

Deutsche Telekom AG is lowering its costs with the Data Manager Treasury.

By switching to the Infront Market Data Solution, Deutsche Telekom AG saves significant costs in treasury with optimum data coverage.

Original situation

Deutsche Telekom AG, one of the leading telecommunications concerns worldwide, has for over five years used market data terminals from Infront in its treasury department, in particular in middle office and back office, for instance for financial controlling and for generating reportings. The switch to the Market Manager was made after a thorough analysis of requirements with the objective of saving costs.

„In treasury itself no real-time data supply is needed. This was a luxury that we abolished in order to achieve massive savings on the Market Data side.“

Jürgen Kistner

Manager of Finance Control and Back Office

Deutsche Telekom AG

Due to persistent cost pressure for Market Data, further savings had to be made. A test was carried out on which Market Data Treasury employees worked with and whether an expensive real-time connection was actually needed in comparison. The result of the analysis was that for users in treasury, an intra-day snapshot data supply is fully adequate.

Solutions

This year Deutsche Telekom decided on switching to Infront in data feed supply as well. Tailor-made to its requirements and thus very cost efficient, since April 2015 Deutsche Telekom has via the Data Manager Treasury been receiving only the actually required data and in that way substituted real-time supply for intraday snapshot.



The data are inputted via a raw market data interface from Infront as files and flow directly into Reval's in-house treasury system where they are processed. With the introduction of this treasury system, a process of centralisation started in treasury to link up operations in Deutsche Telekom's subsidiaries with corporate group treasury. Core users are a group of about 20 users working at Deutsche Telekom's headquarters and, consequently, working very intensely and an additional 100 odd users in accounting and subsidiaries who also make use of this data in their work.

Deutsche Telekom's subsidiaries in eastern Europe had some special requirements for market data which were not needed by headquarters, in particular not needed for consolidated annual accounting (e.g. for currency conversion, fixings are taken from the relevant national banks). Infront was able to satisfy these requirements without any problem and now supplies the company several times a day with different data sets:

- At 11 a.m. currency fixings from several national banks
- 90% of the data comes around 3 p.m., mainly forex, money market and interest rate swap readings
- After 7 p.m., the final delivery with Libor and Euribor rates including EONIA (euro overnight index average)

„We thus now have 99% data coverage and that is absolutely adequate. In addition, Deutsche Telekom not only uses standards but also works with cross-currency basis spreads and tenor basis spreads for evaluation of interest rate derivatives. This data is optimally covered by the Data Feed as well.“

Jürgen Kistner
Manager of Finance Control and Back Office
Deutsche Telekom AG

An additional requirement that was implemented was data encryption via PGP (pretty good privacy). PGP makes possible to encrypt data in such a way that only an individualised recipient can read it.

Project procedure

Before Deutsche Telekom decided on Infront it also checked references from other customers using market data from Infront such as Reval, a worldwide leader in providing solutions for integrated treasury and risk management.

A crucial criterion was coverage of market data. Since the previously deployed Data Feed to the live run of the Data Manager

Treasury was still in parallel operation, comparisons could easily be made. The results turned out accordingly.

Conclusion

Deutsche Telekom is now a satisfied customer of Infront who saved considerable costs with the Data Manager Treasury.

Essential criteria for the decision in favour of Infront were:

- 99% data coverage
- Daily up-to-date and comprehensive fixing, interest rate and derivative data
- Automatic data importation into the in-house treasury system
- Tailor-made and thus cost-efficient selection of data packages
- Data encryption with PGP
- Good experiences with the Market Manager market data terminal now in use for five years

„I have to admit that we had doubts in the beginning whether that could be covered via Infront as well. And we were quite content to discover that there were no gaps in coverage.“

Jürgen Kistner
Manager of Finance Control and Back Office
Deutsche Telekom AG

Deutsche Telekom AG



Deutsche Telekom is one of the world's leading integrated telecommunications companies with around 151 million mobile customers, 30 million fixed-network lines and more than 17 million broadband lines (as of December 31, 2014). The Group provides fixed network, mobile communications, Internet and IPTV products and services for consumers and ICT solutions for business customers and corporate customers. Deutsche Telekom is present in more than 50 countries and has approximately 228,000 employees worldwide. The Group generated revenues of EUR 62.7 billion in the 2014 financial year – more than 60 percent of it outside Germany.

About us

Infront offers a powerful combination of global market data, news, analytics and trading tools. With the recent acquisition of vwd Group, Infront's product coverage also includes data and feed solutions, solutions for portfolio management and advisory, regulatory compliance as well as publication and distribution solutions. Our combined 3,600 customers and over 90,000 professional users benefit from the highest level of expertise in regulation, private wealth, market data and the frictionless interaction of the diverse solutions and products covering their complete workflow.

More than 500 employees in 13 countries across Europe and South Africa apply their expertise to meet the challenges of our clients, ensuring they continuously receive the best solutions and services. Infront is listed on the Oslo Stock Exchange.

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