



The Power of Experience®

# Treasury Technology - Getting it Right the First Time!

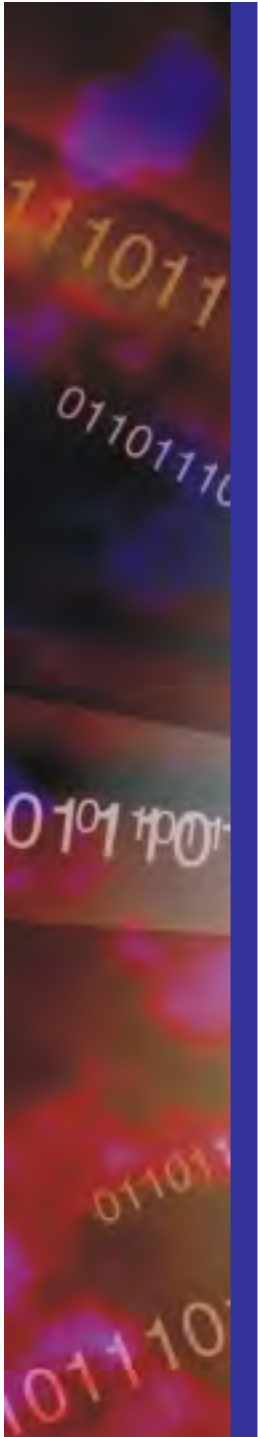
**July 9, 2010**

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# Logistics

Questions:



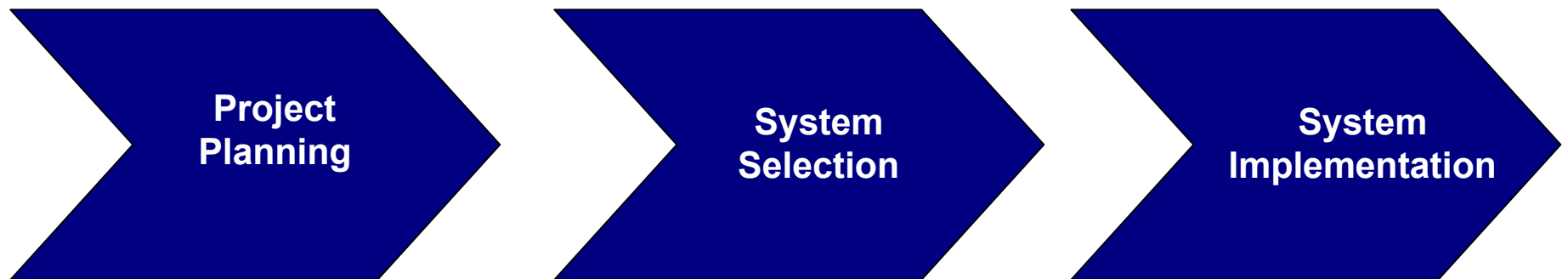
Recording & PowerPoint:

A link to the recording and a copy of this presentation will be available next week.

# Process Steps

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1. Project Planning
2. Technology Selection
3. Technology Implementation



# Project Planning

# Four Steps in the Project Planning Phase

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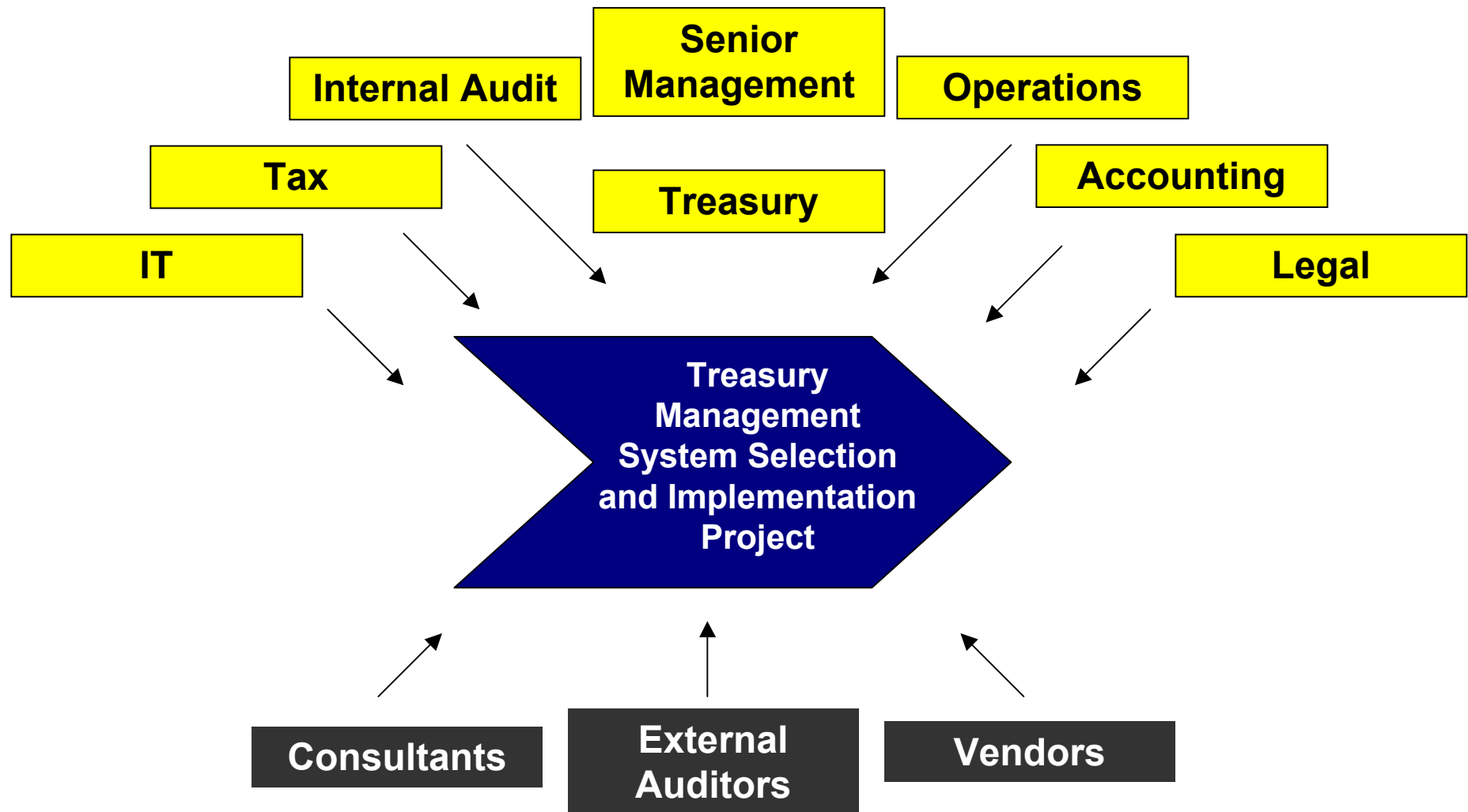
Treasury Strategies has identified four key project planning steps.

1. Develop Treasury Vision
2. Assemble Project Team
3. Define Requirements
4. Anticipate Challenges

# Step 1: Develop Treasury Vision



## Step 2: Assemble Project Team



## Step 3: Define Requirements

- Determine functional priorities
  - What's most important in your organization?
    - » Cash positioning
    - » Cash forecasting
    - » Financial transactions
    - » Payments
    - » Bank relationship management
    - » Reporting
- Weight functions according to importance
- Assess implications and impact of existing systems and infrastructure

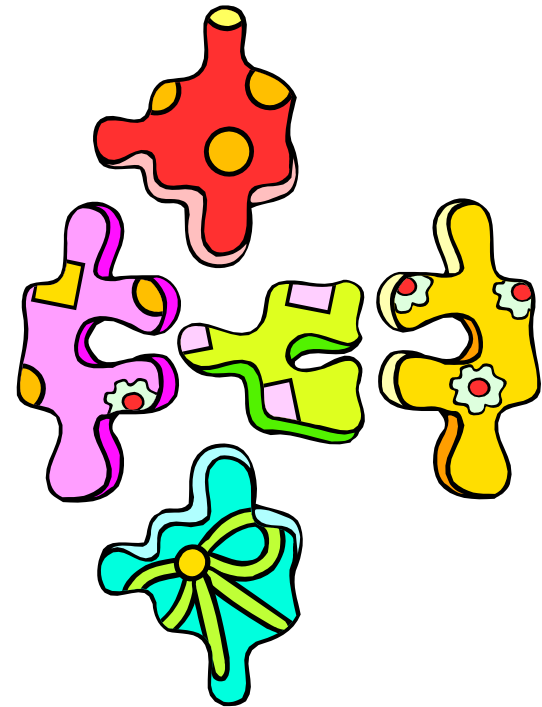




## Step 4: Anticipate Challenges

Most common reasons why organizations achieve only a partial functional or partial geographic implementation of their treasury technology:

- Inadequate internal treasury resources
- Competing projects and lack of focus
- Lack of senior management involvement
- Functional complexity
- Different functional requirements in regions
- Miscommunication with TMS vendor
- Changing business drivers
- Environmental changes



# TMS Selection

# Six Steps in the TMS Selection Project

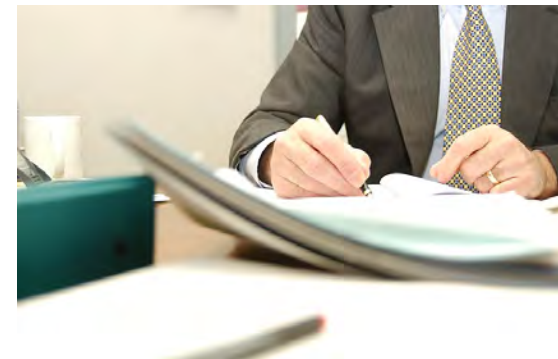
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Treasury Strategies has identified six best practice steps that will ensure your TMS selection project will have a strong foundation.

1. Conduct Gap Analysis
2. Identify Vendor Systems
3. Develop Request for Proposal (RFP)
4. Conduct Scripted Vendor Demos
5. Evaluate Vendors
6. Finalize Budget and Business Case

# Step 1: Conduct Gap Analysis

- Review current system usage
- Assess additional functionality now available
- Identify gap between requirements and system capabilities
- Evaluate difficulty of “re-implementation” or additional functional implementation
- Decision point
  - Remain with existing vendor?
  - Evaluate greater vendor pool?
  - Include existing vendor in selection process?



## Step 2: Identify Types of Systems & Vendors

- Bank online systems
- Bank-offered treasury systems
- Fully integrated best-in-class Treasury Management Systems
- ERP treasury modules
- Specialized systems
  - FX
  - Bank-to-Book Reconciliation
  - Risk Management
  - Multilateral Netting
  - Bank Account Administration
- Online trading portals



## Step 3: Develop Request For Proposal (RFP)

- Give vendors enough background on your organization
- Include critical requirements document
- Allow sufficient time for responses
- Develop scorecard for evaluation

### Company Information



### Vendor Information



## Step 4: Scripted Vendor Demos

- Schedule on-site visits
- Allow sufficient time for the demos
- Create customized scripts including your specific data and processes - one script should be used for all vendors for an apple-to-apple comparison
- Invite stakeholders to attend, including business unit users



## Step 5: Evaluate Vendors

Score vendor offerings based on RFP and demos

Check references

- Ask variety of questions regarding functionality, implementation and customer service

Opportunity to perform limited test of functionality

Measure twice, cut once!





## Step 6: Finalize Budget / Business Case

### Quantitative factors

- Decreased transaction fees
- Reduction of idle balances
- Lower cost of debt or increased yield on investments
- Staff efficiency

### Qualitative factors

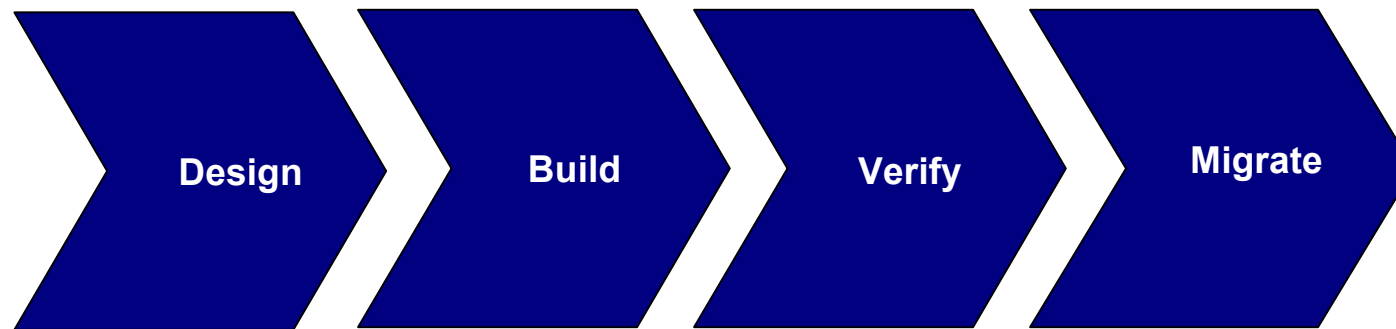
- Decreased risk
- Implementation of best practices
- Enhanced treasury visibility in organization
- Expiring existing system license
- Greater controls



# TMS Implementation

# Four Steps in TMS Implementation Project

These are the four key steps of a system implementation.



- Bank accounts and structure
- Non-standard processes
- Infrastructure
- Automation
- Workflows
- Reporting
- Sign-off

- Installation
- Connectivity
- Initial setup
- Configuration
- Interfaces
- Functional setup
- STP

- Visibility
- Test Plans
- Unit Testing
- UAT
- File exchange
- Sign-off

- Optimize
- Migration
- Parallel Test
- Reporting
- Training
- Go live

# Step 1: Design

## Scope of design work

### Cash & Liquidity Management

- Cash positioning
- Bank relationship management & communication
- In-house banking & pooling
- Investment management
- Controls

### Payments

- File processing
- STP opportunities
- Request & approval workflow
- SWIFT
- Controls

### Cash Forecasting

- Policy and approach
- Consolidation and gathering from subsidiaries
- Efficiency and standardization
- Performance analysis
- Reporting

### Risk Management

- Policy and approach
- Exposure tracking
- Hedging procedures
- FAS 133
- FAS 157

### Capital Markets

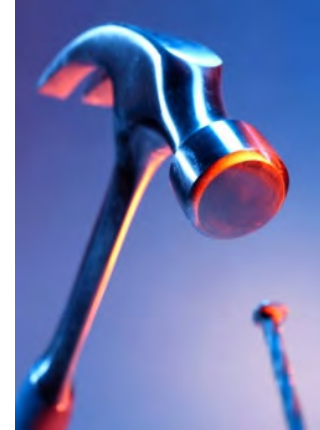
- FX
- Debt
- Investments
- Commodities

### Reporting

- Dashboards
- General reports
- Regulatory reports
- Hedge/MTM reports

## Step 2: Build

- Installation
- Connectivity
  - SWIFT
  - Bank link(s) setup for information reporting and payments
- Initial Setup
- Configuration
- Static Data
- Interfaces
  - Bloomberg, FX portals, MMF portals
  - GL
  - AR & AP
- Reports



## Step 3: Verify

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- Develop test plans
- Unit testing
  - Do bank balances and transactions populate correctly?
- User acceptance
  - Get sign-off from stakeholders (front office, back office, accounting, capital markets, etc.) that the setup of cash position, instruments and accounting is correct

## Step 4: Migrate

- Data migration / portfolio take-on
- Test month-end processes (close)
- Document new processes (Sarbanes Oxley)
- Parallel testing
- Reporting
- Production / Go-Live



# Call-to-Action



1. Review current treasury processes and identify areas of weaknesses.
  - a. Where are best practices **not** being employed?
2. Explore where technology can improve upon weak treasury practices.
3. Determine how technology needs can be supported within the organization.
4. Evaluate vendors for best possible solutions.
5. Implement selected technology.



# Exit Poll

Your feedback is essential for us to provide valuable content. Please let us know what you think.

1. On a scale of 1 to 5 (1 is low, and 5 is high), how useful did you find this session?
2. Did this presentation meet your expectations?
  - Yes
  - No
3. Would you like a Treasury Strategies Manager to contact you about effective technology for your organization?
  - Yes
  - No

**Please answer the questions  
using the Polling Box**



# Questions?

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# About Treasury Strategies, Inc.

## Who We Are

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.

## What We Do

### Corporations

We help you maximize worldwide treasury performance and navigate regulatory and payment system changes through a focus on best practices, technology, liquidity and controls.

### Treasury Technology

We provide guidance through every step of the technology process. Our expert approach will uncover opportunities to optimize the value of your treasury through fully integrated technology solutions.

### Financial Services

Our experience, analytic approach and benchmarks provide unique consulting solutions to help you strengthen and grow your business.

## Accreditations



## Connect With Us



# Treasury Strategies

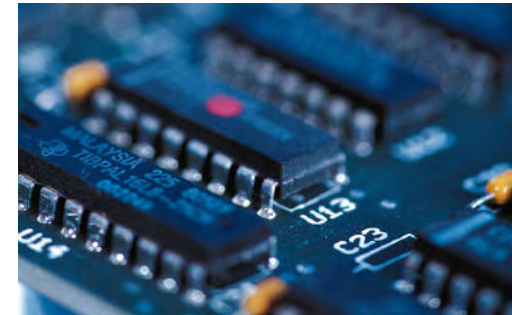
## Treasury Technology Practice



Our expertise in corporate treasury best practices and knowledge of technology solutions enables us to provide unbiased advice and experienced resources to guide clients through the technology maze.

We work with the following entities:

- Corporations
- Not-for-Profit Organizations
- Public Sector Organizations
- Technology Vendors



Solutions for treasury departments:

- Pre-implementation Best Practices Review
- Process Review & Re-engineering
- Gap Analysis with Current Technology
- Corporate SWIFT Connectivity
- Technology Selection
- Technology Implementation and Optimization
- Strategic Roadmap

Solutions for technology vendors:

- Implementation Resource Partnering
- Functionality Enhancement
- Business Strategy