

A Hedgebook eBook

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# Corporate FX Risk Management for Treasurers – with examples

We are constantly learning from Hedgebook clients what really matters to them in selecting a comprehensive FX risk management solution. If you are starting your journey in selecting an FX risk management tool we believe you will find their perspective useful. It also contains insights from the Annual Hedgebook User Survey.

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*“Hedgebook is affordable and well meets the needs of our business. It is easy to use, and cloud based, with multi-user access, so my team can also go in and do the work needed for us. As a treasury tool it has all you need.”* Jeff Situ, Tax and Treasury Manager, Tait Communications

# Ease of Use and Intuitiveness

Hedgebook's commitment to user-friendly design is evident in its intuitive interface, which simplifies complex treasury management tasks. This ease of use is a significant factor in both onboarding new users and ensuring ongoing usage of the tools.

*"Hedgebook has a very clean interface and is so easy to use. The entering of information is really intuitive as you just start at the top and tab down. Thanks to the ability to customise there are no unnecessary fields and the additional fields we've added in are super relevant to our needs."*

Rebecca Parsons, Accounts and Admin Manager, [Frontier International](#).



The platform's design facilitates quick adoption, allowing users to transition smoothly from spreadsheets to Hedgebook's advanced tools. This seamless onboarding process is crucial for companies aiming to enhance their treasury management without extensive training periods. The intuitive layout ensures that users can navigate the system effortlessly, accessing essential features and data with minimal effort.

**REDUCING HUMAN ERROR AND KEY PERSON RISK IS THE NUMBER ONE REASON WHY COMPANIES USE HEDGEBOOK. THIS IS BACKED BY 100% OF RESPONDENTS RATING IT AS ABOVE AVERAGE OR EXCELLENT IN TERMS OF RELIABILITY.**

Moreover, Hedgebook's user-centric approach extends to its graphical representations of data. This visual clarity enhances internal communication and aids in decision-making processes.

The platform's simplicity does not compromise its functionality. Hedgebook offers robust features that cater to the diverse needs of its clients, all within an accessible framework. This balance between simplicity and capability ensures users can perform complex analyses without feeling overwhelmed and with confidence in the results.



*"It is so much easier to manage hedging using Hedgebook than it ever was on a spreadsheet. The reporting is a real benefit and something you just can't get on a spreadsheet. And did I mention how easy it is to use and how user-friendly the interface is?"* Rebecca Parsons from Frontier International.

**In summary, Hedgebook's emphasis on ease of use and intuitive design:**

- Significantly contributes to its appeal among clients
- Ensures organisations can efficiently manage their treasury operations
- Leads to increased user satisfaction and better financial outcomes

**Read the full case study from [Frontier International](#)**

## Scalability and Flexibility

Hedgebook's platform is designed to scale and adapt to the evolving needs of businesses, accommodating increased volumes of foreign exchange (FX) contracts and expanding functionalities to cover policy tracking and interest payments. This scalability and flexibility are particularly beneficial for companies experiencing growth or entering new markets.

For instance, [Tait Communications](#) has leveraged Hedgebook's adaptable platform to manage its expanding financial operations across 17 countries.

*"To manage this, we use Hedgebook for treasury management on a daily basis and monthly for our reporting – for which Hedgebook saves us hours every month. Hedgebook is a useful tool for providing up-to-date information, which is why we have all our derivatives loaded into it.*

*We have found it to be really user friendly and very straight forward – so it's not rocket science to pick up."* Jeff Situ, Tax and Treasury Manager, Tait Communications



Hedgebook's flexibility extends to policy tracking and interest payment management, allowing organisations to customise the platform according to their specific requirements. This customisation ensures that as businesses grow and their financial landscapes become more complex, Hedgebook remains a valuable tool in managing various aspects of treasury operations.



*"We were with just one bank for a while so it was relatively easy to hedge around \$100 million mainly in USD contracts for three to four years out. But now we are working with three banks, across multiple FX lines. Hedgebook allows us to pull everything into a single view in a consistent way.*

*We can easily see how contracts are being delivered and how they are lined up for rates."* Tom Clapworthy, Commercial Manager and Treasurer, Rockit Global

**OVER 60% OF HEDGEBOOK USERS MANAGE INTEREST RATE RISK IN HEDGEBOOK. THE ABILITY TO TRACK MORE COMPLEX DERIVATIVES AND MANAGE DERIVATIVE VALUATIONS IS A TOP 10 REASON WHY COMPANIES USE HEDGEBOOK.**

**In summary, Hedgebook's scalable and flexible platform supports businesses in:**

- Managing increased FX contract volumes
- Policy tracking
- Expansion into managing interest rate swaps and other financial instruments
- Navigating growth with confidence

**Read the full [Tait Communications](#) and [Rockit Global](#) case studies**

## Compliance and Accounting Standards

Hedgebook is designed to help organizations comply with International Financial Reporting Standards (IFRS) and other regulatory requirements, simplifying audits and financial reporting processes. The platform provides 100% independent valuations at the press of a button, ensuring compliance with IFRS and US GAAP.

*“As a publicly listed company it is important that we operate in an environment of control and compliance. A Treasury Management System (TMS) helps us achieve that goal. We have used other TMSs in the past, but Hedgebook gives us all the functionality we need to capture, value and report our treasury exposures and at a fraction of the cost.”*

Chris Kinraid, Group Financial Controller, [Kathmandu](#)



A key aspect of IFRS compliance is the accurate disclosure of financial instruments, as outlined in IFRS 7. Hedgebook's tools allow users to perform sensitivity analyses on foreign exchange and interest rate positions, aiding in meeting these disclosure requirements efficiently.

Furthermore, IFRS 13 requires the valuation of counterparty credit risk to be quantified and separated from the risk-free valuation of financial instruments. Hedgebook addresses this by providing valuations that consider credit value adjustments (CVA) and debit value adjustments (DVA), ensuring adherence to fair value measurement standards.



*“While I could potentially handle the interest rate swaps, I wouldn't even try to do the CVA, DVA and all that manually. It would take an extreme amount of time and you couldn't get the value from that time back. So long as we correctly enter the data into Hedgebook, we have removed a lot of that human risk.*

*Plus, we wouldn't otherwise get the checks and balances we have inbuilt in Hedgebook or the independent valuations.”* Paul Thompson, Financial Controller, [Top Energy](#)

**97% OF HEDGEBOOK USERS AGREE OR STRONGLY AGREE THAT HEDGEBOOK REMOVES THE STRESS FROM MONTH END AND YEAR END COMPLIANCE REPORTING.**

**In summary by leveraging Hedgebook's comprehensive compliance tools you can:**

- Confidently meet accounting standards
- Streamline financial reporting
- Simplify the audit process

**Read the full case study from [Kathmandu](#) and [Top Energy](#)**



## Time and Cost Efficiency

Hedgebook significantly enhances time and cost efficiency in treasury management by streamlining reporting, enabling finance teams to focus on other priorities. Organisations have reported substantial savings by reducing reliance on third-party services, moving away from manual data entry and optimising internal workflows.

**93% OF USERS AGREE OR STRONGLY AGREE THAT HEDGEBOOK GIVES THEM MORE CONFIDENCE IN THEIR DATA TO DRIVE BETTER DECISION MAKING.**

Customers, such as, [Hurunui District Council](#) has experienced notable time savings, allowing the finance team to allocate more time to other critical tasks.

*“It never ceases to amaze me that I can create a report with the push of a button in Hedgebook and know our auditors will be more than happy it’s correct. Hedgebook is a trusted source for audit and everything maps accurately back to our banks’ reporting.”* Bradley Phillips, Financial Accountant, Hurunui District Council



This ease of use reduces the learning curve for new users and decreases the likelihood of errors, allowing finance teams to operate more effectively. It also gives plenty of scope to grow and evolve your usage as your hedging becomes more complex.



*“For the basic stuff we currently use Hedgebook for, it is simple and works well. Auditors trust it and it won’t cause you any heart ache. The system has always worked, and we have never had any issues at year end.”* Karl Wansbone, Head of Finance, [Manawa Energy](#)

Additionally, Hedgebook’s FX Exposure Tool provides real-time insights into currency exposures, enabling organisations to make informed hedging decisions swiftly. By having immediate access to accurate data, finance teams can respond promptly to market fluctuations, thereby protecting the company’s financial interests without delay.

### In summary, Hedgebook enhances time and cost efficiency by

- Automating processes
- Providing real-time data and reporting
- Offering user-friendly interfaces

Read the full case study from [Hurunui District Council](#) and [Manawa Energy](#)

# Independent Third-Party Valuations

Hedgebook's ability to provide independent, third-party valuations of financial instruments, such as interest rate swaps and foreign exchange contracts, is highly valued. It ensures valuations are both accurate and compliant with auditing standards, providing users with confidence in their financial reporting.

## MEETING YEAR END COMPLIANCE IS THE SECOND MOST IMPORTANT REASON WHY COMPANIES USE HEDGEBOOK.



For global fleet management and telematics company, [EROAD](#), this capability was a game-changer. Previously, a team member had paid a third-party consultant around a thousand dollars for a single independent derivative valuation, which took several days to process. With Hedgebook, that cost and delay were eliminated.

*"With Hedgebook we can literally get that third-party valuation in an instant whenever we need it. Plus, because it can be back dated, I am not tied to doing it right on the end of the month. For that alone Hedgebook pays for itself – but as we've learnt there is a lot more to it than that."*

Kim O'Hara, Finance Manager, EROAD.

Leading UK Accountancy firm, [Menzies](#), also highlights Hedgebook's ease of use in managing what can be a complex and costly part of the audit process.

*"Hedgebook is simple, easy-to-use and a cost-effective way of valuing derivatives that can be a complex and costly area of the audit."* Miriam Hanley, Technical Manager – Menzies

Furthermore, Hedgebook's user-friendly interface makes this valuation functionality accessible for users at all levels of expertise. It includes some more advanced treasury management functions as well; The Valuations Tool also includes sensitivity reporting, enabling users to assess the impact of fluctuating exchange rates on their financial positions.



*"We have had very, very few issues in using Hedgebook over the years. It does what we need it to and if you're doing independent derivative valuations it's an absolute no-brainer."* Kim O'Hara, Finance Manager, EROAD

### In summary, Hedgebook's Valuations Tool provides organisations with:

- Accurate, independent valuations of financial instruments
- Reduces the need for external consultants and associated costs
- Includes sensitivity reporting
- Intuitive interface empowers users to manage financial risks more effectively

Read the full case study from [EROAD](#) and [Menzies](#)

## Support for Multi-Currency Operations

Hedgebook empowers businesses operating in multiple countries to manage forex risks effectively, particularly when converting profits or handling imports. By providing clear visualisation of hedging positions, the platform enables companies to make informed decisions in the face of currency volatility.

For instance, [T&G Global](#) trades all over the world working across roughly 10–13 currencies at any one time – including some of the less common ones such as PBGK from Papua New Guinea. There is a lot to keep track of but they say Hedgebook makes it easy.

*“We basically use Hedgebook for anything related to foreign currency. We log our deals in, then run daily reports in Hedgebook to identify all the deals maturing on that day. At month-end Hedgebook reports all the transactions from that month, all the accruals on loans and future FX transaction options.*

*It also reports on settled deals as different teams need to track what has been settled throughout the year.”* Cristina Brandao, Treasury Accountant, T&G Global



Similarly, [Kathmandu](#), a publicly listed international retailer with significant foreign exchange exposure, utilises Hedgebook to gain clear visibility over FX hedging. This insight strengthens its buyers' confidence.

*“To not hedge is not a viable approach as we need a degree of certainty around FX rates for the season ahead to give our buyers confidence, but we still want to know the impact from our decisions. Hindsight is a wonderful thing but it is another piece of the FX hedging jigsaw that Hedgebook helps us with.”* Chris Kinraid, Group Financial Controller, Kathmandu

Hedgebook's FX Exposure Tool combines foreign currency cash flow forecasts with existing forex hedging positions, providing a clear visualisation of a company's hedging status. This comprehensive view allows businesses to model shifts in rates and assess their impact on profit and loss, facilitating more effective collaboration with banks and brokers.

**93% OF USERS AGREE OR STRONGLY AGREE THAT HEDGEBOOK GIVES THEM GREATER VISIBILITY, CONTROL AND CONFIDENCE IN HEDGING POSITIONS.**

**In summary by providing support for multicurrency operations Hedgebook:**

- Manages forex risks for global businesses
- Tracks multiple currencies with ease
- Provides clear visibility over FX hedging

**Read the full case study from [T&G Global](#) and [Kathmandu](#)**



# Real-Time Visibility and Collaboration

Hedgebook's platform offers real-time access to treasury data, fostering seamless collaboration between internal finance teams and external advisors. This feature ensures all stakeholders have a single source of truth, facilitating timely and informed decision-making.

**THERE HAS BEEN A 100% INCREASE IN THE NUMBER OF HEDGEBOOK USERS STATING BEING ABLE TO SHARE DATA WITH THEIR BANKS AND/OR BROKERS IS VERY IMPORTANT.**



For instance, it can effectively combine foreign currency cash flow forecasts with existing forex hedging positions. This comprehensive view enables both importers and exporters to see their positions at a glance, promoting better collaboration with banks and brokers.

*“The old way of doing all of this was to use a spreadsheet. It was difficult to keep updated, kept information in silos and there was a greater risk of something going wrong. I don't think it could do any better on ease of input or getting information out.”* Louise Mair, Audit Senior Manager, Johnston Carmichael

Additionally, Hedgebook's Public API enhances collaboration by allowing the auto-population of client deal information, granting mutually visible hedge and cashflow data, and providing actionable insights. This shared access to accurate and up-to-date information deepens understanding and increases collaboration between parties.

*“Having data on a secure, cloud-based platform, which can be accessed from anywhere, has made life easier. It's given peace of mind that human error is eliminated.”* leading UK FX broker

Furthermore, Hedgebook's platform is designed to deliver exceptional value into client relationships by providing a real-time shared view of a client's position. This shared perspective enables banks and auditors to improve their customers' understanding while driving better treasury management decisions.



## In summary, Hedgebook real-time data access and collaborative tools:

- Ensures all stakeholders operate from a unified, accurate set of information
- Enhances internal efficiency and strengthens partnerships with external advisors
- Delivers more effective and timely financial decision making

Read the full case study from [EROAD, a leading UK FX broker and Johnston Carmichael.](#)

## Trusted by Auditors and Advisors

Hedgebook's platform is highly regarded for its reliability and the trust it garners from auditors and advisors, which is a significant advantage for its clients. In fact, 75% of the UK's top audit firms use Hedgebook with their clients.

For instance, Menzies LLP, a leading UK accounting firm, has integrated Hedgebook Audit into its processes to independently verify clients' financial derivative valuations.



*"Hedgebook is simple, easy to use and a cost-effective way of valuing derivatives that can be a complex and costly area of the audit."* Miriam Hanley, Technical Manager at Menzies

Similarly, Johnston Carmichael, a leading UK-based chartered accountancy firm, utilises Hedgebook to audit financial instruments more efficiently. It has found Hedgebook provides better quality audit evidence than previous methods, enhancing the quality of client conversations.

*"The fact we have Hedgebook as a third-party tool and can provide documentation over the controls, it makes a big difference. If we are asked by a regulator or client to validate the results, this isn't something we have conjured up in a spreadsheet. We have a better quality of audit evidence and a much easier conversation with the client."* Grant Rodger, Audit Partner, Johnston Carmichael

External treasury advisors also benefit from having a shared view of a client's Hedgebook instance. EROAD, a global technology provider, collaborates with its treasury advisor on the platform to create a seamless sharing of information. It not only enhances efficiency but also fosters a deeper level of trust.

*"Being able to see online and on a real-time basis EROAD's FX hedged positions, ensures we are able to provide timely and relevant advice, particularly when markets are moving around."*



*"It also ensures the one single source of information we are all working with. Hedgebook is a very effective and efficient means, assisting advice between us and EROAD."* Chris Hedley, from Barrington (EROAD's treasury advisor)

### **In summary by providing a reliable and efficient platform, Hedgebook:**

- Strengthens the trust between clients and their auditors and advisors
- Contributes to smoother financial operations and compliance processes
- Enables real time sharing of information so better decisions can be made

**Read the full case study from [Menzies](#), [Johnston Carmichael](#) and [EROAD](#)**

## Supporting Business Growth

Hedgebook plays a pivotal role in supporting companies during periods of expansion by helping them manage increased financial complexity, such as larger foreign exchange exposures and diversified operations.

### 96% OF USERS RATE HEDGEBOOK SUPPORT AS ABOVE AVERAGE OR EXCELLENT.

A notable example is a leading UK-based FX broker that leverages Hedgebook to enhance its services for clients engaged in international trade. The broker's Chief Executive Officer emphasises the importance of effective FX risk management in facilitating business growth.



*“Profitability and expanding into new markets and regions is the primary goal for our clients. Helping them to achieve this while managing the uncertainty of FX volatility was the motivation behind engaging Hedgebook.”*

*As is delivering an enhanced user experience, more sophisticated hedging platform and tailored treasury solution to our clients.”* CEO Leading UK Broker

Similarly T & G Global needs to manage the risk around hedging multiple currencies in a cost-effective, time effective manner across its team.

T&G's Treasury Accountant, Cristina Brandao uses Hedgebook on a daily, monthly and annual basis to manage its fast moving portfolio of 10-13 currencies.

*“We basically use Hedgebook for anything related to foreign currency; we log our deals in, then run daily reports in Hedgebook to identify all the deals maturing on that day. At month-end Hedgebook reports all the transactions from that month, all the accruals on loans and future FX transaction options. It also reports on settled deals as different teams need to track what has been settled throughout the year.”* Cristina Brandao, Treasury Accountant, T&G Global



Beyond managing currency risk, Hedgebook also enables businesses to scale by streamlining treasury processes and reducing manual workload. As companies expand into new markets, the ability to efficiently track, report, and analyse financial exposures becomes even more critical.

By automating valuations, reporting, and forecasting, Hedgebook provides finance teams with greater visibility and control, allowing them to focus on strategic decision-making. This scalability is especially valuable for businesses, that operate in multiple locations and currencies.

#### **In summary by better managing financial complexities, Hedgebook empowers you to:**

- Focus on strategic initiatives
- Seize growth opportunities with confidence
- Streamline treasury processes and manual workload

**Read the full case study from a [Leading UK Broker](#) and [T&G Global](#)**

# FX Risk Management Calculator

Hedgebook's FX Exposure Tool serves as a comprehensive FX risk management calculator, empowering businesses to effectively monitor and manage their foreign exchange exposures.

By integrating foreign currency cash flow forecasts with existing hedging positions, the tool offers clear visualizations and supporting tables, enabling users to grasp their FX standing at a glance. This holistic view is crucial for companies aiming to navigate the complexities of international markets with confidence.

**93% OF USERS ARE VERY OR EXTREMELY SATISFIED WITH HEDGEBOOK OVERALL – RATING IT AS ABOVE AVERAGE OR EXCELLENT VALUE.**

One of the standout features of the [FX Exposure Tool](#) is its ability to model various financial instruments, including FX forwards, collards and a broad range of structured option products.

In managing FX risk across multiple currencies, the FX Exposure Tool is probably 90% of Tait Communications focus in using Hedgebook daily.

*“It creates a nice graph showing the rates and tells you your percentage of exposure as well as timing of the deal. One of the upsides for us is that I can monitor all the percentages of our hedging deals and exposures any time that I want, from anywhere I want, as it is a cloud platform.”* Jeff Situ, Tax and Treasury Manager, [Tait Communications](#)

This versatility allows both importers and exporters to assess their positions comprehensively and simulate shifts in exchange rates to understand potential impacts on profit and loss. Such scenario modeling is invaluable for making informed decisions in volatile currency environments.

Users praise Hedgebook's intuitive design and its capacity to present complex data in an accessible format. This clarity not only aids internal understanding but also enhances communication with stakeholders who may not have a financial background.

Furthermore, the FX Exposure Tool fosters collaboration between businesses and their financial partners. By providing joint access to detailed information and dashboards, it bridges the gap between companies and their banks or brokers.

This shared platform facilitates tailored hedging strategies and guidance, leading to more effective risk mitigation programs. It acts as a bridge between banks and currency brokers (and their clients), providing joint access to detailed information and dashboards to review hedged positions.



**In summary, Hedgebook's FX Exposure Tool enables businesses to**

- Proactively manage FX risk
- Combine comprehensive data integration with user-friendly visualisation
- Navigate the challenges of foreign exchange markets

**Read the full case study from [Tait Communications](#)**

## Next Steps

**If you've made it through to the end – well done. As a next step we would recommend:**

- Take a look at one of the overview videos on our website
- Download our [FX Risk Management eBook](#)
- Or [reach out](#) so we can show you just how easy it is to manage your FX risk using Hedgebook.

\*The article references content from the Annual Hedgebook User Survey.

[A summary of the results can be found here.](#)

## About Hedgebook

Hedgebook is an intuitive and easy-to-use treasury management system that helps treasurers and finance departments improve the way they record, report and proactively manage foreign exchange, interest rates and commodities risk. Simple and intuitive, Hedgebook provides real-time visibility and insights of hedge positions for better hedging decisions and eases the burden of management and compliance reporting.

### Hedgebook Annual Survey

Every year we survey our users to identify areas for improvement and potential Innovations. The 2024 results quoted in this paper can be found [here](#) >

[hedgebook.com](https://hedgebook.com)