

The modern treasury network

Martin Bellin, Founder and CEO of BELLIN, explains how technology is transforming treasury into a decision-making network fit for the future.

What systems do treasurers need to understand what is happening in their organisation?

You have to look at the evolution of treasury in the last few years. I don't like to use the term treasury management system anymore because that implies a computer programme that records data and prints out long lists of information – data processing from the 1980s or 1990s if you will.

The role of software has changed as far as the processing of information is concerned. Right now it is something which enables people within an organisation to engage, to interact, to collaborate and to support their daily business.

Whereas in the past we have had systems in central treasury which allowed us to, say, run certain reports on risk management figures and conduct complicated mathematical analysis, now the focus has change into something that allows the treasury department to access all details and all information from all around the world. This requires an application, a platform, a network, and that is what we are looking for in the future: a network of people who are going to interchange information, experience and knowledge, rather than using IT systems for separate tasks.

How is this network created?

The network idea is something that I believe will be the future of treasury. Treasury needs access to all details relevant to its business on a global scale, including payment authorisation, bank account management, FX deals, and all the cashflows that are relevant to its operation. This has probably been accomplished to a certain degree within companies as they have embedded some kind of reporting or data collection features, but that is not enough.

Companies need to create a network of people delivering information to its network, and that includes all internal

and external parties. They need a network that can connect to all of its banks on a global level, and a network that connects to all third parties, for example a trading platform like 360T, or the SWIFT network, not just its group companies across the world. They need something that allows its company in Brazil, say, to exchange information with a bank in Brazil on the same platform that central treasury in London is using. In that way, central treasury can monitor what is happening in its company in Brazil without having to bother it with reporting issues. All entities on the network thus contribute to the pool of information necessary to manage a global treasury operation.

It therefore changes from being a system, a tool, to being a network of different parties that deliver information on which to base decisions.

How will this affect the way treasury departments are structured?

The traditional top-down waterfall organisation is going to be replaced as an organisational set-up across business to one in which teams and people collaborate in a different way. That applies to treasury as well.

Technology allows treasurers to be informed and engaged in decision making wherever and whenever they want. The traditional organisational structure of a central treasury with front-, middle- and back office in one place is no longer one which helps treasurers make decisions as they have all the information they need on any device without any effort. Indeed, the technology allows them to only concentrate on decision making, not data collection. Then, it is just a matter of determining who is responsible for making which kind of decision within an organisation.

Technology enables companies to share responsibility on a certain process, such



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as payments for example, on a global level without any restrictions. This allows companies to reconsider their traditional way of operating and look to how people can work together in a network that is enabled by the changing world of technology today.

Does that sharing of responsibilities globally raise security issues?

It improves security. There have been a number of incidents recently where multinational companies have been the victims of payments fraud, for example, precisely because they do not have control over their processes abroad. The companies did not see what was going on until two or three days later.

Companies need to ensure they are actively participating in these processes and can see what is happening. That does not mean they have to sign off every payment, but that there are systems in place that trigger an alert if something extraordinary or unexpected occurs. Many organisations, even mature ones, do not have this in place. Technology now makes that possible. ■



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