

Hewlett-Packard achieves new efficiencies with consolidated payment processes in Asia

Overview

Hewlett-Packard Company (HP), the world's largest technology company, provides printing and personal computing products and IT services, software and solutions that simplify the technology experience for consumers and businesses. Operating

in more than 170 countries with a significant presence in the Asia Pacific Japan (APJ) region, HP employs more than 320,000 people worldwide. Because the company enjoys such a broad presence throughout the world, streamlining and unifying their global operations are paramount to continued success.

Challenge

With revenues reaching above US \$100 billion, HP was seeking a way to centralize its payment transaction processing across various regions and countries. In particular, the APJ region had experienced tremendous business growth so HP decided to accelerate its focus on standardization and alignment of processes in this region. Because this large-scale migration of payments processing across APJ was the first of its kind, HP had much to consider in terms of geography (i.e., culture, infrastructure support, maintenance of local relationships), global standards, multiple processing centers and banking relationships. Additionally, they set an aggressive timeline for its rollout.

The project was mandated in early 2006, and the first phase needed to be in place by November 2006 to coincide with the beginning of HP's fiscal year. The time frame was aggressive, yet meeting this deadline would allow for a smooth transformation of banking activities from multiple local banking partners to a single bank with a single host-to-host connection and the shifting of HP's payments back office to its Shared Services Centres (SSCs) in Bangalore, India and Dalian, China. It came as no surprise that the task to standardize payment processes proved daunting due to a range of regulatory requirements and language differences as well as varying degrees of technological sophistication, which generally lags behind its counterparts in the United States and Western Europe.

Solution

Understanding the importance of this initiative, J.P. Morgan dedicated a team of experienced cash management practitioners to work closely with HP to map out their existing processes and develop future best practices. Together with HP's regional Treasury, Business Integration and Global business-to-business teams,

J.P. Morgan ensured that the solution implemented would remain best-of-breed and could be replicated with low or no additional integration efforts to other countries.



CLIENT

Hewlett-Packard Company, headquartered in Palo Alto, California, is the world's largest IT company. Its four main business groups are: Personal Systems, EDS, Imaging and Printing, and Technology Solutions.

ISSUE

HP sought to adopt global practice standards that would centralize payment transaction processing across various regions and countries, primarily APJ as HP has a significant presence and rapid growth in that region.

RESOLUTION

With File Management Services – PaySourceSM, J.P. Morgan's global payment platform solution, HP was able to realize its goal of implementing a global infrastructure to consolidate and standardize payment processing throughout the APJ region.

BENEFITS

- Consolidation of bank accounts through one bank
- Improved cash and liquidity management
- Increased automation and control
- Greater flexibility to meet changing needs
- Improved information, reporting and analysis

For more information, please contact your J.P. Morgan Treasury Services representative or visit jpmorgan.com/ts.

To ensure HP's goal to standardize regional office systems and processes with the head office, J.P. Morgan recommended File Management Services – PaySourceSM, its global payment platform solution, to support HP's regional payments needs. The PaySource platform is able to accept mixed payment files (encompassing the full range of global payment instruments) in industry-standard file formats or proprietary formats from integrated ERP systems, such as SAP. Linked to J.P. Morgan's processing hubs and platforms in all regions and countries, PaySource provides a consistent and centralized conduit into J.P. Morgan's back offices around the world. With flexibility for implementation, it includes built-in plug-and-play capability to add additional countries and regions as needed. What's more, PaySource products are based on international standards, fit local and regional processing needs, and offer advanced security and contingency options.

Results

Despite the tight time frame, the project was completed and went live on the targeted date. HP successfully standardized their regional office systems and processes with the main office, using technology to improve productivity and payables efficiencies across the APJ region. HP achieved a higher degree of straight-through processing for all payment activities mandated.

“This project allowed us to integrate the region using one global technology approach with connectivity to key global partners.”

—Phaik Kim Tan
Treasury Director, Asia-Pacific
Hewlett-Packard

“HP aims to be a world leader in its market, and financial performance and operational efficiency is critical. Using technology such as J.P. Morgan's PaySource to drive productivity means we are able to build best-in-class treasury capabilities.”

—Phaik Kim Tan
Treasury Director, Asia-Pacific
Hewlett-Packard