TREASURER'S GUIDE
to Digital Transformation

TROVATA

Treasury in Transition

The Treasurers of yesterday, did their work with pens and paper. Slowly over the last fifty years, Treasurers have begun adopting new technology, to increase the scope and efficiency of their department.

Many Treasures are still using legacy systems and spreadsheets, despite the fact that they have far more tools available to them, than ever before. The digital revolution is offering an alternative to these traditional and highly manual forms of cash management.

Understandably, with every digital wave comes a natural skepticism and aversion to change. While this "disruptive" technology will change treasury, it will not replace Treasurers. It will give Treasurers the tools to do their jobs better, and faster than ever before. By evolving with the technology you will gain new skills and expand the scope and importance of your role.

> **" Whilst the adoption of digital technology will often be driven by the business or the market, there are many cases where treasury can and should play an active role in shaping these new models. "**
>
> **— Global Treasurer**

Being an advocate for change and getting some skin in the game early means that you have the ability to help digitally redesign your department. By leading the charge you can be an educator and informational resource for your team.

Automating the Treasury Department

> **" Traditionally, the treasury technology space has contained limited players, with the banks and a handful of technology vendors at the heart of this... So when the term 'innovation' is banded around, what it often actually means is an existing product tweaked or repackaged. "**
>
> **— Treasury Today**

Thankfully this is no longer the case. Whereas the technology available to Treasurers used to be limited to the solutions offered by a few providers, the development of open-banking APIs has allowed for third party apps to specialize and provide treasurers with more options, uniquely tailored to their line of business.

APIs

Do you remember the tin-can phones that we used to make as kids? These incredibly advanced pieces of technology were created by connecting two tin cans through a hole in the bottom with a piece of string. When the string was pulled tight, the two tin cans transformed in walkie talkies. Well simply put, an API is like the string that connects the cans. APIs act as a digital communication bridge between banks and third-party applications. The game changing aspect of APIs is that they share data in real time. Meaning, you can access a real time view of your cash position across all of their banks. No more endless bank logins, no more sifting through end of month bank statements. With the adoption of APIs in banking, Treasurers now have access to high quality cash data, on demand.

These new data pipelines allow specialized apps to offer services that streamline existing cash management processes. Cash management solutions can use API integration to provide clear and immediate cash visibility, aggregate and store historical bank data and even begin to automate treasury tasks that used to require substantial human intervention.
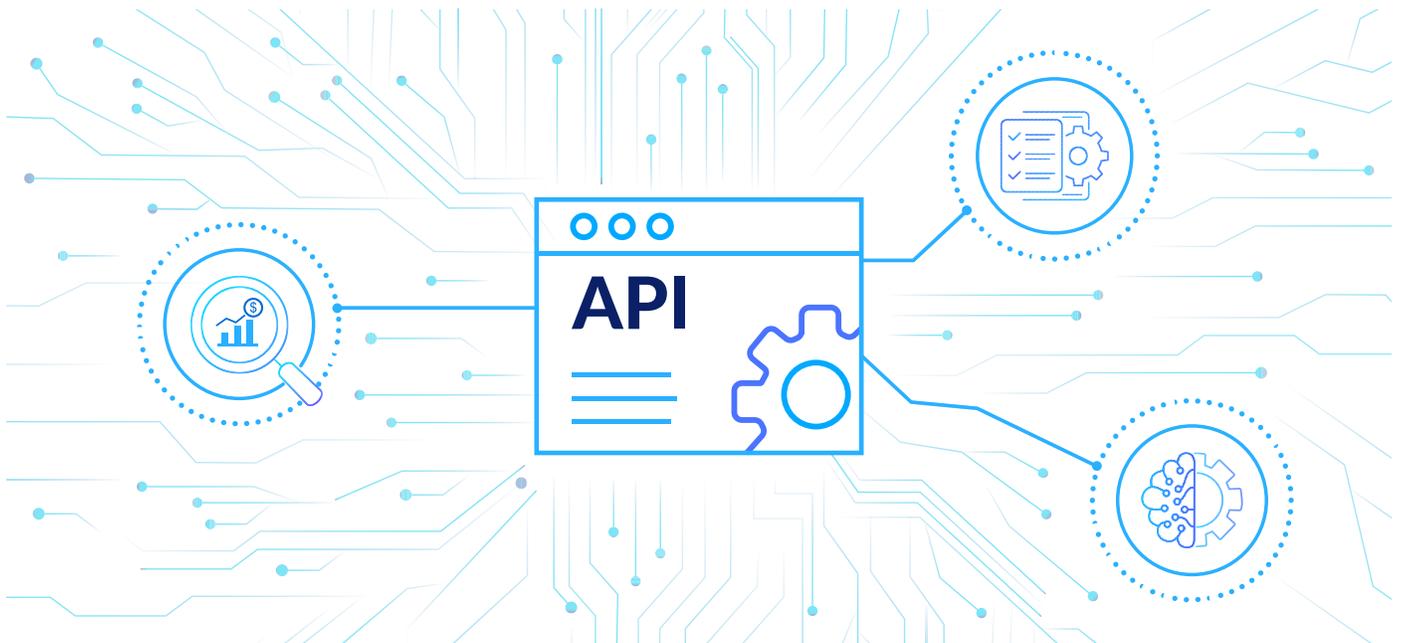
AI and ML

Artificial Intelligence (AI) is essentially a really smart computer program. AI programs can learn for themselves and execute tasks without the need for specific commands. Artificial intelligence can streamline cash management processes to minimize human intervention.

> **...the 'current state' of AI, where machines can 'learn' how to process data in a manner that allows them to identify optimal solutions and make informed decisions.**
>
> **– Strategic Treasurer**

The application of machine learning algorithms in cash management is changing the way Treasurers view and create reports. These algorithms are taught to quickly sift through data, spot financial trends, and do so without human bias. Applications can now integrate ML algorithms to analyze historical data trends and apply them in forecasting. This not only reduces the need for human intervention, but it makes the forecasting process more accurate. This new wave of automated forecasting is enabling treasury departments to set realistic, data driven financial targets for their organizations.

RPA

It is easiest to think of Robotic Process Automation (RPA), as a virtual workforce. This digital team uses existing software to complete repetitive tasks. RPA can automate much of the manually tedious data entry work, which leaves you with more time for analytical and strategic tasks. RPA technology is also being applied to normalize data, like standardizing income reported in multiple currencies.

> **RPA is also being used for many other repetitive processes such as checking account signatories against HR records, aggregating business unit forecasts, prioritising payments for execution in a payment factory, checking transactional volumes in a bank statement against recorded volumes in an ERP platform or Treasury Management System (TMS) to validate bank fees, monitoring market trends and initiating an alert or execution request when a market trigger level is reached.**
>
> **– Global Treasurer**

The evolving role of the treasurer.

The world is changing and so is treasury. Instead of pulling data and creating reports, Treasurers are now expected to have strong soft skills, develop and maintain bank connections, and analyze the reports generated by computers.

On their blog, Treasury Today dives deeper into the idea that the role of the Treasurer is changing. "In many aspects the focus on digitisation directly correlates with the ever-expanding role of the corporate treasurer... The remit of treasury is now much wider. Activities such as risk management, corporate finance and financial control are all now commonly found in treasury functions. But more vitally, the treasurer is expected to be a strategic business partner – constructing and co-ordinating a coherent treasury policy to make best possible use of a company's assets and the latest treasury products, services and trends and then communicating this to the board."

What can you do to future proof your role?

As new technology establishes its place in the treasury department it is important to remember the technology is a teammate, not a competitor. Here are three ways to ensure that you are evolving with the technology.

1. Build a tech-savvy team

You should be looking to hire people who not only support your digital vision, but can add to it. While you need someone with a strong understanding of the numbers, you also need someone with a solid digital foundation.

"For example, should your next hire be a finance graduate or a data scientist? A finance operations expert or process re-engineer? A treasury expert or a banking expert?"

-Global Treasurer

2. Leave legacy systems behind

While it might be difficult to convince shareholders to part with the legacy TMS, you understand your department better than anyone. You need a system that can provide you with real-time data, can integrate the latest technology and can grow along with your organization.

3. Learn

Lastly, it is important to continue to learn, and develop your digital skills. Technology is constantly evolving and you are going to need to keep pace. Sharpen your digital skills by reading about the latest in treasury technology or even taking introductory courses in computer science.

The Strategic Treasurer says it best, **"So, the final advice for treasury? Spend time studying the developments and applications of leading technology solutions. Be proactive in identifying areas where your company could benefit and where your operations could be streamlined. Learn how you can best modify your roles to coincide with the strengths of new technology applications so that your department can function at the highest potential. The age of autonomous robots has not yet arrived. The age of the tech-savvy treasurer, however, is right around the corner."**
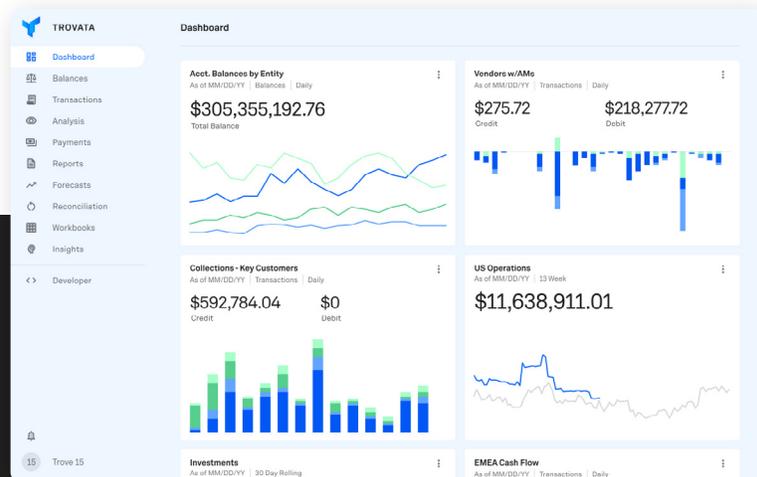
Trovata directly integrates with banks and provides its users with real-time cash visibility. With Trovata, cash positioning is fully automated and users gain access to built-in business intelligence tools to visualize, analyze, report, and reconcile cash flows.

Unlike other providers in the space, Trovata can be installed in a minimum of a few hours. Contrary to legacy TMS, Trovata offers affordable set-up and maintenance fees. We have made it easy for you to quickly answer questions like "How much cash do I have?" and "Where is it going?". Trovata saves time in cash reporting and analysis, and gives Treasurers updated cash visibility, by sending daily reports straight to their inbox.

To start your journey toward digital transformation, request a demo today.

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