



An Integrated Approach to Treasury and Liquidity Management



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The recent years of restricted access to bank-supplied credit lines — even for corporates that are fundamentally sound — have put the optimisation of internal operating cash and risk management at the top of their agenda. Indeed, such is the importance of streamlining internal business processes and dismantling silos between departments in the attempt to maximise company cash flow that the function of treasury departments is evolving from a processing unit to a strategic division responsible for improving the bottom line.

Such an increase in responsibility is fuelling more integrated cash and liquidity management services, both at the point of delivery and on a more fundamental, product-design level. And the globalisation of trading networks has resulted in all organisations — regardless of their size or scale — having to think and act as international operators.

An Evolving Regulatory Environment

Paradoxically, a principal driver of this widespread insecurity is the growth in financial regulations and harmonisation initiatives. Certainly, when the potential effects of likely liquidity provisions within Basel III are considered alongside the possible outcomes of the planned US regulations such as Dodd-Frank, it is clear a more complex environment for financial institutions and corporations is emerging.

As a result, operating cash and risk management are more important than ever. Both require a holistic approach that promotes the enhanced visibility of transaction data and the end-to-end process flow, which can in part be achieved by processing efficiency. And this is encouraging corporates to focus on their access to real-time information on both regional and global liquidity positions.

Benefits of an Integrated Approach

Of course, many corporates are looking to their banking partners to provide systems and platforms that promote this more holistic approach. In response, Deutsche Bank has developed the *Treasury platform* — an integrated liquidity management module on *Autobahn*, Deutsche Bank's award-winning electronic distribution service. This state-of-the-art service offers, in one location, enhanced visibility of rates and inactive trades, planning, foreign exchange (FX) and investment services — allowing corporate clients to access their entire treasury and liquidity services needs through a single sign-on.

Certainly, improving internal data control and reconciliation and reporting is a chief concern for treasurers. To support and promote this, one of the distinguishing features of the *Treasury platform* is that it goes beyond the typical bank model and creates an integrated framework and access channel for both the Deutsche Bank Markets area *and* for Global Transaction Banking's products and services.

Leveraging Synergies

The advantage of cutting across product and bank division silos is that they are able to leverage synergies. For example, in combining risk mitigation and investment services, Deutsche Bank's *Treasury platform* allows clients to make use of our FX expertise and leading market position to gain access to real-time rate capture and deal initiation services.

In terms of paperwork, the platform's liquidity management module offers post-execution services that include automated matching and reconciliation tools. These form part of a system of checks and balances designed to ensure that liquidity positions are accurately forecast and implemented.

Clients can also invest surplus liquidity automatically, with a range of short-term investment options in various currencies and a selection of money market funds that can fulfil all risk/return profiles.

Enhanced Access to Information

Of course, greater control must go hand-in-hand with improved access to transaction processing information. When it comes to accurate and efficient decision-making, too much information can be as problematic as too little and, in recognition of this, the information and analysis tools offered on the treasury and liquidity management module are presented in an intuitive graphical format via customisable dashboards.

These tools include aggregation across multiple regions and subsidiaries, allowing treasurers to identify FX exposures, potential liquidity shortfalls, investment opportunities and information related to credit-line utilisation at a glance. In addition to this is the ability to produce flexible liquidity forecasting across a number of scenarios through the input of planning data.

The Importance of Delivering Quality of Service

The *Treasury platform's* tools have been designed to be straightforward and intuitive, as well as fully-customisable, including allowing data to be uploaded and downloaded in standard formats, bypassing the need for timely and expensive integration with existing corporate ERP systems.

Going forward, treasurers — at both small companies and global enterprises — will need greater transparency and control if they are to surmount the challenges that the new environment will present. As a result, tools that can provide optimum visibility of end-to-end process flows and relevant data and information — such as the treasury platform on *Autobahn* — will prove invaluable.