

**AFP 2021**  
IN-PERSON | VIRTUAL

# The Digital Transformation of Corporate Treasury, 2022 and Beyond

November 10, 2021



# Discussion Overview:

1. Introductions
2. Overview of Digital Trends
3. Key Objectives of Transformation
4. Strategy Development
5. Organizational Teaming – Key Stakeholders and Cross Functional Dependencies



# Introductions

# Digital Transformation – Panel Speaker Introductions



***Lee-Ann Perkins***

***Specialized Bike Company***

***Assistant Treasurer at Specialized Bicycle Company***

Originally from South Africa she received her bachelor's in Management Accounting before moving to the USA on expat assignment with her husband. She obtained an MBA with honors and due to a continued interest in compliance and governance Lee-Ann completed the inaugural Financial Compliance Certificate through Chicago-Kent Law School in 2016. In 2021 she was awarded the FCT fellow designation with merit from the Association of Corporate Treasurers in the U.K.



***Tony Masone***

***Amazon***

***VP Treasurer and Enterprise Risk Mgt. at Amazon***

Tony is the Treasurer and head of ERM at Amazon. Tony followed Kurt Zumwalt who had been in the role for 15 years. Tony Masone joined Amazon as assistant treasurer in 2016 after a long career at General Electric. Prior to GE to his 15-year career at GE as the Industrial Treasurer and the EMEA and Global Treasurer, Tony had finance & treasury related roles at Air Express, Kraft, PepsiCo and KPMG. Tony has an MBA from the University of New Haven and a BS of Accounting and Finance from Rogers Williams University.

# Digital Transformation – Panel Speaker Introductions



***Fernando Iraola***

***Bank of America***

***Managing Director, Global Co-Head Corporate Sales GTS***

Fernando Iraola has served as the global co-head Large Corporates Global Transaction Services (GTS) since December 2018. He Co-leads the origination, sales, and delivery of the firm's transaction services solutions to global corporate clients across the United States, LATAM, and EMEA. Mr. Iraola joined the firm in July 2014 as managing director and head of Latin America Corporate Banking (CBK). He is a member of the Global Transaction Services Executive Committee, the Global Corporate Banking Executive Committee, and the Latin America Executive Committee.



***Paul DeCrane***

***Zanders Advisory***

***EVP North American Practice Leader***

Paul is the Principal and EVP of Zanders' North American Finance, Treasury & Risk consulting practice, delivering management consulting services to multinational corporates, financial institutions, NGOs and public organizations in the areas of treasury, risk and corporate finance.

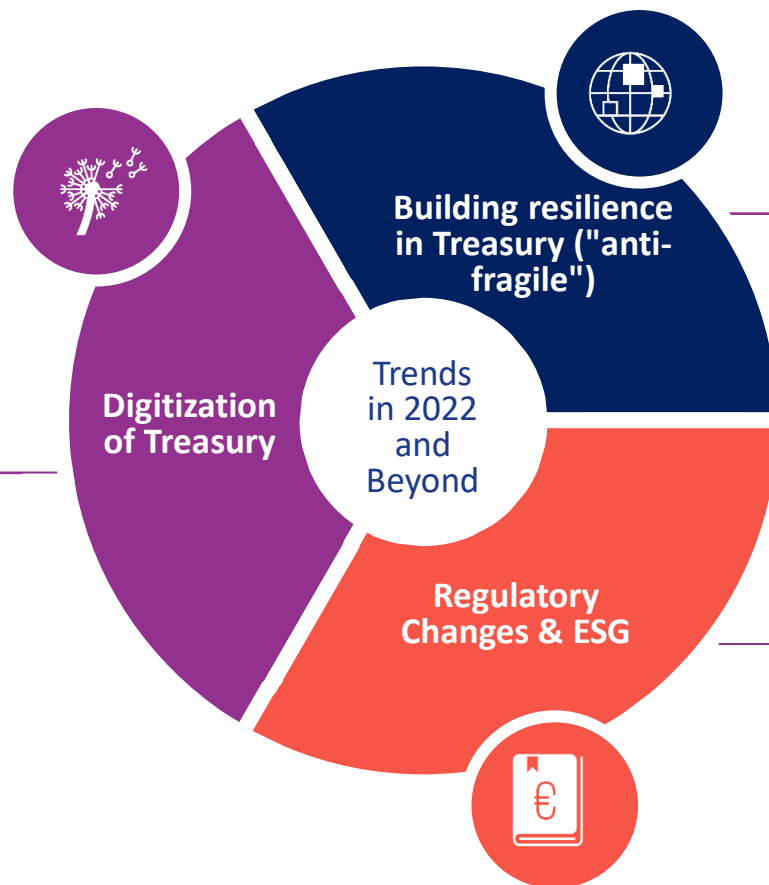
Previously, Paul was the Global Practice leader of Ernst & Young LLP's Treasury Services practice. He has worked with a wide range of global financial services and corporate clients in all areas of finance, treasury, risk management, and business process improvement. Based in Chicago, he has developed his career in corporate treasury with over 20 years of experience.



# Overview of Digital Trends

# Digital Transformation – One of the Top 3 Trends 2022 & Beyond

- The new normal remote working resulted in increased board level attention for **accelerated digital treasury strategies**.
- Establishment of a single source of truth of data via data warehousing or data lakes to support **interactive & custom analytics and reporting**
- Technologies such as **APIs, RPA and AI** are **starting to be adopted** by treasury functions.
- **Treasury 4.0**, where highly integrated, automated systems working in real-time with data-driven decision-making.



- **Re-evaluation of business model** due to economic uncertainty and increased volatility in financial markets
- More focus on **holistic Financial Risk Management (FX, interest rates)**
- Increased focus on **building lines of defence and operational contingency**
- Investors becoming cautious with non-investment rated corporates
- **Transition of benchmark IBOR rates** to a new risk-free reference rate (RFR)
- **Increasing regulation** on AML and establishment of stringent KYC processes
- **Adoption of taxonomy regulation** as a sustainability or 'green' classification

# Digital Transformation – Treasury Technology Emerging Beyond TMS & ERP

## Key Technology Developments



**Big Data and Analytics** – e.g. cash flow forecasting, business integration, exposure determination



**Cloud Solutions** – for faster deployment of new technology and solutions



**Artificial Intelligence (AI) and Machine Learning (ML)** – e.g. hedge execution, investment/funding decisions, forecasting



**Integrated Network** – in which all stakeholder have access to same data on real time basis



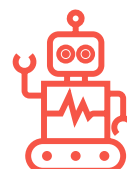
**Full deployment of ERP** – Roll out of SAP S/4 Hana & Central Finance. Build Datawarehouse and SMART dashboarding



**Digital Bank Interaction and APIs**– leverage secure channel to banks for payments, collections, eBAM, KYC, Bank Fee analysis



**Distributed Ledger Technology** – e.g. trade finance, securities administration, digital KYC, internal FX hedging

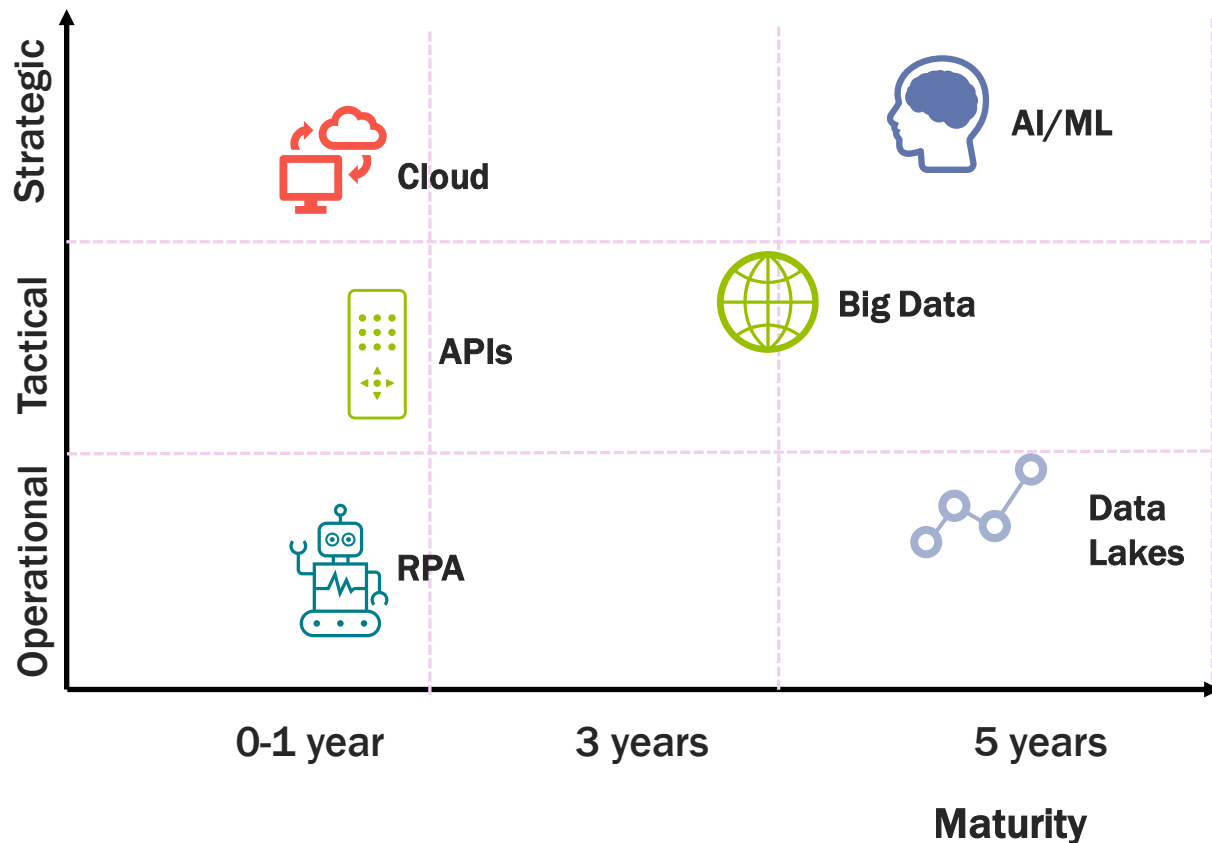


**Robotic Process Automation (RPA)** – e.g. cash positioning, bank account reconciliation, FX exposure identification




# Digital Transformation – Role and Timing of Digital Technologies

## Value Impact of Technologies



- The implementation of exponential technology supports both the further **standardization and automation** of treasury operations (which means less manual input and lowering treasury resources), as well as provide **real time data and insights** which are required for creating added value and business partnering.
- World class treasuries are already actively testing and implementing emerging technologies. Examples include:
  - Fully automated cash flow forecasting process using RPA and AI
  - SMART data driven dashboards using big data
  - Optimized hedging process using API and RPA



**What are your key objectives for Treasury transformation?**

# Digital Transformation – Example Objectives

## Treasurers Are Positioned to Drive Change

### Treasurer's job is to respond to new business models

- Revolutionize the business to meet and exceed the customers needs
- Digitally engage with the vendor, partners and customer - deliberately focus on the frontline
- Transformation enabled through use of technology and data
- Observe the ever changing landscape of digital developments & decipher the real change agents

### Treasury is a central function for driving the execution of the corporate strategy

- Connect corporate management to the business
- Enablers to future proof the company
- Turn data into useful information

### Drive the acceleration of digital transformation in response to pandemic

- Remote transaction execution utilizing modern banking & fintech capabilities
- Data consolidation, centralization to enable automation, using new technologies
- Data and information security



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# Digital Transformation Strategy for Treasury, A Planning Effort

# Strategic Approach

Key elements of transformation



# Elements of Strategy Development – Lee-Ann

What do we need from banks?	What can treasury leaders do?
RPA and AI	Goal is to eliminate repetitive processes and create a virtual workforce that partners with humans – know what products we need in order for banks/vendors to create this instead of other way around. Don't automate bad processes, know what works and don't just accept status quo.
KYC tools	Rally banks, Fed task forces, vendors to provide a tool that solves the problem. Highlight security, quick turnaround, electronic solution for this necessary compliance.
Payment agility	Inter-operability is crucial – push for providers to understand the corporates WHY – goal is not to lock Corporates into one provider and many work-around solutions.
Trade finance electronic solution	Highlight problems of current document shuffling around the globe and the need for a secure solution (blockchain) for LC's and other trade financing tools

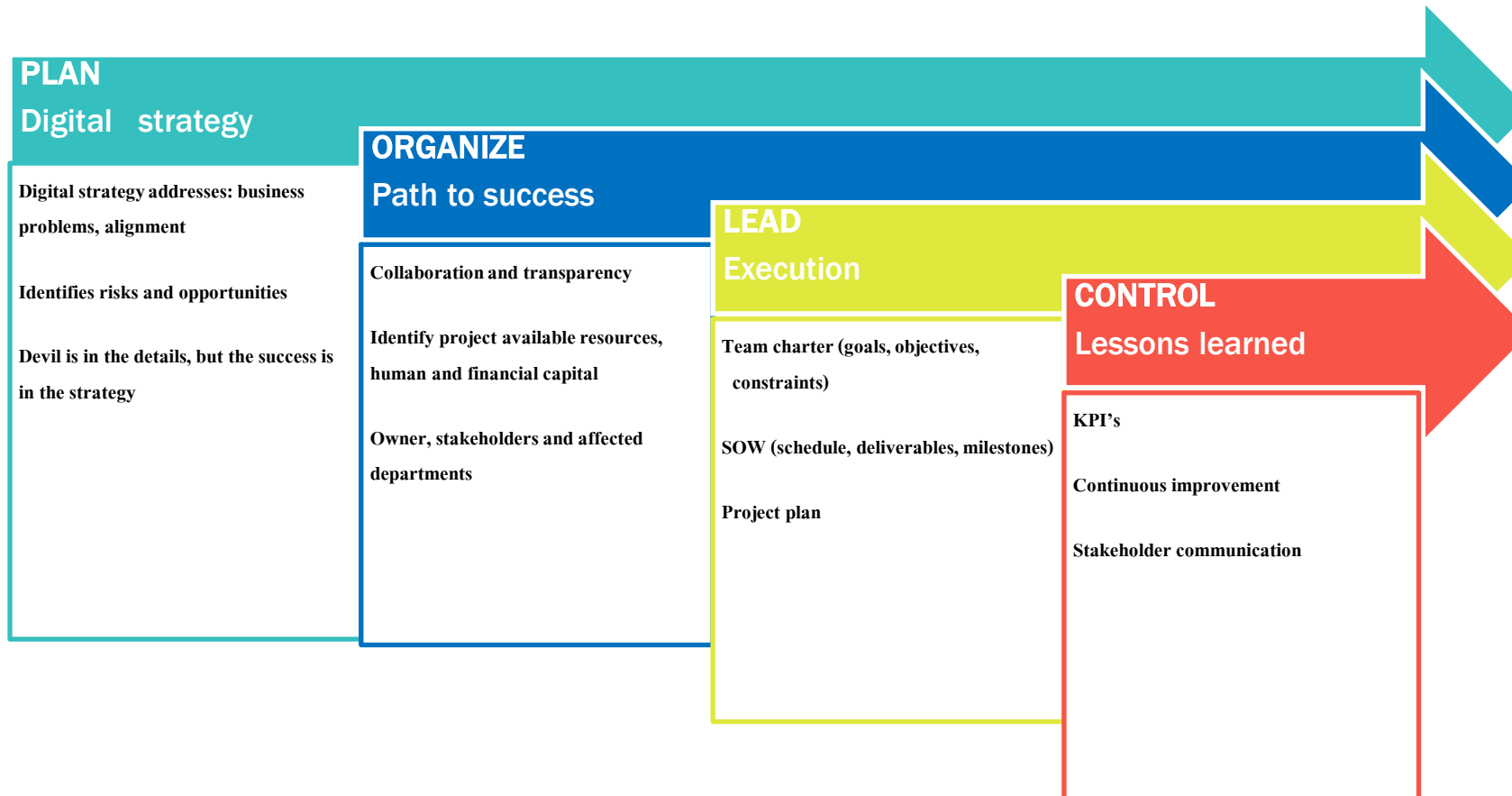


# Elements of Strategy Development - Tony

What do we need from banks?	What can treasury leaders do?
Faster reporting for cash positioning	Push banks to innovate
APIs	Ask for the products you want instead of accepting status quo
Better bank account management tools and standardization	Work with the banks on product development initiatives
Connectivity to faster payment rails	Look at latest innovations and position company processes (shared service and alike) for real time payments in line with regulatory mandates.
Ability to connect VBAs to physical account held with another bank/financial institution	Work with banks and service bureaus to arrange multibank reporting inclusive of VBAs (e.g. multibank API)
Investments into virtual bank accounts	Treasurer provide guidance on VAM platforms across financial institutions

# Digital Transformation – Strategy Roadmap

## Strategy Milestones





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# Organizational Teaming, Key Stakeholders and Cross Functional Dependencies

# Questions ?