

# TREASURY AGGREGATOR SOLUTIONS

ANALYST REPORT SERIES



**PAUL GALLOWAY**

Senior Advisor, Strategic Treasurer

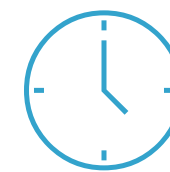
**CRAIG JEFFERY**

Managing Partner, Strategic Treasurer



## WHAT

Analysis, discussion and takeaways from the latest Treasury Technology Analyst Report.



## WHEN

Thursday, February 16, 2023  
2:00 – 3:00 PM EST

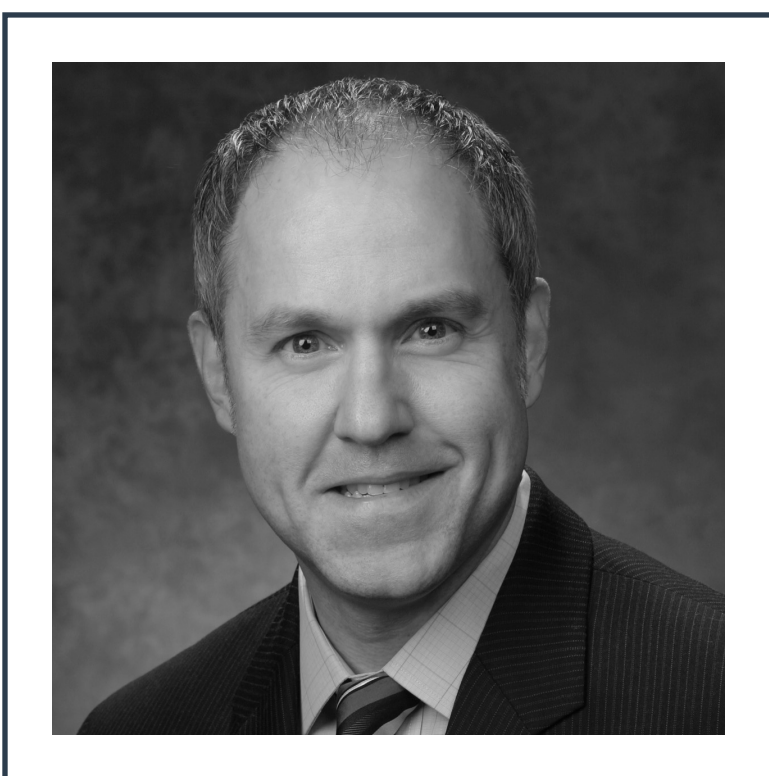


## WHERE

Live online presentation  
Replays at [StrategicTreasurer.com](https://StrategicTreasurer.com)

# ABOUT THE SPEAKERS

## GET TO KNOW TODAY'S SUBJECT MATTER EXPERTS



### PAUL GALLOWAY

Paul Galloway has extensive experience in investment research and decision making, complex modeling and risk management. He is known for leading teams of professionals, providing solutions to complex problems, building relationships with business leaders and coming alongside others to help them achieve their goals. Paul earned a BS in Family and Consumer Sciences/Human Sciences from Iowa State University, followed by an MBA, Finance from the University of Iowa. He is a Chartered Financial Analyst (CFA) and a Persian Gulf War veteran, United States Marine Corps.



### CRAIG JEFFERY

Craig Jeffery formed Strategic Treasurer in 2004 to provide corporate, educational and government entities direct access to comprehensive and current assistance with their treasury and financial process needs.

His 30+ years of financial and treasury experience as a practitioner and as a consultant have uniquely qualified him to help organizations craft realistic goals and achieve significant benefits quickly.

# TOPICS OF DISCUSSION

KEY AREAS OF FOCUS &  
ANALYSIS



## **TREASURY AGGREGATOR**

AN OVERVIEW



## **CHALLENGES & SOLUTIONS**

HOW AN AGGREGATOR CAN HELP



## **WHO NEEDS AN AGGREGATOR?**

SIGNS OF NEED



## **INNOVATION & CHANGE**

IMPACTING THE TA



## **LEADING PRACTICES**

IMPLEMENTATION & USE



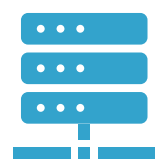
## **NEXT STEPS**

ADDITIONAL RESOURCES

# DEFINING THE TA

## TREASURY AGGREGATOR

### Deep connectivity and payment functionality



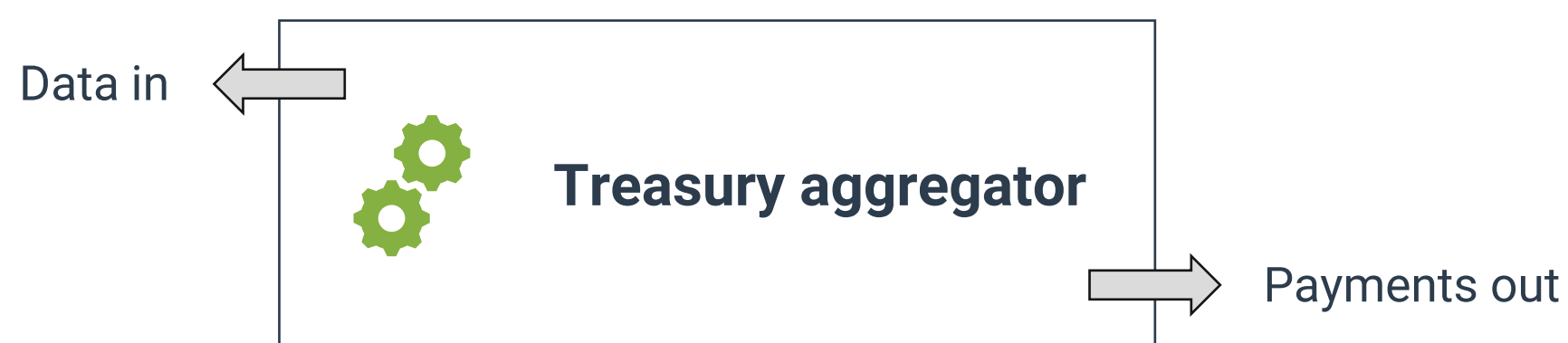
#### Information consolidation (data in)

- TAs pull in and consolidate data
- Example: Retrieving bank statements (summary and detailed) and reformatting the data for use in a TMS, ERP, reconciliation platform or other solution



#### Payment hub (payments out)

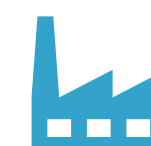
- TAs take payment files from other platforms and originate payments
- Users can also enter or manage payment requests
- Payment files are formatted and delivered to the bank



### Distinct from



Payment hub



Payment factories



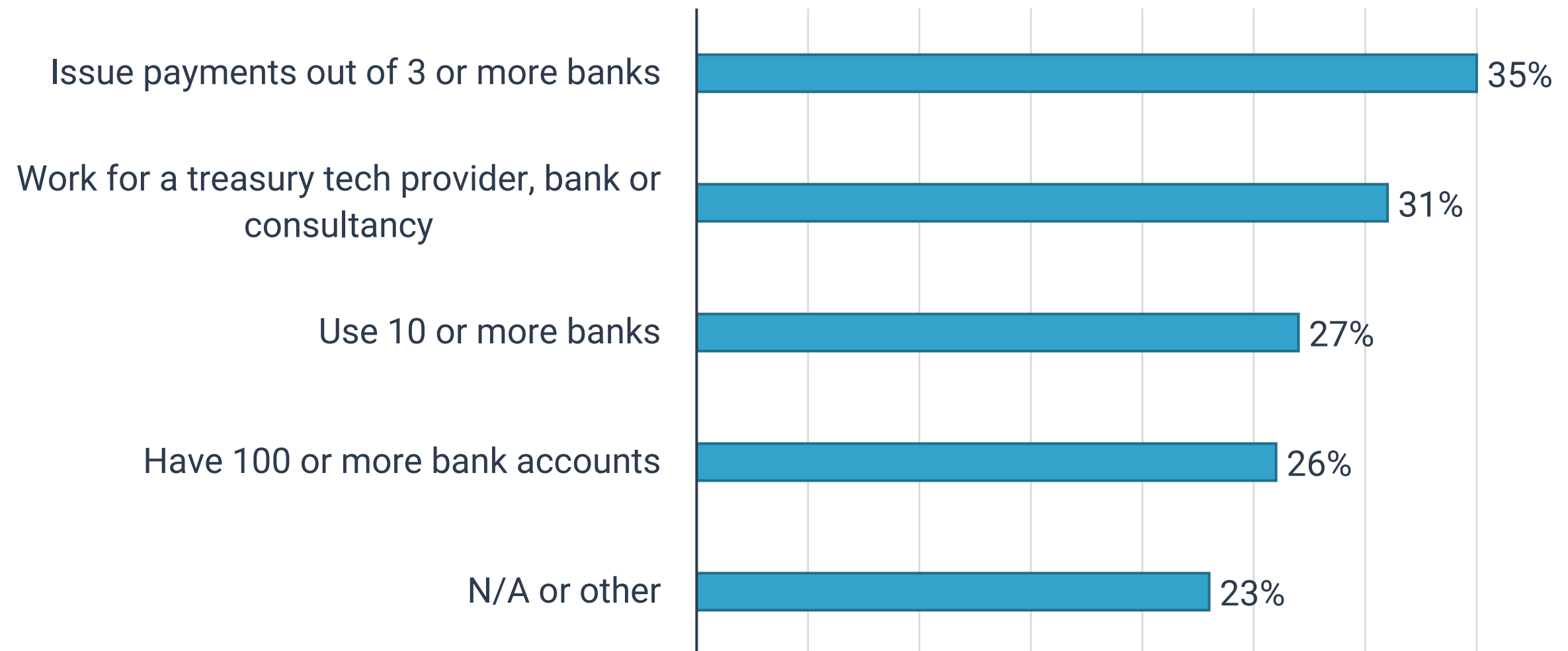
Data consolidator



TMS

# POLL QUESTION

## Poll 1 - Our banking complexity situation is I/we



# HOW A TA HELPS: PART I

## BANK AND BANK ACCOUNT COMPLEXITY



As the number of banks and bank accounts increases, so does complexity and time spent, while visibility decreases, and fraud becomes more of a risk.

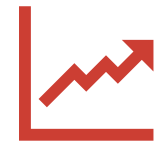


### TAs:

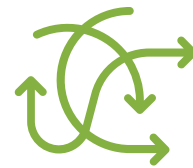
- Help automate collection and aggregation of bank data
- Allow full and rapid visibility
- Accurate and timely data for best decision making
- Improve security through visibility

# HOW A TA HELPS: PART II

## PAYMENT TYPES, FORMATS AND INTENSITY



High volumes



Complexity of payments



Manages the growing multitude of payment types and formats

## PAYMENT FORMATS

### Fixed formats



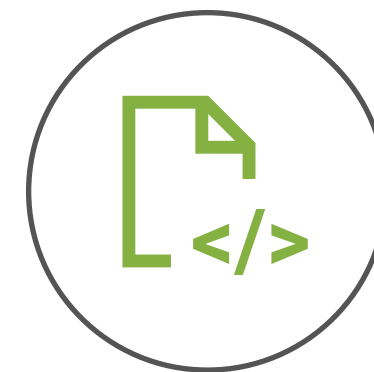
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### Delimited



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### Extensible



{PMT AMT} 0000.00 {PMT AMT/}

# HOW A TA HELPS: PART III

## SECURITY



Payment and banking complexity increases exposure to fraud.

Within the past two years have any active bank accounts been discovered that were previously unaccounted for by treasury?



18%

Yes



72%

No



10%

Unsure



Centralized payment processing

Increased visibility and efficiency

Single, defensible environment

Greater security

- Built-in controls
- Encryption of data
- Secure user access methods
- SOC certified data centers



# HOW A TA HELPS: PART IV

## COMPLIANCE BURDEN AND GLOBAL EXPANSION

### Compliance headaches



FBAR filing



PCI DSS regulations



Nacha requirements



Sanctions screening

### Complexity due to global expansion



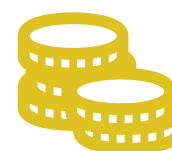
Banks and bank accounts



Payment rails



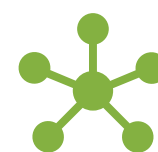
Payment formats



Currencies



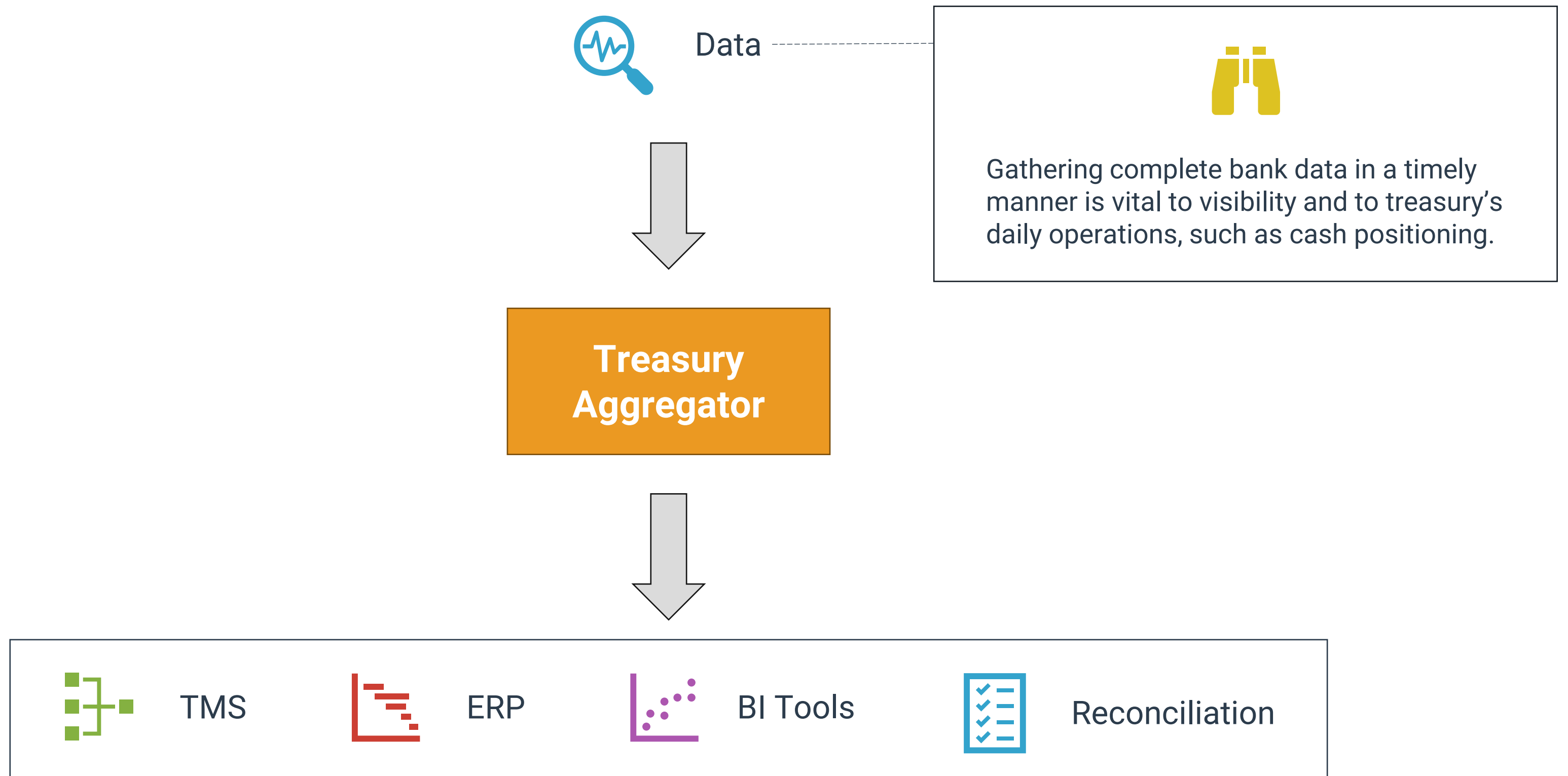
Regulations



Networks

# HOW A TA HELPS: PART V

## CASH POSITION AND VISIBILITY



# HOW A TA HELPS: PART VI

## EFFICIENCY NEEDS

Manual processes can quickly overwhelm thinly staffed departments facing various types of growth and increasing demands. The automation offered by aggregators can improve efficiency and remove much of this weight, freeing staff to manage higher level tasks.



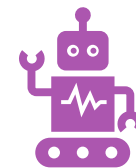
More efficiency



More accuracy



Less manual labor



### Time-consuming candidates for automation:



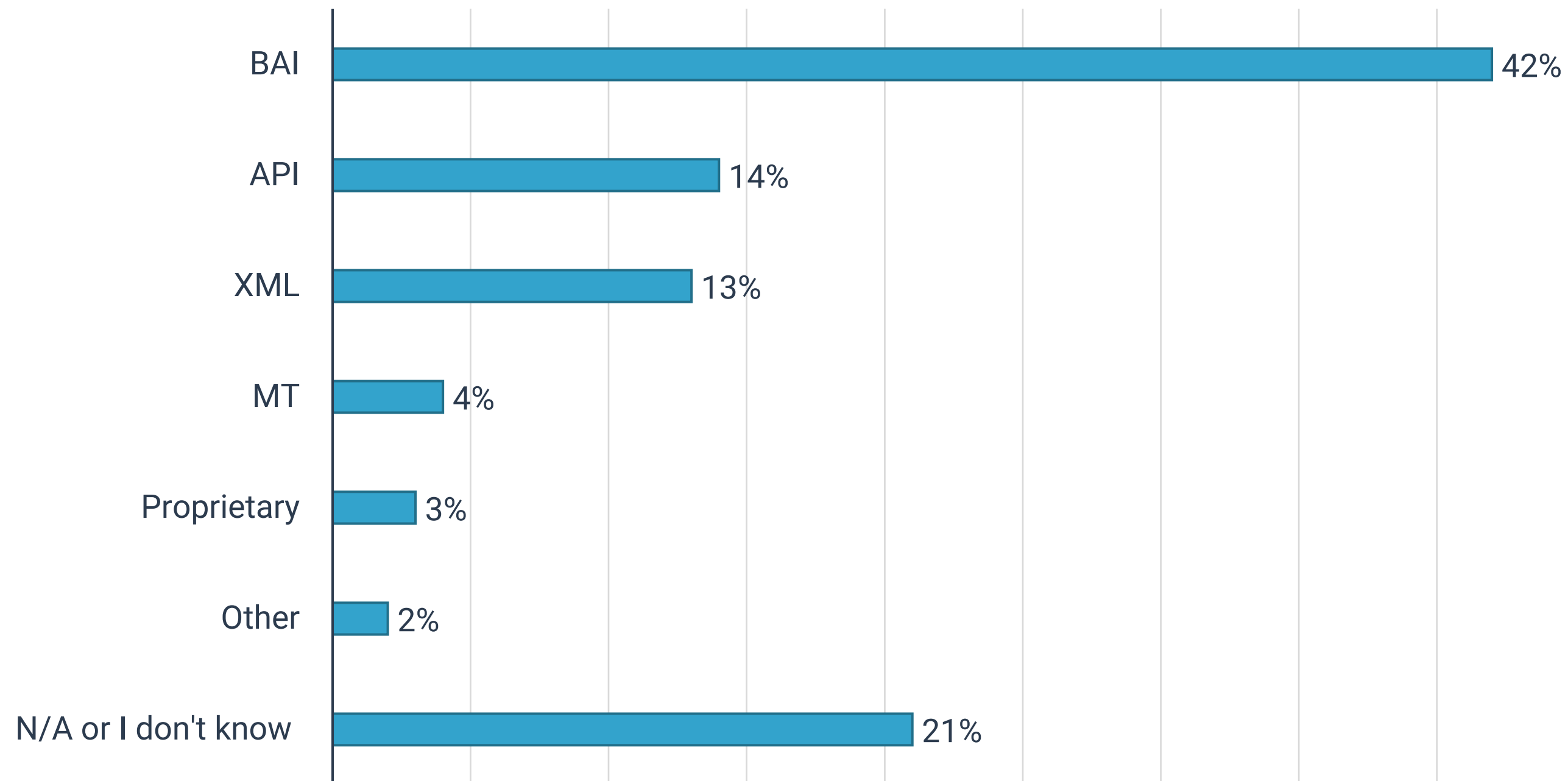
Pulling bank data in



Handling outbound payments

# POLL QUESTION

**Poll 2 - Our information reporting formatting preference is:**



# WHO NEEDS A TA?

## A NON-EXHAUSTIVE CHECKLIST OF ISSUES A TA CAN SOLVE



### Payment Compliance Issues

Complying with ever-burdensome sanctions and other payment-related regulations



### Payment Security

Mitigating fraud and the difficulty of defending on so many fronts due to disparate payment processes



### Expansion or Acquisition

Reducing complexity and supporting growth by integrating with new internal systems and dealing with regional banks



### Format Adoption Issues

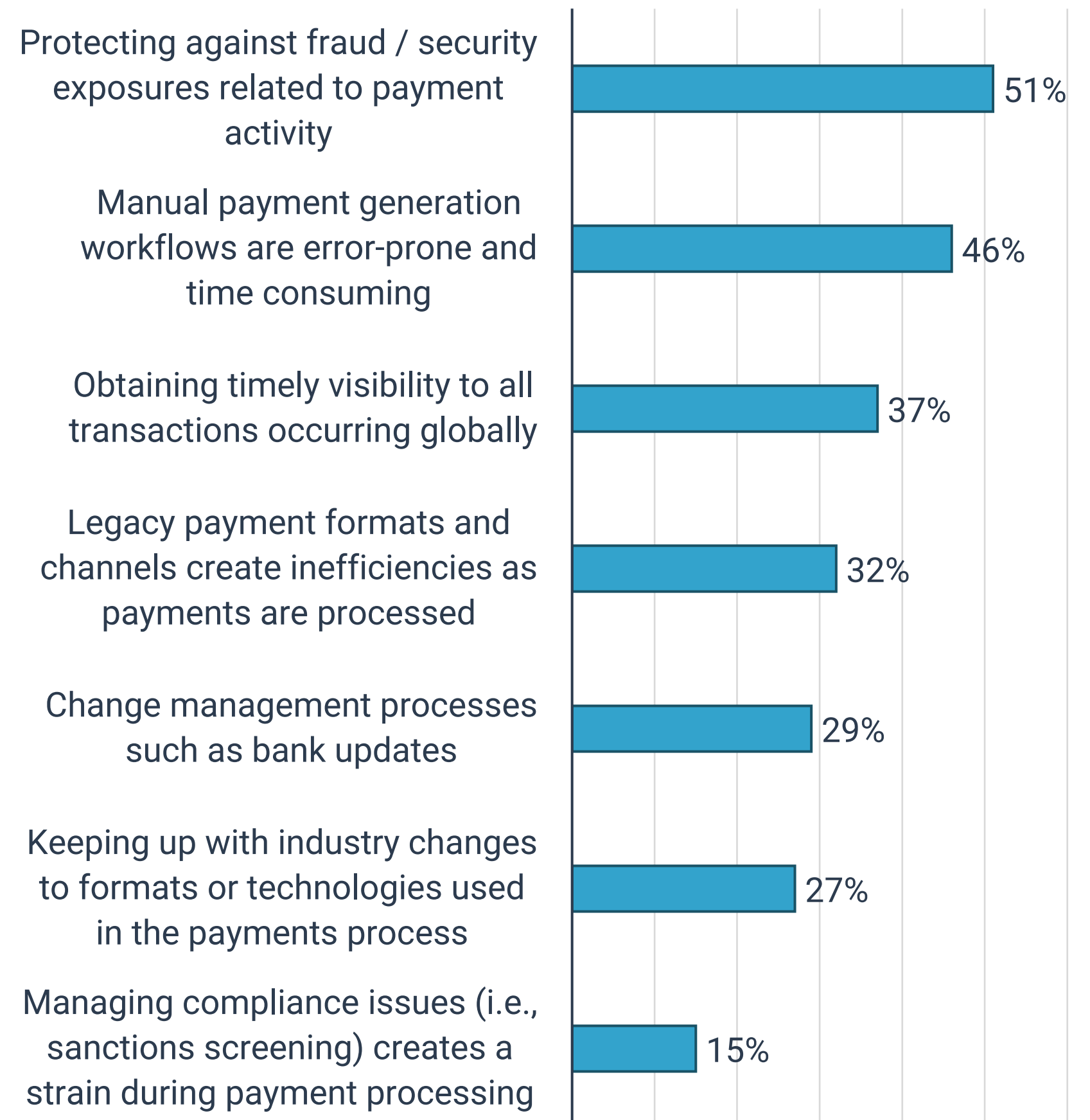
Offering fluency in both old and new formats



### Solving Problems Repeatedly

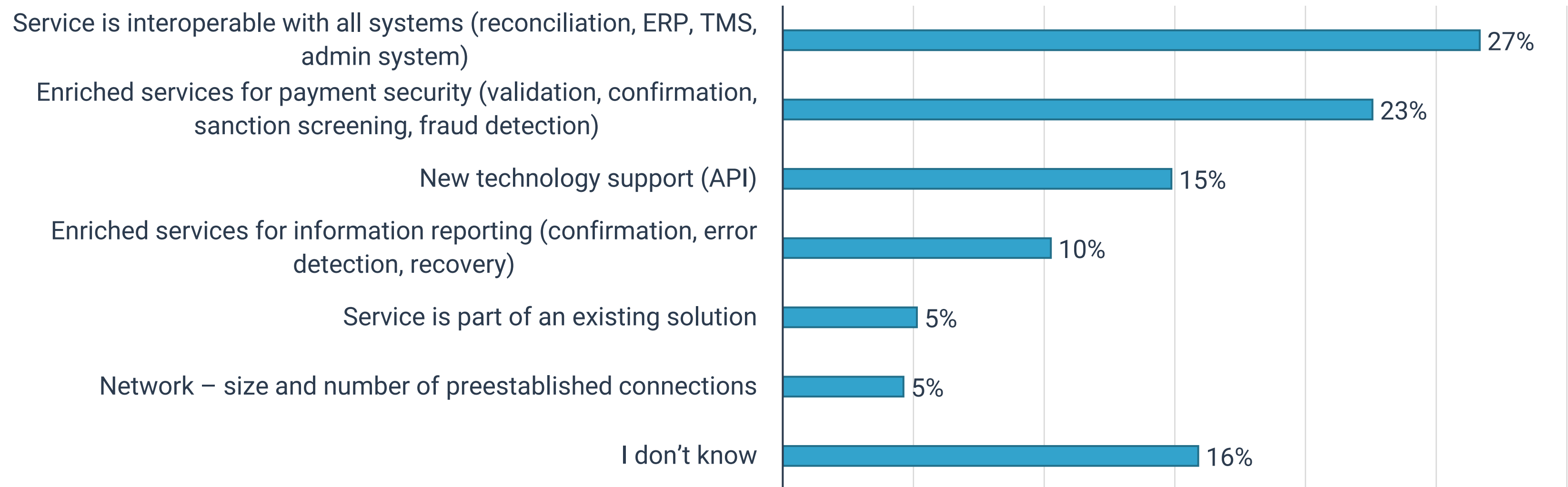
Solving for problems caused by back-end changes just once

Please select up to the top 3 challenges treasury experiences regarding their B2B payments:

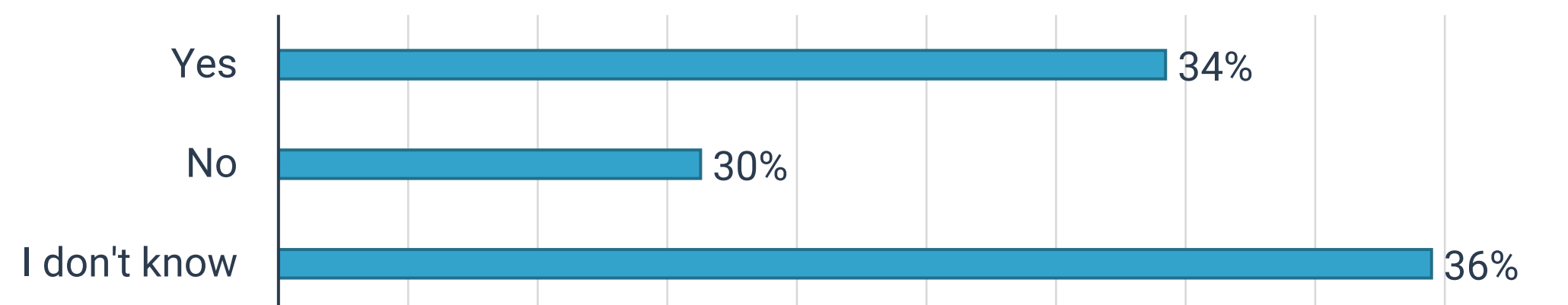


# POLL QUESTION

## Poll 3 - What do you view as the most important requirement for treasury aggregators in the next year?

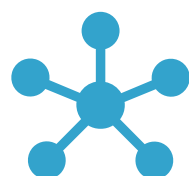


## Poll 4 - Has your organization had a third-party security assessment in the past year?



# INNOVATIONS AND SHIFTS

## IMPACTING THE TA



### Networks

Treasury aggregators leverage some networks, so added functionality on those networks benefits TA users.



### Faster, better payments

New payment rails and formats are drivers for TA adoption, and they add to the functionality of aggregators.



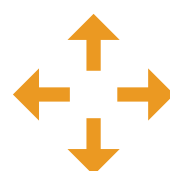
### APIs

As helpful as APIs are, TAs offer more cost-effective functionality for connectivity by avoiding having to pay for the same data multiple times.



### BI tools

An aggregator seamlessly feeds data to BI tools, offering more efficient data strategy and usage.



### Expansion of capabilities, blurring of lines

As other tech solution capabilities expand, and thus overlap the functionality of TAs, distinguishing aggregators from other categories is becoming more challenging.

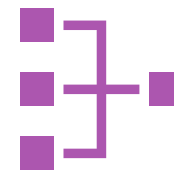
# LEADING PRACTICES

## IMPLEMENTING AND USING AN AGGREGATOR



### ONBOARDING BANKS

- Plan time for setting up each bank
- Identify bank contacts ahead of time
- Determine which steps need to be completed before others
- Plan plenty of margin for the unknowns



### INTEGRATING INTERNAL SYSTEMS

- Consult IT
- Test early and thoroughly



### TRAINING EMPLOYEES

- Train employees fully before they start using the TA
- Avoid training too far in advance



# ANALYST REPORT

TREASURY'S GO-TO SOURCE FOR DEVELOPMENTS, TRENDS AND SOLUTIONS



## VENDOR ANALYSIS SECTION TREASURY AGGREGATOR PROVIDERS



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