



## CUSTOMER PROFILE

Among the top 4 steel manufacturers in the United States, and a member of the top 60 globally in the production of steel products for the automotive, infrastructure and manufacturing, construction and electrical power generation and distribution markets.

## Addressing risk management in the steel commodities market with outsourced hedge accounting

**CHALLENGE:** Find new ways to improve the integrity and timeliness of financial statements in a cost-effective manner.

**SOLUTION:** An automated, efficient, and full-service strategy featuring HedgeStar's hedge accounting services and direct access to CPAs.

**RESULTS:** Decreased operational risk, increased efficiency and productivity of employees, and increased confidence by engaging HedgeStar for their hedge accounting solution.

*"HedgeStar made a huge impact on our quarterly deliverables. Their CPAs were an integral component of this strategy and added tremendous value to the process."*

Sr. Project Manager, Controller

**100%**  
reallocated  
resources

**\$200K**  
annual  
savings

### ADDRESSING ACCURACY AND ON-DEMAND DELIVERABLES

As the future of business continues to evolve towards efficiency and automation, many finance departments still rely on spreadsheets and manual intervention for monthly and quarterly deliverables. This leads to less accuracy and is an extreme waste of valuable staff resources. The demand for accurate and advanced forecasting from executive teams and investors is increasing.

This client was no exception. Their dedicated team of internal accounting professionals were working on spreadsheets, and taking resources away from other initiatives. Their CFO was frustrated they were unable to get a preview of quarterly close to eliminate surprise results and prepare deliverables for senior management, audit committee, investors and the board. This was especially important for them as they were going through a change in executive leadership and everything was being scrutinized.

### OUTSOURCED OVERLOAD AND SOFTWARE RESOURCES

One of the first solutions the client tried was to manage as much of the process internally as possible while outsourcing the overload to another company specializing in hedge accounting. This strategy proved to be unsuccessful due to the fact the outsourced company was still working on spreadsheets and couldn't eliminate errors, and they were unable to deliver the preview the CFO was requesting.

The second solution the client investigated was purchasing a widely used industry software that could indeed reduce errors, increase efficiency and provided the necessary quarterly close preview. This solution proved too costly.

## THE HEDGESTAR DIFFERENCE

-  On-Call CPAs
-  Reval Software
-  Valuation Experts

## FULL SERVICE HEDGE ACCOUNTING

-  Hedge Accounting Set-Up
-  Hedge Accounting Close
-  Auditor Interface
-  Audit Committee, Board, Analyst Presentations
-  Hedge Accounting Preview
-  Pre-Post Hedge Accounting Consulting

## THE HEDGESTAR SOLUTION

All the pain points this client was experiencing could be solved by the HedgeStar hedge accounting solution. The automated solution, provided by HedgeStar, eliminated calculation errors, and increased efficiency. This allowed key client resources, dedicated previously to hedge accounting, to work on other important initiatives. HedgeStar's on-call CPAs were always available to answer questions and provide hedge accounting guidance.

The demand of the pre-close preview was also fulfilled. The CFO was able to receive a preview of the financials to better prepare for questions from investors, analysts and auditors. The client was provided with effectiveness testing for their trades, general ledger entries, as well as board and auditor materials.

## ABOUT HEDGESTAR

Founded in 2004, HedgeStar (formerly DerivActiv) is a global provider of valuation and hedge accounting services. HedgeStar helps clients comply with fair value measurements for ASC 820 and with hedge accounting standards related to ASC 815, GASB 53, IFRS 9, CICA 3865, AASB 139, CPC 38, HKFRS 9, and AS30. As an independent entity, HedgeStar is not affiliated with any individual bank, dealer, or financial product and has no relationships that can influence the integrity of our services or valuations. For more information visit [www.hedgestar.com](http://www.hedgestar.com).



Learn how HedgeStar's solution can help you manage your financial risk. Schedule a free 30 minute assessment with a hedge accounting expert today: **866-200-9012**

