TMS + ERP

The Value Multiplier

MAAFP
April 25, 2024

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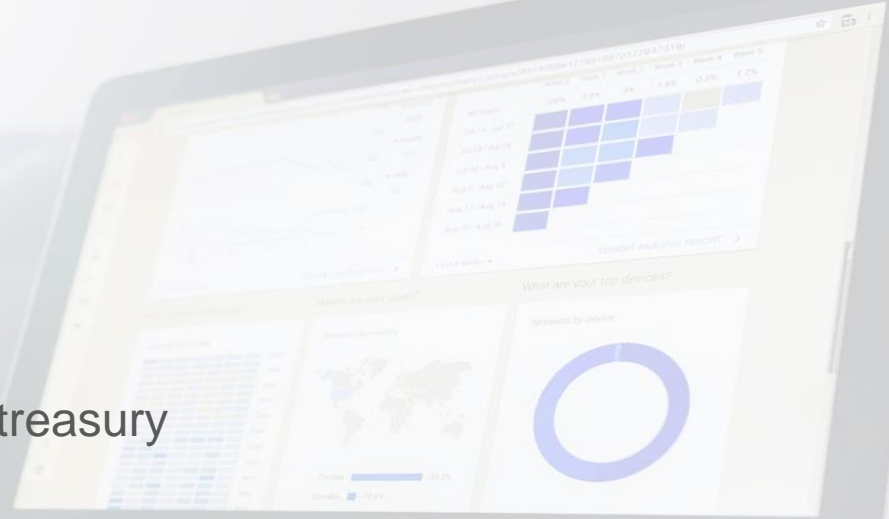| Treasury Practitioner	Vendor	Consultant
Large global corporate	"Demowoman"	Securing budget
Cash Management, IHB, FX, Cash Accounting	Implementations	Guiding selections
ICMS	Sales	Implementation client advocate

Agenda

TMS - Power of 1
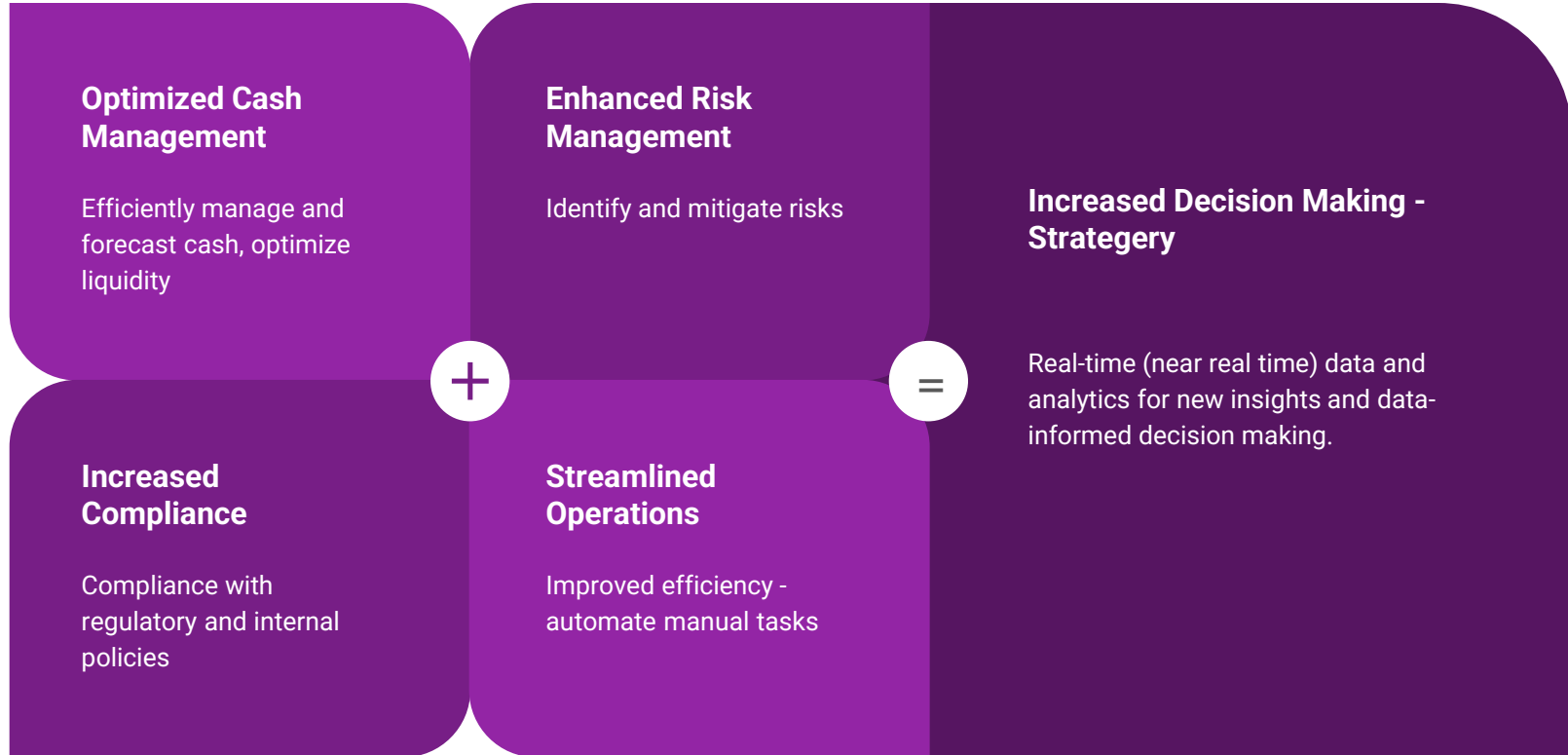
ERP - Benefits of 1

TMS + ERP = 3 (created value)

Technology changing finance and treasury

Current TMS Marketplace

Key Takeaways

TMS = 1 (Power of a TMS)

Optimized Cash Management

Efficiently manage and forecast cash, optimize liquidity

Enhanced Risk Management

Identify and mitigate risks

Increased Decision Making - Strategery

Real-time (near real time) data and analytics for new insights and data-informed decision making.

+

Increased Compliance

Compliance with regulatory and internal policies

Streamlined Operations

Improved efficiency - automate manual tasks

=

TMS - A Love/Hate Relationship

❌ **Pricey**

❌ **Long Implementation**

❌ **Difficult Reporting**

❌ **Difficult Integrations**

❌ **Decreasing Value**

❌ **Unintuitive UI**
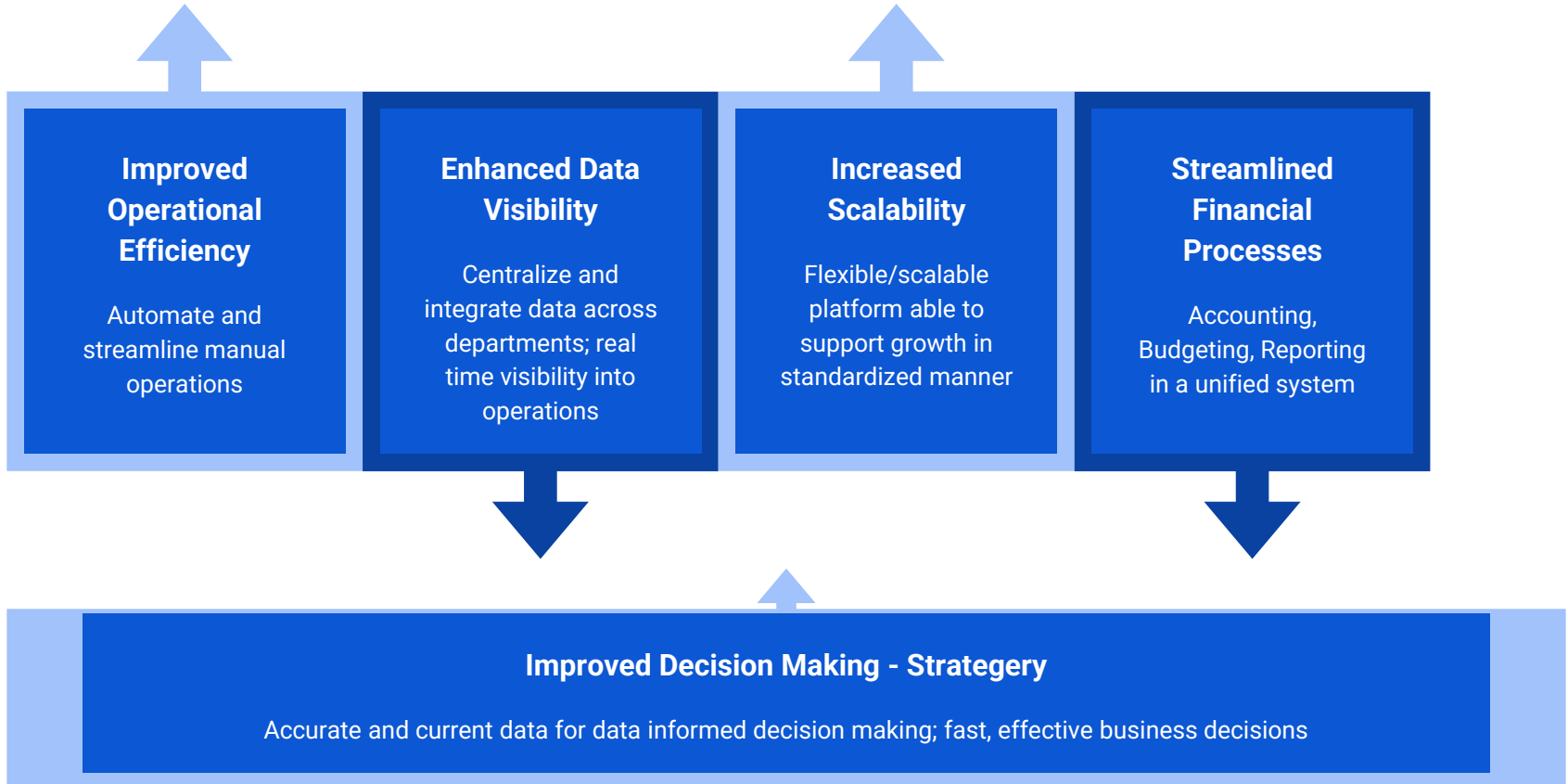
ERP - Why Not Treasury, Too?

❌ **Not a core module**

❌ **Not standardized**

❌ **Everything "custom"**

❌ **Infrequent upgrades**

❌ **Accounting is the driver, not cash**

❌ **Unintuitive UI**

❌ **Requires collaboration**

TMS + ERP = 3 (Combined plus newly created value)

Forecasting - AR, AP

Bank Balances & Transactions

Cash journal entries

Financial instrument journal entries

Exposure management

Hedging and hedge accounting

AP and other payments (connectivity)

Bank fees

BAM (signers)

Forecasting - AR/AP

Common Approaches -

Averaging, seasonality, daily variation (treasury only)

Outstanding invoice total from ERP (due date) (gross amount)

Top 10-20 payors forecasted individually (AR/collections)

Outstanding checks (issue date) (gross amount)/Daily ACH total

% of outstanding checks expected to clear

Better ways?

Forecasting - AR/AP

Individual analysis of each payor or perhaps those over $x. (30-60 days?)

History?

AI models? (60+days?)

Industry specific? (insurance claims, utilities, growth tech, etc.)

Exposure Management

Ideal for balance sheet hedging
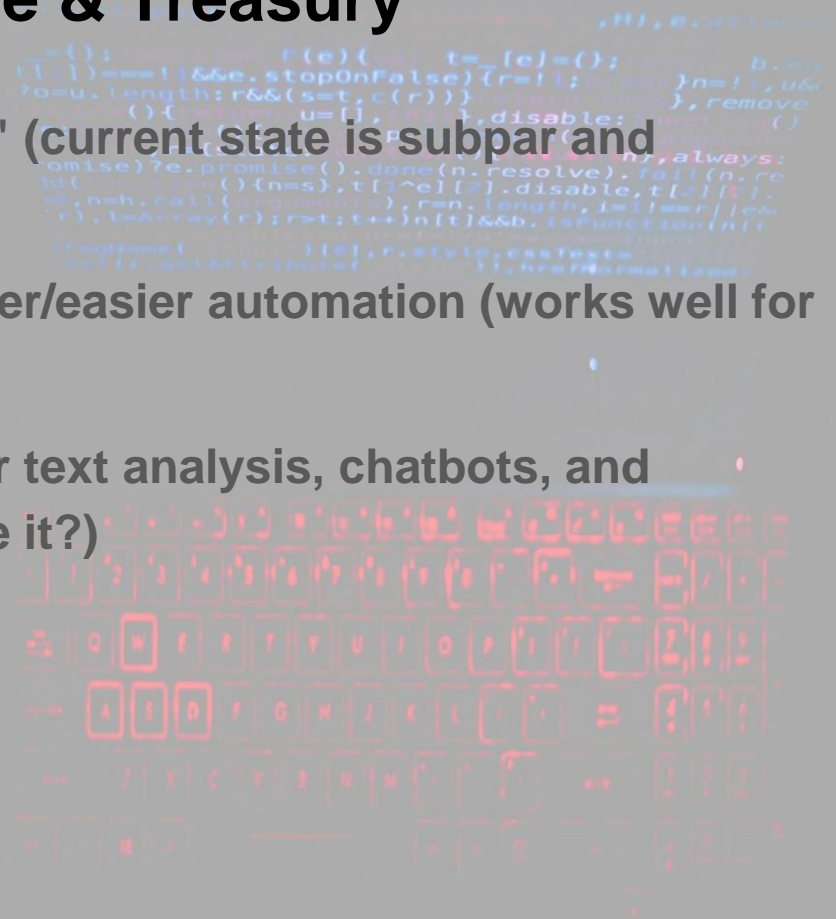
Helps with cash flow hedging

Technology Changing Finance & Treasury

APIs: Integration can truly be "seamless" (current state is subpar and inconsistent - don't rush)

AI/ML: Insights, fraud detection, and faster/easier automation (works well for some things)

LLM: Large Language Models (LLM) offer text analysis, chatbots, and language generation (how would you use it?)

Legacy Treasury Marketplace

Lots of legacy systems focused on global markets

- Lots of modules (cash, risk, accounting, payments, IHB, MLN, debt/inv, FX, hedging, etc.)
- Some specialized systems for cash forecasting, financial instruments, exposures, valuations, hedging
- Some one system vendors; Some multiple systems vendors

Newer Players in the Marketplace

- Better UX (easy, intuitive, clean…)
- Connectivity for balance reporting (not many have payments yet)
- Categorization/Trending/Visualization
- Very inexpensive
- Perfect for cash heavy, less complex corporates
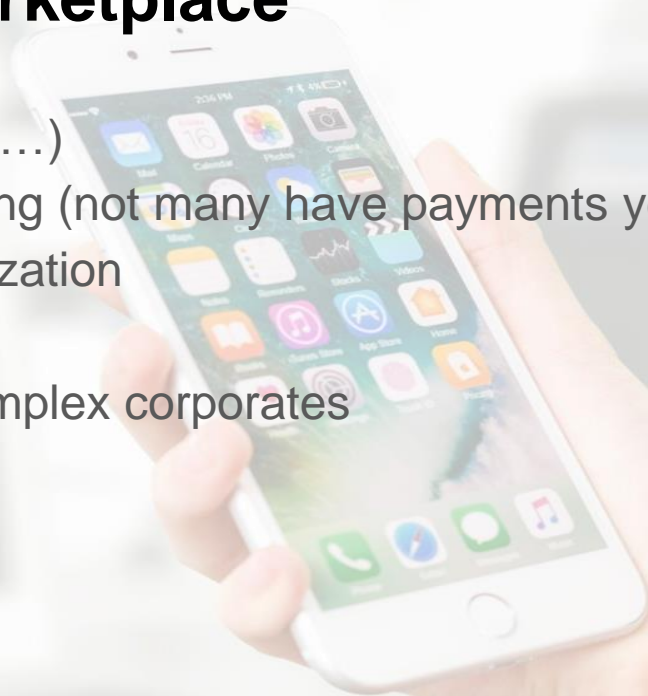
Key Takeaways

1 + 1 can be so much more than 2

Technology is changing fast (but slowly, too)

Lots of growth in the marketplace

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