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# The Thought Leadership Series from BNP Paribas Cash Management

We Let The Corporates Do the Talking -  
Outstanding client service is  
our key to successful  
cash management



**BNP PARIBAS**  
Cash Management

# The value of personal service



**Paul Beishuizen, global cash management relationship manager at BNP Paribas Cash Management**

**I**n an interview with Paul Beishuizen, global cash management relationship manager at BNP Paribas Cash Management, Frank Heerens, treasurer at NEC Computers International (NEC CI) in The Netherlands, discusses how a central treasury can meet the needs of a regionally diverse organisation and the benefits of having a single global bank for cash management.

## **How is treasury organised within NEC CI, and how do you interact with NEC Corporation?**

NEC CI is a 96%-owned subsidiary of NEC Corporation in Japan. Operationally, however, we are independent, and our treasury is also independent from the Japanese parent treasury. Treasury is centralised in NEC CI. We have two treasury centres, one in Holland and one in Malaysia. In the Netherlands we handle the treasury operations for EMEA and South America. The Malaysian treasury covers Asia-Pacific, including Australia but excluding Japan and China. There are four people handling treasury in Europe, including myself, and two people in the back-office. In Malaysia we have four people.

## **What is the role of treasury and the treasurer at NEC CI?**

Treasury is a service centre. It is our job to be a service organisation and do the best we can to support the sales operations. Treasury is also responsible for managing bank relationships, we handle communication with the treasurers and credit managers from our vendors, we speak with insurance com-



**Frank Heerens, treasurer, NEC Computers International**

panies, with credit insurers, and we advise on M&A communications and interactions. The most important part of our treasury management is to have an in-depth knowledge of the cash flows. We have different sites around Europe and beyond, and most of our vendors are located in the Far East, so we are dealing with different countries and different nationalities in every part of the business.

## **What is your global banking strategy in terms of cash management?**

We have one major bank for cash management, which is BNP Paribas. We always try to manage as much of our cash flow as possible through the BNP Paribas structure. We have offices in different countries – both in Europe and globally - and we try where possible to do everything with BNP Paribas. We have chosen to use one single bank for as much of our cash management business as possible. First, because then you have only one contact to deal with. Second, for services such as same-day-value transfers, cash collection and so on, it is much more efficient and easier to manage through one bank. Finally, it also makes reporting easier. We give the local entities the opportunity to have one local bank for daily needs. For the rest, as much as possible we try to manage our business through BNP Paribas and keep it centralised here in The Netherlands.

## **Why do you use the services of BNP Paribas as your primary cash management bank?**

BNP Paribas has been our partner since the beginning of our activities in Europe. We have grown

together. After twelve years, we still find the relationship convenient and rewarding, so there is no reason to change. BNP Paribas has met our needs well as a global provider of cash management services - that is why we are still with them. For our operations, which are mainly in Western Europe, we have no problem in carrying out automated cash collection, and centralise cash on a daily basis. We work primarily with BNP Paribas The Netherlands, a dedicated team with the resources of the entire group at its disposal. This has given us very personal and direct contact.

#### **What do you expect from a cash management bank?**

From our central cash management bank we expect high-quality service. We expect them to be competitive with other providers in terms of the services we require. We demand good reporting, so that we know in time what is happening in our accounts. We also require one single dedicated account manager who knows our business and understands the services that we need. This in particular is where BNP Paribas stands out, and is something that some other banks cannot or do not provide - the individual service. From our local banks, we expect that they know a lot about the region itself and be able to fully service the local office.

#### **How does NEC CI concentrate cash?**

In most Western European countries we have automatic sweeps, except in Scandinavia. All cash collection from sales is transferred to The Netherlands through BNP Paribas and the funding for local entities also comes through The Netherlands. For Asia-Pacific we do not have automatic sweeps because it is a separate treasury operation.

#### **How does BNP Paribas work with you in handling cross-border payments?**

As we have a centralised treasury, and NEC CI is the holding company for all the businesses, the major transactions go through The Netherlands. Our vendors are mainly in Asia-Pacific, plus some in America and Western Europe. So all our vendor payments are cross-border and go through the BNP Paribas network. On the sales side, payments are also centralised in The Netherlands. For example, a local customer in Spain buys his PC, the money comes into BNP Paribas Spain and goes directly, same-day-value, to BNP Paribas The Netherlands and into our account.

#### **How does NEC CI deal with currency risk, and how does BNP Paribas act as a partner within that?**

We have a policy to fully hedge our currency risk, and that is managed centrally. BNP Paribas is one of our major partners in FX management. They

have very competitive pricing, and they are proactive - always coming up with new ideas for us. Also, they know our company, which is very important as they know what our currency risks are and they know our needs.

#### **What other projects do you have on the go?**

An important project for us, which we are in the process of implementing, is updating our BNP Geolink Windows-based payment system [to merge with the new BNP Paribas web-based Connexis system]. The update offers web-enablement with the same functionality that we are used to. It also gives real-time online information, which is quicker than we have now. It is an up-to-date system and reporting-wise it gives us much more insight.

#### **What trends do you see having the biggest impact on the role of a treasurer in the coming years?**

Treasury operations are moving more and more online. This move to online services for treasury and cash management is the biggest trend. It is getting easier to access your accounts, handle currency risks and so on, and manage all these operations globally. The treasurer should grow with this. Treasurers often have specialised knowledge. They should use their knowledge to support and service other operations within the company globally. Every person within the group has some effect on what the treasury does, so the treasurer needs to be aware of this and help people within the company and within the operational departments to understand this connection. ■

#### **NEC Computers International** **NEC**

NEC Computers International (NEC CI), one of the major consolidated subsidiaries of NEC Corporation, is Europe's sixth largest manufacturer of personal computers (Source: Gartner Dataquest / January 2003). NEC CI supplies the consumer market with the Packard Bell brand and the professional market with the NEC brand in Europe, Africa, Middle East and Asia (except Japan and China). NEC CI owns two R&D centres (France, Malaysia) and three factories (France, Malaysia and Scotland). Headquartered in Wijchen in the Netherlands, the company employs 3,000 people worldwide.

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