

Treasury Strategies' Technology Briefing

Selecting the “Right” Technology

Presented By

Jeff Diorio
Managing Director

Elaine Filus
Principal

With Guests

CJ Heald
Senior Treasury Analyst
TIAA-CREF

Linh Reilly
Senior IT Business Consultant
EMC Corporation

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Agenda



1. Current Treasury Technology Drivers

2. The Selection Process

- Pre-Selection Considerations
- Pitfalls and Hazards

3. Corporate Experience

- TIAA-CREF
- EMC

4. Conclusions and Recommendations





Current Treasury Technology Drivers



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Treasury Drivers



- ✧ Treasury structure and operational changes
- ✧ Regulatory requirements
- ✧ Real-time global visibility and risk exposure
- ✧ Cyber-risk mitigation
- ✧ Enhanced management tools
- ✧ Efficiency, controls and visibility



Source: TSI State of the Treasury Profession Survey, 2015



Why focus on technology?



- ✧ **70+% primarily use bank online platforms**
- ✧ **Most use Excel as their primary technology tool**
- ✧ **Almost 50% of firms don't use any kind of TMS**

BUT...

- ✧ **96% feel technology is an enabler for change**
- ✧ **Top 3 things looking to technology to address are:**
 - Financial risk management
 - Operational challenges
 - Regulatory compliance



Source: 2015 Treasury Benchmarking Survey (in progress)





The Selection Process



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Strategic, Complex Decision



Build a strong foundation...

- ✧ **Goal of automation? – clearly define what you want to attain**
- ✧ **Future State = keep what's good, fix what's not**
- ✧ **Comprehensive business case**
 - Clear delineation of benefits and costs
 - Management buy-in
- ✧ **Connectivity – how will you do bank communications?**
- ✧ **Control requirements**
- ✧ **Cyber risk – required controls**
- ✧ **Existing tech components**
 - What's being added, retained, and dropped?
- ✧ **Single or multi-system solution?**



Who to invite to the party?



More Selection Considerations



✧ Internal considerations

- IT Support
- IT mandate for ERP Treasury
- Requirement for interfacing with internal financial systems
- Delivery options: Installed, Hosted, SaaS

✧ Customer service requirements

✧ Connectivity with trading partners, other interfaces

✧ Who to involve in the process

- Accounting, Audit, IT, AP, AR, SOX Compliance, others...
- Risk: unknown requirements





Beware: Pitfalls and Hazards



✧ Inability to get started

- Project funding
- Competing projects

✧ Lack of clarity on requirements

✧ Lack of team agreement

- Everyone wants their cake
- Some groups not considered

✧ Miscommunication between your requirements and vendor responses

- It's not just overpromising

✧ Pricing confusion

- Apples-to-oranges comparisons
- Getting correct and complete price
- Overpaying





Corporate Experience



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Corporate Experience: TIAA-CREF



CJ Heald

Senior Treasury Analyst
TIAA-CREF



- ✧ **Outdated unsupported architecture**
- ✧ **Bank administration**
- ✧ **Large number of interfaces and internal business partners**
- ✧ **Cash processing**





Corporate Experience: EMC



Linh Reilly

Senior IT Business Consultant
Information Technology and Services
EMC Corporation



- ✧ **Global operations**
- ✧ **Treasury operations in the US and Ireland**
- ✧ **Complex FX risk management program**
- ✧ **ERP is SAP**
- ✧ **IT security requirements**



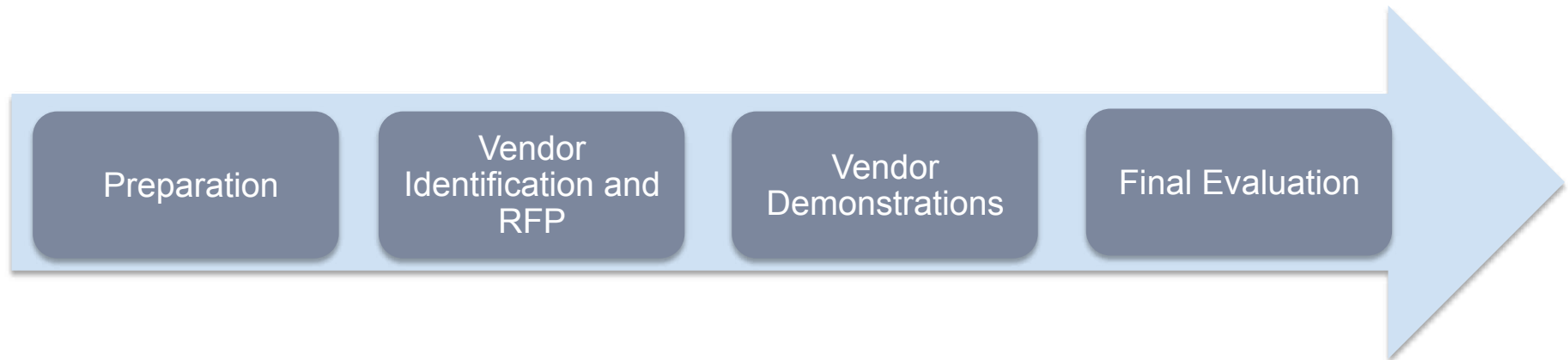


Recommendations



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System Selection Steps



- Gather requirements
 - Processes
 - Instruments
 - Controls
 - Interfaces
 - Reporting
- Prioritize
- Identify technical requirements
- Determine procurement requirements
- Identify prospective vendors
- Issue RFP
- Evaluate proposals
- Identify finalists for on-site demonstrations
- Create demonstration script
- Evaluate and score vendor capability to meet requirements
- Document quantitative & qualitative scoring
- Debrief session to discuss vendor strengths and limitations
- Contact vendor references
- Facilitate and document final decision
- Proof of concept, if needed





Ensuring a Successful Selection



- ✧ **Comprehensive Business case – benefits and costs**
- ✧ **Recruit a cross-functional team**
- ✧ **Develop comprehensive business requirement**
 - Develop consensus
 - Future-proof decision
- ✧ **Technical design incorporating TMS with existing financial systems infrastructure**



Ensuring a Successful Selection



✧ Formal RFP

- Describe
- Prioritize

✧ Structured vendor demonstrations

- You need to control agenda
- Capture team feedback

✧ Check references and peer feedback



✧ Consolidate findings, including price, fit and qualitative feedback

✧ Pricing, contracting and implementation SOW

- All components and services, goal = no surprises

✧ Expert assistance



Thank you!



Jeff Diorio

Managing Director

Jeff_Diorio@TreasuryStrategies.com



Elaine Filus

Principal

Elaine_Filus@TreasuryStrategies.com



Treasury Strategies

Treasury Technology Practice



Our expertise in treasury best practices, knowledge of technology solutions and unbiased viewpoint provide our clients with an experienced team to guide them through the technology maze.

Clients

- Corporations
- Not-for-Profit Organizations
- Public Sector Organizations
- Technology Vendors



Solutions for Treasury Departments

- Pre-implementation Best Practices Review
- Process Review & Re-engineering
- Gap Analysis with Current Technology
- Corporate SWIFT Connectivity
- Technology Selection
- Technology Implementation & Optimization
- Strategic Roadmap

Solutions for Technology Vendors

- Implementation Resource Partnering
- Functionality Enhancement
- Business Strategy





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Who We Are

Treasury Strategies, Inc. is the leading treasury consulting firm working with corporations and financial services providers. Our experience and thought leadership in treasury management, working capital management, liquidity and payments, combined with our comprehensive view of the market, rewards you with a unique perspective, unparalleled insights and actionable solutions.

What We Do

Corporations

We help you maximize worldwide treasury performance and navigate regulatory and payment system changes through a focus on best practices, technology, liquidity and controls.

Treasury Technology

We provide guidance through every step of the technology process – which includes creating a roadmap, selection, implementation and optimization. Our expert approach will uncover opportunities to optimize the value of your treasury through fully integrated technology solutions.

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