



WHITEPAPER

Automating Treasury: 10 Steps to Becoming More Strategic

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About this Resource

For over a decade, TIS has helped hundreds of organizations optimize their global payments, liquidity, and banking workflows to achieve 360-degree visibility and control over their operations. As we've evolved and matured alongside our clients, we have learned from their experiences and developed a blueprint that outlines exactly what's needed for treasury automation projects to succeed. This white paper distills that learning into a ten-step roadmap to help treasury teams approach their next project.

Questions Answered Inside:

- How can I maximize the chances of a successful treasury automation project?
- How do I develop a business case and gain buy-in from the c-suite?
- Which internal and external stakeholders should I include in my project?
- Do I need an RFP and if so, how should I structure it?
- How do I select, implement, and measure the success of my new solution?

UNDERSTANDING WHY TREASURY AUTOMATION IS SO IMPORTANT

As corporations worldwide continue to scale and look for new growth opportunities, the responsibilities that their respective treasury teams are entrusted with are undoubtedly growing as well. As seasoned practitioners know from experience, CEOs and CFOs have always wanted fast and accurate financial reporting from treasury, and they also expect that the company's payments and banking workflows will function as necessary to sustain operations. However, given the breadth of visibility and control that the modern treasurer maintains over global payments, cash, and banking workflows, a broad variety of company stakeholders – including the c-suite -- are increasingly relying on treasury for strategic data and insights that are significantly impacting the bottom line.

However, as it stands today, many treasury groups might look at their growing list of responsibilities with an impending sense of dread.

In the U.S., [a recent survey of treasury personnel](#) found that 47% expect to have SIGNIFICANTLY MORE responsibilities in 2022 compared to 2021. A further

30% expected slight increases. And for teams already exasperated from an abundance of manual work and that now have even more responsibilities on the way, freeing up time and resources to add strategic value can seem like an impossible task. But while it might be difficult to achieve, the broad availability of financial technology solutions that exist in the market today can help automate the majority of manual data entry, reporting, bank account management, and payment processing tasks that treasury teams commonly struggle with.

Of course, it's no secret that technology is key to achieving automation, and over the past few years, global investment in treasury technology has grown exponentially. Now in 2022, Q1 data shows that a significant majority of treasury teams are actively working technology automation projects. In fact, 82% of treasury groups in [a recent U.S. survey](#) were intending to upgrade their technology stack in 2022, and research by the specialty group Treasury Dragons recently revealed that 45% of treasurers plan to invest in entirely new technology solutions during 2022.

Given the clear prioritization by global treasury teams on technology automation, the following pages of this guide offer a ten-step pathway for strategically approaching these projects. Treasury teams that adhere to these steps will ultimately be able to deploy technology to break down silos that exist across different functions, systems, and geographies, gain real-time insights into

cash flows and liquidity, and reduce risk and fraud exposure to improve operational efficiency. And, in the end, it will enable them to add more strategic value to their organization and even potentially boost profits and revenue.

Let's begin.

1 TREASURY'S CURRENT STATE: WHERE ARE YOU NOW?

The starting point for every successful treasury automation project is a robust appraisal of existing systems, processes, and capabilities. Only by understanding how your treasury structure works today and what is capable of being achieved through it can you begin to identify the performance gaps and the inefficiencies that are preventing you from reaching your full potential. In other words, this is the time for a full, non-biased analysis of your current capabilities in critical areas such as:

- **Payments:** Many companies have invested heavily in streamlining inbound payments to accelerate cash inflows. However, most corporations have done little to optimise outbound payments, leaving each function, system, and geography siloed, with no clear insight into cash flows or a holistic view of liquidity.
- **Cash Management & Forecasting:** Creating a clear view of the corporation's global cash position is often a case of cutting and pasting from multiple sources. There is often a combination of disparate systems, spreadsheets, and even paper-based processes that hinder global visibility and that also add a greater likelihood of manual entry errors and general shortsightedness.
- **Bank Account Management:** Often ranked as the most frustrating function for treasurers at global enterprises, the process of opening, closing, and managing accounts worldwide – while also staying compliant with multinational regulations – is complicated and time-consuming. With dozens of banks and hundreds or thousands of accounts spread across different countries and regions, developing an automated and centralized structure to manage these accounts is a laborious task. However, it's a critical function that must be controlled properly, and this will likely require a degree of technology automation to support.
- **Technology & Systems:** While every treasury team will have their own unique mix of tools and systems, it is rare that all of these systems are up-to-date or connected and integrated in the most optimal fashion. Often, different entities and departments will have their own set of systems, each of which contains a separately siloed set of data and functionalities. Ideally, all of these systems would be updated and integrated with one another to support full automation and straight-through-processing of financial data and transactions.

After gaining a solid understanding of your treasury team's existing capabilities and identifying any underlying performance gaps, it's also recommended to closely analyze what's required of treasury by the broader organisation. This may mean moving outside of your traditional comfort zones and asking other departments and stakeholders how treasury can provide the most value. Although completing this full technology and workflow audit will undoubtedly take time, the information gathered during your review will ultimately enable you to form a clear picture of how your treasury team and underlying technology structure can provide the most value to the company.

2 TREASURY'S FUTURE STATE: WHERE DO YOU WANT TO BE?

Once the analysis of your treasury's current state is complete, the next step is to envision how it should optimally function and operate in a best-case scenario, given the right resources. This 'future state' vision should reflect the exact structure that would be required by treasury in order to meet and exceed all stakeholder demands -- both internal and external -- that were identified during your initial performance review.

As this step is performed, some specific goals or objectives that you create might be:

- **Unified Banking & Payments Management:** We want to view and manage 90%+ of our global bank account and outbound payment workflows through a single source or system.
- **Improved Financial Reporting & Data Analysis:** We want the ability to quickly make strategic financial decisions and support the c-suite with real-time, reliable data from all our entities and banks.
- **Standardized Security & Compliance Protocols:** We want to reduce fraudulent risks by adopting a standardized approach to security and compliance across all payment and treasury systems.
- **End-to-End Treasury Workflow Automation:** We want to replace 50%+ of treasury's manual payments and cash reporting tasks with automated workflows in order to free up time and maximize employee bandwidth.

Also consider the benefits that could be achieved from the above elements, such as:

- **Improved Operational Performance:** Achieve 90%+ daily cash visibility that will enable us to more accurately forecast liquidity positions and strategically optimize our working capital.
- **Technology Cost Savings:** Eliminate redundant systems, banks, or accounts that will reduce our annual technology and operational expenses to save "X" amount of budget per year.
- **Reduction of Fraudulent Activity:** Standardize treasury's security tools in order to reduce invoice fraud exposure, as well as our susceptibility to BEC or "man-in-the-middle" schemes, which cost the company "X" in the past few years.

As treasury leaders identify which specific goals and objectives are aligned with the needs of their organization, they must be prudent to differentiate between "critical" and "optional" capabilities. In reality, there will always be capabilities that are nice to have but don't necessarily feed into your company's main objectives. And while some of these capabilities can be incorporated to your structure without significant cost, others may take up significant time and money only to provide limited value. So, treasury should try to identify the core requirements first, and prioritize their implementation over other less valuable functionalities.

Once this step is complete, you should effectively have a 'destination' for your treasury automation journey. In other words, you should have a solid understanding of your current structure and a clear vision of your preferred future structure. Now, you need to choose the tools and technologies that will most effectively get you there.

3 ENSURE YOUR WORKFLOWS ARE ALIGNED & THAT THE NEED FOR NEW TECHNOLOGY IS REAL

With the plethora of treasury technology products that are available today, it's easy to start out with the assumption that delving straight into the fintech market is your immediate next step. But don't overlook the importance of first examining your existing process workflows. Applying a new technology solution to try and fix suboptimal procedures may merely result in a more efficient way to produce bad results. So instead, take a long, hard look at how your treasury team handles its essential tasks and look for ways to improve them. It may well be that a technology provider or consultant can help you with this process, but you need to be absolutely sure first.

Assuming you have analysed your existing processes and it's clear that a technology solution is the right approach, an extra step is to ensure that an existing solution in your technology stack cannot satisfy the required adjustments.

In some situations, treasury teams and executives get excited by the prospect of new or "innovative" technology and fail to examine their existing solutions to see if a simpler fix can be instituted. As a result, they spend unnecessary budget on redundant systems or solutions without ever fully justifying the need for the new platform. Although there will be frequent cases where a new solution is the answer, it's best to validate this need beforehand so that already available resources are not wasted.

Once you're absolutely certain that new technology is warranted and that current systems cannot provide the level of functionality required, then you can move onto the next step.

4 EARNING THE CFO'S PROJECT & FUNDING APPROVAL

At this stage, many treasury teams have probably already formed a complete picture of what technologies they need to complete their automation journey. However, that journey will never start unless you have the explicit support of budget holders at the most senior level.

In most cases, that means convincing a CFO or CEO to allocate the necessary budget and resources for a treasury systems upgrade. Of course, it's unlikely that your executive team will be entirely unaware of your current workflows and process gaps. But given that the treasury department is sometimes an 'out of sight, out of mind' group compared to customer-facing, revenue-generating departments, convincing executives that upgrades are necessary isn't always an easy sell.

To get that budget approval in place, it's essential to develop a clear business case for the expenditure. This could mean demonstrating how better access to critical bank account and liquidity data can help drive better decisions, how improved controls and protocols will eliminate fraud, or a return-on-investment (ROI) calculation showing reduced headcount or hours freed up for more productive tasks. It could also include reduced operational expenses and technology fees as a result of eliminating old or legacy systems through the upgrade.

Regardless of the business case that best aligns with your project, the point is that you should leave no doubts in your executives' minds regarding the value that the new technology will bring, and how it will benefit not only treasury but the organization at large.

5 CREATING A CROSS-COLLABORATIVE PROJECT & STAKEHOLDER TEAM

In addition to the c-suite, gaining approval from other key financial stakeholders within the organization is also highly recommended in order to ensure your project gets the proper level of respect and attention. Given that treasury must collaborate frequently with other departments like IT, accounting, AP, AR, and legal, ensuring that these groups have adequate insight and input to your project can go a long way in helping drive the effort forward. (If you don't think this step is necessary, check out [the research by consultancy group McKinsey](#) which suggests that at least 30% of digital transformation projects fail. Or, [Gartner's much-quoted estimate](#) that between 55% and 75% of ERP projects don't deliver on expectations).

In reality, one of the most frequent causes of technology automation failures is that internal stakeholders have not fully committed to the project, or do not fully understand the need for it. This is a particular problem with regards to IT teams that are relied upon to drive large portions of your implementation forward. In reality, these IT teams will likely be working on other projects that might take priority over yours, especially if the adoption of your new treasury solution is not well received by other departments or is not regarded as important.

You can go a long way to removing this point of failure by creating a multi-disciplinary team at an early stage. Given that one of the first steps in your journey is discussing how treasury can provide value to other departments, consider which parts of the business will be most impacted by the changes you plan to make. Some might seem obvious - such as IT - but others may need some thought. For example, if your new system might reduce headcount, is HR on board with the idea? Are legal and compliance happy if you plan to make new data connections with outside fintech and banking partners? Will shared service centers or foreign entities be happy if you decide to begin controlling more processes centrally, instead of delegating authority to them?

While you probably don't need every internal department to back your project, it is heavily recommended that you at least acknowledge and include relevant parties in your evaluations at an early stage. In the end, accommodating the ideas, needs, and preferences of these groups might give you the momentum and approval necessary to move into the RFP and selection stages.

KEY INTERNAL FINANCIAL TECHNOLOGY STAKEHOLDERS

ACCOUNTING

Accounting teams can be convinced of a new solution's value if it helps them with reconciliation and reporting.

LEGAL / COMPLIANCE

Due to complexity of modern sanctions, data, and payment statutes, legal should always be involved in treasury projects.

SHARED SERVICES

Companies that rely heavily on external personnel or centers must work to integrate these teams into their new structure.

INFORMATION TECHNOLOGY (IT)

IT teams will always need to be involved in order to facilitate integrations and ensure ample compliance and security.

ACCOUNTS PAYABLE & RECEIVABLE

AP and AR teams often manage payments and invoices from vendors, so their input on the associated workflows is valuable.

HUMAN RESOURCES (HR)

HR teams will often help manage users and maintain "Admin" settings and oversight for new technologies.

6 DETERMINING THE SCOPE OF YOUR RFP PROCESS

While not every organization decides to release a formal RFP for their projects, treasury leaders and other stakeholders will still need to define the basic requirements of the system they'll need across a variety of areas. Typically, companies that are unsure of which solution type would best fit their needs will release RFPs as part of general due diligence in the market. Typically, these RFPs include sections related to each desired capability (i.e. forecasting, cash management, payments, etc.), as well as more technical elements such as:

- **Connectivity:** Can the system connect seamlessly to the rest of your back-office and banking landscape? Does it offer API integrations for TMS and ERP integrations, and can it offer SWIFT, H2H, and API connectivity to banks?
- **Reporting:** Can the system generate and transmit the reports you need without intensive manual formatting? If not, does it interface easily to a reporting package? Can bank statements and financial messages be supported in multiple formats, including SWIFT MT and ISO 20022?
- **Compliance:** Is each solution provider capable of accommodating all the global data, payments, and sanctions regulations that impact treasury teams? Examples include maintaining SOC 1 and SOC 2 (ISO 27001) certified data centers, the ability to support OFAC, EU, or UN sanctions screening on payments, and help with automating FBAR reports in the U.S.
- **User Structure:** Can the system support multiple users working in different countries and from a variety of locations? Are there controls for assigning unique levels of access to each user and delegating authority amongst large teams? Can Admins track and audit user actions in the system to identify suspicious activity (i.e. logins from suspicious IP addresses or locations)?
- **Security:** Does the system support multifactor authentication for user logins? Can it recognize fraudulent or suspicious actions occurring within the system and send alerts to Admins? Does it provide ample protection for sensitive data stored and hosted within the platform?

Of course, there will be other areas to analyze, some of which will likely be unique to your business. It's important to capture all these requirements in your RFP and closely compare the responses from each vendor you are interested in. As all of these requirements are mapped out, it may also be helpful for treasury to organize them according to their level of importance, as shown below:

- **Critical:** Core capabilities the new system should undoubtedly have. If any specific vendor cannot provide a capability in this category, they cannot be seriously considered.
- **Beneficial:** Additional features and capabilities that would be beneficial and help drive efficiency in certain areas, but that are not essential to supporting operations.
- **Optional:** Features and capabilities that provide small efficiencies or that may be useful in the future, but that do not relate to the core requirements of your use case.

7 NAVIGATING THE FINTECH & BANKING SOLUTIONS MARKET

As you release your RFP into the market and begin evaluating vendors, be careful not to immediately segment your search to one particular set of products or vendors. While some companies might think that they should only focus on the most popular vendors in the market, there are a variety of other fintech and specialty systems in existence that may provide the exact type of capabilities needed, for a lower cost.

For help identifying these niche vendors, there are a variety of consulting groups and online software listing agencies that provide extensive analysis of vendors and software platforms, all organized according to the functionality offered. If you have chosen to work with a consultant or other advisor, this can also be where they provide true value by helping identify the solutions that best fit your requirements. In addition, attending industry events such as the AFP or EuroFinance may allow you to scope out multiple vendors at once over a short period of time and help you quickly narrow down your list of potential options.

As you progress through your RFP responses, you should begin eliminating vendors that don't meet one or more of your essential requirements. Over time, this will allow you to narrow your search to a shortlist of providers that can address your exact needs.

8 CREATING A SHORTLIST & SELECTING YOUR DESIRED SOLUTION(S)

As you narrow down your list of potential providers, be sure to closely examine case studies, technical spec sheets, product roadmaps, and live product demos. You should also have discussions with the product and support teams at these vendors and include your own IT and support personnel.

In addition to each solution's capabilities, be sure to judge the adequacy of their customer support and development staff. Poor support, excessive system downtime, and a lack of upgrades can ultimately lead to a product's downfall, so be sure to examine all elements of each vendor beyond the product itself.

Over the course of your discussions and examinations, be attentive to whether certain vendors show an accurate understanding of your specific problems, rather than trying to fit you into a "one-size-fits-all" solution. A willingness to make adjustments and customizations to support you is normally the sign that a vendor's technology is flexible and capable of scaling alongside you. At this stage, you should also be taking up client references and following up with them to validate use cases that are similar to yours.

9 IMPLEMENTING & INTEGRATING YOUR NEW SOLUTION(S)

Finally, you have navigated through the RFP and shortlist process and selected the best-fit solution. Now, you are ready to integrate it with your existing technology stack.

As part of your RFP, you should have already identified the extent to which the chosen vendor will support your implementation, and you should plan to involve internal IT resources accordingly. Ideally, your vendor will provide a high level of project management / support and will handle the heavy lifting (i.e. bank connectivity, message formatting, etc.) on your behalf. Thankfully, the widespread use of cloud-based systems has relieved much of the complexity of hosting hardware and software, and vendor personnel may never even have to visit your office or workplace. However, while some vendors may complete almost the entire implementation on your behalf, others may require your IT team to support them, which can create issues if your team lacks the expertise or bandwidth to do so.

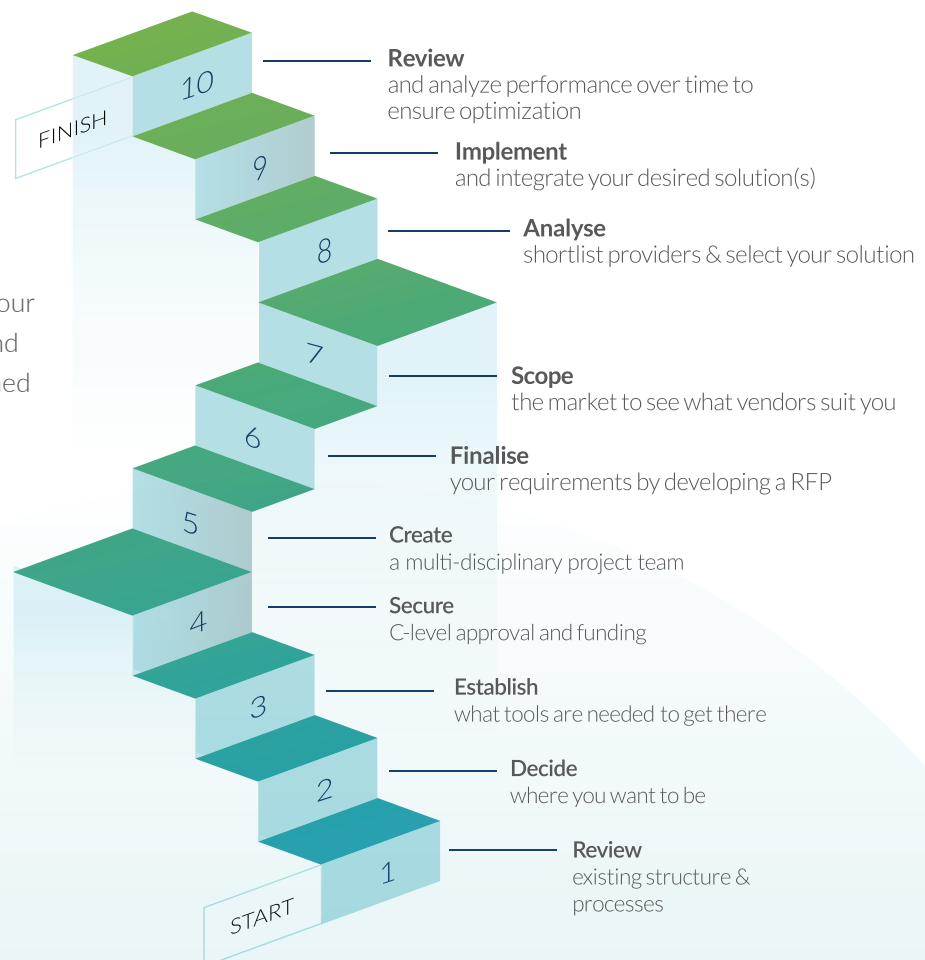
As the new solution is put into place, you should be conducting extensive tests of new features to ensure each capability is functioning properly. This is especially important when operating with numerous financial messaging and bank connectivity types, or if you're supporting numerous payment types, user groups, and bank account structures. Members of your multi-disciplinary team should also be encouraged to participate in the implementation to spot any potential problems with reporting, security, compliance, or data transmission.

10 REVIEWING & IMPROVING YOUR AUTOMATED TECHNOLOGY STRUCTURE

Once you've tested each new element of the new solution and are confident with the integrations and connections, you can prepare for the go-live and begin reaping the benefits of an automated treasury. If configured properly, these benefits should be apparent very soon after go-live, and it's important to monitor the ROI achieved against original expectations to benchmark your relative success.

By this time, you will hopefully be on the cusp of achieving a new level of automation and control over your treasury processes, which will hopefully enable your team to become a more strategic partner for the rest of the organization. Ideally, the data and information provided by treasury will inform the c-suite and other departments with real-time or same-day insights, and these groups can also rely on treasury's scope of influence over global cash flows and payments to orchestrate working capital movements and shape broader financial strategies.

As you move forward, it's important to remember that the technology landscape is always changing, so be sure to constantly monitor your setup and be prepared to address new gaps or inefficiencies as they appear. However, so long as you are strategic with your approach to new technology and can follow the workflows outlined in this paper to address new requirements and capabilities, then you will set yourself up for long-term automation and digital success. And in the long run, this is what will ultimately enable your treasury team to become the true strategic leaders that CFOs and other departments can rely on.



3 | The Ten steps to successful treasury automation

LEARN MORE ABOUT TIS' CLOUD-BASED TREASURY, BANKING, & PAYMENT SOLUTIONS

This short guide has highlighted some of the essential steps to reducing treasury's manual workload and accelerating global connectivity across banks, systems and service providers.

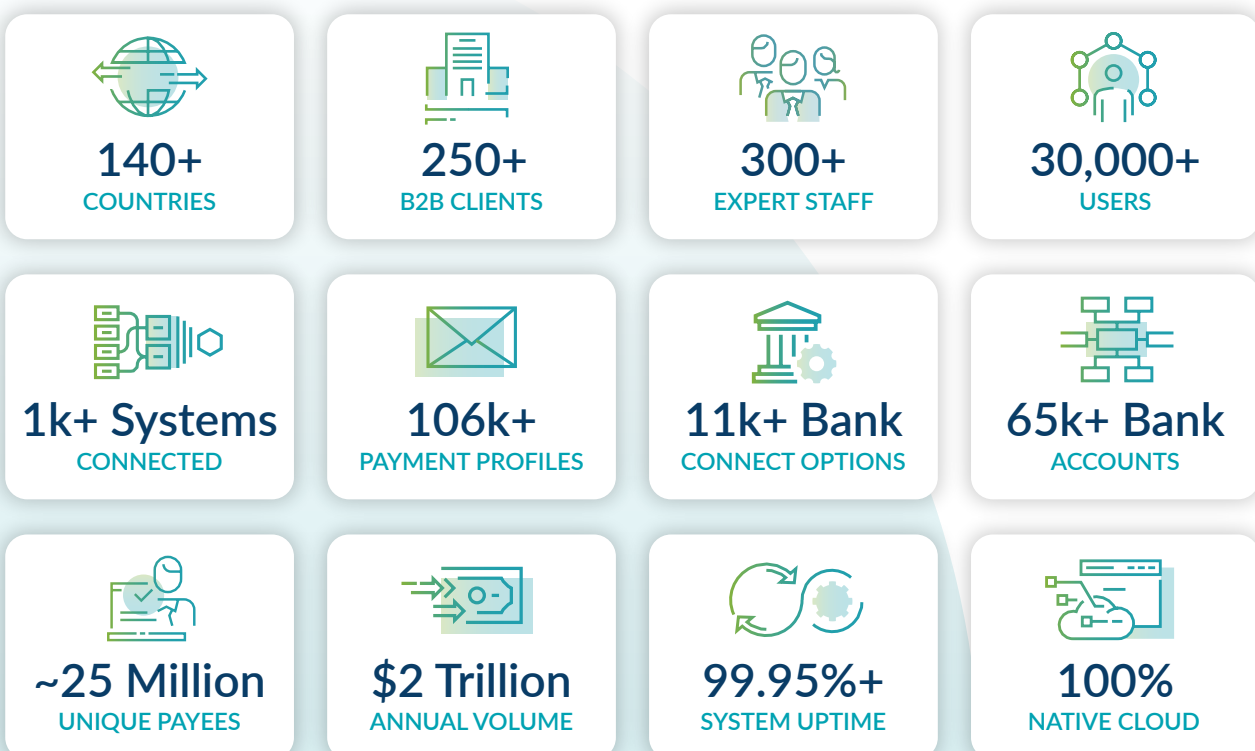
For businesses that read this paper and find themselves in need for enhanced payments, cash management, and banking functionality, we would strongly urge you to consider the cloud-based solution provided by TIS.

Today, TIS is streamlining treasury automation through a cloud-based platform that is uniquely designed to help organizations optimize global payments and liquidity. In essence, the TIS solution is a multi-channel and multi-bank connectivity ecosystem that streamlines the processing of a company's payments across all their global entities and systems.

Sitting above an enterprise's technology stack and connecting with all its back-office, banking, and 3rd party solutions, TIS effectively breaks down department and geographic silos to allow 360-degree payments visibility and control. To date, the more than 250 organizations that have integrated TIS with their global ERPs, TMSs, and banking landscape have achieved near-real-time transparency into their payments and liquidity. This has benefited a broad variety of internal stakeholders and has also enabled them to access information through their platform of choice. Data is available either through dashboards or direct downloads but can also be delivered back to the originating systems. This systematically controlled payments workflow is managed by TIS for both inbound balance information and outbound payments, and data can be delivered from any back-office system via APIs, direct plug-ins, or agents for transmission to banks and 3rd parties.

No matter where you operate from, TIS provides global connectivity and provides the real-time data, control, and workflows needed for treasury to automate and control their end-to-end payments and liquidity processes.

For more information, visit [our website](#) or [request a demo](#) with one of our experts.



Learn more at tispayments.com >>

LEARN MORE ABOUT TIS

TIS helps organizations simplify and streamline their global payments and liquidity management operations. Our cloud-based platform empowers businesses to optimize critical functions surrounding cross-border and domestic payments, bank connectivity, cash forecasting, fraud prevention, payment compliance, and more. Corporations, institutions, and business vendors leverage TIS to transform how they connect with global banks and financial systems, collaborate on payment processes, execute outbound payments, analyze cash flow & compliance data, and promote working capital efficiency. Ultimately, the TIS technology platform helps businesses improve operational efficiency, lower risk, manage liquidity, gain strategic advantage – and ultimately achieve enterprise payment optimization.

Visit tispayments.com to reimagine your approach to payments and liquidity management.

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