



Autonomous Systems

powered by AI

Top Opportunities in Treasury Transformation and How to Get Started

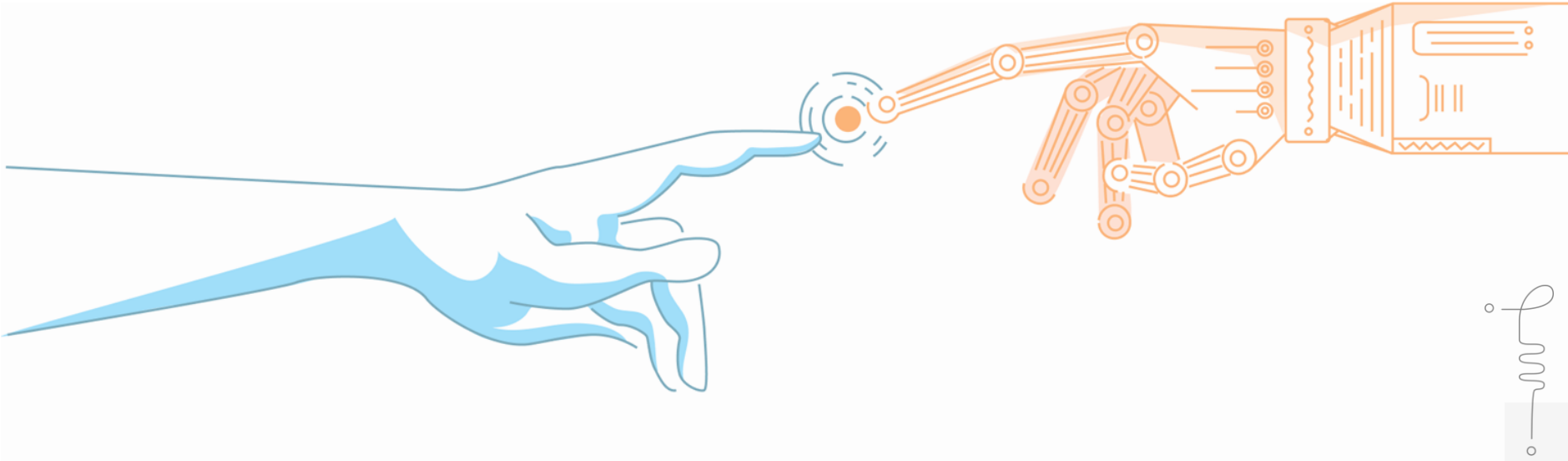
Valerio Trinchi
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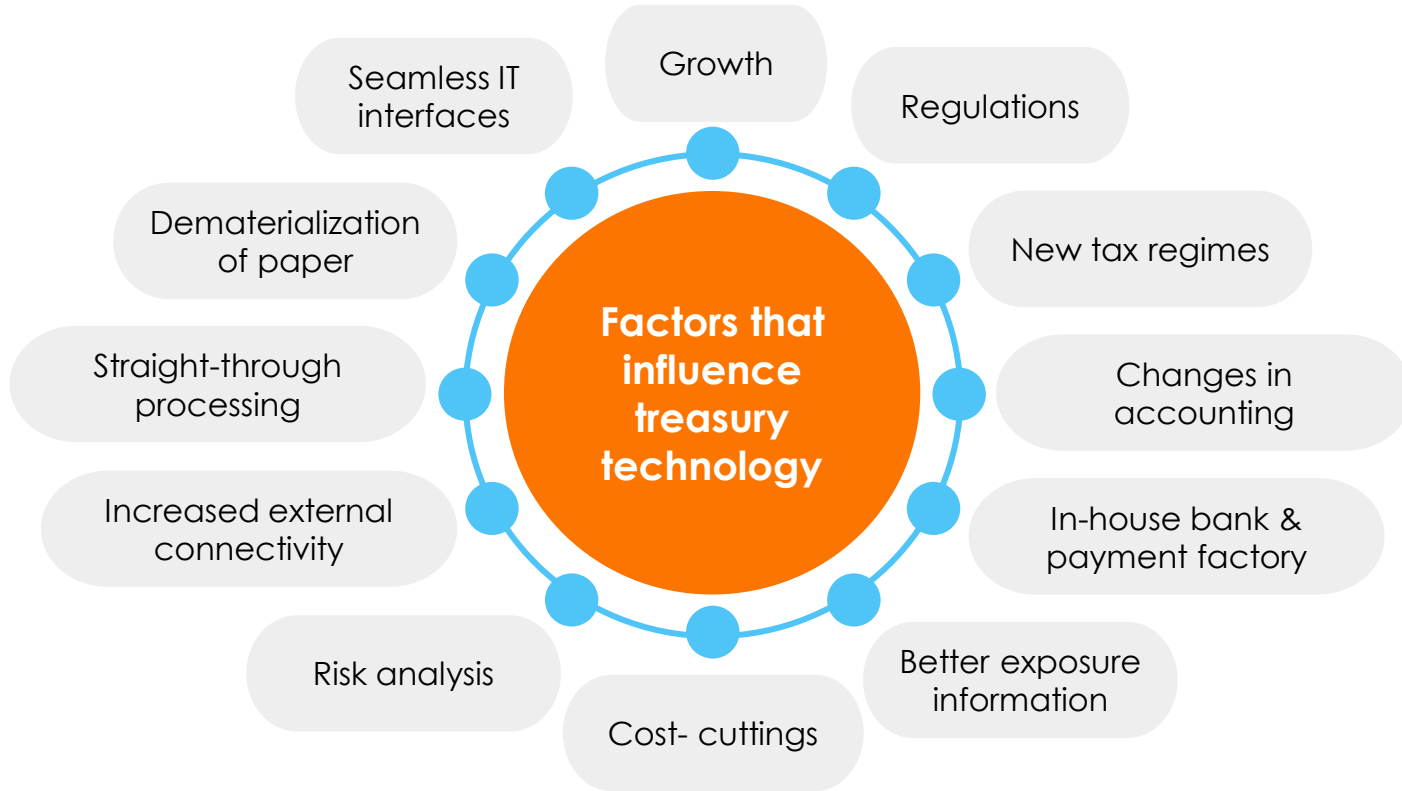
Agenda

- Treasury Transformation is a Need, Not a Want
- Top Opportunities in Treasury Technology
- How to Get Started
- Key Takeaways
- Q&A

Treasury Transformation is a Need, Not a Want



Requirements on Treasury Technology are Evolving



Source: Treasury Management Systems Overview, EY

Top Challenges in the CFO's Office



Cash
Positioning



Cash
Reporting

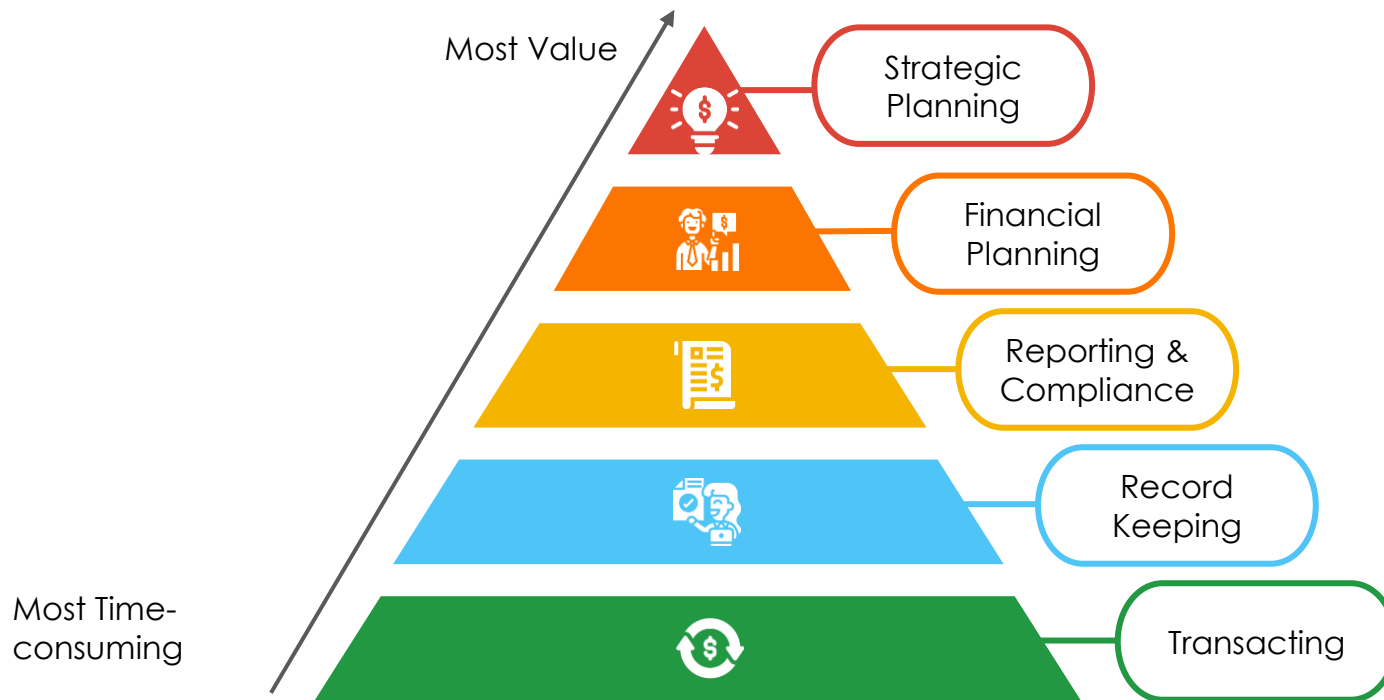


Cash
Forecasting



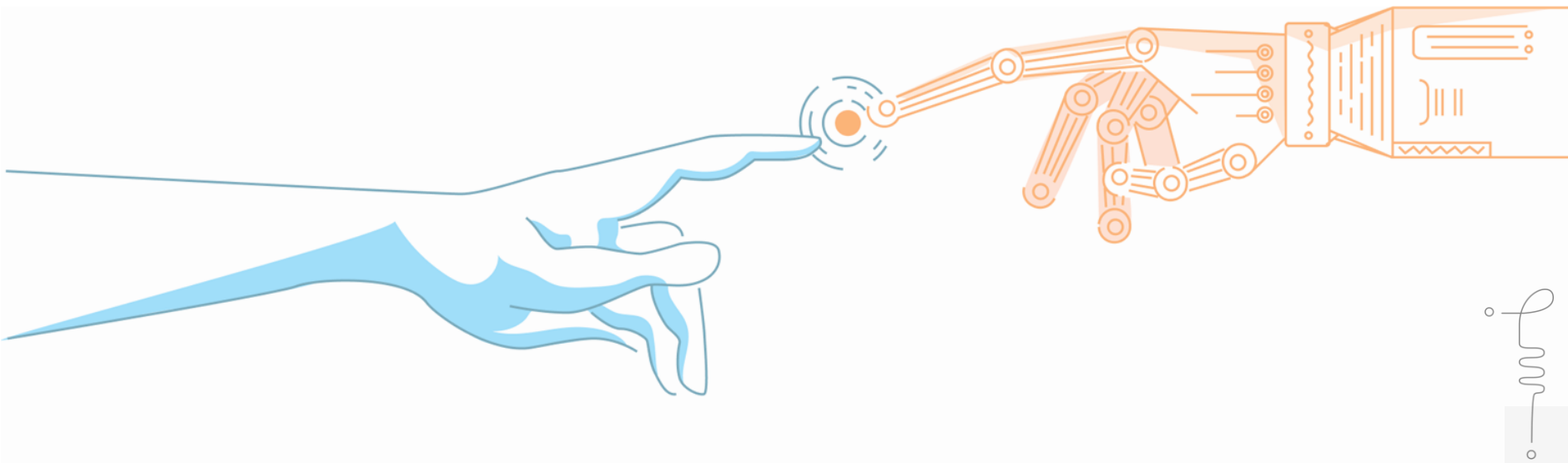
Cash
Allocation

Treasury Technology as an Enabler for CFO



Source: *The CFO in Crisis Mode: Modern Times Call for New Tools*, Andreessen Horowitz

Top Opportunities in Treasury Technologies



Identifying Treasury Opportunities



Data Management

- Extracts, transforms, cleans, stores, & aggregates data for analysis.
- Identifies data needs across enterprise & external factors.
- Combines financial & non-financial data to improve enterprise performance management.



Advanced Analytics

Generates actionable insights, makes accurate predictions, & gives better recommendations.

4 Types of Advanced Analytics

Diagnostic Analytics

Uses data analysis to understand why a problem occurs

Descriptive Analytics

Analyzes historical data to understand the business's performance

Predictive Analytics

Uses historical & present data & creates models to forecast

Prescriptive Analytics

Uses modeling & forecasting to test the likely outcomes of different actions

Emerging Treasury Technologies to Consider

Decoding the Alphabet Soup



Artificial Intelligence

Determines which decision or action will produce the best result against specific objectives or constraints.



Machine Learning

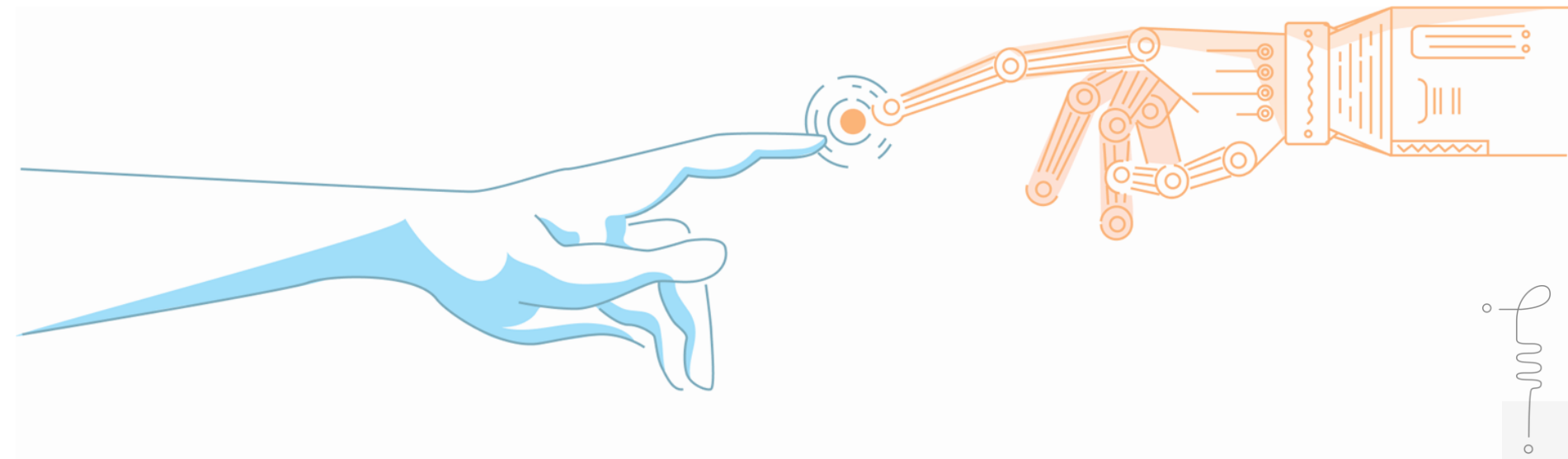
Learns from data, identifies patterns, & makes accurate decisions.



Intelligent Automation

- Automates key treasury processes & helps reduce costs.
- Improves strategic insights by analyzing unstructured data & providing predictions.
- Consolidates data from disparate financial sources & systems.

How to Get Started



Digital Landscape of Treasury

AS-IS - Manual

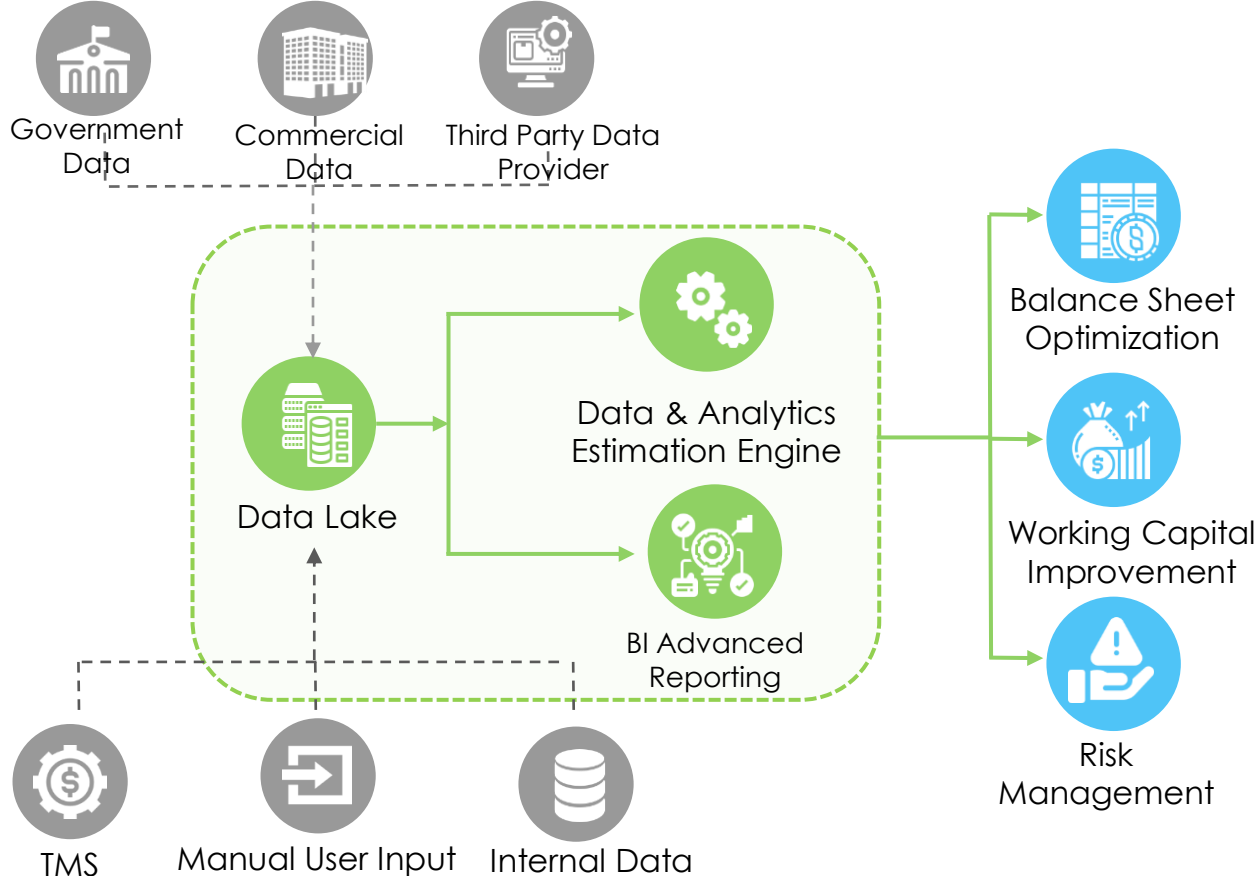


Implications

- Data updation is manual, which causes a delay in creating forecasts.
- The forecasts are created on spreadsheets increasing the scope of errors.
- Reports sent out to the CFOs are stale or incomplete, thus hindering real-time & data-driven liquidity decisions.

Digital Landscape of Treasury

TO-BE - Automated



Benefits

- Automated data gathering from various sources
- Quick and easy access to the data from the databases
- Accurate forecasting by analyzing the data and optimizing the balance sheet
- Real-time reporting to help CFOs to improve working capital & risk management.

Value Enhancements from Treasury Transformation



Data Management

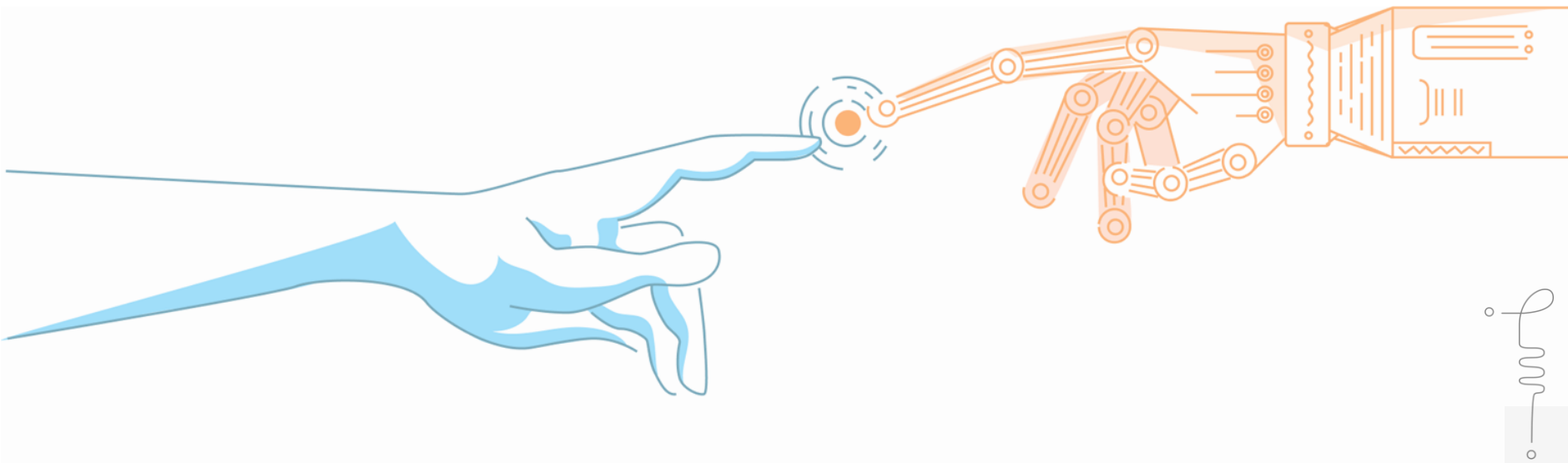
- Reduce treasury costs by decreasing FTE hours spent on data aggregation.
- Improve cash forecasting with the help of data mining models.
- Increase cash visibility to incorporate accurate & suitable data into cash forecasts.



Advanced Analytics

- Identifies required models, reduce interest costs, & understand future cash needs.
- Reduce P/L volatility since variance drivers are identified better.
- Improves forecasting & optimizing working capital through bottom-up forecasting.

Key Takeaways



Key Takeaways

1. BI improves cash forecasts in the following ways:

- Automatically linking various data sources and creating reports.
- Aggregating data and applying logic to create forecasts.
- Performing data integrity checks before analyzing data.

2. ML is capable of boosting the effectiveness of cash forecasting in the following ways:

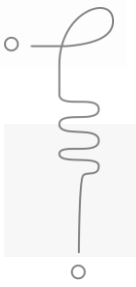
- Algorithms adapt over time with trends and patterns.
- Consolidates correlated variables to improve predictions.
- Leveraging historical data into forecasts.



Key Takeaways

1. **Advanced analytics increases the ability to set cash management KPIs.** Thus CFOs can get deeper insights for making strategic decisions.
2. **CFO can focus on making long-term decisions and strategic cash allocation** by detecting changes in business trends based on accurate insights.







Thank you!



highradius



NEXT SESSIONS



O2C

A/R Automation at WESCO: Key Milestones, Challenges, and Successes

Karen Koenig, VP, Customer Financial Services, WESCO

03:10 PM EST | West Mezzanine Center



TREASURY

Breaking the Bank - Troubleshooting Bank Fees

Hélène Shen, Managing Director - Global Head of Treasury Optimization, RedBridge Analytics

03:10 PM EST | West Mezzanine Lounge

