



# Cash management

**H**ow has cash management advanced in the last few years? What are the current issues? How much is fact and how much is fiction when you try to manage liquidity across Europe? We have an excellent and varied series of articles to challenge you on your preparedness and efficiency in international cash management.

First **Mike Nicholson** at Laporte plc sets out how his small treasury department manages to centralise global funds through an international pool at one bank and a series of domestic pooling and sweep structures with other banks. With some outsourcing and disciplined bank relationships, he shows how to keep tasks uncomplicated, and yield many savings.

Next we hear from Aon with its own and substantial client funds to manage and invest in accordance with a range of regulatory environments. **William Johnson** explains how Aon concentrates cash across portfolios and across Europe through a central investment vehicle – its own UCITS money market fund. You can find out the benefits and disciplines of such an approach.

To be of real benefit to the treasurer, cash forecasts must be accurate, timely and relevant. A number of software providers and tools can assist the treasurer to achieve this. **Raj Maisuria** of Marconi describes how, by using the cash management module of their treasury management system and Citrix, he will assist in the efficient collection, consolidation and analysis of global cash forecasts.

Next we hear from **Andrew Smith** at Diageo about the impact that the euro has made on liquidity management. He sets out the evolution of the pooling within the group using a pan-European bank and the key benefits gained. He also provides

a very useful checklist for euro conversion, including preparation for the withdrawal of legacy currencies.

Preparation for the introduction of euro notes and coins at the start of next year is a significant planning issue for companies with operations on the continent. **The Bank of England** has kindly allowed us to reproduce an extract from their latest *Practical issues arising from the euro* publication. If you, or your colleagues haven't yet read it, and are not aware of the issues such as the reduced periods for dual circulation, then here's your chance to catch up, before it's too late.

Last, and by no means least, we turn to the banks. We wanted to assess the actual usage and limitations of regional cash concentration and liquidity management, and to discover what their plans are for the coming years. So we asked financial journalist **Anne Querée** to conduct a mini survey followed up by interviews with a selection of banks. She has highlighted the extent of cross border notional pooling (with the case study of P&O), the impact of the Euro, attempts at harmonisation across Europe and the banks' plans for greater automation and usage of the web.

Once you have read all these articles, you should be in a much better position to assess your own company's cash management in light of the various currency, regulatory and technology changes taking place. You can then determine how best to prepare and enhance that cash management with the assistance of your colleagues, advisers, bankers and systems providers.

And if you want to check how up-to-date you are, the ACT's CPD team have devised a quiz... ■

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