



EMAGIA CUSTOMER SUCCESS STORY

SYNGENTA
CROP
PROTECTION INC.

OPTIMIZE WORKING CAPITAL™



Syngenta Crop Protection Inc.
\$3 billion division of a \$7 billion
Agri-Chemicals company

Industry
Agricultural Chemicals

Business Challenges

- Little A/R visibility into complex customer network
- Highly seasonal business posed cash forecasting challenges
- High level of manual processes around credit and collections

Emagia Solution

A receivables automation tool that was coupled with a powerful cash forecasting engine and analytics.

Benefits

- \$3 million in interest savings
- Cash forecasting accuracy improved by as much as 35%
- DSO reduced by 4.5 days
- Complied with Sarbanes-Oxley

Financial Systems Integrated
SAP, Dun & Bradstreet

Syngenta Gains \$3 Million Savings in Cash Flow Processes and Achieves SOX Readiness with Emagia

Syngenta Crop Protection, a \$3 billion manufacturer of agricultural chemicals, had to gain rapid control of its cash flow processes. Having been a recent spin-off from Astra Zeneca and Novartis, two large chemical giants, Syngenta needed to quickly pay off billions in debt and establish itself as a leading company within its industry.

What made Syngenta's task challenging were two distinct factors - first, Syngenta was unable to get real-time visibility into its receivables exposure existing in its complex customer network of dealers, agents, and distributors. Also, Syngenta's cash conversion cycle was highly dependent on agricultural cycles, resulting in uneven cash receipts which often came 9 to 10 months after Syngenta billed its customer. Syngenta's discounts extended to customers further exacerbated the situation, leading to a high level of inaccuracy in its cash forecasts. To make matters worse, during this time, Syngenta was also hurrying to prepare for its Sarbanes-Oxley audit around receivables and cash flow.

A Solution That Aligns Receivables Management With Corporate Goals

Syngenta turned to the Emagia solution to automate its collections processes and bring a level of predictability to its cash receipts. Emagia provided flexible business rules in the form of collections strategies that would prioritize and automate many of the collectors' tasks. This then drove the A/R team to better monitor and manage the cash collections and forecasting processes. In addition, a powerful cash forecasting engine was able to take into account payment trends, discounting and promises-to-pay from customers to accurately predict cash receipts into the future. Emagia brought a level of consistency and financial transparency that made it easy to align the collections team with the corporate objectives of the company.

Bottom Line Impact: Superior Cash Forecasting and Faster Compliance

Emagia's specialized cash flow management platform allowed Syngenta to achieve control over its receivables. Average past due balance dropped by \$29 million in comparison to the previous year while average deductions balance decreased from \$2.9 million to \$1.1 million, translating to a DSO reduction of 4.5 days. Additionally, Syngenta's cash forecasting accuracy improved up to 35% in certain cases, contributing to over \$3 million annually in bottom line savings. As an added bonus, the internal controls, audit trails and reporting available in Emagia allowed Syngenta to quickly pass its internal Sarbanes-Oxley audit. With Emagia, Syngenta found itself well positioned for the future.

"Emagia has given us the consistency and control needed in our cash flow processes. As a result, we have seen a decrease in DSO, a dramatic improvement in cash forecasting accuracy, and have established internal controls that helped us to easily pass our internal audit for Sarbanes-Oxley compliance."

— Bert McCuiston, Head of Credit, Collections and Cash Management, Syngenta

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