

# Treasury as a Service

## Corporates' Modern Answer to Efficient and Strategic Treasury

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Why do corporate treasuries implement software solutions? The specifics may vary, but the underlying intention is always the same: corporates seek to automate and streamline their processes, reduce and eliminate manual processes and boost efficiency. What used to be true for large, multinational corporates only, has long become best practice for small and medium-sized companies as well. Ultimately, it frees treasurers of the shackles of tedious and repetitive manual jobs, such as data collection. In turn, this allows them to focus on where they can really bring value to their businesses: strategic and high-value decisions and the ensuing practical implementation and management thereof.

But what happens when you've automated everything there is to automate but are still left with daily treasury tasks that simply exceed the capacities of your treasury team, maybe because staffing is tight? The key here is outsourcing. Not having the capacities for certain jobs should not mean that you need to resign yourself to an unproductive and unrewarding treasury setup. So where can treasurers outsource to? BELLIN's answer to this is the so-called Treasury as a Service (TaaS). TaaS echoes the Software as a Service (SaaS) approach BELLIN has been offering for ten years. Its objectives mirror the very ambition of modern treasury: eliminating inefficient and repetitive tasks that can easily be performed by someone else who is familiar with the system and understands treasury processes.

So what kind of processes are we looking at? Obviously, this very much depends on the size and strategy of a company. In general, TaaS covers the full



range of corporate treasury operations and can be made to fit any functionality a corporate requires. And this is not necessarily only a question of actually having the time and resources to perform a certain task. As a company, you might have certain recurring treasury processes that you simply don't want your treasury staff spending their time on and allocate your resources to. Or you might have more complex requirements that would mean hiring more people with specialist knowledge and skills. Or you might actually have other departments, for example accounting, in charge of treasury processes.

TaaS is at hand to support any role in a corporate's front, middle or back office, including operative maintenance of static data; regular system data verification and maintenance; account statement collection and verification; daily financial status reporting; automation control and error resolution; monitoring liquidity forecasting; concluding FX hedges based on pre-defined hedge ratios; monitoring multilateral



reconciliation processes; or performing netting runs. While some responsibilities obviously need to remain with the corporate treasurer, e.g. authorizing payments for execution, other processes can easily be outsourced. How this is handled is very flexible and accommodates many different corporate requirements and needs.

One typically outsourced task for larger companies is error-handling. BELLIN is immediately made aware of any error messages as it runs the software, meaning companies no longer need to check on an hourly basis if anything has gone wrong. This guarantees a powerful and functioning system, not just from a technological point of view but also from a data point of view. Often, BELLIN can bring skills to the table that may not necessarily exist in house. While traditionally, treasury management systems were developed for small but expert teams – the “elites” of corporate treasury – they now require a completely different mindset and user interface. While in the past we saw corporates mainly opt for user license-based

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solutions, SaaS is now clearly the way to go. From there, it is only a small mental leap to paying for a service instead of merely paying for software.

There are many non-core competence and non-mission critical processes in treasury. So instead of spending their time coaxing data from ERP systems, corporates would be better off moving on to strategic decision-making based on already available data. After all, they’re responsible for sensitive and crucial financial decisions: where is surplus liquidity tied up that could be used elsewhere in the group? Who needs an intercompany loan and which investments are needed? Which risks need to be hedged and where lie interest and currency risks? Security and compliance are top priority in any corporate treasury and necessitate appropriate workflows. Treasuries need to be enabled to be on top of these decisions, to have complete visibility and to use this overview to their strategic advantage.

Why do corporates implement treasury software? Because it helps them automate and streamline their treasury setup. Why do they outsource? Because not everything can be or should be automated and sometimes you just don’t have the resources or expertise. Modern treasury management systems have allowed treasurers to come a long way in terms of automating processes and freeing up time for strategic decision-making and treasury management. For anything else, they can now outsource what exceeds their own capacities, so they can still make the right decisions at the right time. Because making these decisions, having the time and capacities for them, can ultimately make or break a business. So why not make use of all the support you can get and focus on what only you can do best? ●