

HIGHLY COMMENDED WINNER

Harnessing the Power of Technology

Cigna

Scott Lambert, Treasury Senior Director
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COMPANY PROFILE:

Cigna Corporation (NYSE: CI) is a global health service company dedicated to helping people improve their health, well-being and sense of security. Cigna maintains sales capability in 30 countries and jurisdictions, and has more than 88 million customer relationships throughout the world.

THE CHALLENGE:

During the financial crisis it became apparent that it took an unreasonable amount of time – a week to be precise – for Cigna to identify its exposures in Spain, Portugal, Ireland and Greece. The CFO of the company's international operations envisioned a system that could be pulled up every morning, showing what the company's cash or counterparty exposures were globally.

"It was quite evident that the department's legacy systems were lacking in this capability. We were working off an in-house system we built on old technology – a PowerBuilder platform, for which programmers are difficult to find and which is no longer a supported technology," says Scott Lambert, Treasury Senior Director at Cigna. "At the time we built our system in the 1990's, our treasury was very US-focused, so the system could not scale with us as we grew globally, it wasn't multi-currency, and it was very limited in what it could do. We weren't integrated with other financial applications, we had poor visibility into global cash balances, and regulatory reporting (eg. FBAR) was time consuming."

Another obstacle is that the company does not maintain standard global IT support. Each of the offices globally has its own, independent IT group. After determining that a global roll-out of an in-house hosted system, or even a vendor-hosted Cigna application, and the related upgrade process, would still be a challenge, Cigna determined Software-as-a-Service (SaaS) made the most sense.

THE SOLUTION:

Cigna worked with the consulting firm Strategic Treasurer to identify potential TMS candidates. After shortlisting a few potential TMS vendors, Cigna chose Reval. The company then began implementing the foundation of the solution, piloting companies in the US, Europe and Asia. The solution model includes a SaaS bank account management platform (BA Web, a FiServ product) that allows for workflows to be performed around the opening and closing of bank accounts, banking regulatory reporting and an interface to the TMS to ensure consistency of bank account information.

A second element of the solution is an in-house global payments hub, incorporating self-service capabilities with authorisation controls. Reval was configured to interface with this global payments hub (Bottomline Technologies Web Series platform) and the Bottomline Technologies SWIFT service bureau to facilitate global payments.

BEST PRACTICE AND INNOVATION:

The initiative to standardise operations globally with modern treasury technology is truly transformational and far-reaching across Cigna's



Mark Johnson, Reval and Andrew Bain, Cigna

global businesses. The solution can serve as a model for others in the industry who have yet to undertake a foundational change to gain visibility, gain more leverage/scale, reduce costs, improve cash forecasting and make better decisions for investing idle cash. Cigna's best practice and innovative approach includes a change management process with top-down support from the CFO and Treasurer, gaining the necessary support throughout the organisation, and built internally.

"The sheer breadth of our treasury transformation makes our project unique in the insurance industry," says Lambert. "We created a fully-integrated solution for bank administration, cash forecasting, consistent reporting and analytics, a single payment hub with standardised wire format, and are rolling it out globally to all of our offices across the US, Europe and Asia, over four phases concluding in 2016."

Standardising Cigna's entire global treasury organisation on the same, accessible platform, is now providing treasury with greater visibility, control and more accurate cash forecasting with shared data. "We feel we are a model example for other global companies and industry peers, having harnessed modern treasury technology and best practices, and having mobilised a global organisation using effective change- management skills, which in the end, helped us turn our regional colleagues into enthusiastic advocates for the entire transformative solution," Lambert adds.

The following additional key players have been instrumental in achieving the success of this project: Craig Nicholls, Andrew Bain and Veronique De Peuter, Europe Implementation; Sally Chiu, APAC Implementation; John Belsen, Liquidity Planning; Karen Choti-McConnell, Accounting & Reconciliation Rules; Fran Sudall and Karen Stevens, SWIFT & Payments; Joanne Hart and Mark Fleming, Bank Administration; Ryan McDonough, FX & Intercompany Borrowing/Lending.

KEY BENEFITS:

- Cost savings.
- ROI.
- Productivity gains.
- Process efficiencies.
- Foreign exchange gain(s).