



Benefits of Treasury Automation

Your ey to Optimizing Cash Management

28th Annual SCAFP May 8th, 2009





Today's Discussion Points

- Current State of Treasury
- What Is Treasury Technology?
- Treasury Options in the Marketplace
- Value and ROI
- Why Now?
- When You Evaluate
- Questions



“Empowering clients to improve liquidity and working capital with scalable treasury solutions enhancing visibility and operational control.”





“In the past, cutting-edge technology has been all about efficiency. In the future, it will also be about speed. Future treasuries will just have to be a lot quicker to analyze, recommend and act than they are today. In the vast majority of treasuries, it takes too long just to come up with the answer to a question. We will need to have current data at our fingertips and use it to make quick recommendations. And that will require better technology.”

-- Brent Calinicos, Treasurer, Google

“The role of the treasurer will evolve into something very different than it is today. It will become increasingly a 24x7 global activity.”

-- Raymond Fattell, SVP, HSBC Treasury Product

“Better technology is coming. The technology evolution, already under way, will deliver capabilities that only a few years ago would have been unimaginable.”

-- Julie Monaco, Executive Vice President, Citigroup Treasury

“The most common pitfall is to believe that most technology is beyond your budget.”

-- Craig Jeffery, Managing Partner, Strategic Treasurer





What does a treasury management system do?

Streamline processes to manage liquidity across departments / schools at the “touch of a button”

Cash Flow Forecasting - Eliminate manual processes and risky dependence on spreadsheets

Automate cash accounting entries – Shorten month-end and quarter close to mere hours, not days.

Manage debt and investment activity –amortization schedules and electronic payment reminders

Centralize treasury activities within one standardized portal – while maintaining segregated, controlled and secure access to information

Flexible, easy to use, scheduable reporting which can be automatically routed to individuals and user groups





Disjointed Treasury Process

CASH MANAGEMENT

- Cash Positioning
- Cash Flow Forecasting
- In-House Banking
- Netting

RISK MANAGEMENT

- Value at Risk (VAR)

MARK-TO-MARKET

BANK ADMINISTRATION

- Account Setup
- Account Maintenance
- Account Analysis / Fees

CASH OPERATIONS

- Electronic Funds Transfer
- Data Capture
- Reconciliation

REPORTING

COMPLIANCE / REGULATORY

TRADING / PORTFOLIO MANAGEMENT

- Long-term Investments
- Short-term Investments
- Stock Repurchase

CORPORATE FINANCE

- Long-term Debt Issuance
- Short-term Debt Issuance
- Credit Facilities

FOREIGN EXCHANGE

ACCOUNTING





Treasury Management Alternatives

- **Bank Systems**
 - White Label Relationship with TWS Vendor or internally written
 - Economical but scaled down version of TWS
 - Flexibility is limited for reporting
 - Married to the bank

- **ERP Treasury Modules**
 - Cash management modules may or may not be included in price
 - Require heavy IT support for installation, configuration and consulting
 - Time to deploy is longer, larger draw on internal resources
 - Not considered “Best-of-Breed”, but there has been recent functional enhancements



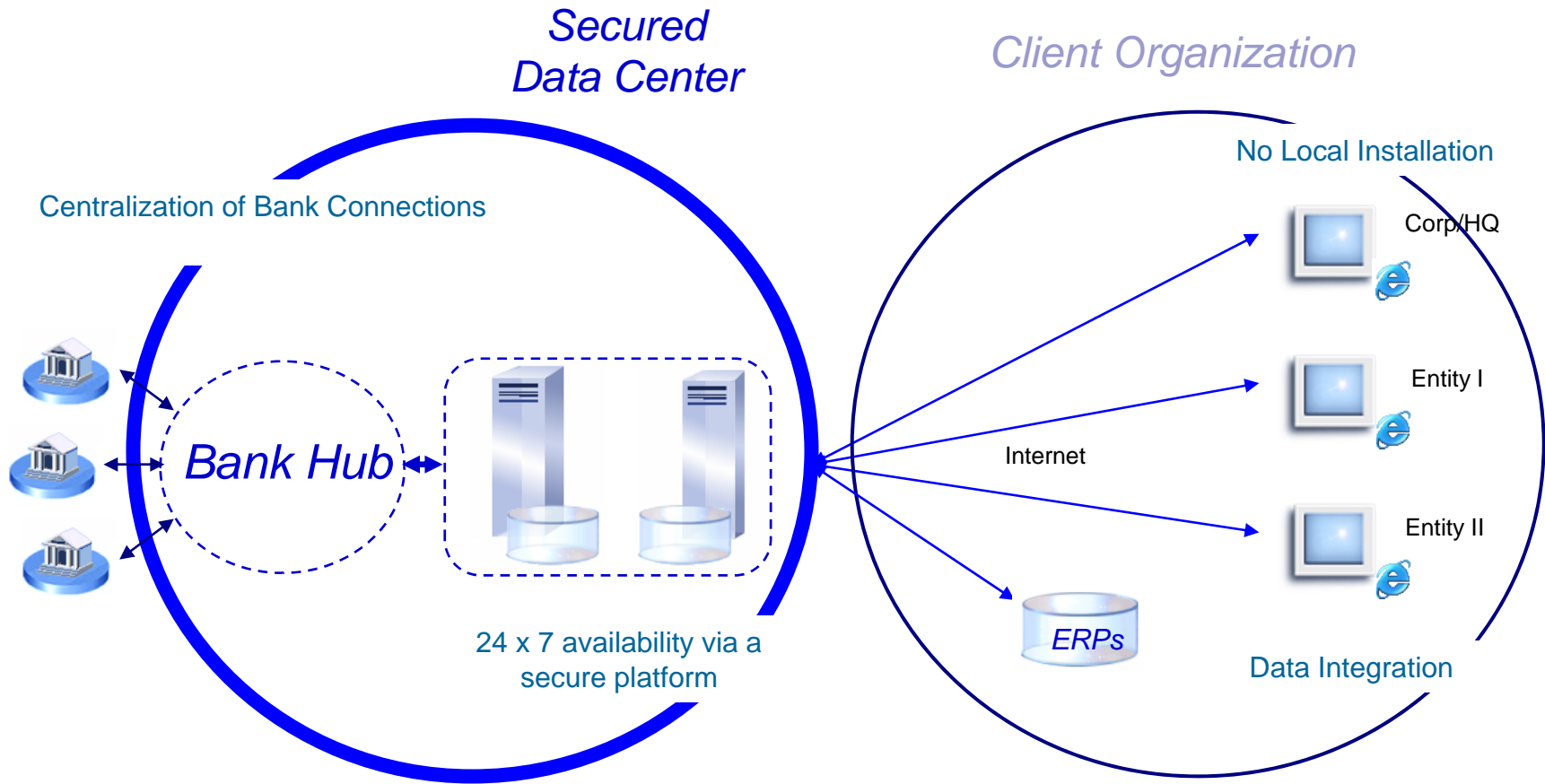


Treasury Management Alternatives

- **Installed Treasury Workstations**
 - Client server technology, installed on internal corporate servers
 - Range of Function: Cash Management, Financial Instruments, Accounting
 - No remote access
 - End client installation requirements for concurrent users
 - \$\$ - Implementation + License + Annual Maintenance + IT Support + Hardware

- **SaaS (Software as a Service) - Internet-deployed**
 - Ease of deployment – accessible via the web – anytime, anywhere
 - Little internal IT support (configuration not installation)
 - Data Management, disaster recovery, maintenance handled by vendor
 - Comprehensive functionality
 - No capital investment
 - Subscription-based cost structure; implementation; deployment; access





Shared Technical Infrastructure / Architecture





Cash Flow Forecasting Spreadsheets

- Eliminate manual processes such as cutting and pasting of data
- Segregated data storage on multiple work computers
- Version control with spreadsheets
- Risky dependence and errors
- Security and access to data
- No audit trails, poor for compliance policies





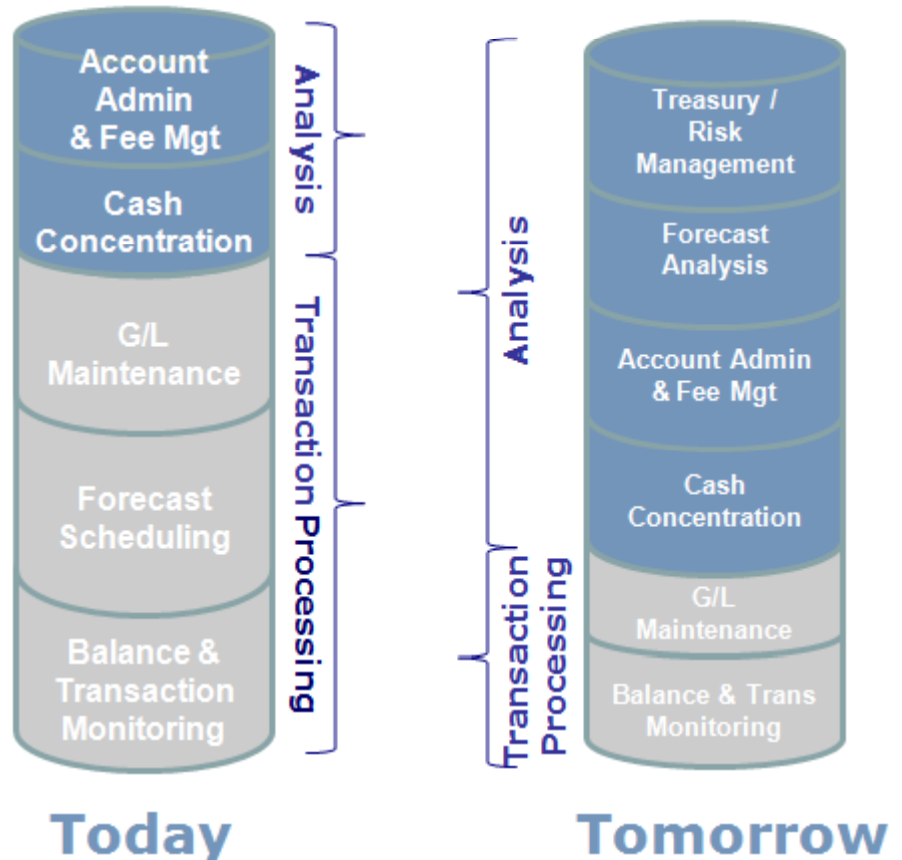
- Global consolidated positioning and reporting
 - Dynamic forecast and cash position views
 - Segregated user access for forecasting and cash positioning
- Integration of payment factory
- Manage long-term and short-term Debt
 - Bonds
 - Letters of Credit and more
- Manage Investments – 1 week, 1 month, 1 quarter, 1 year etc.
 - Money Markets
 - CP
- Automate GL entries – Multiple systems / Multiple charts of accounts
- Enhanced Reporting
 - Automate reports to Business Units, Regions, Senior Management
 - Standardized, flexible and customized reporting
 - Schedule distribution to individual or user groups





- Automate** manual tasks to save time and reduce the risk of errors (e.g. bank polling, cash accounting entries)
- Forecast** more accurately, comprehensively, and on a timely basis for a positive impact to your company's global cash
- Report** the right data, to the right people, at the right time and beyond (with unlimited document storage)
- Manage** cash, forecasting, debt and investments and other treasury-related functions within one centralized portal (upgrade from Excel)
- Rely** on inherent disaster recovery
- Access** anywhere, anytime from any PC
- Control** segregated access, audit trail

Treasury / Cash Operations





Hard Dollars:

- Invest idle balances
- Lower bank fees
- Accounting automation (Reconciliation and Posting)
- Maximize investment earnings
- Minimize cost of debt
- Labor and time savings

Soft Dollars:

- Less team stress and late night work
- Easier reporting
- More accurate and timely data
- Centralized and complete information
- Eliminate manual activities
- Better forecasting
- Full audit trail
- Straight through processing





Reasons For Technology Adoption in 2009:

- Interest rates at historic lows
- Leaner staffs -- “do more with less”
- More executive level focus on cash forecasting and timing
- Your competitors may already be using a TMS
- Exceptional pricing from vendors in 2009
- Growth/Acquisition/Complexity
- Expanded technology capabilities
- Ease of deployment
- Experiencing TMI and NET

TMI = Too Much Information

and

NET = Not Enough Technology

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Avoid:

- Newer untested systems or Betas
- Vendors with a wide variety of systems
- “Gift implementation”
- The Generalists

Look For:

- Free annual upgrades
- Extensive history of product development & product depth
- Future product plans
- Local or onsite implementation capability
- Emphasis on consultative training

***“Work with someone who understands
your treasury operation.”***





Questions?

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