



HedgeStar Builds Compelling Point of Difference with Hedgebook



CUSTOMER

HedgeStar: US based, global expert in FASB, GASB and IFRS standards

CHALLENGE

To provide a best-in-breed TMS solution that captures and values commodity deals

SOLUTION

HedgebookPro

OUTCOME

Around 75% saving on client compliance activity; 75% less time collating information; 100% elimination of calculation errors

HedgeStar is a global hedge accounting and valuation service provider. Since 2018, Hedgebook has provided HedgeStar with a compelling point of difference in this competitive market. As HedgeStar COO, Craig Haymaker, explains: "What were massive hurdles before – building out new technologies, onboarding new users, and executing basic reports – were streamlined with Hedgebook."



The best-in-breed challenge

HedgeStar conducted an international search for a best-in-breed treasury risk management solution. It needed to capture and value commodity deals for clients needing fair valuations for financial assets and liabilities.

HedgeStar had previously worked with a large corporate treasury management system where solutions were provided out of the box. They wanted a more flexible partner to better service client needs.

A key focus for the business was working with a like-minded company where bespoke software could be developed and collaborative opportunities pursued. They were also keen to improve the efficiency and accuracy of their solution and move away from time consuming and error-prone spreadsheets.

"Our previous software vendor was inflexible. Responses to our requests for change were met with "we can't do that" or "we can do that, but it will cost you an arm and a leg." It was frustrating and tiresome feeling like we were constantly at odds. We wanted more than a vendor-subscriber relationship; we sought a true partnership." Craig Haymaker, COO, HedgeStar.

Hedgebook's approach

The cooperative ethos of both companies was to the fore from the outset. Hedgebook initially sought to understand which HedgeStar commodities the software could cover and where further development was required.

Commodities such as natural gas, electricity and iron ore were added. Extensive discussions were also had to understand the pricing and settlement rules of each new instrument. Further reporting functionality was added with Hedgebook leaning heavily on HedgeStar to understand market norms and nuances.

"Working with the teams at Hedgebook was incredibly productive. Their technical knowledge and ability to understand our needs were helpful in making the process as smooth as possible. The development process from start to finish felt like we were all working for one company, striving toward the same goals and objectives." Tim Potter, Senior Manager, HedgeStar.

“Working with the teams at Hedgebook was incredibly productive. Their technical knowledge and ability to understand our needs were helpful in making the process as smooth as possible. The development process from start to finish felt like we were all working for one company, striving toward the same goals and objectives.”

Tim Potter, Senior Manager,
HedgeStar.

Hedgebook delivered the project in stages

Stage One delivered the capability to record and value HedgeStar’s clients’ iron ore, zinc, natural gas and electricity hedging. The instruments included swaps, futures, forwards and options. Having a system to accommodate all the relevant commodities and instruments from a valuation, settlement and hedge effectiveness testing perspective has created an efficient mechanism for HedgeStar to grow their business through technology.

Stage Two gave HedgeStar’s advisory business more strategic risk management capability. Hedgebook’s powerful and intuitive analytics brought together commodity exposures overlaid with derivative hedging, enabling HedgeStar’s advisors to spend 75% less time collating information and more time focusing on risk management strategies.

Time saved and value created

The first difference noticed by the team at HedgeStar was the amount of time – estimated to be at least a 75% saving – their clients saved on compliance activity. The speeding up of the quarter-end accounting close meant that client finance teams could focus on value creation initiatives.

Errors reduced

One of Hedgebook’s primary aims is to get businesses off spreadsheets to save time and reduce human error. Implementing Hedgebook’s software immediately eliminated 100% of calculation errors that previously impacted accuracy and created significant rework requirements for HedgeStar.

“Simply put, Hedgebook’s experts and software developers have created tools that make our lives easier.” COO Craig Haymaker

Integrating that simplicity into its clients’ day-to-day management of financial instruments has helped HedgeStar build stronger relationships. If you’d like a closer look at the Hedgebook tools HedgeStar is using please request a demo using our contact form and reference this case study.

About HedgeStar

US-headquartered HedgeStar deliver risk management consulting, derivative valuation and hedge accounting services with a focus on transparency for financial reporting and hedge performance optimisation. Experts in FASB, GASB and IFRS standards related to accounting for derivatives and fair value measurements, HedgeStar’s global clients include public and private corporations, real estate trusts, accounting firms and law firms, healthcare, educational institutions and government entities.

The team is comprised of valuation experts, Certified Public Accountants (CPAs), and hedging program professionals known for delivering expert service with a personal touch.

www.hedgestar.com

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 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.

