

Room for improvement

Greater cooperation, common standards from bank to bank and a return to relationship banking were among Phil John's pleas

➤ **Phil John, EMEA treasury director** at Mars Nederland, drew plenty of murmurs of approval and understanding from delegates as he outlined seven areas of his working life much in need of streamlining. While acknowledging the regulatory and commercial pressures banks face and urging fellow treasurers to contribute to debate rather than just 'throw stones', there was, John said, scope to improve data flow and communication. "I firmly believe that each of these wishes is practical from a technological point of view," he said.

Simple pricing

John's first wish was for simple pricing, particularly for transactions. Encyclopaedic requests for proposals (RFPs) are commonplace, he said, including one memorable 60-page terms and conditions document for a simple euro account. These hefty documents aren't always comprehensive. "We ask every bank to take the number of transactions we've proposed and multiply them by the price, and tell us what the annual price will be. It's an explicit request and still the RFP arrives and they haven't put it in there," he said.

A CORPORATE TREASURER'S WISH LIST

- Simple pricing
- Digital billing
- Multi-bank solutions
- Digital KYC
- Digital country summaries
- STP
- Relationship banking

Digital billing

The lack of consistency bank to bank on billing formats causes hours of manual labour within the Mars treasury office before any analytics work can begin. A common electronic format capable of populating a spreadsheet would be one answer, as with the EDI 822 format in the US. The Twist initiative to validate collections and payment data in the UK and Europe does not appear to have gained traction. "There is bound to be some systems investment on both sides," John said, "We have all the data; it would be great to agree on a common language."

Multi-bank solutions

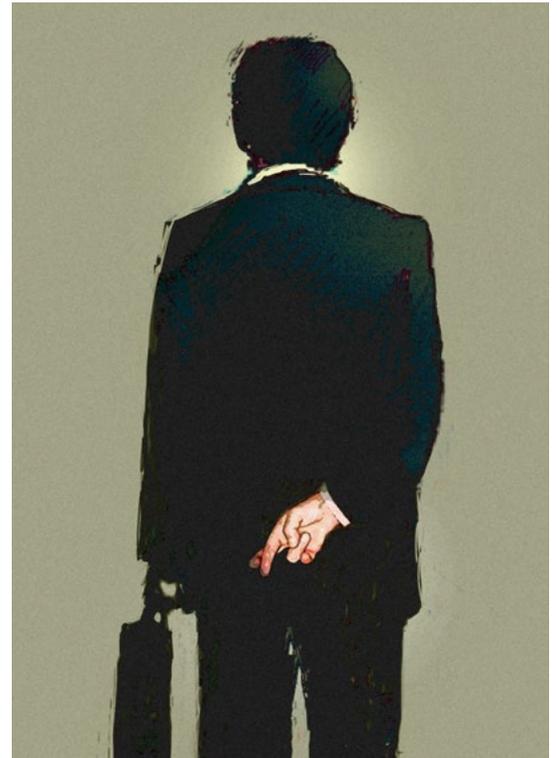
An environment with few common standards and multiple systems and interfaces is an opportunity, said John, providing banks can be persuaded to collaborate on issues such as payment standards, and provided corporates are prepared to make short-term system investments. His current situation, coping with 20 different eBAM systems, for instance, is unworkable, he said. Global standards and an approach that brings ease of use would provide streamlining benefits all round.

Know your customer

The issues that corporates and banks face around know your customer (KYC) – mounting requests for documentation and lengthy on-boarding procedures among them – are familiar across the treasury profession. According to Thomson Reuters, there were 43,420 regulatory updates for KYC in 2015 – or one every 12 minutes. John's wish: a digital KYC with a properly secured universal corporate profile valid across multiple banks.

Digital country summaries

A single go-to source that answered basic questions country by country would



represent a significant advance on the current situation, said John, which involves going to multiple bank databases to piece together information on facilities such as notional pooling or netting. "It would be great if we could have a single source and it would be great if it could be outside of the banks altogether," he said.

Straight-through processing

While John is fairly happy on the payments side, full straight-through processing (STP), including rejections, is still some way off. Feedback on the reasons behind a rejection via an industry-recognised set of codes would save time for both banks and corporates. Mars has many promotions across its product range and multiple sales systems also. An increased, but standardised data flow would help this situation, he said.

Advice, not sales

"I know that markets are tough and that rates when we borrow are tight," said John, "but I would much rather go back to relationship banking." Annual reviews at Mars score banks on relationship issues 50% of the time. "The biggest gains in relationship banking have been made by banks who were prepared to sit down and talk to us without knowing whether they would win the business or not. It's all about building relationships and developing an advisory culture," he said. ♦