Intelligent Treasury for a Connected World
Get more Visibility, Control and Compliance with SAP Treasury Solutions
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Greater Impact through Financial Leadership

In a complex, volatile and interconnected world of business, finance professionals are facing change from all directions. They need to do more with less, make better decisions more quickly, while ensuring compliance at all levels. They are also expected to become advisors to their company’s board delivering data-driven business insights, to facilitate quick decisions and monitor their execution. Their company counts on them to lead overall working capital optimization. While finance leaders are pressed to meet internal organizational demands, they are constantly pushed to improve their relationship with their customers, suppliers, employees, shareholders, banks, counterparties and trading partners.

At the same time, the role of the treasury is evolving from a tactical to a strategic one. Whether you are a cash manager, a financial risk manager, or the CFO, you and your team are now expected to step up and drive higher-value activities. In fact, 89%* of senior finance executives expect their finance function’s influence on business decisions to increase over the next few years.

Therefore, there is a need to reduce the duration between a business event and the outcome of treasury’s response to the event. The legacy systems treasurers were operating on are simply not sufficient anymore. Treasurers need next-generation, intuitive tools that give them instant insights from anywhere, on any device, offer end-to-end process automation and maintain integrity of their business operations. To make finance more nimble and efficient, those tools need to harness disruptive technologies like machine learning, predictive analytics and blockchain.

Finance professionals need to adopt a more strategic role and become expert advisors to the business.

More than ever, finance professionals should be empowered to spend less time reporting on the past, and increase their focus on driving the business further.

* SAP Market Data

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Next-generation Intelligent Treasury Solutions

To tackle the challenges of today and tomorrow, finance systems must be more intelligent. Intelligent systems rely heavily on volume and diversity of data which should be easily accessible by the applications consuming it. These applications should be designed using leading business practices and should continue to evolve by delivering latest innovations across multiple industries. Such applications should offer seamlessly integrated experience across end-to-end processes and execute decisions with speed, agility and control. Intelligent systems should have embedded technologies to comply to applicable policies and regulations and mitigate operational risks. Ultimately, these systems should help businesses run better.

SAP offers a comprehensive portfolio of solutions for treasury and financial risk management, that meet the above criteria. They offer instant visibility, straight-through processing and business integrity across the enterprise. They are designed by using leading practices developed through several decades of experience working with the world’s leading companies.

SAP offers solutions in the following core treasury capability areas:

• Payments and bank communications
• Cash and liquidity management
• Debt and investment management
• Financial risk management
New technologies will enable finance transformation and define its value across the enterprise.

SAP treasury solutions are fully integrated with SAP’s digital core, SAP S/4HANA, and offer tools to collaborate with the broader treasury ecosystem. You benefit from a single source of truth for all financial information, real-time data analytics, planning, forecasting and simulation capabilities, and a consistent user experience on any device utilizing the award-winning SAP Fiori technology. In addition, SAP Leonardo Machine Learning provides a platform for automation of time-consuming processes. They can be combined with SAP Central Finance or working capital management solutions to multiply the overall returns on your software investments.

They are available in the cloud, on-premise or in a hybrid model.

SAP treasury solutions offer next-generation technology which is simple, agile and innovative. They support a platform to implement new operating models and automate work that can lead to “lights out” treasury operations.

Fig. 2 – Treasury Transformation Through Advanced Technologies Embedded in the Digital Core
One of the top priorities of treasury organizations is to efficiently manage cash and liquidity across the enterprise. But as organizations grow in size and complexity, it becomes increasingly difficult to gain an accurate view of the company’s cash position.

Wouldn’t it be much easier if treasurers had a single version of the truth, with a consolidated view of cash flows from all sources in one place, allowing both overviews and quick drilldowns to the specific line item?

With the SAP Cash Management solution cash managers are empowered to:

• Access global bank balances in real time from across the enterprise and gain greater visibility into their organization’s cash flows
• Manage bank accounts for the entire company centrally and implement robust controls on account opening, closing and signatory management
• Set up cash pooling structures, perform intercompany netting and run Payment-on-behalf-of (POBO) processes with the in-house banking functionality
• Optimize costs associated to bank services through bank fee analysis applications
• Initiate cash movement from within the cash position application and avoid overdrafts and impacts to credit lines, thus reducing banking fees and borrowing costs
• Get detailed liquidity forecasts to plan future cash flows and get long-term guidance on their treasury operations.

**Instant visibility into cash operations** from “graphics” to “grassroots data” is transformational for cash managers.

No matter how many subsidiaries or bank accounts your organization has, SAP Cash Management can deliver highly integrated solutions enabling corporations make better decisions around working capital utilization.

**Fig. 3 – Complete Cash Visibility – From “Trends and Statistics” to “Actionable Data”**
Finance leaders in growing companies are challenged to continuously simplify their enterprise-wide payment processes, reduce risk of fraud and increase overall transparency. Multiple payment channels, inconsistent standards and data formats drive up support costs, and need unnecessary reconciliation efforts. The treasury operations managers must overcome these hurdles to ensure quick, highly secure payments and minimize overall cost of transactions.

What if they had a solution to consolidate payments from various sources, get complete visibility of batches and the stage they are in, get notification of urgent tasks, and automate payment workflows from start to finish?

SAP solutions for payments and bank communications streamlines payment management and bank communication processes and provides maximum transparency:
- The executives review, approve, and reject payment batches, from any device, anywhere and at any time
- All the payments can be controlled through rule-based workflows and a complete audit trail
- The cloud-based SAP Multi-Bank Connectivity seamlessly connects with multiple banks and financial institutions and provides a simplified bank onboarding process
- If you are running an in-house bank, the SAP In-house Cash application centralizes your subsidiary payments making them more efficient while reducing the overall banking costs

Straight-through processing of payments is not a luxury, it is a critical component of **“lights out” finance of the future.**

Efficient payments and seamless bank connectivity form the backbone of any treasury operation. SAP solutions deliver a fully-integrated platform to deliver these capabilities.
Invest and Borrow
Financial Assets Confidently

Complete view of the debt and investment portfolio along with flexibility to generate detailed reports on-the-fly delivers the true power of in-memory computing.

Treasurers are tasked to make investments or borrow cash so that their company’s financial assets can be deployed most effectively for revenue generating activities at a minimum risk.

If your treasury cannot see what their overall financial position is, they cannot make wise business decisions. They need the ability to analyze full portfolio of financial instruments and execute new transactions with minimum effort. They need the ability to manage the process end-to-end without having to transfer data from one system to another, to avoid chances of error and eliminate the need for reconciliation. And without flexible and rapid reporting, new regulations could catch you off guard.

Debt and investment management solutions within SAP Transaction Manager help asset managers to secure investments and borrowing at the best rates, and lowest costs. SAP apps deliver critical performance indicators and the ability to drill down into a specific instrument or related cashflows.
A large number of preconfigured financial products are delivered along with end-to-end functionality for transaction life-cycle management through trade execution, correspondence management, position reporting, settlements, payments and accounting. SAP treasury solution supports:

- The cash flows from all trading activities and reflects in the cash flow forecasts and cash position reports automatically
- Management of originating exposures on centralized dashboards
- Cloud-based applications for market data management and trading portal integration allowing companies to automate complete trade life-cycle of a financial instrument across the ecosystem
- Broad compliance reporting through a variety of flexible reports that can be generated on-the-fly by the user
- Trade finance, which can mitigate risks and ensure timely payment, enabling you to integrate key global trade payment methods such as letters of credit and bank guarantees into your treasury function

SAP S/4HANA capabilities for debt and investment management are comprehensive and deliver true straight-through processing experience enabling “management by exception” to save time.
Mitigate Risks by Hedging Them Effectively

Companies face increasing financial risks originating from Foreign Exchange volatility, Interest Rate fluctuations and Commodity price variations. Risk managers invest a large amount of their time in understanding their financial risk, but they still struggle to get a full and up-to-date view of their financial exposures. And once they decide to hedge an exposure, they need to execute the trade and manage it efficiently. More than ever, risk managers need quick insights into the transactions as well as the market data, so they can manage risk consistently. And they need tools that help them remain compliant to the applicable regulations. Financial risk management solutions from SAP give your team the tools to identify, assess, manage, and mitigate foreign exchange, interest rate, and commodity risks. They provide:
• Real-time insights into risk positions, commodity price changes, and currency conversion rates helping your risk managers to gain a better understanding — so you can quickly react to any changes
• Simulation capabilities to model the severity of risks in a variety of scenarios
• Intuitive analytical information in graphical format from where you can drill-down right to a specific transaction and related cash flows
• Cloud-based integration to Trading Portals as well as Market Data providers
• Reporting tools that allow you to meet regulatory reporting requirements related to hedges
• Tools to support requirements of IFRS9, EMIR and US GAAP

Business users can spend 80% more time analyzing trends and data if they use a system that supports the end-to-end processes on a single integrated platform. SAP’s financial risk management solutions help you protect your assets and cash flow with high degree of process automation and compliance.

Fig. 6 – FX Risk Management Life-Cycle
Take Full Control of Your Treasury

SUMMARY
SAP solutions empower finance organizations to master the growing challenges of today and tomorrow. They enhance the overall digitization of treasury processes, increase accuracy, and accelerate the pace of analysis through action to results.
Treasurers are equipped with tools to free up their time and focus on driving business further.

BENEFITS
Financial risk mitigation through data-driven decisions: delivered by comprehensive business insights through on-the-fly analytics and deep drill-downs.
Increased operational efficiency and effectiveness: attained by end-to-end automation and control with straight through processing and intelligent applications.
Improved compliance and operational risk mitigation: supported by business integrity solutions utilizing alerts, monitors, workflows and process integration tools.
Future-proof solutions: developed on in-memory S/4HANA platform offering agility, scalability and extensibility, in the cloud or on-premise, across the full treasury ecosystem.

Fig. 7 – SAP Treasury Solutions support your end-to-end treasury and risk management processes
SAP Treasury and Risk Management Solutions

SOLUTIONS
Payments and Bank Communications
Cash and Liquidity Management
Debt and Investment Management
Financial Risk Management

Fig. 8 – SAP Treasury Ecosystem