TREASURY 360° NORDIC 2024

Includes agenda for 23 May 2024 34–40
Starts on centrefold

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Some total account overview with your coffee?

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Simon Hesse Hoffmann
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Founding Chairman, Rasmussen Global

Mikkel Gleerup
CEO, Cadeler

Trine Lise Marsdal
CFO, Strawberry

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Group Treasurer, SITA

TREASURERS. ONE DAY.

TREASURY 360° NORDIC 2024

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Cash Manager for Americas, Central and Eastern Europe, H&M

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Claudine Smith
CEO, BNP Paribas Norway

Henrik Immelborn
Managing Director, Investment Banking, Nordea

Johan Trocmé
Managing Director, Thematics, Investment Banking, Nordea

Johan Wennerberg
Global Head of Large Corporates & Institutions, Transaction Banking Sales, Danske Bank

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Henrik Svanekiær
Magic

Isaac And The Soul Company

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DJ

TREASURY 360°

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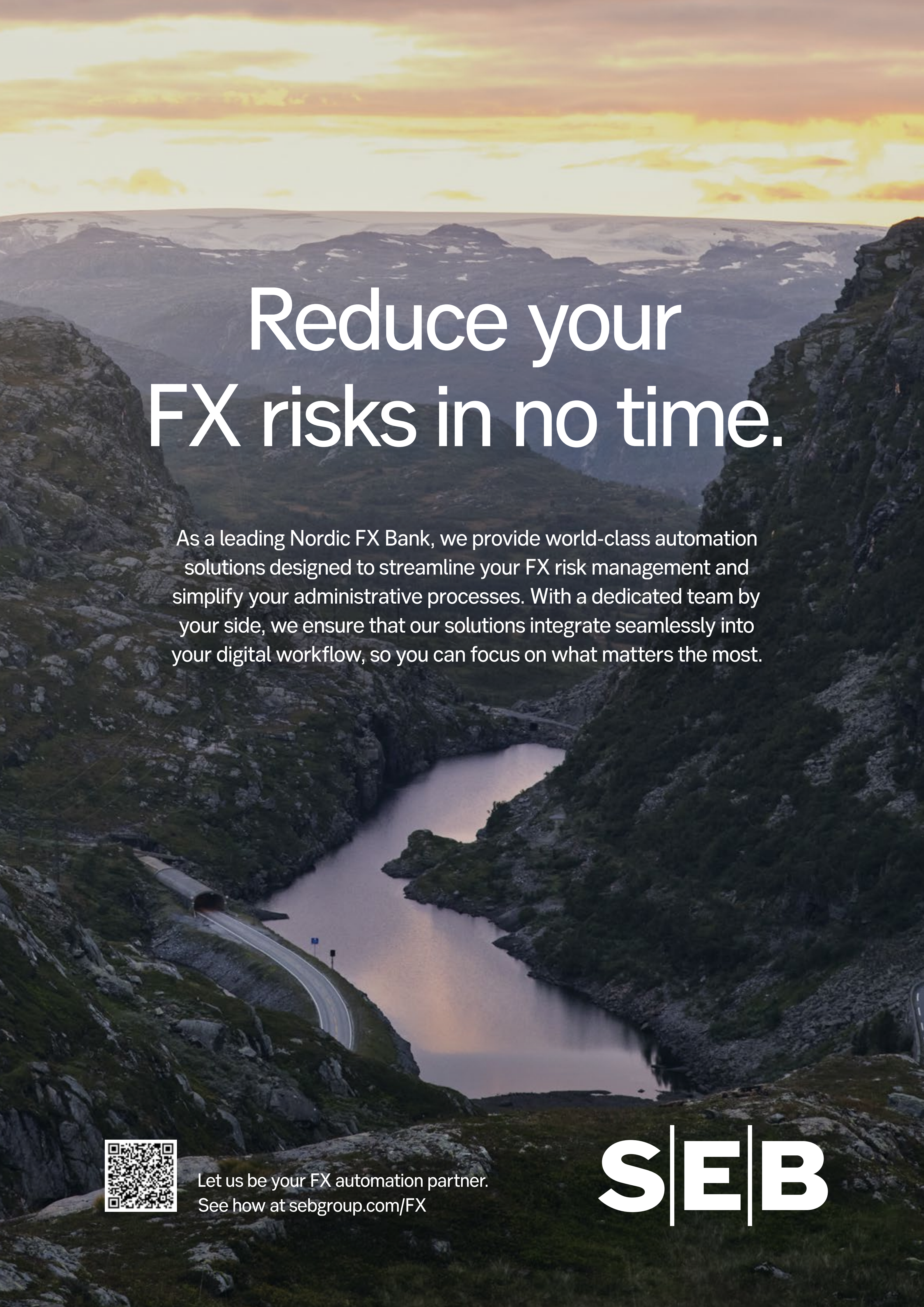
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NATO ex-Secretary General to open 2024 conference

In a world of short news cycles and complex geopolitical shifts, it is crucial to not only follow world events but also to **understand the key players and anticipate decisions before they unfold**. So, how do we approach it? Let the opening keynote session of Treasury 360° Nordic 2024 lay the geopolitical foundation for our more business- (and party-) oriented endeavours through the remainder of the day.

With a background as Secretary General of NATO from 2009 to 2014, and Danish prime minister from 2001 to 2009, **Anders Fogh Rasmussen** has a strong record of helping businesses and democratic governments to understand and shape international politics – through his advisory firm Rasmussen Global. Since the outbreak of the war, he has worked on a pro-bono basis with the Ukrainian President's Office. Asked by President Zelenskyy, he co-authored a report on security guarantees for Ukraine known as the Kyiv Security Compact, forming the basis for bilateral security agreements between Ukraine and G7 nations. ■

9:30 Opening keynote: "Stay ahead as the world unfolds"

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Event info: 2024.treasury360.net

Layout: Martin Denton, Alexander Kristofersson. Treasury 360° is a brand of Financial Media Group 360 AB. Publisher: Daniele Truini

MARJA HAAPIO

To tap the power of tech, first **look to the team**

By Alexander Kristofersson, Treasury 360°

Speaking with Treasury 360° on the very 100th day on her post, **Minna Helppi** – head of group finance with 30,000 employee Austrian machinery company Andritz – shares her strategy for lifting the function to the next level. Meet her at Treasury 360° Nordic 2024 on 23 May.

"I'm aiming at a cultural change, from being a very operative, very back-office, type of function to really being a strategic partner to the business and group management – and from concentrating on details to seeing the big picture," says Minna Helppi.

With her permanent home still in Helsinki, Minna Helppi has a long trip to her Andritz office in Vienna, the location where the group is also listed on the stock exchange. The company is headquartered in Graz, with an offer including equipment and plants for large-scale process industry.

“For the future, my vision is that we would have harmonised, automated straight-through processing with modern tools. We could start automating parts of our processes with robotics or AI.”

Straight-through processing on the horizon

About 30 people are in Minna Helppi’s direct line of command, across a treasury team and a team for trade and customer finance. Adding those who report through the international matrix, the function engages nearer to 100 employees.

“I hope to help making people thrive and really enjoy what they do. Then bring the technology, too, to help us reduce the manual work and the error-proneness of spreadsheet and copying figures from one system to another,” she says.

“For the future, my vision is that we would have harmonised, automated straight-through processing with modern tools. We could start automating parts of our processes with robotics or AI. Hopefully, machine learning will play a role, but we are also looking into the whole treasury system landscape and potentially selecting a new treasury management system – as well as a global tool for bank guarantees and letters of credit,” says Minna Helppi.

Takes basics in place

So, big technological changes lie ahead, but first, the foundation is being laid.

“We are looking at what kind of processes we want in the future, and what kind of roles people will be in. How are we organised? And then bring the best out of people and really bring their ideas, not them waiting for me to tell them how we should do it.”

The fundamentals include, for example, the banking setup and cash management processes.

“Currently, we bank with maybe 300 banks around the world – which doesn’t make any sense in my mind. So I am in the process of selecting a core banking group,” she reveals.

More centralization of cash to treasury is being discussed, and the diversity of processes and providers across countries and business areas is being challenged.

“So, it is really about starting to harmonise those processes and make them lean – then hopefully also automating them with new systems, once we have selected and implemented those.”

Spoke with everyone

So how has she approached all this?

“It’s really meeting with people and talking to them. I had one-on-ones with everybody in my team – that’s 30 people – then with my peers internally, who lead departments close to ours. Then I did my ‘world tour’, travelling to all the major subsidiaries. I wanted to understand the business, of course, but more importantly to really get to know the people – discussing with them what works or not, what we should develop, and what their expectations are on me. So those discussions built the base for me to start doing what I now plan to do.”

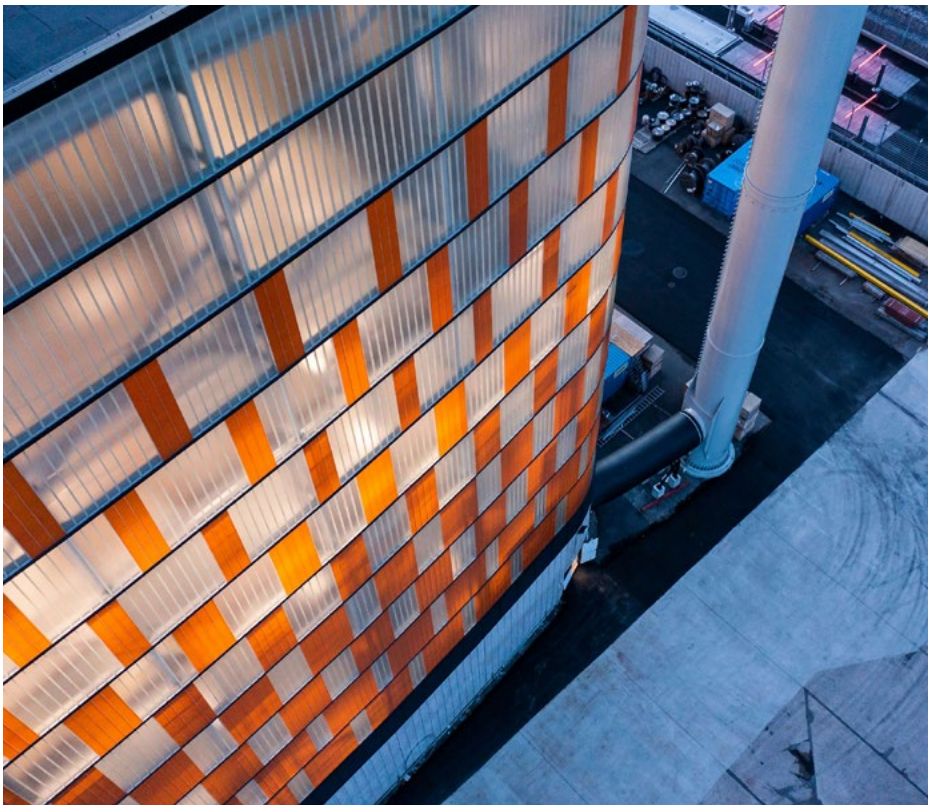
The end of January saw around 50 people from around the world join in Vienna for a two-day strategy workshop. With employees volunteering for working groups, Minna Helppi now perceives a good momentum, which she hopes to leverage.

“We discussed what the future could look like, then started building the vision and the strategy. From there, we are now going to slice and dice the strategy into actions and set a road map for the next three to five years.”

With that, the scene should be set for systematically staffing project teams, and setting schedules and project budgets.

“We will try to start working smarter, automating some of the processes – freeing up time for the development work.” ■

At Copenhagen Airport on 23 May, Minna Helppi takes part in a 14:50 fireside chat titled “Treasury dilemma: future tech vs. today’s challenges”, in Track A – Technology-driven transformation at the treasury.



LILJEWALL

A 41-metre-high, 90-megawatt, biomass boiler operated by Vattenfall forms part of the skyline in Swedish city Uppsala since 2021. Andritz built the plant.

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KRISTIN HARILA

Almost no climbers have conquered all the world's 14 highest mountains in less than eight years. Kristin Harila, with guide Tenjen Lama Sherpa, did it in 92 days.

Last session offers trip to the top of the world

Norway's record mountaineer **Kristin Harila** will be this year's closing speaker of Treasury 360° Nordic. Meet Kristin and learn what it takes to reach the absolute top – repeatedly.

A good team, well prepared, can do anything. Or this was what Norwegian mountaineer Kristin Harila set out to prove as she, together with Nepali guide Tenjen Lama Sherpa last year, embarked to conquer all the world's 14 peaks of over 8,000 metres in a record-short span of time. Their spectacular race of only 92 days halved the previous world record, set in 2019, of 6 months and 6 days (which in turn had surpassed a previous world's-fastest that took nearly eight years).

Since resigning from a management job in 2019, Kristin has dedicated her life to the outdoors.

Meet her for a story of focus, team work, resilience, risk management, and not least relations. ■

16:30 Closing session: "What it takes to reach the absolute top – repeatedly"

Action needed? Don't let that empty purse stop you

Starting from the intriguing question "Why invest when you are broke?" as her headline, **Trine Lise Marsdal** of Norwegian hotel group Strawberry (renamed from Nordic Choice) will set anything from her company's acquisition campaigns, and rebranding, to IT makeovers and new loyalty programme, in the spotlight of its overall business strategy. The necessity of turning significant losses into profits did not hold the group back from acting on initiatives. Come and learn how!

10:00 Keynote: "Why invest when you are broke?"

STRAWBERRY

Trine Lise Marsdal

GETTY IMAGES / NORDEA

Treasurers return to the role of risk manager

Nordea
Contributed by
Johan Trocmé, Nordea

A decade ago, the typical treasury function was oriented towards managing financial risks. In the past 10 years, focus shifted to optimisation, centred around streamlining processes, boosting efficiency, and turning the treasury into a well-oiled machine. Now, in a more challenging environment, will the treasury reprise its role as risk manager?

***Johan Trocmé** is Managing Director, Investment Banking at Nordea.*

Treasury and finance professionals are working in a challenging new era of higher interest rates and elevated geopolitical tension. Is this new, uncertain environment reshaping treasury priorities and behaviour? That's what we set out to investigate in Nordea's latest treasury survey, "Brave New World", conducted in the autumn of 2023.

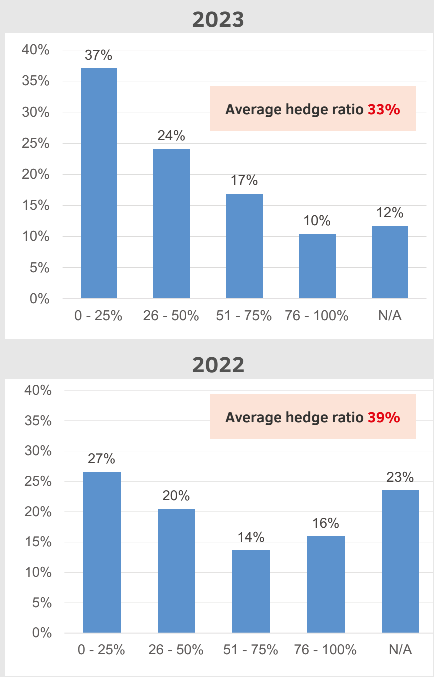
Each year, the survey takes the temperature of Nordic treasury professionals on a wide range of issues. The latest study drew in record participation from 176 Nordic and international large corporates from a broad spectrum of industries.

New world, new risk appetite?

When it comes to changes in their finance policies, treasuries do seem to be refocusing on risks. Around 20% of companies made major changes to their policies in the past year, a share on par with that in our 2021 post-COVID survey, and about twice the normal rate of policy changes. Back in 2021, the changes focused heavily on liquidity, with little attention to interest rate risk and leverage.

In our most recent survey in 2023, there was significantly more focus on ESG, with 34% reporting increased focus on that area in their policies. Liquidity was also still a top focus, along with a shift to longer debt maturity and more interest rate hedging.

Fixed interest rate share of debt down from 2022



While companies seemed to acknowledge the new environment, with changes to debt maturity and interest rate hedging in their policies, they had yet to widely put those changes into action. Respondents' fixed interest share of debt was down from 2022, which surprised us. We also found no major change to debt maturity, with the average in the 30-36 month range. Only one in four respondents had reduced its leverage or was considering doing so.

In the survey, we saw a clear pattern that treasurers perceived the need to be more mindful of interest rate risk and leverage, but, as of last autumn, they hadn't done that much in terms of taking action.

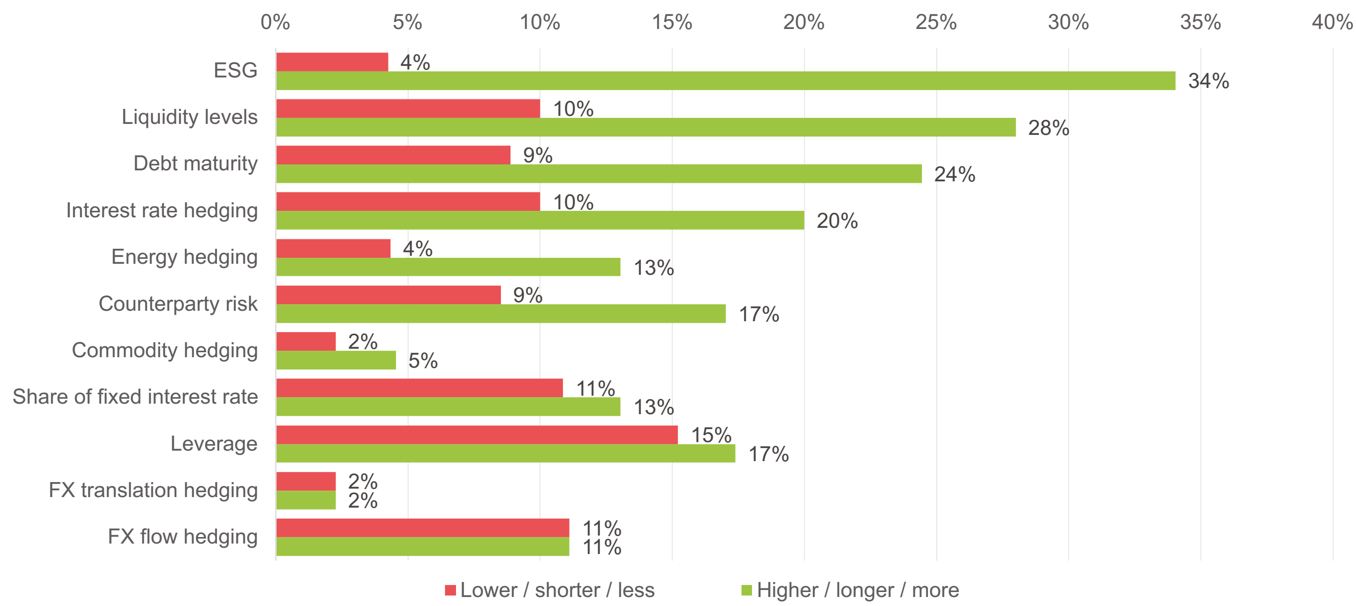
Waiting for a better opportunity

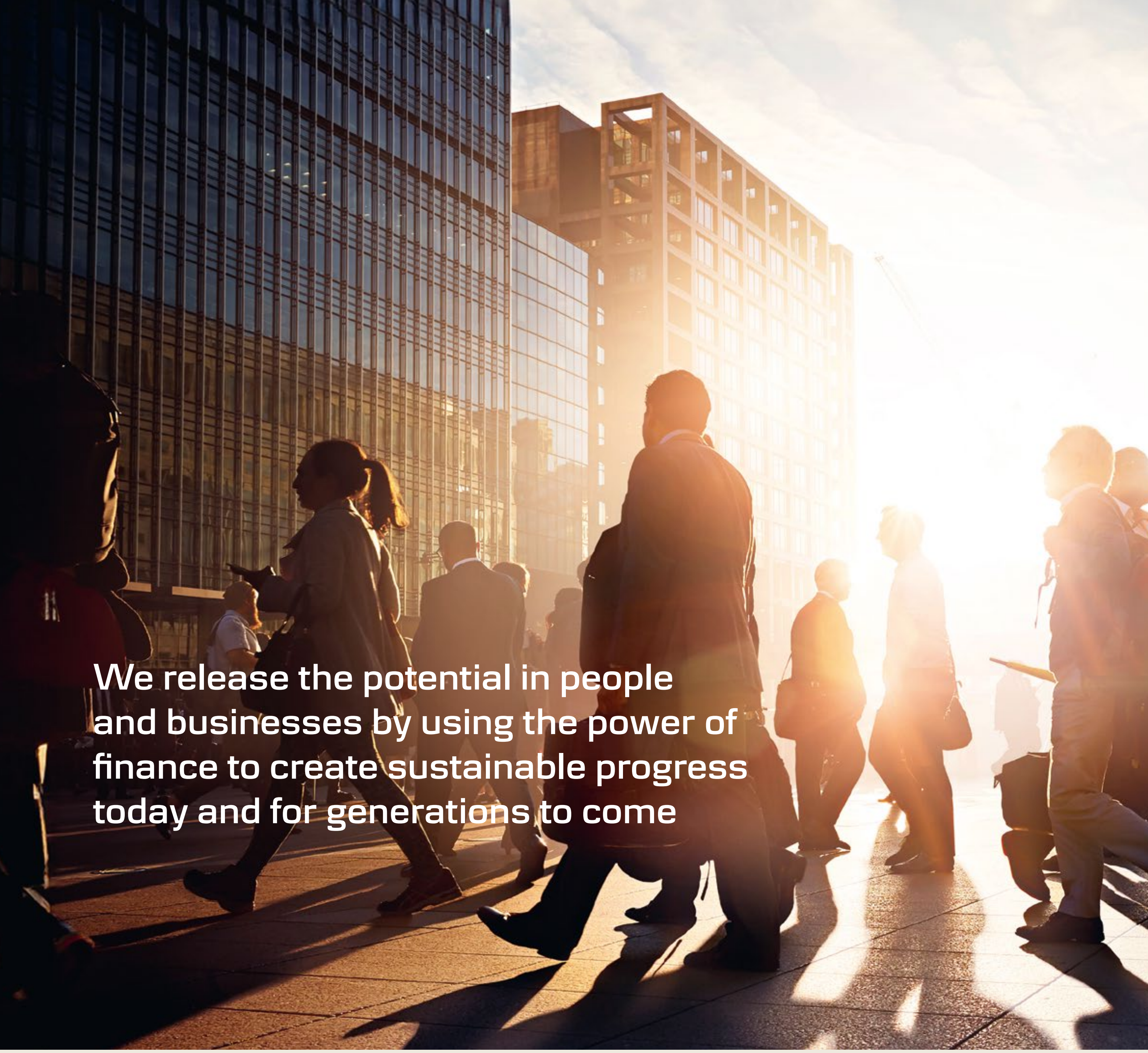
Since the release of the survey, we have had scores of client meetings where this issue of risk appetite has been a key discussion point. These conversations have confirmed the findings from our survey: corporates have the intention to move in the direction of reducing financial risk by having more fixed interest rate debt and longer debt maturity. But they have been waiting for a cheaper opportunity.

Through our other research, we have also found that, while households tend to have high levels of debt in the Nordics, large Nordic corporates are generally fairly conservative when it comes to leverage. For large listed Nordic corporates, their debt level is lower than the average for the past 15 years. That also means that most Nordic corporates haven't had an emergency need to act on reducing their financial risk but can rather wait for a better point in time after interest rates start to come down. ■

Chart: How finance policies changed in 2023

Areas where companies have made changes and in which direction





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With Forward '28 Strategy, we take action to unleash our full potential to the benefit of all our stakeholders – customers, shareholders, employees and society.

We set clear ambitions to continue our efforts to strengthen our position as a leading bank in the Nordic region and make significant investments in customer offerings.

We build on the fundamental changes we have made to the bank in recent years, which have led to a more focused business with a reduced risk level, a strengthened organisation and strong commercial momentum. And we are convinced that Danske Bank has significant potential beyond what we have delivered until now.

Danske Bank's purpose is central to our identity, how we collaborate with each other and how we operate our business – for our customers, employees, investors and society. Our purpose forms the basis of our strategy and our ambition to become a better bank for all our stakeholders.

Managing the currency risk in **M&A deals**

JAKUB KAPUSNAK / UNSPLASH

Contributed by Christian Törnqvist, Danske Bank

In the increasingly interconnected global business environment, Nordic corporations with international operations or investment exposures are regularly subject to currency risk. This is the risk that fluctuations in the exchange rates between currencies will impact the corporation's revenues, costs, cash flows, and ultimately, profitability and balance sheet health.

Nordic companies have over the years become skilled at managing the currency risk that their daily operations bring. However, in connection with mergers and acquisition, or when bidding on a larger order, the amounts and risks are often significantly larger than what the normal currency flows create. In addition to this, the nature of the risk is usually binary as there is an uncertainty whether the deal will materialise at all. Even if there is an agreement between buyer and seller, regulatory approval may be required which can prolong or even stop the process.

Outlier events and currency risk

- **Currency allocation in financing and debt**

In which currency should the financing be done and what should the future debt distribution look like? The allocation should match future cash flows and not just reflect the purchase price. We recommend that the choice of currency allocation in financing should minimise the risks on credit key figures and that the debt matches future expected cash flows.

- **Currency risk until payment and probability**

In which currency should the actual payment be made and how can currency fluctuations potentially affect the payment amount expressed in a company's home currency? Using the market's view on future movements, we get an estimate of the probability of future movements in the market and therefore how much more expensive the purchase could become at certain levels.

- **The binary risk of the deal**

What is the likelihood that the underlying deal will actually materialise, or rather, what is a probability-based view on different scenarios? The answer to this question will significantly affect what hedging strategy you should choose.

How to manage the binary risk of a deal

- **If deal certainty is high**

Make an agreement with the bank where the purchase price in foreign currency is bought for delivery on a future date. If the deal doesn't materialise, the full currency risk lies with the customer. If the deal materialises earlier, the agreement to buy a currency at a future date can easily be changed to a new date.

- **If deal certainty is low**

If there is any uncertainty, there are other alternatives. Instead of a binding currency contract, an insurance against future movements can be bought. Just like when buying any other insurance, a premium is paid to obtain protection. This gives protection against unfavourable currency movements.

- **Hedging the contingent risk and the currency risk**

In certain situations, an agreement can be made to be guaranteed to buy foreign currency at a specific rate at a future date if the deal happens. If the deal does not materialise, there are no obligations, the agreement to buy currency at a future date is therefore entirely dependent on whether the deal materialises or not.

The importance of risk analysis

Navigating an acquisition scenario can often feel like steering through a maze of decisions and parameters. One misstep could lead to substantial financial risks, impacting the overall health and success of your business. That's why we firmly advocate for the implementation of a thorough risk analysis at the earliest stages of the acquisition process. By identifying potential risks upfront, you can better prepare to manage and mitigate them effectively. This proactive approach not only safeguards your financial interests, but also fosters a smoother transaction process overall. ■

Christian Törnqvist *is Global Head of LC&I FX, Danske Bank.*

MIŁOSZ KLINOWSKI/ UNSPLASH

Strengthening payment security

Leveraging payment hubs to combat fraud

New methods in fraud prevention, such as those driven by artificial intelligence and machine learning, look amazing.
Don't let it divert your focus from having the fundamentals right.

NOMENTIA

Contributed by Nomentia

Across the ever-evolving landscape of modern finance, the specter of fraud looms large, casting a shadow over every payment transaction and threatening the stability of businesses worldwide. As technology evolves, so do the methods of would-be criminals, necessitating a proactive and comprehensive approach to safeguarding assets. While the allure of cutting-edge solutions like artificial intelligence (AI) and machine learning (ML) may be tantalising, it's crucial not to overlook the fundamental strategies in the fight against fraud. Amidst this dynamic backdrop, the role of payment hubs emerges as a cornerstone of defence, offering a robust arsenal to strengthen payment operations against ever-evolving threats.

The imperative of vigilance: Understanding the threat landscape

The finance department stands as a primary target for fraudsters, with the company's coffers perpetually under siege. From business email compromise (BEC) to account takeover fraud, the tactics employed by malicious actors are as varied as they are deceptive. Despite ongoing security training efforts, the human element remains susceptible to error, underscoring the need for comprehensive defences to mitigate risk.

Payment hubs present a paradigm shift in the approach to fraud prevention, offering a centralised platform equipped to prevent attacks across multiple fronts. By standardising processes and implementing automated, pre-defined rules to catch anomalies, organisations can establish a robust line of defence against unauthorised payments and fraudulent activities. Through features such as multi-tiered approval workflows and comprehensive audit trails, organisations gain even greater visibility and control over their financial transactions, mitigating the risk of financial fraud and human error.

Elevating security through standardisation

In a landscape characterised by disparate systems and decentralised processes, standardisation emerges as a basis of security. Payment hubs facilitate the establishment of uniform processes, ensuring consistency and clarity in payment procedures. By consolidating disparate payment channels into a single interface, organisations streamline operations and reduce the risk of errors or discrepancies. Through features such as automated reconciliation and exception handling, payment hubs empower finance teams to operate with confidence, knowing that every transaction adheres to established protocols.

Anomaly detection: Using a rule-based mechanism

Despite the efficacy of standardised processes, the sheer volume and complexity of payment transactions necessitate additional safeguards. Payment hubs can leverage advanced rule-based algorithms to identify patterns indicative of fraudulent activity. By continuously monitoring transactional data and comparing it against predefined rules, payment hubs can flag anomalous behaviour for further investigation. Whether it's unusual payment patterns, unexpected deviations from historical norms, or suspicious account activity, anomaly detection mechanisms provide an additional layer of defence against fraud.

Navigating regulatory compliance with sanction screening

In an era of heightened regulatory scrutiny, compliance with sanction lists assumes the utmost importance. Payment hubs offer integrated sanction screening tools, enabling organisations to screen outgoing payments against comprehensive databases of sanctioned entities. By adhering to regulatory guidelines and mitigating the risk of inadvertent violations, organisations protect their reputation and financial integrity.

Through real-time monitoring and automated alerts, payment hubs ensure compliance with evolving regulatory requirements, reducing the risk of penalties or reputational damage.

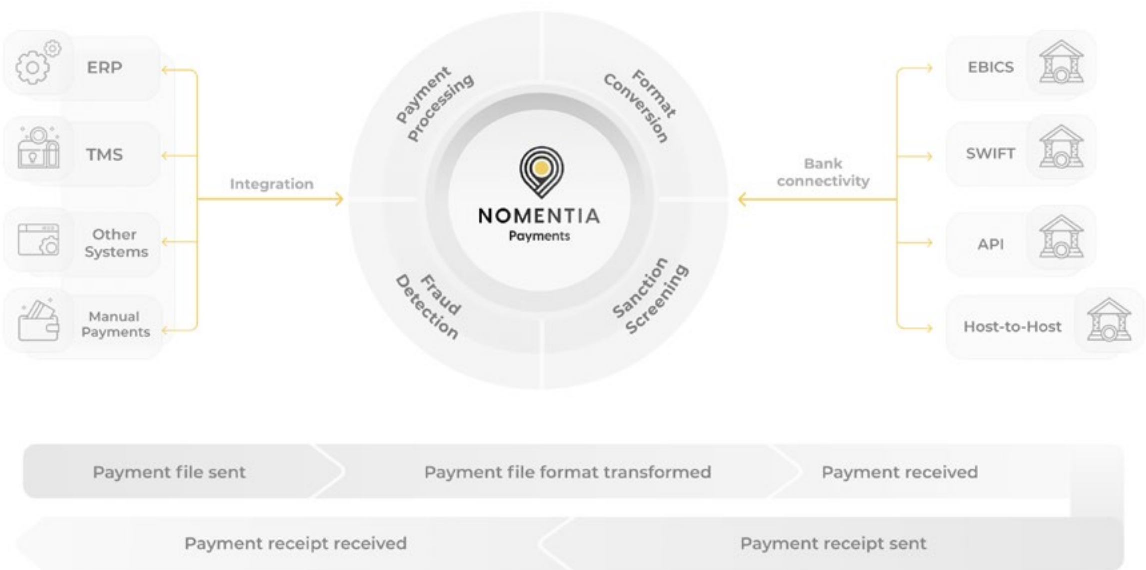
The path forward

As the threat landscape continues to evolve, the imperative for robust security measures grows. Implementing a payment hub represents a strategic investment in fortifying financial operations against fraud and error. By prioritising standardisation, anomaly detection, and sanction screening, organisations can navigate the complexities of modern finance with confidence, safeguarding their assets and preserving their competitive edge.

Looking ahead, the evolution of payment hubs promises to further enhance payment security through innovations such as artificial intelligence, machine learning, and advanced analytics. By harnessing the power of emerging technologies, organisations can stay one step ahead of fraudsters, proactively identifying and mitigating risks before they escalate. Moreover, collaboration and knowledge sharing within the industry will be essential in staying ahead of emerging threats and best practices in fraud prevention.

In conclusion, payment hubs represent a critical component of modern treasury management, offering a comprehensive suite of tools to combat fraud and safeguard financial assets. By embracing standardisation, anomaly detection, and regulatory compliance, organisations can improve their defences against evolving threats, ensuring the integrity and security of their financial operations.

As technology continues to advance and the threat landscape evolves, the role of payment hubs will only grow in significance, serving as a must-have of payment security in an increasingly digital and interconnected world. ■



Going global – striking the balance between digital and local


PEXELS

Global business expansion continues to present savvy organisations with important growth opportunities.

Contributed by Citi

According to the U.S. Chamber of Commerce, digitisation is "creating substantial new opportunities for American companies of all sizes and diverse sectors... Digitalisation will be key to U.S. competitiveness in a host of industries from finance and healthcare to logistics and AI."

As consumer expectations and demand push businesses to offer products and services across multiple markets, companies require robust international operations and a strategy that will support their preferred business model. However, the task of making payments and receiving collections internationally can create many challenges for new businesses. Establishing legal entities and opening bank accounts locally, particularly in regions with complex regulatory landscapes, can prove daunting. As the business expands rapidly, the overriding question becomes: **does the decision to establish local legal entities scale to support the burgeoning cross-border needs of the business?**

This article is the first in a series that aims to address the challenges businesses face going global and how they can go about overcoming hurdles.

For these reasons, businesses – even those that are starting out – should consider partnering with a global bank that has the local expertise and regional knowledge with consistent global connectivity to advise and guide them as they grow. Such a bank can become an invaluable asset, serving as both an extension of the treasury team and an advisory resource. Even at the earliest stages of the business, a global banking partner can enable scalability and effective strategy planning while helping to ensure constructs are put in place early to allow for rapid international growth.

Working with a global bank like Citi allows treasury to consolidate banking relationships and support the needs of the business with access to on-the-ground expertise. While some global banks rely on local partner banks (which can affect overall efficiency), Citi has direct access to local clearing systems and a single global entry point into the bank – meaning consistent data, reporting, and connectivity. Businesses should inquire with their global banking partners regarding where they have a proprietary presence.

The need for speed when going global

In today's fast-paced business ecosphere, organisations are often under pressure to meet customer demands with increased speed-to-market around the world. Paying content creators, suppliers, app developers or gig workers real-time in local currencies or through alternate payment channels can present real difficulties. Some businesses look to solve this problem by relying on Payment Service Providers (PSPs), but an expanding number of PSP connections may increase the number of potential points of failure. Eventually, as they continue to grow

The challenge of going global

If your company has decided to establish local legal vehicles for operating purposes, treasury will need insights and expertise to help ensure a smooth process. Considerations might include:

- Understanding the nuances to capitalise entities for formation, such as opening a capital injection account, funding limits and legal documentation requirements.
- Preparing for bank account opening and KYC requirements, including tax documents and proof of address which may take time for brand-new entities.
- Understanding the requirements for local signers (as those requirements may conflict with the desire of treasury to manage signers on a centralised basis).
- Familiarising with local payments preferences and practices.
- Automating local entity funding where possible, and moving onshore where local jurisdiction requires it.

and costs rise, they are compelled to unwind this complex web of PSPs.

Again, working with a global banking partner can be the answer. A global bank can easily scale with the business. And since such banks are often already handling the back-end payment processing for the PSPs, there is little advantage to integrating with multiple third-party providers.

As a global bank enabling business in more than 160 countries and jurisdictions, Citi has the extensive reach and the local expertise to allow businesses to go-to-market quickly. Having access to an industry-leading cross-border payments platform, such as WorldLink, allows a business to easily send payments in a variety of currencies and payment types from a single central account – eliminating the burden of forming a local entity and opening a local bank account. This flexibility not only allows treasury to ensure that business needs are met and that local workers or expenses are paid in an efficient and timely manner, but can also be a critically important competitive differentiator with customers, suppliers or partners.

Overall, where a business banks matters. A trusted banking partner can be a competitive advantage, providing invaluable input on doing business in-country, and access to scalable platforms and comprehensive solutions to support the global growth of the company. Citi's proprietary network (encompassing 95 countries!) can be a growth enabler in this way, providing a foundation to help launch treasury towards achieving its goals.

In the next article in this series, we will delve into cross-border payments as a competitive differentiator and how organisations can avoid separate connections to multiple providers to take advantage of the most local relevant payment methods. ■

Candace Wenzel, *Director, eCommerce Global Solution Sales, Citi Treasury and Trade Solutions*

Meaghan McNally, *Vice President, eCommerce Business Development*

Read also the second article "Why payments are critical to companies going global", later on in this magazine.

4 key focus areas to boost global treasury operations

tis

Contributed by Timo Becker, Treasury Intelligence Solutions

Modern treasury teams play a vital role in controlling the various operational, financial, and technological costs that impact their companies. However, given their typically small team size and expanding responsibilities, practitioners must prioritise their available resources and focus on projects that will have the largest impact on their company. This is especially true in today's volatile economic environment.

1. Rationalise your bank partner and account landscape

Excessive bank relationships and account structures can result in higher costs, fragmented visibility, and inefficient workflows. As the number of bank accounts easily becomes inflated over time through organic growth and M&A activity, many multinational corporations end up with more accounts than they want or need. Rationalising bank relationships can be an effective way of reducing costs and improving operational efficiency. It allows for limiting the number of banking systems and connections required, reducing annual maintenance or service costs, and increasing transparency. In a centralised bank account management setup, the accumulated information can be leveraged for additional savings, e.g. for a bank fee analysis.

2. Simplify and unify your back-office technology stack

Growing companies often wind up with a variety of banking portals, ERPs, and TMSs that are collectively causing redundant, fragmented workflows, and unnecessary costs. TIS' recent research found that 38% of treasury and finance teams were using more than 15 different treasury, vendor or payment systems.

Treasury teams with an excess number of systems should strongly consider a consolidation project. A simpler and more unified technology structure can result in more efficient processes, greater transparency, lower costs, and improved decision-making.

3. Prepare end-to-end processes for ISO 20022

The transition to ISO 20022 is arguably the heaviest transformation since the introduction of SEPA. Some banks are already asking for data in the newer, richer, and more structured XML formats, others are just beginning. On the corporate back-office side, the situation is even more complex, when a corporation's tech stack consists of numerous legacy systems, which would not be able to manage the new data formats.

Corporations of all sizes and in all industries need to assess their banking and system landscape to fully understand how they can ensure frictionless processes. Identifying the vendors that can help smoothen the transition is key. TIS, for example, can already translate all common legacy payment formats to ISO XML. Rough data received from banks can also be flexibly enriched, normalised, and sanitised with the master data in TIS, enabling frictionless operations even if back-office systems are not ISO 20022 ready.

4. Optimise your cash and working capital

Identifying and sweeping idle cash into short-term promissory notes or other interest-earning options can result in a significant boost to revenue. Deploying this cash to erase existing debt may provide a similar monetary advantage. Accurate cash forecasting and working capital insights are key. Incorporating the full span of relevant data into cash forecasts – including banking and payments data as well as invoicing, AP / AR, and procurement or sales data – is what ultimately provides the greatest benefit.

Companies that can analyse unique vendor or supplier invoicing and payment preferences can work strategically with these insights. These types of insights enable treasury to adjust their cash conversion cycle to free up liquidity and ensure that funds are not tied up for unnecessary periods due to inefficient AP, AR, or overall working capital processes.

Treasury Intelligence Solutions can help foster the desired outcomes for any of these beforementioned key focus areas. Reach out to us and schedule a meeting: www.tispayments.com. ■

__Timo Becker__ is VP Business Development, Treasury Intelligence Solutions.

Finding resilience amid chaos:

5 observations defining the treasury function in 2024

Economic instability, a pandemic, geopolitical turbulence, rising urgency to get to net zero – a continuous stream of demands and disruption have pushed businesses to their limits in recent years. What this has proven without doubt is that treasury can no longer continue to be an invisible part of the finance function. After all, accurate cash flow forecasting, working capital and liquidity management are all critical C-suite issues. So, with the case for a more strategic treasury accepted, CFOs are now looking to their corporate treasurer more than ever for help with building financial resilience and steering the business towards success.

The future form of corporate treasury is evolving at pace to meet the demands, so to bring you up to speed, we discuss in this article five key observations we believe will have the most significant impact on the treasury function in the coming year(s).

1. A sharper focus on productivity and performance

Except for some headcount reductions, treasury has remained fairly protected from the harsh cost-cutting measures of recent years. However, with many OPEX and CAPEX budgets for corporate functions under pressure, corporate treasurers need to be prepared to justify or quantify the added value of their function and demonstrate how treasury technology is contributing to operational efficiencies and cost savings, and reduce the Treasury Total Cost of Operations. This requires a sharper focus on improving productivity and enhancing performance.

To deliver maximum performance in 2024, treasury must focus on optimizing structures, processes, and implementation methods. Further digitalization (guided by the blueprint provided by Treasury 4.0) will naturally have an influential role in process optimization and workflow efficiency. But to maintain treasury budgets and escape an endless spiral of cost-cutting programs will take a more holistic approach to improving productivity. This needs to incorporate developments in three factors of production – people, capital, and data (in this context, knowledge).

In addition, a stronger emphasis on the contribution of treasury to financial performance is also required. Creating this direct link between treasury output and company financial performance strengthens the function's position in budget discussions and reinforces its role both in finance transformation processes and throughout the financial supply chain...

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Sustainable supply chains for tomorrow's consumer

PEXELS

Contributed by Standard Chartered

In 2015, the United Nations set 17 sustainable development goals (SDGs), driving towards a more sustainable world by 2030[1]. Sustainable and transparent supply chain solutions are crucial in achieving this brighter future, upholding environmentally and socially sustainable practices with the aim of protecting the environment and people at every stage of the chain[2]. As society becomes more educated on the impact that their buying decisions have, incorporating sustainable practices throughout the whole of a supply network will build a better world for tomorrow's consumer.

Fewer than 30% of companies have set sustainability targets

Standard Chartered's research report, 'The sustainability commitment paradox', revealed that 55% of companies in Europe and North America would trade lower financial returns for positive sustainability outcomes, but challenges prevent action[3].

Participating in sustainable supply chain innovation must be financially viable for each member of the supply chain. A challenge for small-medium enterprises (SMEs) within developing markets that comprise a large chunk of supply chains is the cost of Environmental, Social and Governance (ESG) reporting. Large corporations in developed markets have the resources to absorb these costs[4], however, SMEs in emerging markets may not have the available liquidity to cover the costs and stay afloat.

The inconsistency in ESG reporting impacts the quality and quantity of data, with over half globally struggling to access the relevant information[3], meaning that measuring the value-add that sustainable business practices can have for companies and creating achievable targets within today's fast-changing economy is more difficult.

There is also a need for a standardised cross-border regulatory approach which creates a framework to operate within, be guided by, and adhere to.

Motivation to take action

There is motivation from top organisations through to individuals to take action for a more sustainable future. In 2022, the Inflation Reduction Act (IRA) was signed into law in the US to increase spending and incentives for reducing carbon emissions, lowering health costs, and improving tax revenue[5]. In 2021, Statista reported that 69.6% of British respondents stated they were more likely to purchase from a business that had a B-corp certification[6]. In the UK, there are now over 1,300 B-corp certified businesses, the second largest market behind the US[7].

Over 65% globally believe that being more sustainable helps position their company as a long-term investment option[3]. Building a supply chain from a sustainable platform sets a positive precedent for future business partnerships, relationships with customers and their reputation within wider society.

Innovating for sustainable supply chains

Innovating end-to-end sustainable supply chains is possible with new digital technologies and transnational agreements on sustainability goals. Article 6 of the Paris Agreement will allow countries to transfer carbon credits earned from their own greenhouse gas (GHG) emission reductions to help other countries meet climate targets[8].

The impact of these financial agreements is already visible in emerging markets such as Ghana, which is benefitting from creating state-of-the-art, sustainable digital infrastructure. In 2023 the World Bank's Forest Carbon Partnership Facility paid Ghana USD4,862,280 for reducing 972,456 tonnes of carbon emissions through climate-smart agro-forestry approaches[9].

Digitising trade and incorporating new technologies within supply chains will bring true efficiency to economies of scale in emerging markets, and better fuel the economy in existing developed markets[10].

Supporting a sustainable future

Standard Chartered can support its clients in achieving sustainable supply chain goals through its innovative banking services, global market presence and industry-leading partnerships across technological financial solutions.

For example, the Standard Chartered Green and Sustainable Product Framework allows Standard Chartered Sustainable Account customers to play their part in financing progress towards solving global sustainability challenges whilst maintaining liquidity flexibility for operational needs. The focus on integrated and transparent finance solutions provides a secure service for customers, helping them achieve a more sustainable future[11]. ■

References

[1–11] *The many sources referenced in this text can be explored as hyperlinks through the online version of this magazine: https://treasury360.net/2024-magazine/*

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Supply chain finance in a rising rate environment

ISTOCK.COM/METAMORWORKS

BANK OF AMERICA

Contributed by
Len Dunleavy, Bank of America

The current rising interest rate environment has resulted in changes to reference rates related to borrowing with all financial institutions. This includes supply chain finance (SCF), as the rise in rates has impacted the discount costs on SCF programs. Even with the increase in these reference rates, Bank of America has seen a record number of suppliers enrolling in SCF programmes as the suppliers' rising cost of borrowing and tightening of liquidity has made buyer-offered SCF programmes financially beneficial to suppliers.Let's take a look at the two components of SCF discounting:

• The spread

The spread on the programme is a stable rate and is based on a combination of the buyer's credit rating and other market conditions. The rate quoted for the spread stays consistent unless there is a change in the buyer's credit quality, which may increase or decrease the spread charged on SCF programmes. Market conditions may also impact the spread. For example, during the COVID pandemic, most banks increased rates in response to the crisis, but this type of situation is highly unusual.

It is also worth noting that when the market stabilised, spreads returned to pre-pandemic levels.

• The reference rate

The reference rate is driven by the currency of the receivable that is being discounted. For US dollars, many banks used LIBOR (London Interbank Offer Rate) as a reference rate. At this time, LIBOR is being replaced by alternative reference rates such as BSBY (Bloomberg Short-Term Bank Yield Index), SOFR (Secured Overnight Financing Rate) or other reference rates such as Euribor (Euro Interbank Offered Rate), CDOR (Canadian Dollar Offered Rate), etc. These rates are publicly published rates and have only fractional changes daily. As interest rates rise or fall, reference rates tend to move in a similar fashion.

Flexibility of Bank of America's supply chain finance programme

Bank of America has designed its supply chain finance programme to be flexible and offer options for suppliers who enroll. Suppliers can choose from auto discounting or selective discounting.

• Auto discounting

This method requires no action for an enrolled supplier to receive a discounted payment. As soon as approved invoices are received from the buyer, they are automatically discounted and funds are sent to the supplier's financial institution.

• Selective discounting

This method allows the supplier to pick which invoices they wish to accelerate and when it should take place.

For example: Five invoices are received on day 10, each with 90-day terms and worth $10K. Once the supplier receives notification that these five invoices have been approved, they can access the Bank of America system and chose which, if any, invoices they want to discount and at what maturity (i.e., 45 days). If they don't discount at all, the supplier will be paid in full at invoice maturity.

What happens if market conditions change or supplier's financial strategy/needs change?

If conditions change and discounting is not advantageous, suppliers can easily change their discount elections (auto, selective). There are no fees to change, and changes can be made in fewer than 5 business days. Although there has been an increase in the reference rates, Bank of America has not experienced suppliers changing their discounting election from Auto to Manual or seen suppliers exiting the programme. On the contrary, we have seen an increase in supplier activity as suppliers' cost of borrowing has increased at the same or an accelerated rate. The flexibility and design of the supply chain finance programme that Bank of America offers have been able to meet suppliers' financial strategies and needs despite changing market conditions. ■

***Len Dunleavy** is Director, Global Trade & Supply Chain Finance, Bank of America*

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The keys to successful solution implementation: Collaboration and innovation

BNP PARIBAS

Contributed by BNP Paribas

They might not operate in the limelight, but implementation teams lead the line within banks when it comes to the highly involved and often sensitive task of designing and delivering innovative solutions for clients. In this article, two experts from BNP Paribas discuss the bank's implementation philosophy, and explain what makes or breaks the business of delivering ground-breaking, efficient, and resilient solutions for clients.

GETTY IMAGES

> **"Implementation teams are among the unsung heroes within banks, toiling away at the sharp end of the interface between bank and customer, designing and implementing solutions for clients."**

Implementation teams are among the unsung heroes within banks, toiling away at the sharp end of the interface between bank and customer, designing and implementing solutions for clients. In doing so they represent one of the most important points of contact between banks and corporate treasury teams, playing a critical role not only in addressing the immediate needs of treasurers but also listening and responding to their wider operational concerns.

Paris-based Bertrand Buyse, Head of Solutions Design and Implementation, BNP Paribas, is clear about the importance the bank attaches to the relationship between its implementation experts and clients. "When it comes to solution delivery and implementation, the goal for us has always been the same: to accompany our customers on the entire journey – working with them in the delivery of solutions from design and scoping phases to building and rolling out the solution.

"A differentiator between BNP Paribas and other banks where implementation is housed more within sales is that we have a dedicated, large, well-resourced and long-established implementation organisation. This helps us focus on delivering truly innovative solutions, not just off-the-shelf products."

What's more, Buyse's global 60-strong implementation team currently has a presence in more than 10 countries – a footprint that helps to ensure it can cover all time zones. "Our extensive global coverage reflects the great importance we attach to being very close to our customers – not just in terms of mindset and values but also geography," continues Buyse. "While we leverage technology to the maximum it's always beneficial to have somebody on the ground, especially since our implementation philosophy is to have strong communication with clients through all phases of a project."

A seamless approach

BNP Paribas' Solutions Design and Implementation team's commitment to adhering to the highest standards of delivery is further underlined by its ISO 9001 certification, which sets out the criteria for a quality management system based on principles that include a strong customer focus.

"We have a harmonised methodology for project management, but ISO 9001 also tells us that we have to listen to our customers. It requires that we constantly look to improve our service to clients and be uniform in dealings with them wherever they are in the world. It is an important, highly desirable certification and it can make a difference in winning clients since it gives them additional peace of mind."

Buyse's team currently delivers around 200 projects a year, large and small, globally. He says the majority of these projects are focused on cash management, in all its various guises, including payment factories, card acquiring, and new connectivity channels including new pilot solutions/services.

The customer-facing emphasis of the team means that its members often become involved with projects at the RFP stage, bringing their expertise to the table from the outset. "We have an important role, even at that early pre-sales stage, in considering how solutions might be implemented and potential roll-out strategies.

If agreement is reached and the client signs up then, of course, our role becomes much more hands-on across all aspects of solution design and implementation."

Win-win for all

Buyse's colleague, Ivan Todorov, Cash Management Implementation Team Leader, is responsible for the more strategic cash management implementations for the bank's largest customers. Indeed, Todorov's unit possesses highly experienced, specialised expertise for the more sizeable projects as well as wide-ranging capabilities across varied client needs.

Drawing on these decades of expertise, Todorov shares some secrets to a successful implementation. "While we often engage with corporate treasurers, project stakeholders within the client organisation can cut across several internal teams, especially when it involves digital innovation. Typically, these are teams dealing with the management of payments and collections, IT, and those responsible for managing ERPs and TMSs.

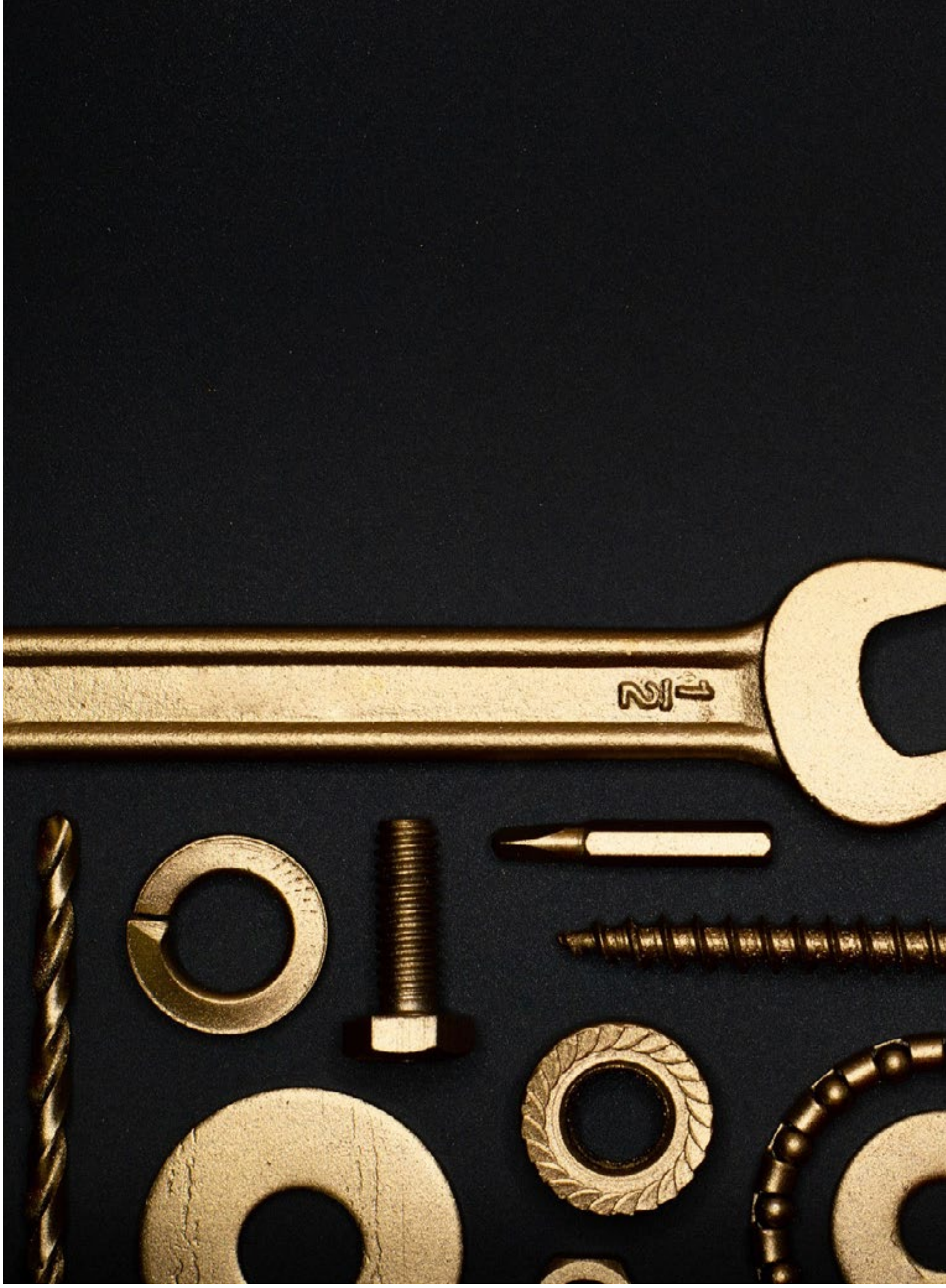
This means we need to speak many different business languages to ensure all project information is synthesised and that we are all singing from the same hymn sheet. It is vital that there are no gaps in understanding between the stakeholders."

Todorov says that sometimes larger clients will engage advisers such as Deloitte and PwC to help support specific projects. While this is one more stakeholder to engage with, he is keen to assure clients that the BNP Paribas' implementation team is well equipped to work with such additional third-parties – and understands that this may add extra layers of communication.

Mission accomplished

While the scoping phase of an implementation can take just a few weeks, the bank's team is more accustomed to the fact that it can take several months of discussions and presentations for the project design process to evolve fully. Buyse comments, "Initially it can be a very complex picture, but by working with the client and other stakeholders, a clear and deliverable proposal for the solution eventually emerges."

He continues, "The first element of the >



> mission is to make sure that we all have the right target in mind regarding what we are trying to achieve. We pride ourselves on being completely open for discussion with clients, to be a trusted adviser rather than one that is only interested in putting forward the bank's interests. We want the best outcome for both the bank and our clients. Just pushing products is not in our DNA."

Indeed, Todorov points out that being open and transparent with clients can help generate more business for the bank. A client that is happy with a BNP Paribas implementation in one country is much more likely to ask it to handle the roll-out of the solution in another, for example.

He adds, "It's about building a relationship with our clients, expanding with them and delivering efficient, robust solutions. If they are happy with what we deliver in cash management, it can open up the potential for us to work together in other areas, for example trade and investments. As everyone knows, happy customers are much more likely to return. And ultimately, we like to see our clients thrive."

Easing the burden

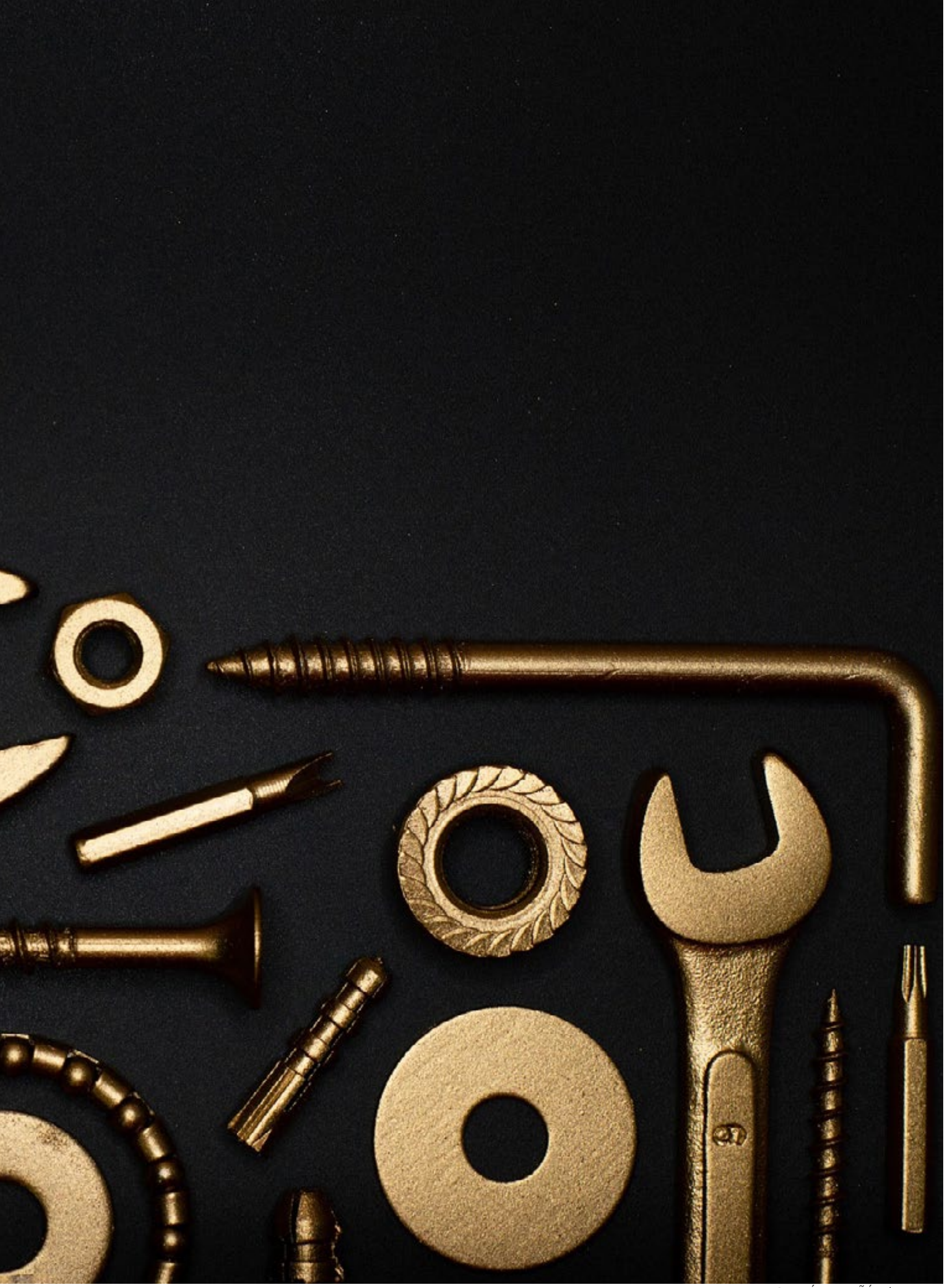
To help them achieve that success, Buyse says that when approaching an implementation, clearly establishing the roles and responsibilities of each party involved in the project from the outset is crucial. Not least to ensure a smooth working relationship, but also to avoid costly misunderstandings later down the line.

"Clients need to know we are easy to do business with and being organised efficiently from the outset plays a key role in ensuring that. When we start a project we always advise the client, especially the bigger and more complex organisations, that they will need a project management team on their side.

"We assure them we will remove as much of the burden as possible from their shoulders. But having a dedicated team on their end is a huge help. The best and most successful implementation projects are where both parties work together closely to develop and roll out the solution."

"It is essential, Todorov says, that the product teams understand the exact needs of clients – and they are tasked with bringing that information and creative ideas to the Solutions Design and Implementation experts."

Echoing Buyse, Todorov says, "Success for us is based on working closely with clients, understanding their needs, and co-creating solutions that address their requirements fully. Indeed, that way of working is the foundation upon which our team's whole innovation process is based. It is a process that has been refined over many years and continues to evolve –



MIGUEL Á. PADRIÑÁN / PIXABAY

Bertrand Buyse, BNP Paribas

Ivan Todorov, BNP Paribas

informed by our ongoing implementation experience and understanding of what our clients need."

Swiss army knife

A critical aspect of the bank's innovation philosophy is the leveraging of intelligence gathered on client needs by the bank's product management teams. It is essential, Todorov says, that the product teams understand the exact needs of clients – and they are tasked with bringing that information and creative ideas to the Solutions Design and Implementation experts.

Todorov explains, "Our implementation experience, our ideas, and knowledge of client needs are crucial for enabling product teams to focus on developing solutions that are a correct fit for the client's requirements. For us, innovation is therefore an iterative process involving feedback and collaboration between implementation, the client, and our product teams.

"At the same time, though, we are transparent and objective enough to say when we believe certain solutions or approaches are not in the best interests of the client, even though they may be on the client's wish list. If we believe it doesn't make sense for the client, we say so, and suggest more appropriate alternatives."

Such processes are only as good as the people engaging with them, however. Especially when it comes to implementation personnel, since successful outcomes depend heavily on their skills, knowledge, experience, and know-how.

Buyse concludes, "Our people are really passionate about what they do and what they can deliver for clients. But to achieve their goals, they have to wear many hats – legal, technical, project management, financial, risk management, and so on. That is a hugely impressive range of capabilities in anyone's book. I always say that when it comes to our work, implementation, you really need to be like a Swiss army knife!" ■

Cash management solutions designed by experts

Danske Bank

Contributed by Johan Wennerberg, Danske Bank

In an increasingly complex financial environment, effective cash management is more important than ever for businesses. As they seek to streamline operations, optimise cash flow, and minimise financial risk, many are turning to Danske Bank for their cash management needs.

The fact that more and more corporates and businesses in the Nordic region choose Danske Bank as their cash management partner is no coincidence, as this is a line of business which constitutes a cornerstone in our everyday banking offering.

Says Global Head of Transaction Banking, Claus Harder, "We have long-standing expertise and a wide and robust offering, and this is what customers look for, regardless of size. They prefer to have most of their cash management needs met under one roof and come to us for our strategic and proactive guidance. We continually see very high customer satisfaction levels regarding our cash management services, and customers consistently point to our solutions design, implementation ability and our daily support levels as major reasons for this."

In February, Danske Bank was awarded as the leading Nordic cash management bank 2024 by the independent customer satisfaction survey provider, Prospera, who conducted 288 interviews with Nordic corporates and businesses about who their favoured cash management partner is.

Ready for the future

Danske Bank's cash management solutions are crafted to meet the dynamic needs of businesses. With a focus on delivering efficiency, transparency, and control, we enable companies to manage their financial operations effectively today, just as we want to meet the demands of tomorrow.

To do so, we for instance, look at partnerships as a way to contribute to a stronger and more relevant offering, Claus elaborates, specifically mentioning Open APIs as efficient enablers of enhanced collaboration. Regardless of the strategy, however, Danske Bank remains vigilant for opportunities that will help us consistently deliver superior cash management solutions.

"No doubt, in an increasingly digital world, staying ahead of industry advancements is vital. Our commitment to ongoing development of our cash management business is one of the ways to set us apart, and we continually invest in technology to remain relevant to our customers," he finalises.

> **"Our commitment to ongoing development of our cash management business is one of the ways to set us apart."**
>
> ***Claus Harder**, Global Head of Transaction Banking.*

Businesses typically invest in cash management solutions to obtain:

- Operational efficiency: Our solutions streamline business operations by automating processes like payments, receivables, and reconciliation. This automation not only saves time but also minimises the likelihood of errors.
- Enhanced cash flow management: Our cash management solutions offer a clear view of a company's cash flow. This clarity enables better forecasting, budgeting, and identification of any gaps, facilitating necessary adjustments for maintaining a healthy cash flow.
- Risk mitigation: Our solutions help minimise financial risks. They assist in fraud detection, provide secure transaction processing, and ensure compliance with regulations, thereby offering peace of mind.
- Real-time access to information: Leveraging cutting-edge technology, our cash management solutions provide real-time access to financial data. This feature empowers businesses to make timely and informed decisions.
- Cost savings: By automating manual tasks, reducing errors, and optimising cash flow, our cash management solutions can generate significant cost savings.
- Optimised liquidity management: Our cash management services include liquidity management solutions that help businesses optimise their use of cash, thereby enhancing profitability.
- Integration capabilities: Our cash management systems can integrate seamlessly with other financial systems. This integration provides a unified view of a company's financial situation, simplifying management tasks and fostering better financial control. ■

***Johan Wennerberg** is Global Head of LC&I TxB Sales*


Move forward together with Danske Bank
Danske Bank

Perfecting the art of **tailor-made client service** in company-bank relationships

The client servicing offered by banks to their corporate clients plays a pivotal role in the success of both parties. Technology can make this relationship element more efficient, but investing in the human side of the equation is equally vital.

Contributed by
Ben Poole, Societe Generale


ISTOCK

Patrick Pots, Leading Cash Management Advisor at Equinor, an international company headquartered in Norway, explains, "Client service is increasingly crucial to us. When we select a bank, we know that they can all provide account structures and automated payments, so client service is a real differentiator."

Equinor's treasury, including cash management and payments, is highly centralised. This enables a high-level of attention from the treasury team to the business at large.

"We like this to be mirrored from the banking side, and we want a central and single point of contact at the bank," adds Pots.

Peter Clemens, Head of Global Transaction Banking Belgium, Societe Generale, affirms that this particular client-servicing approach is a significant focus at his institution.

"Nordic clients are very centralised, so we try to mirror that and provide them one single commercial contact. This means the client does not need to navigate all the different geographies in the scope of the relationship," Clemens explains.

For banks, client servicing is a broad topic covering much more than delivering cash management solutions. In any interaction with a bank, the corporate needs to be met with an efficient organisation that can surmount challenges and knows the business well enough to be proactive.

Advances in technology have helped drive efficiencies in treasures' relationships with their banks. As corporates increasingly strive to become paperless organisations, banks are responding to this need.

Clemens reveals, "We have nearly gone paperless with Equinor – we exchange documents via a secure hub and with e-signatures. However, it is crucial to maintain the relationship with Equinor through weekly calls to ensure the smooth flow of our operations."

Societe Generale is increasingly investing in technology that supports its client servicing operations. One example is with [Swift] GPI technology, which was put forward to all clients to ease their access anytime.

In addition, Societe Generale is also increasingly sharing its internal tools with clients to provide them with frictionless contact and information.

One of the hotspots for friction in the corporate bank relationship is the KYC process, which can be complex and time-consuming. Combining technology with a focus on efficiency can enable banks to simplify this process for their corporate clients.

"We have a central upload approach where we establish the geographies that a corporate client is in, and then, on an annual basis, collect all the documents we need in one go," explains Clemens.

Pots agrees that this approach helps treasurers navigate one of the most complex aspects of the corporate-bank relationship, as the KYC process for account opening is demanding and very time consuming for both parties.

At the same time, technology is not a panacea for client servicing. Despite its advantages in this space, there is a danger that banks could fall into a situation where, to reduce costs, they fully embrace digitalisation to the detriment of client service's human element.

Pedersen emphasises, "The personalised touch is vital. If you give corporate clients access to a call centre, they will complain, they will prefer to collaborate with someone in charge of handling their issues, and the results are much better for everyone."

Pots agrees, "While it is helpful, our bank should also be proactive in the service they provide."

For companies, the human touch is vital, but even more important is having a bank contact who master their organisational set-up and has easy access to all key information.

Societe Generale offers client-service reviews every quarter that can be requested by corporate clients, providing an ongoing touchpoint between the parties.
Investing in the tools and people that underpin the approach to client servicing is essential for Societe Generale's continued prosperity. ■

If cash is king, what is the queen?

PHOTO: GETTY IMAGES / DNB

We are in a new era of treasury. Cash has always been king, but how can the modern treasurer optimise their queen to influence the long-term sustainability of their business?

Contributed by Georgina Rush, DNB

Those of us that were not working through the '08 financial crisis are often reminded about the chaos and uncertainty. However, the last few years have been an equally turbulent rollercoaster ride, the next watershed moment.

Covid 19 was an unprecedented challenge on many fronts; shock waves reverberated throughout the global economy and society quickly became accustomed to diminished interest rates. But just like clockwork, inflation and rates are back on the rise and the unavoidable topic of working capital is back in the headlines.

What has been fascinating to follow over the past few years is the development of the treasury function. Treasuries that were notorious for focusing on cash, financing, and payments, have evolved dramatically.

They have become gripped, and rightly so, with sustainability objectives, understanding value chains, digitalisation, and sales enhancements. They should receive more recognition for manoeuvring through the everchanging geopolitical landscapes, grappling with onshoring decisions and painstakingly dissecting global supply chains. They now go way beyond 'just' treasury. This poses a huge opportunity.

To use a chess analogy, the new era treasurer sits in a prime position to maximise their cash and working capital strategies. Cash is akin to the king on a chess board, the most important piece, demanding protection. Working capital, like the queen, is the most powerful, flexible, and strategic tool on the board. Just like the grandmasters of chess, treasurers today are looking to deploy their king (cash) and queen (working capital) in tandem to influence and shape the long-term health and direction of the business.

How can the modern treasurer optimise their queen?

1. Back to basics

It may feel old school but invest time in your cash conversion analysis, an important working capital metric. Do your days' payables vary by division? Do your days' sales vary by geography? What levels of inventory do you need to remain competitive?

Importantly, where do you stand compared with your peers? As the cost of financing is now a major player in the P&L, this is one piece of the puzzle to dissect to maximise your cash flow and liquidity.

2. Cross-functional collaboration and governance

We often see scattered stakeholders across the business with conflicting priorities and reporting lines. Seek greater collaboration; ensure there is cash awareness across departments and geographies to guarantee successful use of working capital tools. We have seen how effective it can be when sourcing, sales, finance, and sustainability teams act together, establishing a culture of working capital targets and incentives.

3. Efficiencies

Use working capital solutions as a way to enhance automation, access real time data, improve accuracy and efficiencies, reducing costs long term. From monitoring of bad debts to compliance, working capital technology can contribute towards advancing digital efficiencies and sustained value in the business.

4. Driving ESG goals

Utilise your power of influence by applying working capital programmes to drive change in line with corporate values. This space is evolving across the full value chain. It is used as a powerful tool to reduce scope 3 emissions in tandem with supply chain finance, or for example, to drive human rights and bio-diversity targets in line with wider corporate targets.

We can't deny that progress takes time, and just like the game of chess, success lies in sustained efforts rather than short bursts. Be bold and strive to be a market leader. Maximising your tool kit is the best way to beat your competition and protect your king.

Victory will only be achieved if you are in it for the long run and make the most of having one of the best positions in the house.

So let your queen take the spotlight and let her protect the king at all costs. ■

***Georgina Rush** is Head of Working Capital Solutions, Sweden, DNB*

LEONE VENTER / UNSPLASH

Establishing treasury after spin-off: New, simpler solutions make it **100% fit** for purpose

After the spin-off of base chemicals business Nobian, the complex treasury instruments that had worked before, were redundant. Within just four months, the company had created a new banking infrastructure with simpler solutions that still meets their needs. **So just how did they do that?**

Contributed by Katerina Kolarova, ING

Vincent van Acken, Director Treasury, Insurance and Investor Relations at Nobian, says they wanted to create a treasury that would reflect the smaller size of the new company and still meet their needs. "We already used ING's banking services and expertise, so it was a logical choice to turn to them for support. ING, together with our own treasury management team, as well as accounting and IT departments, ensured a smooth transition. Not only do we now have a fit-for-purpose banking infrastructure, but we completed it all within the short given time frame of four months."

"We soon saw that the sophisticated treasury instruments that had made sense previously were not necessarily the right choice going forward."

Simpler solutions

After the spin-off, Nobian still needed timely access to its liquidity at the central level, and to keep standardised payment processes across the organisation. These needs helped define the new treasury's strategy and solutions. Nobian was spun off from Nouryon, which had used custom treasury instruments like multi-currency overlay cash pool, payment factory and SwiftNet connectivity. But Nobian's smaller geographic footprint, fewer number of entities and accounts, and use of a limited number of currencies, all defined the need for simpler solutions. However, simple is not always straightforward, especially when the starting point is relatively complex. ING's experience with similar trajectories, together with their tailored support, helped Nobian establish these targeted solutions in just four months.

Maintaining access to liquidity at central treasury

Zsuzsanna Rozsa, ING Transaction Services Sales says, "Together with Nobian, we reviewed the previous cash management set-up and solutions, looking at both their benefits and the incurred costs.

"We soon saw that the sophisticated treasury instruments that had made sense previously, such as the multi-currency overlay cash pool and the SwiftNet con-

Zsuzsanna Rozsa, ING Transaction Services Sales

Vincent van Acken, Director Treasury, Insurance and Investor Relations at Nobian

nectivity for the payment factory, were not necessarily the right choice going forward. Nobian's smaller scope made ING's cross-border cash balancing solution and host-to-host connection in InsideBusiness Connect File Transfer much better choices; they also met Nobian's treasury goal of maintaining access to its liquidity at the central treasury in the Netherlands."

Central cash visibility and control of cash

When still part of the previous set-up, the Nobian entities were included in the overlay cash pool with ING's fully owned and specialised subsidiary, Bank Mendes Gans. Given Nobian's geographical and currency scope, which were both smaller, with Nobian operating in the Netherlands, Germany and Denmark, a multi-currency overlay would have been too costly and complex. Recognising first, Nobian's agility with the notional pool, second, their need for cash visibility and control at the central treasury in the Netherlands, and third, the need for intra-day liquidity across the local entities, ING advised setting up cross-border cash balancing combined with a notional pool in the Netherlands.

"Combining these two cash management solutions ensured the cash visibility and control the treasury needs for its strategic decision-making; it also met the intra-day liquidity needs of the individual entities. With these new solutions, Nobian optimises its liquidity and interest at the end of day as well as ensuring the necessary liquidity for all subsidiaries during the day," Rozsa clarifies.

Streamlined automated SAP payment process continued

Before the changes, payments for the Nobian entities were executed through a payment factory that connected to the bank via SwiftNet, and Nobian wanted to maintain the benefits of a host-to-host connectivity channel after the spin-off. Because SwiftNet was unnecessarily complicated, and too expensive, for the new situation, and that there was no need for a bank agnostic solution, ING advised implementing its own host-to-host connectivity solution InsideBusiness Connect File Transfer. Nobian now uses this for the majority of payments and reporting, while keeping the online InsideBusiness Payments channel as a back-up, and for specific payment types such as salaries.

'On-time execution without any big issues'

Vincent van Acken says, "By implementing a Nobian fit-for-purpose treasury rather than creating a clone of the previous one, we were able to simplify our IT structure, building treasury in our existing business SAP. We also facilitated a more effective and efficient treasury, finance and IT organisation, while retaining access to all our liquidity with one push on the button in SAP. The key to success was the support from ING in Know Your Customer, contract, cash management solution design and implementation. We could leverage their experience, work with a dedicated implementation manager and had full 'aftercare' support. Within Nobian, the key success drivers were support from our regional accounting centre and IT. I am proud to have delivered this, together with ING and our Nobian teams within timelines and budget and without any big issues." ■

***Katerina Kolarova** represents Cash Advisory & Restructuring, ING*

NOBIAN

Nobian is a market leader in industrial salt, essential chemistry and energy applications. Since July 2021, the company has been independent, with seven production locations in the Netherlands, Germany and Denmark – hosting around 1,600 employees.

AGENDA

PRE-CONFERENCE TRAINING DAY – 22 May 2024

13:00 Training Day courses
trainingday2024.treasury360.net

Training day website

17:00 –19:00 Early arrivers' mingle
In the expo area in The Hangar

MAIN CONFERENCE DAY – FIRST MORNING BLOCK 23 May 2024

08:00 Networking breakfast

09:25 Chairman's opening remarks
Simon Hesse Hoffmann,
Chair of the conference

09:30 p36
OPENING KEYNOTE:
Stay ahead as the world unfolds
Anders Fogh Rasmussen, Rasmussen Global

10:00 p36
KEYNOTE:
Why invest when you are broke?
Trine Lise Marsdal, Strawberry

10:30 Coffee – let's network

	TRACK A Technology-driven transformation at the treasury	TRACK B Nailing the deal	TRACK C Boost the process	TRACK D The human element	TRACK E The global view
11:20	Agenda Track A **Introduction** Track moderator: Britt Jensen, Citi p36	Agenda Track B **Introduction** Track moderator: Johan Trocmé, Nordea p37	Agenda Track C **Introduction** Track moderator: Johan Wennerberg, Danske Bank p38	Agenda Track D **Introduction** Track moderator: Jan Dirk van Beusekom, BNP Paribas p38	Agenda Track E **Introduction** Track moderator: Caroline Stockmann p39
11:25	**PANEL: Systems and technology – challenges, pitfalls and lessons learnt** Moderator: Britt Jensen, Citi Panellists: Netta Christensen, Maersk Malin Löfgren, Volvo Group Fredrik Simonson, Zanders p36	**CASE STUDY: Go get the green mandate** Karina Sundbæk, Topsoe A/S p37	**CASE STUDY: The importance of getting it right – M&A treasury integration at Danfoss** Palle Dedenroth, Danfoss p38	**The journey that brought me here: Crayon's Lei Wang Giæver** Lei Wang Giæver, Crayon p39	**Managing treasury in complex countries** Moderator: Damian Glendinning, ComplexCountries Panellists: Andrea Sottoriva, SITA Karen Van den Driessche, Ortex p39
12:00	**CASE STUDY: Tapping account balances through APIs for real-time bank account overview at Better Energy** Jacob Koch, Better Energy p36	**PANEL: CFO perspectives** Moderator: Henrik Immelborn, Nordea Panellists: Håkan Folin, Epiroc Per Johannesen Madsen, Matas Henriette Wennicke, Zealand Pharma p37	**CASE STUDY: Establishing a payment factory at Stena Metall** Caroline Jandler, Stena Metall p38	**PANEL: You got the job – now conquer it!** Elisabeth Elsom, Orkla Food Ingredients Christian Henriksen, Ambu Moderator: Jan Dirk van Beusekom p39	**PANEL: Treasury in emerging markets: China** Moderator: Damian Glendinning, ComplexCountries Panellists: Andrea Sottoriva, SITA Michel Verholen, Zoetis Martin Meloun, Edwards Lifesciences p39

12:30	Lunch Break				
14:15	**CASE STUDY: Navigating cyber threats and resilience in the finance function** Ken Bonefeld Nielsen, Norlys p36	**PANEL: This is how we lobby for treasurers, and nurture our profession** Moderator: Caroline Stockmann Panellists: Annette Spencer, Association of Corporate Treasurers (ACT) Erwin Bastianen, Nike François Masquelier, European Association of Corporate Treasurers (EACT) Alexandros Koliavras, ING Americas and Hellenic Association of Treasurers (HAT) p37	**CASE STUDY: All aboard. Volvo Treasury's rapid digitisation of bond-issuance process** Danijel Afolter, Volvo Treasury p38	**PANEL: Skills through generations, part 1 – senior treasurers' outlook** Linette Nielsen, Novo Nordisk Claudine Smith, BNP Paribas Norway Christian Lintner, Svitzer Moderator: Jan Dirk van Beusekom p39	**PANEL: Treasury in emerging markets: Brazil and Argentina** Moderator: Rupert Keenlyside, CompleXCountries Panellists: Hien Dijkstra-Pham, Darling Ingredients International Michel Verholen, Zoetis Martin Meloun, Edwards Lifesciences p40
14:50	**FIRESIDE CHAT: Treasury dilemma: future tech vs. today's challenges** Minna Helppi, Andritz Group Harri Rantanen, SEB p37	**PANEL: Build the bank – the concrete secrets to in-house banking structures** Lena Myklebust, Equinor Johan Larsson, Volvo Cars Christof Hofmann, Deutsche Bank p37	**PANEL: Getting the big picture right – at Sandvik and Assa Abloy** Anneli Walltott, Sandvik Treasury Sigrid Pettersson, Assa Abloy Marion Reuter, Standard Chartered Jonas Landebrink, Standard Chartered p38	**PANEL: Skills through generations, part 2 – young treasurers' outlook** Caroline Snorgaard, Demant Jozef Polak, European Energy Iina Haapasaari, KONE Moderator: Jan Dirk van Beusekom p39	**CASE STUDY: How treasury collaboration powers global expansion at H&M** Nevena Poumpalova, H&M Liselotte Andersson, J.P. Morgan Payments CANCELLED p40

LATE AFTERNOON BLOCK 23 May 2024

15:20 Coffee – let's network	**16:00** **FIRESIDE CHAT: The CEO viewpoint** Mikkel Gleerup, Cadeler p40	**16:30** **Closing session: What it takes to reach the absolute top – repeatedly** Kristin Harila, Mountaineer p40	**17:10** **Closing remarks and start of entertainment** Simon Hesse Hoffmann, Chair of the conference

EVENING ENTERTAINMENT

17:15 **Mingle magic – with Henrik Svanekiær and you** (In the expo area) p39	**19:30** **Dinner – with music until late!** p38 p40

Across the five following pages, 36–40, find the session details, ordered track by track. >

AGENDA

22 MAY

13:00 Training Day courses

Subject to separate registration. For all the info about this 22 May pre-event, go to the dedicated Training Day by Treasury 360° website.
All trainings run in parallel for four hours from 13:00 to 17:00, so you can enroll for max one. More info: trainingday2024.treasury360.net

17:00–19:00 Early arrivers' mingle

23 MAY

08:00 Networking breakfast

09:25 Chairman's Opening Remarks

Simon Hesse Hoffmann, Chair of the conference

09:30 OPENING KEYNOTE: Stay ahead as the world unfolds - Anders Fogh Rasmussen

With a background as Secretary General of NATO from 2009 to 2014, and Danish prime minister from 2001 to 2009, Anders Fogh Rasmussen has a strong record of helping businesses and democratic governments to understand and shape international politics – through his advisory firm Rasmussen Global. Since the outbreak of the war, he has worked on a pro-bono basis with the Ukrainian President's Office. Asked by President Zelenskyy, he co-authored a report on security guarantees for Ukraine known as the Kyiv Security Compact, forming the basis for bilateral security agreements between Ukraine and G7 nations. In a world of short news cycles and complex geopolitical shifts, it is crucial to not only follow world events but also to understand the key players and anticipate decisions before they unfold.
Anders Fogh Rasmussen, Founding Chairman, **Rasmussen Global**

10:00 KEYNOTE: Why invest when you are broke?

Strawberry, formerly known as Nordic Choice Hotels, has undergone a comprehensive transformation in the last couple of years: Rebranding itself, opening and acquiring 37 new hotels since March 2020, introducing a new loyalty program in collaboration with the airline company Norwegian, and concurrently revitalising both its IT software and hardware. CFO Trine Lise Marsdal will provide insights into the strategic decisions behind these initiatives, which were undertaken while the company worked hard to turn significant losses into positive results.
Trine Lise Marsdal, CFO, **Strawberry**

10:30 Coffee – let's network

Track A – Technology-driven transformation at the treasury

11:20 INTRODUCTION

From advanced cash management systems to artificial intelligence, robotic processing and cybersecurity… We have heard all the terms but how do we manage our innovation to make sure new solutions support, rather than disrupt, our operations? This track will feature both cases and discussion. Experiences from different Nordic countries will be discussed.
Track moderator: **Britt Jensen**, Client Advisory, Treasury and Trade Solutions, **Citi**

11:25 PANEL: Systems and Technology – challenges, pitfalls and lessons learnt

Two large-cap global cash managers and a consultant bring the journey stories from their implementations to the stage – lining out everything from the drivers, to the selection criteria, team management, the surprising bends along the trip … and not least, the lessons learnt.
Moderator: **Britt Jensen**, Client Advisory, Treasury and Trade Solutions, **Citi**
Panellists: **Netta Christensen**, Global Head of Cash Management Strategy, **Maersk**
Malin Löfgren, Global Cash Manager, **Volvo Group**
Fredrik Simonson, Treasury Advisory Group, **Zanders**
(A five-minute buffer at 11:55 enables you to shift tracks if you would like.)

12:00 CASE STUDY: Tapping account balances through APIs for real-time bank account overview at Better Energy

The idea is simple but the effect on cash management is radical – and still ahead of what almost any other corporates yet do. A coordinated set of API calls, to the group's banks, will feed back their balances and present these in handy little list that offers full current overview in seconds, including the cash currency exposures. With the morning coffee, it will be natural to check up in the mobile. Transaction histories are tapped to generate curve graphs over time, offering a shortcut to spotting trends. What the cost for this information quality would have been by traditional bank services? Ouch. (Trivia: The project resulted from a random meeting at Treasury 360° Nordic 2023 between Better Energy and one of the conference sponsors.)
Jacob Koch, Vice President, Head of Treasury, **Better Energy**
(Read our interview with Jacob on page 42.)

12:30 Lunch break

14:15 CASE STUDY: Navigating cyber threats and resilience in the finance function

Digital threats are no joke, and we are all clear on the necessity of being aware and prepared. But then … exactly what does it mean we should do? Ken Bonefeld Nielsen promises a thought-provoking session exploring

areas including brand protection, crisis management scenarios, and critical infrastructure such as in the energy and telecoms sectors.
Ken Bonefeld Nielsen, Vice President, CISO, **Norlys**
(A five-minute buffer at 14:45 enables you to shift tracks if you would like.)

14:50 FIRESIDE CHAT: Treasury dilemma: future tech vs. today's challenges

• Transforming treasury from support organisation to a strategic business partner at Andritz Group
• What cultural, skills and tool development will be needed?
• From commonly agreed vision and strategy to a practical roadmap steps
Minna Helppi, SVP Group Finance, **Andritz Group**
(Read our interview with Minna on page 6.)
Harri Rantanen, Business Developer, Corporate Banking, Large Corporates & Financial Institutions, **SEB**

Track B – Nailing the deal

11:20 INTRODUCTION

This track looks at corporate finance, funding and investment initiatives, and discusses what we can learn. It will power also speakers from a range of corporate-treasurer associations in different countries, on how they seek to influence current developments, what stakeholders are their most important counterparties in their lobby efforts, and what are the methods they work by.
Track moderator: Johan Trocmé, Managing Director, Thematics, Investment Banking, **Nordea**

11:25 CASE STUDY: Go get the green mandate

Sustainability is at the heart of the business at Topsoe, a Danish founded company that specializes in developing solutions and technologies to produce fuels and chemicals essential to the energy transition. In this session, learn from Karina Sundbæk how the finance function can play a crucial role in the green transition. Karina shares the results Topsoe is achieving because Finance is taking the green mandate, and becomes a proactive partner in leading the company towards a sustainable future. The session delivers practical insights and will inspire finance people to "go and get the green mandate".
Karina Sundbæk, VP, Head of Group Finance & Facility, **Topsoe A/S**

(A five-minute buffer at 11:55 enables you to shift tracks if you would like.)

12:00 PANEL: CFO perspectives

Let this select panel of corporate chief financial officers guide us to our treasuries' business context in a set of areas – as they all look from their different viewpoints.
• The funding landscape for mergers and acquisitions (with respect to access, rating, platforms …)
• How to manage stakeholders
• Disruptive and transformative situations
• ESG and funding
Moderator: Henrik Immelborn, Managing Director, Investment Banking, **Nordea**
Panellists: Håkan Folin, CFO, **Epiroc**
Per Johannesen Madsen, CFO, **Matas**
Henriette Wennicke, CFO, **Zealand Pharma**

12:30 Lunch break

14:15 PANEL: This is how we lobby for treasurers, and nurture our profession

Meet senior treasury association representatives to get a grasp on how they seek to influence current developments, what stakeholders are their most important counterparties in their lobby efforts, and what are the methods they work by. How can ordinary treasury professionals contribute?
The session is led by **Caroline Stockmann**, Hon FCT, Non-Exec Director and External Member SONIA Oversight Committee, **Bank of England**
Panellists: Annette Spencer, CEO, **Association of Corporate Treasurers (ACT)**
Erwin Bastianen, Director Treasury, **Nike**
François Masquelier, CEO Simply Treasury, Chair of the **European Association of Corporate Treasurers (EACT)**
Alexandros Koliavras, Head of Treasury Finance and Finance Transformation, **ING Americas**, President, **Hellenic Association of Treasurers (HAT)**
(A five-minute buffer at 14:45 enables you to shift tracks if you would like.)

14:50 PANEL: Build the bank – the concrete secrets to in-house banking structures

Let's delve into the practicalities of in-house banking. What are the key >

> requirements for implementing the structures for it – not only in relation to banks, but also considering technology providers and internal stakeholders? Our panelists, Equinor's Lena Myklebust and Volvo Cars' Johan Larsson, will share what they view as best practices – and pitfalls to avoid. Gain insights into scoping and implementation schedules, and areas such as payments versus collections, regions, and currencies.

Lena Myklebust, Head of Cash Management Infrastructure, **Equinor**
Johan Larsson, Head of Cash & Treasury Risk Management, **Volvo Cars**
Christof Hofmann, Head of Corporate Cash Management, **Deutsche Bank**

Treasury 360° house band ***Isaac And The Soul Company*** *is back, of course – like so many of our delegates from last year! The show, however, is entirely new, also featuring singer* ***Emilia*** *(yes, "Big big world") – and late night-style interviews on stage.*

Track C – Boost the process

11:20 INTRODUCTION

Most of us have our core processes and systems reasonably well under control (or let's hope so). So today, where are the best opportunities to do things even more efficiently? Through cases and talks, and lunch, let us connect with the colleagues who share our craving to improve – or have experiences we can learn from.

Track moderator: Johan Wennerberg, Global Head of Large Corporates & Institutions, Transaction Banking Sales, **Danske Bank**

11:25 CASE STUDY: The importance of getting it right – M&A treasury integration at Danfoss

In the complex world of M&A Treasury integration, management and optimisation are key. Assistant group treasurer at Danfoss, Palle Dedenroth, will share insights on their practices and the importance of complexity reduction as well as having robust systems and processes in place. Join him for a session on Danfoss' approach to the complexities of M&A integration, consolidating operations in a robust treasury framework.

Palle Dedenroth, Assistant Treasurer, Corporate Treasury, **Danfoss**
(A five-minute buffer at 11:55 enables you to shift tracks if you would like.)

12:00 CASE STUDY: Establishing a payment factory at Stena Metall

With 44 billion SEK in sales in the past financial year, the recycler Stena Metall seeks to support more efficient use of the world's limited resources. Head of Treasury Caroline Jandler joins Treasury 360° Nordic to share her organisations experience from reorganising its payments.

Caroline Jandler, Head of Treasury, **Stena Metall**

12:30 Lunch break

14:15 CASE STUDY: All aboard. Volvo Treasury's rapid digitisation of bond-issuance process

Running the preparations for a syndicated bond issuance is a large effort, with documentation and many complicated workflows to get right between the different banks and other stakeholders. As the first issuer of such a bond on the new debt digitisation service Origin, Volvo Treasury AB last year raised €1 billion in a dual-tranche deal with Citi as Documentation Bank and other active bookrunners including ING, Mizuho and Societe Generale. This saw draft documentation ready a couple of hours after pricing – and the trade listing subsequently performed through the platform's API connection into the Luxembourg Stock Exchange. Since then, the company has used the platform for multiple issuance for both syndicated bonds and private placements with multiple banks.

Danijel Afolter, Portfolio Manager, **Volvo Treasury**
(A five-minute buffer at 14:45 enables you to shift tracks if you would like.)

14:50 PANEL: Getting the big picture right – at Sandvik and Assa Abloy

With the global and ever-changing nature of corporate treasury, predicting tomorrow's challenges is impossible. What we can do, however, is seek to get solid structures in place, in terms of models, systems, and processes – whether to support decision-making, acquisitive growth, payments and liquidity management, or any other optimisation.So, on the highest level, how do we actually go about doing this? Hear it from large caps Sandvik and Assa Abloy how they – today – are setting themselves up for their future.

Anneli Walltott, Deputy Group Treasurer, Head of Cash Flow Management, **Sandvik Treasury**
Sigrid Pettersson, Global Head of Cash Management, **Assa Abloy**
Marion Reuter, Managing Director, Regional Head Transaction Banking Sales, UK & Europe, **Standard Chartered**
Jonas Landebrink, Director, Transaction Banking Sales Nordic, **Standard Chartered**

Track D – The human element

11:20 INTRODUCTION

It's all about the people, right? From education to recruitment, motivation, continuous improvements, transformation, social sustainability and long-term wellbeing … how do we relate to our treasuries' most powerful but also most unpredictable asset: our colleagues and ourselves?

Track moderator: Jan Dirk van Beusekom, Head of Marketing, **BNP Paribas** Cash Management, Trade Solutions & Factoring

11:25 The journey that brought me here: Crayon's Lei Wang Giæver

Her career is solidly Norwegian, since the start of her studies with BI Norwegian Business School two decades ago. Norsk Hydro, Kavli, Hurtigruten … and now, IT management company Crayon. Still, her emotional and cultural connection stays strong with the place of her upbringing: Shanghai, China. Treasuries are made up of their individuals. In this session, meet Lei for one of all these unique stories – and learn how she seeks to help shaping the corporate culture, and lead improvement where possible.
Lei Wang Giæver, VP Group Treasury, **Crayon**

(A five-minute buffer at 14:45 enables you to shift tracks if you would like.)

12:00 PANEL: You got the job – now conquer it!

Let's revisit a highly appreciated topic from previous conferences! All professions see people shifting jobs but few approach it with a conscious plan and structure on the same level as treasurers do – whether senior or junior. What is a good plan when we enter a new workplace or role. What challenges can we expect, and how do we best prepare ourselves? Then, well in place, how do we set our agenda and make the people around us feel confident, comfortable and motivated to support our goals – and enjoy the work? The session will seek the general tips, while also reflecting on the broad array of situations that a new treasury job can present.
Elisabeth Elsom, Treasurer, **Orkla Food Ingredients**
Christian Henriksen, Head of Treasury, **Ambu**
Moderator: **Jan Dirk van Beusekom, BNP Paribas**

12:30 Lunch Break

14:15 PANEL: Skills through generations, part 1 – senior treasurers' outlook

Not only are treasurer skills rare; they are also a moving target as financial markets, technology platforms, and workplace cultures are all subject to rapid change. So, who are the treasurers of today and tomorrow, and what environment will they require, to flourish, and to stay? In a double-session format, let's take a look, from each side of a generational line, at how our treasuries should cater to the need for personal development, inclusiveness, and joy. This first part, featuring a panel of long-established treasurers, looks back at their own experiences, as well as forward, at the strategies treasuries will need to apply to stay attractive and competent over the coming decades.
Panellists: Linette Nielsen, Corporate Vice President,
Head of Treasury, **Novo Nordisk**
Claudine Smith, CEO, **BNP Paribas Norway**
Christian Lintner, Head of Treasury, **Svitzer**
Moderator: **Jan Dirk van Beusekom**
(A five-minute buffer at 14:45 enables you to shift tracks if you would like.)

14:50 PANEL: Skills through generations, part 2 – young treasurers' outlook

Part 1 just informed us of which direction treasuries should develop to safeguard their recruitment attraction and competence over time, according to some of their senior professionals.So, now … did they nail it or not? In this second session, let's hear it from the actual decision makers: the upcoming generation of Nordic treasury pros. What are the keys they see to work environments and career paths that will stay rewarding though the years? And in what areas have they perceived the most overdue need for improvements?
Panellists: Caroline Snorgaard, Treasury Analyst, **Demant**
Jozef Polak, Treasury Manager, **European Energy**

Iina Haapasaari, Regional Treasury Manager, **KONE**
Moderator: **Jan Dirk van Beusekom, BNP Paribas**

Track E – The global view

11:20 INTRODUCTION

When corporates need a treasury, it is usually because of the complexities that come with international expansion, so let's properly get the world into the conference! This new track is enabled by experts in cross-border business and finance relations – making the Treasury 360° Nordic conference a touchpoint not just for the Nordics but for the treasury world as a whole. What's the big picture we should all see and understand in 2024?
Track moderator: Caroline Stockmann, Hon FCT,
Non-Exec Director and External Member SONIA Oversight Committee,
Bank of England

11:25 Managing treasury in complex countries

We are all familiar with the challenges posed, to varying degrees, by complex countries, especially in emerging markets. Trapped cash, low interest rates, high inflation, rapidly depreciating currencies, limited (or even no) service from core international partner banks, regulations which change rapidly and are not always clear – these are just some of the challenges which are the daily lot for treasurers dealing with these countries. Join this discussion to see how treasurers cope with these challenges, and get their views on the best organisation structure to manage them – local or centralised?
Moderator: Damian Glendinning, Chairman of the Advisory Board,
CompleXCountries
Panellists: Andrea Sottoriva, Group Treasurer, **SITA**
Karen Van den Driessche, Group Treasurer, **Ortex**

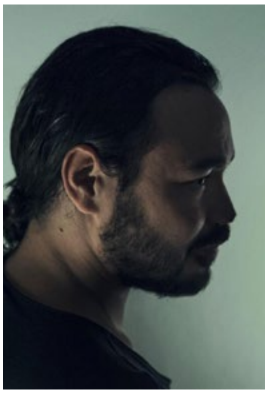
(A five-minute buffer at 14:45 enables you to shift tracks if you would like.)

12:00 PANEL: Treasury in emerging markets: China

China is very much on a collision course with the US over questions like Russia, the dominant role of the US dollar, and trade tensions. At the same time, it is a very important market for most western companies, and it is one to which they are deeply committed. It continues to be a challenging

>

Don't believe all that you see. Just filled up with a day's fresh expert insights by 17:00, let's mingle with Danish magician hero ***Henrik Svanekiær*** *through the break before dinner. Are we actually even at our senses at all?*



Let's move the needle. From relaxed poolsides to pumping festivals, Denmark-based ***DJ Henri Matisse*** *will set the soundtrack to have the crowd moving and smiling. With him, you are up for a long night on 23 May. For warm up, follow the QR code to a radio set of his.*

Henri Matisse DJ set

> environment from a regulatory point of view, though efforts continue to improve the situation.

Moderator: Damian Glendinning, Chairman of the Advisory Board, **CompleXCountries**
Panellists: Andrea Sottoriva, Group Treasurer, **SITA**
Michel Verholen, Assistant Treasurer, **Zoetis**
Martin Meloun, Senior Director Treasury EMEA, JAPAC and LATAM, **Edwards Lifesciences**

12:30 Lunch break

14:15 PANEL: Treasury in emerging markets: Brazil and Argentina

Two countries to which the term complex can be applied, but with very different consequences for Treasurers. Whereas Argentina is a poster child for a dysfunctional economy, Brazil continues to perform well, even if inflation persists and interest rates remain high. Brazil remains a main engine of growth for the LATAM region, though everyone finds it to be a tough and highly competitive market. But in Argentina the main challenge, as we await the impact of the new president, is survival.

Moderator: Rupert Keenlyside, Founder, **CompleXCountries**
Panellists: Hien Dijkstra-Pham, Treasurer, **Darling Ingredients International**
Michel Verholen, Assistant Treasurer, **Zoetis**
Martin Meloun, Senior Director Treasury EMEA, JAPAC and LATAM, **Edwards Lifesciences**

(A five-minute buffer at 14:45 enables you to shift tracks if you would like.)

14:50 CASE STUDY: How treasury collaboration powers global expansion at H&M

CANCELLED

Scaling a brand from 20 to 77 countries in 20 years is no easy feat. Just ask Nevena Poumpalova, Cash Manager for Americas, Central and Eastern Europe at H&M. From adapting to the fast-paced evolution of the role of treasury, to building an interdepartmental powerhouse team, Nevena has seen first-hand how treasury collaboration drives business results. Learn how she helped guide the company and encourage partnership across lines of business in this discussion with Liselotte Andersson, Executive Director at J.P. Morgan Payments.

Nevena Poumpalova, Cash Manager for Americas, Central and Eastern Europe, **H&M**
Liselotte Andersson, Executive Director, **J.P. Morgan Payments**

15:20 Coffee – let's network (before going back to plenary sessions)

16:00 FIRESIDE CHAT: The CEO viewpoint

In a discussion with Mikkel Gleerup, the Chief Executive Officer of Cadeler, we explore the evolution of his leadership skills during Cadeler's transformative growth in the renewable wind sector. Within a span of less than 10 years, Cadeler has transitioned from a market challenger to a prominent market leader in offshore wind installation. We delve into the changes in Gleerup's leadership approach throughout this journey and gain insights into his perspective on modern leadership in an increasingly complex world. The discussion is facilitated by Thomas Bo Krogslund Joergensen from Russell Reynolds Associates.

Mikkel Gleerup, CEO, **Cadeler**

16:30 Closing session: What it takes to reach the absolute top – repeatedly

A good team, well prepared, can do anything. Or this was what Norwegian mountaineer Kristin Harila set out to prove as she, together with Nepali guide Tenjen Lama Sherpa last year, embarked to conquer all the world's 14 peaks of over 8,000 metres in a record-short span of time. Their spectacular race of only 92 days halved the previous world record, set in 2019, of 6 months and 6 days (which in turn had surpassed a previous world's-fastest that took nearly eight years).Since resigning from a management job in 2019, Kristin has dedicated her life to the outdoors. Meet her for a story of focus, team work, resilience, risk management, and not least relations.

Kristin Harila, Mountaineer

17:10 Closing remarks and start of entertainment

Simon Hesse Hoffmann, Chair of the conference

17:15 Mingle magic – with Henrik Svanekiær and you (in the expo area)

17:30 Dinner – with music until late!

Not familiar with Isaac And The Soul Company? Check out their home page. The show is entirely new, also featuring singer Emilia (yes, "Big big world") – and late night-style interviews on stage.

For the late night, meet DJ Henri Matisse. From relaxed poolsides to pumping festivals, he will set the soundtrack to have the crowd moving and smiling. With him, you are up for a long night on 23 May.

Cash flow forecasting – a timeless treasury crown jewel?

Orchard Finance is an independent advisory firm specialised in finance, treasury and risk. The firm offers an array of services, supporting treasury departments to add value for the underlying business. Key markets are the Benelux, UK, Scandinavia, and the Baltic region.

orchard finance NORTH Part of HOWDEN

Contributed by Esther Goemans-Verkleij, Orchard Finance

Why is it that cash flow forecasting continues to be listed as a top priority for treasurers according to several surveys? What is the difference between the forecasting process performed by treasurers compared to control departments? What are the current trends related to cash flow forecasting? This article discusses these questions. It concludes with important key success factors for setting up a (new) cash flow forecasting process within an organisation.

What is cash flow forecasting and what are the benefits?

Cash flow forecasting is the process in which we predict future incoming and outgoing cash flows over a defined period. Cash flows are allocated to relevant categories reflecting key business drivers. Controllers often forecast based on the indirect method while treasurers mainly use the direct method. With this method, actual cash flows and transactions are forecasted. The benefit of this method is that the development of actual cash positions are forecasted, allowing for effective decision-making in the different treasury processes. This may include funding and investments, optimised cash management, dynamic risk management, and scenario analyses. Furthermore, the insights function as an important signal as deviations in the forecast can be identified (near) real-time and are not necessarily dependent on accounting processes.

A solid cash flow forecasting process does not only deliver a strong foundation for effective (strategic) decision-making, but also the ability to identify and adapt to changing circumstances, market conditions or priorities in a proactive manner. It increases control and enhances stakeholder confidence. In today's world where volatility and uncertainty seems to be the only constant, cash flow forecasting is a crucial process. A precious jewel to be cherished in the treasurer's toolkit.

Trends

There are several treasury trends impacting cash flow forecasting. A first trend is that treasury functions continue to evolve, moving beyond a day-to-day operational treasury to an active contributor to strategic decision-making with a broader stakeholder focus.

Technological advancements are a second trend. They play a pivotal role in facilitating this evolution. Tools that provide more accurate, granular, and timely insights have become the standard. The integration of artificial intelligence (AI) and big data has further transformed the landscape and enhanced the opportunities for setting up a cash flow forecasting process. The AI capabilities in pattern recognition and predictive analysis, leverage the use of historical data. And what is to be expected from applying "generative AI" whereby new content can be created based on learned patterns. Generative models learn from large historical data sets, empowering treasury teams to make better decisions using AI generated content. Real-time data, facilitated by instant payments and application programming interfaces (APIs), is becoming increasingly prevalent, providing treasury teams with up-to-the-minute insights.

A third trend relevant for treasurers is the converging technological landscape. Next to the integrated treasury management systems, a range of best-of-breed solutions is available, focussing on cash flow forecasting functionality. The cash flow forecasting functionality in the integrated solutions versus best-of-breed solutions is converging.

Success factors for cash flow forecasting

Successful cash flow forecasting requires timely and accurate data availability, collaborative efforts with other stakeholders, and the integration of forecasting with clear business goals. It also requires an adaptive mindset to make sure that changing circumstances are identified and incorporated into the process.

Establishing a robust framework comprising empowered team members, streamlined processes, and effective tools is crucial for analysing forecast versus actuals and taking appropriate actions. The determination of the appropriate granularity tailored for specific business needs ensures a fit-for-purpose analysis, collectively contributing to informed decision-making and sound financial management.

By addressing these factors, organisations can enhance the effectiveness of their cash flow forecasting. Don't keep this treasury crown jewel unused, but instead leverage it to maximise its added value. ■

***Esther Goemans-Verkleij** is Partner Treasury at Orchard Finance and responsible for its Treasury Advisory practice.*

At last year's Treasury 360° Nordic, Better Energy's Jacob Koch got chatting with a solution vendor over the after-programme beer. Now, he's back to present the outcome on stage.

Clever API solution put the full account overview at his fingertips

For years, Jacob Koch, head of treasury ay Danish renewable energy developer Better Energy, dreamt of consolidation overview across his several banks and hundreds of accounts. Starting with a chance meeting at Treasury 360˚ Nordic 2023, this has now turned into reality. Meet up at Copenhagen Airport on 23 May to hear his story.

By Nienke Eusterbrock, Treasury 360°

"Now, my team and I can simply open the dashboard and instantly view our cash balance", says Jacob Koch. The near real-time visibility has changed his group's liquidity management, allowing for more informed decision-making.

Better Energy operates approximately 350 renewable projects across four countries. Each project functions as a separate company with one or more bank accounts per company, spread out across multiple banks. "Every time we had to check our

"It changed how we run our department, making it more enjoyable."

liquidity, we had to review over 450 bank accounts across eight banks with different setups," Koch explains.

"I can basically now look at the cash balances on my phone and decide if I go to work or stay in bed."

This process took around 2 ½ hours and provided data that was at least a day old. Due to the time-consuming nature of the task for a team of three treasurers, they only conducted these checks once a week. This posed a risk of inefficiencies and difficulties in managing cash surpluses or overdrafts. Moreover, making cash flow forecasts proved challenging due to the absence of accurate daily balance data.

Powers new optimisations

The solution, provided by Finland-based FinanceKey, uses application programming interfaces (APIs) that link directly to the banks, summing up the numbers on a dashboard. Impressed by the concept, Better Energy decided to give it a try. They began implementing the dashboard in November and were using it daily just two months later. Updates are fetched automatically every 15 minutes.

With the access to near real-time data, Koch and his team now leverage it to develop a short-term cash flow model, integrating information from their ERP system to forecast cash balances up to two weeks in advance. "This foresight allows us to anticipate inflows and outflows and plan our funding requirements accordingly. As a result, we've reduced the need for urgent payments, optimised currency trading, and minimised overdrafts, resulting in tangible cost savings."

"Furthermore, the ability to instantly identify incoming funds, such as VAT refunds, and allocate them to reduce borrowing has significantly improved our liquidity management. With this enhanced visibility into our accounts and cash flows, we can make better-informed decisions, streamline operations, and drive overall financial efficiency."

"It changed how we run our department, making it more enjoyable."

Banks were reluctant to cooperate. "We could maybe make the API calls ourselves, but having the provider handle the collection of data from the banks is a huge help. The banks we talked to said they'd only give us basic data, which wasn't enough for checking our balances and liquidity. One big bank wanted 15,000 euros a year to send us the files in the traditional way, but according to EU directive PSD2, they must deliver it for free via APIs."

Unifies the dataset

"Another important thing is that FinanceKey collects the data from different banks and creates a unified dataset. This means that no matter which bank's data we're looking at, it's all in the same format. FinanceKey feeds this data into our data warehouse, so we can easily use tools like Power BI to analyse and understand our data," says Jacob Koch.

He hopes participants will take away two important points from his case study. "Using your own data can make a lot of difference in a financial way, because now we basically take better care of our money than we did before. It also changed how we run our department, making it more enjoyable. Now that we don't need to manually aggregate the data, we have more time to actually think about how we can use the data," he says.

His second advice: "Keep an eye on start-ups. Some have very clever ideas." ■

Track A, 12:00: "CASE STUDY: Tapping account balances through APIs for real-time bank account overview at Better Energy"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Why payments are critical to companies going global

Payments are at the heart of how companies, especially those in new economy sectors, can both grow rapidly and differentiate themselves.

citi

Contributed by Candace Wenzel and Meaghan McNally, Citi

Read also the first article "Going global – striking the balance between digital and local", earlier in this magazine.

This article is the second in a series that looks at the challenges and opportunities facing businesses going global and considers how payments can be used to accelerate international expansion and act as a differentiator that facilitates faster growth.

Using payments to accelerate time to market

For many new economy firms, speed to market is critical. As sectors such as food delivery or ride sharing emerge in new geographies, first-mover advantage can be key to gaining market share. Even for more traditional companies, it can be important to scale and stand-up business operations rapidly in new markets.

While local banks and payment service providers (PSPs) may offer corporates quick access to domestic payment instruments, companies should consider the scalability of these solutions before implementing. Reliance on many different local partners can prove complex and costly for businesses expanding rapidly and could increase risk associated with counterparty exposure.

Glovo, a Spanish quick-commerce start-up which operates in 1,300 cities in 25 countries, initially chose to work with local providers and ended up with "a highly fragmented banking map because of hypergrowth during our start-up phase," according to Lorena Gil, Head of Treasury at the company. Faced with multiple challenges, including difficulties in funding operations efficiently, Glovo switched to working with Citi.

Citi's global cross-border payments platform, WorldLink, enables Glovo to efficiently and quickly enter new markets and lower cost utilising domestic payment types. Leveraging WorldLink, Glovo cost-effectively funds its operations via local ACH in highly regulated markets including Nigeria, Morocco and Kazakhstan, without the need for a local account. In addition, Glovo benefits from significant FX savings when sending funds to its entities worldwide, as it has access to pre-agreed FX spreads that are more attractive than those available from local banks.

Companies that work with a global bank for payments and collections can benefit from consistency across platforms, reduced points of contact, and robust lending relationships. Managing many connections creates complexities and inefficiencies for businesses that rely on local partners as they expand internationally. Ultimately, a single banking partner like Citi enables companies to scale rapidly without ramping up costs and increasing the operational burden.

How payments can act as a differentiator

The payments landscape has undergone a dramatic transformation in recent years; emerging payment schemes are proliferating around the world. Evolving consumer

expectations drive this changing landscape – beneficiaries are becoming accustomed to faster, cheaper and more transparent payments for their personal transactions. Instant payments, digital wallets, and other non-traditional payments have become mainstream because consumers prefer real-time settlement and simple user interfaces.

Companies that create a seamless beneficiary experience will attract in-demand partners including content creators, gig economy contributors, and app developers. The social media, gaming, and sharing economy spaces rely on these partners to attract users to their platforms and ultimately to increase revenue. Companies that prioritise payment choice and speed are better positioned than their competitors in the battle for the highest volume of contributors. Moreover, companies can monetise this payment flexibility by charging beneficiaries a small fee to receive payment instantly.

Let's consider a few examples of these new economy use cases more closely: Content creators: The online gaming and advertising industries increasingly rely on the skills of content creators. Rewarding content creators promptly, in their preferred currency, using their desired payment method (often via a digital wallet using an email address or cell phone number), and without loss of value is crucial to winning the loyalty of these in-demand influencers.

Gig/sharing economy: Often ride hailing/food delivery/vacation rental firms are competing for the same pool of drivers and hosts. Firms that can make instant payments to these contributors on-demand may find it easier to recruit and retain them because they choose when they are paid. More platform contributors can improve the end-customer experience and boost company growth.

Working with the right partner

Competition remains fierce, especially in new economy sectors, and speed is key for companies looking to differentiate themselves. Time to market can be a key determinant of success to gain loyal market share early. Gaining access to talent by offering faster payments is equally important.

Working with the right partner for payments can accomplish both goals. PSPs can provide access to certain markets but often PSP infrastructure relies on banking technology in the backend. In this way, choosing a single global bank like Citi can be a business enabler by helping to ensure scalability, consistency, visibility, and cost efficiency, leading to top-line revenue growth.

In the next article in this series, we outline how firms going global can set up efficient liquidity structures so that they can avoid trapped cash, fund local entities easily, and make effective use of surplus liquidity. ■

Key payment attributes

- Ubiquity: Relevant payment options should be accessible to payees wherever they are.
- Security: Payment information and sensitive data should be managed in a secure way.
- Cost: Payments must be cost effective, both for the payer and the beneficiary.
- Embedded FX: Centralising payments to a global provider will streamline FX cost.

Forecasting payments – in the Nordics and beyond

J.P.Morgan

Contributed by J.P. Morgan

For Nordic corporates, promising indicators of decreasing interest rates[1] and stable GDP into 2024[2] are driving revised targets for growth. Treasury is crucial to achieve short-term and long-term goals, but in many companies, teams look to achieve ambitious goals without additional resources.
As treasurers evaluate how best to support business priorities, there are **five key trends** to keep in mind.

Achieving goals through strategic optimisation

For Nordic treasurers to achieve business goals with limited resources, they must work to increase operational efficiencies. For instance, virtual account management allows a single account to serve as dozens (or more) of accounts with virtual subledgers, which allows treasurers to free cash by instantly moving it around these subledgers.

Alternatively, a multi-currency notional pool allows treasurers to draw payments in any desired currency without physical conversion, helping to reduce FX management costs – thereby increasing working capital. Notional pooling can also help businesses reduce the need for cash to support day to day operations; for example, at Treasury 360° Nordic 2023, Kongsberg showcased how a global multi-currency notional pool helped the business achieve its goal of decreasing cash needed to run its activities from 3.7bn NOK to 1.5bn NOK[3].

AI presents many opportunities for treasurers and broader payments leaders. It can help to improve cashflow forecasting by creating insights based on historical data.

ANTON KARATKEVICH / UNSPLASH

Regional cash pooling can also help businesses achieve strategic goals. Storskogen Group AB's recent work creating regional liquidity structures won the 2023 Adam Smith Award for best cash pooling solution thanks to the improved visibility enabled by the solution[4].

By improving account structures, treasurers can gain better visibility into where their cash sits across the globe. Multibank reporting, APIs, and H2H solutions are all helping treasurers have real-time visibility into cash positions. With this visibility, treasurers can start identifying opportunities to enhance their cash conversion cycle, allowing them to do more with less.

Fraud and cybersecurity

As consumer preferences change and innovative payment methods become popular, new threats of fraud and cyberattack materialise. Treasurers are navigating a multitude of risks including deepfake technology, increasingly sophisticated fraud attacks and more. Cyberattacks impact 65% of organisations across the globe[5] and result in $6 trillion in annual costs[6].

Treasurers have ownership over vast amounts of valuable data related to their businesses and clients, and this data makes it imperative that they fortify payments through investments to reduce both traditional and emerging risks. But mitigating risk isn't the sole responsibility of the treasurer; they'll need to build connections with fellow members of the C-suite to achieve mutually beneficial security goals:

- CMOs: Improve customer experiences without introducing friction through more efficient payment processing methods.
- CTOs: Complement current workflows with API-based security technology that's scalable for future innovation.
- CIOs: Collaborate on data management requirements for sensitive information.

Payments embraces AI

AI felt like the topic of 2023. It has been referred to as AI's breakout year[7], with roughly one-quarter of surveyed C-suite executives reporting they use generative AI tools for work. This rise in awareness and exposure is setting the stage for more usage in 2024 and beyond, as 40% of respondents say their organisation will increase their overall generative AI investment next year.

AI presents many opportunities for treasurers and broader payments leaders. It can help to improve cashflow forecasting by creating insights based on historical data. It can also fortify payments with account validation and fraud management. Opportunities abound for generative AI to make larger-scale impacts such as enabling virtual assistants for treasury tasks, supporting payment-related dispute resolution, and offering developer tools. Across these innovations, modern data platforms and capabilities will be paramount to power AI uses. As these platforms are developed, data protection and security will continue to be a top priority for treasurers and end users alike.

Commerce (r)evolution

Businesses are evolving their shopping experiences to accommodate what have become needs and expectations from consumers. Payments enable many of these innovative solutions, and as a result, treasurers should understand how payments will power these new experiences and business models.

One opportunity that continues to gain momentum is to enhance customer experiences with embedded banking, which is forecasted to grow from $2.7 trillion to $7 trillion between 2021 and 2026 in the United States alone[8]. Through embedded banking, businesses can weave payments and account services into their platforms to enhance customer experiences and drive new revenue opportunities. These innovations can introduce business model considerations such as third-party money, or managing client money.

For traditional B2B players, entry into the commerce space may require consideration of new business models. For example, Volvo Cars announced in 2021 that it intended to reshape its commerce offering to enable online vehicle sales[9]. By 2022, online and direct sales accounted for 11% of total sales in the manufacturer's top five European markets, and the brand has since expanded its offering to include an online direct sales platform for approved used cars[10]. Their online offering now includes subscription services for managing pickup and delivery of cars, roadside assistance, yearly inspections and more[11]. By reaching end consumers in new and innovative ways, B2B players can open new revenue streams and gain customer loyalty.

Inter-regional expansion

Some international banks have withdrawn from markets and a few Nordic banks have consolidated to focus on their local presence. For Nordic businesses eyeing expansion opportunities, this may pose a challenge as they consider inter-regional growth and expansion.

From increasing existing international >

ISTOCK.COM / HISPANOLISTIC

> footprints to establishing a new presence in LATAM, APAC or North America, treasury is a crucial cornerstone to expansion. To create synergy, establish strong connections with partners across lines of business, including HR, payroll, and legal and compliance. This collaborative approach to treasury powered global expansion at H&M and helped scale the brand from 20 to 70+ countries in 20 years[12]. Nevena Poumpalova, Cash Manager for Americas, Central and Eastern Europe at H&M, dives deeper on how she encouraged partnership across lines of business in the case study session "How treasury collaboration powers global expansion at H&M" in this year's conference on 23 May at 14:50 in stream E.

Treasurers must also focus on specific payments in local markets, which may be more time consuming than other automated payment types. For example, tax payments are often a manual and time-consuming process. Similarly, cross-border payments in regulated markets are often manual and can require supporting documents, which local finance teams need to provide. Such support is time consuming and inefficient. J.P. Morgan has developed global and regional solutions that can help automate payments for both tax payments and cross border payments in markets like Brazil, Mexico and India; this includes best-in-class solutions in Latin America with clients like A.P. Moller Maersk Brazil[13]. For businesses considering expansion across borders, it's important for corporates to select long-term partners that can support future growth without sacrificing security.

Regardless of where the future takes Nordic businesses, selecting a long-term partner to support growth, help mitigate new and evolving risk, and navigate complexity is crucial. With 150+ years in Europe[14], J.P. Morgan is a trusted innovator with global strength and scale, industry-leading innovations, and best-in-class solutions. Connect with a J.P. Morgan representative today to learn more, or learn about J.P. Morgan Payments in the Nordics here. ■

Disclaimer

References

[1–14] *The many sources referenced in this text can be explored as hyperlinks through the online version of this magazine: https://treasury360.net/2024-magazine/*

We're going through the biggest payment transformation in **70 years**

Contributed by SEB

There is a lot of focus on exciting new technologies such as blockchain, stablecoins, and AI. However, the most important task right now is to manage the most significant change in the payment landscape that has taken place in 70 years, emphasises Allan Kissmeyer, Head of Cash Management at SEB.

The change is driven by a global adoption of the new messaging standard ISO 20022 used for electronic data exchange between financial institutions. SWIFT, the global communication network, central banks, and local clearing houses are all moving to the new standard that allows for richer and more structured data transfer.

Central banks around the world are working to upgrade their systems in accordance with the new message format. In response, all banks that interact with central banks in their respective markets must adjust accordingly, enhancing and modernizing their infrastructure to maintain an effective payment system.

"This is the biggest number of changes that central banks have implemented in 70 years. It creates stress in the entire banking system and affects all banks," he says.

Behind the scenes

Most changes happen behind the scenes but to adapt to the new communication format, all companies and organisations need to implement certain changes in their internal systems.

"For our part, we are pretty much over the hurdle, at least in Sweden, where we have most of our clients. There are only seven per cent left who have not yet migrated to the new format," says Allan Kissmeyer.

***Allan Kissmeyer** is Head of Cash Management Large Corporates & Financial Institutions, SEB.*

New rail for payments

However, the most significant changes concern the underlying infrastructure, i.e. the rails on which the payment system rests. It's being fundamentally rebuilt – and if everything works as intended, that change won't be noticeable to clients.

This is a big challenge for all banks, says Allan Kissmeyer. The system changes that need to be made are time- and resource-consuming and mean that other development initiatives need to take a back seat.

"In recent years, we have had limited capacity to drive other less mandatory changes. This will continue for the next two or three years", he says.

Keep an eye outside the tunnel

Despite this, he believes that it is important to continue exploring new, innovative technology with clients.

"When running this type of large and long-term infrastructure project, there is a risk of suffering from tunnel vision. When you come out of the tunnel after three or five years, the world can look very different than when you entered the tunnel. So, it is essential to constantly keep an eye on what is happening outside the tunnel to see if you need to adjust the direction. It's a challenge."

However, in the coming years, the focus will be on ensuring a smooth transition to the new payment infrastructure – everything to avoid disturbances and instability in the payment systems.

"Our most important task towards clients is to ensure stability in the payment system. We're working hard to make sure they get a state-of-the-art rail for their payments, which will enable all the exciting new technology available. But, the most important thing is stability," says Allan Kissmeyer. ■

Unlocking the potential of real-time payments

ISTOCKPHOTO.COM/ DNY59

Contributed by Taulia

The real-time revolution in B2B payments is set to transform the business landscape. But with the adoption of real-time payments proving somewhat slower than anticipated, there is a clear need for solutions that can solve existing pain points, while also addressing treasurers' concerns about security, efficiency, and risk. So what do treasurers need to know about the potential benefits of real-time payments?

Addressing existing pain points

It's no secret that treasurers face numerous challenges in the area of cross-border transactions – so first and foremost, the real-time payments revolution will need to address these pain points. For one thing, different payment systems have varying transaction limits and charges, which can result in delays to manual processing. Banks, likewise, have a variety of payment formatting requirements, while legacy ERP systems may lack the ability to handle multiple formats and payment systems.

At the same time, the growing threat of cyber crime means that increasingly robust security measures are needed to protect transactions. Sanctions screening processes, meanwhile, often generate false positives which can lead to delays while issues are being resolved.

Business benefits of real-time payments

Real-time payments can help with these pain points in a number of ways. In particular, innovative solutions developed by fintechs – such as portals that allow suppliers to input payment data – can help businesses streamline payment processes and reduce the need for manual effort, while mitigating the risk of data entry errors.

More broadly, the potential benefits of real-time payments span a number of industries and business activities:

- In the retail sector, real-time payments can be used to streamline the customer experience at point of sale.
- In markets where check payments are commonplace, real-time payments can be used to shift suppliers away from time-consuming check processes.
- For companies engaging in M&A negotiations, there is an opportunity to speed up processing times and improve cash flow management.
- When funds need to be received on a specific date for regulatory or contractual reasons, businesses may be able to comply with requirements and communicate with partners in a more transparent way.
- Real-time payments can also mitigate the risk of supply chain disruptions resulting from payment delays, thereby removing speedbumps from the flow of goods and services.

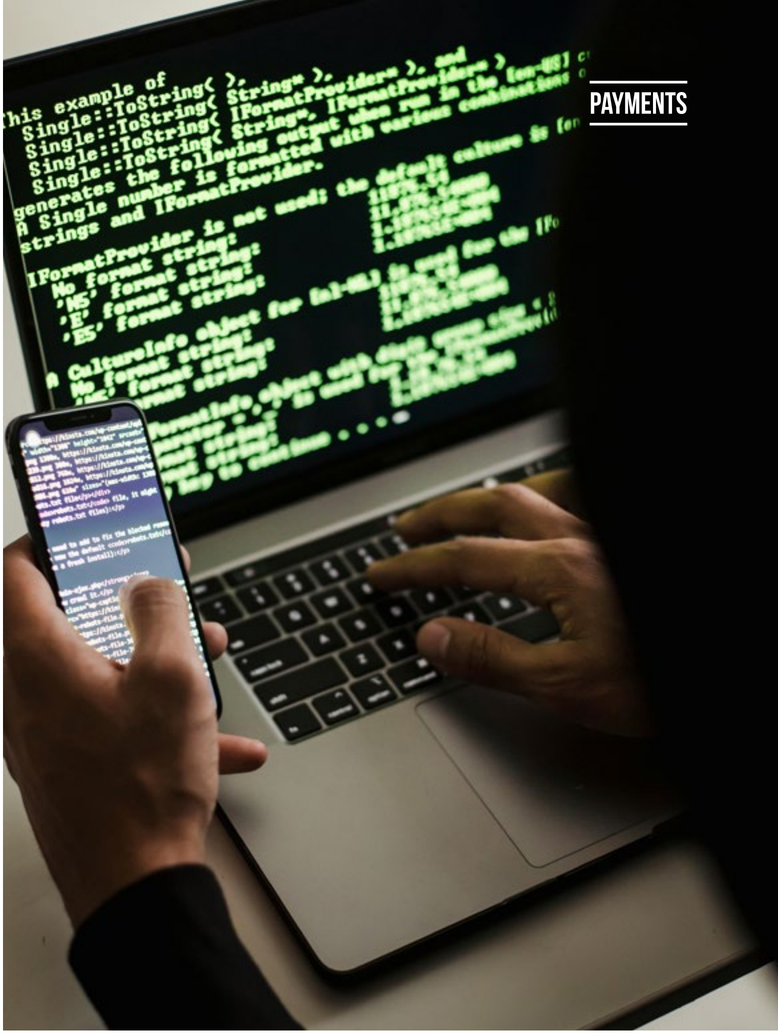
But despite the potential benefits, the adoption of real-time payments has so far been slower than expected – not least because businesses need to strike a balance between payment speed and security, with many prioritising the need for traceability and a smooth reconciliation process over speed. At the same time, practices such as the use of personal credit cards for transactions can hold back the adoption of more secure payment methods.

Striking a balance

As they look at real-time payments, treasurers are looking carefully at the associated fees, risks, and cash flow incentives, and are asking how they can achieve that crucial balance between security and speed. Transparency is also key, not least because treasurers can make more informed decisions if they understand clearly why a payment has been rejected.

Given these priorities, payment solutions that harness AI and data analysis to pre-validate vendor data, with built-in fraud detection capabilities and cost-efficient ACH management, can play a vital role in reducing risk, improving security, and increasing efficiency. With access to an all-encompassing solution, businesses will be better placed to realise the benefits of real-time payments and access the insights they need to make well-informed decisions – all while strengthening their relationships with suppliers and customers.

In summary, businesses can benefit from the transformative potential of real-time payments in numerous ways – but it's important to understand that the real-time revolution is not just about speeding up payments. More critically, it is about empowering businesses to remain competitive in a rapidly evolving global marketplace. ■



Managing instant payment risks

The role of beneficiary account validation

infiniance
Resolving Challenges in Finance

Contributed by Infiniance

In the realm of instant payments, where transactions occur in microseconds, the need for rigorous beneficiary account validation has never been more critical; e.g. checking that the account holder name or tax number matches the ownership details in the bank's records. However, instant payments may sometimes prioritise speed over thorough verification of beneficiary details, leaving businesses vulnerable to errors or fraudulent activities due to insufficient validation checks.

Bank account validation is already a common task for most corporates, often involving resource-heavy callback procedures. These manual verification steps, where a representative contacts the beneficiary directly, are time-consuming. As demands for efficiency rise, there's a push for streamlined, automated validation methods. Transitioning from manual callbacks to automated solutions can reduce administrative burden and errors, cutting costs while bolstering payment security.

Corporates have various innovative validation mechanisms at their disposal. Domestic schemes in countries like the Netherlands, Italy, France, Spain, and the UK provide instant validation frameworks for bank account ownership. Additionally, global approaches like SWIFT pre-validation aim to offer a standardised approach to verifying beneficiary details before initiating transactions.

Navigating the landscape of multiple data sources to access these validation mechanisms poses unique challenges. Each system may operate on different protocols and standards, necessitating sophisticated integration capabilities to ensure seamless communication. Moreover, the complexity is compounded by navigating diverse regulatory landscapes, where compliance requirements vary significantly across jurisdictions. Additionally, certain options may require establishing a banking relationship, as banks often act as gatekeepers to verification data, adding an extra layer of complexity to the process.

Despite these challenges, the benefits of implementing comprehensive beneficiary account validation solutions are undeniable. By leveraging technical innovations, organisations can enhance the accuracy, security, and efficiency of their payment processes, offering a proactive approach to risk management by mitigating errors, fraud, and compliance breaches in real-time.

Given the scattered landscape of validation mechanisms, corporate treasurers navigating this area face a challenging task. With various domestic schemes and global approaches available, selecting the most suitable solution(s) can be difficult. Considering the complexity involved, corporate treasurers may find it prudent to seek support from their treasury management system vendors or specialist consultants.

Treasury management system vendors often provide integrated solutions that streamline beneficiary account validation processes, offering a centralised platform to access and manage diverse validation mechanisms. Specialist consultants, on the other hand, can provide expertise and guidance in selecting the most effective validation strategies tailored to the organisation's specific needs. ■

Are credit cards the next **big** thing in B2B payments?

billhop

Contributed by Billhop

To someone unversed with the B2B payment space, it's difficult to explain Billhop's value proposition. However, those that get it, get it.

Especially those who have felt the frustration of not being able to pay with their preferred payment method. Unlike B2C transactions where consumers take credit card payments for granted, the vast majority of B2B suppliers do not accept card payments.

Why do I need a separate service just to pay my suppliers by credit card?

Despite studies showing that it is financially advantageous to accept card payments[1], suppliers continue to be reticent to change. High processing cost and interchange fees are among the most cited reasons for not accepting card payments.

This is precisely where Billhop's value proposition becomes clear. Billhop's online bill payment platform shifts the responsibility of card processing costs from suppliers to buyers. This effectively empowers corporations to pay any supplier with their corporate credit cards and unlock access to built-in credit lines.

Corporations can use Billhop in two main ways:

1. Utilise it as a working capital solution to enhance cash flow
2. Manage one-time, low-volume suppliers while skipping supplier set up process

Working capital solution

Businesses, regardless of size and niche, are always looking for ways to improve their cash flow. An effective way to do that is by increasing the days payable outstanding in order to shorten the time between paying suppliers and getting paid. Most major card issuers offer up to 56 days of interest-free payment period. Equipped with credit cards, corporations can pay their suppliers on time and in full (OTIF) while holding onto cash for as long as possible. By introducing early payment discounts to their overall payment strategy, corporations can realise significant savings.

2/10 net 30 days is a common early payment discount offered by suppliers[2].

Simply put, corporations can enjoy a 2% discount by paying an invoice originally due in 30 days within 10 days. Additionally, Billhop can provide bespoke credit cards from one of their leading issuers to allow businesses access to even higher credit lines.

Billhop's turnkey solution can be used without any implementation. To pay an invoice, you can simply log into Billhop's user-friendly platform or make batch payments directly from your ERP system with our sFTP feature.

Manage one-time, low-volume suppliers

There are many benefits to onboarding suppliers. Onboarding suppliers reduces risk by ensuring that due diligence is conducted on suppliers. It also helps foster better relationships with suppliers by streamlining the payment process.

However, the supplier onboarding process is not without its pitfalls. Mainly, it's costly and time-consuming. A survey of Billhop's client base shows that it can take anywhere from 10 days to 6 weeks to set up a single supplier before they can get paid.

For large, strategic suppliers, this is unavoidable. However, one-time, low-volume suppliers make up the majority of a corporation's supplier base.

These transactions are also known as tail spend purchases, which amount to just 20% of a corporation's total spend. This means tail spend is largely made up of low transaction volume invoices from numerous one-time or ad-hoc suppliers.

The cost to onboard a single supplier can quickly exceed that of an invoice amount.

By empowering corporations to pay one-time, infrequent suppliers by card, Billhop helps elevate process efficiency and improve spend cost reduction.

B2B card payment opportunity

Currently, the SEPA Credit Transfer (SCT) programme stands as the primary method for supplier payments across most European countries[3].

This presents a monumental opportunity for card payments to capture a portion of the $120 trillion in B2B payments made by businesses and governments globally[4].

Billhop's focus on working capital management and process efficiency addresses key needs in today's digital payment landscape, presenting a compelling opportunity for businesses to streamline operations and embrace modern payment solutions. ■

Click footnote numbers to go to source pages.

Addressing FX trading **pain points** with automation

Contributed by 360T

As modern corporate treasuries continue to scale up their day-to-day FX trading operations, they're turning to automation to manage the increasing complexities more efficiently.

Corporate treasurers are increasingly looking to automate more of their FX trading operations, and it's clear why. Automating as many manual processes as possible reduces operational risk and frees up treasury staff time to focus on more complex or value-add tasks.

However, just as with any new technology product or feature, automation should not be introduced just for the sake of it. It needs to be rolled out in a considered manner and directly address key pain points. Do the below examples sound familiar?

Common pain points

1. Inefficient workflows

Collecting all the different FX requirements from their various sub-entities in one place, in a consistent manner, is a big challenge. For example, if a firm has two sub-entities that need to do a $1M EUR/USD Spot FX trade, they will conduct two separate trades. Or, if they have two trades for the same currency pair and the same value date but in opposite directions, they will execute both instead of netting them out. In both instances, treasurers are incurring additional – and unnecessary – costs and operational complexities.

2. Inflexible risk management

Treasurers face the daunting challenge of maximising productivity while simultaneously minimising risk across the desk. Existing technology stacks are not always flexible enough to empower them to achieve this, while manual processes inherently introduce operational risks into the trade lifecycle.

3. Sub-optimal integration

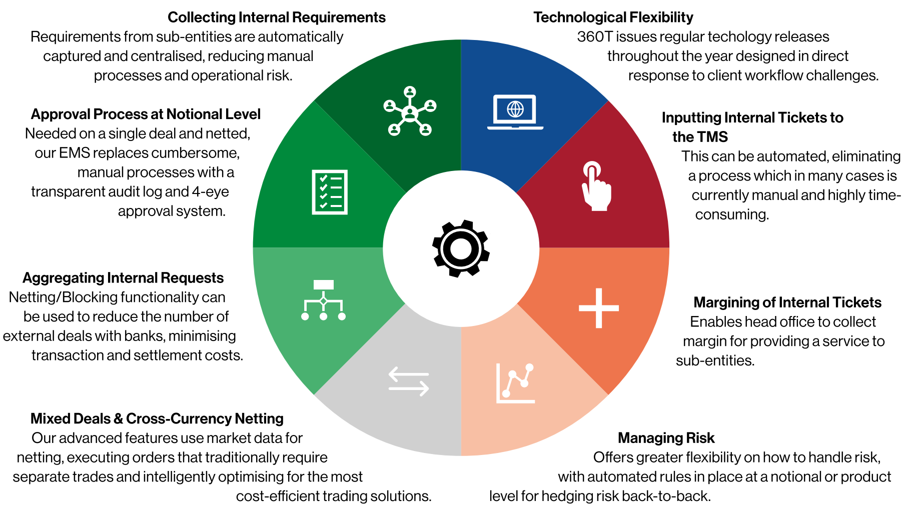
Sub-optimal integration between different technology systems creates friction points and inefficiencies. For example, some treasurers have to book their internal FX trades and then subsequently input them into their treasury management system (TMS), which can be incredibly labour-intensive and time-consuming.

360T's award-winning execution management system (EMS) addresses all these pain points, plus many more, through advanced automation tools and sophisticated FX trading technology.

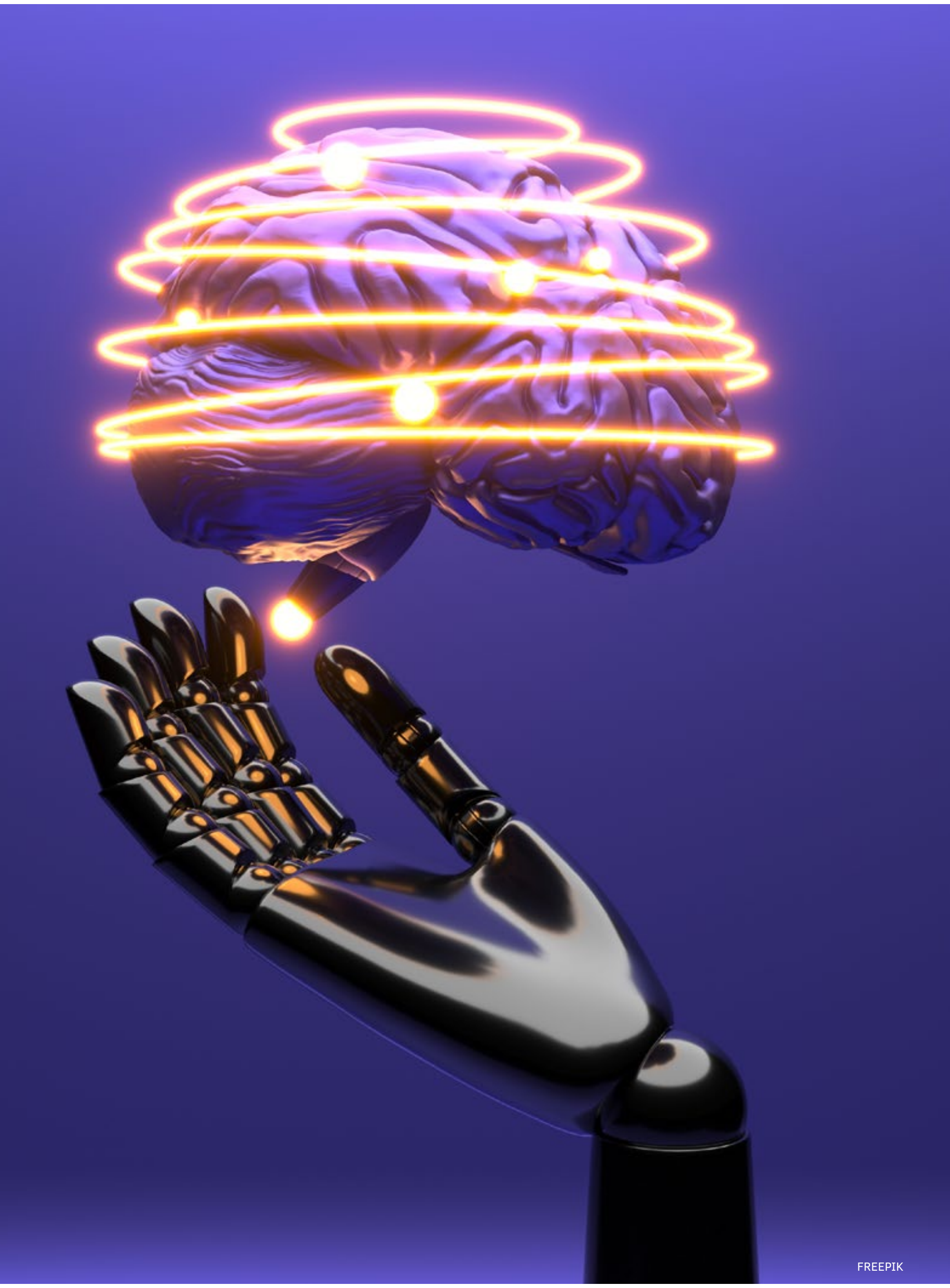
The platform paves the way for smarter, faster, safer, and more cost-efficient trading all in one place. It can be seamlessly integrated with existing TMS platforms to streamline processes and improve execution outcomes while still giving treasurers full control over every step of the trading process and freeing up valuable resources on the desk.

For more information on 360T's EMS, an industry-leading platform in Europe and the Nordics for corporate treasurers looking to completely automate their FX trading setups, come by our booth S:5 to chat about it or visit **360t.com/products/ems.** ■

A closer look at 360T's EMS, and the pain points it addresses



AI vs. automation in treasury: Enhancing efficiency and decision-making



FREEPIK

Contributed by Rob Van Peer, Nasarius

At Nasarius, we preach efficiency. Therefore, we start with the end in mind and share our conclusion up front. We are delighted to see that more and more Scandinavian treasurers have picked up the commitment to become technology leaders again. We continue to embrace technology including artificial intelligence (AI). It is our view that technology has become cheaper and better. The rise in technology has increased the value of soft factors ("the human aspect") again. Sadly, we also see a growing trend where treasury is no longer in charge of their own digital roadmap and with that its own future, which in our mind puts the companies at risk both financially and strategically.

Many big words in this title and some of them scare individuals, including treasury professionals1. Digital transformation is not just a catchy slogan to facilitate budget approval. In 2024, it is a mandatory journey for treasurers to be on. Individual components of that roadmap can range from small improvements to major technological overhaul. At this point, leveraging technology is non-negotiable. That rule applies to most individuals and certainly to treasury professionals. There is no way around technology / digitalisation and probably no way back2.

In this article, we highlight two pivotal tools: AI and automation. We also focus on the soft factors that have grown in importance. These are critical to ensure technology keeps working for you and not the other way around. Both AI and automation are revolutionising the way corporate treasurers manage cash, investments, and financial risks. They are two very different components of technological progress. Each one offers significant benefits, and they are even more powerful when combined well.

Just like we, as individuals, adjust the usage to our preferences and circumstances, corporations need to do the same. Our experience at least is that a "one solution fits all" typically does not apply.

Artificial Intelligence, with its capacity to mimic human intelligence and learning, is increasingly leveraged in treasury operations to enhance decision-making processes. AI algorithms analyse vast datasets, identify patterns, and provide valuable insights in real-time, enabling treasurers to make informed decisions promptly.

Automation, on the other hand, streamlines manual processes by leveraging technology to execute repetitive tasks with efficiency and accuracy. By automating routine operational tasks, treasurers can reduce human errors, enhance operational efficiency (including freeing up valuable time for treasury professionals), and ensure compliance with regulatory requirements.

"It's not the strongest or the most intelligent who survive, but those most adaptive to change. Over the past 10 years, the need for, and focus on, adaptability has accelerated."

Former American Express CEO and Chairman ***Kenneth Chenault*** *built on Darwin's fundamentals to advise us in the 21st century.*

While AI and automation serve distinct purposes in treasury functions, the convergence of these technologies offers significant synergies. By integrating AI algorithms with automation tools, treasurers can harness the power of predictive analytics to enhance process automation and decision-making. For instance, AI-powered cash forecasting models can optimise liquidity management decisions, while automated payment systems execute transactions seamlessly.

However: an absolutely critical success factor is to ask correct and precise questions when designing the needs of treasury. One of the key reasons that we as consultants and software developers embrace technology rather than seeing it as a threat, is that our experience is that with all the technological progress some of the soft skills have (re)gained importance. Considering true end-to-end processes, identifying root causes, and asking specific questions are at least as important as the technology itself.

The most worrying trend we notice though is that well intending treasurers who want to take charge of their digital destiny are held back by internal IT. Under the excuse of global roadmaps, treasury is often brushed aside. More than needed, innovative and lucrative initiatives are being postponed. From a resource perspective, financial risk perspective and global strategic competitive position[3], it is something we see as a threat. Obviously, this does not apply to all companies. However, as treasury professionals grow this awareness, you reduce the risk and take charge of your own future.

Our conclusion was at the top. Just for information, the below is how AI would conclude given this article's title. We agree, but even as consultants, we find that a bit fluffy.

In conclusion, the intersection of AI and automation in treasury management represents a transformative shift in how organisations manage their financial operations. While AI enhances decision-making capabilities and provides predictive insights, automation streamlines processes and increases operational efficiency. By strategically leveraging both AI and automation technologies in treasury functions, organisations can unlock new levels of efficiency, agility, and competitiveness in today's dynamic business environment. The synergy between AI and automation in treasury management paves the way for a future where technology-driven solutions drive innovation, efficiency, and strategic value creation in financial operations. ■

References

[1]*A Forbes study finds that 77% of people think AI will cause job losses.*

[2]*Some claim we will revert to the "ancient world" after a military apocalypse. We still apply the "going concern" principle.*

[3]*Both a Forbes study and a Stanford university study find that China is leading the way in AI whereas the US and Europe are lagging significantly behind.*

Rob Van Peer *is Partner, Nasarius*

This is how APIs drive financial transformation

The growing complexity of treasury operations requires real-time automation and agile, future-proof technology.

FINANCEKEY

Contributed by
Veikko Koski, FinanceKey

APIs play a crucial role driving digital finance transformation, and helping treasurers to become strategic business partners.

The reliance on legacy technology, end-of-day bank statements, and batch processing is not meeting the demands of dynamic treasurers and CFOs. Business demands towards treasuries are expanding, and the role of treasurers is evolving from risk management to a strategic business partner.

Journey towards real-time finance

The opportunity has never been better for treasurers to drive new digital ways-of-working, empowering finance transformation across the organisation. Enabling access to real-time banking data by leveraging application programming interfaces (APIs) is an excellent starting point, providing business benefits without touching critical processes. Real-time brings considerable gains helping businesses to release goods/services faster, rotate credit limits quicker, reconcile receivables effortlessly and improve working capital cycle.

Danish renewable energy company Better Energy is taking advantage of real-time access to all their banks via APIs. "APIs have truly supercharged our treasury by providing real-time cash visibility, helping us to achieve higher yield and freeing up time from manual routines. Speaking to other treasuries, none of them have the same visibility; we are technologically far ahead!", VP, Head of Treasury at Better Energy Jacob Koch explains. Better Energy employees leverage a modern user interface with flexible access rights management, and feed structured data to their Azure Data Factory via a Single API.

Veikko Koski, CEO and Co-founder, FinanceKey

How mature are banking APIs?

The availability for APIs depends on banks one deals with. The key is to help businesses to take advantage of APIs where possible, while supporting legacy file-based channels, such as EBICS and SFTP, where required. Offering access to regulatory APIs, e.g. PSD2 in the EU and Open Banking in the UK, together with connectivity to international cash management banks via direct corporate banking APIs helps treasurers and finance teams to choose the most suitable tools for their intended purposes, in a cost-efficient way. APIs are outstanding for reporting purposes, while the applicability of payment APIs depends on the bank. Being able to offer a solution with support for both APIs and file-based channels for enterprises is the key.

What's the key to real-time success?

Today, integrating modern technology is crucial for enterprises striving to adapt swiftly to changing needs and navigate complex business demands. Providing seamless access to both APIs and legacy systems is essential – a hybrid approach that ensures future readiness, especially as outdated technology and fragmented infrastructures persist. "Embracing a data-centric approach is fundamental, a philosophy we wholeheartedly embrace ourselves," remarks Macer Skeels, CTO of FinanceKey. "By prioritsing APIs and harnessing the power of data, organisations can continuously enhance their systems, and empower treasurers to stay ahead of the curve."

Exciting future ahead

Technology is opening exciting avenues for treasurers to become more efficient, and drive success for their business. APIs play an important role, helping to build the base for leveraging the latest innovations – including AI-based solutions, or e.g., use cases linked to stablecoins. Be sure to start early, build a system and bank agnostic landscape – that's futureproof! Looking forward to catching up at Treasury 360° Nordic in Copenhagen! ■

coupa

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SKYSPARC

Secret behind the success of leveraging technology for treasuries

SKYSPARC

Contributed by Skysparc

In 2024, treasurers continue to face challenges from ongoing market volatility, with a heightened focus on currency risks and market timing for funding and refinancing. Treasurers also face the difficult and complex task of assessing counterparty risk, all while simultaneously managing an increasing number of different data types to deliver value to the CFO. To reduce associated risks, many corporate treasurers are focusing on working capital management strategies, while leveraging new technologies to improve the speed and accuracy of data gathering.

Yet, they must do all this against a backdrop of operational constraints and labour shortages. Headcounts have been reduced in recent years, and competition for scarce talent is increasing. Treasury management typically faces two scenarios. Firstly, key treasury resources need to be freed from daily operational tasks to focus on digitalisation and transformation acceleration. Secondly, there is a constant need to fill the temporary skills gap, either when hiring new candidates or when key treasury staff are on vacation, parental or sick leave.

These ever-changing dynamics increase operational risk for treasuries. Pursuing digitalisation and transformation strategies becomes exceedingly challenging when there is a dearth of talent. Yet in order to succeed, precise treasury, financial, and technical expertise is needed to safeguard the financial backbone of a company. In other words, one of the secrets to the success of technology is people.

Filling the gap

An increasingly popular solution is calling upon the expertise of seasoned treasury professionals working on an outsourced basis, providing extra input on a project or ongoing basis. A key benefit of a medium- or long-term relationship with an outsourced treasury professional is that they are familiar not only with the theory but also with the practice of how a particular treasury works on a day-to-day basis, covering business and automation processes, systems and workflows.

Through outsourcing, treasury operations can maintain basic functionality and ensure continuity, while confidently managing key elements that are often in flux – from company strategy and liquidity to financial market dynamics to compliance requirements to new tools, apps and data.

At SkySparc, we have seen steadily rising demand for our growing team of Interim Treasury specialists. Our team of highly experienced and expert treasury professionals work with in-house teams in various ways: filling in temporary skills gaps, seamlessly performing daily operational tasks, providing strategic and transformational guidance or assessing forthcoming changes in compliance requirements – all on a remote, hybrid or on-site basis. While offering a wide range of capabilities, SkySparc's Interim Treasury specialists work to a common high standard and display a commitment to treasury excellence and company success that clients would expect from their own staff.

The secret to people's success is… technology

In addition, experienced treasurers are relying on advanced technologies such as AI and advanced APIs to better manage liquidity and risk management, or cash flow forecasting.

Supporting corporate treasury reporting requirements for over 20 years, SkySparc's award-winning automation platform OmniFi has constantly evolved to ensure it sits at the heart of the digital treasury. Recently redesigned in response to client demand to enhance capability, capacity, and connectivity, OmniFi's web portal introduces an adaptive user interface, boosts performance, and significantly improves functionality, ensuring users access information precisely when and how they need it.

Dashboards built for selected performance indicators using OmniFi can be updated automatically, enabling treasurers to focus on analysing data rather than gathering it. Reports created in OmniFi can measure performance, track risks and exposures, and monitor limits and balances for use by teams in the front, middle, and back offices, as well as accounting departments, and can be presented as dashboards, scheduled management reports or ad hoc reports.

Further, OmniFi can supply the corporate treasurer with customised reports to analyse the quality of data within Quantum, providing alerts to potential problems and reassurance of smooth operations. Delivered on-premise or via cloud, depending on client needs, OmniFi can seamlessly and securely automate and integrate treasury data and workflows with full remote support, reducing total cost of ownership.

At SkySparc, we have every confidence in OmniFi's ability to integrate with other platforms and to consolidate and transform data in order to provide the treasurer with the optimal reporting solution.

SkySparc: Bridging the gap between human expertise and technological advancement

For firms to successfully tackle today's challenges, they need both people and advanced technology tools to achieve a high degree of visibility over treasury activities and data. SkySparc's firm-wide financial and technical expertise makes them the ideal partner for all support needs and for advice and planning. In addition, SkySparc's automation platform, OmniFi, provides proven process automation and data integration capabilities, making it the ideal platform for increasing the sophistication and customisation of key treasury reports.

Working across all major treasury management systems, assessing software needs, identifying ideal solutions, and leading implementation and adoption, the key to SkySparc's long-standing success globally and in the Nordics is our ability to leverage deep expertise in business optimisation and technology. ■

SKYSPARC

Quick Facts

- Facing increasing market volatility and a complex regulatory environment, treasurers are increasingly turning to SkySparc. It offers robust interim and automation solutions that streamline data processes, enhance working capital efficiencies, and mitigate risks associated with FX and market timing for funding and refinancing.
- SkySparc's team of Interim Treasury specialists alleviates operational pressures during critical periods by seamlessly integrating with in-house teams to maintain continuity in treasury operations, covering gaps during employee absences and providing strategic insights.
- The award-winning OmniFi platform by SkySparc has become a cornerstone for treasury digitalisation, offering customised reporting tools and advanced analytics that improve liquidity forecasts and risk management, while its adaptive user interface ensures optimal performance across financial functions.

Three challenges shared by corporate treasury and banks

VIARPRODESIGN/FREEPIK

CXFacts

Contributed by CXFacts

As technology continues to advance and the fintech industry continues to gain trust and support, it's becoming more essential for banks to embrace new partnerships to improve processes and customer satisfaction.

A Forbes article from 2020 concluded that 84% of companies focused on improving customer experience (CX) report increased revenue, and that customer centric organisations are 60% more profitable than non-customer centric organisations. However, up to 80% of feedback captured is of low quality, and over 70% of organisations report that they still do not fully understand what drives their customers' behaviour and attitudes.

That's why emerging fintech companies like CXFacts are in demand. Here are three ways the CXFacts platform is solving challenges currently shared by banks and their corporate customers.

Customer experience

Most banks still send out annual customer satisfaction surveys for the corporate customers to provide their honest feedback, or they conduct phone interviews once a year. Recent studies show that B2B relationships benefit from multiple feedback loops per year, and that multiple contacts on the customer side should provide feedback, in order for the selling side to increase business retention rates.

Through CXFacts' platform, banks can now offer corporate customers digital surveys through a digital web platform allowing corporate customers to provide direct feedback across product areas and countries – as often as they wish, with as many people in the customer organisation as they wish. Through this platform, corporate customers can rank their customer experience and offer critical insights into how the bank can enhance its operations. Corporates can include all relevant people in their organisation and use the platform for all their banking partners – on a global scale.

Lack of technology to gather feedback and customer data

With the present non-digital ways of collecting feedback from corporate customers, many banks are left with an increasing "customer fatigue" with respect to responding as this provides little or no value to the corporate customers. Often, the survey samples are very small, and thus the validity of data is open for discussion.

Banks also experience a lack of real-time analytics to continuously improve, as they don't have the technology, or the real-time data, to create analytics that provide actionable insights and can help them to focus where it matters the most.

CXFacts is solving this problem by offering real-time access to detailed insights. This is done through a professional infrastructure to help banks digitise their collaboration and feedback processes and improve their business intelligence on corporate customers. As the process is digital, the bank can invite all their corporate customers to provide feedback in one efficient process.

Visibility across banks in multiple countries

One of the biggest challenges for all banks, especially those that have corporate customers in many different countries, is that it is difficult to gauge how corporate customers are being handled in each separate country and/or in separate business areas of the bank. Currently, many different processes are in place in an international bank to gather data for the various countries or product areas in the bank. With different processes, it is difficult to create valuable and meaningful insights across countries.

Through the CXFacts platform, banks have access to their own Business Insights platform, globally uniform, where they can see and dive into important data in a real-time dashboard allowing them to follow the development in all countries, capabilities, and service levels of the bank over time – in fact their corporate customers' perception of this.

All colleagues within a corporate organisation can be included and offer valuable and actionable insights into the banks' performance. Front office in treasury (as well as the bank), then have a very detailed basis for future banking discussions and will experience a strong foundation for more focused dialogue on various, important issues in their business relationship.

For more information on CXFacts and how it can help your business, visit https://cxfacts.com/. ■

The modern treasurer: Empowered and resilient with data and AI

ISTOCK.COM/NESPIX

Contributed by Adam Drew, Kyriba

Treasury teams need to use agility and data to drive their decision-making and navigate the perils of interest rates, currency markets, supply chain disruptions, and the economic fall-out of global conflict.

A murky macroeconomic outlook has never before delivered more clarity on one issue: visibility of, agility with, and control over liquidity is vital for treasurers.

But too many treasury teams find themselves gridlocked by lack of data, insights, and nimbleness to make effective decisions. A recent study by Blackline found only 2% of the C-Suite have complete confidence in their cash visibility. IDC further identified that only 20% of finance teams could reliably forecast liquidity beyond one month.

Empowered with data, treasurers can end this gridlock and connect, protect, forecast and optimise liquidity and achieve their goal: outperform their business objectives.

Insight is expected on-demand and in real-time.

Interest rates remain high and the prospect of rate cuts is uncertain. As a result, the expectation for treasury teams to accurately forecast and communicate cash flow and liquidity guidance remains at its highest level. With every news story and inflation rumour driving market volatility, treasury forecasts and liquidity plans need to be resilient and adaptable based on the most up-to-date internal and external data.

Unifying enterprise data, by connecting every system, software, and app through API, means treasurers generate the visibility, control, and insight they need to make more informed decisions. This includes protecting against cyber crime and market volatility through better payment controls and hedging programmes. Detecting risk before it happens.

Optimising systems and structures, including in-house banks, multilateral netting, payment factories, and early payment finance programmes can only be achieved by injecting data into treasury processes and programmes.

Data is the critical resource for treasury to achieve higher levels of automation, visibility, and control. Armed with a more data-driven decision-making framework, treasurers can:

- Enable cash and liquidity planning with greater resilience to a wide array of risk factors so that finance teams can be confident in their numbers. Uncertainty does not foster improvement.
- Confidently address what-if scenarios such as "what if rates stay the same into 2025?" or "what if the US Fed holds steady but the ECB begins cutting rates?"

There is no AI strategy without a data strategy

Finance teams need more data than ever. APIs deliver real-time data, paving the way for more intelligent and AI-empowered decision making. Data unlocks the power of AI for treasury.

We already see self-contained AI models embedded into treasury workflows. Areas like cash forecasting, payment fraud detection, and cash balance optimisation, where AI can provide more precise predictions and recommendations – at greater speed so projections and exceptions can be delivered when they're needed, not when they're already redundant.

We've also opened our platform for all users to securely leverage generative AI, with tools like ChatGPT already playing a meaningful role for treasury teams. This helps teams engage with their data and build new capabilities, such as bank payment formats or new reports. Speaking to your treasury management system to create a query, graph or report seems revolutionary today but I promise you this is only a curtain-raiser to what you'll see in the next 12 months, never mind in the years to come.

We believe in AI for treasury. Connecting customers to their data and empowering treasury teams' data that unlocks the power of AI to connect, protect, forecast, and optimise liquidity.

By building a foundation upon connectivity and data, we can help treasurers strengthen treasury, payments, risk management, and working capital processes and controls to make decisions more rapidly and more effectively, delivering the agility to transform liquidity based on new insights and market conditions.

At Kyriba, we call this Liquidity Performance. ■

***Adam Drew** is Chief Financial Officer, Kyriba.*

Treasury management systems – why do you need one?

Contributed by Albert H. Vedeler, Stacc Escali

What is a treasury management system (TMS)?

A TMS is a software solution used by businesses to manage treasury operations. It helps handle financial tasks such as debt and liquidity management, investment management, financial reporting, and risk management.

Is a TMS cost-efficient?

While implementing a TMS typically involves high initial costs, the operational efficiencies that arise can result in a reduction of expenses.

According to an article on www.treasuryandrisk.com, the implementation of a TMS can go terribly wrong. Many of the risks originate from errors in cost estimates during project planning. Executive Vice President, Banking and Capital Markets, Capgemini, Sankar Krishnan comments, "The total cost of ownership calculations are critical to determine direct and indirect costs associated with running a TMS."

ISTOCK.COM/NUTJAREE YOMJUN

It is crucial to find a vendor which covers your needs. A modular and cost-effective system, as well as fixed implementation costs can be important.

Whether a TMS is cost-efficient depends on factors including regulatory requirements, the capabilities and price of the TMS, size of the organisation, and the complexity of the treasury department.

Here are 7 factors you should consider:

1. Cost vs benefits: Evaluate the cost of implementing and maintaining a TMS against the benefits it offers. These benefits may include improved reporting, improved debt and risk management, increased operational efficiency, and reduced compliance risk.

2. Scalability: Consider whether the TMS is scalable and suits the needs today and the next few years. A modular system can be more cost effective.

3. Customisation: Should it be customised to meet specific needs? Are the needs "must-haves" or "nice-to-haves"? Is it worth paying for the "nice-to-haves"?

4. Total cost of ownership: Consider upfront costs of implementing and purchasing the TMS and the maintenance, support, and upgrade expenses required.

5. Integration: Is it easy to integrate with existing systems? Can you export transactions to the ERP system? Can you import market data from vendors such as Bloomberg, ICE, LSEG or others? Does it already support such integrations, helping minimise implementation costs?

6. Regulatory compliance: Make sure the TMS meets regulatory requirements. Non-compliance can lead to fines and penalties that outweigh the cost of a TMS.

7. Vendor selection: Evaluate multiple TMS vendors to compare pricing, features, support, and reputation. Choosing the right vendor can significantly impact the cost efficiency of implementing such a system.

In summary, while implementing a TMS system requires an initial investment, it can be cost-efficient if it addresses the organisation's needs, mitigates risks, is modular, and user-friendly.

Why do you need a software solution for treasury operations?

- Debt management: For a treasurer or CFO, it is important to monitor cash flows on debt to make sure cash is available to pay the interest and installments on due date. It may also be important to manage covenants.
- Financial risk management: Identify, analyse, and manage financial risks such as interest, refinancing, FX, credit, and market risk.
- Liquidity and cash management: Monitor and manage cash flows across multiple entities, including forecasting to meet financial obligations.
- Portfolio and asset management: Help in managing investment portfolios by providing tools for monitoring performance, efficiently calculate gains and losses and post transactions to the ERP system.
- Financial reporting: Generate overviews to provide insights regarding treasury activities, financial positions, and performance. Regulatory reporting to ensure compliance with accounting standards and other regulatory requirements.
- Payment and transactions: Facilitate the processing of payments, transfers, and transactions securely.
- Compliance and audit trail: Maintain an audit trail of treasury activities and transactions to ensure compliance with internal policies as well as regulatory requirements.

Another advantage with a TMS is lower key personnel risk. A well implemented TMS will also help the organisation reduce time-consuming tasks resulting in profitable growth.

Overall, a good TMS streamlines treasury activities, reduce errors and personnel risk, and is easy to implement. It should be modular, cost and time effective, and give you a better overview. ■

Albert H. Vedeler *is one of the founders of Stacc Escali. He has implemented TMS for more than 20 years.*

Enhancing treasury **performance** through data

Contributed by HSBC

"Data has always been key to treasury. It is instrumental in the basics of the function, in forecasting cashflows, managing liquidity, and ensuring correct funding levels.

But there has been a step change in the volume and potential of data. The ability for treasurers to analyse data in a real-time environment can create valuable insights that can be actioned at speed.

Today, data analytics has become a key pillar of modern treasury management and treasurers are turning to more integrated, fit-for-purpose tools to help them manage their increasingly complex operations.

Understanding the value of data and analytics

Now more than ever, treasurers are a strategic partner within a business, using data to help understand what has happened in the past, what is happening now and what might happen next:

- By combining the various data components from a variety of internal and external sources, treasurers can deliver a more accurate cash flow forecast.
- Drawing actionable insights from the analysis of payment data can help show where inefficient payment methods are being used or identify important suppliers to help determine appropriate payment terms.
- Predictive analytics tools can be used to comb through large volumes of data to identify patterns and trends.
- Data analytics can assist treasurers to monitor and detect fraud and identify potential issues that could help ensure adherence to internal and external policies and regulations.

Releasing the value in data

Harnessing the power of data requires a structured approach with clear objectives.

Start by identifying the treasury workflows and the types of data they utilise; a collective understanding within the treasury department makes it easier to identify potential opportunities.

Documenting learnings along the way is important: it can be thought of as a first draft of a data strategy, which can then be built upon and shared.

After collecting data, the next step is data cleaning: data is not usually created purely for analysis so must be processed and validated. A final important step is data visualisation, which helps to understand trends and communicate findings.

Some treasury management systems already in place within organisations also allow the automation of certain processes. This helps streamline treasury processes whilst minimising risks.

Challenges

Moving data analytics forward in a treasury function is rewarding but challenging, requiring considerable planning.

Data is likely to exist in a multitude of silos around an organisation, and it is important to understand where these silos are, and how they can be broken down.

The quality of that data is likely to vary, which makes it important to have comprehensive policies in place around data governance and control.

Many businesses find they have an enormous amount of data. A key lesson here is not to deviate too far from treasury strategy, and to remember what that strategy is intended to achieve.

Finally, treasurers must understand what they need from technology, so they can work out the tools and staffing resources that are needed.

The challenges are considerable, but the potential outcomes more than justify the work that is put in. Data is one of the most powerful resources in the modern treasury world, and data's importance will only increase. ■

"International connectivity is at the heart of what we do, says Kristian Terling.

"As a strong partner for our clients, we help them integrate their data across borders, ensuring seamless links with international markets. We are committed to further enhancing the global capabilities available to our treasury customers. This will help them further boost efficiency and precision, uncovering new value prospects within their treasury functions."

Kristian Terling, CEO of HSBC Sweden and Head of Nordic Region Global Banking

How implementing GTreasury Netting transformed S4's treasury team

From 2018 to 2022, S4 Capital Group experienced particularly rapid growth – rising into a £1+ billion turnover digital advertising and marketing services company. However, the business's success also led to its initial finance operating model being outgrown.

GTREASURY

Contributed by GTreasury

The S4's defining strength of S4 is its ability to integrate over 30 businesses as a single brand with a single P/L approach. The key impact of the company's treasury function is high-volume intercompany invoicing, revenue sharing, and recharging, much of which cross borders.

The company's new group treasurer, Christof Nelischer, recognised an opportunity to achieve massive cost savings and create efficiency improvements by introducing a structured, system-based process for more easily managing and settling intercompany activity. S4 had no existing treasury-specific technology, and the opportunity for modernisation and new processes included improving financial risk management by optimising cross-border transactions and FX risk. The group treasurer selected the GTreasury Netting intercompany netting module because of its reputation and track record, as well as his hands-on experience with the solution.

The implementation of GTreasury Netting has transformed S4's three-person treasury team into the central hub for all treasury activity within the organisation. This strategic decision to keep system access only within the treasury team has eliminated the significant time and cost overhead that organisations usually expend on conducting lengthy personnel training and managing user access. The fact that GTreasury Netting is a SaaS application also meant that no IT integration was required, similarly eliminating the need for IT team involvement and overhead.

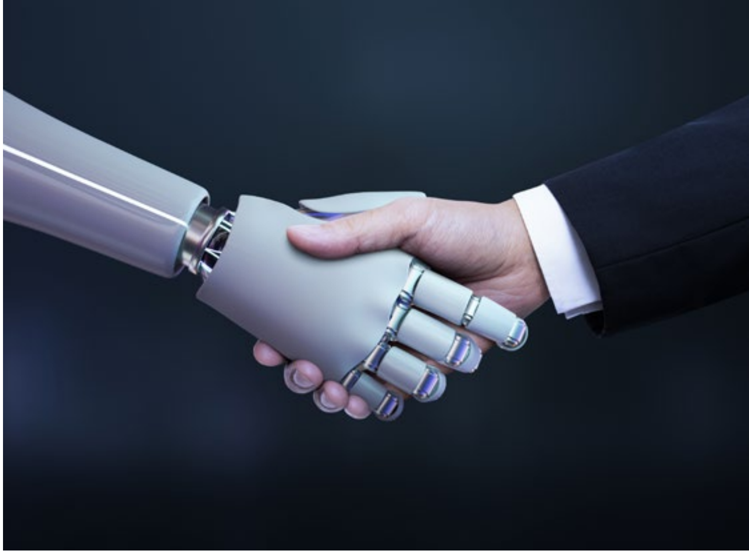
S4 Capital Group has experienced significant cost efficiencies with the implementation of GTreasury Netting. The elimination of FX dealing and the consolidation of FX has more than offset the cost of the intercompany netting technology, even after just the first use of the platform.

"Our solution is so efficient, it pays for itself," said Nelischer. "The economics are a no-brainer. Even if we had changed our minds and pursued a different technology after our first successful run, we would have been ahead in terms of money and have paid for the education of introducing a programme. It was worth it to spend the money and make progress on implementation very quickly. We have since kept GTreasury Netting in place, because it has proven to be so successful."

Even with extremely conservative estimates, S4 Capital Group's new intercompany netting technology delivers savings of at least £1 million per year (at a fixed five-figure cost per year).■


PHOTO CREDIT DETAIL

What's trending within treasury automation?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Contributed by Sven Stenberg, Sealfx

Staying ahead of the curve requires attracting talents and a focus on cash returns – this is when using the latest technology comes into play.

"AI and machine learning are definitely buzzing. With processing large amounts of data becoming less expensive and connections to large databases being readily available, the key is how AI and machine learning can be used to raise corporate productivity. Sealfx uses machine learning to detect changes in trends as well as anomalies in deal flows and user behaviour for our clients. Large corporates with many subsidiaries use the tool to improve hedging efficiency and detect if something is wrong.

Increasing use of APIs

Modern technology requires using APIs, connecting operational software to internal system solutions as well as to external databases. This trend is driven by SaaS becoming the overruling way to access software support systems to improve agility and productivity. Corporates should be aware that non-native SaaS software may not have the scalability and capacity to measure up to what is expected of a true SaaS company. A good rule of thumb is that SaaS based on software launched more than ten years ago should be closely reviewed in these regards.

Automation, efficiency, profits

Top of mind for most treasurers is still the automation of daily chores. Today, software supported collection and visualisation of exposures is a baseline requirement. Now, treasurers also require deal execution as part of the automation process – all to increase productivity and control. Trading in the foreign exchange (FX) and money markets requires real time updates of rates and exposures, especially at times of increased volatility and geopolitical risk. To meet these requirements, an advanced and flexible SaaS platform is needed that can be connected to existing software to allow for fully automated deal execution on multibank platforms.

Inhouse banking improves cash management

Higher interest rates have led to increased demands to automate inhouse banking and software supported cash management. Inhouse banking is an excellent way to keep cash within the group and to use various pricing mechanisms to enhance financial governance. With an inhouse bank set-up, you can drastically reduce costs for FX trading with external banks, one of the main targets for treasurers at large corporates.

Attracting talents and treasury automation

Historically, the main reasons to automise treasury tasks have been cutting costs, ensuring higher financial returns, and avoiding human error. These are still drivers; however, automation has also become a way of keeping and attracting talented treasury colleagues. Employees want to use their skills to analyse risks, hedge risk exposures on other tradable markets, and be a partner to management in the corporate's daily operations.

"Staying ahead of competition requires continuous development of treasury automation and the use of modern technology."

To summarise

Treasurers are looking for ways to use the latest technology to increase profitability, productivity and to stay ahead of competition in terms of operations as well as in recruiting employees. At Sealfx we continually upgrade and update our treasury automation software to meet these requirements." ■

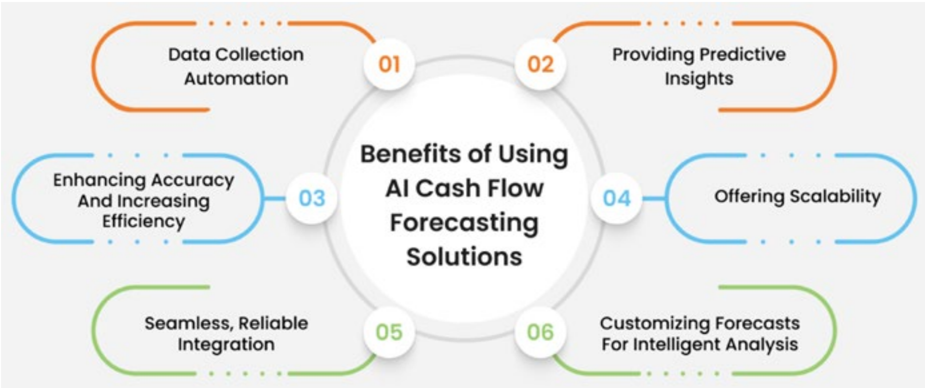
Sven Stenberg, *is Chief Operating Officer at Sealfx, a cutting-edge treasury automation software provider. This is his view on what's trending, based on experience from top company Nordic treasurers.*

Check out these 5 use cases for AI cash flow forecasting in 2024

When selecting the type of cash flow forecasting model for their business, it is essential that organizations choose the cash flow forecasting model type that best suits their demands and situation. Which one of these five real-life scenarios is closest to yours?

highradius

Contributed by Vipul Taneja, HighRadius



When choosing a cash flow forecasting model, factors to take into account are the degree of information needed, the forecast period, the complexity of the business processes, and the availability and reliability of data.

How AI Can Enhance Cash Forecasting

Relying solely on spreadsheet-based forecasting models can lead to costly manual errors, potentially resulting in significant financial losses for organizations. Explore five real-life scenarios where harnessing the power of AI can revolutionize cash forecasting, mitigate errors, and drive financial success.

1. Advanced AI-based forecasting for accounts receivable (A/R) improves cash flow management by predicting payment dates using customer behavior and external factors. As companies grow and systems like ERPs diversify across units, forecasting becomes complex due to scattered data and variables such as seasonal trends, credit scores, and disputes. AI models utilize invoice and sales order data from ERPs to enhance prediction accuracy by accounting for average payment terms and business seasonality. These models integrate with ERP systems to update forecasts based on real payment commitments, providing precise cash flow estimates for effective treasury management.

2. Advanced AI-based forecasts for accounts payable (AP) enhance treasury solutions by integrating with ERPs to improve payment predictions beyond standard invoice dates. These models analyze historical and current ERP sales order data and adjust payment schedules based on client commitments, optimizing cash flow. Additionally, they use various data points and scenarios to generate realistic and favorable AP cash projections, aiding treasurers in anticipating costs. For example, in the US, AI predicts AP cash flows by analyzing ERP data to identify vendor payment patterns, delivering a detailed 45-day forecast of vendor settlements.

3. Variance analysis is vital for enterprise treasurers, acting as a financial detective to identify discrepancies between projected and actual cash flows. It pinpoints anomalies, enabling the refinement of financial strategies and risk management. This tool is crucial for producing accurate financial forecasts and adjusting budgets effectively. Enhanced by AI, cash forecasting software analyzes complex data across accounts payable, receivable, and various regions, improving forecast accuracy to 90-95%. This precision aids in making better financial decisions and allocating resources, promoting stability and growth.

4. AI-based scenario modeling and analysis enable businesses to create various financial scenarios by adjusting factors like revenue, expenses, and market dynamics. This tool helps identify risks and opportunities, assessing their impact on cash flow to prevent losses, enhance investments, and maximize returns. HighRadius AI Cash Flow Forecasting allows treasurers to build and modify scenarios based on different economic assumptions, modifying elements such as cash inflows, outflows, and exchange rates to see how these changes affect cash flow statements.

5. Auto-machine learning optimizes cash flow forecasting by continuously selecting the best-fit AI models for different cash flow categories. These treasury solutions utilize past bank data to generate accurate daily cash estimates, dynamically updating the models daily, weekly, or monthly to maintain precision. This approach allows for adaptive and informed decision-making, ensuring treasurers can efficiently manage cash flow dynamics. ■

Vipul Taneja *is VP, Finance Transformation, HighRadius*

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