WHITEPAPER

5 Ways That Treasury Can Save Money & Boost Revenue in 2024

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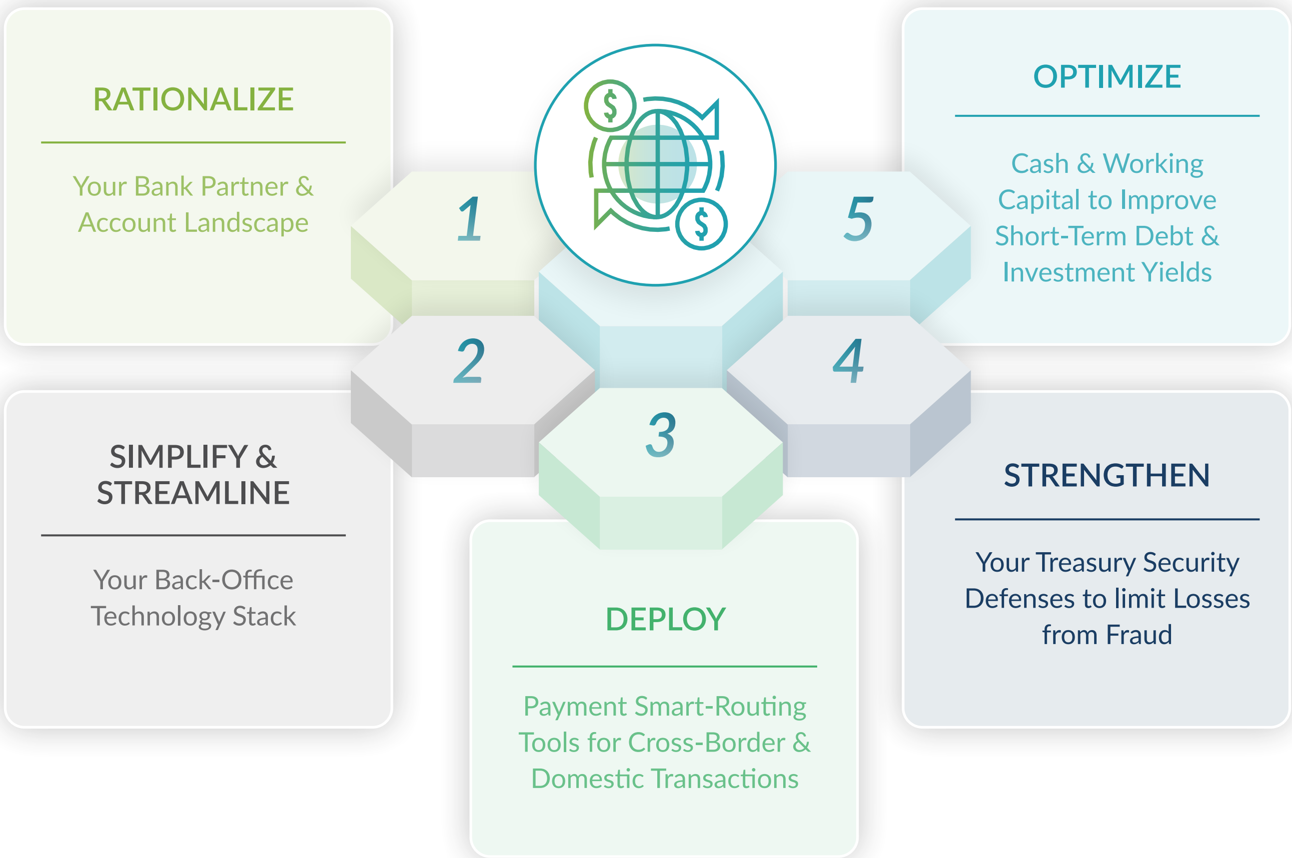
INTRODUCTION

Given their position at the helm of global cash, payments, and working capital activity, modern treasury teams play a vital role in controlling the various operational, financial, and technological costs that impact their companies. From monitoring and reducing banking and transaction fees to preventing payments fraud, managing daily liquidity, optimizing working capital, and developing short-term debt or investment strategies, today's treasury groups are often in the ideal position to analyze their company's cash flows and make improvements to boost revenue or save costs.

However, because most treasury teams have a relatively small headcount and are tasked with an ever-growing list of responsibilities, it is critical that practitioners maximize their available resources and focus on projects that will have largest impact on their company. This is especially true in today's volatile economic environment, where cutting costs and maximizing revenue is more important than ever.

Given this context, it is likely that treasury groups will be seeking to undertake a variety of cost-savings or revenue-boosting projects in the months and years ahead. In-line with these expectations, this whitepaper will highlight five strategic ways in which treasury teams can have a positive impact on their company's bottom line in 2024.

5 AREAS FOR TREASURY TO FOCUS ON IN 2024:



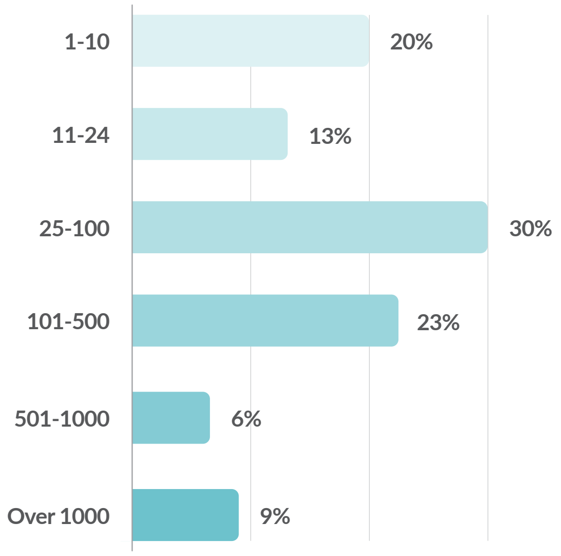
1. RATIONALIZE YOUR BANK PARTNER & ACCOUNT LANDSCAPE

Today, it is common for global companies to work with numerous banks across different regions and entities. In fact, a 2022 TIS survey of over 250 treasury practitioners found that 40%+ of companies were actively using more than 10 banks globally. But while organizations obviously need a certain number of bank relationships to accommodate their geographical and operational scale, a larger than necessary group can result in higher costs, fragmented visibility, siloed workflows, and obscure points of communication.

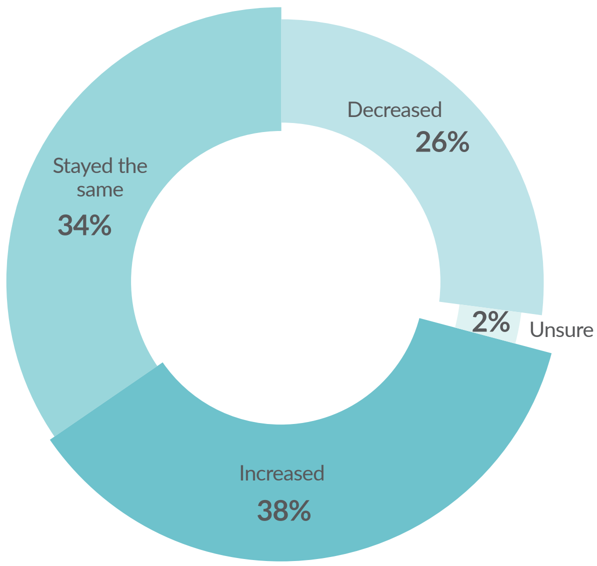
For some treasuries, rationalizing bank relationships can be an effective way of reducing costs. By concentrating on a smaller number of relationships with a select group of core institutions, companies may be in a better position to negotiate more favourable pricing for their banking services. A more streamlined relationship structure can also improve operational efficiency by limiting the number of banking systems and connections required, reducing annual maintenance or service costs, and increasing transparency over all the related operations.

Treasury's Experience With Global Bank Account Complexity

- How many bank accounts do you have?*

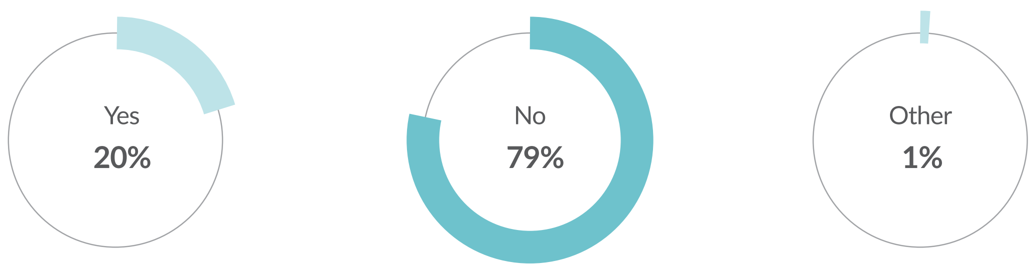


- In the past year, has the number of bank accounts you used:*



- Within the past two years have any active bank accounts been discovered that were previously unaccounted for by treasury?*

"Unsure" responses not included



* 2021 Strategic Treasurer Cash Forecasting & Visibility

RATIONALIZE YOUR BANK PARTNER & ACCOUNT LANDSCAPE (CONT.)

In addition to analyzing each bank relationship, it's also important to consider the number of bank accounts in use. Because the number of accounts can easily become inflated over time through organic growth and M&A activity, many multinational corporations end up with more accounts than they want or technically need. In 2021, a Strategic Treasurer survey showcased that nearly 40% of companies used more than 100 bank accounts. Furthermore, 38% of companies indicated the number of bank accounts they used were increasing, and 20% of practitioners had identified previously unknown bank accounts attached to their company within the past 2 years (2019-21).

In the long run, companies with excess numbers of accounts that have not been closely monitored will be confronted with excess manual labor, inefficient cash management structures, and higher-than-necessary costs. It will also be much more difficult for treasurers to maintain visibility and control over the company's cash and to detect fraud or compliance exposures.

Given these challenges, a streamlined bank account structure can not only reduce bank account fees, but also help to minimize idle cash balances and support more efficient cash management. As such, treasurers may be able to save money by rationalizing both the number of banks and accounts that they maintain.

2. SIMPLIFY & STREAMLINE YOUR BACK-OFFICE TECHNOLOGY STACK

Similar to how a company's banking structure grows more complex over time, so too does the back-office technology structure that treasury groups rely on to manage operations.

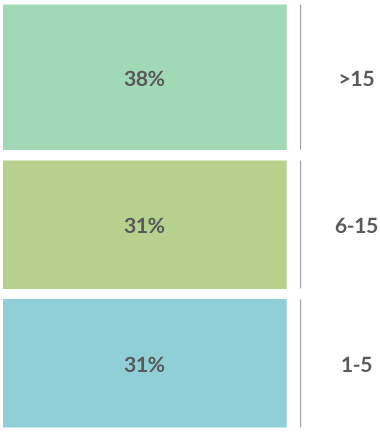
While modern-day treasury software is undeniably critical for today's practitioners to automate and streamline their processes, such solutions are not always implemented or integrated in an efficient manner. Sometimes the configuration is never completed, or various features are inactive and not functioning as intended. In the long run, a common result of company growth is to wind up with a large assortment of spreadsheets, banking portals, ERPs, and TMS solutions that are collectively causing redundant and fragmented workflows, overly manual processes, a lack of integration or interoperability, and unnecessary subscription and maintenance costs.

In recent years, industry data has demonstrated the effect that unnecessary technology complexity can have on companies. In fact, data from Strategic Treasurer found that 3 out of 5 companies that purchased a TMS were using less than 80% of the functionality they implemented. In addition, one of TIS' recent research initiatives found that 38% of treasury and finance respondents were using more than 15 different treasury, vendor or payment systems – with two thirds using more than five systems. With this amount of diverse technology in place, it's easy to see how processes can become inefficient and inconsistent, and how data can become siloed and difficult to consolidate.

In order to promote greater automation and transparency and to reduce overall technology costs, treasury teams with an excess number of systems should strongly consider a consolidation project. A simpler and more unified technology structure can result in more efficient processes, greater transparency, and improved decision-making as a result of more accurate information. Simplifying treasury's technology stack can also result in other benefits such as improved reporting, reduced IT reliance, more secure fraud controls, and more standardized compliance management.

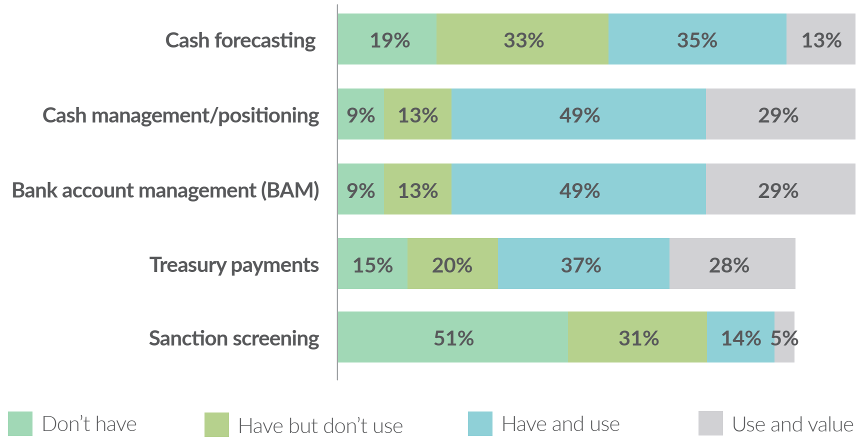
Back-Office Technology Complexity Within Treasury

- How many different treasury vendor / payment systems are used by your company globally?*



* 2022 TIS Treasury Priorities & Opportunities Survey

- Regarding the following financial instrument/risk modules or services available through your TMS/TRMS:



* 2023 Strategic Treasurer Technology Use Survey

3. DEPLOY PAYMENT SMART-ROUTING TOOLS FOR CROSS-BORDER & DOMESTIC TRANSACTIONS

Considering that many companies today operate across multiple countries and regions, it makes sense that treasury teams are managing payments using a broad variety of currencies, channels, and methods. For example, a true multinational company will likely leverage ACH, check, wire, cards, and a variety of other options to send and receive payments. They will also probably use a diverse range of banking channels and financial messaging formats to transmit payments data, along with an equally diverse number of integration and service-level partners to assist with the process.

So how can treasury simplify these payment workflows?

When it comes to cross-border payments, one helpful consideration would be to execute transactions at the local level (i.e. in local currency), rather than relying on traditional correspondent banking or FX conversion services. Because many cross-border payment networks charge exorbitant fees for swapping currencies and delivering funds, companies that regularly transfer money between different countries and regions could save substantially by leveraging a more specialized service.

Connect Your Systems & Banks to TIS

Large enterprises with a global network of banks, entities, and vendors can use TIS to achieve unified visibility and control over their payments, bank accounts, and cash flows.

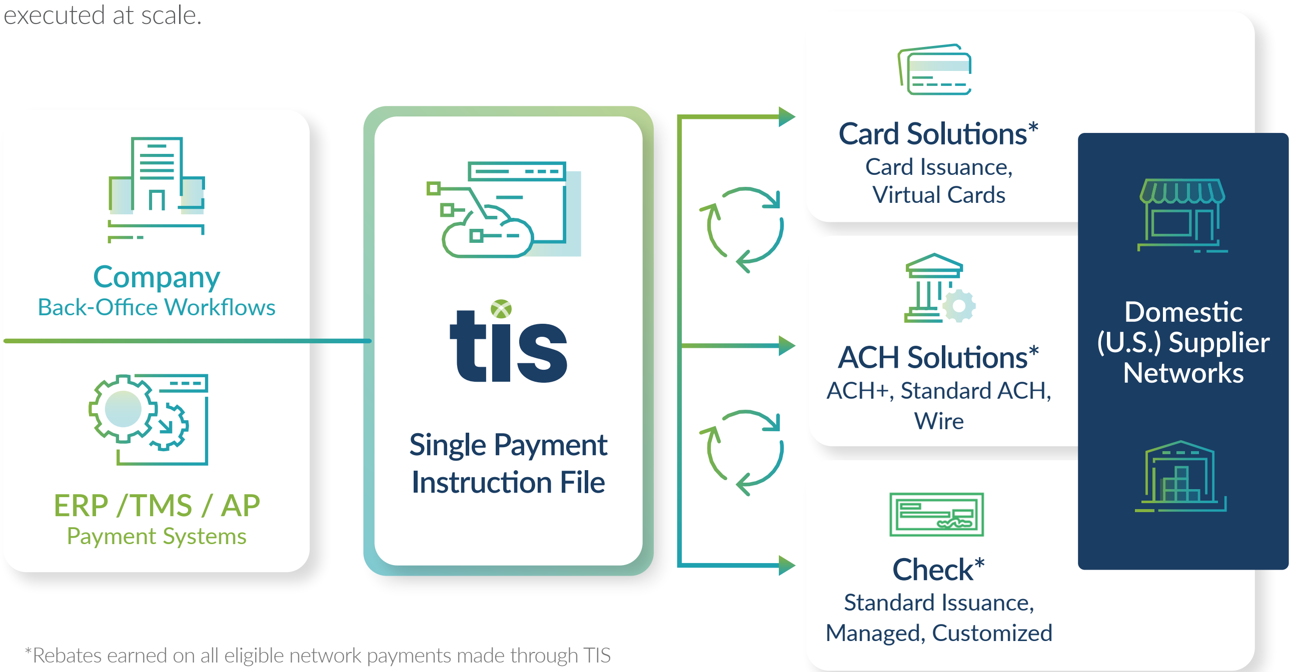
Gain Global Control Over Payments & Cash

TIS offers 11,000+ bank connect options and supports integration with all a company's back-office systems in order to provide global visibility and control over payments and cash.

Optimize Cross-Border & FX Payments

TIS' FX partners provide in-platform access to 140+ currencies and 175 countries so that companies can execute cross-border payments and trades in local currencies to incur less fees.

On the other end of the spectrum, there are also plentiful opportunities to optimize the use of domestic payment methods. In the U.S. for example, switching from physical checks (still a common instrument) to ACH can save time and effort, while other options like virtual cards may offer rebate or cash-back rewards. For companies that have a large network of suppliers and partners in the U.S., joining a rebate program or converting paper-based payments to ACH and virtual cards can provide substantial efficiencies and cost-savings, especially when such projects are executed at scale.



*Rebates earned on all eligible network payments made through TIS

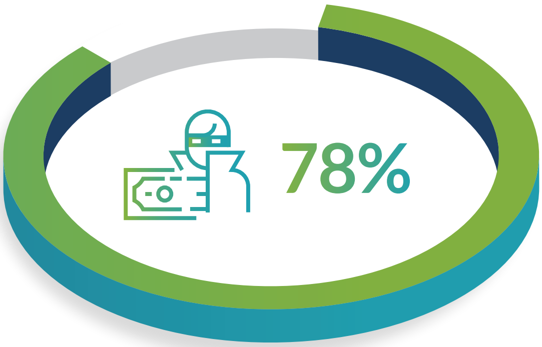
4. STRENGTHEN YOUR TREASURY SECURITY DEFENSES TO LIMIT LOSSES FROM FRAUD

As treasury works to refine their banking, technology, and payments structure, one additional consideration that could save the company from significant financial and reputational harm is the incorporation of robust fraud prevention and security controls. Given the longstanding and ever-growing prominence of fraud and criminal activity within the treasury and payments environment, it's almost a given that companies operating in the modern era will be targeted at some point. And there are a broad variety of potential threats – from invoicing and vendor fraud to BEC schemes, ransomware, and even internal or rogue employees siphoning funds by exposing gaps in back-end payment authorizations or bank account controls.

Looking at the data, over 87% of treasurers in 2021 indicated their company had experienced fraud attempts within the past year. Not surprisingly, this high frequency of attempts led to 4x more companies increasing their investment in fraud and security controls during the same year. And given that many of today's fraudsters are making away with thousands or even millions of dollars with each attempt, companies that lack sufficient protocols to monitor this activity are at great risk.

TREASURY FRAUD EXPERIENCES

78% of treasury and finance professionals believe the threat of fraud increased in 2023 from 2022.*



TREASURY'S SECURITY SPEND

10x more companies planned to increase spend on treasury security in 2023 compared to those reducing spend.*

* 2023 Strategic Treasurer Treasury Fraud & Controls Survey.

In order to consistently identify and prevent the loss of funds due to fraud, it is highly recommended that companies implement a multifaceted set of defences that are both technological and operational in nature. For instance, deploying segregation of duties throughout the payment process and requiring dual or multi-approval controls on all payments should be a standard practice. Deploying immutable user and system audit logs to track activity in your payment system is another highly encouraged practice. In addition, using tools such as TIS' Payee Community Screening (PCS) and alert management features enable practitioners to scan all their outbound payments activity for potential fraudulent or compliance issues in real-time, before payments are sent to banks for execution.

5 Ways TIS Helps Treasury Teams Prevent & Detect Payments Fraud

1. **Segregation of Duties** & Multi-Approval Payment Flexibility
2. **24/7 User & System** Auditing Features with Immutable Activity Logs
3. **Payee Community Screening** Tools to Monitor All Outbound Transaction Information
4. **Real-Time Alert System** to Notify Users of Fraud or Compliance Issues
5. **Configurable Payment Safelists** & Blocklists to Control Activity Within Company Networks

LEARN MORE HERE

Regardless of the security solutions chosen, the ultimate takeaway here is that treasury must recognize the threat that digital and cyber fraud poses in 2024 and take the necessary steps to protect their processes and systems at all junctures. Failing to do so could open the door for significant losses and severe legal or reputational harm, especially as criminals continue to grow more sophisticated with time. In the long run, investing in robust security controls may also end up saving the company more than any bank or technology rationalization projects, which is why it's listed as a top cost-savings opportunity for treasury teams to consider in 2024.

5. OPTIMIZE CASH & WORKING CAPITAL TO IMPROVE SHORT-TERM DEBT & INVESTMENT YIELDS

As the simplification of treasury's technology and banking workflows enables practitioners to achieve greater visibility to cash flows, transaction statuses, and account balances, they can begin exploring a whole new range of cost-savings and revenue generating opportunities. Over the past year, multiple treasury studies undertaken by firms like AFP and Strategic Treasurer have showcased that cash and working capital management are currently top priorities for treasury. In large part, this is because the ability to maintain 360-degree visibility and control over cash and working capital is what ultimately enables practitioners to optimize the assets at their disposal.

For instance, as companies are able to obtain complete visibility over their cash balances, identifying and then sweeping idle cash into short-term promissory notes, commercial paper, or other interest-earning options can result in a significant boost to revenue. Deploying this cash to erase existing debt or pay suppliers early in exchange for discounted invoices may provide a similar monetary advantage.

Cash Management & Forecasting on Treasury's Radar

*Current Priorities Within Treasury** (Percent of Organizations)	All	Annual Revenue Less than $500 Million	Annual Revenue $500 Million - $4.9 Billion	Annual Revenue at Least $5 Billion	Senior Treasury Professionals	Core Treasury Professionals
Cash management and forecasting (scenario analysis)	**68%**	70%	72%	65%	64%	74%
Liquidity and cash planning	**63%**	59%	61%	60%	63%	63%
Payments, treasury and related technologies	**46%**	56%	48%	47%	41%	55%
Bank relationship rationalization	**41%**	50%	34%	31%	43%	37%
Borrowing: long-term (capital funding/sourcing)	**29%**	24%	32%	28%	33%	23%

* 2022 AFP Strategic Role of Treasury Survey

OPTIMIZE CASH & WORKING CAPITAL TO IMPROVE SHORT-TERM DEBT & INVESTMENT YIELDS (CONT.)

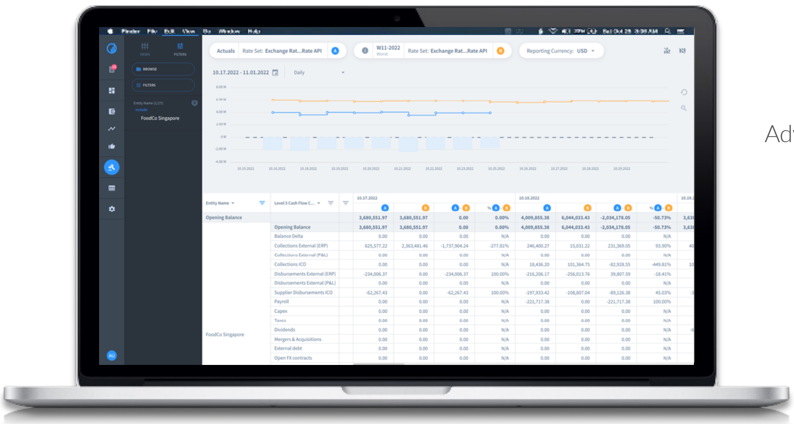
Going beyond just daily cash visibility, however, treasury is also relied upon to create timely and accurate cash forecasts that provide insight to expected cash positions at different intervals throughout the year. Achieving these forward-looking analyses gives treasury the ability to predict when excess cash will be available for short-term investments or yields, while also enabling them to strategically leverage debt issuances during periods where available cash may be limited. Incorporating the full span of relevant data into these forecasts -- including banking and payments data as well as invoicing, AP / AR, and procurement or sales data – is what ultimately provides the greatest level of accuracy.

As a final point, companies that are able to extend their analyses to capture the full spectrum of data related to their working capital operations will be able to unlock a unique tier of savings opportunities. This is especially the case for companies that can analyze unique vendor or supplier invoicing and payment preferences across specific regions, entities, networks, or countries. Ultimately, capturing this data can help dictate whether certain supplier financing strategies would be worthwhile to implement, and can also help treasury understand how to refine the payment methods and invoicing schedules they maintain with their supplier and vendor networks. In the long run, these types of insights will enable treasury to strategically adjust various elements of their cash conversion cycle to free up liquidity and ensure that funds are not tied up for unnecessary periods due to inefficient AP, AR, or overall working capital processes.

Cash Forecasting & Working Capital Insights With TIS

Collaborative Environment

- Streamlined Workflows
- Forecast Proposals
- Excel-Like data Inputs
- Audit Trails & Comment-Enabled



Rich Analytics

- Advanced Scenario Analysis
- Comprehensive Variance Analysis
- Intelligent & Visual Dashboards
- Export APIs & Data Transmission

Working Capital Insights that Drive Smart Forecasting Workflows & Analytics

Order-to-Cash & Purchase-to-Pay Behaviour, P&L-to-Cash Logic

Bank Statements
For Historical Insights

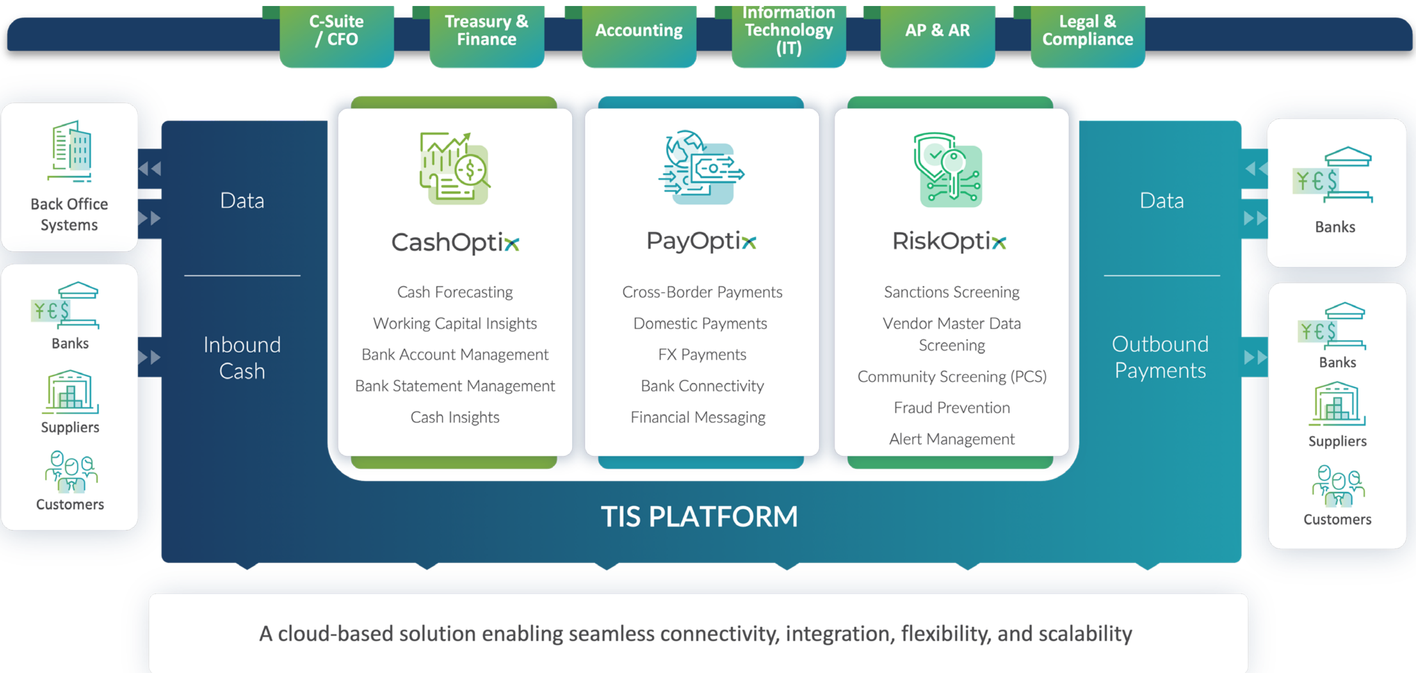
ERP & TMS Data
Via APIs & Direct Plugins

Other Sources
P&L, Sales Forecasts, etc.

FINAL THOUGHTS:
HOW CAN TIS HELP TREASURY UNLOCK NEW COST-SAVINGS OPPORTUNITIES?

In today's uncertain and volatile economy, it's essential that companies take every opportunity to minimize costs and maximize revenue. As we've seen with treasury, there are numerous areas where cost-savings and revenue-generation projects can be pursued. Whether it's through bank and technology rationalizations or improved payments execution and liquidity management strategies, treasury teams have numerous options at their disposal to impact the bottom line. Moreover, the benefits associated with many of these projects often create efficiencies outside of pure costs savings and include enhanced workflow automation, streamlined data management, and the elimination of error-prone, non-compliant, and fraud-exposed processes.

For organizations interested in pursuing any of these strategies or projects further, we strongly encourage you to consider how the TIS solution can help foster the desired outcomes.



At a high level, 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. Today, corporations, non-profits, and institutions all 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 enables businesses to improve operational efficiency, lower risk, manage liquidity, gain strategic advantage – and achieve enterprise payment optimization.

TIS BY NUMBERS

140+ COUNTRIES	250+ B2B CLIENTS	300+ EXPERT STAFF	30,000+ USERS
1k+ Systems CONNECTED	100k+ PMT PROFILES	11k+ Bank CONNECT OPTIONS	80k+ Bank ACCOUNTS
~50 Million UNIQUE PAYEES	$2.5 Trillion ANNUAL VOLUME	99.95%+ SYSTEM UPTIME	100% NATIVE CLOUD

All statistics represented are valid as of Q3 2023, unless otherwise noted.

Cash Flow, Liquidity & Payments.

Learn more at tispayments.com »

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