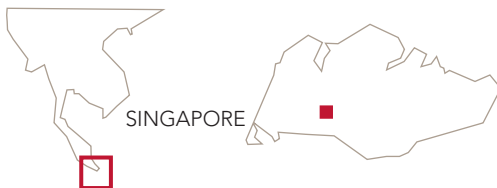


ALTHOUGH HE HAD TO GIVE UP HIS CHILDHOOD SOCCER AMBITIONS FOR OTHER GOALS, MICHAEL WENG HAS NEVER HAD TROUBLE KEEPING SCORE – NOT EVEN WITH SOMETHING AS COMPLEX AS TREASURY MANAGEMENT FOR ELECTRONICS MULTINATIONAL HITACHI. AVANTGARD HELPS HIM KEEP HIS EYE ON THE BALL



Managing the treasury department for a global electronics giant is all about control, according to Michael Weng, treasury manager, cash management and money market, e-business, at Hitachi International Treasury. And Michael has plenty of areas to control – he can list more than 35 tasks that come under his remit. First and foremost is to ensure that the treasury center, which is based in Singapore, can provide the services required by Hitachi's entire Asia-Pacific operations.

Hitachi was founded in Japan in 1910 as an electrical repair shop for a copper mining company. It now employs around 326,000 people globally. It began operations in Singapore in 1963 and in 1989 Hitachi Asia Ltd (HAS) was established as one of the company's four regional headquarters (the others are in the U.S., Europe and China). In 1998 – the year Michael joined the company – HAS converted from a private limited company to a non-listed public company and was granted "financial treasury center" status by the Monetary Authority of Singapore.

This move was aimed at strengthening the Singaporean arm's ability to provide financial support to Hitachi Asian operations. On July 1, 2003, the Asia Treasury Center in HAS was incorporated as Hitachi International Treasury Ltd (HITL) – which, as at March 31, 2004, had a balance sheet of around \$650 million. "Although we are

not a bank, our internal clients expect bank-like services. This means we have to be creative in the solutions we develop for them, while also ensuring that controls remain in place," says Michael.

READING THE REGULATIONS

It is not only internal clients that Michael has to please – he also has to keep central bank regulators happy as well. He has studied all the local regulatory environments under which Hitachi companies in the region operate. "Getting approval from central banks can be quite challenging. The operations infrastructure for capital control can vary from country to country because there are different regulatory and tax regimes across the region. Again, being creative in order to fulfill the requirements of different parties really helps here."

HOME LIFE

FAMILY: "I have been married for seven years and have two sons: Joshua, who is three, and Caleb, who is one."

HOME: "I live in Clementi, which is on the west side of Singapore and is about a 15-minute drive away from Singapore's CBD [central business district]."

COMMUTE: "I drive to the office occasionally, but the traffic in the CBD is terrible, so I usually take a train."

HOMETOWN: "I was born in Hong Kong, spent the first five years of my life in Taiwan, then moved back to Hong Kong for school and went to university in Canada."

EDUCATION: "I have a bachelor of commerce with honors from the University of Windsor in Ontario, and an MBA from the University of Birmingham in the UK, which has a campus in Singapore."

PASTIMES: "I love playing and watching soccer. I have been a Liverpool fan for 20 years and I look forward to seeing the team win the English Premiership again!"

CHILDHOOD DREAM: "I wanted to be a professional soccer player in England."



“BALANCING THE NEEDS OF INTERNAL CLIENTS AND EXTERNAL REGULATORS MUST BE CONSIDERED IN THE CONTEXT OF THE TIME AVAILABLE, THE QUALITY OF THE SOLUTION AND THE ULTIMATE COST. IF YOU CAN LINK ALL THESE TOGETHER, YOU WILL LEARN A LOT”

Seven main areas of activity come under Michael's control – cash management, group loans, investment, operation management, strategic planning, project management and system implementation. While most of the activities are undertaken on a regional basis, within cash management the netting and pooling functions are carried out on a global basis. He does this with a team of four – one assistant manager, two senior executives in operations and an executive in the e-business operation.

The global nature of the netting activities was brought home to Michael while he was implementing his solution – in one week, he “traveled the whole world – Singapore to London, across to San Francisco and then back to Singapore”.

CONSISTENCY AND CONTINUITY

Michael says one of his priorities is to provide consistent and state-of-the-art cash management for the region to enable cash to be managed and moved as needed at a minimal cost. “Cashflow management has been a particular priority lately. We have been streamlining treasury operations in order to make sure we get cash in on time and get that information out to all of the companies within the region. Each company relies on us to provide the cashflow, so that when they need to borrow money, it will be there.”

Business continuity planning is another area that Michael points to as crucial to treasury operations. “Streamlining treasury operations is important, but it would mean nothing if we were unable to continue working after a disaster. We cannot afford to default on payments; Hitachi has a great credit rating and we certainly don't want anything to affect that,” he says.

For the past four years, Hitachi has used SunGard's AvantGard Quantum as its core treasury system. The system provides liquidity

WORK LIFE

BUSINESS HOURS: “8:45 a.m. to 5:35 p.m., but I usually reach the office slightly earlier to prepare for the day.”

LOCATION: “At Collyer Quay in the CBD.”

OFFICE: “The Hitachi Tower faces the sea. If I want to take a break, I can look out of the window – there's always plenty to look at to refresh yourself.”

DESK HYGIENE: “I wouldn't say it is really tidy, but it functions well.”

PERSONAL ORGANIZATION: “I had a Palm, but it was damaged, so I am looking for a replacement.”

CORPORATE CULTURE: “Hitachi is a typical conglomerate company, but we are also dynamic in terms of the solutions we develop. So far, we have blended the two cultures very well.”

DRESS CODE: Formal business dress.

management, accounting and extensive reporting and workflow functionality for 19 users in Singapore, four in Malaysia and another 20 in Asia-Pacific through eTreasury. “The system has helped us to track cashflows across the operation and allows us to report the bank account balance of HITL, foreign exchange and liquidity requirements for the region,” says Michael.

In his seven years at Hitachi, he feels he has learnt a great deal in what has been a challenging environment. “Balancing the needs of internal clients and external regulators must be considered in the context of the time available, the quality of the solution and the ultimate cost. If you can link all these together, you will learn a lot.”

THE SUNGARD SOLUTION: AVANTGARD

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