

Overall Winner

First Class Relationship Management

Fiat Chrysler Automobiles NV

Enrico Zecchini, Head of Treasury Operations

Strong relationship delivers impressive regional solution for this auto giant

The challenge

FCA's main objective was to develop and implement an optimal and efficient cash management structure for the group and its EMEA subsidiaries. As Enrico Zecchini, Head of Treasury Operations explains, "we wanted to create a state-of-the-art, globally scalable, regional treasury centre and to leverage innovative treasury management solutions to enhance our regional payment, collection and reconciliation processes."

Countries in scope are Italy, France, Germany, Austria, Spain, Switzerland, Belgium, Netherlands, Luxembourg, UK, Ireland, Poland, Hungary, Czech Republic, Slovak Republic. Additional countries will be added.

Key objectives were to:

- Reduce around 15 bank relationships in EMEA to as few as possible.
- Harmonise terms and conditions among the different countries, leveraging volumes and lowering fees.
- Optimise the current model of cash concentration, increasing cash visibility, automating the process and benefitting from natural offset among positive/negative balances in different countries.
- Standardise the connectivity to/from banks using XML formats and the SWIFT network.
- Design an effective and scalable in-house bank (IHB) payments and receivables on-behalf-of (POBO/ROBO) model.
- Facilitate future possible scalability of the cash management and cash concentration processes at a wider geographic level.
- Improve bank customer service and support.

The solution

Together with Citi, FCA created an automated solution, allowing the company to automatically centralise all currencies in a regional treasury centre (RTC) based in London and implement a single-bank cash management structure across the countries in scope with the ability to facilitate local payments and receivables, have access to state-of-the-art reconciliation and lower its transactional and financial costs at a regional level.

As the project began, a strong governance structure was embedded to enable the project to successfully pay 70,000 Italy-based employees monthly from their Citi Milan accounts, followed by another 4,000 in the other countries. The team opened

approximately 150 bank accounts, on-boarded 15 new country units and more than 100 subsidiaries, added another five currencies in addition to euro to the cash pool, created three custom map solutions, implemented two Citi Channels (CitiDirect and CitiConnect) and managed one corporate spin-off.

The firm also established a regional payments and collections factory, host-to-host (H2H) connectivity via SWIFT ISO XML 20022 messages and opened 100 virtual accounts to facilitate ROBO.

Best practice and innovation

It was the elimination of manual activities from FCA's treasury processes cutting across the company's interaction with over 15 banks which under-pinned best practice and innovation across the project.

"We achieved consolidation of over 95% of the banking services in scope with a single bank, harmonising and standardising our pricing, terms and conditions, account opening, maintenance and overall treasury processes in all the 15 countries in scope," says Zecchini.

FCA also connected its treasury management system (TMS) to the bank's systems for straight through payments (STP) and reconciliation, thereby fully eliminating manual processes.

Senior sponsorship throughout brought momentum to the project and gave confidence to the team members. There was strong collaboration between FCA and Citi throughout the project lifecycle, with a central point of contact on both sides to drive resolution of any roadblocks.

Key benefits


- Process efficiencies.
- Costs reduced.
- Optimal treasury structure.
- Fully integrated regional payment factory.
- Standard connectivity.
- Increased STP rates.

"After a very intense and complex journey, thanks to the strong commitment and involvement of our treasury and IT teams in Italy, and thanks to the strong partnership with Citi, the cash and treasury management solutions implemented are already starting to generate benefits across our entire organisation," concludes Zecchini.



FCA's objective was to implement an optimal and innovative treasury management solution. We established a state-of-the-art cash management structure which leveraged our network and consolidated 95% of banking services with a single bank. We also implemented a very innovative receivable on-behalf-of (ROBO) solution based on virtual accounts. This winning solution has further enhanced our client's treasury management processes in the 22 countries in which they operate and at EMEA headquarter level and is already starting to generate considerable benefits across the FCA organisation.

Roberto Di Stefano, Head of Treasury and Trade Solutions Sales for Corporates and Public Sector, Citi, Italy

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Fiat Chrysler Automobiles Group (FCA) designs, engineers, manufactures and sells passenger cars, light commercial vehicles, components and production systems worldwide. FCA operates through companies located in 40 countries and has commercial relationships with customers in approximately 150 countries. In EMEA, FCA operates through 172 companies located in 29 countries.