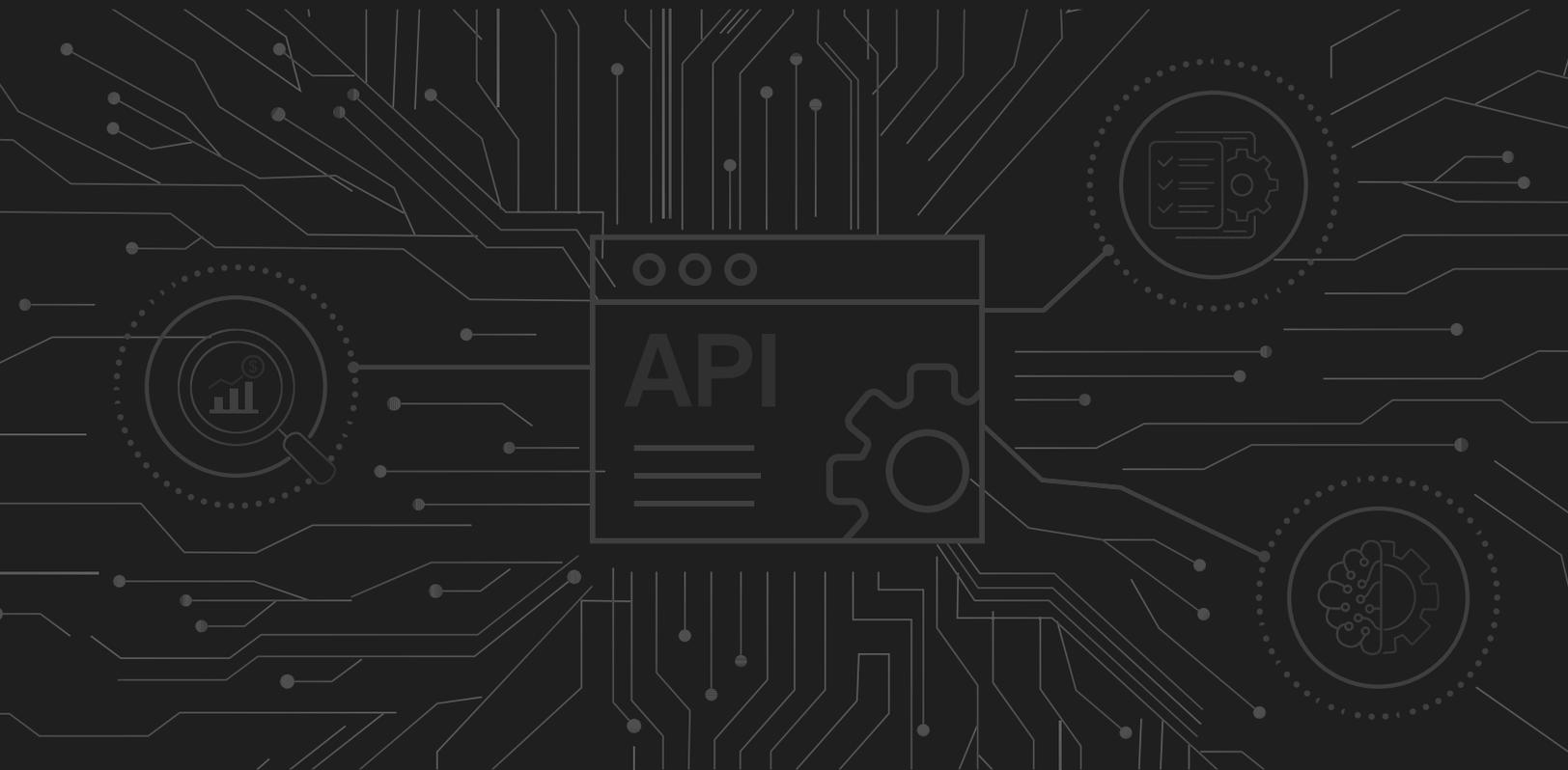




TROVATA

GUIDE

A STRATEGIC CFO'S GUIDE to Digital Transformation



What Is Digital Transformation?

As the world has become more digitized, the volume of financial data has increased exponentially, making it incredibly difficult to manage manually. While many technologies, especially in the consumer space, have provided instant access to 'always on' services for many years, the same cannot be said within the financial world.

For many businesses, cash flow reporting and forecasting are still done by hand in spreadsheets, leading to accountants and financial professionals spending hours scouring bank portals, aggregating their data into a single spreadsheet. The problem with this is that your team will be working with outdated data, potentially filled with errors. As a result, they will focus more on data entry and management than analysis.

That is what digital transformation seeks to change for treasury and finance teams: Provide your organization with access to your aggregated bank balances and transactions when you need it, wherever you need it so that you can make more informed, data-backed decisions.

Digital transformation is not just a buzzword; it's becoming necessary for companies that want to scale in the future. It's time to ensure that the right technology, processes, and people are in place to safeguard and optimize your cash to support future growth.

This guide will walk you through:

1. Your role as the CFO within your organization's digital transformation
2. The technology driving digital transformation within finance and treasury
3. Best practices for leading your organization through your digital transformation
4. How to find new growth opportunities throughout your digitally transformed operations

The CFO's Role In Digital Transformation

As the CFO, you must lead your finance and treasury teams by example. If you don't communicate and drive the value of automation throughout your organization, you can't expect your employees to emphasize it. By being a cheerleader for digital transformation, you can begin to increase buy-in throughout your organization and improve your cash and data management processes. Fortunately, you do not have to automate your cash management processes by yourself.

Automated cash management platforms built upon open banking APIs and machine learning algorithms, like Trovata, make it easy for businesses to streamline cash reporting, forecasting, analysis, and money movement. By bridging the gap between banks and accounting systems, these technologies

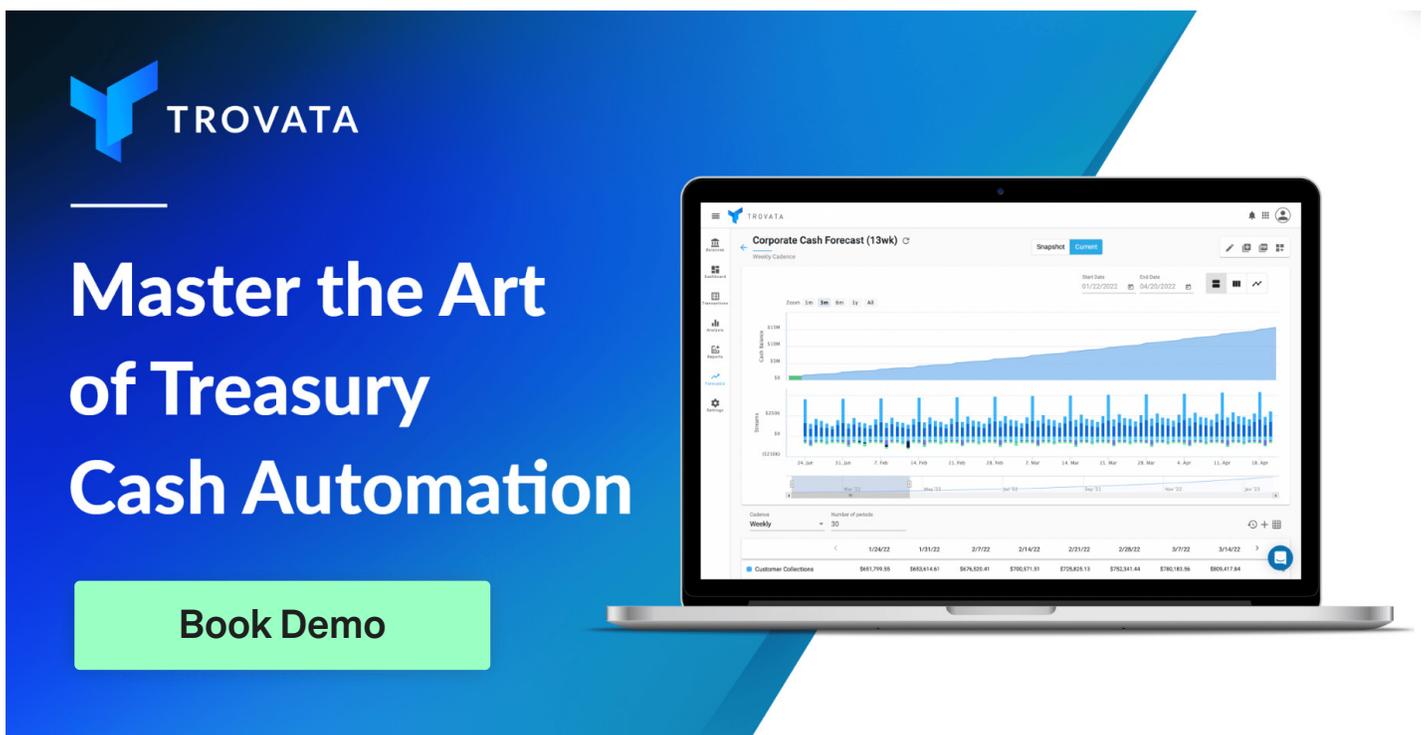
help companies gain powerful insights into their cash flows and facilitate better and quicker business decisions.

Pairing your bank data with new technologies, such as AI and ML, can present new insights no human could ever imagine discovering. Imagine being able to utilize ML algorithms to analyze all your bank data, enabling you to generate cash reports and forecasts automatically.

These new technologies can enable your organization to:

- **Automate** your forecast baseline
- **Generate** multiple scenarios with flexible user-defined variables
- **Efficiently perform** variance analysis to increase forecast accuracy
- **Segment transactions** into relevant tags automatically based on patterns within your data
- **Perform Google-like search** and be provided a list of transactions across key vendors, institutions, clients, and transaction types within milliseconds
- **Initiate and send payments** across supported bank partners in one, secure platform without unnecessary transaction fees from third-parties

Let's dig deeper into how banking APIs, machine learning algorithms, and artificial intelligence make this level of automation possible.



The image shows a promotional graphic for Trovata. On the left, the Trovata logo (a blue stylized 'Y' shape) is positioned above the word 'TROVATA' in white. Below this, the text 'Master the Art of Treasury Cash Automation' is written in large, bold, white font. At the bottom left, a green button contains the text 'Book Demo'. On the right, a laptop displays the Trovata software interface. The interface title is 'Corporate Cash Forecast (13wk)'. It features a line chart showing an upward trend in cash flow over time, with a bar chart below it showing weekly fluctuations. The x-axis is labeled with dates from 24 Jan to 18 Mar. Below the charts, there is a table with columns for 'Customer Collections' and 'Number of periods'. The table data is as follows:

Customer Collections	Number of periods
\$461,799.95	30
\$653,144.61	
\$676,658.41	
\$760,971.81	
\$726,828.13	
\$762,341.44	
\$761,183.96	
\$808,417.84	

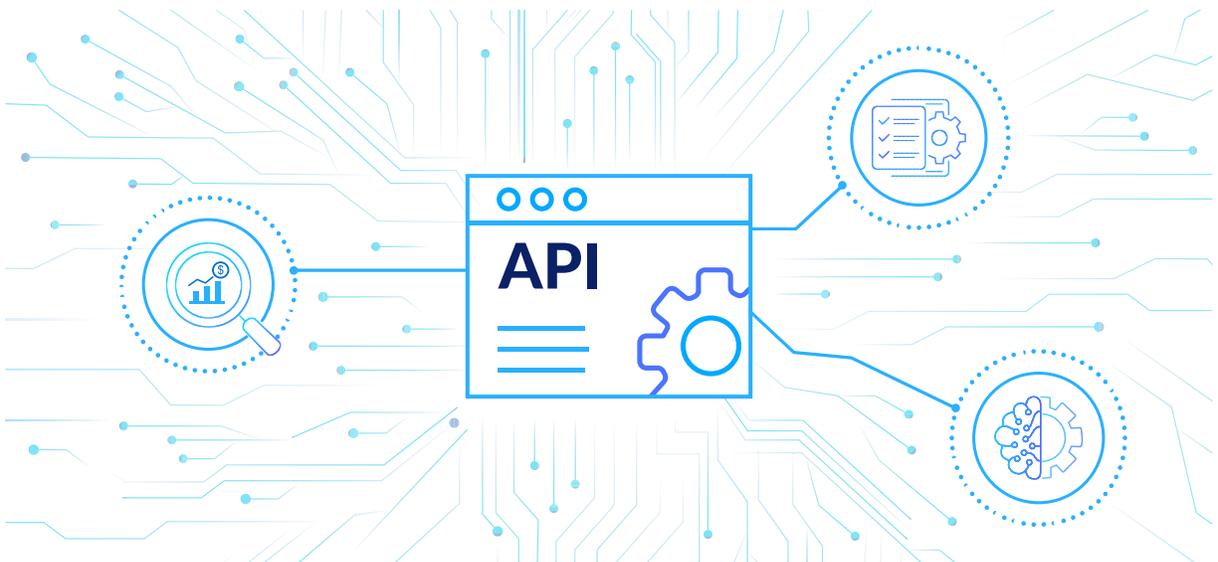
The Technology Driving Digital Transformation

When you think of traditional cash reporting and challenges, these may come to mind:

- **Siloed & disparate data**, a variety of sources & teams involved
- **Time-consuming, manual processes** to consolidate & organize your data
- **Risk of human error & biases** in typical Excel models
- **Lack of sophistication** with historical analysis
- **Lack of time/tools** for scenario modeling & variance analysis
- **Outdated** user interfaces

It would help if you had cash visibility that enabled insights into balance and transaction data across global bank accounts. You can achieve that level of visibility by automating your bank data integration into one platform, including your ERP systems and other manual data sources. Unfortunately, you cannot manually eliminate these challenges and gain richer insights in Excel; automation is a must as your business scales, and your number of bank accounts and transactions increases exponentially. Fortunately, APIs have ensured that real-time access to data is not a pipe dream; it's our current reality.

The API-First Approach to Digital Transformation



APIs, or Application Programming Interfaces, have been utilized in big tech for two decades. Initially, developers used them for database sharing on the back end. Then, as time went on, social media platforms used them to share photos across platforms. And presently, API platforms are constantly being developed, like Stripe, for making payments.

Not all APIs are equal; like mobile phones, the technology has continued to evolve. In the past few decades, we've gone from colossal candy bar phones to modern smartphones that enable you to make calls, search the internet, and even manage your day-to-day tasks. APIs are similar in that regard. APIs are not just utilized to send developer resources back and forth through backend databases. In the last six to eight years, banks have begun creating their own APIs, which allow third parties to connect to their bank data. With this development, banks and SaSS platforms can now communicate together by sending balance and transaction data and initiating tasks, like payments between systems, between each other.

Enter open banking APIs, which enable companies to connect their automated cash management platform directly to their organization's key accounts across the world's largest financial institutions and regional banks. Within automated cash management platforms, these APIs consolidate and normalize balance and transaction data into one standard format into a data lake. This data lake perpetually store bank data, amplifying companies' ability to perform historical analysis without submitting thousands of statement requests to their banks.

These automated cash management platforms just don't store your historical data, but they also utilize machine learning algorithms that find patterns within your organization's bank data. This empowers your organization to automate cash flow reporting and forecasting and improve overall reporting accuracy.

Beginning Your Digital Transformation Journey

As more services digitize, the volume of bank data will increase, and analysis, discovering patterns, and presenting projected outcomes will become critical. Digitally transforming your organization doesn't just mean upgrading to more advanced technology; it's also about optimizing current operational processes and culture towards valuing data-driven, efficient processes. If you don't secure buy-in across your organization, you won't get the most out of the new technological advancements powered by open banking APIs and ML algorithms. Building a business case is key to demonstrating that value.

Building A Business Case

Identify Your Organization's Needs and Opportunities

1. Determine Processes That Can Be Automated

If any processes, like data management, can be automated, do not stick with old methods just because that is what people prefer. Time saved on processing enables your team to focus on analysis and accomplishing strategic objectives that grow the company.

2. Understand New Tools and Technologies That Enhance Functionality

Technology is constantly changing and expanding, bringing on new growth opportunities. Gain a solid understanding of what processes in your business are manual, and research which platforms can promise to simplify tedious day-to-day tasks.

3. Find Opportunities Where Data Mining Could Be Applied for New Insights

Automation and ML empower you to find new patterns in data that no human could discover. With data consolidation and normalization automated, your team has more time to dig into insights across balance and transaction data from your organization's key accounts.

4. Figure Out Answers to Questions That Cannot Currently Be Answered

Analyze what information would be helpful to make more accurate business decisions. If you cannot currently find the answer because of siloed data, it brings about an opportunity to utilize new tools and methods to discover those previously unanswered questions.

Determine the Right Tools For Your Business

Establishing a baseline of automation to manage cash as your organization scales is critical. Here, at Trovata, we find that the most helpful cash management platforms put a priority on the following:

1. Built-In-The-Cloud

Not only does being built in the cloud offer much more computing power to analyze cash flow, but it also increases transparency throughout your entire organization. All key stakeholders have access to the same data via desktop or mobile, empowering them to make data-based decisions no matter where they are.

2. API Integrations with Major Banks

Open Banking APIs enable you to connect your automated cash management platform directly to your organization's key accounts across the world's largest financial institutions and regional banks, empowering your organization with complete cash flow visibility.

3. ML and AI For Grouping Transactions and Improving Forecasting Accuracy

ML can find patterns in your bank data that humans simply can't manually. This ability alone amplifies your ability to find new opportunities within your cash flow. AI is also critical for strengthening your cash flow forecast's accuracy over time as it helps accurately predict future cash flow based on patterns in historical data.

4. Dynamic, Automated Reporting and Forecasting Functionality

Your financial team shouldn't have to create cash reports and forecasts manually; instead, enable them to focus their attention on strategic analysis that propels your business forward. Many of Trovata's clients save 40+ hours a week by utilizing our platform to automate the generation and maintenance of their cash reports and forecasts.

5. Minimal or No IT Required.

It shouldn't take months to understand your cash flow fully. Your tech partner should manage all API connections, so you can get up and running in a matter of weeks and trust your data is accurate.

6. A Knowledgeable Partner That Takes The Time to Understand Your Business

It's a red flag if a company is trying to sell you a platform at all costs. Instead, look for a partner who truly is willing to understand your business and help you digitally transform your cash management in a way that works best for your needs and your business.

Collaborate With Other Departments to Improve Processes, Connections, and Increase Buy-In

Change can be scary, so it is critical to demonstrate the value your teams can realize by digitally transforming your business's cash management processes. With a business case worked out, it's time to obtain the high-level support you need. If the project hits a bump in the road, it'll certainly help to provide your voice to encourage others that it will be worth the change.

As a CFO, you can't do this alone. You need to communicate with partners and internal systems to ensure you can connect to all your bank data and ERP data through APIs. For that, you'll need support from IT, your banking partners, and perhaps from other departments such as legal and procurement.

Determining Measures for Success

It's always tempting to rush in and look for a cash management solution that might fit your company's needs. But before hitting 'search,' think carefully about what you want your digital transformation to achieve. What processes are broken right now? What do you want to be able to do in the future that you can't do today?

Implementing strategic KPIs can ensure that your digital transformation initiative is successful. Here are some recommended KPIs worth considering:

- **Time Saved Through Automation.** The ultimate goal of digitally transforming cash management is to help your team gain more time to do strategic work that accomplishes company goals instead of tedious manual data management. Many of our clients, like Eventbrite, save 48+ hours weekly by automating the aggregation and normalization of their bank data.
- **Annual Subscription Cost Savings.** When you consider many legacy treasury management systems, they often require lengthy implementation times and expensive training programs. With Trovata, you can be up and running within weeks. Eventbrite experienced a 50% cost reduction moving from a legacy TMS to Trovata.
- **Cash Forecasting Accuracy.** By performing variance analysis, you can gauge the effectiveness of switching to an automated cash management platform regarding forecasting accuracy. Compare

those results to forecasts manually created in a spreadsheet.

- **Reduced Fees.** With an automated cash management platform, like Trovata, you can eliminate other expenses due to our comprehensive reporting, forecasting, and payments capabilities. Trovata's Payments App, for example, initiates payments directly from your bank account through banking APIs, eliminating third-party payment-processing fees.

While these metrics scratch the surface of what you may consider a measure for success, they are great ones to start with to ensure your strategic transformation is successful from a revenue and cost perspective.

Digital Transformation Best Practices

Here are some best practices you should consider when digitally transforming your processes:

Identify Early Wins

Cash management digitization should be an iterative process. For example, your organization might identify account receivables and payables as the greatest need to change in file format. With new technology, it is essential to communicate to internal and bank partners what data you need and the form you need it in, convincing them that providing richer data through different format standards and achieving better straight-through processing benefits the whole company.

But it is also critical to identify those early wins and celebrate those. Perhaps you'll find your organization in a similar situation as many of our other clients who have saved 40+ hours automating manual tasks? Again, that is something to be celebrated!

Don't Lose Sight of the Goal

The pressure is on finance teams to continually add value to the organization. Finance teams who digitize their cash management are lean and efficient. Where possible, activities are automated, with data mining using AI and ML tools. The result is your team is equipped to make faster more accurate decisions. The real value lies in identifying growth opportunities and threats to liquidity before it affects your bottom line.

Optimization Is Never Over

It's easy for many digitization projects to start with a bang but go out with a whimper. To ensure yours doesn't, keep monitoring and measuring its success, and don't be afraid to correct your course. If you've chosen wisely, you're working with a partner who can adapt to your evolving requirements and is with you for the long haul.

Find Growth Opportunities Throughout Digital Transformation

Digital transforming your financial operations enables your organization to perform deeper data mining that is simply impossible manually. In addition, new technologies, such as banking APIs, machine learning, and artificial intelligence (AI), find new patterns and rich insights within your organization's cash flow, empowering you to discover new growth and process optimization opportunities.

These tools empower your organization to:

- **Increase transparency and visibility** into bank data with a platform built in the cloud
- **Leverage tags** to automatically segment groups of transactions into usable data sets
- **Generate automated** cash flow reports
- **Strengthen your cash flow** strategy with automated forecasting capabilities
- **Increase forecast accuracy** with automated variance analysis tools and scenario planning
- **Streamline** your organization's payment experience

Increase Access to Bank Data with A Platform Built in the Cloud

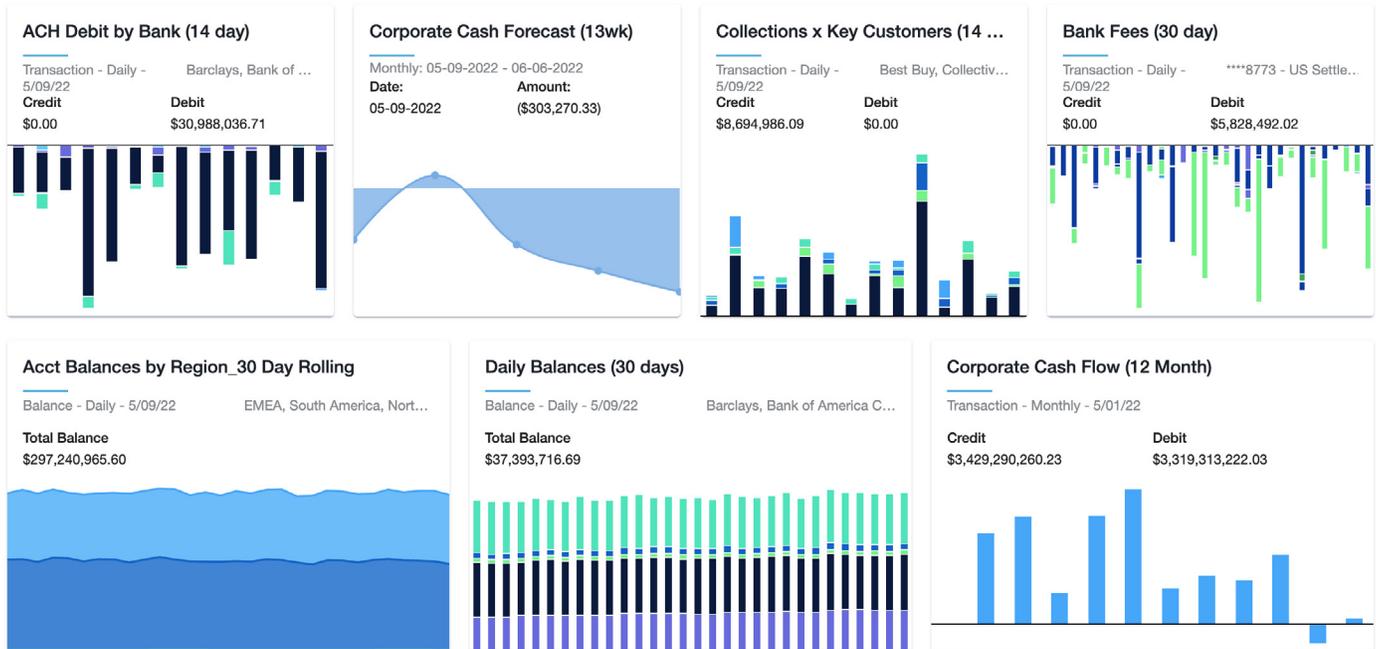
With a platform built in the cloud, your organization can access your bank data in a centralized, financial big data platform on desktop and mobile. All key decision-makers have access to the same data, ensuring data isn't analyzed in a silo. Trovata handles the heavy lifting of managing the ever-changing bank integration requirements by storing, indexing, and serving your financial data securely, saving your organization thousands in yearly upkeep and management.

Automatically Segment Groups of Transactions Into Usable Data Sets

Trovata's ML algorithms constantly search for patterns within your transactions, such as transactions with related institutions, vendors, clients, types, and more. Based on the algorithm's findings, it will recommend tags and automatically segment your transactions into usable datasets if accepted.

You can also perform Google-like searches utilizing our Natural Language Search processor, and discover relevant transactions within milliseconds. Any custom search can be saved as tags, which can be leveraged for future cash reporting, analysis, and forecasting. These reports can be added to custom dashboards, so you can track cash movement and even forecast predictive cash flow. Ultimately, this helps you and your financial team work smarter and discover threats and growth opportunities.

Generate Automated Cash Flow Reports



Gaining richer access to your data is just one piece of the cash flow forecasting puzzle. Unfortunately, your analysis capabilities are still limited if you are still manually managing your data in spreadsheets. Luckily, Trovata empowers you to generate cash reports and forecasts in seconds.

Within the report builder, you can select your reports based on either transaction or balance data. This data can be grouped by:

- **Currency**
- **Institution**
- **Account**
- **Entity**
- **Region**
- **Division**

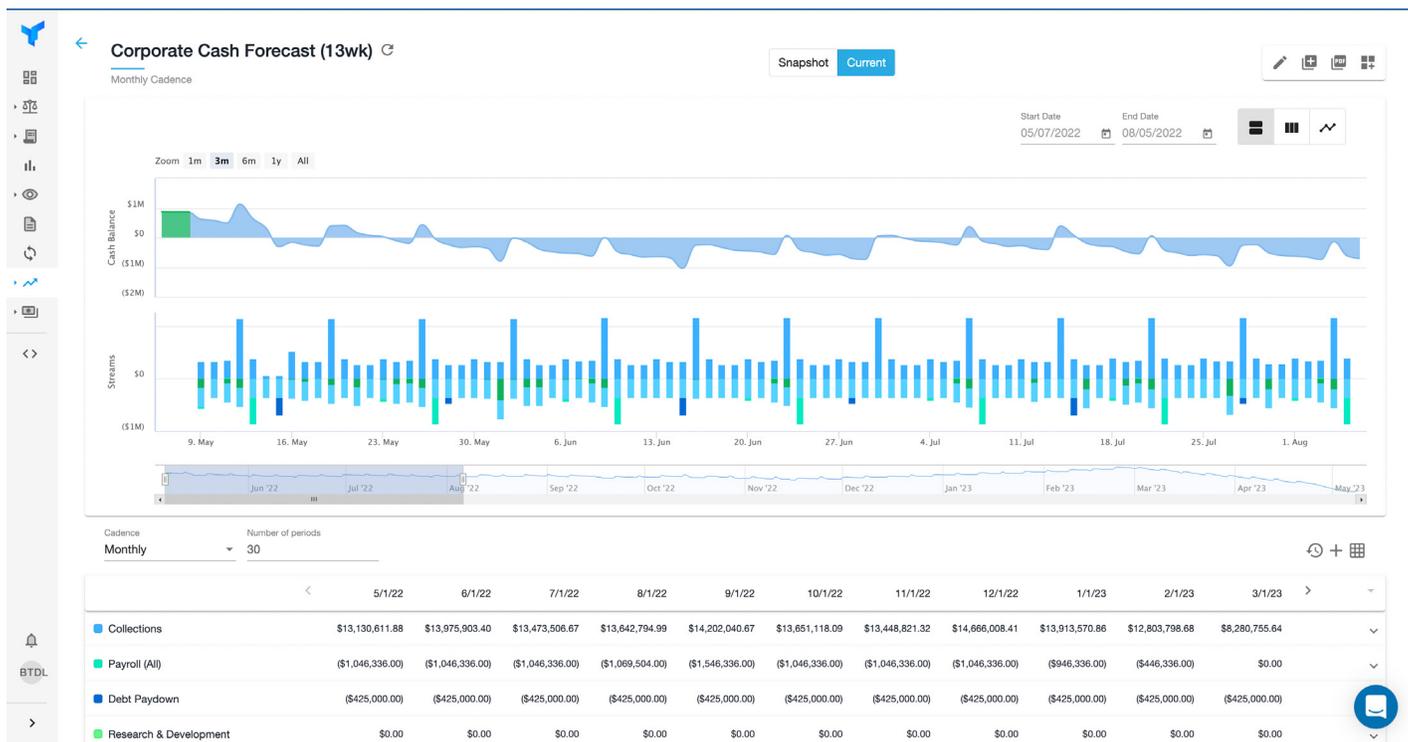
You can also tailor any report with filters, enabling you to include/exclude specific data based on tags, currencies, institutions, or accounts. There are additional settings that empower you to view your data in unique ways based on:

- **Cadence:** View data points by days, weeks, months, or quarters.

- **Number of Periods:** Total number of periods from today.
- **Rounding:** Values can be rounded to the nearest thousand, million, or billion
- **Graph Type:** Bar chart, stacked bar chart, line chart, scatter plot, or daily pie chart (Balances data only)

Based on the settings and data you select, Trovata automatically generates the report or forecast. Any element in a report can be drilled into, allowing you to view what transactions are compiling your report.

Optimize Cash Management with Automated Forecasting



Generate cash flow forecasts based upon several stream types:

- **Tag-based streams** are linked to an existing transaction tag and forecast future values using Trovata's forecasting model
- **Open invoice** streams use receivable and payable invoice due dates from connected ERPs to predict future activity
- **Manual entry streams** allow your organization to add custom forecasted values

These streams have different filters to enable further customization. For example, tag-based streams are based on usable datasets, which can be grouped by currency, institution, account, and more. Open invoice streams allow you to filter projected values based on invoice type (open payables or open receivables), max-age (number of days) by due date, and top vendors or customers. With this level of customization, Trovata makes it easier to establish a forecast baseline, so your financial team can make more accurate, data-driven decisions.

Increase Forecast Accuracy with Variance Analysis and Scenario Planning

Trovata receives cash balance data intraday with open banking APIs, which ML utilizes to calculate your actual cash balance within your automated 13-cash forecast. This makes it easier to perform variance analysis to compare your forecasted cash balance with your actual cash balance over time. You also can drill into your organization's daily cash flows, empowering you to understand the reason for the variance and strengthen your cash flow forecast gradually.

Trovata allows you to apply growth rates and variables to your automated forecasts, empowering you to accurately forecast around changing scenarios, business decisions, and potential investments. In addition, these scenario planning capabilities help your team transform unforeseen circumstances into contingency plans that can be implemented quickly as situations arise. This way, you are prepared for disaster scenarios and growth opportunities that may arrive at your organization's door.

Streamline Your Organization's Payments

The screenshot shows a 'Pay' interface with a 'Payment Type' step. The main question is 'How would you like to send this payment?'. There are four options:

- Real Time Payment**: Initiate RTP payment to send funds to and from accounts within the RTP network. Maximum payment of \$100,000. Settles within minutes.
- Transfer**: Transfer funds from one of your Trovata accounts to another via book transfer. Available with accounts belonging to same institution. Settles within minutes.
- ACH**: Initiate ACH debit payments to send funds from a Trovata integrated account to a beneficiary of your choosing. Settles in 1-3 business days.
- Wire**: Initiate domestic wire transfers to send funds from a Trovata integrated account to a beneficiary of your choosing. Settles in approximately 1 business day.

A 'Next' button is located at the bottom right of the selection area.

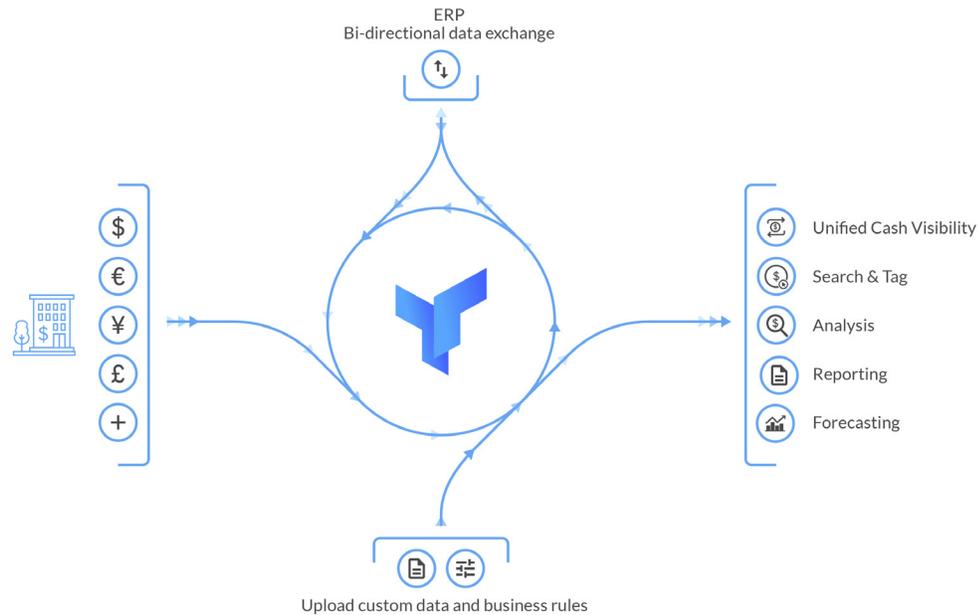
An automated cash management platform doesn't just consolidate and normalize data; it can initiate tasks directly from your organization's bank portals. By developing open banking APIs, banks have also built more secure, faster bank rails, enabling businesses to digitally transform their operations with new, robust payment technology. Now organizations can leverage individual transactions and bi-directional processing, which empowers greater transparency and scalability within payments that weren't possible before.

These new banking rails upscale existing payment methods like ACH, wires, and book transfers and enables new payment methods, like Real-time payments (RTP). With RTP, you can send payments 24/7 with near-instant settlement, fund availability, and confirmation between your cash management platform and bank.

Trovata's Payments App enables your organization to initiate payments via ACH, wire, and real-time payments (RTP) with bank APIs directly, eliminating any need for intermediaries. The APIs now send account and beneficiary information to your J.P. Morgan, Wells Fargo, and Bank of America portals, enabling the payment to be initiated and processed directly through your bank. With no third-party intermediary and no added fees to create a payment request through Trovata, you only incur costs directly from your bank.

Trovata's Payments App gives you complete control over your approval process with Workflows. Throughout the entirety of your payments' lifecycles, you can set up custom rules and controls to ensure that your team is sending payments per company policy. With these comprehensive payment capabilities, you can empower your organization with complete transparency, speed, and flexibility in managing payments.

Gain Global Visibility Into Your Cash Flow with Trovata



Trovata makes it easy for businesses to automate cash reporting, forecasting, analysis, and money movement. By bridging the gap between banks and accounting systems, Trovata helps companies gain powerful insights into their cash flows and facilitate better and quicker business decisions. In addition, as a next-gen technology platform, Trovata is helping many of the world's largest financial institutions digitally transform commercial and corporate banking with its growing network of direct API integrations.

By automating your cash management with Trovata, you can ensure your organization has a tighter handle on cash across all your key accounts. Pairing your bank data with new technologies, such as AI and ML, can present new insights no human could ever imagine discovering. Trovata's ML algorithms analyze all your bank data and distribute it amongst Trovata's analytic and forecasting tools, enabling you to generate cash reports and forecasts automatically. Artificial intelligence then takes your historical data and makes predictions based on your bank data, increasing your cash flow forecast's accuracy.

Redefine Cash Management with Trovata

Trovata's multi-bank, automated cash management platform utilizes Open Banking APIs to provide aggregated bank data across all your global accounts. We enable treasury and finance professionals to eliminate repetitive data management, effectively manage cash, and streamline payments.

Schedule your personalized demo with a cash management expert.

[Get Demo](#)