

TREASURY TECHNOLOGY GUIDE

2023 Edition



Treasury Dragons
technology on trial

Join the Treasury Dragons live online

How do you decide what's the best treasury management system for you? To answer that question, we've assembled a panel of experienced treasurers - the Treasury Dragons - to ask the right questions on your behalf. In short, sharp presentations you get to see the highlights of each treasury-enhancing system on offer - and then they will face some challenging questioning from our panel of treasury experts.

All you need to do is decide which elements of your treasury operation you'd like to improve, and then either tune in to the live online pitch session or watch the recording. Busy treasury teams know that a one-hour pitch session with the Treasury Dragons can do more to help them choose the right technology than weeks of internet research.

Cash Forecasting	14th March	➔
Bank Account Management	4th April	➔
Corporate Payments	18th April	➔
In-house banking & cash pooling	16th May	➔
Bank Fee Analysis	13th June	➔
FX Risk Management	11th July	➔
Fraud Prevention	12th September	➔
Cash Visibility	10th October	➔
Bank Connectivity & Format Conversion	14th November	➔
Treasury Reporting	12th December	➔

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Treasury Dragons
technology on trial



An era of consolidation and innovation in treasury technology

This 2023 edition of the Treasury Technology Guide from Treasury Dragons provides a welcome opportunity to review the state of the market for treasury management systems - and it is one that is constantly changing.

Since Treasury Dragons began life in 2020, there has been significant consolidation as 'best of breed' specialist technology providers work to build up a full-service treasury management offer.

In the past year, payments specialist TIS has acquired cash forecasting expert Cashforce. Before that, Opus Capita and Analyte had joined forces to become Nomentia, while Coupa added the former Bellin to its stable before itself being acquired by private equity firm Thoma Bravo.

The banks have not been idle. As well as partnership or distributor announcements (such as that between Trovata and Santander), there have been acquisitions such as BNP Paribas acquiring FX specialist Kantox.

While all this is happening, there is no shortage of new entrants to the market, often targeting mid-sized companies but all with an eye to eventually tackling the very largest corporate treasury opportunities.

For corporate treasurers looking for solutions, this can be a challenging environment to navigate. That's why we launched The Treasury Technology Guide, the fastest way to see who's out there and the ideal companion to our monthly online 'pitch sessions' in which treasury technology solution providers each have seven minutes to show what their systems can do.

As you will see in the pages that follow, treasurers have a clear sense of their priorities for the year ahead. Cash forecasting is never far from the top slot, but wider treasury automation and improved reporting for non-treasury colleagues are emerging as key areas for investment.

I hope you find this guide useful and I look forward to seeing you at a future Treasury Dragons event.

Mike Hewitt

London, January 2023

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Greater automation tops the ‘wish list’ for corporate treasurers – with cash forecasting close behind

Treasurers plan to invest in technology in the year ahead – but they have clear ideas about what they want from their solution providers, as revealed in our latest Treasury Technology Survey.

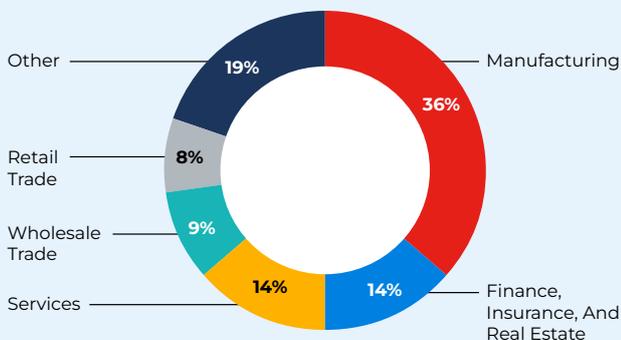
About the research

We received 198 responses to our survey, and held telephone interviews with 15 of those to add greater depth to our findings

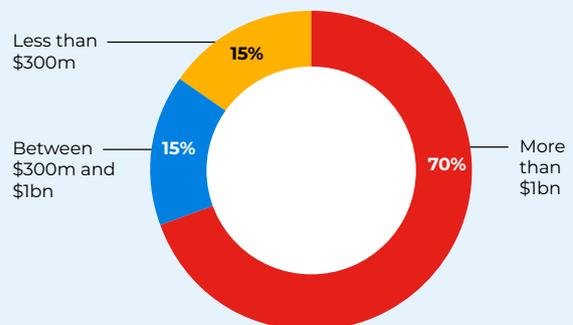
About our respondents

- The largest group of respondents (36%) were in manufacturing.
- 72% were in Europe, 19% in North America
- 70% worked in companies with annual revenues of more than \$1bn
- 65% are using SAP as their main ERP

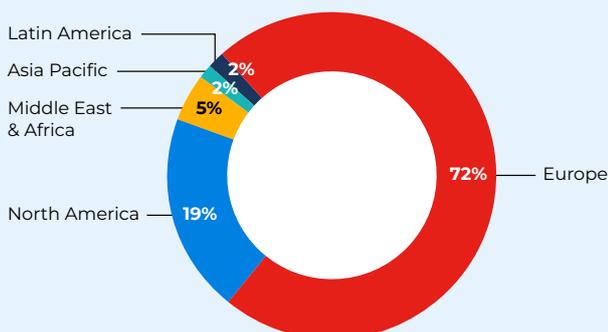
What industry sector are you in?



What are your organisation’s annual revenues?

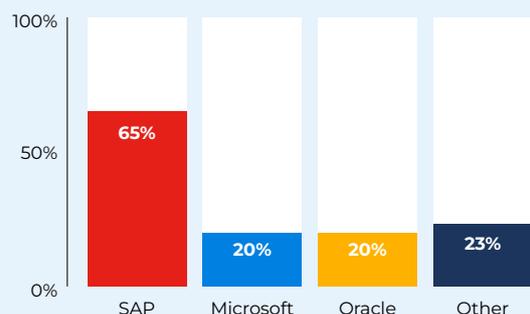


In which region is your treasury function located?



Which ERP systems does your company use?

**Some users are running more than one ERP so total is more than 100%*



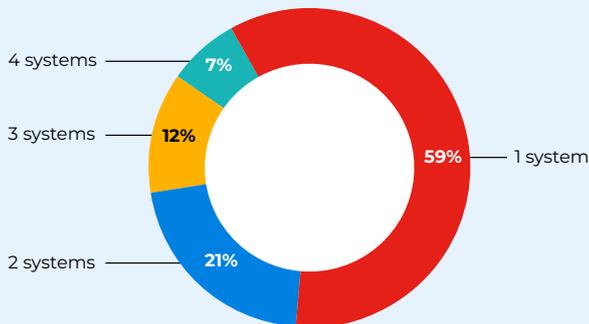


The systems they use

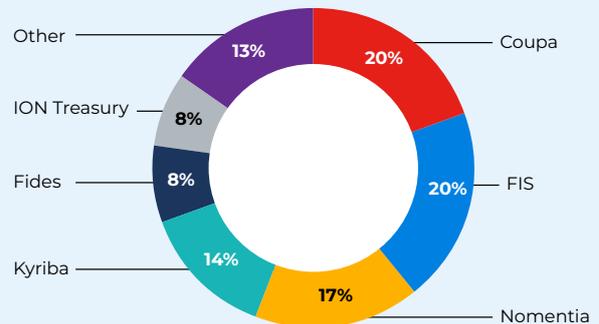
Asked to name the systems they are using today, more treasurers cited Coupa and FIS than any other vendor, with Nomentia in third place and Kyriba, Fides and ION close behind.

More than 40% of treasurers are using more than one treasury technology solution and a significant minority (7%) are using four or more systems.

How many systems does your organisation use?



Which of these systems do you currently use?



Since the start of the Treasury Dragons project in the dark days of the pandemic, the idea of 'best of breed' systems, each tailored to a specific task, has been central to the way we think about treasury technology. Rather than a 'jack of all trades' treasury management system, treasurers can pick the very best tools for the job and expect them to play nicely together through seamless connections – often through APIs.

In this year's survey, we asked treasurers how that was going, and the answers we received show there is still considerable room for improvement.

Let's start with the fact that 60% of treasury teams in even the largest organisations still work with just one platform. Then let's combine that with two items our treasurers put on their 'wish list': Seamless connections with banks and ERPs, and a 'single sign on' rather than multiple usernames and passwords.

The picture that emerges is one of treasury teams sometimes battling with their technology to achieve what they want.

Support from internal IT teams is often hard to access, and getting approval for budgets to add new functionality is never an easy task.

Treasurers are always hard-pressed, both for time and resources, and anything that stands between them and complete efficiency in their processes is a problem.

That's the twin challenge for treasury technology providers: to offer greater functionality while at the same time not adding to complexity.

We will watch with interest in our live Treasury Dragons pitch sessions this year to see how solution providers respond to these challenges. For now, let's dive into the detail of what the 2023 Treasury Technology Survey revealed.



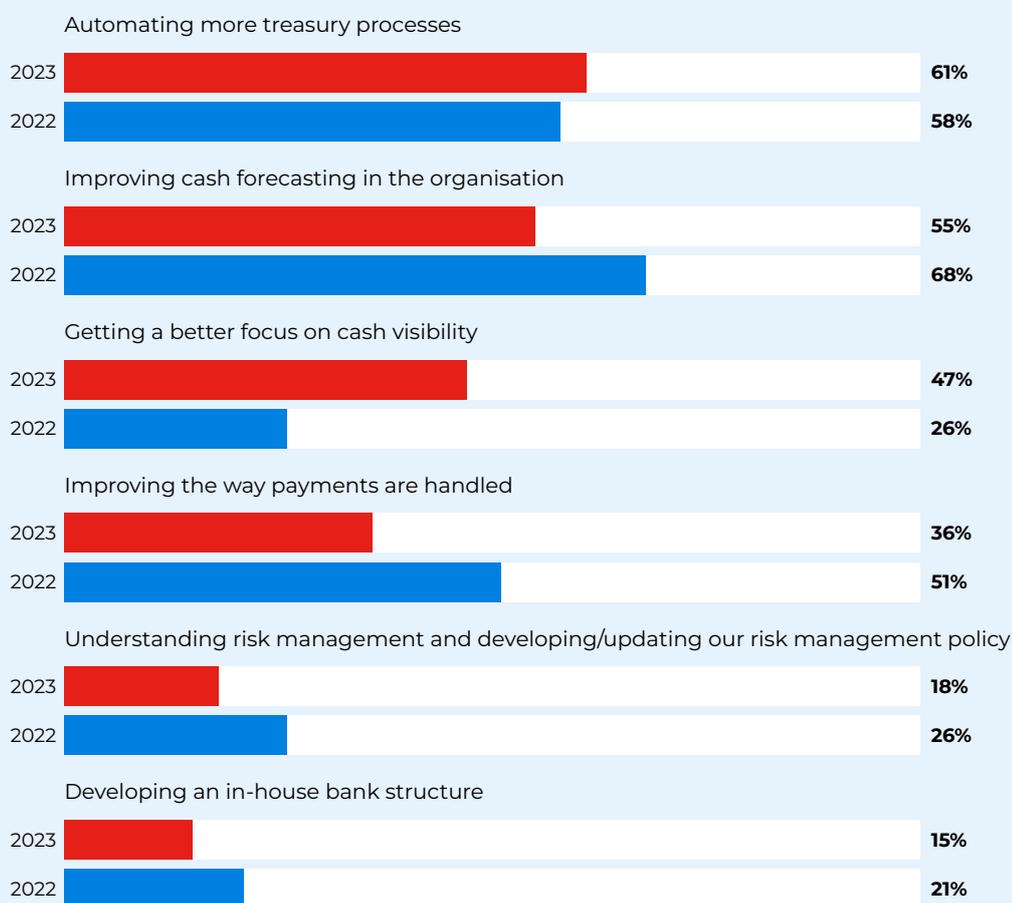
Priorities for the year ahead

Greater **treasury automation** is the top priority for treasurers in 2023. 61% of treasurers named 'automating more treasury processes' in their top three priorities, up from 58% a year ago.

Cash forecasting, while still a clear priority, was named by 55% of respondents, slightly down from 58% last year. This small drop may be due to increased investment in this area that has already happened over the past 12 months.

Cash visibility was cited as a priority by 53% of treasurers compared to just 26% last year.

What do you see as your top three treasury priorities for the next twelve months?





A complex road to treasury technology purchases

Given the clear priorities expressed above, it might be expected that treasurers would be moving fast to bring in new technology to support those objectives. However, far from being a simple process, treasurers face many challenges in adding functionality or switching to new platforms.

While some in smaller companies have a freer hand, in larger organisations there are multiple stakeholders to be consulted and, often, a ‘pain barrier’ to uprooting an existing treasury management system, however unsatisfactory it may be.

One group treasurer in a large pharmaceuticals company had recently introduced a new system to handle corporate payments. “I had to align with IT and also accounting - the guys responsible for the payments. IT had more or less a veto about security issues.”

Another treasurer from a mid-sized foods business had inherited an 11-year-old legacy TMS that switched from

on-premise to cloud only last year. Looking to improve cash forecasting, she was told that new modules were available but would come at considerable extra expense. “Why did that happen?”, she asks. “I’ll be drop-kicked out of the boardroom if I go looking for another 80 grand to spend on an upgrade project!”

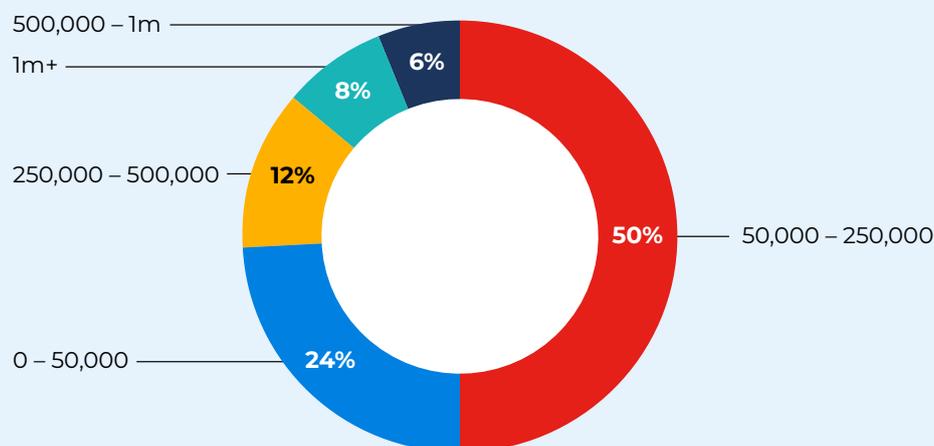
“I’ll be drop-kicked out of the boardroom if I go looking for another 80 grand to spend on an upgrade project!”

Technology preferences and budgets

Despite the continuing rise of ‘best of breed’ solutions addressing specific areas such as cash forecasting or payments, there remains a clear preference among treasurers for systems that can do most if not all treasury tasks. 56% of respondents say they will look for a full-featured treasury management system to tackle the challenges that lie ahead, compared to 44% who prefer to use ‘best of breed’ solutions for specific needs.

Budgets remain fairly static compared to 2022, with half of treasurers planning to spend between \$50,000 and \$250,000 in the coming year.

What is your (USD) budget for treasury technology in the coming year?





Is treasury becoming more important?

Last year many treasurers reported a new emphasis on liquidity during the pandemic and in today's high-interest rate environment, that show no sign of going away. More than 60% of our treasurers feel that the treasury function has become more important to their business over the past year.

Among the most common reason cited by those who said treasury was gaining in importance was an 'increased focus on cash', while the 8% who said it was becoming less important tended to cite company-specific factors such as an new CEO with no treasury background.

Changing levels of treasury automation

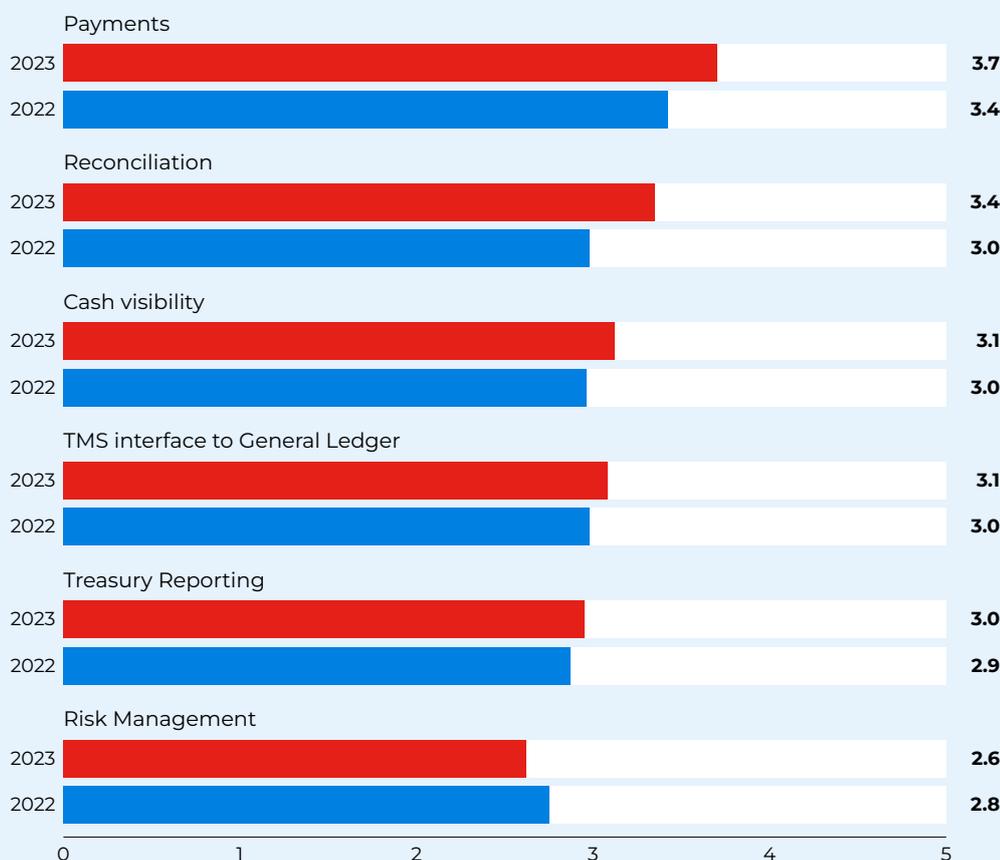
The drive for automation of treasury, expected to be one of the few positive outcomes of the pandemic, does seem to have played out in practice.

Reported levels of automation are up in almost every area, with only risk management appearing to have taken a backward step.

Payments remains, on average, the most automated area of treasury. The average figure for **treasury management system interface to general ledger** conceals a significant divide between the 29% who said it 'wasn't at all automated' and the 21% who said it was 'fully automated'.

The very low score for treasury reporting highlights one of the key topics to come out of our interviews: However sophisticated the treasury platform, delivering data in a usable format for a non-treasury audience is still often a case of manual work in Excel or, at best Power BI or another specialist reporting tool.

How automated are your current treasury processes? (1= mainly manual 5= fully automated)





What do treasurers really want from their technology providers?

Looking ahead, treasurers are asking some interesting questions of their treasury technology providers. We offered each respondent a 'magic wand' to have any solution they liked developed for them.

Here are some of the most-mentioned 'wish list items:

1. Better cash forecasting

Both in the survey and in our one-to-one interviews, the difficulties of generating a cash forecast that had even a distant relationship to reality were a constant topic. As one group treasurer in a global commodities business said:

"We are aware that across the Group, we've had problems with forecasting and it's largely a materiality point. We've got different business units, which will have small misses, but when you aggregate those small misses across the different business units, we get a large miss at the corporate center."

In conversation, some treasurers were fatalistic and reckoned that the issue was people, not technology. Yet there was a widely-shared yearning for a better solution.

2. Seamless connections between banks, treasury systems and ERPs

In the era of APIs, it's tempting to assume that the problems of inter-system connectivity are well on the way to being solved. Yet our treasurers report that many banks have yet to catch up with the API era and that connections between different cloud systems are often still problematic.

3. Better solutions for reporting

The 'last metre' between a TMS system and those who want to see the numbers is still an area for improvement. As one treasurer in a global manufacturing business put it:

"Our reporting definitely needs work, because CFOs want to go into a dashboard. They want to 'click around' and they want to go deeper into the numbers. If you just produce a PowerPoint or an Excel sheet, then you don't have the ability to drill-down if they have questions like, 'Where does this number come from?' Power BI can help, but it's coming up more and more than we'd like 'interactive reporting', if you want to call it that."

4. A single solution – or at least one sign-on

When we spoke to some of those treasurers running more than one system, a common cri-de-coeur was to have a single sign-on for all of them. As one

treasury systems manager in a large multinational said:

"When you cannot really combine everything in one tool, you should at least ensure that they can talk to each other. You shouldn't need to manage all the users and all the various systems. You should just have to manage one system. You just need to have one username and password."

"I would like the tools to communicate with each other better. If you have got standard plug and play interfaces, like APIs that is possible, and there is a standard format for them to communicate then it would be great."

"You shouldn't need to manage all the users and all the various systems. You should just have to manage one system. You just need to have one username and password."

The future: An integrated treasury

It's clear from our research that many, if not most, treasuries are still far away from the fully-automated, integrated future that we often see demonstrated on Treasury Dragons.

There is clear demand for better performance from existing vendors in areas such as cash forecasting and reporting, but also a reluctance to manage multiple systems, even if each element can offer better performance.

Those vendors who can at least match best-in-class performance in these key areas, yet offer the convenience of a single platform with seamless links to other systems, are likely to win out.

ONE PLATFORM FOR ALL YOUR BANKS, ACCOUNTS, AND TRANSACTIONS.

Are you spending too much time working with spreadsheets and bank portals? Do you lack the cash visibility you need? With Fides, you get everything you need for efficient cash and liquidity management, with or without a TMS or ERP system in place. **To learn how Fides can help you overcome your multibanking challenges, visit www.fides-treasury.com or contact us at hello@fides-treasury.com**

Request a Demo



fides.ch/en/multibanking



Reach Further. Connect Faster.



We centralize and simplify multibank connectivity and transaction communication – globally

The demand for real-time transactions, speedy reconciliation, better cash visibility and increased efficiencies is at an all-time high. To reach these goals, accurate, usable bank data and communications are a must. This is where Fides can help.

The challenge for connectivity

From determining the best channels to ease of connectivity to time-to-market, corporates face numerous challenges when setting up bank communications.

Building connections with many large, global banks is slowly getting easier with the advent of APIs, but it's still a complex and time-consuming task. And for organizations that need to onboard smaller banks, banks in emerging countries, or banks that have decentralized branches, it can take a lot of paperwork, specifications and instructions.

Connectivity with visibility and compatibility

A multibank connectivity provider like Fides can deliver the process automation you need to save time and reduce risk. The modular Fides Multibanking Suite gives you complete visibility into and control over your banking connections and transactions, with secure access from any location. Administration and approvals are controlled through a single tool, with a single sign on, saving time and effort while providing visibility into all aspects of workflows.

With Fides, it's easy to send messages and payments of any format at any time, to any financial institution anywhere in the world. The scalable Fides Multibanking Suite lets you add more banks, accounts and payment providers as needed. It can be used as a standalone solution or with any TMS or ERP. You can even connect Fides to multiple treasury management and enterprise resource planning systems at the same time — which can be a great benefit for mergers, acquisitions, or centralization initiatives.

Even if you already have a TMS or ERP in place, engaging a third-party bank connectivity provider can be a smart move. There's no guarantee that your bank's message

format for transactions and reconciliation will be compatible with every TMS or ERP. And with a solution like the Fides Multibanking Suite, you expand your options for connection channels, messaging formats, conversions, sanction screening, and validation. You also gain the benefits of flexibility and portability: if you choose to change TMS or ERP vendors in future, you will not lose any of your bank connections or have to rebuild them from scratch. During a migration, Fides can run connections to your banks in parallel, ensuring business continuity.

A range of opportunities

Fides clients can also opt to take advantage of a growing selection of complementary financial solutions available through the Fides Multibanking Suite. From FX to money markets, cash pooling and beyond, the Fides multibanking ecosystem offers easy access to innovative solutions from trusted partners. This “one-stop shop” approach makes the Fides Multibanking Suite a great entry-level corporate treasury solution.

Whether independently or with a TMS or ERP, Fides gives you the efficiency, scalability, and flexibility you need to streamline treasury operations. And best of all, Fides has a team of experts available to help you every step of the way.

For more information, visit www.fides-treasury.com



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