

# Treasury Management Systems & Automated Cash Analytics Tools

Strategic and operational tech for the  
treasury and finance function





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# Executive Summary

So, you're probably thinking...

“What are **Automated Cash Analytics Tools**?  
and why haven't I heard of it before?”

The 2008 Financial Crisis has been the most fundamental driver of change in the roles and responsibility of the corporate treasury department.

The most significant financial disaster of our time has highlighted a companies' need to manage cash and liquidity exposures ever closer – combining a focus on earnings, with a focus on managing risk and exposure.

The event ended the ease of cash availability for most corporates and marked the beginning of an era in which banks and financial institutions were no longer able to meet corporate demand for financing.

To deal with this situation and bring about strategic change, the role of the treasurer came into focus. Treasurers were no longer just cash and liquidity managers. They became business leaders and risk managers overnight.

To help continue to deliver results on the traditional treasury front, Treasury Management Systems (TMS) came to the fore. They helped to deliver portfolio management in a single place and enhanced the risk management package.

But, what has been missing for around a decade are automated, data driven operational tools to help deliver new treasury strategic goals.

**Until now... Enter Automated Cash Analytics Tools**



# Pain Points - The FIVE biggest hurdles treasurers need to overcome

The role of the **Corporate Treasurer** has evolved significantly over the last decade. In addition to traditional treasury activities, treasurers and treasury practitioners are taking greater responsibility for financial and risk management, as well as playing a more strategic role in corporate activities.

Senior leaders and boards of directors across the corporate world are becoming wary of the use of cash on their companies' balance sheets.

Coupled with an increasingly volatile foreign exchange (forex) market and an uncertain macroeconomic environment, treasurers are being asked to play a more strategic role in ensuring holistic risk management – It certainly isn't getting easier for treasurers!

## **FIVE pain points that treasurers are having to deal with today...**

By taking a central role in corporate decision-making, treasurers are playing a more strategic role in how their organisations operate. An inherent side-effect of this is an ever-increasing number of challenges, which are becoming ever more complex.



### **1. Financing and Capital Allocation**

Given the economic climate, it's never been more important to ensure that an organisations finances are in check. With pressure from the top to reduce the cost of borrowing, treasurers are having to optimise capital allocation to make cash in bank work harder.

To deal with these pressing issues, treasurers are looking at ways of generating income. Interco loans, forex hedging, interest maximisation, money markets and commercial papers are just some of the tactics treasurers are using to tackle capital allocation objectives.



### **2. Cash Management and Forecasting**

Managing cash flow and mitigating against the challenges associated with balance sheet and deposit base fluctuations is of critical importance.

In view of the present environment of high currency volatility and forex exposure, the importance of cash management and forecasting has become even more imperative for corporate treasurers.

Real-time data and the ability to easily analyse and report on this data has therefore become a top priority for treasurers, but the information to deliver the results is often difficult to get hold of in real-time.



### **3. Financial Risk Management**

Corporate Treasurers now have to navigate a complex world of large exposure restrictions, negative credit interest and liquidity stress testing to name but a few. Add to that the ongoing requirement to manage forex and interest rate exposure and it can feel like corporate treasurers spend their life gathering and interpreting data rather than executing treasury investment strategy.

The lack of operational tools to pull together and interpret data, automate reporting and processing, as well as an inability to move money around instantly can affect a treasurer's ability to minimise loss and secure future cash flows.

Add to that short liquidity windows in certain currencies, and poor investment opportunities late in the day and the chance of avoiding huge losses or missing opportunities for huge gains, and the problem becomes real.

# Pain Points - continued



## 4. Security

As technology becomes an essential part of the corporate treasury function, the risk of cyber-attacks and internal fraud increases.

Treasurers and finance professionals are therefore having to become increasingly vigilant, with security controls such as approval workflows, segregation of duties and clear policies being put into place on who should have access to bank accounts and treasury systems.



## 5. Regulations and Market Developments

Keeping up-to-date with key domestic and international banking and finance developments and the relevant regulatory activity affecting the treasury sector has never been more important.

Basel III, capital adequacy and liquidity coverage ratios are just some of the regulatory responses that have come about post financial crisis that affect the treasury function.

With traditional treasury roles affected by these regulations and the burden increasing on how an organisation manages and reports on its financial health, treasurers are having to stay on the ball.



# A Future Steeped in Tech

Changes in technology and adoption of agile methodology across the business world have clearly impacted the treasurer's role over the past few years.

Investment in treasury technology is on the rise, with the usually cautious treasurer now happily keeping up with the pace of change.

Corporates are increasingly adopting treasury technology solutions, as developments in data processing makes it easier for treasurers to handle large volumes of information.

Yet the move to replace traditional spreadsheet methodology and proprietary banking systems is far from complete. Treasurers are still spending a disproportionate amount of time on data gathering across multiple systems leaving data analysis which drives investment decisions with a short operating window. By increasing the speed and accuracy of reporting, and by removing traditional manual processes, technology can allow treasurers to focus more time on providing strategic advice to senior leaders and board members.

## "Are we there yet?"

The nature and demands of the new treasury landscape is compelling corporate treasury departments to be proactive when it comes to adopting new technology.

Fast-tracked execution of new software, Software-as-a-Service (SaaS) solutions and infrastructure is becoming the norm, with treasurer's ready to adopt technology that can make their lives simpler and improve productivity.

With implementation times now measured in day and weeks (rather than the months and years treasurers have previously been used to), today you can be up and running with a value-added treasury solution in no time.

**"More than two-thirds of treasurers plan to invest in new digital technology within the next three years, despite only a quarter believing digital technology will have a big impact on their business."**

*Euromoney Treasury Viewpoint Survey 2017  
Sponsored by J.P.Morgan*

## So, what other needs are treasurers looking to fulfil?

### \* Analysis

There's no denying the power of good quality, real-time data, and the ability to interpret that data to make decisions quickly.

However, with current treasury solutions distributing information that's already 24 hours old (or more), treasurers are left to make decisions based on data that is out-of-date, or incomplete.

With up-to-the-minute data, a treasurer could take advantage of current market opportunities and make informed choices to deliver real business benefits with confidence.

### \* Agility

If there's anything that defines treasury today, it's agility and flexibility.

The ability to move money from one bank account to another, convert from one currency to another and transfer from one country to another is vital.

With treasurers dealing with forex volatility and expensive bank credit lines, having the capacity to move cash from one account to another is essential, and treasury professionals don't want to be logging in and out of multiple systems to do this.

### \* Maximise Cash Efficiencies

Reducing the need to seek credit outside of an organisation's balance sheet is one of the many tasks a treasurer must deal with today.

By having a clear understanding of cash liquidity across all their accounts, a treasurer can manage funding requirements and help ensure the efficient allocation of debt finance when money is required.

### \* Investment

Gone are days when corporate investment was something only senior leaders and board members discussed with financial advisors.

Generating revenue from idle capital is now a treasury obligation – and it's a task that treasurers are trying to manually deal with daily.

# Current Marketplace – Treasury Management System



Designed with traditional roles and responsibilities of treasury and financial professionals in mind, Treasury Management Systems are robust with features to service portfolio management requirements.

Used to facilitate the management of various treasury department functions, a Treasury Management System (TMS) allows an organisation to easily communicate with multiple banks in various currencies to better manage cash, liquidity, financial risk, investments and debt, as well as reporting and forecasting on forex.

While there are many TMS options in the market, it is difficult to differentiate one system from another, with most of them providing similar functionality.

## What you get from a TMS:



### Liquidity management

Meet your organisation's financial obligations through cash pooling, in-house banking and zero-balancing.



### Cash Forecasting

Achieve efficient use of capital by reducing short, medium and long-term financing costs through a better understanding of current and future transactions and business flows.



### Debt Portfolio Management

Manage your entire debt portfolio, including external and interco loans, mortgages and other financial debt.



### Transaction management

Map all financial transactions and positions between your company and banks, including any deals, financial settlements and payment confirmations.



### Cash management

Achieve multi-bank, multi-currency visibility of your global cash balances.



### Accounts management

Ensure transactions, accruals and revaluations are reported, stored and kept up-to-date for critical analysis.



### Credit and Counterparty Risk management

Assess and measure exposure limits, authorisation levels and multiple scenarios to evaluate and manage a consistent and complete view of credit and counterparty risk.



### System interfaces

Manage banking, accounting, buying, and other financial transactions with accuracy and efficiency using a single access user interface.



### Security and control

Create a secure treasury environment through a rigorous set of internal controls that allow you to manage workflows, access and security, with user tracking for audit purposes.



# Treasury Future – Automated Cash Analytics Tools



Although the functionality of a TMS is configurable, there's no 'one size fits all' TMS system in the market.

While TMS providers have adapted their “prize-winning” solutions to meet the strategic needs of the corporate treasurer, there are still some operational requirements that the modern treasurer must process manually – **but not for long.**

Treasurers have slowly but surely incorporated technology into their roles.

Treasury departments across the world have embraced technology that allows them to automate manual processes, freeing treasury staff members to focus less time on menial tasks and spend more time on informing strategic decisions.

TMS have evolved to keep up with the treasury needs and demands, as they have developed. However, we are now at a precipice where treasurers are driving demand for technological developments – innovative technology is high on the agenda across the board.

FinTech (Financial Technology) companies have recognised this need, and are progressively reshaping the corporate treasury landscape with solutions which focus on the operational side of cash and liquidity management.

## ENTER – Automated Cash Analytics Tools

Automated Cash Analytics Tools have been developed to meet the operational demands of the modern-day treasurer.

With so much emphasis on how treasurers are now finding themselves responsible for areas that were previously beyond their remit, Automated Cash Analytics Tools have been created to meet these specific demands below.

## FOUR ways Automated Cash Analytics Tools can help treasurers make more informed decisions?



### Multi-Bank Cash Management

Making cash work harder has never been more important for a treasurer and that's where Multi-Bank Cash Management can help.

By providing treasurers a real-time view of all their global balances in one place, a treasurer can make data driven cash flow management decisions quickly and efficiently.



## 2 Funding & Revenue Generation

Senior leaders and board members are putting pressure on treasurers to reduce borrowing, improve cash liquidity and to generate income from dormant cash. Consequently, Interco loans have become a staple capital allocation channel for organisations.

With treasurers charging individual business units interest on debt finance, it has previously been a spreadsheet task to keep a track of what money is coming in and out, and to calculate what returns they are generating – with an Automated Cash Analytics Tool this task becomes automated.

When lending through an Automated Cash Analytics Tool, treasurers can calculate interest rate earnings, track debt repayment and use the information to generate further revenue, as the real-time view allows them to forecast future cash flow. This in turn means, treasurers can confidently make surplus cash work harder.



## 3 Risk Management

Managing forex exposure and handling interest rate costs is a priority for most treasurers.

Turbulent economic conditions mean treasurers need to stay alert when it comes to identifying opportunities where they could reduce risk of exposure and generate income through interest rate maximisation.

Enormous value is lost daily as important insights go unanalysed, with data arriving too late to make any significant moves.

Using real-time data procedures can be put in place to maximise interest rate gains.

E.g. Sweep surplus cash from end of day balances and invest them overnight in a high interest account and then return the funds to the designated balance back into the account for full availability for start of business. Overnight, any interest rate earned is capital gained.

## 4 Automation and Integration

Today, treasury technologies such as a TMS and Enterprise Resource Planning (ERP) have facilitated a closer and more productive treasury-finance business relationship.

With varying technologies working together to deliver the same end goal, realities of effective, automated integration and real-time connectivity can be appreciated.

Automated Cash Analytics Tools have been built to be system agnostic. As a result, they can seamlessly integrate with any TMS and ERP using varying connectivity methods. The result is a seamless treasury and cash management process with all the operational functionality and requirements a treasurer would need on a day-to-day basis.



# Identifying the right solution

## Treasury Management System (TMS) Pre-financial crisis traditional treasury management solution

More operationally friendly than your traditional TMS, Automated Cash Analytics Tools are a treasury and finance tool your team will use every day.

TMS were developed to help treasurers manage traditional treasury department strategies. As the roles and responsibilities of the treasury function have advanced, additional requirements have surfaced to deliver strategic business objectives.

In response to this requirement, AccessPay have developed their innovative BankSense Automated Cash Analytics Tools for the sole purpose of giving treasurers the additional operational tools they need to deliver these strategic business objectives.

## Automated Cash Analytics Tool Post-financial crisis operational treasury and finance tool

We're not here to tell you "Which one's right for you?"

If you're looking for a solution for that traditional treasury role then you shouldn't be reading this guide, as TMS is the solution you're after.

However, if you're looking for additional functionality, a treasury and finance solution you will use daily to deliver on your newfound treasury operational goals. Choose the BankSense Automated Cash Analytics Tool.

And if you want to deliver a fully operational treasury function that delivers on both treasury fronts – **integrate the BankSense Automated Cash Analytics Tool with your TMS to deliver the best of both worlds.**



Integrating both technologies into a treasury or finance function can translate into joined-up thinking, with the TMS delivering on the traditional front and the BankSense Automated Cash Analytics Tool carrying forward the daily operational element of your role.



# The Specifics

**By James Higgins,**  
AccessPay Product Director

## Biography:

With more than a decade of experience in the banking sector, having held a number of cash management and foreign exchange technology focused roles at Bank of New York Mellon (BNY Mellon) and Morgan Stanley, James has all the knowhow to help you understand what next-generation financial services innovation can mean to your business.

Here's a quick breakdown of what specific benefits an Automated Cash Analytics Tool , such as BankSense, can offer treasury and finance professionals to compliment your TMS:

### **Real-time:**

Cash flow data feeds in real-time to help you generate intra-day liquidity information anytime.

### **Payments integration:**

Interface directly to the payments engine for all international payment types.

### **Pooling:**

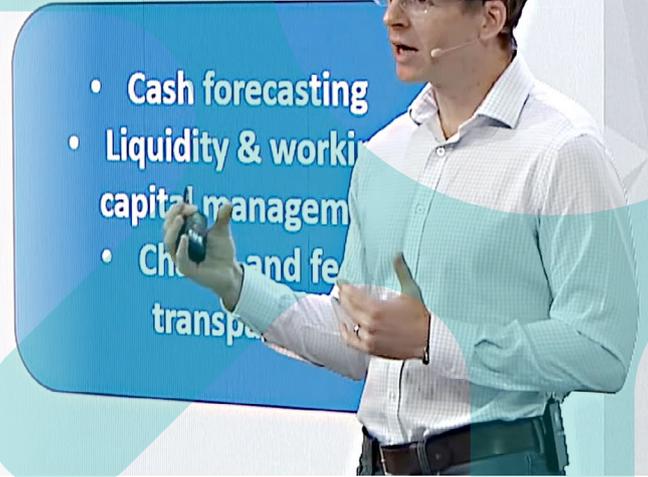
Expand notional pooling concept to be a physical pooling across bank providers on an automated basis.

### **Abstract:**

Access your cash data from a single source of truth and use it to create bespoke reporting using data visualisation and export tools.

### **Compliant:**

Avoid risky compliance and regulatory issues by building automated cash management rules to avoid large exposures, and any associated fines.



### **Timely:**

Make investment decisions based on accurate forecasting ability.

### **Risk management:**

Comply with BCBS Basel III reporting and monitoring requirements.

### **Automation:**

Make the concentration account principle automated across bank providers.

### **View:**

Configure balance sheet views in several different ways: Currency, Provider, Country, Legal Entity or to your specific requirements.

# Save time, money and enable smarter treasury & finance decision making.

Speak to AccessPay for more details on how you can get started.

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