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# Moving Beyond Manual: A Blueprint for Digitizing Treasury in Complex Financial Structures



## The Context

A UAE industrial investment group - a parent entity managing 20 wholly owned subsidiaries across consumer goods manufacturing, infrastructure, building, copper manufacturing, and paper processing. The parent function acts as an investment group responsible for managing fund investments and liquidity at both parent and subsidiary levels. It manages group-level FX exposure from US dollar-denominated commodity transactions and holds a portfolio of derivatives, trade finance instruments, and structured deposits.



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## The Challenge

By early 2021, SAP Private Cloud implementation had addressed core financials, procurement, and sales. However, Treasury and Commodity Management remained manual. The system could not support the model required to manage group-level liquidity, commodity transactions, FX risk, and multi-tier credit facilities.

Intercompany lending was tracked in spreadsheets. FX hedges sat outside the system. Credit limits existed only as informal internal controls - with no systematic way for the treasury team to know whether a proposed transaction would breach a tranche allocation. Every group-level borrowing that touched multiple subsidiaries required a cascade of manual journal entries: a source of delay and reconciliation risk at every period end.

Bank facilities operated across four nested tiers - with no automated enforcement at any intermediate level. The exposure risk was substantial. Percipere was engaged to re-engineer the Treasury Risk Management (TRM) and Commodity Management (CM) landscape, delivering 30+ side-by-side extension of financial solutions using the SAP BTP platform and a full go-live within seven months.



## Instruments Implemented - Full Scope

Instrument Category	Instruments & Notes
Money Market	Fixed Deposits, Call Deposits, Dual Currency Deposits
Loans & Borrowings	External bank facilities (with tranche and strategy breakdowns), Intercompany Loans, Term Loans, Working Capital Loans, Overdrafts
Foreign Exchange	FX spot, FX forwards, FX options
Derivatives - OTC	Interest rate swaps, foreign currency cross-currency swaps, Interest Rate Caps/Floors
Derivatives - Listed	Commodity Forwards and Futures
Hedge Management	Exposure Management, Hedge planning and Hedge Accounting.
Trade Finance	Letters of Credit, Bank Guarantees
Commodity	Commodity risk management (separate module - private cloud only)

## Your Business Could Benefit from this Case Study if you want:

- Insights from Credit and Market Risk Analysers with transactional-level drill-down functionality.
- Comprehensive visibility into Portfolio Performance across multiple legal entities.
- Advanced Cash Management, including real-time Cash Positions with risk analysis against committed and budgeted forecasts.
- Seamless Integration with Banks for automated cash flows with tiered controls managed directly within the SAP ERP.
- Systematic Risk Exposure capture to manage Interest Rate and Foreign Currency Volatility.
- AI-driven capabilities for efficient Cash Management with identifying Investment Opportunities, Better Borrowing options, monitoring Risk positions, and ensuring compliance with Statutory reporting.

## Percipere Specific Solutioning Details:

SAP's standard TRM configuration, comprehensive for bilateral transactions, had specific gaps that this client's operating model exposed directly.

1. How to automate intercompany capital distribution across multiple subsidiaries when SAP's standard handles only the bilateral case?
2. How to enforce credit limits at four hierarchical tiers when the standard product controls only the higher level?
3. How to integrate Commodity Risk Management with Procurement, Manufacturing and Sales?
4. How to achieve seamless integration for market data and banking communication?
5. How to ensure alignment ahead of solutioning?
6. How to use AI to on efficient Portfolio and Risk Management.

They required building beyond the standard product.

### 1. How to automate intercompany capital distribution across multiple subsidiaries when SAP's standard handles only the bilateral case?

SAP's standard intercompany loan function handles the bilateral case: Company A lends, Company B's corresponding borrowing is auto-created. For this group, the model was fundamentally different. The parent borrowed from an external bank and simultaneously distributed those funds across three or four subsidiaries - each of which needed a correctly dated, correctly priced borrowing position in its own books, without manual entry. SAP provided no standard mechanism for this. Every group-level borrowing event was a manual exercise replicated across multiple entity ledgers.

**Percipere engineered a custom three-way automation.** A single parent-level deal entry now triggers automatic creation of corresponding borrowing positions across every subsidiary involved - correct dates, rates, and denomination, minimal user input. The same logic was extended to multi-entity derivative and structured money market transactions. Over 20 treasury users across the group's subsidiary entities now operate against positions that reflect reality in real time.

As the delivery lead noted: *"SAP's solution is only between Company A and B. But if Company A borrows from the bank and then lends to B, C, and D simultaneously - that's not an SAP solution. We automated that entire thing."*

### 2. How to enforce credit limits at four hierarchical tiers when the standard product controls only at the deal level?

The group's four-tier limit structure - from bank credit line to individual deal - required enforcement at every level. Each boundary needed a hard stop that the system enforced in real time.

**Percipere configured SAP's Credit Risk Analyzer and Market Risk Analyzer to hold and enforce limits at all four tiers simultaneously.** A transaction that would breach a tranche allocation is blocked by the system regardless of headline credit line headroom. Real-time hierarchical utilisation reporting gives treasury management visibility that previously did not exist in any form.

### 3. How to integrate Commodity Risk Management within SAP?

Alongside TRM, **Percipere delivered a commodity risk management solution** - a private-cloud-only module with a comparably thin consultant market. Given the group's direct exposure to copper pricing across its manufacturing subsidiaries, this was material scope, not an add-on.

#### 4. How to achieve seamless integration for market data and banking communication?

Percipere implemented seamless integration to automatically fetch FX rates, interest rates, and commodity prices directly into the digital core. Furthermore, the solution provided full integration for outgoing cash flows and automated bank statement processing with global banks and financial institutions, eliminating manual data entry and reconciliation errors.

#### 5. How to ensure alignment ahead of solutioning? - Detailed Process Documentation

A hallmark of the engagement was the Business Value Proposition (BVP) document. Percipere mapped As-Is and To-Be states for every instrument: process flows, market data dependencies (variable rates, FX sources, mark-to-market methodology, unrealised and realised gain-loss treatment), and user responsibility matrices. For a scope that included dual currency deposits, three-way intercompany loans, IFRS hedge accounting, and complex facility structures, that granularity was what allowed 20-plus users across subsidiaries to go live without significant post-production delays.

#### 6. How to use AI to on efficient Portfolio and Risk Management?

Percipere implemented AI Cockpit to integrate market data, cash positions, and short- and long-term cash forecasts along with internal investment strategies and regulatory requirements(Unstructured format). Using AI-driven analysis, the platform evaluates forecasted liquidity needs to identify potential investment or borrowing decisions. It compares multiple options using the market data and provides recommendations to further support the liquidity decision.

### The Impact: Before – After Treasury Control Environment

- Delivered 30+ side-by-side extensions built on SAP BTP within a 7-month go-live timeline
- 20 subsidiaries rolled out within 12 months of initial go-live
- Retained as primary TRM support partner for 3+ years post go-live.

Dimension	Before Percipere	Before Percipere After Percipere
Intercompany loan posting	Manual journals across each subsidiary	Manual intercompany loan posting eliminated. Automated three-way creation at point of parent deal entry. A single parent deal auto-posts borrowing positions across all recipient subsidiary ledgers.
Credit limit management	Informal internal controls; no system enforcement	Four-tier credit limit enforcement active. No tranche or strategy-level breach is possible at system level - hard stops enforce the policy the business already had.
FX and derivative positions	Managed outside SAP; no general ledger integration	Daily FX rates, floating interest rates and commodity prices integrated into SAP; positions fully integrated with automatic unrealised/realised P&L postings to the general ledger, eliminating manual period-end reconciliation
Hedge accounting	Managed in spreadsheets	Hedge planning and IFRS hedge accounting within SAP. Manual period-end reconciliation is gone.
Trade finance	Outside system	Trade finance digitalised. Letters of Credit and Bank Guarantees within SAP, linked to the credit limit hierarchy. Integrated with Procurement and Sales which eased out the complexity of accounting that arises from Trade finance instruments.
Commodity Management	Outside system	Commodity risk management delivered alongside TRM.
Group-wide treasury visibility	Consolidated manually at period end	Real-time position and limit visibility across all entities, enabling cash management to be driven centrally across the group

Dimension	Before Percipere	Before Percipere After Percipere
UAT / change management	No formal process baseline	BPD as signed-off reference; all UAT defects resolved against agreed design,
Real-time insights	Manual market position tracking; no real-time data	Financial and market position insights available in real-time; single source of truth.
Compliance	Reactive mapping of regulatory requirements	Statutory compliance integrated; system flags gaps proactively before submission.

*“TRM is not learned from the SAP course catalogue. We brought financial markets practitioners into the delivery team - people who have traded the instruments they were configuring. That is the difference between a system that processes the transactions and one that genuinely reflects how treasury works.”*

- Chaitanya Shah, Treasury Practice Lead, Percipere

## The Next Frontier: AI powered control

Percipere has identified three specific areas where targeted automation and analytical capability can materially reduce the remaining manual workload in a treasury of this type.

### Regulatory compliance verification

Regulatory updates often arrive as unstructured PDFs, forcing finance teams to manually map new requirements to SAP reports. A structured AI-driven ingestion process that converts PDF text into rules and maps them against SAP fields, the system flags compliance gaps before submission, ensuring proactive adherence to regional standards - would convert a reactive compliance process into a proactive one.

### Hedge exposure advisory

While the Market Risk Analyzer provides visibility, it rarely provides direction. We bridge this gap by layering an interpretive intelligence over your exposure profile. Building that interpretive layer - reading exposure outputs, pricing hedge instruments in real time, and recommending whether to hedge, partially hedge, or accept risk on a given position - would close the gap between the system knowing the exposure and the treasury team acting on it optimally.

### Efficient Cash management

AI analyses forecasted cash flow data to assess upcoming liquidity requirements. Based on these insights, it evaluates whether surplus funds should be invested or additional funds should be borrowed. The system compares market options to recommend the most optimal financing or investment decisions.

### Bench Marking Performance

On the analytics side, we have built MIS reporting that provides profitability insights across products, geographies, and segments, which is further complemented by our machine learning models that benchmark KPIs using industry data and competitor disclosures. Our in-house PerciBot conversational AI then allows teams to drill into these insights and quickly understand how their performance compares with the wider market.

## Designed For Groups With Complex Treasury Structures

The challenges this engagement solved are not specific to one client. Private equity and family office holding structures that borrow centrally and distribute to portfolio companies face the identical intercompany loan problem. Infrastructure funds with credit facilities structured across tranches and project vehicles face the same limit management gap. While this solution was delivered within an SAP environment, the risks and inefficiencies of managing treasury via spreadsheets are universal. Any group currently operating outside a digital core—or looking to migrate to a more robust, integrated platform—is carrying the same risk profile as this client before Percipere’s engagement.

As LP governance standards rise and groups pursue acquisition-led growth that adds entities faster than the treasury function can absorb them, the question is not whether to implement Treasury Management. It is whether your implementation partner has delivered it before - in a structure as complex as yours.

## Why Percipere

**Treasury and TRM is our specialism** - SAP Treasury consultants with genuine delivery experience are scarce. Beyond the technical modules, we bring deep expertise in Cash & Liquidity Management, Cash Forecasting, and Banking Operations. At the time of this engagement, the number of practitioners who could both configure Treasury and build beyond its standard limits was small. Two of them were on this project.

**We build what the standard product cannot.** The three-way intercompany automation and four-level limit management did not exist in SAP. Recognising the gap and delivering the solution within the original programme is the work of a practice with domain depth and technical range - not a generalist integrator.

**Process rigour as a delivery mechanism.** The Business Process Document quality gate is the mechanism by which a 30-CR programme stays on schedule and goes live without a wave of post-production defects.

**Financial markets knowledge.** Percipere's TRM practice lead holds a Financial Markets degree and background in active derivatives trading. The difference between a consultant who can configure hedge accounting and one who understands how a hedge position behaves under IFRS is what makes complex side-by-side extensions accurate first time.

**Technical depth.** Percipere's ability to pair treasury domain knowledge with its SAP expertise as a SAP Gold partner and its capability in process mining, intelligent automation and AI capabilities meant that the scope was managed inside the original programme rather than deferred or outsourced.

## About the Companies

The client is a Gulf-region industrial investment group managing 20 subsidiaries across copper manufacturing, copper rod production, and paper processing. Their name is withheld at their request.

Percipere is a specialist SAP implementation and advisory firm with deep expertise in Treasury Risk Management, Financial Analytics, Multi-Entity Consolidation, and Regulatory Reporting. Our TRM practice has delivered across investment holding groups, NBFCs, asset reconstruction and renewable energy companies across the Gulf, South Asia, and Europe.