

Iberdrola optimizes working capital with SAP® Real-Time Treasury

About

Founded in 1901 and headquartered in Bilbao, Spain, Iberdrola generates, distributes, trades, and markets electricity worldwide.

As the world's number-one producer of wind power¹, Iberdrola is also a forerunner in renewable energy technology².

The challenge

Iberdrola's history may stretch back over a century, but today the business has firmly established itself as an innovative supplier of low-carbon power all around the world. They asked J.P. Morgan to ensure their Treasury functions could keep pace with their fast-moving, forward-looking approach to energy production and sales.

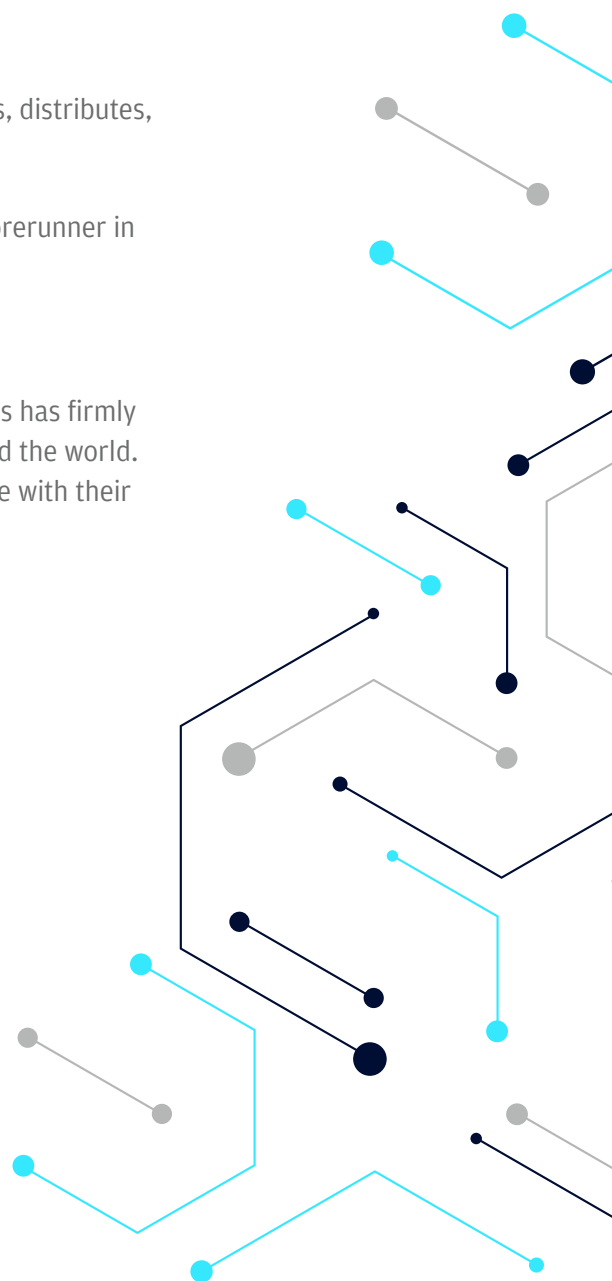
- Historically, Iberdrola would rely on once-a-day statements for visibility of their balances and transactions. To locate payments, Iberdrola had to log onto an e-banking portal or call J.P. Morgan directly
- It had become imperative for Iberdrola to have real-time visibility of their balances globally. They have grown the company through a series of acquisitions in recent years, particularly across the US, Mexico and Brazil and recently also in Australia. Iberdrola needed to centralise their reporting across these new markets to give them more accurate insight into their global cash position
- The need for greater data transparency was linked to the ongoing digital transformation of their treasury, through which Iberdrola was looking to optimise working capital. It was also important for the company to increase flexibility so it could respond to rapid changes in the macro environment

“Of paramount importance to us is the payment tracking functionality, instead of being on the phone to your different banks all day, you can call from your API and the information is at your fingertips.”

- Iker Goenaga, Transactional Treasurer at Iberdrola.

1. Source: <https://www.iberdrola.com/about-us>

2. Source: <https://www.iberdrola.com/innovation>



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The solution

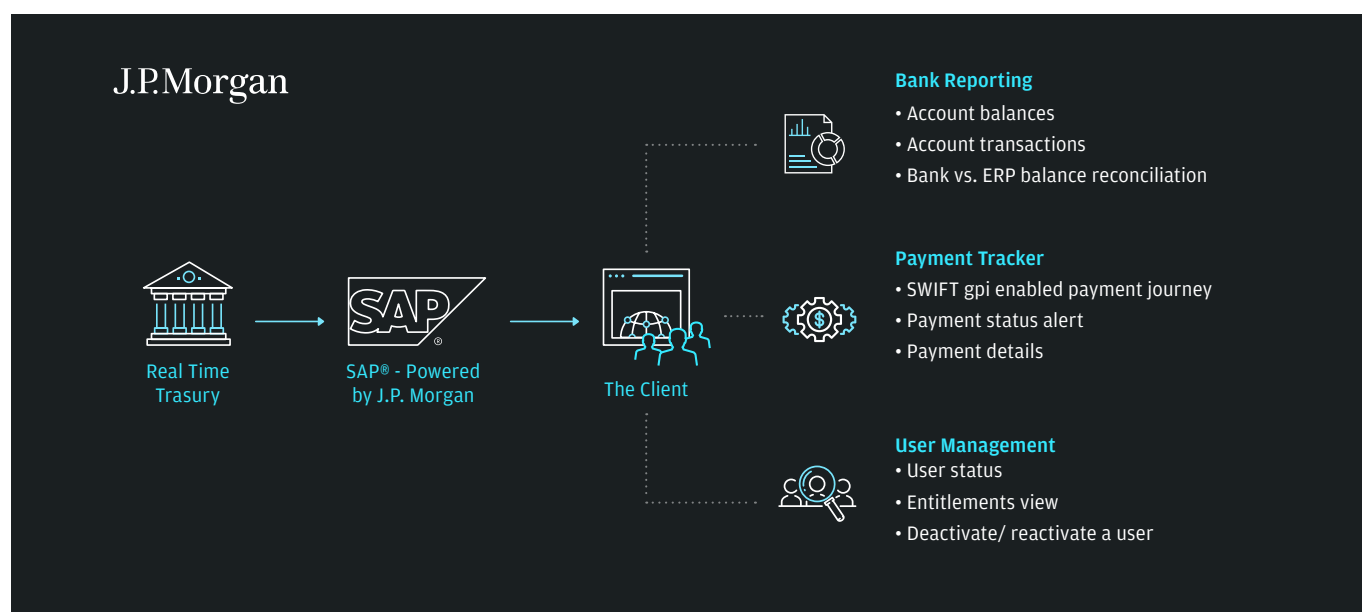
The J.P. Morgan team hosted multiple agile client sessions to fully understand the challenges faced by Iberdrola. Very quickly there was a shared understanding that J.P. Morgan's Treasury Services APIs could deliver significant value to Iberdrola's Treasury, given their global presence across many different regions and time zones. As a result of this deep client insight, we were able to deliver a swift, effective solution specifically tailored to their needs.

The **J.P. Morgan Real-Time Treasury application on SAP®**, powered by APIs delivers:

- Bank reporting and SAP® reconciliation in real-time, across their J.P. Morgan accounts globally
- Payment tracking utilising SWIFT gpi from initiation to receipt by final beneficiary
- Clear visibility of user status and entitlements

“This is a double first: Iberdrola is the first client to go live with the SAP® Real-Time Treasury app in EMEA and this is also our first API implementation in Iberia. We achieved this together, by working closely together as ‘one team’ throughout the COVID-19 lockdown, ensuring the implementation remained on track and there were no delays, despite the circumstances.”

- Mario Benedict, Head of APIs and Open Banking,
EMEA, Digital Solutions, Wholesale Payments, J.P. Morgan.



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The results

- The solution has migrated Iberdrola from cumbersome, once-a-day reporting to instant access to real-time data. By integrating our API solution into their existing ERP system, SAP, Iberdrola can take action on issues sooner and respond quickly to changes in the macro environment, while streamlining workflows and automating previously manual tasks
- The solution provides the client with access to crucial banking services on one secure, consolidated platform, removing the need to work through multiple portals, ensuring more secure and convenient access to financial data
- J.P. Morgan adopted an agile approach throughout the project, to deliver a fast pace of innovation and a client-driven outcome. Iberdrola now has the digitised, streamlined, fit-for-purpose treasury it needs to underpin its ongoing growth and evolution

“Once the technical implementation was completed, and the configuration of our corporate ERP (SAP) with the J.P. Morgan API was achieved, everything was very simple. Even more so, when you consider the great benefit that this API brings, in optimizing our Treasury by providing real-time access to balances for all the accounts of the Iberdrola Group in the U.S.”

- Joseba Dominguez, Treasury Implementation Manager at Iberdrola.



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