How Spreadsheets Are
HOLDING YOUR TREASURY BACK

A Treasurer's Guide to Automating Cash Management
Using Open Banking APIs

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Introduction

In today's uncertain world, the business landscape is continually evolving, with new opportunities and threats emerging. These unforeseen circumstances put treasurers under even greater pressure to optimize their organization's cash management. Yet, there are not enough hours in the day to achieve everything that is demanded.

Many organizations – including some of the world's largest and, in theory, most technologically advanced companies – rely heavily on spreadsheets to perform a wide range of business functions. Hence, many treasury departments still use spreadsheets and other manual processes to track their organization's cash flow and cash position across multiple bank portals. They then spend considerable amounts of their precious time turning this information into reports and forecasts.

As well as consuming vast amounts of time, spreadsheets present other challenges to treasuries. These challenges relate to a lack of up-to-date visibility around cash, issues with data accuracy, and spreadsheets acting as a drain on team morale and engagement.

But it doesn't have to be this way. Today's treasuries have an excellent opportunity to break free from spreadsheets by automating cash management processes, using application programming interfaces (APIs).

Automated cash management, enables treasuries to deliver multiple business benefits and a return on investment that goes far beyond time savings, significant though those are. This report explains how.

What Does Automated Cash Management Look Like Using APIs?

Automated cash management can be described as 'the bridge between your company's accounting system and its bank.' Automation alleviates the need for your company to collate data from its internal systems and multiple banks manually.

An automated cash management platform will capture information from both internal and bank systems, enabling your company to aggregate its cash and banking information in a single dashboard. Cash analysis, forecasts, and reports are automatically generated, giving your treasury instant access to upto- date insights that drive better cash management and decision-making.

Aggregating internal system data with bank data occurs through a technology known as open banking APIs. Open banking is the practice of sharing financial information electronically and securely with the customer's specific approval. Banks use open banking APIs to share data on transactions with trusted partners, including third-party financial technology companies such as Trovata. Not only do APIs eliminate many manual data workflows, but they also provide a more complete transaction dataset than data supplied using the MT940 messaging format.
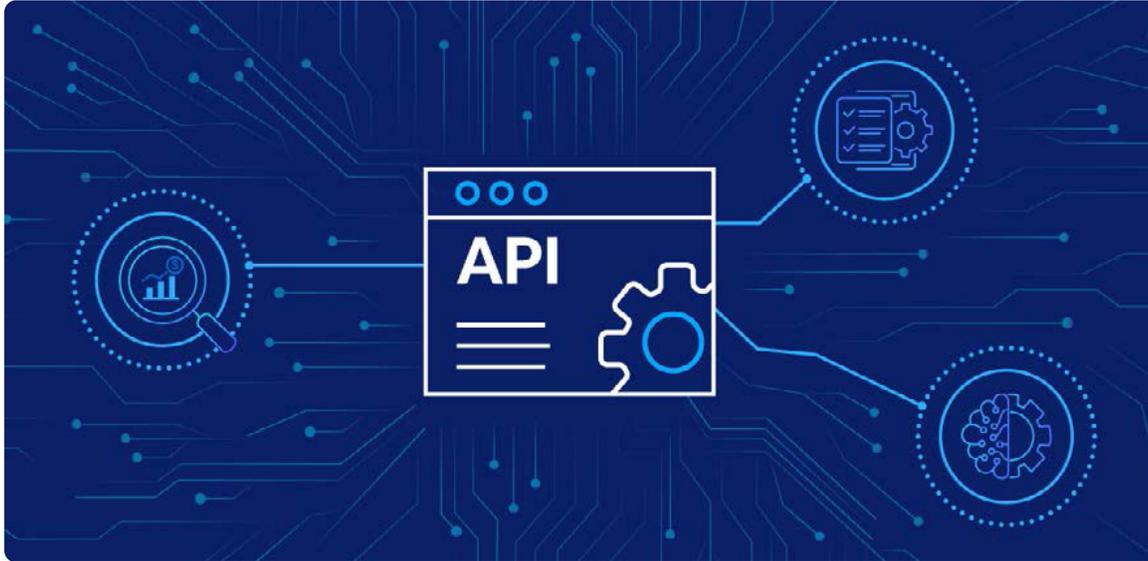
Trovata's multi-bank, automated cash management platform accesses cash and transaction data on behalf of its corporate clients through the banks' API pipeline. It uses machine learning algorithms to analyze this data and distribute it to Trovata's analytic tools for cash reporting and forecasting purposes.

Trovata already has an extensive library of open banking APIs, and its network of integrations is constantly growing. As a result, it can automate bank data aggregation, cash reporting, and forecasting across accounts from some of the world's largest financial institutions, such as Bank of America, J.P.Morgan, and Wells Fargo.

Benefits of Automating Cash Management Using APIs

Automated cash management enables treasuries to transform their approach to cash management completely. With all bank data centralized in a single platform, treasuries can react quickly to the demands of the increasingly fast-paced, digital world and provide invaluable insights that inform robust organizational decision-making in all market conditions.

The main benefits of automated cash management include:

👁 Better cash visibility.

With automated cash management, you benefit from having a daily aggregated view of your organization's cash across all accounts (including global and virtual accounts) and even cash in foreign currencies. This visibility increases your organization's agility since companies with access to comprehensive, up-to-date balance and transaction data can pivot
quickly in response to business risk.

📈 More credible forecasts.

The up-to-date cash data Trovata provides facilitates more reliable forecasting compared to forecasting by hand. In addition, automated forecasts make it easier to enable your business to navigate geopolitical threats better and discover emerging growth opportunities.

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⏱ Time savings.

Automating cash management processes frees up your treasury to perform strategic analysis that improves decision-making. Team members no longer need to spend long hours manually consolidating and normalizing transactions from different bank portals and manually consolidating and normalizing transactions.

⊙ Error reduction.

When large amounts of data are typed into a spreadsheet manually, there is a heightened risk of human error. Research suggests that almost 90% of spreadsheets contain errors in their formula cells.

🛡 Fraud reduction.

Spreadsheets are highly vulnerable to fraud. Managing data in spreadsheets increases the risk of fraud because data can be easily hidden or deleted. Some examples may be people manipulating font color to merge data with the background, or shrink rows or columns, making them harder to read. In contrast, with an automated cash management platform, there are fewer opportunities to commit and conceal fraud.

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⊘ Compliance.

Automation ensures compliance with local and global financial regulations by improving accountability and transparency. Meanwhile, spreadsheets are increasingly viewed as a compliance risk by internal auditors. For example, heavily spreadsheet-dependent companies can find it very difficult to comply with the Sarbanes-Oxley Act.

🛡 Security.

Spreadsheets can present some significant security flaws. Often, passwords need to be stored in a safe location to ensure all team members can access them. Yet this increases the risk of unauthorized access. In addition, if access concerns arise, spreadsheet passwords can't be swiftly reset as a system password can.

⧉ Talent attraction and retention.

Today's organizations are competing fiercely to attract and retain the best treasury talent. Skilled treasury professionals are more likely to want to join your team and stay in their role if they are not weighed down with manual task as this will provide more time to focus on strategic analysis.

⧉ Less reliance on key individuals.

Automation facilitates shared responsibility for cash management across every member of the treasury team. If a critical team member falls sick or leaves suddenly, other team members can easily continue to oversee the process.

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🖻 Savings on bank fees.

Thanks to the improved cash visibility, treasury can more effectively monitor how much the company is spending on cash management fees. It can also compare fees paid to different banks and look for opportunities to reduce costs, perhaps by closing dormant bank accounts or canceling services that are no longer being used.

‹› Less dependence on internal IT resources.

With an automated platform, ongoing IT resources are no longer needed to support cash management and forecasting processes. This frees the organization's IT team to focus on other business priorities.

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Case Study: eventbrite

Gaining a daily view of liquidity used to be a manual and time-consuming process for the self-service ticketing platform, Eventbrite. Their treasury team would spend two to three hours daily logging into the organization's various banking portals, downloading statements, and manually consolidating and normalizing transaction data before uploading it into their treasury management system (TMS).

In addition, the team had to routinely export transaction data from their TMS into spreadsheets and then build pivot tables to calculate accurate account balances. The lack of data integrity created inconsistencies within reports and forecasts. Their most significant challenge was reconciling bank data due to reporting constraints in the TMS.

After implementing Trovata, Eventbrite saved 48 hours a month by automating routine and repetitive data processes using Trovata's banking APIs connections. Since the team has greater confidence in their cash data's accuracy, they now have the time to focus on helping the business achieve its strategic objectives through analysis. Furthermore, Eventbrite was able to save 50% on annual subscription fees while gaining greater access to timely cash insights.

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> **With Trovata, we have been able to automate daily, weekly, and monthly cash reporting. It has become our easy-to-use reconciliation tool for our accounting team.**

– Niall Burke, Global Treasury Manager, Eventbrite

48+ Hours saved monthly by automating bank data aggregation with Banking APIs

50% Cost reduction by switching from a legacy TMS to Trovata

100% Data accuracy achieved through eliminating human error with automation

Five Steps to Automation Success

Investing in any digital transformation requires a considerable commitment in terms of both time and resources. As a result, you will want to maximize the benefits of this investment. So, how can you ensure your organization gets an optimum return on investment (ROI) from automated cash management using APIs?

1. Build a solid business case.

Set clear objectives for what you want to achieve through automated cash management using APIs, and explain how these will benefit the business. (It might be helpful to refer to the above benefits list when writing the business case.) Secure an internal sponsor for the project.

2. Secure the budget.

38% of treasurers cited a lack of funding as their primary reason for not pressing ahead with a digitalization project. Yet costs are falling with the emergence of new Software-as-a-Service plans. As you research for a new solution, you may not need as much budget as you initially feared.

3. Build a team.

Work with IT and other departments, such as legal and procurement, to progress the project. Having input from skilled colleagues will increase the likelihood of a smooth implementation.

4. Choose the right partner.

Research vendors that offer a future-proof cash management platform. This platform should be easy to integrate with existing systems and provide state-of-the-art functionality that enables your organization to access rich cash insights that can inform business strategy and provide a competitive advantage. Make sure you work with a provider that takes the time to understand how your treasury works. Also, look for a provider you will feel confident working with for a long time.

5. Measure and track.

You can monitor your automated cash management platform's impact on time, team morale, and bank fees. This monitoring will enable you to identify opportunities for further improvement.
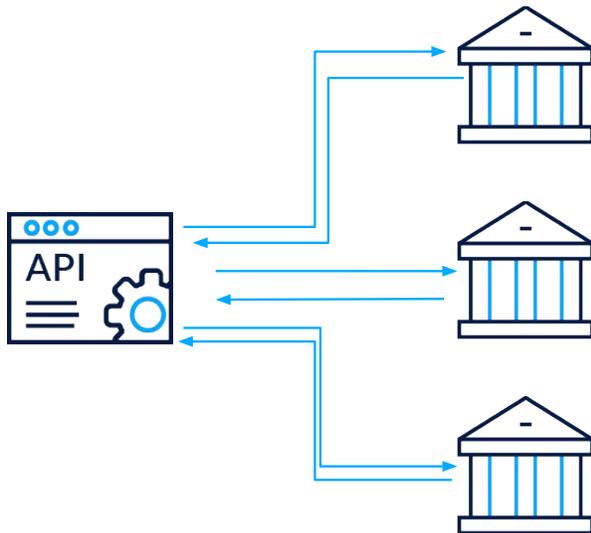
Case Study: GoTo

The software-as-a-service provider GoTo has grown to having 2.5 million customers across 190 countries. As it grew, it acquired new banking partners, resulting in daily cash management becoming an arduous and repetitive manual process.

GoTo's treasury analysts had to gather daily balances, track collections and disbursements, create reports and forecasts, and perform quality assurance to ensure cash forecasts were up to date and reconciled with cash reports. Even so, obtaining a consolidated view of GoTo's cash flow could take several days or weeks.

Moreover, a search for specific transactions would involve logging in to each company's banking portals and manually scrolling through pages of transaction data until the particular transaction was found. This meant that reconciling cash balances consumed many hours of treasury's time.

Following the implementation of Trovata, GoTo automated the collation of its bank data into a Multi-Bank Data Lake™, gaining an aggregated view of its cash flow across 50+ bank accounts. Machine learning algorithms analyze this data to offer features like automated cash reporting, forecasting, and natural language search. In addition, thanks to Trovata's simple keyword search feature, GoTo can easily find the transactions it needs when consolidating cash balances.

> **Trovata provides the cash visibility I need when I need it. If my CFO asks how collections look the past month, I can quickly access that data in Trovata and rely on it instead of consolidating a bunch of reporting data manually. Trovata gives us flexibility and control over our data.**
>
> – **Tim DiLillo**, Director of Treasury, GoTo

50+ global bank accounts that achieved complete cash visibility

7+ hours saved a week by automating bank data aggregation

The Future of Cash Management

In the past, spreadsheets have played a valuable role in treasury and other business functions. From now on, they will undoubtedly continue to be useful for specific purposes.
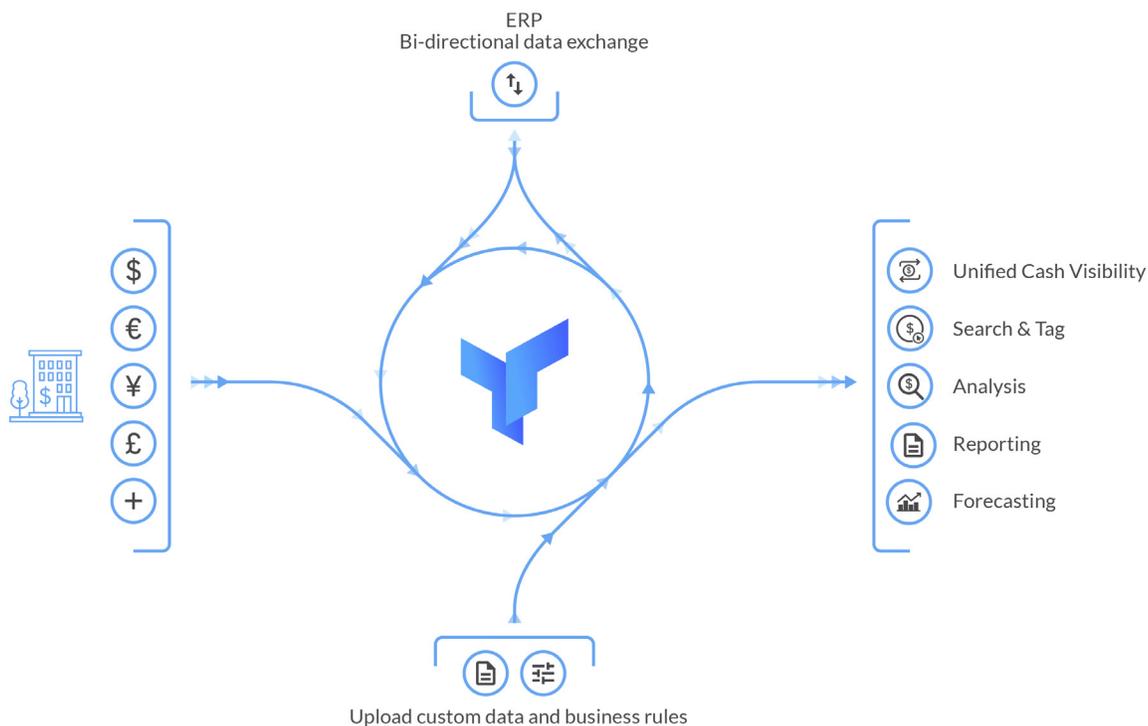
As a primary tool for cash management, however, spreadsheets are no longer suitable. As well as being laborious to use, prone to errors and a drain on human resources, they inhibit agility in this fastmoving digital age.

That's why the time has come for treasuries to break free from spreadsheets. Instead, the future of cash management lies in automated cash management platforms built upon open banking APIs.
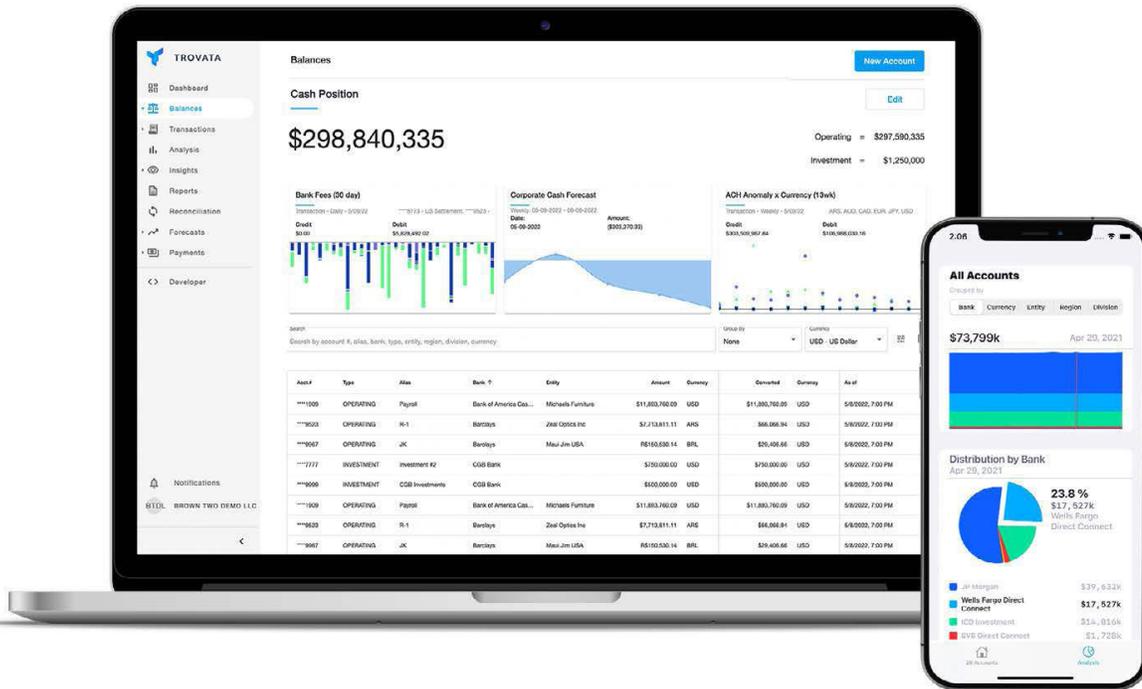
Trovata, The Next-Gen, Automated Cash Management Platform

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, databacked 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.

ERP
Bi-directional data exchange

Unified Cash Visibility

Search & Tag

Analysis

Reporting

Forecasting

Upload custom data and business rules

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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. For example, 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.

These new technologies, such as ML, AI, and open banking APIs, enable your organization to:

- Automate your forecast baseline
- Generate multiple scenarios with flexible userdefined 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

Escape Spreadsheets and Embrace Automation
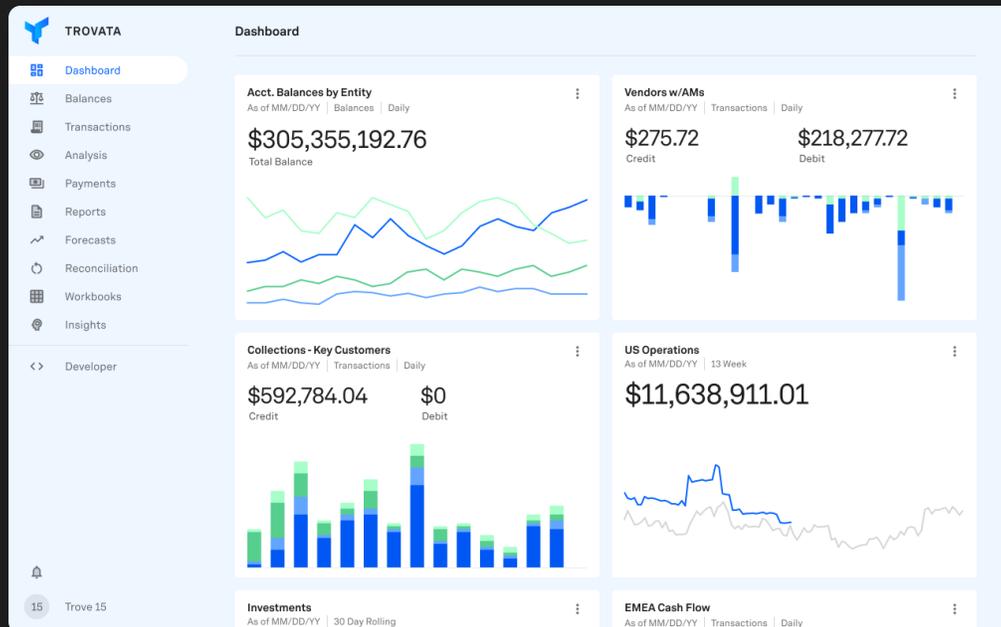
Save up to 48+ hours monthly by completely automating your routine cash reporting and forecasting to empower your team to focus on strategic initiatives that propel your business forward.

Schedule your personalized demo with a Trovata cash management expert.

Get Demo