



TREASURY CASE STUDY

On the Highway to Value Creation

Transforming Treasury Technology at Transurban

Urban tollway developer and manager Transurban is one of Australia's top 20 companies and has one of the largest, most respected treasury functions spanning both Australia and the United States (US). The business has expanded quickly in recent years, with toll revenues increasing from AUD 0.4 billion in 2011 to AUD 2.2 billion in 2018. This has been the result of both acquisition and a greater strategic focus on road development. To support this rapid rate of growth, and support its strategic plans, Transurban has been investing in robust, scalable infrastructure, including in its Treasury function.

A strategic approach to Treasury technology

This continued expansion had placed additional demands on the operational, reporting and analytical capabilities of the Treasury business. Two years ago, Transurban appointed Tom McKay as Group Treasurer with a mandate to enhance and expand the Treasury function, including transforming end-to-end processes to further enhance reporting and decision-making capabilities. As McKay describes, "The aim was to become a more strategic business function, equipped with scalable, robust and sophisticated technology that would support our change agenda and enable our Treasury team to spend less time on daily activities and take a more forward-looking approach."

In addition to reviewing skills, processes and controls in Treasury, acquiring new technology was central to fulfilling this transformation vision. To deliver on this objective, Transurban assembled a multi-disciplinary project team to manage the process. In close collaboration with Treasury and IT, the team constructed a detailed request for proposal (RFP) and evaluated a variety of solutions that would support both Treasury management and payments processing.

Following an extensive selection and evaluation process, Transurban ultimately chose FIS Quantum, in conjunction with FIS SWIFT bureau for integrated multi-bank connectivity. There were a variety of reasons for this decision.

ABOUT TRANSURBAN

Transurban manages and develops urban toll road networks in Australia and North America. Established in 1996, it is a top 20 company on the Australian Securities Exchange (ASX). Transurban aims to provide effective transportation solutions to support urban growth and well-being through the ongoing management of its existing road networks, active involvement in the transport policy debate, and by applying its unique skills to the infrastructure challenges in its markets. Its portfolio comprises 14 roads in Australia, two in Virginia, US and one in Montreal, Canada.

We wanted to work in close partnership with a vendor that had a strong local presence, and the commitment, capability and strategic ambition to continue investing in its products and its regional presence. FIS emerged as a clear leader in these respects. We also looked at how precisely each system could meet our functional requirements. While we found that most could do so to some extent, Quantum was the only solution we explored that had comprehensive capabilities across all our functional areas."

JASON COUSINS,
DIRECTOR OF TREASURY TRANSFORMATION,
TRANSURBAN

Driving implementation success

Transurban took a highly disciplined approach to the implementation project, with a clear budget, project plan, governance structure and communication strategy. This was instrumental to the success of the implementation, which took place on time and within budget. In particular, the project team focused on regular communication and engagement with Treasury throughout.

Cousins continues, “While they may require time and effort, transformation projects should inspire, motivate and give people the opportunity to shine. In some cases, people do not have the skills and experience in large-scale projects of this sort, so this should be an area of focus to make sure the project is structured such that everyone can make a positive contribution.”

Outcomes and benefits

Before implementing FIS Quantum, Transurban had two treasury management systems, but did not fully utilize the functionality of either. Today, Quantum provides Treasury with a single, robust platform accessed by all business areas. Quantum is connected into a variety of internal and external systems to allow end-to-end transaction management, including the company’s electronic trading portal, market information provider, ERP system and SWIFT for bank connectivity. Consequently, Transurban has achieved seamless, automated processes from deal execution through to settlement, accounting, analysis and reporting. Manual processes have been greatly reduced. For example, cash positions were previously managed using spreadsheets. Today, all bank balances are automatically reconciled and the complete, up-to-date daily cash position presented in a single view. Bank connectivity has also been simplified and standardized through SWIFT.

Cousins explains, “Previously, making Treasury payments involved manual processes across multiple banking portals and approvals requiring different security devices and processes. Today, a simplified, standard, end-to-end process has been achieved, which is scalable as our business continues to expand.”

Hedge accounting is now an automated process, creating significant time and efficiency savings. Perhaps most important of all, users enjoy working with the system, and are able to achieve a great deal more now that the level of manual processing has been reduced.

Leveraging data to support the change agenda

Data and analytics are major factors in the reason for selecting FIS’ Quantum, and the value proposition it creates.

All Treasury data is held in one system, and we have thought a great deal about how best to structure it. Data is clean and reliable, and we can analyze and report on this data far more easily than in the past, forming the basis for sophisticated analytics in the future.

JASON COUSINS,

DIRECTOR OF TREASURY TRANSFORMATION,
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Looking ahead, Treasury is considering how best to leverage a centralized, standardized, scalable platform to facilitate its strategic change agenda, and working closely with the business to understand how Treasury analysis and insights can support growth. McKay concludes, “There is an important aspirational angle when implementing transformational technology. There is only limited value to doing what you already do but better. The greater opportunity is tapping into the potential for additional value creation, and supporting the company in a strategic manner rather than simply operationally. Quantum is enabling us to do this, providing a centralized, robust and scalable platform that provides the level of automation and depth of insights needed to continue our future growth.”



FIS' Corporate Liquidity Solutions

FIS offers a leading liquidity and risk management solution for corporations, insurance companies and the public sector. The solution suite includes credit risk modeling, collections management, treasury risk analysis, cash management, and payments system integration. The solutions help consolidate data from multiple in-house systems, drive workflow and provide connectivity to a broad range of trading partners including banks, SWIFT, credit data providers, FX platforms, money markets, and market data. The technology is supported by a full range of services delivered by domain experts, including managed cloud services, treasury operations management, SWIFT administration, managed bank connectivity and bank onboarding. FIS' solutions can be deployed in SaaS, public cloud or on-premise environments.

About FIS

FIS is a global leader in financial services technology, with a focus on retail and institutional banking, payments, asset and wealth management, risk and compliance, consulting and outsourcing solutions. Through the depth and breadth of our solutions portfolio, global capabilities and domain expertise, FIS serves more than 20,000 clients in over 130 countries. Headquartered in Jacksonville, Florida, FIS employs more than 55,000 people worldwide and holds leadership positions in payment processing, financial software and banking solutions. Providing software, services and outsourcing of the technology that empowers the financial world, FIS is a Fortune 500 company and is a member of Standard & Poor's 500® Index. For more information about FIS, visit **www.fisglobal.com**.



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