

Live on-screen cash positions and ultimate real-time control for treasurers - Treasury Today

published on 20.10.2017 by Laura Milani

Today, treasury teams want real time information about their cash positions at their fingertips. BNP Paribas' new liquidity management module does exactly this, providing live on-screen consolidated cash positions from international subsidiaries and other entities in the kind of detail never before possible.

New modules in Connexis® Cash centralise information and ease liquidity

Hard-pressed treasuries know a good thing when they see it. The increasing sophistication of dashboard control for company treasury is reaching breath-taking proportions and it is this kind of real-world innovation, born out of real customer need, that is truly raising the fintech bar. It's become fashionable to assume that financial innovation is the domain of lean-and-mean start-ups, but sometimes it's the larger players who have their ear closer to the ground.

BNP Paribas, one of the largest global banks, ranking among the top ten in the world by total assets, doesn't trade its responsiveness to customers for sheer size. With the rollout of the new Liquidity Management Modules within its successful Connexis® Cash Management e-banking system, the buzz among treasury insiders is growing.

Familiar interface

The new modules are seamlessly embedded in the familiar Connexis® interface, with no steep learning curve, fully tuned to treasury needs. And no software installation is necessary.

Already Connexis® gives treasurers multi-bank visibility and control over all accounts worldwide. Cash and treasury transactions are optimised: easy access to crucial information reduces idle cash and allows effective management of funding levels, while daily and intra-day visibility of cash positions and projected flows leads to better short term investment decisions and yield maximisation.

Full overview

"Our customers tell us every day how easy the system is to implement and use, and this new functionality has just become part of the familiar day-to-day system," says Laura Milani, Liquidity Management Marketing Manager, BNP Paribas.

This is certainly the case for one of the world's leading global providers of products and systems within healthcare and life sciences. Getinge, based in Sweden, employs more than 15,500 people in over 40 countries, and recently made the decision to centralise the organisation and bring its diverse brands together under the Getinge name.

‘It’s a challenging transitional phase we’re going through, and we’re appreciative of the help we get from our bank,’ says Linn Birnbo, Strategic Cash Manager, Getinge.

‘As a Nordic company, we’ve been used to different cash-pooling methods, but BNP Paribas has created a structure which works for us right across the world, and all in the same set-up. We have a full overview of all our operations in one place. It makes a big difference, and it’s helping us a lot.’

Live on-screen cash positions

The new Liquidity Management Modules bring much needed transparency to cash concentration and intercompany lending operations.

Through the Cash Concentration Module, treasuries can now access live on-screen consolidated cash positions from international subsidiaries and other entities, and in the kind of detail never before possible.

This centralised reporting provides consolidated as well as detailed views on cash positions across regions. Booked, intra-day and projected transaction flows, as well as cash pooling sweeps are represented in real-time, and here’s the big advantage: the expected daily closing balance is updated and available at any time so that cash investment decisions can be fine-tuned, and any need for short-term financing can be identified.

Benefits checklist

Global visibility on cash.

Reduced idle cash.

Real-time visibility of cash positions and projected flows.

Optimised short-term investment.

Maximised yield.

Centralised cash and risk management.

Reporting of aggregate cash and liquidity positions across cash pools.

Integration of cash with short-term investment.

Monitoring and management of intercompany term loans.

Harmonised reporting and full transparency.

Direct access to reporting for managers and local treasury.

Customisable user profiles.

Audit trail of liquidity management across the Group.

Keeping track of intercompany lending

The Cash Intercompany Module offers enhanced reporting to support intercompany lending and borrowing position monitoring, and administration, making it much easier to manage and track intercompany loans.

The online treasury dashboard delivers full global cash position visibility and control. Centralised reporting provides consolidated as well as detailed views on cash positions across regions. Booked, intra-day and projected transaction flows as well as cash pooling sweeps are displayed in real-time, automatically updating the forecast daily closing balance available for cash investment or needing short-term financing.

The module reports the consolidated lending and borrowing positions of accounts in a liquidity structure, as well as providing a drilled-down view on single account details. Standardised information is displayed real-time in one single location, eliminating fragmentation across banks and geographies.

Intercompany positions and intercompany account statements are updated intra-day in real-time. Indicative interest statements are updated daily, while display time can be adapted to suit the time zones of the accounts included in a treasury's cash pool structures.

Settling intercompany interest automatically

The Cash Intercompany Module does much more than this, however. A newly deployed feature caters for intercompany interest settlement between parties within the pool, where tax regulations allow it. All of this works automatically or, alternatively, payment flow information can simply be prepared, awaiting client go-ahead.

For the internal interest calculation, the client can instruct BNP Paribas to use fixed rates or market reference rates, with a stated margin. Different rates or margins can be set for different entities or accounts.

For Getinge's Cash Manager, Linn, this automation is crucial when busy treasuries are up against the clock: "Month end is a critical time for us, when we only have a short time to close the book. There are only so many hours in a day, and the more things we can automate, life is made so much easier."

"Settlements are fully automated. With no intervention needed from our side, the days of frantic last-minute calculations are finally over."

Comprehensive reporting

Online reporting is comprehensive, and harmonised with systems across the bank, and there's also a downloadable historical record.

With this up-to-the-minute information and detailed reporting, BNP Paribas is confident that decisions on moving cash around have never been easier. It's a big step forward that could offer everything a busy treasury needs to help put company cash in the right place at the right time.

Uncompromising security

Security is not forgotten amid the innovation. Any information accessed through Connexis® is considered sensitive and uses an encrypted link to prevent eavesdropping, tampering and message forgery. The system also uses the secure principle of Single Sign On (SSO) where a user doesn't have to re-authenticate to access every application within Connexis®.

The BNP Paribas security infrastructure also comes with a password generator for both authentication and validation of payments, as well as data encryption, allowing segregation of user access rights by service or by account.

Efficient and smart

BNP Paribas and its Cash Management division work closely with company treasurers to improve services and products and reinforce the bank's claim to be at the cutting edge of innovation.

"Our work is far from finished. We'll be listening to customers so that we can continue to be at the forefront of liquidity management," says Laura.

Linn goes along with that: "BNP Paribas is showing us that they're committed to developing systems with flexibility and functionality, customised to our needs."

"We look for efficient and smart solutions from a bank. BNP Paribas gives us just that."

Cash management: a firm commitment to cash

Through its local presence on all continents, BNP Paribas provides cash management services to more than 40,000 corporate clients worldwide. A community of 2,500 experienced and committed cash management professionals operate across BNP Paribas' international network, in 208 business centres in 55 countries, covering more than 130 currencies.

Along with a streamlined international payments and foreign currency offering, BNP Paribas offers its clients customised liquidity management solutions, enhanced collections efficiency and a wide range of global and local connectivity and reporting services.

BNP Paribas was designated No. 1 Cash Management Bank in the European large corporate sector, in the latest Greenwich Associates survey.

For more information, please visit: cashmanagement.bnpparibas.com

This article appeared in the May 2017 edition of Treasury Today and can be found at <http://treasurytoday.com/2017/05/live-on-screen-cash-positions-and-ultimate-real-time-control-for-treasurers-ttsf>

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