

Wallstreet Treasury

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SYSTEMS

Case Study

NATIONAL EXPRESS GROUP AND WALL STREET SYSTEMS



"With Wallstreet Treasury ASP, we can make changes to the system relatively quickly with the direct help of the Wallstreet team."

Mike Dixon, Assistant Group Treasurer of National Express Group

National Express is one of the world's leading international public transport groups, with an annual turnover of £2.6 billion. Over one billion passengers a year use its services in the UK, North America and Spain. The company has 43,000 employees across three continents. Its 18,000 vehicles worldwide provide bus, coach, train, tram, school bus and airport transfer services.

The company has its roots in the formation of the state-owned National Bus Company in the UK in the 1960s; following its flotation in 1992, the renamed National Express Group expanded by acquiring businesses privatized by national and local Government. Since flotation, the company has developed a strong reputation for successfully transferring companies from the public to the private sector, primarily in the UK but also overseas. To cope with complex international treasury requirements, National Express Group implemented the Wallstreet Treasury ASP solution, gaining productivity benefits without having to make major investments in upgrading technology.



WALL STREET SYSTEMS IS AMONG
THE LEADING PROVIDERS OF
TREASURY AND ASSET MANAGEMENT
SOFTWARE FOR BUSINESSES AND
FINANCIAL INSTITUTIONS.

THE CHALLENGE

The Group Treasury function at the centre of National Express Group is highly active on behalf of subsidiaries, actively managing the Group's foreign exchange, interest rate and commodity risks as well as its long and short term funding needs and the performance bonding (contracts with local government) requirements for the subsidiaries.

As the Group expanded rapidly at the end of the 1990s and into the 2000s, the settlement and management of the increased flow of treasury deals became risks in their own right and created a persuasive argument to move away from spreadsheets and into the world of the specialized treasury management system.

The Group needed a robust solution that would cope with the quantity of new deals, minimize exposure risks, reduce settlement time, increase accounting efficiency and all without incurring too much new system maintenance overhead.

THE SOLUTION

National Express Group made a comprehensive study of five or six different solutions, eventually concluding that the ASP model offered by Wall Street Systems (Wallstreet) was the best fit in terms of ease of use, simplicity and low maintenance, and ability to reduce settlement risk.

The solution was deployed quickly in a modular fashion, with the foreign exchange, money market and interest rate swap modules being installed in the first month or two. Over time, the company has added the new commodities module and is now looking to implement the new cash and netting modules.

Wallstreet Treasury ASP is installed at the Group's UK headquarters, and effectively covers all the Group's operations in Canada, the USA and Spain as well as the UK.

“Wallstreet Treasury ASP gave us an interactive ability to ‘talk’ to the user base, which proved very useful when it came to putting in the new modules, which are common to all users.”

Mike Dixon, Assistant Group Treasurer of National Express Group

THE BENEFITS

National Express has met its objective of minimizing risk. “We have the safety of having an automated system, replacing the spreadsheets that were in use before, so there is less manual input and margin for error. Disaster recovery is very strong – we could be up and running from home almost immediately in the event of a disaster in our building.” said Mike Dixon, Assistant Group Treasurer of National Express Group.

“We have achieved time savings and improved productivity in the back office function. With Treasury ASP, we get automation of confirmations – a time consuming job for lots of deals and improved settlement speed. We have also attained huge efficiencies in the tracking of internal and external loans; this was potentially an issue after the transfer pricing requirement to charge interest on intercompany funding hugely increased the volume of work needed to manage the loans. And we now have “press of a button” interest calculations across the board,” Mike Dixon said.

“Monthly management accounts are easier and we have achieved headcount savings and time reductions in the accounting department in despite of vastly increased volumes, and a particular benefit for National Express is that the system supports split accounting periods. This means that postings can be made correctly to entities which are working on a calendar accounting period basis at the same time as those working to a 4 weekly accounting calendar.”

“The ASP service offers us particularly good value. We wanted an affordable treasury system, and we needed to keep flexibility. With Wallstreet Treasury ASP, we can make changes to the system relatively quickly with the direct help of the Wallstreet team. The system is robust and the downtime over the last three years has been almost unnoticeable. In implementing the ASP solution we saved the headcount of buying in our own database and systems IT specialists to support the software,” Mike Dixon added.

Since the system was first implemented, there have been several major developments, in particular the introduction of IAS and commodity modules. “During development Wallstreet listened and worked closely with its users, including ourselves, on both of these projects so the upgrade process has worked well for National Express and in general upgrades are very efficient. Wallstreet Treasury ASP gave us an interactive ability to ‘talk’ to the user base, which proved very useful when it came to putting in the new modules, which are common to all users.”

The next development planned for Treasury ASP is netting and e-cash, with a more enhanced netting interface. Also, National Express is hoping to enhance its support of accounting regulations, for example IFRS 7 on the disclosure of financial instruments.





KEY FACTS

Profile

- One of the world's leading international public transport groups

Challenge

- To manage a large number of deals on behalf of group companies, without incurring significant administrative overheads
- To minimize settlement risk

Result

- The finance department has saved time and headcount.
- Confirmations are now automated, minimizing the margin for error
- Monthly management accounts are easily generated
- The flexibility allows National Express Group to make changes and upgrades without trouble

Benefits

- Productivity has improved
- Compliance with requirements like transfer pricing and IAS are easier
- Business continuity and risk management have been enhanced

Solution

- Wallstreet Treasury ASP, deployed as a centralized system in the UK headquarters of National Express Group PLC

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