



The Power of Experience®

Selecting and Implementing Treasury Technology

From the Corporate Perspective



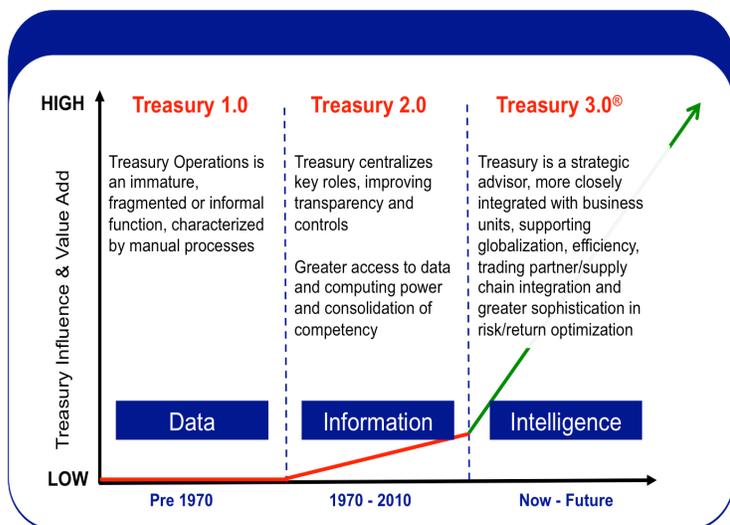
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Overview

Treasury technology is now essential. Corporations demand (and require) current global information with sophisticated analytics and intuitive reporting. Good treasury management system (TMS) tools and streamlined bank connectivity are no longer optional.

Treasury is evolving into a role with a strategic focus; it is closely integrated with business units, supporting globalization, efficiency, trading partner/supply chain integration and greater sophistication in risk/return optimization. We call this the Treasury 3.0® environment, where data is transformed into intelligence. The graphic below illustrates the evolution of Corporate Treasury.

Corporate Treasury Evolution



Treasury Strategies dialogued with 150 corporate treasury professionals from around the world, who identified key success factors of treasury technology selection and implementation.

The financial crisis has changed our global economy and corporate treasury's outlook. Treasury must respond quickly and strategically to internal and external stakeholders, yet treasury technology system implementation remains challenging. Corporates will benefit from understanding the factors that determine success.

Technology Selection

Treasury Strategies found three key areas of success in the selection process:

- strong project leadership
- a clear catalog of needs and goals
- detailed vendor demonstrations

Tailored vendor demonstrations are the most crucial part of a treasury system selection, designed by experienced resources who use knowledge of company-specific requirements to showcase the most relevant product capabilities.

Most organizations include a business case, Request for Proposal, vendor demonstrations and reference calls among project steps in a system selection, and firms that combined external consultants with internal treasury resources report the highest overall satisfaction with their TMS selection outcome.

Technology Implementation

Strong project management is the key driver of implementation success and can overcome budget constraints, overburdened staff, scarcity of resources and tight timelines. Key Implementation Roles and Responsibilities are detailed in the charts on the following pages.

All these point to the need for a project manager who really knows treasury implementations, who can identify and solve problems as they arise, has subject matter expertise, marshal internal resources, oversee the vendor relationship and keep the project on track.

- Delayed timelines are the most frequent source of implementation dissatisfaction.
- Lack of vendor resources and scarcity of internal resources were cited frequently in low satisfaction rankings for implementation.
- Companies who used an external project manager are markedly more satisfied with their implementations than those who used a treasury person or another internal resource to project manage.

TMS Implementation Key Roles & Responsibilities

Activity/Phase	Internal Team	Vendor Consultant	TSI
Define, Scope & Plan	<ul style="list-style-type: none"> • Determine functional modules to be implemented • Determine phasing (regional, functional?) • Determine interfaces and necessary inputs/ outputs • Assign internal roles and responsibilities against project plan task items • Begin gathering static data • Determine market data requirements • Start bank connectivity on-boarding 	<ul style="list-style-type: none"> • Prepare scope document to determine their estimated services • Prepare detailed project plan 	<ul style="list-style-type: none"> • Review scope document to ensure completeness of requirements • Prepare project tracking tools and issues log • Provide advice on static data and market data sources • Review and edit project plan • Prepare initial risk assessment
Design	<ul style="list-style-type: none"> • Design workflows, controls, reports, interfaces 	<ul style="list-style-type: none"> • Conduct training sessions to demonstrate system capabilities 	<ul style="list-style-type: none"> • Lead design sessions to recommend best practice workflows, controls, reports, interfaces
Build/Configure	<ul style="list-style-type: none"> • Gather & scrub static data • Provide interface specs • On-board banks for information reporting and payments • Set up instruments, cash positions, forecasts, reports, workflows, user access, controls 	<ul style="list-style-type: none"> • Activate/Install Test database • Develop interfaces • Upload static data • Support configuration 	<ul style="list-style-type: none"> • Review static data • Provide market data rates, curves, etc. • Assist in configuring instruments, workflows, reports, etc.
Test/Verify	<ul style="list-style-type: none"> • Develop overall test plan • Conduct unit testing • Develop test scripts for User Acceptance • Conduct UAT and register results and defects • Resolve defects in configuration 	<ul style="list-style-type: none"> • Assist in defect resolution 	<ul style="list-style-type: none"> • Develop overall test plan • Oversee unit testing • Develop test scripts for UAT • Oversee UAT • Assist in defect resolution

TMS Implementation Key Roles & Responsibilities

Activity/Phase	Internal Team	Vendor Consultant	TSI
Go-Live	<ul style="list-style-type: none"> • Determine readiness for parallel testing • Conduct parallel testing • Resolve issues • Plan for migration of historical data • Determine readiness for Production environment • Migrate Test database to Production database • Document system for users 	<ul style="list-style-type: none"> • Set up Production environment • Assist in resolution of parallel testing issues 	<ul style="list-style-type: none"> • Develop cutover plan • Recommend readiness • Document system and procedures – create system handbook
Project Management	<ul style="list-style-type: none"> • Manage progress of project, including governance, resources, timeline • Track issues – vendor, system, internal, etc. • Conduct status calls with project team • Prepare steering committee materials • Lead steering committee meetings • Resolve budget issues if arise 	<ul style="list-style-type: none"> • Participate in status calls 	<ul style="list-style-type: none"> • Manage progress of project, including governance, resources, timeline • Track issues – vendor, system, internal, etc. • Conduct status calls with project team • Participate in steering committee meetings

Treasury Technology Trends

- 66% of respondents use a treasury management system (TMS) and are glad they do.
- Firms are most interested in Software-as-a-Service, to reduce dependence on IT support, which is often scarce.
- Cash management (cash recon, cash position, forecasting) and treasury accounting are the most in-demand functions from a new TMS.
- Other popular tools include bank account administration and financial risk management.
- Of respondents with treasury technology, 60% use a TMS, while 12% use the Treasury modules of their ERP system (SAP, Oracle, PeopleSoft, etc.).
- The top secondary treasury platform functionality is for FX trading.
- 44% of respondents expect to select/replace/enhance technology by 2014.

Conclusion

The economic and regulatory environments have altered risk perspectives and catapulted treasury to the forefront. Treasury technology is no longer optional. Corporates demand (and require) current global financial information with sophisticated analytics and intuitive reporting. Treasury is evolving into a Treasury 3.0® environment, a role with a strategic focus, where data is transformed into intelligence.

Difficulties that plague software selection and implementation can be overcome, with the help of strong project leadership, a clear catalog of needs and goals, and detailed vendor demonstrations.

Strong project managers that know both treasury and technology help resolve problems, marshal internal resources, oversee the vendor relationship and keep the project on track.



About Treasury Strategies, Inc.

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

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