

## Treasury Essentials: Big Data in 60 Seconds

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Let's demystify another buzzword we keep hearing on the treasury circuit: Big Data.

The term usually indicates data sets so large that traditional software can't capture, organise and process them within a reasonable length of time, meaning that specific technology and analytical methods are needed if they are to be of any practical value. The amount of data being generated and stored globally has soared in recent years and treasurers, to whom data is vitally important, can often feel swamped by the rising tide. Legacy systems are also struggling to keep abreast.

Part of the solution is the use of human skills, such as hiring analytics specialists, but on the technical side treasurers should consider four chief areas; infrastructure, storage, processing and management, and analytics.

Data analytics is the science of examining raw data in order to draw conclusions from it. Specialist tools can automate the collection of huge amounts of data from a wide range of sources, use algorithms to ensure that it is accurate and complete, and finally aggregate and analyse it.

Savvy treasurers are increasingly becoming aware that Big Data, combined with other technologies, can support more efficient and effective decision-making. Areas that can benefit from such a combination include:

- Currency risk management
- Cash flow and liquidity counterparty risk
- Benchmarking
- Supply chain finance
- Regulatory compliance
- Combating the funding of terrorism

There is no doubt that data analytics offer new and exciting possibilities, but Big Data management also requires treasurers to be aware of sensitive aspects such as consumer data protection. Clients and consumers are becoming increasingly vocal in their demands for more transparency and control over where their data is stored and how it is used.

There are legal considerations too, including the EU General Data Protection Regulation (GDPR), which covers data protection and privacy for all individual citizens of the EU and the European Economic Area (EEA); it also addresses the transfer of personal data outside the EU and EEA. Intellectual property is another concern. Security is vital and firms must ensure

that any use of Big Data does not compromise their integrity and public trust.

But above all treasurers should recognise that what really matters is not the quantity of data but its quality ? its relevance, reliability and timeliness to facilitate optimum decisions.

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