

Treasury Strategies' Technology Briefing

Optimizing your Treasury Technology Investment

Presented By

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The Power of Experience®

Welcome!



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1. Treasury Technology Challenges

- Question: Are you getting full value of your TMS?
- Question: What functionality are you lacking?

2. What is Optimization?

- Question: Which technical components need tuning?

3. Conclusions



Treasury Technology Challenges or “Why am I still using Excel?”



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You made a significant investment in treasury automation and you realize you are not getting full use of your solution.

Survey Results:

- “We only realize 60% of the value/benefit/savings we expected from our TMS/Automation project.”
- More than 80% of respondents depend on Excel, even though they have a TMS.
- Over 2/3 are planning to somehow improve their technology infrastructure.

Telltale Signs:

- Piles and piles of paper
- Too much time manually creating reporting
- Extensive effort collecting and compiling data
- Automated controls are lacking
- Efficiency gains not realized, so still have “bus risk”
- Patchwork on non-integrated solutions with staff acting as the glue
- “Reports” created to transfer data from one function to another

Why Are We Not Realizing the Value?



You own this



It runs like this



Why Firms Didn't Realize the Dream

Incomplete Initial Project

- Never got to Phase 2
- Resource conflicts with other internal projects
- "We adjusted scope to get the project done"
- Functional gaps: System didn't work like we expected
- Original plan was flawed and we couldn't revise

New Requirements

- Process changes/new requirements
- New regulations: FBAR or EMIR
- Audit dinged us on our controls, hedge accounting
- Centralized payments
- Concerns around Fraud/Cyber-risk mitigation

Extending Usage

- You attained all initial goals but can now expand use
- Payment request interface, forecasting, shared service center, regional treasury centers
- New functionality available

"We underestimated the effort required and ability of our team."



Polling Question 1



Why aren't you realizing the full value of your treasury technology solution? (select all that apply)

- A. Business requirements or needs have changed
- B. Functionality was de-scoped during initial project
- C. New reporting or regulatory requirements
- D. Incomplete management reporting
- E. New functionality is available but we're not using
- F. Other
- G. We have no problems – its all good



Why Optimization vs. Redo?



- Most of the existing system is OK. Its just this new reporting requirement... regulatory requirement... debt instrument...
- We don't have budget or time to do a new system selection and implementation
- Team is too busy to rip out and redo
- Politically unpalatable
- Other projects have a higher priority
- ...





Polling Question 2



Where is functionality lacking? (select all that apply)

- A. Cash management (reconciliation, positioning)
- B. Forecasting
- C. Debt/investment management
- D. Foreign exchange
- E. Risk management
- F. Hedge accounting
- G. Regulatory requirements
- H. Reporting

What is Optimization?

Completing missing functionality

Redoing processes

- They changed, evolved or never worked well
- Original work wasn't future-proof or we automated a broken process

Improving STP

- Bank communications
- Interface with internal systems for payment requests, forecasting, accounting, etc.
- FX Trade execution and settlement
- Cash Positioning – money movements and cash investment

The “Bolt-On”

- Bank Account Management
- FBAR
- Fee Analysis



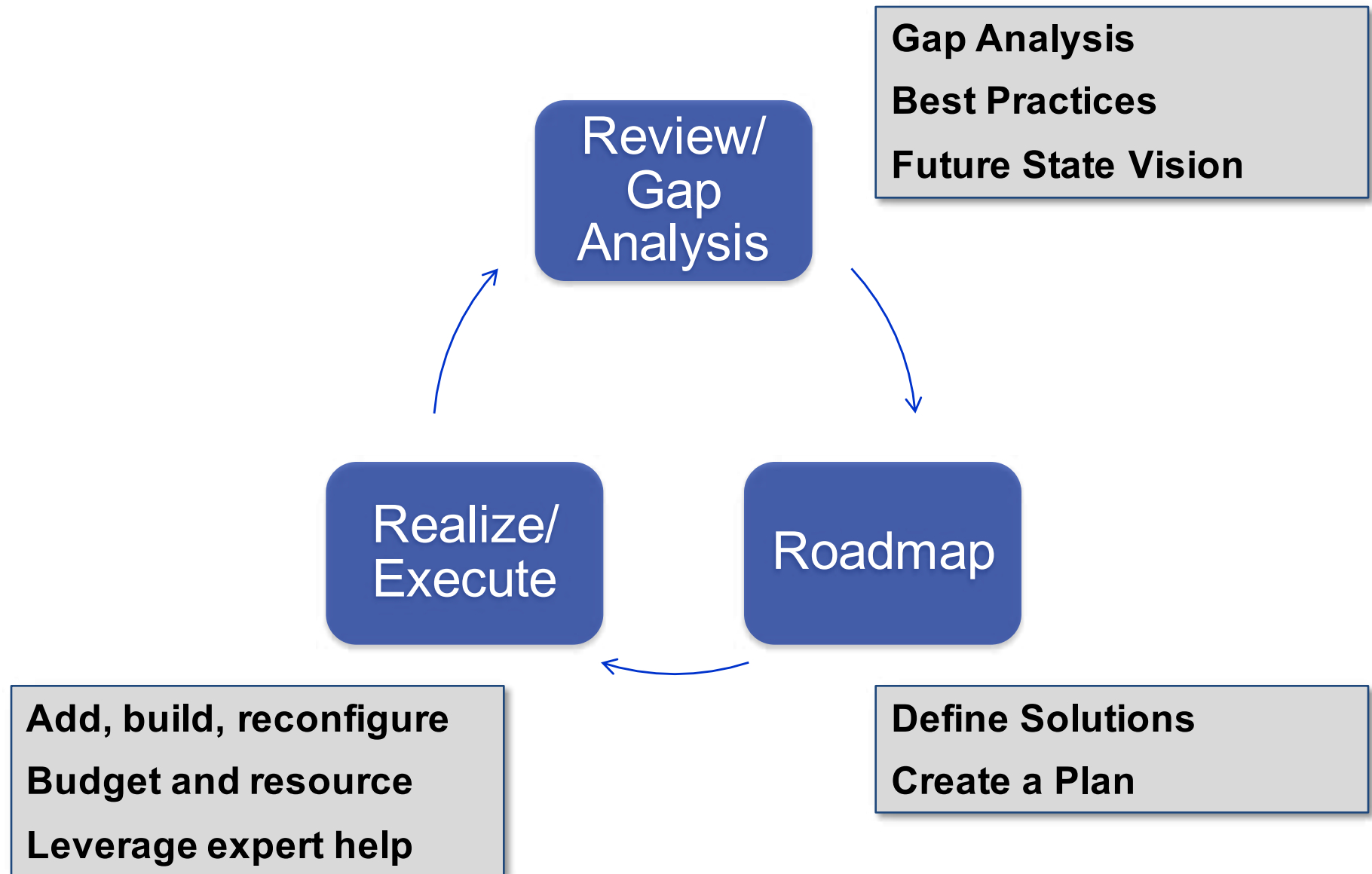
- **Maximize existing investment**
 - Leverage existing technology further
 - Less costly both in time and budget than a redo
- **Improve treasury processes**
 - Current requirements more effectively met
 - Straight through processing dramatically improves team efficiency
- **Better integrate with accounting or other internal systems**
- **Fully realize your original automation goals**



Realizing the Vision



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Review: Gap Analysis and Operations Review



- **What is not working well today?**
 - Where are we using Excel and why?
 - Identify time-consuming tasks
 - Look for re-keying or manual workarounds
 - What senior exec questions can't you answer?
 - What are the auditors telling you?

- **Consider new requirements AND treasury best practices**
 - Growing risk management requirements
 - Reporting requirements
 - New regulations
 - Optimized Treasury Operations like Shared Service Centers (Treasury SSCs)

- **Define a vision for the future state**

- Technology improvements
- Workflow changes
- Improved controls
- Reporting enhancements

- **Prioritize**

- Quick wins/low-hanging fruit
- Cost/benefit
- Maximized value

Consider your objectives:

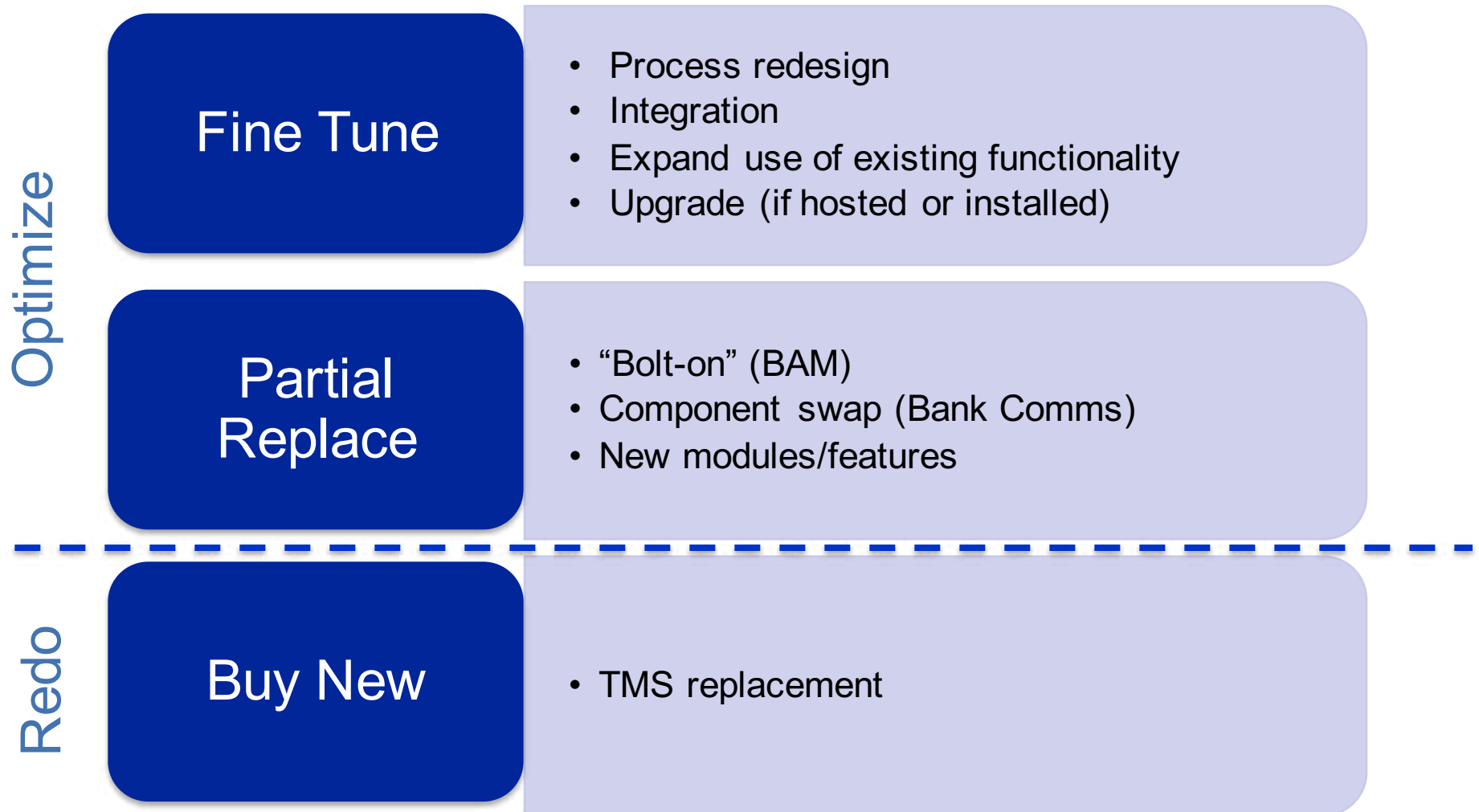
- Avoid tolls
- Most scenic
- Avoid traffic
- Fewest miles



For your technology:

- Quick benefits
- Control costs
- Leverage relationships
- Enhance reporting
- Minimize team's effort

Roadmap: Review the Options





- **Project planning**
 - Budget – Staff – Governance

- **Execute**
 - Reconfigure, upgrade, expand (new modules), extend (more regions, full treasury utilization, global adoption)
 - Onboard new vendors
 - Deploy new best practice processes/workflows
 - Partner with vendors and IT on reconfiguration
 - Tie in bolt-ons to realize full effectiveness of an integrated solution

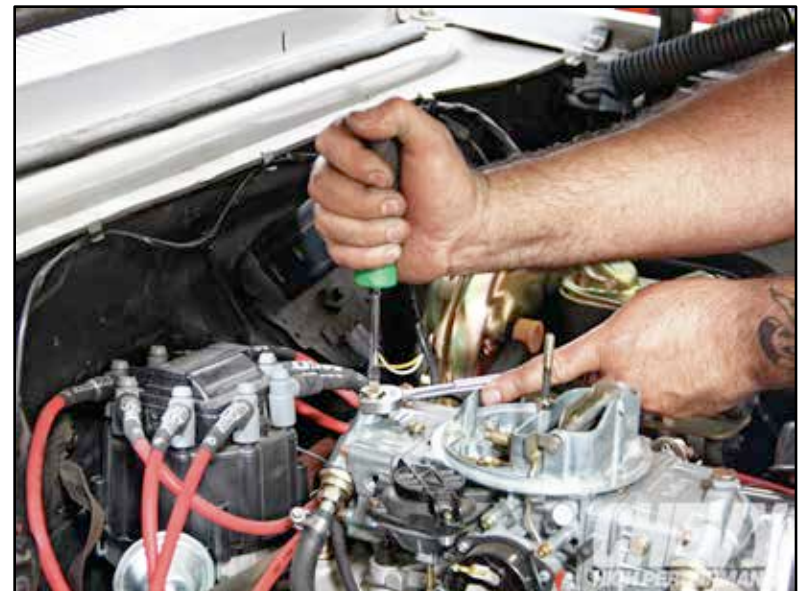
- **Fully test prior to go-live**

- **Document to be sure you continue to get value**

Realize: Staying Relevant...



- **Plan “tune-ups” – every 12–18 months**
 - Changes in environment
 - Gaps in usage
 - Small version of optimization
- **BUDGET annually for upkeep and process improvement (survey finding)**





Polling Question 3



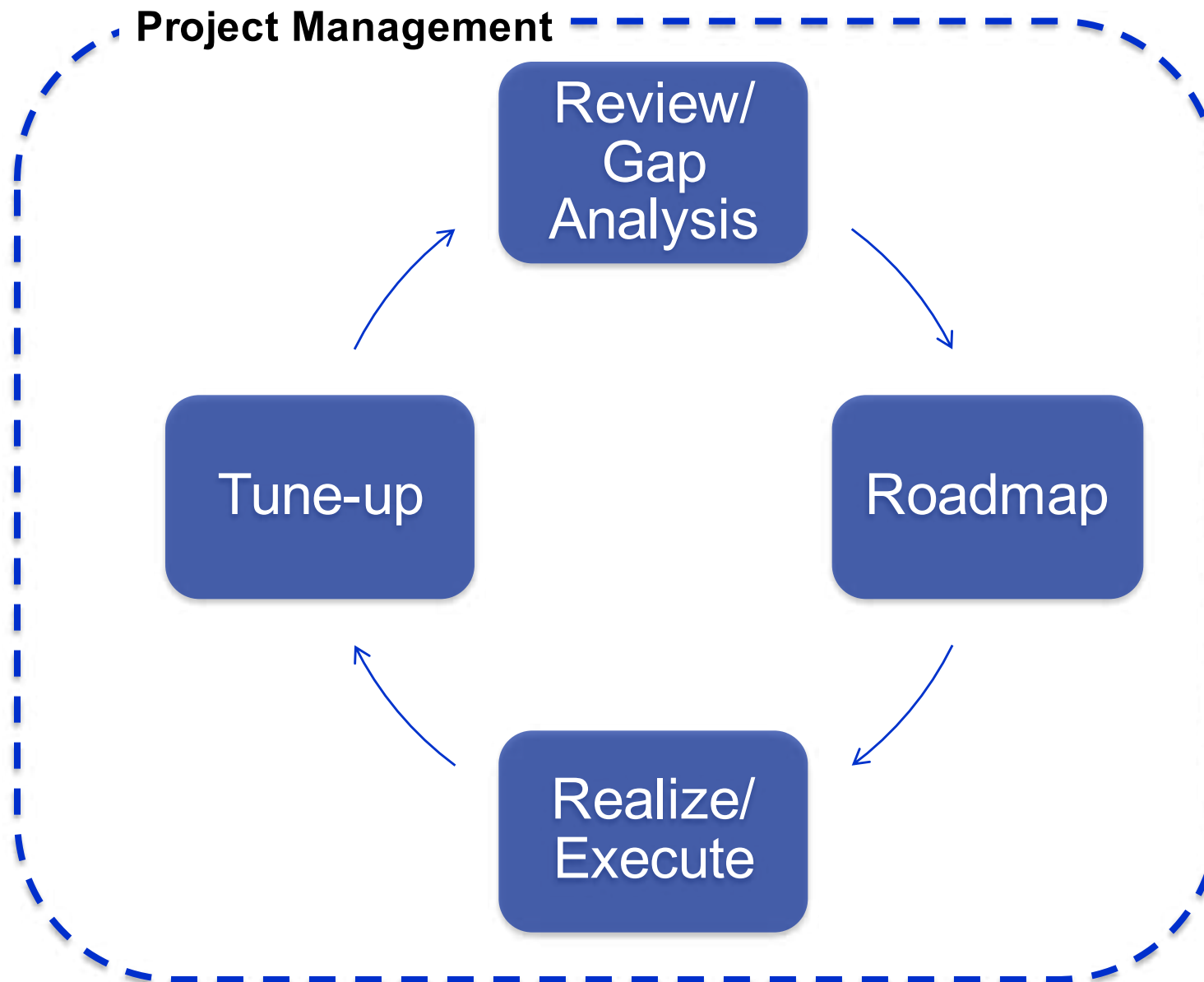
What aspects of your technology are not optimal? (select all that apply)

- A. It's a lost cause and need a new system
- B. TMS needs work
- C. Need a bolt-on (BAM, Fee Analysis, Hedge Accounting)
- D. Better bank communications
- E. Improved integration with internal systems (e.g., ERP)
- F. Enhanced reporting/dashboards
- G. Other

Conclusions



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Benefits of Optimization

- **Potentially lower cost for better value**
- **Less strain on your team and shorter time frame**
- **Maximizing your investment is an easier internal “sell”**
- **Capture the unrealized value you already have**

Get Professional Help



- **Objectivity and Perspective**

- Your team is comfortable with the old road
- Knowledge of the new roads
- Familiarity with the potholes and speed traps

- **Supplemental Staff**

- Your resources are limited – time and expertise
- Configuration, testing, documentation

- **Leverage the Power of Experience**

- Assistance with your business case
- Expert external perspective (best practices)
- Experienced help with what is attainable and what is a lost cause
- Knowledge to speed implementation and time-to-value



Thank You!



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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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