

Case study

Food and beverages leader transforms FX for transparency and real-time efficiency.

Danone

Location

Singapore

Industry

Food and beverages

Customer profile

- Danone is a €25.3 billion health-focused food and beverages global leader.
- Sales breakdown: 54% in Europe and North America, 46% in the rest of the world.
- Top three countries in 2019 sales percentage: #1 U.S., #2 China, #3 France.
- Started in 1919 with the creation of the first yogurt in a pharmacy in Barcelona, Danone's dedicated aim is to bring health through food to as many people as possible.
- Headquartered in Paris, France with 143 office locations across 40 countries.

Business situation

Danone's manual phone- and email-based FX processes were not suited to support the company's treasury digital transformation efforts in Asia. Danone needed to fully automate their end-to-end FX workflows with two-way FXGO integration with their TMS to receive orders and achieve best execution for all their hedging and funding requests.

Bloomberg solution

- FXGO on the Bloomberg Terminal® offers a broad range of tools to assist corporate treasuries with the management and execution of foreign exchange and deposit workflows.
- Offers access to market makers in over 140 countries representing more than 800 liquidity providers and 2,500 distinct desks.
- Supports all the instruments typically used for payments, hedging and treasury cash management.

Solution benefits

Danone now has a lean, flexible system for FX that can adapt to rapid changes in the market and contribute to business growth. Time-consuming manual activities have been replaced with integrated, automated processes that deliver better transparency, comparability and efficiency.

Danone

Danone is a leading global food and beverage company that is focused on three fast-growing categories – Essential Dairy & Plant-based products, Waters and Specialized Nutrition – and is committed to the highest standards of doing business. Driven by rapid growth in the business across Asia and its goal to transform legacy business processes for operational and financial efficiency, Danone needed to digitize and automate its end-to-end FX workflow to support better collaboration across the global treasury function.

Treasury pain points in legacy, manual processes

Operational and financial efficiency have always been priorities for Danone's treasury function. Yet Danone's use of the Bloomberg Terminal (since 1998) was focused on referencing market FX rates and was not further integrated into its FX workflows and treasury management solutions.

In 2019, as the company experienced rapid growth across 17 markets in Asia, Danone undertook a review of its treasury technologies to identify key pain points that hindered progress and collaboration across markets. Danone established the goal of upgrading unconnected legacy systems to add value to the treasury department – chiefly by automating and centralizing FX workflows in order to move away from manual processes to more digitally enabled trading.

Danone identified that it required a solution that would enable the treasury function to 1) move away from manual booking to make comparisons and receive prices in real time, and 2) gain full visibility into real-time liquidity.

From a technical perspective, Danone was seeking a solution provider with solid technical capabilities and general acceptance by banks as an execution tool. Danone wanted to keep its existing treasury management system (TMS) and needed its new, automated FX workflow to integrate successfully with its TMS for end-to-end reporting and full audit compliance – even if that required a customized FX solution.

It is estimated that Danone's treasury function will save 50 hours per year using FXGO.

Bloomberg FXGO delivers seamless integration and centralization

For corporations like Danone that have regional or global centers, Bloomberg FXGO enables end-users in subsidiary offices to transmit market requests to a central treasury for execution. Many existing treasury management systems integrate successfully with FXGO, including Danone's existing system. Bloomberg was selected over competitors due to its flexibility for seamless integration with Danone's TMS.

In 2020, Danone began Project FX Centralization out of its Singapore office. This internal project involved deploying a customized implementation of Bloomberg FXGO for an automated FX process. Danone streamlined its FX workflow so that all orders are automatically sent to FXGO's pre-trade staging blotter. Orders are executed quickly and seamlessly, with details of the completed trade routed back into the TMS without any manual interventions.

Danone's new trade ticketing workflow supports all internal requirements for centralized, end-to-end reporting. It also allows for full visibility and better monitoring of liquidity, which can be now monitored on a more regular basis.

Danone can execute faster, more accurate FX across markets

Danone's treasury function can now work together in a much more seamless, digitally-enabled way. With Bloomberg FXGO, Danone has achieved enhanced transparency by being able to assess why the company chooses to execute a trade with a particular bank instead of another. Competitive prices are listed in each trade with full audit trails provided and shown on Danone's TMS.

Danone has also unlocked enhanced comparability by using FXGO to view real-time pricing. When Danone sends a request (RFQ) to several banks, the treasury function is able to compare all responses from banks in a single view on the Bloomberg Terminal.

And with no manual interventions involved in the end-to-end FX process, there is far greater efficiency across all markets that will better support ongoing growth and rapid changes in the business. Danone is achieving productivity gains and cost savings thanks to the time saved on execution by eliminating the previous manual process of request-sending and executing with banks. Decisions can now be made in real-time, with reporting automated to the central treasury system. It is estimated that Danone treasury will save 50 hours per year with the automation of the FX workflow.

About the Bloomberg Terminal

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Learn more

The Bloomberg Terminal delivers a vast range of FX data and robust analytics on currencies and derivatives. Get live prices from the most liquidity providers anywhere, assess performance, analyze market drivers, quantify risk and evaluate hedging strategies, then optimize trade execution with our unrivaled array of advanced trading tools.

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