# Seeing Cash More Clearly with UniCredit

## by Marco Bigatti, Group Treasurer & Chief Accounting Officer, Luxottica Group

**L**eading eyewear group Luxottica has had a relationship with UniCredit in Italy for many years. Harmonisation and standardisation of the payments and collections landscape through SEPA (Single Euro Payments Area) provided an opportunity to extend this relationship more widely, streamline processes and connectivity, and position the company for future cash management innovation.

## Treasury organisation

We have a centralised treasury organisation at Luxottica with regional treasury centres in North America, Europe and Asia Pacific, and a co-ordinated approach in Latin America. We have around 20 treasury professionals working across these centres. At a headquarters level, our treasury team manages our key bank and rating agency relationships, and takes responsibility for cash and risk management, corporate finance and funding. Our regional treasury centres manage local bank relationships, centralise liquidity at a regional level, manage foreign exchange risk and perform local cash flow planning. Treasury also works closely with the shared service centres to co-ordinate and supervise cash management processes.

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## A catalyst for change

We already worked closely with UniCredit for cash management in Italy, including a customised bank account reporting solution. With the introduction of SEPA, however, we recognised the opportunity to rationalise our cash management bank relationships, particularly in central and eastern Europe where our bank relationships were more fragmented, and streamline bank connectivity based on a single platform.

We appointed UniCredit as our SEPA adviser to understand the new payments and collections landscape and the implications for our business, and optimise our cash management processes and technology, including straight-through processing and real-time access to complete, accurate information. As an international business operating globally, with both wholesale and retail cash management requirements, we needed to work with a bank that understood our current and future needs, provided the depth of network offering in the relevant countries, and could offer the appropriate solutions. It was also important to recognise the changing nature of the payments and collections landscape globally, so our partner bank needed to be forward-looking and have both the ability and appetite to invest in innovation.

UniCredit was able to fulfil these requirements, with a central and eastern European footprint that matched our own, together with competitive pricing, innovative and highly functional technology and the ability to meet our specific business needs, such as state-of-the-art point of sale (POS) terminals. As we had an existing relationship with the bank, we had a high level of confidence in UniCredit's commitment to a long-term relationship and its ability to fulfil its promises.

## From national to international

We therefore extended our relationship with UniCredit from Italy to Austria, Poland, Croatia, Slovakia, Russia and Germany. We were able to open accounts in these countries in a very short space of time as the bank offered a standardised approach to European account opening processes, documentation and account fees. UniCredit provided

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"Our aim is to provide the Luxottica Group with innovative cash management services, trying always to anticipate their needs and leverage UniCredit's advanced product portfolio to provide effective and efficient solutions. We maintain a regular dialogue with Marco and his team, to understand their evolving requirements and changes in the wider cash management environment, and invest in innovative solutions that will allow Luxottica to meet future challenges and create opportunity."

**Massimiliano Cirelli**, **Cash Management International Sales Expert Italy, UniCredit**

us with a single point of contact which made it easier to manage the relationship, whilst taking into consideration our specific functional and relationship requirements in each country. As a result, it was not difficult to convince local finance teams to work with a new bank. In addition, the bank offered a structured, disciplined approach to project management, which led to a smooth implementation.

It was not only a single bank relationship that was important to us, but also optimising our transaction and information flows through an efficient, secure electronic banking system. UniCredit offered a single electronic banking platform with standardised formats to facilitate consistent processes across all of the countries in which we work together. This platform provides treasury with a central view over the business, while subsidiaries can also access transaction and information services.

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### Luxottica

Luxottica Group is a leader in the design, manufacture and distribution of fashion, luxury, sports and performance eyewear, with a global wholesale network across more than 150 countries, with over 7,200 optical and sun retail stores in North America, Latin America, Asia-Pacific, China, South Africa and Europe. The Group's strong, well-balanced brand portfolio includes iconic proprietary brands such as Ray-Ban, Oakley, Vogue Eyewear, Persol, Oliver Peoples and Alain Mikli, as well as highly attractive and prestigious licenses including Giorgio Armani, Burberry, Bulgari, Chanel, Dolce&Gabbana, Michael Kors, Prada, Ralph Lauren, Tiffany & Co., Versace and Valentino.

Product design, development and manufacturing take place in Luxottica's six production facilities in Italy, three factories in China, one in Brazil and one facility in the United States devoted to sports and performance eyewear. Luxottica also has a small plant in India serving the local market. Full year sales in 2015 amounted to €8.8bn, of which 41% was wholesale and 59% retail sales.

# A forward-looking partnership

Looking ahead, one of the key benefits of working with an innovative bank such as UniCredit is our ability to anticipate and respond to changing cash management requirements, such as evolving payment and collection practices in each country in which we operate. As a result, we are now actively exploring consumer payment and collection methods such as contactless payment, mobile payment and other evolving cashless instruments. We also recognise the value of rationalising our bank relationships in terms of liquidity management, so we are evaluating global notional cash pooling structures.

As a result of this project, we have expanded our relationship with UniCredit from being a provider of basic cash management products in one country to becoming one of our main cash management partners for the Luxottica Group across key locations in central and eastern Europe as well as in Italy. By doing so, we are able to manage our current requirements and position the Group for the future, which will be instrumental in driving cash management innovation and creating competitive advantage. ■

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**Marco Bigatti**
**Group Treasurer & Chief Accounting Officer,**
**Luxottica Group**

Marco Bigatti joined Luxottica Group in 2005 and is responsible for corporate finance, treasury and financial risk, including debt capital markets issuance, and rating agency relations. In 2015, he further expanded his responsibilities to include group corporate reporting and accounting. Before joining Luxottica, he held a variety of finance responsibilities in Decathlon, Esselunga and Aligroup.