



The struggle for knowledge

As corporations, even in the more undeveloped regions of the world, say farewell to their manual processes and software, increasingly sophisticated methods of cash management are becoming part of the treasury furniture. More than ever before, information – and the access to that information – is paramount for the survival and growth of a firm. FX-MM’s Louise Kelly explores how the market has reacted to these strategic requirements.

When purse strings tightened after 2008, many firms reined in the non-essential expenditures, streamlining existing functions in the process. As for their treasuries, however, increased investment to fulfil demands for visibility, transparency and accuracy became the norm rather than the exception. In the ongoing volatile environment, where the treasury department has experienced a significant rise in prominence and importance, obtaining tools to achieve greater information in global transactions is now essential.

While it’s true that treasurers need information, John Engeman, Finance & Treasury Professional at Kyriba, says that it must be the right information: timely, accurate and appropriate.

“Treasurers need to know their full global positions, seeing cash by currency and location, debt and investments. They also require an accurate cash forecast which means accurate input from the Financial Planning and Analysis (FP&A) team.”

Engeman insists that this realisation has come to corporates “by

necessity”, having been significantly burnt already in the wake of the financial crash.

In full agreement that treasurers require this accurate and timely information is Bob Stark, VP Marketing Strategy at Kyriba Corporation. He believes making effective financial decisions is based on achieving this ‘appropriate’ information, “whether it is to gain visibility into cash or analysis about options to optimise cash or minimise financial risks.”

Meanwhile, Milton Santiago, Global Commerce Executive at Bank of America Merrill Lynch, makes the very valid point that information



Bob Stark
Kyriba Corporation

“has always been king” but argues that it’s the access to that information has evolved. “As a society we all have real-time access to information 24 hours a day seven days a week. With this change, the expectation for information access and how it can be used to influence our decisions has grown exponentially.”

“Treasurers, as with all of us, have been influenced by their consumer experiences. Treasurers seek clarity and information presented to them so that they can quickly make decisions.”

A new ballgame

Being thrust into the limelight and carrying a heavy burden on their shoulders, corporate treasurers are increasingly more informed, and/or hungry for more operational knowledge. This pursuit of omniscience is generally more relevant the more global and complex an organisation is. Over the last two decades, developments and improvements in treasury management systems have helped fill this information gap, according to Engeman. But expanding requirements have also meant technology vendors have had to keep pushing the boat out to keep up.

“Treasuries must be aware of technologies that exist now and what is anticipated for the future,” he insists, adding that the drive for improvement is visible market-wide.

“There is daily information on recent technology and industry conferences and bank meetings are another source to see the technology firsthand.”

Communication capabilities have been steadily improving year over year, maintains Santiago, outlining a number of recent developments that have significantly contributed to the evolution of information delivery. “There was a time where a modem connected to a computer running at 14.4 kbits or even 56 kbits was considered fast. But today, cell phones can exchange or download information at rates that rival those of cable modems. Speeds of 28 to 46 mega bits are not uncommon.”

“Second, computing power has also grown significantly. Cell phones and tablets now have Octa Core processors. In some cases the

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phone that you have in your hand has more computing power than the laptop you’re reading an email on.”

“And lastly, the ability to mash information together and to produce a holistic approach to information analytics has emerged. But from a knowledge perspective it’s still very hard to imagine what we can do with the information. In some cases we don’t even know what to ask.”

Nonetheless, the advent of cloud computing has helped increase corporate access to technology, says Stark, as ease of use in addition to significantly lower costs in the use of treasury software solutions appeal to cash-strapped firms.

“Since the crisis of 2008, corporate treasurers have become more aware of the need for better information, most particularly around



cash visibility and counterparty exposures. Access to technology has made that easier, allowing treasury teams to be better informed and make more effective decisions,” he says.

Show me the money

But in order to be successful in providing the level of information required by corporate customers to effectively operate in this data-dependent landscape, vendors and particularly banks have had to make substantial amendments to their product offerings and their relationships with their clients. Those institutions and companies that resisted this change have been left behind as corporate treasurers weed out the relevant products and services for them. Longstanding loyalty tends to pale by comparison.

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BAML’s Santiago believes that while some banks are catching up and closing the gap between bank portals and treasury systems from non-bank providers, not all banks are equally investing in transformational technology.

“Many institutions just focus on the delivery channel changes. Some banks may be in catch-up mode; others are not.”

Managing operations

Bank of America Merrill Lynch itself has invested funds into developing the CashPro Online platform that they offer their corporate clients. One such client is integrated healthcare firm Mercy: a complex organisation that includes 32 hospitals, 300 outpatient locations and 1,700 physicians across the US.

CashPro Online assists Mercy in managing its cash across approximately 150 accounts, 250 users and 65 lockboxes while leveraging the CashPro platform for payments, receipts and liquidity and using CashPro Information Reporting to understand its cash position in greater detail and in real time.



Milton Santiago
Bank of America Merrill Lynch

“It starts with the dashboard, where I can do things quickly, easily and efficiently,” says Steve Walden, manager of treasury operations at Mercy.

“That’s where I access everything from account balances to research tools, along with our frequently used reports.”

Available on both the CashPro Online homepage and Information Reporting screen, the dashboard enables Walden to create customised, easily accessible reports on all 150 accounts.

Users can define their exact parameters, such as specific accounts, dates, transaction types, amounts, reference numbers or other criteria. The system’s current and previous day reporting, along with ACH return reports has also had its benefits. “We’ve set up the system to create and email these reports on an automated basis, which has helped me streamline the number of active users,” Walden states.

“Now, the reports simply appear in these users’ inboxes – which eliminates the need for them to log into the system.”

With the recent upgrade, users can search for transactions based on partial information, including the vendor, amount, date or account number.

Perhaps most crucial for global organisations that keep accounts at multiple banks, Information Reporting pulls all data into CashPro Online – including accounts held at other institutions.

For Mercy, the benefits of this innovation are clear. “CashPro Information Reporting has provided major time savings,” Walden says.

“This translates into big efficiency gains, and we’ve been able to reassign staff to other value-added activities.”

Yet, Engeman maintains that even while some banks are very

advanced in their technology, a corporate may want to synthesise all of the cash and debt information in one portal and sometimes need a treasury management system or treasury workstation that is not available from the bank.

“As far as electronic payments and mobile banking most banks are where they need to be but must keep diligent on security and cyber liability and fraud issues,” he adds.

The greener grass?

As the demand of corporate treasury teams have become ever larger, treasury management systems have evolved to meet their desires, reports Kyriba’s Stark. Most treasury technology, especially newer cloud-based systems, is able to scale upwards to either react quickly or ideally proactively anticipate demand from their client base, he says. “Banks have started to embrace the cloud and there are instances where they are private labeling treasury workflow solutions, such as a treasury management system, to enhance the value of their offering.”

“Banking information is a critical piece and as a result corporates require their systems to access at or near real-time to ensure timeliness and accuracy,” says Stark, arguing that corporates typically use multi-bank treasury portals that offer workflow visibility across cash, exposures, and financial positions.



John Engeman
Kyriba Corporation

Essentially, corporates desire one consolidated picture of cash, exposures, and financial positions.

But most corporates maintain multiple bank relationships and therefore their needs exceed what a typical bank portal can offer, according to Stark. “Only in the scenario where banks are incorporating treasury management capabilities into their portals do they begin to create the opportunity to displace the need for a treasury management system.”

Bypassing the portals

At Kyriba, corporates are offered a connection to multiple banks simultaneously, bypassing the portals completely and making them less relevant. Many customers have shared their success of using its software-as-a-service (SaaS) treasury and risk solution. It optimises their cash, manages their risk, and works their capital. One study involves one of the leading vehicle rental players in Europe, Europcar. Present in over 130 countries, the group provides customers with one of the largest vehicle rental networks through its own operators, franchisees and partnerships.

In 2010, Europcar began its search for a supplier with whom it could work to centralise its cash-management activities and for a secure cash-flow solution. “Before Kyriba, there was no immediacy; it took five days to establish a consolidated liquidity position. Today, everything is

available in real time,” says Jean-Claude Poupard, Europcar Group Treasury Director.

Europcar has been successful in its initial objectives, such as the centralisation of its cash-management activities and the abandonment of the age-old. Now, the new solution has been rolled out across all the Europcar subsidiaries. “Our priority was to improve, harmonise and increase security of our processes by providing our teams in all the countries with a centralised cash-flow solution.”

Kyriba provides all its customers with a unique solution, information in real time and an international environment.

“The multilingual aspect was essential to encourage ownership of the solution by the teams. Each country needed to be able to use the solution in its own language,” says Poupard.

Europcar has also opted for a Cloud-based solution by choosing a Software as a Service solution (SaaS). “The SaaS solution appealed to us for several reasons: its accessibility, vendor hosting and the pooling offered by the solution.”

Cash-flow forecasting is now instantaneous for the company, bank communication is monitored and payments are automated. According to Poupard: “We really hoped to achieve a single cash-management facility that was linked to our unique accounting ERP system. We no longer need to send files by e-mail, nor use local web banking since we handle everything in Kyriba. It’s a benefit in terms of security and flexibility.”

It’s not you...

So, while banks strive to meet the vast requirements of corporates, themselves struggling to stay afloat and adapt to a more uncertain way of business, the options they offer just might not be what a particular client requires.

For those banks that have developed portals and provide good information, Engeman believes that there is competition with clients and the clients must choose the best fit and price. “Treasuries try to apportion the fees among the banks but this may tip the balance depending on which banks they use and the availability of good portals from the bank group.”

Meanwhile, Santiago maintains that the impact on the dual relationship between bank and corporate actually depends on the size of the firm. “Once the bank was the single source of information – but now treasurers have options,” he says.

“Some larger organisations have invested in significant enterprise resource planning (ERP) implementations. They leverage the SWIFT channel to send and receive transactional information. This makes the role of the bank a supplier of information, researcher, and transaction initiator.”

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