

Treasury Management Systems

Merger Mania: Consolidating TMS Vendors led by Wall Street

Other features:

TMS Implementation, the cloud, spreadsheets,
TMS Treasurer Vox Pop

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Welcome



The acquisition of IT2 by Ion Group's Wallstreet Systems (WSS) subsidiary on 11 January this year, as broken by *gtnews*, is the standout deal so far in the consolidation trend that is evident in the treasury management system (TMS) technology sector. WSS, which subsequently bought Financial Software Systems, seems to be trying to establish a portfolio of TMS brands to rival SunGard, perhaps leaving smaller technology providers such as Kyriba, Reval, GTreasury and others to develop innovative modules, while others pause to integrate. The cover story in this *gtnews TMS*

Buyer's Guide 2013 looks at the treasury implications of the vendor consolidation trend, its historical context and what it all means for corporate treasurers seeking to introduce more technology support, automation, connectivity and efficiency into their operations.

Of course, not everyone is convinced by the necessity of a TMS, as the long shelf-life of the Excel spreadsheet in treasuries demonstrates. We have a feature examining this topic in the 2013 buyer's guide, alongside an implementation article, one examining the cloud computing options, and a vox pop expert panel of corporate treasurers who share their experiences of installing or updating a TMS and the reasons why they chose it.

Neil Ainger, Editor-in-Chief, *gtnews TMS Buyer's Guide 2013*

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Editor-in-Chief

Neil Ainger

neila@gtnews.com

Editor

Graham Buck

grahamb@gtnews.com

Head of Production and Client Services

Mia Leaning

mial@gtnews.com

Director of Sales and UK Lead

Anne-Marie Rice

annemarie@gtnews.com

Managing Director

Elizabeth Johns

ejohns@AFPonline.org

Publications Manager

Amy Cooley

acooley@AFPonline.org

Account Manager

Tom Leitch

toml@gtnews.com

Art and Design

Donna Jones

donna@missjonesdesign.com

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Merger Mania: Consolidating TMS Vendors



A pronounced consolidation is underway in the treasury management system (TMS) technology arena. This will have implications for corporate treasurers in terms of reduced choice, price, the future development of TMS functionality and brands that may no longer be supported, says **Kelvin Walton** in this analytical consolidation trend feature, which looks at the history and future plans of rival groupings, and what it all means for treasurers.



The acquisition of IT2 by Ion Group's Wallstreet Systems (WSS) subsidiary at the turn of the year is the standout deal so far in the consolidation trend that is evident in the treasury management system (TMS) technology sector. WSS seems to be trying to establish a portfolio of TMS brands to rival SunGard, perhaps leaving smaller technology providers such as Kyriba, Reval, GTreasury and others to develop innovative modules, while others pause to integrate. This article looks at the treasury implications of the technology vendor consolidation trend, its historical context and then goes on to suggest what may transpire next. What it means for corporate treasurers seeking to introduce more technology support, automation, connectivity and efficiency into their operations, is also examined.

Ion Group also bought Financial Software Systems, a US provider of treasury management, capital market and wealth management technology, typically used by brokers and fund managers with treasury clients, for an undisclosed sum in January 2013; just a week after *gtnews* revealed its rumoured £75m acquisition of IT2. WSS already has the Trema, Thomson, electronic bank account management (eBAM) offerings of Speranza, and CityFinancials brands under its umbrella. These latest acquisitions echo the growth of SunGard's corporate treasury portfolio 10 years ago. A rival group is being born before our very eyes, but will it strangle technology innovation and adversely impact TMS pricing and choice, or merely improve connectivity and integration?

The consequences of this technology trend will no doubt be profound. As Enrico Camerinelli, a senior analyst at Aite Group and *gtnews* contributing editor warned at the time of the IT2/WSS deal the private equity owners of IT2, CapMan, might have made a great monetary deal but done a disservice to the TMS market by causing the removal of one its most active and influential players, which could easily be subsumed into WSS. "It is unclear why WSS would have wanted IT2 for its already rich solution set: on the contrary, WSS had the interest to remove a competitor, an offering provided by CapMan on a silver plate," he said. "If

the deal replicates the earlier Ion/WSS acquisition, IT2's uniqueness will soon disappear from the scene and the TMS space will suffer a great loss. Advances of solutions in the new Treasury intelligence management systems (TiMS) sub-section could slow down significantly."

The value of treasury transactions is not in their execution per se, but in the information that accompanies each transaction - intelligence that will one day serve as the foundation of business decisions. Treasury intelligence management systems (TiMS) seek to integrate and extend the traditional, operations-driven functionalities of a TMS with features that allow better information to generate intelligent decision-making, risk reporting and business intelligence. TiMS require a development strategy however, warned Camerinelli, and that does not always fall within Ion's tradition of engineer-to-order, customer-bespoke system development.

TMS: The Historical Background

It is worth examining how the treasury management system (TMS) marketplace developed before speculating about its future and what options might be available to treasurers as the consolidation trend escalates. Corporate TMS' evolved out of bank treasury systems in the 1980s. Their principal differentiating factors were (and still are) a central focus on cash management, and, outside North America, the provision of an integral solution for foreign exchange (FX) hedging and some level of support for debt and investment trading. The advent of networked PCs and of Windows as the corporate technology standard of the late 20th century led to a proliferation of TMS vendors in the 1990s - there were at least a dozen. Most were still owned by their founders back then. The shakeout came as some systems failed to keep pace with technological development, and with the demands of properly accommodating the advent of the Euro, the Y2K millennium demands, increased treasury demand for SWIFT connectivity for cross-border payments processing, globalisation and other requirements that demanded research and development (R&D) expense. An inevitable contraction followed.

In 1998, SunGard initiated the first wave

of TMS vendor consolidation, with the creation of SunGard Treasury Systems (now AvantGard) through the acquisition of MCM (the creator of the GTM system), and of the US cash management systems Resource IQ and ICMS. The game changer came in 2000, with SunGard's acquisition of the then TMS market leader, GIS, with its Quantum system. Over the next few years, SunGard acquired Integrity (2005) and Globe\$ (2008); forming a technology grouping that WSS now seeks to rival.

In the meantime, Trema stirred into action, acquiring Richmond Software's Odyssey TMS to broaden its corporate market presence beyond the relatively limited high-end space served by Finance Kit. Trema was itself sold to WSS, which added Thomson's Treasura and CitiFinancials, before being acquired by Ion in May 2011, and now taking over IT2.

Quantum went on to dominate SunGard's treasury business for five years after its acquisition, but will the same happen with IT2 and WSS' TMS business or will it quietly slip away? Only time will tell but history suggests it might if - and it's a big if - treasury client demands, and not internal efficiencies, are the key driving forces behind the move.

Defining TMS' and Analysing the Rivals

A definition is always a good way to ground an analysis, so I'd like to detail my take on treasury management systems. The definition of a TMS used in this analysis is 'a mission-specific technology system that, at a minimum, addresses cash management, FX, debt and investment and the related treasury accounting' procedures. The key TMS vendors that I will examine below - assessing their pros and cons for corporate treasury end users - have all been selected because of their global presence or aspiration, and for the proven applicability of one or more of their software solutions in the global corporate treasury sector. Enterprise resource planning (ERP) treasury modules, domestic cash management systems, mission-specific financial risk management solutions, and finance systems, such as those addressing reconciliation and the management of account payables (A/P) and receivables (A/R) are excluded for the purposes of this article. The analysis attempts to establish a level playing field for considering the rival technology solutions.

The TMS market is now compressed into a small number of operators with global reach. The TMS vendors considered here are SunGard, Kyriba, Reval, GTreasury and Wallstreet Systems (WSS). These are all relatively long-established companies, and, overall, their products span the treasury marketplace from the largest multinational corporations (MNCs) to companies with an annual turnover of US\$100m or even less in a few cases. The clients are all corporates with organised treasury departments. In the lower part of the spectrum, they will - in their management's judgement - be exposed to a 'significant' level of risk, typically in liquidity, debt complexity, or exchange or commodity market exposure. The use of a TMS is now established as an industry standard operating practice in the upper echelons of the sector as treasuries seek automation, efficiency and connectivity support. It is trending that way too among smaller organisations, as the cost of an appropriate TMS investment is increasingly accepted as an affordable insurance premium, protecting businesses against unacceptable levels of financial and operational risk.

SunGard

SunGard's TMS offerings are part of the AvantGard corporate treasury technology suite of solutions. The company also provides broader finance offerings for account payments and receivables, all of which are designed to help corporations optimise their liquidity management. SunGard offers its own hosting and Software-as-a-Service (SaaS) options for its TMS solutions as well; in addition to providing value-added services such as SWIFT Service Bureau (SSB) onboarding facilities and corporate-to-bank connectivity options via its electronic financial messaging platform, Echos. Finally, its eBAM and bank fee analysis tools help to differentiate it for treasurers by adding breadth to its treasury solution delivery range.

This analysis focuses on SunGard's leading global TMS systems, AvantGard Quantum and AvantGard Integrity. Paul Bramwell, senior vice president (SVP) of treasury, for SunGard's corporate liquidity business unit, emphasises that SunGard policy and practice is to support and develop all the TMS solutions



looking to replace outdated technology.” Kyriba sees today’s TMS market floor to be a corporate annual turnover as low as US\$100m, furthering opening up the market to non-MNCs and ensuring vendors need to be very efficient, in order to offer attractive pricing.

Reval

Reval’s information disclosure is presently restricted in accordance with US Securities and Exchange Commission (SEC) regulatory requirements, associated with its filing to go public, but they are still a TMS vendor worth examining.

Jiro Okochi, chairman and co-founder, explains that Reval is confident that its “pure SaaS” treasury and risk management (TRM) single solution is the most attractive offering for the MNC marketplace. He also feels that although SunGard and WSS may be larger in total revenue, many prospective treasury clients value vendor commitment to the product and services, over who is the largest. Multiple offerings in one space by a vendor dilute their support capacity, and also their potential to invest in product development. Reval continues to invest in its single-version product and services, having expended the necessary effort to integrate the treasury management functionality of Ecofinance with its core risk management offering. Reval’s TRM “has won a significant number of deals against traditional TMS systems”, asserts Okochi as part of his argument that small can be beautiful. Treasurers seeking innovation and product development should perhaps look to the smaller TMS vendors.

“The financial crises have been the trigger for growth and change in the treasury technology business,” continues Okochi. “Treasurers are more focussed on risk, needing real-time visibility of counterparty and other forms of financial risk. Reval’s enhancement program focuses equally on cash and liquidity and risk management.”

GTreasury

In contrast to the other vendors, GTreasury’s focus has been deliberately focused on the North American market. The company is strategically committed to developing business based on its core expertise in liquidity management, and prides itself on its prudent, conservative approach. “We like who and where

in its portfolio, to ensure that client’s investments in SunGard solutions are never obsoleted.

SunGard claims to be unique in that it offers its TMS clients the choice between installed, hosted and SaaS delivery models, as any of these may be preferred by a particular client’s policy and situation. The vendor continues to invest “heavily” in the staff needed for the development and support of its entire TMS range, says Bramwell, and this commitment is being reflected in significant new releases for AvantGard Quantum and AvantGard Integrity, which address areas including usability, reporting, advanced risk management and regulatory compliance requirements. Bramwell sees the future of the market as being based upon the “survival of the smartest”, stressing the need for all competitive TMS offerings to keep pace with the market’s strong demand for new functionality in areas such as data, regulation and risk, and for providing a full range of hosting and SaaS options.

Kyriba

Bob Stark, Kyriba’s vice president of strategy, reports strong business growth, represented by 120 new customers last year and on-going contract wins. The

2013 numbers to date suggest that the firm’s performance may be exceeded this year. Kyriba are emphasising their commitment to broadening the functionality of their TMS offering, says Stark, mentioning risk management, hedge accounting, valuation workflow, back office workflow efficiency, bank account management (BAM)/eBAM and mobility, among the crucial areas of advancement.

The vendor is firmly committed to “true SaaS” delivery, adds Stark, detailing Kyriba’s strategic vision for treasury technology, which includes continuing improvements in working capital and supply chain finance management tools, and aiding treasurers need to increase the yield earned on surplus cash by better data provision. He observes sustained demand for automated BAM as an immediate treasury need, as the real drive towards eBAM is still ahead. Automated BAM alone brings significant treasury gains in the control of cash, account signatories and operating efficiency.

“The recent TMS industry consolidation is also great for Kyriba,” claims Stark. “IT2 seems to have gone away for now, and the TMS market is booming as companies are entering it for the first time, or are now

we are, and need to ensure healthy sustainable growth,” comments executive vice president, Warren Davey.

GTreasury has developed new business outside North America via referrals and clients' subsidiaries. Partnerships in Asia and Europe are a possible way forward, as all the team are presently US-based, restricting its reach. The system's capability to work internationally though is illustrated by the fact that more than 35% of the banks and associated treasuries with which it operates are global operations, primarily based in Europe, Middle-East and Africa (EMEA). Mr Davey sees the turnover in the TMS industry continuing to increase, as first time buyers enter the market, and system replacements take place. “There are plenty of deals around,” he maintains.

Wallstreet Systems

WSS did not accept *gtnews*' interview requests, so this analysis is based on publically available information and the observations of industry insiders. Wallstreet offers an expanded portfolio of TMS offerings that span the corporate spectrum: Suite (the former Trema Finance Kit) for the very high end; the recently acquired IT2; CitiFinancials, a TMS that has a successful history in the UK and Austral Asia; Treasury (originally, the Richmond Software Odyssey system) and Treasura, a cash and liquidity SaaS solution originally acquired from Thompson Reuters, is also part of its portfolio.

Owned by Ion Group the WSS TMS operation is now part of a large business based on the development and distribution of technology aimed at the wholesale financial 'buy-side' - consisting of market makers and proprietary dealers. The IT2 TMS staff (contrary to rumours) is largely intact since the takeover in January 2013, and seems to be taking a wait-and-see approach to the radical shift in corporate culture that is said to be underway internally. Before its sale, IT2 was, arguably, the leading global corporate TMS, through its workflow management facilities, and its broad and powerful cash, treasury and risk management functionality set. Clients are awaiting the release of IT2 8.2 with interest to see if its reputation for innovation is still deserved. The market

“ It is becoming industry best practice for corporates ... to support their operations with a robust TMS ”

is straining to see the emerging direction that WSS' TMS business will take; remembering that it is a very small part of Ion's overall operation.

Conclusions

Today's TMS market is dominated by two superpowers, SunGard and Wallstreet. Both are well capitalised, and both offer formidable portfolios of treasury technology. Who will most strongly challenge them, and how?

The marketplace is quite buoyant, as outlined in this article. This is because it is becoming industry best practice for corporates that carry a sufficient level of financial risk to organise treasury departments, and to support their operations with a robust TMS: Excel spreadsheets do not meet today's audit or management standards for robustness and functional power, although they will remain in some form. Additionally, the demands of regulatory compliance, for example with Dodd-Frank in the US and the European Market Infrastructure Regulation (EMIR), require strong technology support to be efficiently and effectively fulfilled. The number of potential TMS buyers is increasing, but so is the scale and sophistication of treasuries' functional demands.

The lower end of the business is dominated by SaaS offerings, and this can be seen as either a strength or a weakness. Multi-tenant SaaS offers attractive cost benefits, with some monthly subscription fees below US\$2,000. Mandatory upgrades are seen by some as a risky nuisance; others will welcome the simplification and low risk of the channelling of support into a single version of a system. SaaS-dedicated vendors tend to be more flexible in contractual terms and pricing.

SaaS, R&D and On-going Support

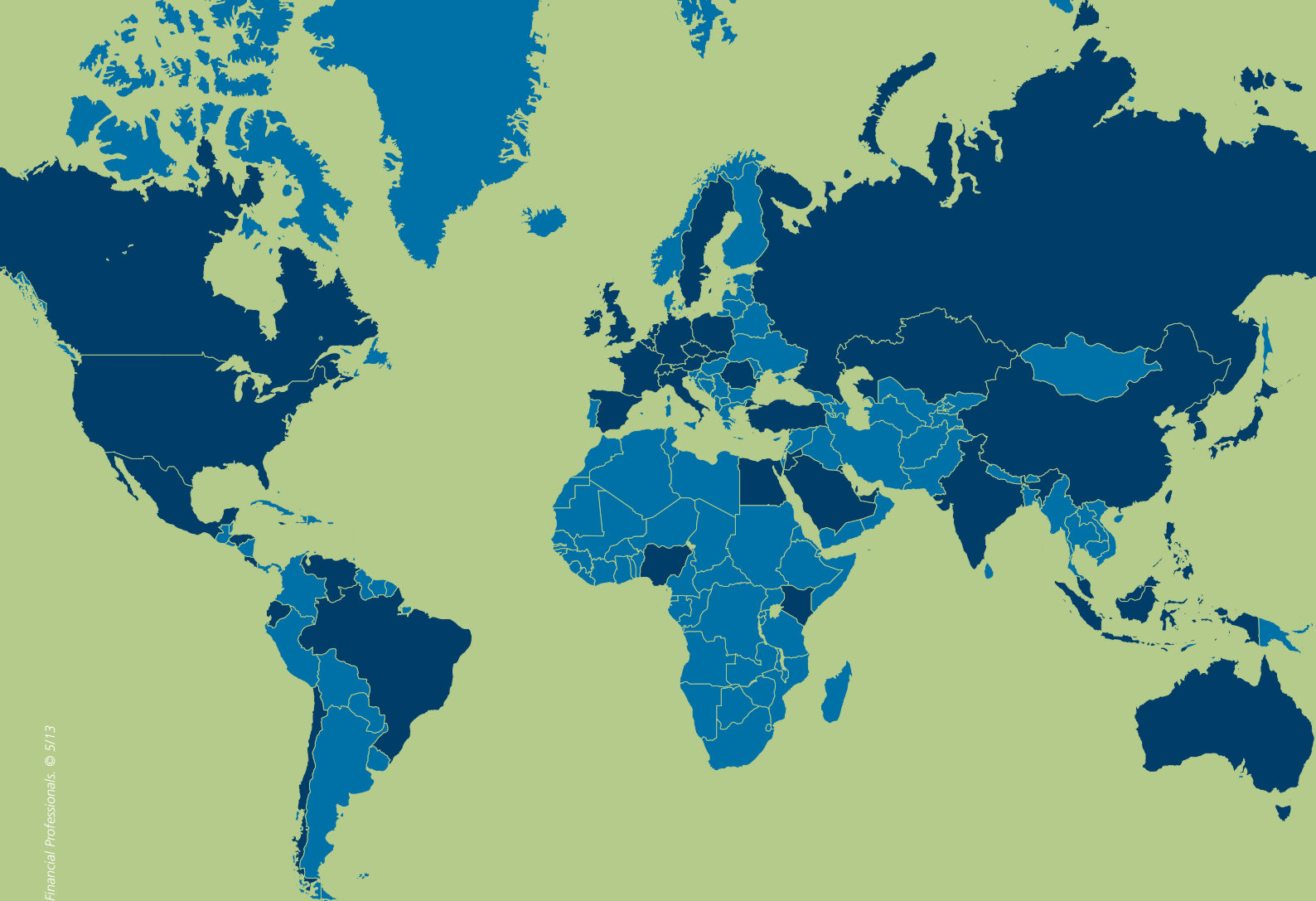
The SaaS operators are committed to enhancing their solutions to meet today's

increasing functional demands, and that of course requires sustained investment in R&D. Investors and potential clients must, for their different reasons, be comfortable that each company's capitalisation, cash reserves, future profitability and commercial outlook are sufficiently strong to bear the load, especially against the real risk of further (or continued) economic crisis or downturn.

There is no obvious need for Wallstreet or SunGard to acquire new TMS offerings. Any further acquisitions by these organisations would more likely relate to opportunistic bottom fishing, competitor elimination, or the addition of new specialist solutions to supplement their existing TMS portfolio.

According to Aite Group's Camerinelli, smaller TMS companies, which are now evolving from their accounting and cash management base to include higher levels of functionality such as multi-banking and enhanced reporting capabilities, are the most likely to prosper in the changing marketplace, as demand for broader, more sophisticated solutions emerges. His latest research estimates that the total TMS vendor market reflects a turnover of US\$1.2bn, with 9% of the current client base represented by companies with an annual turnover of less than US\$500m. “Smaller companies prefer the various efficiencies and ease of the SaaS model. They will be demanding more sophisticated functionality in the future,” he adds.

There are certainly many companies who prefer the flexibility and potential road map influence they might achieve with a smaller vendor, forgoing the perceived security of going with a larger player. It is those vendors whose product evolution most accurately reflects key industry priorities, and who are sufficiently well capitalised to deliver their roadmap, who will succeed.



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Will Spreadsheets Ever Die?

The efficiency and connectivity arguments in favour of adopting a treasury management system (TMS) are compelling but many treasurers continue to use Excel spreadsheets for a variety of cash management tasks, sometimes even after they have installed a TMS, because of their ease-of-use. Will anything kill off spreadsheet usage, asks **Rebecca Brace**, as she talks to the treasurers at Coca-Cola Hellenic and AstraZeneca, and examines the associated risks. Could upcoming regulatory changes prompt treasurers to re-evaluate their continued adherence?





It was reported in April this year that elementary errors in an Excel spreadsheet document led directly to some erroneous conclusions being drawn in the major economic research paper entitled *'Growth in a Time of Debt'*. Written by the eminent Harvard academic economists Carmen Reinhart and Kenneth Rogoff, and published in the *'American Economic Review'* in 2010, the error related to the figure cited for the average growth of countries with high levels of debt: data from only 15 out of 20 countries had been included in a pivotal calculation, skewing the results and providing a timely reminder, when the mistake was discovered, of the dangers of spreadsheet risk.

The consequences of the error - revealed by Thomas Hendon, a graduate student at Amherst College in Massachusetts, US, who could not reproduce the results - are particularly significant because the academic work had been widely cited as a justification for austerity measures.

The consequences of making a data entry error or setting the parameters incorrectly in a spreadsheet document were starkly revealed for all to see. It is a danger that treasurers' face too when doing their cash management and other calculations, but it could be reduced by installing an automated treasury management system (TMS). Why then do some treasurers still resist installing such a solution, or even fully using it once it is installed?

The *'gtnews TMS Survey 2012'*, for instance, questioned 500 corporate treasury respondents late last year and found that 29% still do not use a TMS at all, typically relying on spreadsheets instead, but this increases the scope for data entry errors and can introduce onerous manual workloads and add risk into treasury operations. A similar Association of Corporate Treasurers (ACT) TMS survey in May this year, said that almost 50% of its 250 respondents still depend on spreadsheets in some form to manage cash positions and forecasting.

Spreadsheet Risk

The existence of the mistake in the *'Growth in a Time of Debt'* economic paper will come as little surprise to treasurers familiar with the concept of

spreadsheet risk. According to research by the European Spreadsheet Risks Interest Group, more than 90% of spreadsheets include errors. And the risk of errors is not the only shortcoming associated with spreadsheets: an individual may create complex spreadsheets that fulfil their requirements very well, but if that person leaves the company, or is on holiday or long-term sick leave, other employees may struggle to use and update the spreadsheet effectively. Continuity problems naturally arise in treasuries.

“My experience has taught me that each person approaches the creation of a spreadsheet in a very different way and formats them to their preferences,” says Patricia Greenfield, head of treasury operations at AstraZeneca. “This means there are risks in using them across the function for reporting positions and accounts as the source of the data is not always obvious, and they can corrupt, as most corporates will have experienced at some stage.”

But despite their many shortcomings, spreadsheets continue to be used widely within corporate treasuries. The ‘*gtnews* TMS Survey 2012’, for instance, found that spreadsheets continue to be the technology most widely used by companies to manage financial risk. They were used by 34% of respondents, compared to all-in-one treasury management systems which were used by only 33% of the 500 respondents.

The *gtnews* survey findings also displayed some interesting regional variations. Spreadsheets are particularly favoured by treasurers in North America it seems, where 40% of respondents said they use spreadsheets to manage financial risk, compared to 31% in Western Europe. In both Western Europe and Asia-Pacific, TMS’ were used by more respondents than spreadsheets, with Asia showing the fastest TMS adoption rate - admittedly from a lower starting point - as budgets are restrained in Europe.

Despite these variations, in all of the regions surveyed in the ‘*gtnews* TMS Survey 2012’ spreadsheets continue to be used by a significant percentage of treasurers as their primary tool for managing financial risk. Behind the scenes, the use of spreadsheets is even



more extensive: companies which use a TMS often also use spreadsheets to perform particular tasks within the treasury, even if they have installed a comprehensive TMS solution. The flexibility, familiarity and ease-of-use of Excel spreadsheets continue to appeal to treasurers it seems.

Why Spreadsheets Remain Popular

In light of the well-known pitfalls outlined above, why do companies continue to use spreadsheets in finance and treasury operations?

“Spreadsheets are easier to use and more flexible,” explains Enrico Camerinelli, a senior analyst at Aite Group. “In many cases they contain complex macros and calculations that are difficult to replicate easily. Also, treasurers until recently were not supposed to provide all the up-to-date information that they are now.

Furthermore, treasury never had big IT budgets to spend, so basic spreadsheets were sufficient.”

Cost is a major consideration as well: for smaller companies in particular it has historically been difficult to justify the cost of a dedicated TMS. The ‘*gtnews* TMS Survey’ highlights the impact of a company’s size on its technology decisions: only 20% of companies with a turnover exceeding \$10 billion were using spreadsheets to manage financial risk, compared to 45% of those with sales between \$250m and \$999m.

However, as vendors have increasingly begun to offer technology on a cloud or Software-as-a-Service (SaaS) basis, TMS’ have become a more realistic option for smaller companies. Camerinelli says that the availability of SaaS-based treasury solutions means that “cost is contained,



speed of implementation is possible, and small-to-medium-sized enterprises (SMEs) can further benefit from the best practices embedded within the software.”

The Attraction of a TMS

Cloud-based solutions allow companies to pay for treasury technology on a subscription basis, and a TMS could perhaps be installed on a module-by-module basis, offering automated capabilities that can eliminate the data error risks inherent in spreadsheets and integration efficiencies. This approach to installing a TMS can also help keep costs down by allowing companies to purchase only the functionalities that they need.

“The advent of the cloud, and hence the subscription model, means that users can pick and choose what they want, rather than taking a whole collection of modules without necessarily needing all

of them,” says Bob Stark, vice president of strategy at Kyriba, which provides treasury solutions on a 100% cloud-based model.

“Companies may cover ten different treasury responsibilities, but may find that only three of them warrant investing in treasury technology, whereas the other seven can still be done easier and cheaper on a spreadsheet,” Stark adds. “We are making a lot of inroads by targeting this approach and explaining to clients that they don’t need to buy ten things - they can just buy the three that they need now, with the option of adding more modules or capabilities later on. This makes a big difference for some organisations where cost is the biggest issue.”

Living With Spreadsheets:

Treasures Share Examples

TMS solutions are becoming more

affordable for SMEs, thanks to the cloud, but the reality is that companies still continue to use spreadsheets for certain tasks - even if they have purchased a dedicated TMS already. Why?

The flexibility of spreadsheets is reflected in the fact that different companies use them in different ways. Many treasurers readily concede that they have concerns about using spreadsheets, and as a result there may be some situations in which spreadsheets can be used, and some in which they cannot.

Bart Jansen, director of treasury and risk management at Coca-Cola Hellenic, says that while the company does not use spreadsheets for any data or deal capturing processes or maintenance, they are used as a flexible tool to prepare reports or graphs for presentations. “We use advanced versions of spreadsheets (entirely macro driven and completely locked) to gather exposure data from the countries that we feed into our SAP system,” he explains.

According to Enrico Rao, group treasurer of Italian tourism company Alpitour, his firm uses Excel moderately as well. “From some companies, I receive an Excel spreadsheet on a weekly basis with a forecast payments and receipts, which are then input into the treasury system. This only applies to a few firms though - the main companies have access to the treasury system, in order to input their forecast directly.”

Rao also uses spreadsheets to do the calculations when doing the budget for the forecast of the final spend.

“This spreadsheet is just used within the treasury department to do all the calculations - once I have discussed and approved the figures they are input into a forecasting system which centralises all the data.”

While spreadsheets do have their place within the treasury function, Rao observes that it is difficult to share files with other people. He also says that while Excel can be used very effectively, if you send a file to someone else the recipient may not be able to use it. “Excel is a very powerful tool, but if I can avoid using it, I do,” he adds.

The Technology Viewpoint

Technology vendors are becoming

increasingly aware that corporates using their systems still want to use spreadsheets in certain circumstances. SunGard, for example, has included the ability to export to Excel in its report writing software. Paul Bramwell, senior vice president (SVP) of treasury solutions at SunGard AvantGard, says that treasurers often use their treasury applications to produce a basic report, which they then load into Excel in order to manipulate the data. In order to provide additional reporting capabilities, SunGard now provides an ad-hoc reporting tool in its latest releases.

"We saw a big gap, in that the average user in the treasury department found that the basic reporting functionality wasn't sufficient, while Crystal reports were too complex," says Bramwell, when discussing the rationale behind the move. "The new tool sits squarely in the middle, such that the average user can create any reports that have been produced and manipulate them into a chart, table or graph and carry out additional analysis."

SunGard is not alone in recognising that companies use spreadsheets alongside their TMS. "Finally, TMS vendors have realised that they don't have to fight spreadsheet usage, but can actually go along with their use [and accommodate it]," says Aite Group's Camerinelli. "In practice, TMS vendors are allowing integration with spreadsheets, enabling treasurers to work with them with the confidence that data is still being stored and centralised within the TMS. This ensures consistency and 'one source of truth' is maintained."

Regulatory Drivers for TMS Adoption

Spreadsheets and TMS' may be moving into a new era of peaceful co-existence in terms to the technology offering, but other regulatory factors are coming into play which could lead to a decline in spreadsheet usage, and prompt more companies to install TMS-only policies in the future. With a wave of new regulation such as Dodd-Frank underway, the argument for adopting dedicated treasury technology is likely to become stronger than ever before.

"More and more regulation is coming down the pipe, from the European

“ Finally, TMS vendors have realised that they don't have to fight spreadsheet usage, but can actually go along with their use [and accommodate it] ”

Market Infrastructure Regulation (EMIR) to Dodd-Frank in the US, as well as IFRS9 compliance requirements for hedge accounting," says SunGard's Bramwell. "These regulations require more complexity in a company's ability not only to report, but also to calculate very complex market valuations."

"These calculations can be done in a spreadsheet, and often are done so, but they are becoming increasingly complex and hard to handle. For example, when looking at the valuation of derivative instruments, simply discounting cash flows back for the future life of an interest rate swap (IRS) seems relatively straightforward. But when you look at the mathematics behind it, you have to interpolate from a yield curve that you have obtained from a rate service provider, and there are several methodologies for doing this - all of them complex."

"Then, with IFRS9, EMIR and Dodd-Frank, additional complexity is introduced into the valuation because you now have to use different curves depending on counterparty risk and market value. Complexity is continually increasing, and some companies are concerned that if you are doing this using a spreadsheet and you make an error, that error will get reported out to the regulatory authorities with potentially punitive consequences."

The evolving regulatory climate also has implications for TMS vendors, points out Aite Group's Camerinelli: "It puts pressure on TMS vendors because they must ensure continuous alignment of their system with constantly evolving regulatory requirements."

Conclusions

The argument for adopting a TMS has never been stronger, but don't expect spreadsheets to disappear any time soon. With the advent of cloud-based solutions, TMS' are becoming more

affordable and more flexible: this means companies can pick and choose the specific modules they need and rely less on Excel. At the same time, upcoming regulatory changes are likely to prompt wider TMS adoption as companies adjust to more complex calculations and the growing importance of supplying accurate information to the authorities.

But while treasury technology may be more widely used for critical information and reports, the flexibility of Excel means that many treasuries will continue to use spreadsheets in certain circumstances and they are by no means going to disappear.

"I think the only way to remove spreadsheets as a risk factor is for the treasurer to effectively outlaw spreadsheets in the treasury department," comments SunGard's Bramwell, however, when discussing the pitfalls. "Some companies have very strict rules about spreadsheet use, for example, stipulating that spreadsheets should not constitute any standard reports that get published at month end. But I don't see any likelihood of companies banning them outright."

Rather than regarding spreadsheets and a TMS as mutually exclusive, there is a growing understanding that companies can and do use both types of technology to fulfil different types of task. As a result, technology vendors are increasingly accepting that their customers use spreadsheets and are making it easier for them to do so.

Meanwhile, as more treasurers adopt a TMS, the way in which companies think about technology is evolving. Rather than asking whether or not they should purchase a TMS, companies will increasingly be looking to identify which tasks can be carried out using spreadsheets, and which ones should only be conducted using dedicated treasury technology.

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Expert Opinion



Dr Klaus Gerdes,
*Head of Corporate Finance
and Treasury, Altana*

1. What were the driving forces that made your company decide to introduce or renew its treasury management system (TMS)?

After the divestment of its pharmaceuticals activities, Altana AG had to establish treasury operations for a pure play specialty chemicals company. The growth path of the re-focused company required transparent and efficient standalone treasury operations, which can only be achieved by using a professional treasury management system (TMS). This is why we decided to go down the path of specifying a new TMS.

2. What were the crucial first steps you followed when deciding what TMS was suitable for your company?

The first steps were to detail the current processes that a TMS should support and the requirements that the system should cover in the future. These specifications were communicated to system vendors and the selection process was based on workshops with vendors in which the functionality of the various TMS solutions was demonstrated.

3. What TMS do you use and why?

We use the AvantGard Integrity TMS from SunGard. After completing our specification process, we were convinced that it best fulfils our current needs and were impressed with the modular structure of the system, which will make it extendable for future requirements. Taking a phased approach to implementation we decided to first implement modules that would significantly cut manual work and the probability of errors. We wanted to take advantage of existing system reports whenever possible, while also being able to build our own reports based on AvantGard Integrity's extensive report library. It was also important for us to be able to interface the TMS with our enterprise resource planning (ERP) system, a trading platform, and internal Misys solution, so all of these considerations also came into play.

4. How easy is your TMS to use on an everyday basis and does it help improvement your cash management visibility and risk oversight?

The SunGard AvantGard Integrity TMS provides us with a single environment that consolidates all relevant treasury information in one place, such as deals, transactions, and bank balance information. Building a financial status for the group is therefore an easy task by simply printing the corresponding reports. The interface to the ERP system gives instant visibility over cash pools and provides the basis for cash management decisions. The management of intercompany loans, maturity profile, and hedging of foreign exchange (FX) intercompany loans is enhanced by the new system. Naturally, in-house mark-to-market valuation of outstanding derivative contracts, interest and FX, is also supported, and this has proven to be especially useful for the treasury.

5. If you were buying a TMS today, what additional functionality would you like to see?

The liquidity planning functionality on our TMS is not currently set up so that every subsidiary can plan each single cash flow in the appropriate currency of the cash flow. We are looking forward to receiving this functionality in the near future as part of a future upgrade. It is important for us to get a complete picture on the FX risk of the Altana group, and the ability to add in modules like this was one of the key attractions of our new system; flexibility is a key asset for us. Moving forward, we are intensely aware that the European Market Infrastructure Regulation (EMIR) and the regulatory reporting requirements that will come in with it - not to mention the need to interface with a trade repository - are all obligations that we'll soon have to meet. Additional functionality to address these impending requirements will be available within the TMS as an add-on module within the next few months and we are looking forward to implementing this.



Royston Da Costa,
*Group Assistant Treasurer,
Treasury Systems and
Development, Wolseley
Group Services*

A number of years ago, the new senior management team at Wolseley, a distributor of heating and plumbing products, were keen to improve straight through processing (STP) wherever possible in order to reduce duplicated data entry and realise time savings across the group. This applied to treasury operations as much as to any other department. In addition, the group-wide treasurer wanted to improve the visibility of our group cash using SWIFT MT940 messaging, which we now receive daily into our upgraded treasury management system (TMS).

We conducted a full review of the current system and how we were using it with our TMS provider. Wolseley set out what additional functionality we would like to gain from an upgrade, and how much we would need to invest to ensure we could achieve the maximum potential from any new TMS. This process included a full review of our technical infrastructure and involved investing in new locally hosted servers, back in the late 'noughties'. A report was produced by our TMS provider which formed the basis of our business case to senior management, and our plan for moving forward.

We use IT2, now part of Wall Street Systems since the turn of the year of course, which was originally selected by us seven years ago. The choice was made with the help of external consultants after a wide review of other systems available on the marketplace at the time. We're happy with the choice we made and have been updating it ever since.

The IT2 TMS we use is an integral part of our daily treasury processes. It interfaces with a number of other applications, such as our 360T trading system, Thomson Reuters' data and Misys software. We are also importing SWIFT MT940 messaging daily into our operations to provide us with good visibility of our group's cash position.

The key thing that I would like to see if we were to upgrade our TMS system again would be enhanced reporting flexibility. This is a crucial part of our everyday operations at Wolseley and to have enhanced functionality and data in this area would be an asset.



Peter van Rood,
*Group Treasurer,
AkzoNobel*

When I joined AkzoNobel in 2007 I received a clear mandate to 'bring the treasury back into the forefront of the treasury industry'. This triggered a treasury transformation project, which comprised of rebuilding the infrastructure of AkzoNobel's treasury in four key areas. The four building blocks consisted of people; banks and bank accounts; systems; and processes. As we faced a highly fragmented IT landscape, which was also rather disconnected from the remainder of the group systems, we used the opportunity to pursue the implementation of a new treasury management system (TMS), connectivity and IT overhaul.

The crucial first step in our treasury technology transformation project was to visualise what core functionalities we needed at AkzoNobel. Global capabilities in terms of payment processing, cash management and risk management were central priorities. Secondly, we asked ourselves the question of where the system needed to be strong. Should it have exceptional strength in its interface with the market environment, and be able to process many different highly complex financial products, or did our challenge rest more on improving the interface with our business community, with complexity in connectivity surrounding multiple enterprise resource planning (ERP) systems the prime concern? The latter connectivity issue was our prime concern we decided because we faced a group with over 600 entities and more than 200 ERP systems, and we did not anticipate a particularly high level of complexity in terms of the financial products we'd need to process. Finally, the treasury went through a professional and disciplined tender process to learn about what was available in the market place before making our decision.

We went live with SAP ECC 6.0 in April 2010. SAP modules implemented at AkzoNobel include SAP treasury and risk management, SAP cash and liquidity management, SAP in-house cash, SAP EBS (electronic bank statements) for cash allocation, SAP bank communication manager, the vendor's process integrator option and the SAP finance module. In addition, AkzoNobel implemented SWIFTNet, FXAll, Bloomberg FXGo and MyTreasury to increase our connectivity and technology capabilities. These packages are all integrated into our TMS, allowing for straight through processing (STP) of our treasury transactions. This includes confirmations to and from banks, bookings into our finance module, and automatic bank reconciliations.

Anyone using SAP will know that the system needs to be operated by experienced SAP users. On the other hand, the STP functionalities have reduced starkly the operational effort required, which has improved the ease of executing treasury processes. In terms of ease-of-use - in particular, software change implementations - I would not rate the system at the very high end of the rating spectrum. On the other hand, the overall changeover of our infrastructure has improved visibility considerably and control over cash significantly, which was a core aim.

With regard to SAP we would value additional functionalities for booking single debits multiple credits to process payment badges, in a private and personal confidential way. Other software developments that we are interested in relate to dynamic discounting, where the front office liquidity management tool gets connected to the working capital management of the businesses. All in all, though, one should not expect a software supplier from a robust and highly integrated TMS to be at all times a front runner in terms of supplying innovations. Others may be more agile and adaptable to be pursuing this position, especially in smaller market segments. We concentrate on the core functionality and we need our technology to do the same.

Seeding the Cloud



Cloud computing and the Software-as-a-Service (SaaS) delivery mechanism which is one aspect of it - where the treasury management system (TMS) is hosted by the vendor, effectively outsourcing the technology, connectivity and maintenance - is an increasingly popular option for corporates, especially for treasuries that lack the money for upfront capital expenditure in their cash management systems and want to upgrade gradually. This article by **Heather McKenzie** looks at the pros and cons of using the cloud.

While a treasury management system (TMS) delivers many benefits - cash visibility, financial risk management and improved treasury efficiency and accuracy - it is also perceived to be very costly. In addition to the cost of a solution itself, a TMS project is time-consuming and disruptive to corporate treasuries. For these reasons only large corporates have traditionally adopted TMS; many other corporates have gone without or continued to rely on Excel spreadsheets or ad hoc modules, covering risk for instance, rather than invest in enterprise-wide comprehensive solutions.

The perception that TMS' are costly, time-consuming and also require continued maintenance, internal IT staff and upgrading, creates the ideal environment for a cloud-based Software-as-a-Service (SaaS) approach to flourish. Installing treasury and cash management systems using this model can be gradual, flexible and avoids expensive siloed IT infrastructures. Regulatory or reporting changes can also be more easily absorbed. There are, of course, on-going fees with this model - and over the longer-term these can add up - but upfront capital expenditure is cut, which is especially helpful when budget are often tight, and internal staffing costs reduced.

Definitions vary, but put simply a cloud or SaaS-based solution is essentially an outsourced one, where functions are handed over to a third party. It is now very rare that a TMS project would be implemented purely in-house because most corporate treasuries, even very large multinational corporations (MNCs), do not have the time or resources to devote to such a project.

The '*gtnews TMS Survey 2012*', for instance, questioned 500 corporate treasury respondents late last year and found that only 7% are now using a system built in-house. By far the more interesting figure was that 29% still do not use a TMS at all, typically relying on spreadsheets instead, but this increases the scope for data entry errors and can introduce onerous manual workloads and added risk into treasury operations if not properly managed. A similar Association of Corporate Treasurers (ACT) TMS survey in May this year, said that almost 50% of its 250 respondents still

depend on spreadsheets to manage cash positions and forecasting.

Implementing a SaaS delivered TMS solution, hosted by a third-party, should alleviate the risk and large manual workload concerns surrounding the use of spreadsheets. It can be rolled out gradually too module-by-module in order to cut the costs and make TMS' more accessible to smaller corporates, or those MNCs seeking to reduce direct internal costs and stagger upgrade costs.

Paul Bramwell, senior vice-president of treasury solutions at SunGard AvantGard, says there is now a "very strong trend" towards cloud computing in TMS installations. "Cloud is a misunderstood concept with incorrect definitions. We define it as a thick application, hosted by a third party and accessed through the internet or a remote connection. No IT infrastructure is required by the corporate because the application is hosted elsewhere," he says.

The definition of terms such as cloud computing, application service provision (ASP) and SaaS can be confusing for corporate treasurers. Very often on a TMS project, they will involve the IT department in order to gain a more accurate insight into what vendors are telling them. To a great extent, cloud computing is a marketing term - used to cover ASP and SaaS models. Put simply it means a hosted service that is accessed by users via web browsers. The corporate's data and software is stored on servers at a remote location. The picture can become complex when the corporate's software, say the TMS itself, is provided by one vendor while the cloud service and connectivity is provided by another, but we'll examine that later.

Research Shows Popularity of Cloud & Security Concerns Lessening

According to global consultancy KPMG, and its latest '*The Cloud Takes Shape*' research, cloud computing, "has finally started to move beyond the hype and into the fundamental fabric of today's enterprise". The firm conducted research among 650 senior executives in 16 countries, from multiple industries, to gauge attitudes towards cloud computing. KPMG found that organisations were gaining valuable insight, not only into the potential benefits of cloud, but also the practical challenges of adopting the technologies as they examined the issue.

The cloud trend in treasury departments is being driven by a number of factors. First, there is now greater acceptance of outsourcing in industry. Handing over services to third parties has become almost routine; cleaning contracts, canteens, personnel and payroll are all areas that have headed down the outsourcing route. Organisations have become comfortable with the idea of third parties carrying out activities that are not considered 'core' or strategic. At the same time, the definition of what is core or strategic has changed, leading to more activities being hived off.

Second, security issues surrounding cloud computing largely have been addressed. "Over recent years security standards have emerged for cloud computing and also ways to independently verify those standards," says Bramwell. "The widespread acceptance of home banking on the internet and bank-based portals to make payments have also led to greater confidence in the security of cloud computing."

KPMG's research revealed that security is still viewed as a challenge, particularly with regard to privacy. However, whereas security was identified as the top concern for IT and business executives when it came to cloud in the firm's 2011 survey, by 2012 it had dropped below integration challenges and implementation costs as the main concerns. "This does not mean that security is no longer a key issue for executives," says the KPMG report. "Of the possible security concerns, data loss and privacy risks were cited the most often by respondents, while general security risks and risk of intellectual property theft were only somewhat less frequently identified."

According to KPMG's survey, concerns related to security did not seem to be slowing cloud adoption. In fact, more than one third of respondents suggested that their organisations would adopt cloud within the next 18 months in areas such as sourcing and procurement; supply chain and logistics; finance, accounting and financial management; business intelligence and analytics; and tax.

Moving Away From Spreadsheets

Specifically in the treasury, the move away from in-house spreadsheets to cloud-based solutions and TMS modules should not be underestimated and the pace of it is expected to increase. Bob Stark, vice-



president of strategy at Kyriba, says moving from spreadsheets to a TMS is a big decision for a corporate treasurer, with the decision to implement a SaaS-based model another "big step up". The reason a high number of corporates still use spreadsheets, he says, is that until recently there have been very few cost-efficient alternatives available. "In many countries, treasury management systems have been a very expensive option. They entail licence fees, on-going support and maintenance and can take up to a year to install. Many organisations simply could not bear these costs."

Kyriba's solutions are based on a SaaS model. The company identifies a number of benefits with this approach including: a lack of upfront capital investment; cost savings versus the traditional installed

software approach; simple and rapid implementation; removal of the need for IT support; immediate access to system upgrades; and anytime, anywhere access to data. Cloud solutions are now more cost-effective and can be aligned with what a corporate treasury needs, adds Stark. "Cloud applications can offer something significant to firms that are using spreadsheets. It enables them to pick and choose the parts of treasury that are causing them pain. The scalability and cost-effectiveness of cloud computing [modules] have become very attractive to treasuries."

Phil Pettinato, chief technology officer at Reval agrees, pointing out that the economies-of-scale that can be achieved with cloud applications are of real value to corporate treasuries. Reval's application,

for instance, is a SaaS-based treasury risk management (TRM) product that emphasises reporting, data and risk management procedures and connectivity. It is used by corporate treasurers around the world, says Pettinato, to manage the full suite of business needs treasuries have regarding cash management, liquidity management, payments processing, financial risk management, accounting and compliance.

"Our end users include very large organisations as well as smaller firms," says Pettinato. "All of them are using our service to run their treasury operations and connect to their banks in order to gain visibility on their positions globally. Visibility, payments processing, sophisticated risk management, accounting and compliance can be true differentiators for service providers."

Module-by-module Rollouts and Risk Mitigation

Since the financial crisis of 2008 treasurers have been taking on more and more responsibilities, especially around risk. Whereas traditional TMS were more focused on cash and payments functions, rather than risk management, accounting and compliance, that situation has now changed, believes Pettinato. "There is a greater need in treasury now to include commodities, interest rate and foreign exchange (FX) risks. Corporate treasurers want one solution that will manage all of that."

A SaaS platform can deliver these capabilities in a modular fashion, enabling corporate treasurers to pick and choose the functions they want and the speed they introduce them to the business. Another important issue for treasurers is that cloud-based solutions can be easily integrated, enabling treasurers to connect into other systems. "Integration is a big part of straight through processing (STP)," says Pettinato. "Being able to share data between systems is important because as a treasurer's requirements grow, they may want to place more [information] into the cloud. It is important that a cloud solution is flexible and scalable."

As treasurers have taken on more responsibilities, says SunGard's Bramwell, there has been a realisation that IT is not a core competence. "There is a level of trust in the industry now with cloud solutions; even treasurers at the largest firms realise they are not IT experts and that they should look to outsource to experts," he claims.

Challenges and Conclusions

Complexity can arise if IT has been outsourced to one company and the TMS to another, admits Bramwell. SunGard does both, he points out though, meaning a treasury department has the option of selecting just one partner to deal with.

The issues treasuries are dealing with are growing: visibility over cash is important, particularly in real-time with risk and liquidity assessments now paramount and the attendant connectivity a prime concern. The long-running campaign by the financial messaging cooperative SWIFT, for instance, to sign up treasuries to its SWIFT for Corporates programme reflects this need. It has produced some limited results with approximately 1,000 users now signed up,

but many more corporate treasurers are now aware of it and say they require SWIFT connectivity to the wider banking world in order to operate, suggesting further growth is possible.

"SWIFT connectivity, along with regulations such as the European Market Infrastructure Regulation (EMIR) and Dodd-Frank in the US are pushing corporate treasurers down the TMS route," says Bramwell. On top of this is the single euro payments area (SEPA) compliance drive, global accounting standards changes, and electronic bank account management (eBAM) drivers. "These issues can be dealt with very efficiently in the cloud. In fact, there are very few companies that build their own TMS now; the challenges and the ramifications for getting something wrong are too high," concludes Bramwell.

According to Bob Stark at Kyriba: "The responsibilities on treasuries are growing, and installed solutions are having difficulty keeping up with the changes. A cloud

solution can deploy new functions within a week. The integration capabilities between different cloud solutions are a big differentiator between cloud systems and traditional software packages as well."

But it is important to recognise that not all corporate treasurers will opt for the cloud route. As SunGard's Bramwell says - while acknowledging that cloud is rapidly growing as an option - there are still some companies that want to continue with in-house deployed TMS solutions. Treasurers must decide for themselves what the correct approach is for them and their organisation.

Corporate treasurers do not tend to be early adopters of technology, says Kyriba's Stark, before adding that he does, however, think there will be a natural progress towards cloud applications over time. "New requirements will drive the need for new capabilities in treasury systems. That drive will see most applications reinvented as cloud solutions within the next ten years."

Cloud Computing: Defining The Indefinable

There is still some disagreement about what is, and isn't, cloud computing. The US National Institution of Standards and Technology (NIST) has published its '*NIST Definition of Cloud Computing*', which outlines the main characteristics of the technology approach.

It defines cloud computing as "a model for enabling ubiquitous, convenient, on-demand network access to a shared pool of configurable computing resources (e.g. networks, servers, storage, applications and services) that can be rapidly provisioned and released with minimal management effort or service provider interaction".

NIST's cloud model has five 'essential characteristics', three service models and four deployment models. The characteristics include on-demand self-service, broad network access, resource pooling and measured service (where resource use is automatically controlled and optimised). The service models include Software-as-a-Service (SaaS), which is defined as the capability for the business to use the provider's applications running on a cloud infrastructure. Applications are accessible from client devices including a web browser or programme interface. The business does not manage or control the underlying cloud infrastructure, such as the network, servers, storage or applications. In Platform-as-a-Service (PaaS) models, users can deploy their own applications on to the cloud infrastructure, which are then supported by the provider. Again the user does not manage or control the cloud infrastructure. The final service model, Infrastructure-as-a-Service (IaaS), enables users to deploy and run arbitrary software, without control over the underlying cloud infrastructure.

There are four main cloud deployment models in NIST's definition:

- Private cloud: This is set up for the exclusive use of a single organisation.
- Community cloud: This is used by a specific group of users from organisations that have shared concerns.
- Public cloud: This can be used by the general public, and increases accessibility but often has consequent security concerns.
- Hybrid cloud: The infrastructure here is a composition of two or more of the above, bound together by standardised or proprietary technology, which enables data and application portability but still ensures security.

Treasurers must decide which is the most appropriate deployment model for them to follow; with the public cloud remaining unattractive due to security concerns, and the community and hybrid clouds the most beckoning.



TMS Implementation Plan for Success

For the implementation of a new treasury management system (TMS) to come in on time and on budget, good project management is critical. **Ben Poole** looks at some of the key points treasurers should consider before and during the implementation process to make sure it is a success.

“There are proactive steps companies can take to ensure good planning, integration scoping and future-proofing”

involvement in TMS implementation projects. There are also peer case studies and articles in the trade press on other companies that can explain how they went about selecting their treasury technology, offering peer knowledge and experience. External sources such as these can provide a good indication of what systems and support is out there and what your treasury can achieve in terms of improving the efficiency and straight-through processing (STP) of corporate operations.

“There are regulatory changes to take into account as well when defining your requirements for a TMS,” says SunGard's Bramwell. “It may well be that you're not doing risk management right now, or that you haven't yet begun planning for Dodd-Frank or the European Market Infrastructure Regulation (EMIR), but things like these are coming down the pipe. You need to understand the ramifications of changing regulation to ensure that you are in a position to report on data and can easily get that information out of the TMS. Otherwise, you may fall foul of regulation and find that you have to do the whole complex exercise on spreadsheets, which is never ideal.”

Module Installation

Another consideration is that a number of vendors offer the opportunity to purchase certain parts of the TMS initially, and then build in additional modules later on as and when they are required. “Treasurers can buy what they need now, but also have that scalability or opportunity to add features later on, so they don't have to buy everything up front,” says Bob Stark, vice president of strategy at Kyriba. “This makes it a lot easier to match the costs of the technology to the benefits, as opposed to having to buy the full package upfront and hope that it pays off in terms of eventual return on investment (ROI).”

Current treasury, operational and business practices should also be reviewed as part of a TMS specification process, because you may actually find that your workflow is inefficient. Simply automating things is not always an improvement. An extensive review to make sure process improvements are picked up along the way can save on headcount, or at least allow you to deploy headcount more efficiently. A good TMS

Despite the many benefits offered by the latest treasury management system (TMS) technology, the humble spreadsheet remains the tool of choice for a significant number of treasurers.

For a treasury management system (TMS) implementation project to successfully come in on time and on budget, the initial planning phase has to be carried out well; otherwise there is the risk of ‘garbage in, garbage out’ if the treasury does not clearly define its needs, connectivity requirements and support services.

The treasurer needs to define their requirements for the TMS, both today and going forward, so that is ‘future proofed’ and scalable to meet business or regulatory risk reporting challenges further down the line.

“In my experience, success is determined very early on in the process,” says Patrick Cannon, executive vice president (EVP) of client services at Reval. “To that end, you want to make sure that there is a clear understanding around the overall vision of the project and areas such as business responsibilities - you need the necessary

firepower in the team to deliver. Success is really determined upfront. This is why both the client and the vendor should spend a lot of time and effort on the planning phase of the project.”

According to Paul Bramwell, senior vice president (SVP) of treasury at SunGard's corporate liquidity business unit, one of the key issues that corporates perhaps don't consider when they are looking for a new TMS is that they ‘don't know’ what they don't know’. In other words the treasurer hasn't future-proofed it or clearly laid out the demands that will be placed on the new TMS and associated technology infrastructure. “Having a very clear definition of requirements, based not only upon what is done presently, but which contemplates the future as well is vital,” he explains. “That is where companies can fall down a bit when they start to look for a solution.”

Be Proactive and Beware Regulation

There are proactive steps companies can take to ensure good planning, integration scoping and future-proofing. You can engage a third-party consultant, for instance, who has experience of

can also allow the headcount that you have to focus on the strategic element of the business, instead of concentrating on manual tasks. Rather than having a treasury professional monitoring bank accounts for a large part of the day, for instance, a TMS may allow them to consolidate the data two hours earlier and actually get better at cash forecasting and finding out where errors and delays in the process exist.

Getting the Right Vendor Match for the Best Implementation

The TMS market is mature, and it is also a consolidated market that has seen a lot of concentration recently with Wall St Systems taking over IT2 and other merger and acquisition (M&A) moves underway. The major players in the market mostly grow via purchases.

Information on the various available technology vendors can be found in TMS guides - such as this one - and if you go to a treasury association conference such as the AFP Annual Conference in the US, you will see all of the TMS vendors in the exhibition halls alongside the banks. Here you can have a look at how each one will actually fit the profile of what you need. A treasurer should also assess how good the on-going support for a TMS is likely to be and the likelihood of development support for future add-on modules.

Companies typically draw up a vendor shortlist, engaging research from companies that they know, press articles and list reports. There is a lot of information out there in terms of which vendors offer solutions that are a better fit, which offer a more holistic solution, which ones excel at things like risk management and reporting, and which TMS' have a broader fit in terms of cash risk and accounting coverage.

Request for Information/Proposal

When a treasurer has gone through all of the available information and has a clear idea of what they must have, what they'd like and what 'might be nice', a list of approximately five TMS vendors can then be drawn up and a competitive tender process launched. These needs and requirements will usually be issued with a request for information (RFI) and a more comprehensive request for proposal (RFP) and tender later on. This should include all the information that a treasurer has pulled together so far in the project, covering the



current state of the treasury, what they want to achieve, the workflows, and what they could/should achieve with the right TMS in place, soliciting vendors to pitch for the contract.

Results from the RFP process give the treasurer enough information to whittle the vendor shortlist down, usually to around three strong candidates. The treasurer will then organise workshops, presentations and demos with the shortlisted vendors to make sure that the software is seen in the light of the corporate's own data and their own typical work day, assessing its suitability. This allows for an informed decision to be made about which TMS will be a better fit for the corporate's specific needs.

The Implementation Process

The key to any TMS implementation project running smoothly is to have a solid

project manager in place. Companies can sometimes underestimate the value that a project manager adds to a TMS implementation, but they shouldn't. While the vendor could provide the project manager, it is much better if this role is filled by someone from the corporate itself - remember, the vendor does not have access to control the corporate's resources to get things done on time. Implementing a TMS can be a very complex procedure to go through. Everything from cash, accounting, hedge accounting and risk should be considered. Then you need to make sure that what you are actually going to finally build and configure will meet everybody's requirements from the treasury to supply chain partners, with appropriate bank and payment connectivity. Having a project manager to put all of these disparate resources together is very valuable and



“Outside of possible costs such as budget over-runs, there are also opportunity costs,” says Reval’s Cannon. “There is an investment in terms of resourcing and staff that is needed by the client. Not having this key internal support can potentially hurt a project.”

“If you align what you need with the TMS you select, you can be very focused on that outcome when it comes to implementation,” says Kyriba’s Stark. “When these needs are priority items, which have high visibility and achieve significant productivity and efficiency aims, it is really much easier to keep the team focused. If things aren’t linked to the team’s goals, it becomes much easier to let things slide and you may not get the full benefits that an implementation can provide.”

Conclusions

A typical TMS implementation is a staged ‘rolling live’ process. There is a finite live date at which point any old technology is switched off or decommissioned. Everything has to be migrated over to the new TMS by this date, so you should plan the migration process too.

During the course of a project, different areas of the TMS will be tested. There will be some duplication of work, but that is a necessary evil, as the TMS has to be tested before it is fully launched.

The shorter the duplication period is, however, the more cost efficient the process will be. Long timelines can introduce their own inefficiencies and mean valuable future development modules are not included in what should be a modern TMS. Scalable, flexible solutions can help here in re-introducing new functionality, but ideally you don’t want to be doing this until a good few years after an installation.

Most companies would probably like a ‘big bang’ approach to a TMS implementation where everything is switched over to the new system in one go, but testing is vital to ensure that nothing needs to be fixed once the TMS has gone live. Operating parallel systems for a brief time gives you the chance to once again check that all of the necessary calculations, regulatory reporting and workflows are correct. When they are, the TMS is ready to go live and the efficiency and ease-of-use benefits of a TMS should start to accrue.

should ensure that you end up with a successful implementation.

With a project manager in place, it is also vital to make sure that every department within an organisation, which will be affected by a TMS installation in any way, are also consulted before the implementation begins. “With an implementation project, it is important to involve all of the relevant people and departments up front, even when you are going through system selection,” says SunGard’s Bramwell. “The last thing you want to do is to decide on a vendor, sign a contract and begin implementation only to find that the accountants haven’t been consulted and the TMS doesn’t do what they need it to. Similarly, you don’t want to discover that your IT department has security concerns about how the system

will be deployed once you’re already so far down the path.”

It is also important to make sure that there is a very defined timeline agreed between the corporate and the vendor. The project manager’s role is to make sure that everything is kept to the plan and on timetable, but these goals should be realistic. Many vendors will define the scope with the client ahead of the project to make sure that both are in agreement with what is going to be delivered, and that there is sign-off with the vendor and the corporate to make sure that the goals are completely articulated and agreed ahead of the project launch. That way, there are no unexpected events throughout the lifecycle and no assumptions are left untested. Defining the project scope clearly at the start of the implementation process can save costs.



IN THESE CHALLENGING TIMES...

Let us help you with:

- Managing Global Cash
- Automating your in house bank
- Monitoring counterparty exposure

Chella Software



Specialist Treasury System

If you are currently on spreadsheets, or on a treasury extension of your ERP, and ready to move on to a specialist treasury system at a reasonable cost and time frame, look no further. **ActiveDeal®** treasury system handles cash, dealing, payments, accounting and much more, and can be custom fitted. In case you have multiple subsidiaries across the globe, the system can enable a streamlined central treasury for all of them.

Products and Services

Who Are We?

We are 13 years old and our solutions run in 3 systemically important market institutions, and large corporates, handling billions of dollars of transactions every day. We have an enviable post-sales relationship with our customers, and each of our customers can vouch for our reliability.

ActiveDeal® built over the last 4 years, uses the latest technology, one installation of which is in the group treasury of a listed corporate with over \$14 billion in turnover and with 200 subsidiaries.

The product builds on our many years of experience working on derivatives and market risk. Our understanding of complex financial instruments is very good.

Built For You

We are small and agile. We believe that solutions that really work are those that take into account the customer's unique environment and business practices, and are therefore open to customising our solution to your requirement, on a fixed cost model.

Users Love It

ActiveDeal® organizes their day, is tolerant of errors and where it is not intelligently prompting information for them to confirm, it automates those operations entirely. Even though the system tightly integrates all operations from deals to settlement to accounting, users can undo operations and re-do them effortlessly, even as audit trails are maintained for the changes. The Event Calendar provides users with a list of activities awaiting their attention, and helps them complete the day's work in an orderly manner, from a single screen.

Managers Love It

Decision making is made easy through dashboards and slice and dice reports. If the treasury department spends much time on

reporting to higher management on a periodic basis, then our user-configurable reporting tool reduces this onerous task to almost a single click operation.

Coverage

ActiveDeal®'s treasury coverage is comprehensive.

Instrument Coverage

- Money Market: Fixed Deposits, Call Deposits, Short Term Loans, Repos
- FX: FX Spot, Forwards, Swaps
- Investments: Equity, Fixed Coupon Bonds, Floating Rate Notes, T-Bills, Zero Coupons, Serial Bonds, Commercial Papers, Private Equity, Mutual Funds
- Derivatives: FX Options, Interest Rate Swaps, Currency Swaps, Interest Rate Options, Equity and Bond Options
- Financing: Term Loan, Bond Issuance
- Trade Finance: LCs, Bank Guarantees, Bills of Exchange, Overdraft Facilities

Functional Coverage

- Cash Flow Positioning, Forecasting and Management
- Request for deals from Subsidiaries
- Pre- and Post-Deal Compliance
- Central Treasury Dealing
- Confirmations
- Payment Netting
- Settlement and Payments
- In-House Banking
- Multi-currency Accounting
- Period End Accruals of Interest, FX gains and losses, MTM gains and losses

- Counterparty exposure monitoring and controls
- Corporate Actions
- SWIFT® interface with banks for payments and confirmations
- Interface with enterprise GL
- Interface with market data vendors

Key Features

- Corrections – Ability to undo and re-do entries and transactions
- Configurable Workflow
- Audit Trail

ActiveDeal® is offered as a hosted or on-premise solution.

ActiveDeal®
Corporate Treasury Management

CONTACT INFORMATION

Tel: +91-7738367301

Email: subbu@chelsoft.com

Website: www.chelsoft.com



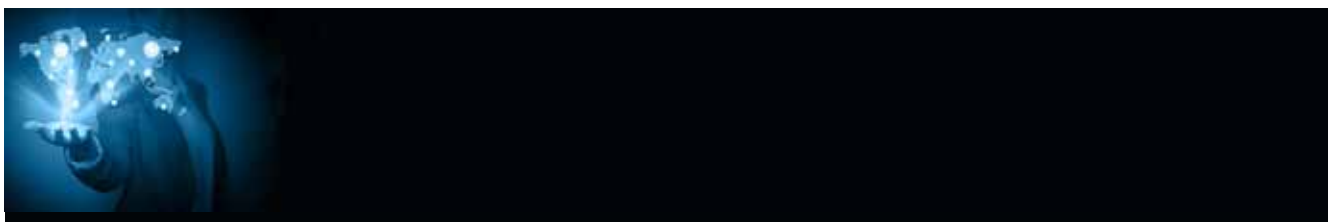
Availability. Responsiveness. Our expertise at your service

International cash management applications



SEPA and ISO 20022 standards specialist
Authorized SWIFT Service Bureau

25,000 financial professionals use our software daily
We process **175M** transactions every year from **47** countries
3 major international banks white label our applications





exalog

Availability. Responsiveness. Our expertise at your service

Founded in 1984, exalog specializes in developing web-based cash management systems.

We deliver a "Single sign on" offer that includes all components: the application and the multi-bank connectivity platform (including our own SWIFT Service Bureau).

Customer service quality is our essential concern. "Our strategy is based on internalizing skills. This enables us to maintain control over our offering and guarantees a high level of service for our clients." (Jacques Lafarge, President).

To access exalog's application (available in SaaS mode), users only need an Internet connection. Therefore, implementation timeframes and costs are reduced, as well as the need for internal IT support. This simplicity of use is coupled with exalog's high level of security (ISO 27001 certified datacenters).

This ensures that exalog's application is a reliable solution with a Business Continuity Plan in line with your requirements.

More than 7,000 companies in 47 countries use exalog's application daily. We provide our clients with technical assistance from the United States, Europe and Asia. We also offer banks white-labeled applications dedicated to their own corporate customers.

Products and Services

Key benefits

- Unlimited number of users
- Reduced implementation costs (SaaS mode)
- Full autonomy on set up (users, accounts, rights, interfaces)
- Highly secure application
- Banking standards evolutions at no extra cost

Streamline your financial transaction processes with exalog

exalog's web-based cash management application enables corporates to have the best cash visibility and to enhance treasury processes at both the holding and subsidiary level. It features payments processing, automated forecasting and bank reconciliation, advanced intercompany loans administration, bank charges control and net cash personalized reports – all within a single interface.

Five modules in one single interface

exalog's suite is composed of four modules in which every function is linked one to another. For instance, every processed payment (Payments and collections module) is automatically included as a forecast in the net cash report (Treasury module). Every financial transaction must be approved by duly authorized signers registered in the security module before being sent to the bank.

1 - Payments and collections

exalog's application centralizes all relevant data needed to manage your transactions at the headquarter or subsidiary level, according to user rights.

- **Payments and collections management:** Entry or import of transactions, third-party database
- **ISO 20022 and SEPA transactions management**
- **Payment on behalf (POB):** Gathering of subsidiaries payments (customizable rules), dual payments validation, automatic transactions generation on intercompany accounts

- **Bank authority limits & signature:** Groups of signers, approval workflow, digital signature (X509, 3Skey)
- **Reporting:** Balance monitoring, intraday reports, transaction statements (account statements, rejected payments, direct debit advice, etc.)
- **Alerts** on balances and transactions (via e-mail and text message)

2 - SEPA direct debits

Corporates can debit any account in Europe with exalog's SEPA module.

- Mandate management
- Rejected transaction administration
- Domestic file conversion to SEPA format

3 - Treasury

exalog's treasury module gives you a complete decision support toolkit.

- **Cash forecasting:** Forecasts (entry or import), reconciliation, account balancing
- **Liquidity management:** Investment, financing and foreign exchange
- **Intercompany management:** Lending, borrowing and interest administration
- **Control of bank charges:** Bank charges by account or group of accounts
- **Reporting:** Net cash position and variance analysis (personalized budgetary and bank transaction codes)

4 - Charts and graphs

Users can easily see the company's key figures.

- Image or PDF outputs (for reports insertion or printing)
- Alert display
- Customizable parameters

5 - Security

This module brings together the necessary functions to enhance security and interface with both your banks and IT system.

- **User management:** Authorizations by user, user action traceability, management of authentication means, user interface profile (local preference for number, date and time)

- **Multi-channel and multi-format electronic banking:** Library of international and domestic bank formats
- **Interface with your IT system:** Customizable import/export data format

Mobile application

Thanks to the mobile interface, users can consult their consolidated and detailed banking statements on their smartphone. They can also receive configurable alerts on transactions and balances, and validate banking payments according to internal rules.

Multi-bank connectivity

exalog's integrated communication platform connects you to your banks worldwide through SWIFT network (thanks to our own SWIFT Service Bureau), FTPs and EBICS. Yearly, it processes more than 175M financial transactions, and features a domestic format library completed by data conversion functionalities.

exalog's expertise in processing financial transactions since 1984 guarantees that our application evolves with upcoming banking standards (SEPA, ISO XML, etc.).

Support services

With exalog's application, you are free from all technical and administrative concerns.

- 3 call centers (North America, Asia, Europe)
- User training
- Maintenance and data backup

CONTACT INFORMATION

250 Park Avenue, 7th floor
New York, NY 10177
Tel: +1 646 731 6038
Email: contact@us.exalog.com
Website: www.exalog.com/us



Take Your Treasury from Management to Strategy

The role of the treasury team has moved far beyond cash management. CEOs and CFOs now look to treasury to provide detailed financial and economic analysis, and offer deep strategic insight. Treasury can no longer be just a functional role. It needs to be a strategic partner, supporting multiple business units throughout the organization with insightful data and analysis for decision support.

Kyriba provides organizations with unparalleled visibility across the finance function, from cash and banking relationships to risk and supply chain finance. Give your treasury team the platform they need to proactively unlock new business value.

To learn how your treasury can become more strategic, download our white paper: *The Treasury Mandate: A Strategic Partner for Unlocking Business Value* at info.kyriba.com/StrategicTreasury.

kyriba™

Kyriba



Kyriba is the global leader in next generation treasury solutions in the cloud. Kyriba's solution enables CFOs and finance teams to optimize their corporate treasury functions and minimize risk by delivering fully integrated cash, treasury, payment, risk management and supply chain finance solutions.

Kyriba's SaaS-based offering provides a full suite of cash and liquidity, treasury, risk management and supply chain finance solutions for CFOs and treasurers. With Kyriba, organizations can make more effective financial decisions through enhanced visibility into cash, liquidity, financial positions, and risk exposures. This enables clients to become a strategic partner and create tangible value for their organization, in addition to minimizing risk, enhancing control and compliance, and increasing operational productivity.

Kyriba's solution is easily scalable across multiple geographies. Its modular approach enables clients to optimize the functionality for their organization's individual requirements. Implementing Kyriba requires a fraction of the up-front investment or IT support of legacy systems, and provides simple and secure access to data - anytime, anywhere.

Kyriba was established in 2000 and has over 250 employees, serving more than 700 clients worldwide. Headquartered in San Diego, Kyriba also has offices in New York, San Mateo, Paris, London, Tokyo, Hong Kong and Rio de Janeiro.

Products and Services

Kyriba delivers the most adopted Software-as-a-Service treasury management solution in the global market. Fully in the cloud, Kyriba offers the most breadth of any treasury management solution, solving the cash, treasury, and risk management needs of all sizes of treasury and finance organizations. Our clients include the largest, blue-chip multi-nationals right through to mid-size enterprises that are just beginning to build out their treasury process.

CFOs and treasurers rely on Kyriba for:

- Enhanced Visibility - into cash, forecasts, positions and exposures
- Timeliness and Accuracy
- Effective Financial Decision Making, including Cash Optimization and Hedging
- Centralization of Process and Control
- Improved Productivity
- Better Reporting
- Award-Winning Best Practices

Cash and Liquidity

Kyriba provides extensive tools for organizations looking to improve their cash management and forecasting effectiveness. Kyriba modules include Bank Reporting (including SWIFT), Cash Positioning, Forecasting, In-House Banking, and Multi-lateral Netting. With Kyriba, you can improve Cash Visibility, extend Forecasting Horizons and improve Forecasting Accuracy, and optimally manage international cash pooling.

- Cash Positioning
- Cash Positioning
- In-house Banking
- Bank Reconciliation

Risk Management

Kyriba provides an extensive risk management solution supporting Treasurers and CFOs with a solution for Financial, Counterparty, and Operational Risk Management. With Kyriba, users can manage their derivative portfolios, perform valuations, calculate hedge effectiveness, and manage multiple scenarios

including yield curve modification. Kyriba also supports counterparty exposure reporting, deal limit enforcement, and supply chain finance to minimize supply chain financial risks.

- FX Exposure Management
- Mark-to-Market Valuations
- Hedge Effectiveness Testing
- Sensitivity Analysis
- Counterparty Exposure Reporting
- Deal Limit Monitoring and Enforcement
- Cash Visibility
- Liquidity Management
- Financial Controls
- Separation of Duties

Accounting and bank administration

Kyriba offers a number of modules include GL Posting, Bank-to-Book Reconciliation, Bank Fee Analysis, and Bank Account Management. GL Posting generates accounting entries for any treasury-managed transaction. Bank-to-Book Reconciliation supports the detailed reconciliation of the bank statement to the general ledger. Bank Fee Analysis gives organizations the opportunity to truly analyze the cost of their banking relationships and drives significant savings for many of our customers. Bank Account Management tracks all details for your bank accounts with communication to the banks to manage this information.

- Bank Fee Analysis
- Bank Account Management

Payments

Kyriba's Payments module offers a sophisticated dashboard-driven workflow to manage your internal payment approval and release procedures, leveraging Kyriba's Bank Connectivity Hub. Kyriba connects host-to-host, via SWIFTNet, and through regional banking networks for transmission of payments in a secure and automated manner. Kyriba also fully supports Payment Factories, both domestic and international.

- Third Party Payments
- Payment Factory
- Netting

Supply chain finance

Supply Chain Finance helps improve working capital for both buyers and supplier, and reduces the risk of disruption in the supply chain due to lack of liquidity. Kyriba helps organizations effectively manage their Supply Chain Programs, delivering a multi-bank portal that connects buyers, suppliers, and banks on one platform to support the early payment of invoices to a company's suppliers.

- Dynamic Discounting
- Payables Financing


Financial transactions

Kyriba helps organizations make better financing, investing, and trading decisions based on more accurate cash projections. Kyriba integrates this with improved visibility into financial instrument positions and reduces time spent preparing management, performance, and regulatory reporting. With Kyriba, you can manage Debt, Interest Rate Derivative, Investment, Foreign Exchange, and Intercompany transactions. All transactions fully integrate with the Cash Position, Forecast, Payments, and GL Posting.

- Debt
- Investments
- Foreign Exchange
- Interest Rate Derivatives
- Intercompany
- Financial Transaction Accounting

CONTACT INFORMATION

Marble Arch Tower
55 Bryanston Street
London, W1H 7AA
Tel: +44 (0)20 7859 8275
E-mail: info-uk@kyriba.com
Website: www.kyriba.com

The background of the top half of the page is a collage of three images: a hand holding a 20 Euro banknote (purple tint), a close-up of a tractor tire (teal tint), and a wind turbine (orange tint).

OpenLink's Treasury Management solution enables your organisation's growth, control and efficiency

Having come through the global financial crisis, treasurers are now faced with challenges around centralising treasury functions, complying with new regulations and accounting standards, and being prepared for external events – from counterparty risk, to Eurozone instability and commodity shocks.

OpenLink's Treasury Management solution for banks and corporations integrates everything from cash management to capital markets and funding, risk management and financial management. With our solution you can automate your business policies as system processes using a visual mapping tool. Once mapped, processes can be monitored in real-time to ensure compliance and demonstrate strong governance.



www.openlink.com/gtnews
+44 20 7382 1920
info@openlink.com



OpenLink



Founded in 1992, OpenLink is the global leader in transaction lifecycle management solutions for corporations, banks and energy companies – these include treasury management, portfolio management, trading, risk management and operations processing.

The OpenLink Treasury Management solution integrates all aspects of treasury management from cash and liquidity management, funding and investments, to firm-wide hedging, risk management, financial reporting and hedge accounting.

Our solution has been developed to help Treasurers maximize efficiency, streamline business processes, minimize operational risk, and help reduce internal and external costs, it provides front-to-back straight-through-processing with ease. It is delivered as a cost effective solution – either OnDemand or as client managed software.

OpenLink Treasury Management supports multiple asset classes from interest rates, credit, money markets, currencies, commodities and equities to complex derivatives and structured products. Our risk management capabilities and reporting are second to none enabling you to stress test your business against risk factor shocks.

Owned by leading private equity investment firm Hellman & Friedman, OpenLink has revenues in excess of \$300 million. OpenLink has 1,200 employees in 12 global offices on five continents, with headquarters outside New York City and field offices in Houston, London, Berlin, Vienna, Toronto, Moscow, São Paulo, Singapore, Dubai, and Sydney.

Products and Services

Having come through the global financial crisis, Treasurers are now faced with challenges around centralizing treasury functions, complying with new regulations and accounting standards, and being prepared for external events – from counterparty risk, to Eurozone instability and commodity shocks.

Who we are?

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End-to-end Treasury Management Solution

The OpenLink Treasury Management solution integrates all aspects of treasury management from cash and liquidity management, funding and investments, to firm-wide hedging, risk management, financial reporting and hedge accounting.

Implement Best Practices treasury department policies

Our solution enables you to automate your business policies as system processes using visual business workflow tools. It offers the most rigorous transaction processing support and analytical capabilities in the treasury management system market that is built upon straight-through exception processing rules (STeP) which incorporate best practices from our large client base.

Control global cash forecasting across a global organization

You can create a standard format for divisions and subsidiaries around the world to report their cash forecasts with our solution. With more configurability and flexibility you can set it up to work the way your business is structured, and to view and analyze the data however you want to. As a result you can increase productivity, and get more control and visibility across the organization and improve compliance.

Get a better understanding of future risk exposure

The OpenLink solution provides extensive stress testing functionality enabling you to model complex scenarios with a wide range of input factors. Risk can be attributed to hypothetical movements of any magnitude including rates, FX, equities, commodities and inflation. Our simulation engine provides a powerful and consistent application of risk factor shocks regardless of market. By using our best-of-breed risk modeling, simulations and analytics you get full visibility of the risks your business is exposed to across a variety of scenarios so that you can take control.

Automate in-house banking

With an in-house banking solution from OpenLink you can streamline and automate the process of setting up and managing internal banking relationships. Workflows can be created via a drag and drop user interface and the system allows for the enforcement of policies including, for example, the application of interest, charges and fees. This provides transparency, visibility and control with transactions immediately reflected across in-house accounts.

Measure hedge effectiveness and minimize earnings volatility

The OpenLink solution analyzes the effectiveness of hedges (under IFRS9, IAS39

or FAS 133) and invoke the appropriate hedge accounting treatment. It features our best-of-breed Hedge Analyzer module for robust hedge effectiveness testing, and provides complete transparency that enables users to drill into postings to verify all payment, accrual or valuation calculations on the trade. It supports the statutory reporting required for hedge accounting. So you can automate the application of hedge accounting rules and methodologies to ensure hedges are being correctly treated; giving you the reassurance that earnings statements are being correctly reported.

Summary of high-level functionality:

- Cash management (visibility, netting, pooling, forecasting)
- In-house banking (IHB)
- Funding and investments
- Exposure management (interest rate, foreign exchange (FX), commodity)
- Settlement/reconciliation (including SWIFT connectivity)
- Collateral management
- Market and credit risk management (pricing, analytics, scenarios, simulations - including potential future exposure (PFE)/credit valuation adjustment (CVA))
- Compliance and legal monitoring
- Accounting/hedge accounting
- Custom business workflow tools

CONTACT INFORMATION

5 Aldermanbury Square, 14th Floor,
London EC2V 7HR, England
Tel: +44 20 7382 1929
Email: richard.childes@openlink.com
Website: www.openlink.com

REVAL DELIVERS THE POWER OF NEXT-GENERATION SAAS TREASURY AND RISK MANAGEMENT (TRM)

A HELPING HAND TO DRIVE INNOVATION FROM WITHIN TREASURY



Treasurers are in the driver's seat to deliver innovative ways to enhance corporate performance and deliver value to the business today, tomorrow and in the future.

With new strategic mandates demanding their attention every day, treasurers need technology that enables and empowers treasury teams to collaborate and perform across functions, locations and time zones – for sustainable success.

Reval's all-in-one next-generation, Treasury and Risk Management (TRM) solution provides an element of service that is unparalleled in the market. Built to deliver on client success, Reval combines Software-as-a-Service (SaaS), Connectivity-as-a-Service (CaaS), and Data-as-a-Service (DaaS), to deliver a seamless user experience to support and drive innovation from within treasury.

REVAL[®]
Single Solution. Total Visibility.™

WWW.REVAL.COM

For today, tomorrow and evolving treasury needs, Reval's all-in-one SaaS TRM solution delivers sustainable success. Want to learn more? Take a moment to read about Reval on the opposite page.

Looking for trends and steps to future-proof your treasury? Turn to pages 1-2 to learn more.

Reval

Reval is a leading, global Software-as-a-Service (SaaS) provider of comprehensive and integrated Treasury and Risk Management (TRM) solutions. Our cloud-based software and related offerings enable enterprises to better manage cash, liquidity and financial risk, and includes specialized capabilities to account for and report on complex financial instruments and hedging activities. The scope and timeliness of the data and analytics we provide allow chief financial officers, treasurers and finance managers to operate more confidently in an increasingly complex and volatile global business environment.

Using Reval, companies can optimize treasury and risk management activities across the enterprise for greater operational efficiency, security, control and compliance.



Founded in 1999, Reval is headquartered in New York with regional centers across North America, EMEA and Asia Pacific. For more information, please visit www.reval.com or contact info@reval.com.

Products and Services

Reval's SaaS Treasury and Risk Management Solution - The Next Generation of Treasury Technology

Unlike traditional TMS systems or treasury workstations, Reval's comprehensive and integrated Software-as-a-Service (SaaS) Treasury and Risk Management (TRM) solution offers deep and broad visibility into cash, liquidity, and financial risk through an interconnected workflow. Leveraging transformative cloud-based SaaS technology and combining it with proven subject-matter expertise, Reval provides treasury organizations with the nimble, intelligent infrastructure required for meeting today's challenges while supporting sustainable future growth and success.

Cash and Liquidity Management

- Gain complete visibility into cash and account positions
- Improve day-to-day management of cash, resulting in strategic and accurate funding and investment decisions
- Automate bank statement retrieval and minimize bank transaction costs to optimize liquidity decision-making
- Centralize and automate payment processing, approval and release workflow, allowing for stronger audit, controls and transparency
- Gain control of financial planning through the insight, aggregation and analysis of all cash flows, through greater liquidity planning and cash forecasting
- Leverage flexible display and reporting to provide insight into cash positions by entity, region, bank account, pooling structure or currency

Financial Risk Management

- Support all areas of financial risk: market, credit and liquidity
- Access independent, validated third-party data to quantify and assess exposures across asset classes

- Achieve best-practice exposure aggregation, evaluation, and derivative execution
- Leverage independent and accurate valuations of derivatives
- Evaluate and optimize hedging strategies to foster strategic decisions and strategy adjustments
- Manage all post-trade maintenance for the duration of the hedge

Hedge Accounting and Compliance

- Comply with all accounting regulations globally – including ASC 815 (FAS 133), IAS 39, BiMoG, IFRS 13, FBAR and more
- Maintain compliance with new and existing regulations from SOX, Dodd-Frank, EMIR, and others
- Support and manage derivatives across asset classes, including FX, IR & Commodities
- Streamline reporting
- Effectively monitor mark-to-market changes of assets, liabilities and hedges
- Identify and track interest rate hedges

Get Wired for the New World – Reval Enables Innovation-as-a-Service

Reval's comprehensive and integrated Treasury and Risk Management (TRM) is wired for change and built for the way treasury works today, tomorrow and in the future. Combining Software-as-a-Service (SaaS), Connectivity-as-a-Service (CaaS) and Data-as-a-Service (DaaS), Reval's next generation treasury solution provides treasurers with the essential capabilities they need to drive innovation from within treasury.

Software-as-a-Service

Reval's SaaS technology delivers value to treasurers and CFOs worldwide. At its core, Reval's SaaS technology ensures that companies everywhere have access to one, centralized Web-based solution for treasury and risk management, enabling:

- Global access and visibility with an integrated single version platform
- Flexibility and scalability for growth and expansion
- Immediate upgrades

Data-as-a-Service

Reval has over 12 years of historical data built right into the solution. Leveraging our integrated market data, clients can evaluate, analyze and take action on information within our single solution. DaaS allows clients to:

- Minimize costs and efforts associated with sourcing and managing multiple data sources for:
 - Interest rates
 - Option pricing
 - Ratings data
 - Banking statements and more

Connectivity-as-a-Service

Reval's CaaS capabilities enable straight-through processing (STP) to facilitate an on-going and interconnected treasury and risk workflow. Reval's deep integration and connectivity with third-party solutions and core functional systems enables:

- Seamless workflow
- Streamlined connectivity between internal and external systems for:
 - Bank statement reporting
 - Transactions and trading
 - Investments (MMF portals)
 - ERP access

To learn more about treasury trends and how you can prepare for today and tomorrow go to pages 1-2 of this buyers guide or contact Reval at www.Reval.com.

CONTACT INFORMATION

420 Fifth Avenue, New York, NY 10018
 Tel: +1 877 993 3330
 Email: info@reval.com
 Web: www.reval.com

GTreasury

Whether your treasury prefers a true SaaS solution or your requirements warrant an installed solution with web access, GTreasury is the one and only system you will ever need.

The GTreasury modular system offers companies a full suite of solutions that shed light into an organization's cash and liquidity, manage exposures and risk, and automates and streamlines all repetitive treasury processes. GTreasury's world class worksheets, system flexibility, and ease of use quickly accommodate our customer's needs while preparing them for the changes of tomorrow.

GTreasury's solution focuses on illuminating a treasury's liquidity by centralizing all incoming and outgoing banking activities along with tracking all financial instrument activities thereby granting GTreasury practitioners real-time insight and access into their global liquidity.

Having serviced the treasury industry since 1986, GTreasury's technology and services have matured to greater breadths and depths than any other liquidity management system. With all development and resources focused entirely on only one application, GTreasury is able to help any treasury operation illuminate their liquidity.

Core Functionality

- Automated & Centralized Cash Positioning
- Cash Forecasting
- Global Bank Account Management
- Secure Remote Payments

Hanse Orga International

Are you looking for a more efficient way to manage your financial supply chain in SAP? And would you like a competent partner with outstanding expertise and long-standing experience? Someone you can fully rely on for implementing a professional solution?

In this case, contact us at Hanse Orga.

Hanse Orga, founded in 1984, is an independent software and consulting firm for treasury management and bank reconciliation solutions. In addition to its headquarter in Hamburg, Hanse Orga also has subsidiaries in France, The Netherlands and Michigan, USA.

Our business and technology know-how, gained in more than 25 years of experience, is integrated in our FinanceSolutions that include both consulting and software. As an official **SAP** Software Solution & Technology Partner we provide holistic SAP consulting services with a special focus on treasury and bank reconciliation. All product groups are **certified by SAP**, confirming officially the high quality of Hanse Orga software solutions. The certification ensures that Hanse Orga products completely meet the customer requirements and that they are seamlessly integrated in the SAP environment. Hanse Orga offers both solutions in the SAP standard or individual solutions programmed in ABAP. Projects are performed according to the SAP project procedure ASAP / Value SAP. Hanse Orga also performs entire SAP installations and migrations.

Thanks to the SAP integration you easily avoid interfaces and therefore significantly increase the security of your data. Our intelligent modules



- Comprehensive Financial Instrument Coverage
- Cash & GL Reconciliation
- Fully Integrated Accounting
- Bank Fee Analysis
- Intercompany Netting
- Industry Leading Dashboards

Why GTreasury

- Illuminating liquidity for over a quarter of a century
- The most flexible treasury system available
- Easy to learn, easy to use, and quick to deploy
- Remote real-time treasury decision support tools
- Laser-focused on one solution for liquidity

Benefits

- Global visibility into cash and liquidity
- Executive insight into exposures and risk
- Freedom to move money with confidence
- Processes that increase efficiencies
- Maintained audit trails for policy compliance
- Scalable to any need

CONTACT INFORMATION

3 Corporate Drive, Ste 110, Lake Zurich, IL 60047
Tel: +1 847 847 3706 Email: marketing@gtreasury.com
Website: www.GTreasury.com

HANSE ORGA INTERNATIONAL

automate many of your manual processes so that you can considerably save on time and money. The modular approach of our FinanceSuite software enables you to implement the different components flexibly and perfectly in line with your needs:

- AutoBank Automatic Cash Application
- Cash & Liquidity Management
- Treasury Management
- Payment Management
- eBAM electronic Bank Account Management

The individual needs of our customers are our main drive in this process. For this reason, we do not simply sell "products" but provide innovative consulting and software solutions.

Certified project managers and consultants for SAP help you find the best solution for your company. Over 500 satisfied customers worldwide - including well-known market leaders such as BASF, BMW, Honeywell, IBM and Philips - have successfully implemented our FinanceSuite and are highly satisfied with the levels of optimisation they have achieved.

CONTACT INFORMATION

Hanse Orga AG, Oldesloer Straße 63, 22457 Hamburg, Germany
Tel: +49 (0)40 51 48 08 0 Fax: +49 (0)40 51 48 08 188
Email: office@hanseorga.com Website: www.hanseorga.com



Wall Street Systems

Wall Street Systems supports corporations of all sizes with the management of cash, liquidity control, risk management and transformation of treasury operations.

For the majority of corporations, the company provides integrated, on-demand and cost-effective treasury solutions addressing all aspects of enterprise treasury needs, whilst for the world's largest and most sophisticated treasury operations, Wall Street Systems delivers a sophisticated and scalable solution helping to simplify complex treasury through a single integrated and strategic platform.

Corporations who use a treasury solution from Wall Street Systems have the peace of mind that comes from working with a long established and financially robust solutions partner. With an unrivalled implementation track record, Wall Street Systems clients know their treasury operations are in safe hands.

Functional areas and activities provided include:

Cash and Liquidity Management

- Cash Positioning, Forecasting & Modelling
- Payments and Transfers
- In-House Banking
- Multi-lateral Netting
- Bank Reporting
- Automatic Bank Account Reconciliation and Target Balancing
- Funding and Asset Management

Position and Risk Management

- Market Valuations
- Fair Value, Scenario testing
- Value at Risk
- Credit Limit & Exposure mgnt
- Counterparty Risk
- Market Data & Pricing History

Flexible Reporting

- Library of standard reports
- Customisable Reporting
- Real-Time Dashboards
- Key Performance Indicators

Back Office and Accounting

- Financial transaction Accounting
- Hedge Accounting
- Confirmations
- Payments
- ERP Interfacing
- Bank Account Management

Automation and Control

- Automation of Repetitive Actions
- Workflow management
- Integrated Security
- Segregation of Duties

In addition to the above, Wall Street Systems' Electronic Bank Account Management (eBAM) solutions allow corporations to manage bank data, corporate signatories and exposures across all global accounts rapidly, accurately and securely.

CONTACT INFORMATION

Tel: +44 (0)20 3170 3000

Email: info@wallstreetsystems.com

Website: www.wallstreetsystems.com

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TMS Functionality Matrix 2013

Company Name	AXA	Capita International Financial Services	Eurobase Banking Solutions	exalog	Financial Sciences Corporation
System Name	SAP TREASURY	Capita Treasury Solution	Siena	Allmybanks.net	ATOM
Derivatives					
Short-term: forward rate agreements (FRAs) - multicurrency	●	●	●	○	●
Interest rate swaps	●	●	●	○	●
Cross-currency swaps	●	●	●	○	●
Swaptions	●	●	●	○	●
Interest rate options	●	●	●	○	●
Financial futures	●	●	●	○	●
Electronic dealing					
Can the system link to one of the main e-dealing systems such as 360T, Currenex, FXall, or MYTreasury?	●	●	●	●	●
Balance and transaction management					
Automated scheduled delivery of bank balance and transaction reports	●	●		●	●
Manual delivery of bank balance information and transaction reports	●	●		●	●
Reconciliation					
Automated scheduled reconciliation of bank statements and TMS position	●	●		●	●
Manual reconciliation on an ad hoc basis	●	●		●	●
Ability to import a reconciliation file from an external source, such as SAP	●	●		●	●
Performed within the TMS on a total balance basis		○		●	●
Forecasting					
Ability to record and report treasury transaction flows	●	●		●	●
Ability to record and report interest flows	●	●		●	●
Ability to record and report cash calls (inter-company funding)	●	●		●	●
Ability to perform comparative analysis between forecast and actual figures	●	○		●	●
Confirmations					
Ability to link to a confirmation matching service such as Misy	●	●		●	●
Support an internal and integrated, ledger or sub-ledgers	●	●		●	●
Provide an interface to an external accounting system	●	●		●	●
Maintain a library of reports that a user can adapt	●	●		●	●
Have an internal report writing feature	●	○		●	●
Link to an third party report writing tool	●	●		●	●
Does the TMS conform with security principles, such as "four e's," segregation of duties, etc.?	●	●		●	●
Is there a risk management module that allows users to calculate and measure risk?	●	●		○	●
Small (US\$500m and below)	●	●		●	○
Medium-sized (between US\$500m and US\$1bn)	●	●		●	●
Larger (greater than US\$1bn)	●	●		●	●
How is your TMS implemented?	■			■	■
How many operating companies or subsidiaries have implemented your TMS?	60.00			90.00	
How many operating companies or subsidiaries have implemented your TMS in the past 12 months?	4.00			10.00	

KEY ● Yes ○ No ▶ Some ■ Client choice ◆ In-house ✱ Hosted ➤ Contact vendor

Finlogik	GTreasury	Kyriba Corp	OpenLink	Reval.com, Inc.	SunGard	Treamo Business Consulting	Visual Risk	Wall Street Systems
Finlogik TMS	GTreasury	Kyriba Enterprise	Findur/Endur	Reval	AvantGard Treasury	TFM Treamo Finance Monitor	Visual Risk	Wall Street Systems
●	●	▶	●	●	●	○	●	●
●	●	●	●	●	●	○	●	●
●	●	▶	●	●	●	○	●	●
●	●	●	●	●	●	○	●	●
●	●	●	●	●	●	○	●	●
●	●	●	●	●	●	○	▶	●
▶	●	●	●	●	●	○	▶	●
▶	●	●	●	●	●	●	▶	●
▶	●	●	●	●	●	●	●	●
○	●	●	●	●	●	○	▶	●
▶	●	●	●	●	●	○	●	●
○	●	●	●	●	●	○	●	●
▶	●	●	●	●	●	○	●	●
●	●	●	●	●	●	●	●	●
●	●	●	●	●	●	●	●	●
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●	●	●	●	●	●	●	●	●
○	●	●	●	●	●	○	○	●
○	●	●	●	●	●	○	○	●
▶	●	●	●	●	●	○	●	●
●	●	●	●	●	●	●	●	●
●	●	○	●	●	●	●	●	●
○	●	●	●	●	●	●	○	●
●	●	●	●	●	●	▶	●	●
●	▶	●	●	●	●	○	●	●
●	●	●	●	○	●	●	●	▶
●	●	●	●	●	●	●	●	●
▶	●	●	●	●	●	●	●	●
■	■	✱	■	✱	■	✱	■	➤
10.00		700.00	162.00	550.00		4.00	115.00	➤
2.00		120.00	17.00	➤		4.00	8.00	➤

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