

# Cash is king: How to optimise treasury operations

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**Outsourcing could have a substantial impact on your treasury department's operating costs and ability to execute investment strategies; it is, therefore, vital that you pick the right partner. This article explores some of the factors that should be considered in the process of identifying strategic outsourcing solutions and how Acuity Knowledge Partners' (Acuity's) experience in delivering bespoke solutions is enabling clients to meet their current and evolving business needs, and exceeding their expectations.**

Treasury is increasingly being recognised as a business-critical function and, as such, it is imperative that every organisation have the most appropriate policies, procedures, people and technologies in place. In light of the current economic crisis and the downturn in commercial activity, treasurers are tasked with performing more functions with fewer resources. As they review global strategies to increase efficiency and look to re-engineer and centralise, this is an especially opportune time to evaluate treasury outsourcing. This requires their own corporate treasury department resources, combined with outsourced advisory and processing services.

The motivations for outsourcing treasury management could be complex and diverse. Savings to a large multinational from aggressively pursuing outsourcing as a more effective way of managing its treasury function could total several million dollars a year. Even the smallest treasury operation needs 20-25 employees to ensure sufficient coverage on holidays and emergency leave. Outsourcing could reduce costs and benefit the bottom line significantly through other ways as well, such as the following:

- Freeing up corporate treasury resources to pursue strategic and core objectives
- Expansion: quickly setting up a new corporate treasury department
- Rapidly acquiring skills and expertise not available internally
- Improving corporate treasury efficiency and effectiveness
- Platform migration support

Outsourcing non-strategic elements of the treasury function gives treasurers an opportunity to focus on their main vocation: creating value for their shareholders. This requires a careful mapping of

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activities and understanding how services are integrated and the relative handoffs and risks associated with the services – whether they be process-driven, high-volume transactional work or more judgement-intensive, mid-office functions, such as corporate treasury. Almost all aspects of the corporate treasury function could be outsourced, including the following:

- Managed implementation and integration of services
- Cash flow forecasting and liquidity management
- Management of intra-group and external loans
- FX dealing and exposure management
- Back-office accounting, reporting and processing

Selecting the right partner is critical to outsourcing treasury functions. The preferred partner must have in-depth knowledge of both the treasury business and the system issues associated with web-based service delivery, and should be clear about the cost structure, financial requirements and the client's end-customer strategy. We at Acuity understand these intricacies and are able to provide you improved treasury risk handling, lower transaction costs, system automation and the ability to scale up rapidly. Outsourcing to us frees your internal treasury department to pursue strategic objectives. We offer bespoke, best-in-class solutions to support your treasury requirements. By fully understanding your business needs, our corporate treasury specialists are committed to delivering efficient, customised solutions.

- Expertise – our subject-matter experts hit the ground running, allowing chief financial officers and treasury staff to concentrate on risk management and strategic decision making
- Risk management and governance – Acuity operates in a controlled environment that guarantees appropriate segregation of duties and delegation of authority
- Stringent service-level agreements for all key operations to ensure both efficiency and effectiveness, helping augment the client experience

For a comprehensive guide to our treasury services, view our Treasury Outsourcing page on our

website: <https://www.acuitykp.com/solutions/lending-operations/>

#### About Acuity Knowledge Partners

Acuity Knowledge Partners is a leading provider of high-value research, analytics and business intelligence to the financial services sector. The company supports over 350+ financial institutions and consulting companies through a team of over 3,000+ subject matter experts who work as an extension of the clients' teams based out of various global delivery centres.

We empower our clients to drive revenues higher. We innovate using our proprietary technology and automation solutions. We enable our clients to transform their operating model and cost base.

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