WORK SMARTER

CAN TREASURERS USE SOFTWARE TO TURN DATA INTO ACTIONABLE BUSINESS INTELLIGENCE? LESLEY MEALL GOES LOOKING FOR ANSWERS

What is business intelligence? "Good question," says one treasurer. "But if I'm truthful, I have absolutely no idea." While another responds with an unequivocal: "It's my Bloomberg terminal."

Ask an analyst this question and the responses are less straightforward or transparent (see box on page 39), and tend to be more inclined towards product definitions.

So perhaps enlightenment will be easier to find in the gap between these extremes? Somewhere treasurers can share their expectations or experiences of business intelligence (BI) and analytics, without getting distracted by the differences between them, or blinkered by their love affair with their Bloomy.

"We have reduced the impact of unplanned events on cash management by using analytics software to detect patterns in the filing of warranty claims," explains the group treasurer of a global manufacturer.

Another treasurer says: "Monitoring the compliance of bank and credit card users with the company travel policy has reduced expenses costs, and it has also helped treasury to improve working capital management." Meanwhile, a third treasury professional says: "We

recently started using business intelligence software to manage counterparty risk and FX exposure. It seems like an improvement. It's definitely a step up from using spreadsheets."

Treasury software solutions began with workstations that automated treasury tasks and generated accounting entries, and many treasurers still equate business or treasury intelligence with

offerings from market data specialists Bloomberg and Thomson Reuters.

But treasury teams that want to gain insights to improve their decision-making now have a plethora of software solutions at their disposal: as well as dedicated treasury management systems (TMSs) and modules in enterprise resource planning (ERP) systems – both offering

built-in BI tools – there are dedicated BI and analytics systems that can pull in data from multiple internal and external systems.

More or less
You can have too much of a good thing, as Hunt Companies (a developer, investor and manager of land and buildings) discovered when a recent acquisition left it with

two disparate and ageing treasury platforms.

It wanted to make smarter, more informed decisions about its investment portfolio and strategy, but the legacy systems couldn't deliver comprehensive visibility of cash position and forecasting. So Hunt opted for a single cloud-based TMS (from Kyriba) that can streamline treasury, integrated ERP and bank connectivity, plus built-in tools for BI, analytics and reporting.

David Miller, treasurer and senior VP at Hunt Companies, says: "One of

In the past year, for example, SAP has leveraged its database and application platform SAP HANA to update the SAP Business Suite (making it easier to pull in unstructured data from the web) and to power the rapid data analysis of its integrated offering, SAP Simple Finance and new component applications, such as SAP Cash Management.

Fast and loose
SAP Cash Management removes the need to system-hop for liquidity forecasting and cash-flow analysis. "This

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our key selection criteria was the ability to streamline and improve our bank connectivity and payments."

With more than 700 bank accounts, this can save the business a lot of time, but Miller is also using the TMS to help to standardise payment processes and improve payment controls. And because it has integrated BI and analytics tools, including dashboards, the TMS can also deliver the sort of actionable data and insight that can help Hunt's treasury team to become more strategic.

The ERP is a financial workhorse, but it is not always the easiest system for treasury to extract actionable information from; hence the popularity of the TMS and other tools that integrate with ERP. But ERP providers are making it easier to access treasury and risk management functionality with strong analysis and reporting capabilities.

application has the potential to improve planning accuracy and to optimise our processes in the treasury department," says Patrick Spendler, director of treasury at home appliance manufacturer BSH Hausgeräte GmbH, adding: "The results we have seen are very compelling." It doesn't just provide treasurers with the ability to do drill-down analyses into global bank balances and cash positions on the fly – it does this so fast that it actually merits the description 'real time'.

For some in treasury, a dedicated solution offering specialist analytics can be the best route to actionable data. Loren Crannell, a senior treasury manager at technology company Symantec Corporation, actually divides his two-decade career into "before and after Clearwater" – his investment portfolio analytics and reporting system of choice.

"It allows me to make better decisions faster,"

says Crannell. Because it automatically aggregates and reconciles data daily, he can quickly respond to questions from the treasurer or the CFO, such as: "What do we own?", with reliable information, which has helped to build the credibility of the treasury team and the Symantec investment portfolio.

When it comes to BI for the treasury function, general-purpose tools can also deliver. The award-winning treasury team at Omnicom, a global marketing and communications specialist, has used IBM Cognos Business Intelligence to great effect on a number of projects, which has enabled it to improve cash flow, better manage risks and hold down bad debts. For example, after using it to build a global database of bank accounts and daily feeds of balance information, five years ago, when the Greek debt crisis made a messy Grexit seem likely, Omnicom was able to move millions to safe havens within hours – perhaps not for the last time.

What and if
While some treasury teams can explore the latest and greatest software innovations, others must instead do more with less, which can mean a spreadsheet-based BI initiative – such as one undertaken by Microsoft group treasury (which is an

in-house bank for more than 250 country subsidiaries).

"We turned Excel into our interactive BI dashboard for a complete view of cash and bank operations," says Colin Kerr, who was industry solutions director at the time (and is now an executive at Bank of America Merrill Lynch). Kerr shares details of the project, based on widely used Microsoft tools, at blogs.microsoft.com/business-matters/tag/treasury

First the data was standardised. Reporting was streamlined using SWIFT ISO XML 20022 for bank statement reporting covering 99% of global cash. Microsoft BizTalk Server was used to integrate multiple systems and automate posting and reconciliation. Then, BI tools in Microsoft Office were used to analyse and interpret the data being stored in an SQL Server database, and to enable the treasury team to improve cash management, better visualise risk analysis and improve decision-making.

So, although some treasurers may see anything other than spreadsheets as a step up, making smart use of spreadsheets is still a step up for some treasury teams. ⚜

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