

## TREASURY ANALYTICS SOLUTION FOR CORPORATE TREASURY



### PREMISE

We are approaching the **corporate banks** that deal with large global corporate clients, like retailers, manufacturers, suppliers, distributors, and others, with supply chain management as a key area of focus.

Corporate banking is a subset of business banking that involves a range of banking services that are offered only to corporates. The services include the provision of credit, cash management facilities, and more.

Our proposition is to deliver a solution to a corporate bank that enables them to service their corporate clients better and thereby increase revenue for the bank, gain competitive advantage and achieve higher levels of customer satisfaction from the corporate bank's clients

Executive titles to pursue to initiate a conversation (examples):

- Credit risk and financial analysts
- Group treasurers
- Tax directors
- Head of treasury operations
- Managing directors
- Chief financial officers (CFOs)
- Chief executive officers (CEOs)

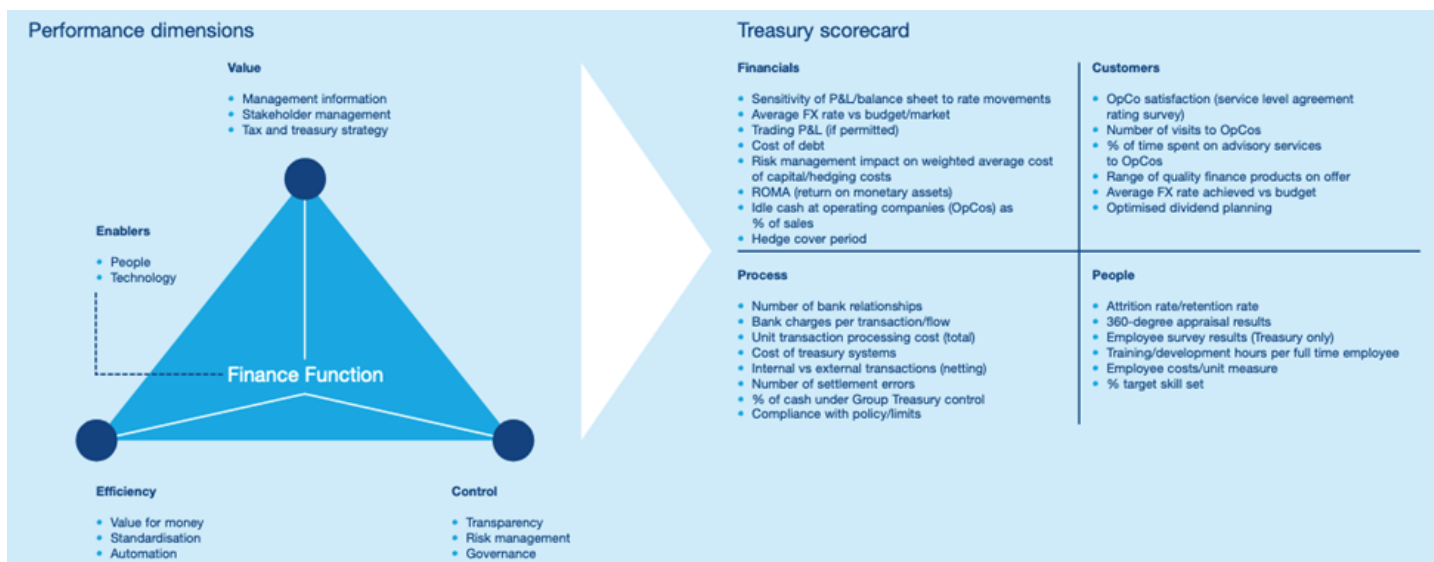
### THE ROLE OF THE CORPORATE TREASURY

The purpose of the corporate Treasury is to manage the company's cash flow in the most efficient and profitable way possible. The roles within Treasury involve tasks such as forecasting future needs for funding, financial risk management, and seeking the best alternatives for obtaining that funding. The head of a corporate treasury department typically holds the corporate Treasurer's title and reports to the company's CFO.

In summary, the Treasurer (the head of the Corporate Treasury) is responsible for:

- General financial oversight
- Funding and fundraising
- Financial planning and budgeting
- Financial reporting
- Banking, bookkeeping, and record-keeping
- Control of fixed assets and stock

Given these responsibilities, the Treasurer typically acts as an information and reference point for the Chair and other committee members: clarifying the financial implications of proposals, confirming legal requirements, outlining the current financial status, and retrieving relevant documentation.



The Treasurer not only helps businesses manage potential financial risks but they also help the business establish a cash culture without relying completely on spreadsheets and numerous bank accounts. The corporate Treasurer role has grown to a leading financial operations and advisor role within corporations around the world.

Corporate treasurers are professionals that manage cash flow and financial risks for businesses. A corporate treasurer may be seen as the right arm of the Chief Financial Officer (CFO), as they help develop financial policies and strategies for the corporation's financial success. The corporate Treasurer is extremely focused on existing and anticipated cash flow. Simply put, the role of the Treasurer is to ensure the availability of the right amount of cash, at the right time, at the right place, and in the right currency.

In dealing with risks, the corporate Treasurer is responsible for accessing the risk versus rewards of future business expansion projects. In day-to-day operations, the Treasurer executes on exchanging foreign currency, interest rates loans, cash flow projections, and actual bank accounting. Sometimes a business has excess cash and wishes to invest to earn extra revenue. The Treasurer may also investigate and recommend creditworthy financial security issuers.

There is a great deal of external and internal factors that impact a business financially. It is up to the corporate Treasurer to keep a close eye on these factors and set up policies and strategies to mitigate any potential risks to the business.

## CHALLENGES AND PRIORITIES FOR CORPORATE TREASURY that TreasuryPay helps solve

### Risk Management

Treasurers manage several key risks related to changes in [interest rates](#), credit, currency, commodities, and supply chain. Companies face some or all these risks to varying degrees. The most common include:

### Liquidity Risk

Perhaps the most important risk a treasurer must manage is [liquidity risk](#): the company running out of cash either from insufficient revenue, excessive expenditure, or the inability to access funds from banks and other external sources. The inability to meet payment obligations as they are due can mark the end of a company if its creditors sell off its assets to pay corporate debts.

### Credit Risk

Surplus cash can be invested to earn interest, and the Treasurer must be sure that those issuing or insuring securities are financially sound and creditworthy. One way to do this is by checking an issuer's credit rating, which provides an independent assessment of the likelihood that a third party will pay on time and in full as expected. The Treasurer must also be confident that [counterparties](#) to financial instruments used to manage risks (such as [interest rate swaps](#)) will perform as expected.

### Currency Risks

In addition to credit risk, exporting companies face currency [transaction risk](#) when they translate proceeds from foreign sales into their home currencies. Multinational companies also face [translation risk](#) in financial reporting when the values of their foreign subsidiaries' assets and liabilities fluctuate upon conversion to a single home currency. Investors and analysts may view currency moves that cause a drop in the value of consolidated foreign assets and in profits as a problem, potentially causing the company's share price to fall.

Another type of [currency risk](#), which treasurers may find more difficult to manage, occurs when a competing company from another country experiences a more favorable [currency translation](#). For example, the sales of two exporters from different countries, both selling goods to a Japanese importer, will depend partly on how their respective currencies move against the Japanese yen. Tactical moves to remain competitive, such as relocation of manufacturing plants to match the competitor's currency cost base, can have major ramifications. Senior management, with input from the Treasurer, would only implement such a move after extensive discussion.



## CHALLENGES AND PRIORITIES FOR CORPORATE TREASURY that TreasuryPay helps solve (Cont.)

### Interest Rate Risk

Most companies need to borrow to finance operations, such as buying raw materials, machinery or premises. Borrowing at [variable interest rates](#) allows companies to pay less if market interest rates fall but raise their costs if rates go up. If a company does not pay interest because of insufficient cash, it may run into a [liquidity crisis](#) that could undermine its ability to borrow in the future or to raise it only at higher interest rates that reflect its heightened [credit risk](#) to lenders.

### Operational Risk

The financial risks discussed above are external risks. [Operational risk](#) is an *internal* treasury risk that reflects inadequate operational controls that could lead to a loss of company value. An example of inadequate controls might be if a treasury dealer borrows money under a company loan agreement, apparently for a business purpose, but transfers the proceeds to their bank account because the Treasurer is able to undertake both dealing and funds transfer activities. Such functions would be segregated in a well-controlled treasury, and attempt to undertake both by the same individual would be immediately detected.

### Cashflow Forecasting Remains King

Alongside risk management, cash flow forecasting will be among the top three priorities for treasurers, and this is largely because it is an area that can always be improved.

Cash flow forecasting is the process of predicting the flow of cash in and out of a business over a period, generally the responsibility of the corporate Treasurer. An accurate cash flow forecast helps companies predict future cash positions, avoid cash shortages, and invest any surplus cash to generate extra income.

Generating an accurate forecast involves collecting information from multiple sources. It's often still a manual process using spreadsheets and multiple bank downloads. However, today, there are many solutions available that can automate and streamline cash flow forecasting for Corporate Treasury.

It's on the radar of every Treasurer as a treasurer is by his/her very nature forward-thinking. If treasurers can perfectly predict their future cash positions, they can make other anticipations based on this.

You can never get this perfect as it is dependent on so many external and internal factors. Also, as the world itself and business change every year, so too should a treasurer's forecasting methods.



## CHALLENGES AND PRIORITIES FOR CORPORATE TREASURY that TreasuryPay helps solve (Cont.)

### Greater Automation

The deployment of new financial technologies and the latest treasury management systems (TMS) are playing a big role, enabling treasurers to get the information they need, work in a more optimal way, and eliminate unnecessary administration costs and manual labor.

### Instant Payments

Achieving the capabilities to participate in real-time payments is becoming even more vital for treasurers as they strive towards having "an instant treasury" instead of relying on older, end of the previous-day information.

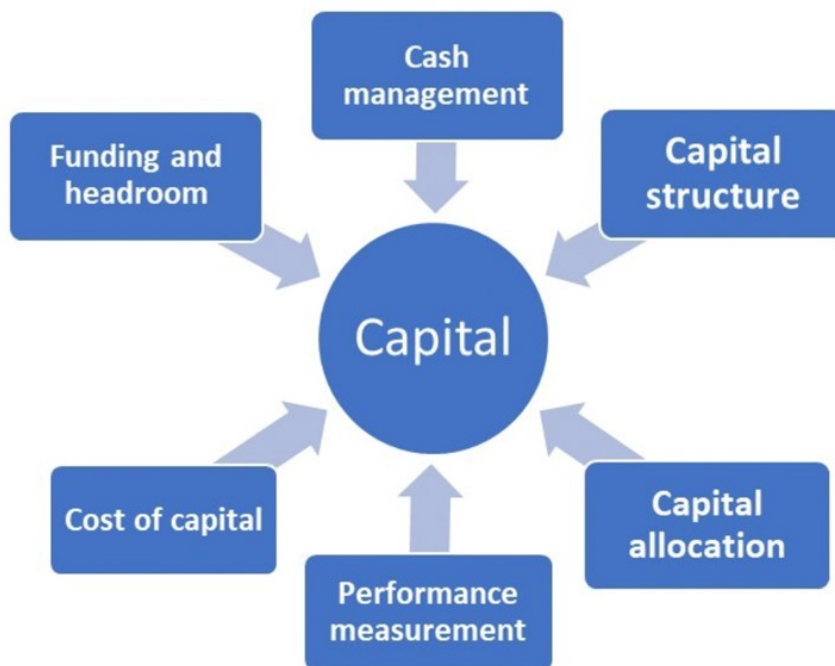
This year, 2022, will be a turning point where the combination of technology, collaboration between banks, and standardization will help achieve the first steps for global instant payments; banks need to agree on a common payment standard, such as ISO20022.

**LENOVO TREASURY ANALYTICS SOLUTION FOR CORPORATE TREASURY** helps solve these issues.

We provide an instant data and analytics solution that spans the entire corporation. We deploy a data network that taps into the various monolithic and standalone systems, such as payment silos, Marketing and Sales, supply chain, ERP and Finance, and Treasury. We capture data at the time the transaction or events occur and review that data with an Intelligent AI system, presenting the data to the corporate Treasury with reporting and visualization tools that make it possible for executives to make decisions based on real-time data. Our Machine Learning capabilities make it possible to predict future states with a much higher level of probability and carry forward automation activities to reduce risk, errors and create more efficiency within the corporation.

Now, the corporate Treasury will have instant insight into cash flow – where it's coming from, where it's at, and where it's going. This leads to lower interest paid on excess loans and an opportunity to invest excess cash in the market. We can help establish FX in real-time and help predict FX volatility, thereby reducing currency losses and the need for currency hedging.

On top of this, we automate the processes. So no more manual Excel spreadsheets, and the Treasury can put its manpower to solve strategic problems instead of managing trivial manual processes.



This is an on-premise or, Hybrid Cloud/on-premise as a service package contained within the Lenovo Instant Financial Platform solution and requires custom and optimized AI infrastructure. The total solution package is consumed as a service. Easy to install, easy to consume. No cap ex required. The corporate bank would install this system on their premises and be able to offer their global corporate client a better and differentiated service.

## Qualifying Questions for Prospective Clients:

If the answer to any of these are YES, we have identified an opportunity:

1. Do you have instant access to data across payment silos and other corporate systems, like CRM, SCM, and ERP?
2. Do you believe that too many resources are used to manually collect and analyze data?
3. Is automation of Treasury processes a priority to improve efficiencies?
4. Do you know at any given time where your cash is coming from, where it's going?
5. Are you able to gather data from transactions and events as they take place?
6. Would your financial risk exposure improve if you had instant insight into your cash flow and liquidity position?
7. Have you experienced currency losses?
8. Are you able to avoid and predict currency losses?
9. Are instant payments an area of focus?
10. Are you concerned about how rising interest rates and supply chain issue are affecting your bottom line?



## About TreasuryPay

TreasuryPay® empowers global organizations with Instant® global Intelligence from a Single Data Network. From worldwide receivables reconciliation, FX, and liquidity management, to supply chain, marketing, and performance management, TreasuryPay enables instantaneous worldwide transaction visibility. Instant® delivers a highly secure, 100 percent SaaS enterprise platform, with superior bank, payment processing and payment type connectivity worldwide with our seamlessly integrated solution set for tracking and tackling today's most complex financial information challenges. The world's largest organizations rely on Instant to streamline key processes, protect against loss and accelerate growth opportunities through improved enterprise wide decisioning. TreasuryPay is headquartered in Dallas, with offices in other major locations worldwide. For more information, visit [treasurypay.com](https://treasurypay.com).

