Treasury Applications from SAP

Supporting better corporate decision making for cash flow, funding, and risk

The Best-Run Businesses Run SAP™

Better Technology for Better Decisions

Whether you work in a dedicated treasury department or as part of an organization's finance function, your mission is to keep your business in business. That means improving the net worth of your company by:

- **Monitoring cash:** managing liquidity and monitoring all current and projected cash inflows and outflows
- **Optimizing working capital:** ensuring there's sufficient cash to fund company operations
- **Making superior investment and borrowing decisions:** ensuring excess cash is properly invested

You make dozens of tough decisions every day about risk, liquidity, and investments. This e-book illustrates how SAP® software can help you meet your day-to-day and longer-term business challenges.

Based on decades of deep treasury experience, treasury applications from SAP are designed to help you manage the complete spectrum of activities associated with cash, liquidity, risk, and compliance management by giving you the information you need and the tools to act upon it. The applications can be rapidly deployed, individually or collectively as required, to provide a single version of the truth and eliminate the cost of manual data gathering and reconciliation.

Watch the video overview of risk management software and treasury applications from SAP ›

Global Treasury Trends

A change in profile
Once primarily a fund manager, the treasury is now becoming the nerve center of the finance organization. Today, CEOs are expecting corporate treasury groups to become strategic business advisors and arbiters of best practice. They want the treasury to gain a better understanding of commercial head winds, which will enable it to work collaboratively with departments such as procurement, sales, and marketing.

The post-2008 landscape
The speed of regulatory change has accelerated since the 2008 financial crisis, driving complexity for years to come. The development and proliferation of instruments, and the globalization of financial markets and companies, is invariably making treasury management more specialized, complex, and time-consuming. In the postcrisis era, assumptions about risks and hedging strategies will be more robustly challenged, meaning treasurers will need deeper knowledge of financial markets and the ability to communicate effectively to executive management. And as the global economy shows signs of recovery, treasury departments need to be investment ready to meet their company's growth agenda.

The changing world of banking
Treasurers are finding themselves sandwiched between the intensifying demands of the business and complex, inflexible relationships with their banks. Declining credit quality among weaker banks increases counterparty risk and is prompting treasurers to change their practices. They must actively evolve relationships with their banks, focusing on delivering banking insights and adopting a more consultative approach instead of being transaction based.

Harnessing information
Manual processes need to be streamlined and simplified to minimize duplicate efforts, reconciliation, and human error – but automation and efficiency are not the only goals at stake. By being able to access data across multiple software systems, turn it into insight, and deliver it in new ways, the treasury can achieve better oversight and control. It can improve transparency, accelerate decision making, and take a more proactive approach.

Technology megatrends
Mobile technology, Big Data, and the cloud are infiltrating organizations in every sector. Treasury staff are often on the go or away from their desks at critical moments of the transaction cycle, creating key opportunities for mobile technology around alerting and payment functions. Treasury departments are typically in the early stages of Big Data maturity, primarily focused on IT and cost savings. But there is significant potential for using Big Data analytics to monitor leading performance indicators, develop predictive capability, and enable convergence between risk, treasury, and finance. In an uncertain and dynamic business environment, treasury functions need greater agility and flexibility than ever; the cloud can act as an enabler for consumable services such as eBAM, FX trading portals, and short-term investment portals, as well as delivering treasury applications as a service.

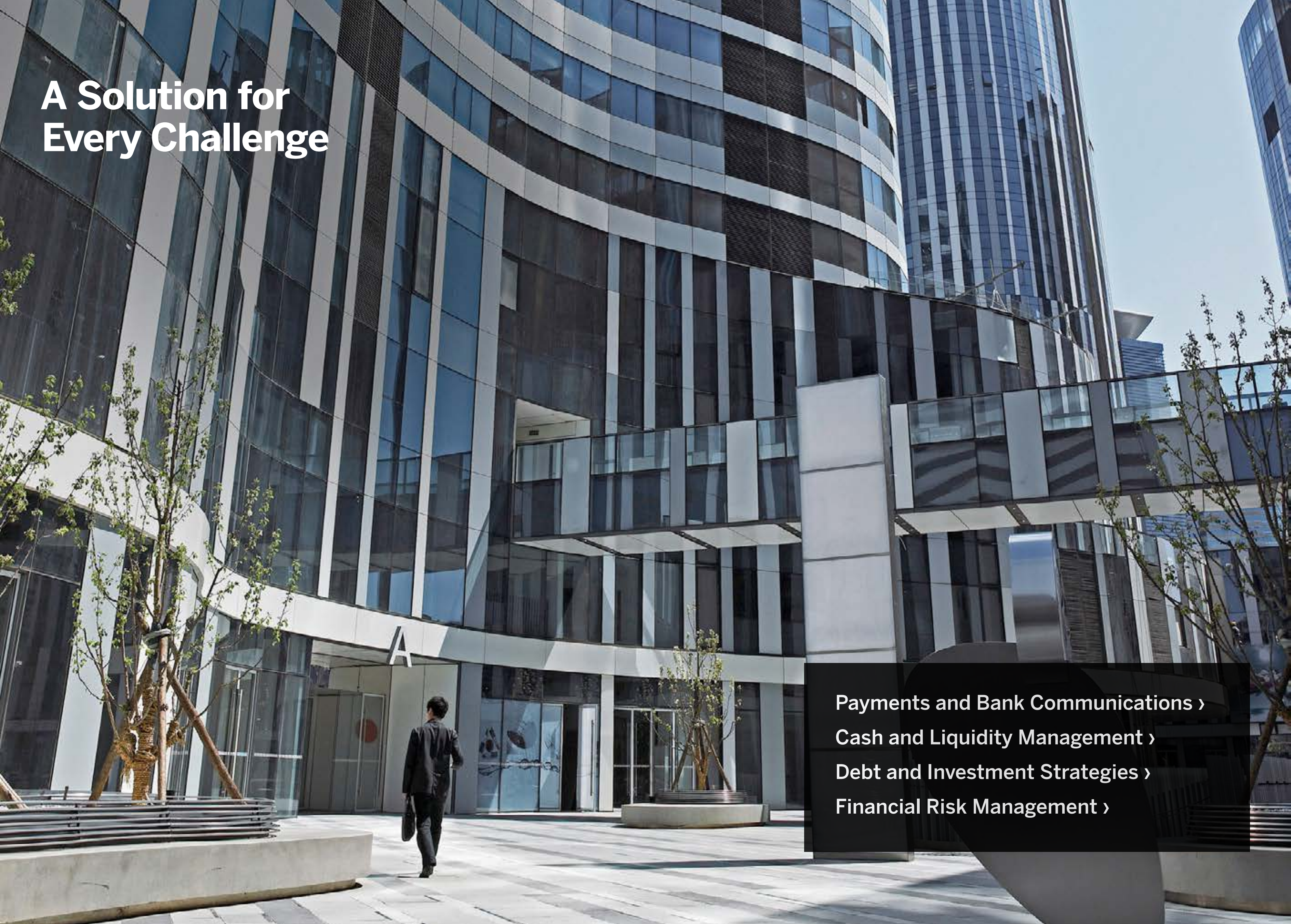
View the Aberdeen Group report on an integrated approach to treasury and risk ›

SAP Can Help You Transform Treasury Management

From this	To this
Decentralized organization with a lack of information	Centralized organization with integrated software systems
Multiple software systems and interfaces	Software systems united by central interfaces
Compliance challenges and violations	Auditable and compliant operations
High operational costs and weak IT infrastructure	Low operational costs and strategic IT infrastructure
Poor cash and liquidity management	Accurate and timely cash positions and reliable liquidity forecasts
Reactive approach to risk	Proactive approach to risk

View the infographic ›

A Solution for Every Challenge



Payments and Bank Communications ›

Cash and Liquidity Management ›

Debt and Investment Strategies ›

Financial Risk Management ›

Payments and Bank Communications

Ensure highly secure and quick payments to minimize external fees

Only 35% of companies have a fully up-to-date treasury system that supports compliance with financial accounting standards and regulations

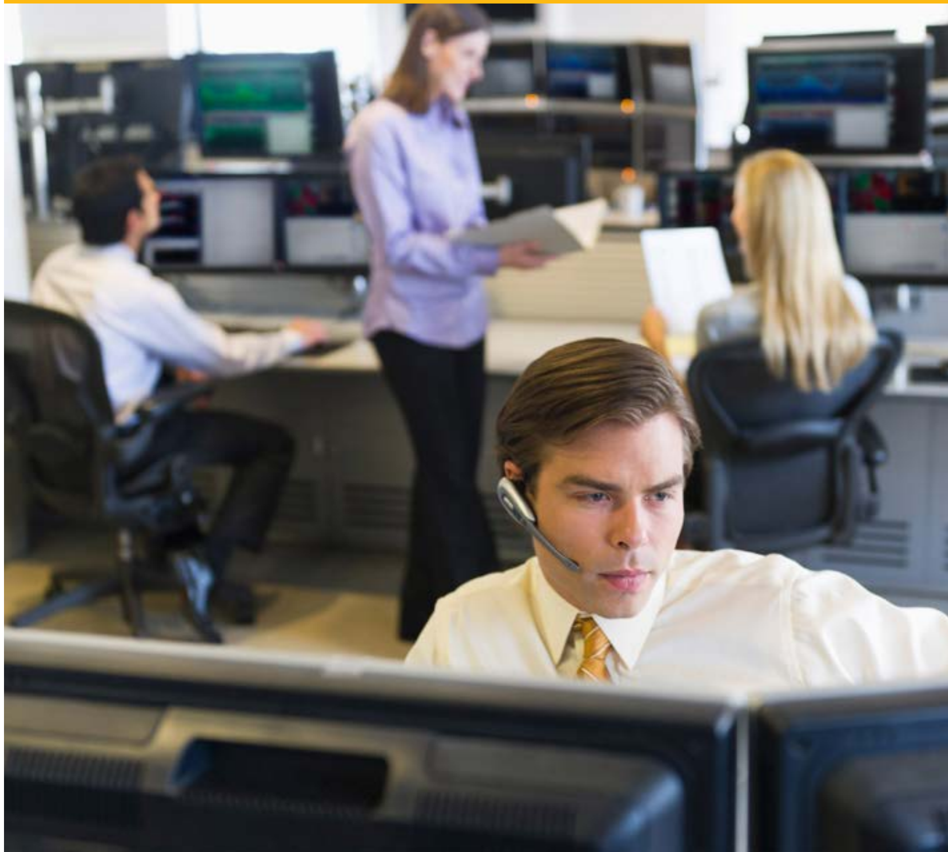
Source: SAP Performance Benchmarking

THE CHALLENGE

Streamlined payment processes can reduce cycle times and costs and help to ensure compliance. But if you manage complex business operations on a global scale, you're likely to have numerous banking relationships in each region to support a large volume of external payments.

If you're juggling cross-border payments and transactions among companies, and gathering and reconciling data from multiple financial institutions, managing the processes involved is becoming ever more time-consuming and costly.

It's difficult to access multiple cash balances spread across different banks when you need to meet obligations in other regions or to invest to generate returns. And a lack of transparency and control makes investing and borrowing decisions too slow and complex for today's high-speed business conditions.



THE SOLUTIONS

The **SAP Bank Communication Management application** helps streamline payment processing, strengthen compliance, and achieve straight-through processing across multiple banks. It provides comprehensive control over payment transactions such as batching, approvals, exception handling, and final release. An intuitive status monitor gives you complete visibility across the entire payment lifecycle.

The **SAP Payment Approvals mobile app** provides an on-the-go approval workflow for payments. It enables you to sign off high value, urgent payments wherever business takes you, protecting your business from process inefficiencies and financial loss.

SAP Integration Package for SWIFT provides a single, integrated gateway to the Society for Worldwide Interbank Financial Telecommunication (SWIFT) network. SWIFT provides a secure payment network with standardized data formats that enables you to use a single, open payment standard to communicate with over 8,000 banks worldwide. You get the benefit of straight-through payment processing, improved security and reliability, and lower processing costs.

The **SAP In-House Cash application** enables you to improve control over cash and liquidity by centrally managing cash and internally processing payments on behalf of your subsidiaries, reducing transaction volumes. Using it you can manage global banking relationships, settle subsidiary debts with external business partners, and transfer cash to affiliates. You can also gain total transparency of the payment cycle, manage fewer bank accounts, reduce cash transfer fees, and maximize returns on invested cash.

SAP Financial Services Network is an innovative offering that connects financial institutions and other financial service providers with their corporate customers through a secure network owned and managed by SAP. The network offers multibank and multicorporate routing as well as documents in multiple formats. It simplifies connectivity, automates financial transactions, reduces payment rejection rates, eases reconciliation, and provides enhanced visibility for the corporate treasury.

Explore these SAP solutions:

SAP Bank Communication Management ›
SAP In-House Cash ›
SAP Integration Package for SWIFT ›

Cash and Liquidity Management

Improve cash and liquidity forecasting and gain more accurate and timely insights into your global cash balances

THE CHALLENGE

Cash and liquidity management is one of the most critical treasury functions. Yet forecasting liquidity is often complicated by the vast amount of data that you're forced to gather from disparate sources in order to develop a realistic forecast.

THE SOLUTIONS

The **SAP Cash and Liquidity Management application** enables you to forecast and manage liquidity more effectively by accessing and using data from multiple sources. With comprehensive and timely insight into global sources and uses of cash, and previous day and intraday bank account statements and internal cash positions, you can better visualize cash flow and forecast liquidity. You can import cash balances from all your bank accounts and combine those balances with real-time data from accounts receivable and payable systems to develop more accurate liquidity forecasts. Robust reporting and analytics enable you to make more effective cash management decisions, which you can implement quickly and effectively.

The **SAP Bank Communication Management application** facilitates data communication between your business and your banks, which in turn enhances reconciliation processes and lowers banking costs.

Only 28% of companies have a cash management system that supports multi-currency management and reporting in any business unit

Source: SAP Performance Benchmarking

The **SAP Simple Finance solution** combines new finance features with the SAP HANA® platform and the SAP HANA Enterprise Cloud service to deliver real-time insights and treasury functions.

SAP Cash Management powered by SAP HANA instantly reflects all cash-related business activity and provides this information to managers in their preferred format, whether via e-mail, online inquiry, or comprehensive reporting. With the power and speed of SAP HANA, cash requirements can be understood in seconds, and instantly translated into action.

Tools from Ariba assist business users in determining the best way to invest excess cash. They give cash managers an online workbench for accepting early payment bids from suppliers who are anxious to earn discounts. When determining the right mix of capital from which to operate your business, they enable a greater share to be funded by existing working capital, increasing overall returns on capital and other important business metrics.

Explore these SAP solutions:

SAP Cash and Liquidity Management ›

SAP Bank Communication Management ›

SAP Simple Finance ›

Ariba Working Capital Management ›

Debt and Investment Strategies

Secure investment and borrowing at the best rates and lowest costs

THE CHALLENGE

To optimize investment returns, you need visibility into anticipated cash balances. Manual, spreadsheet-based processes and disjointed software systems tend to be cumbersome and inconsistent, requiring information to be gathered, reconciled, and rekeyed. This leaves your business open to automation gaps and integrity issues.

THE SOLUTION

Debt and investment management functionality from SAP offers powerful software that helps you manage liquidity, portfolios, and risk more efficiently. It gives you instant access to valuations of investment positions, debt, foreign exchange, and hedges. All of these are also posted to the general ledger for full compliance with international reporting and accounting standards, such as GAAP and IFRS. The software allows you to tap into electronic marketplaces for commercial paper to obtain liquidity and quickly execute trades to rebalance your portfolio.

The top 25% of companies have 60% lower costs associated with treasury and cash management compared to average performers

Source: SAP Performance Benchmarking

Explore this SAP solution:

SAP Treasury and Risk Management ›

Financial Risk Management

Pinpoint financial risks and take more effective steps to mitigate them

THE CHALLENGE

Risk mitigation is a vital part of your treasury function, but how can you make sound decisions without timely and accurate information? As your treasury department struggles to keep up with volatile markets as well as the demands of your business, siloed applications and spreadsheet-driven processes only impede progress. You need instant access to up-to-date information on your organization's current and future liquidity requirements and global cash positions. You need accurate data and tools to manage market risks and maximize investment returns.

90% of organizations have no automated reporting and alerting to facilitate risk management

Source: SAP Performance Benchmarking

THE SOLUTIONS

The **SAP Treasury and Risk Management application** helps you make more effective decisions based on timely information on current market conditions. It enables you to analyze multiple risk categories using methodologies such as net present value, duration, and value at risk to assess exposure across financial transactions and investment portfolios. To better manage foreign exchange, commodity, and interest rate risk, you can run simulations that calculate the value of your portfolio under various scenarios. You can evaluate and test various hedging strategies aimed at mitigating your exposure, allowing you to implement them more confidently. You can also conduct prospective and retrospective effectiveness testing for financial reporting compliance.

Read the SAP thought leadership paper on meeting EMIR and DFA regulations with treasury and risk management technology ›

The **SAP Commodity Risk Management application** can help you manage price risks by eliminating spreadsheets. With the software you can generate timely reports on commodity positions and exposures to market prices, as well as reports on your complete commodity portfolio. You can assess your commodity risk position as a result of procurement and sales transactions in real time, and react quickly to business and market changes. The software supports deal capture, commodity-based financial derivatives transactions, accounting integration, and hedge accounting for derivatives.

Explore these SAP solutions:

SAP Treasury and Risk Management ›

SAP Commodity Management ›

Why Choose Treasury Applications from SAP?

With risk management software and treasury applications from SAP, you can streamline operations, manage cash, optimize liquidity and financial risk, and maximize investment returns – at a lower cost.

A comprehensive solution portfolio to help you achieve financial excellence

Financial Performance Management	Accounting and Financial Close	Treasury and Financial Risk Management	Collaborative Finance Operations	Enterprise Risk and Compliance Management
• Development and translation of strategy • Planning, budgeting, and forecasting • Profitability and cost analysis • Monitoring and reporting	• Financial accounting • Entity close • Corporate close • Reporting and disclosure • Financial close governance	• Payments and bank communications • Cash and liquidity management • Debt and investment strategies • Financial risk management • Commodity risk management	• Receivables management • Real estate management • Financial shared services • Travel management • Collaborative invoice to pay	• Enterprise risk management • Access governance • International trade management • Controls and compliance management • Fraud management • Audit management

Create business value

SAP provides comprehensive and tightly integrated software for treasury and financial risk management that supports your full spectrum of business processes. Identify and improve treasury processes and enable capabilities across your organization based on your business needs and goals. Help your finance department boost efficiency, leaving more time for analysis so you can understand the stories behind the numbers instead of simply reporting them.

Innovation for better choices

Our software takes advantage of the latest innovations such as:

- Solutions powered by the SAP HANA platform with in-memory computing technology to accelerate key business processes and enable monitoring and analysis of high-volume data and business transactions in real time
- Embedded analytics with simulation functionality that allows you to model what-if scenarios and determine optimal strategies
- Mobile solutions that provide round-the-clock access to mission-critical data and enable you to approve workflows wherever you are

Discover how healthcare firm Roche streamlined financial operations with treasury applications from SAP ›

Learn how utility company Comgas is improving operations and reducing risk with SAP Treasury and Risk Management ›

Find out how industrial machinery and components manufacturer Danfoss is putting cash assets to work with SAP In-House Cash ›

SAP Rapid Deployment Solutions

Faster time to value

If you're looking to preserve and strengthen your core business with improved management of working capital, debts, and investments, why wait? SAP Rapid Deployment solutions bring software and services together in a new offering that gives you essential treasury functionality quickly and affordably. In addition to our core business management software, we offer services for the rapid deployment of:

- SAP Mobile Apps and Infrastructure
- SAP Embargo Check and Sanctioned-Party List Screening
- SAP Treasury and Risk Management
- SAP Commodity Risk Management
- SAP HANA Commodity Risk Analytics
- SAP Business Suite Integration for SAP Financial Services Network

Start with a footprint of the functionality you need today, and add or expand as your requirements dictate.

A predictable deployment for IT

SAP Rapid Deployment solutions bring speed and simplicity to the implementation of our treasury applications. Your IT department will be interested to learn that these scalable solutions, based on best practices, combine preconfigured software with implementation services from SAP Consulting to eliminate all guesswork. This means you could be up and running in a matter of weeks rather than months. And the solutions help minimize project risk thanks to their defined scope and predictable costs.

Contact Us

Thank you for your interest in risk management software and treasury applications from SAP. Let us know how we can help you improve your decision making and business processes when it comes to cash flow, funding, and risk.

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