



Outsourcing

The development and application of new systems technology when applied to the corporate treasury environment has provided a major focus for treasurers. This in turn has generated much interest and discussion through professional publications and especially at treasury conferences and such was the case at the ACT's inaugural UK Treasurers' event in Birmingham. However, my experience was that much of the conference talk outside (and, indeed sometimes within) the programmed sessions also centred upon the respective arguments for and against treasury outsourcing

Of course, the concept of outsourcing various parts of the treasury operation is not new but it is this very development of treasury technology which has empowered the providers to offer a more efficient service based on vastly improved electronic communications.

As ever, treasurers are under pressure to maintain an efficient operation whilst keeping costs to a minimum. They also need to maintain control over treasury positions and the management of risk and so our Spotlight this month concentrates on the opportunities and the concerns that may be generated by the concept of treasury outsourcing. As an independent observer, **Anne Querée** starts us off with a balanced overview of the market as it currently stands and then presents an intriguing 'future model'. **Ian Talbot** of JPMorgan reminds us of some pertinent data from the 2000 ACT UK Cash Management Survey regarding our appetite for treasury outsourcing in the UK (another one is due this summer) and looks at typical treasury processes that may be considered.

Declan Lynch of Vtreasurer in Dublin looks

particularly at the considerations necessary for smaller corporate treasuries and also draws for us the distinction between an application service provider (ASP) and a business service provider (BSP). **Mike Roden** of Global Treasury Services provides his views on the advantages of outsourcing and also addresses those important control issues with a suggested procedure to "help ensure maximum transparency and efficiency".

A first hand case study of how treasury outsourcing can be applied is provided by **Nigel Fox** of ARC International plc. We are taken through the rationale applied to the decision to outsource, including a recognition of the potential risks, and the factors applied to the actual selection of an outsourcing partner.

We have acknowledged the pivotal role in the development of treasury outsourcing played by advancing systems technology, and **Martin Boyd** of SunGard Treasury Systems looks specifically at the relevance of ASP to treasury. Clearly identified are the key service advantages and the potential issues. Our series of articles is neatly concluded by **Charles Aird** of Deloitte Consulting who looks at the course of the transformation of treasury to e-finance and indeed takes the discussion beyond the potential benefits relating to cost and efficiency to where the treasurer can obtain help in this transformation through the use of external service providers.

The articles raise a good number of issues and conclusions that potentially could have a major influence on the corporate treasury and I am sure they will generate healthy debate! ■

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