partnership with **J.P.Morgan**

Viatrix has been a Kyriba FIREapps client since 2019, taking full advantage of our balance sheet automation in their multiple ERP environment. This solution enables Viatrix to quantify, segment and compare exposure balances from forecasted and actual general ledger balance sheet accounts, then analyse and send hedges for execution with an automated workflow. We congratulate Viatrix on winning the Adam Smith Best Foreign Exchange Solution Award and look forward to working to expand the solution further having just signed an extensive renewal.

Andy Gage, SVP FX Risk Management Sales and Advisory Services, Kyriba

in partnership with **kyriba**