

A photograph showing three professionals in a modern office environment. Two men and one woman are gathered around a white laptop, looking intently at the screen. The man on the left is wearing a dark blue blazer over a light-colored shirt. The man in the center has a beard and is wearing a dark t-shirt. The woman on the right is wearing a grey ribbed sweater. They appear to be engaged in a collaborative discussion or review of the content on the laptop.

Treasury Technology: Navigating the Selection Process

Source: Aite Group Report - Digital Treasurers' Handbook for Treasury Technology Selection



Background and Objectives

Treasury Management System selection can be challenging. The treasury technology landscape is complex and ever-changing, with a combination of established players and new entrants. In many cases, it can be difficult to compare and distinguish products.

The purpose of this eBook is to help treasurers navigate the digital treasury technology landscape and simplify their overall selection processes. A thorough, successful selection helps to ensure a successful implementation.

Methodology

This eBook is based on 2018 interviews conducted with international corporate treasurers and research conducted across publicly available material. Aite Group's market research data points were used to analyze and elaborate the priorities of corporate treasurers, and to identify the key criteria that characterize treasury technology selection.



Key Considerations in Treasury Technology Selection

- **Deployment:** Technological deployment has implications for both IT and Treasury. Cloud-based architecture is the springboard to launch technological innovation in treasury.
- **Selection Criteria Definition:** A best practice approach involves considering several factors, such as the product's functional capabilities, technology provider stability, predictability of pricing structures and ability to meet complex treasury needs.
- **Selection Scoring Framework:** Use a transparent framework to evaluate technology providers based on assessment criteria that cover all foundational aspects of a healthy long-term collaboration.



Why Cloud Matters to Treasury

Treasurers should be actively involved in working with IT on technology deployment preference. The cloud has several important implications for treasury, and many benefits over on-site deployment:

- Reduced IT and treasury system maintenance
- Automated and managed upgrades
- Lower total cost of ownership
- Dedicated security protection and focus

The Vast Majority of
Treasurers and IT Groups
Prefer Cloud-based
Deployments



Source: Aite Group's Digital Treasurers' Handbook for Treasury Technology Selection

Vendor Evaluation Criteria

The proposed model leverages Aite Group's best practice vendor evaluation process derived from continuous market research in the treasury management solution space and simplifies the corporate treasurer's process of selecting and adopting best-in-class treasury technology.

TMS Evaluation Model



TMS Evaluation Model

Vendor Stability

- Number of employees
- Quality of management
- Risk management
- Office presence
- Financial stability and transparency

Treasury Experience

- Years of experience
- Average years of experience of treasury personnel
- Years solution has been available
- Diversity of products

Client Services

- Level of support and service
- Training programs
- Online support
- Pricing structure
- Perceived value of product

Product Features and Investment

- Key features
- Implementation options
- Ease of user experience
- Ease of implementation and integration

Source: Aite Group's Digital Treasurers' Handbook for Treasury Technology Selection

Vendor Evaluation Criteria

1. Product Features and Investment

Why It's Important

System functionality ensures that a treasury technology vendor can fully meet all of your business requirements, not just some.

Selection Challenge

Certain functionality, such as basic cash positioning, has been commoditized, making it difficult to understand system differences. Treasurers have to perform a comprehensive functional evaluation to ensure technology suitability.

Recommended Evaluation Criteria

- Comprehensive functional comparison using both system demonstration script and detailed written explanations of functionality
- Past and future investment in research and development
- Predictable, fixed pricing for modules
- Cloud deployment options
- The existence of out-of-the-box connectors/integrators to current systems such as ERP and training portals



Vendor Evaluation Criteria

2. Vendor Stability

Why It's Important

The treasury technology industry has a history of change and consolidation. Small or unstable players put treasurers at risk for failed implementations or product divestitures.

Selection Challenge

Many treasury technology vendors are privately held, or private equity owned, with minimal financial transparency, and uncertain long-term ownership strategies.

Recommended Evaluation Criteria

- Financial stability and transparency
- Vendor profitability in recent years. Financial transparency is key
- Internationally established footprint
- Vendor informs client of security and data privacy policies and procedures
- Roadmap and vision for future of treasury technology product



Vendor Evaluation Criteria



3. Treasury Experience

Why It's Important

Experience will have the greatest impact on your project – it ensures functional capability of product and high quality of implementation personnel as well as of the overall customer experience.

Selection Challenge

Clients of newer products, though exciting, are more likely to encounter issues during implementation, because of an overall lack of product and delivery experience on the part of the vendor.

Recommended Evaluation Criteria

- Years of experience
 - Years of company experience
 - Years of solution experience
 - Years of employee experience
- Global treasury experience
- Diversity of products
- Balance of treasury functionality delivered across the client base, to avoid vendors concentrated on only one main feature
- Integration experience with third-party providers of technology



Vendor Evaluation Criteria

4. Client Services

Why It's Important

Without a well-staffed and committed client services organization to implement and support your new system, you won't achieve full utilization of the system and a return on your investment.

Selection Challenge

Ranking client service commitment is difficult, because it depends on a number of different factors, from implementation methodology to post-go-live support framework.

Recommended Evaluation Criteria

- Vendor offers a global support standard service with no additional fees
- Vendor has *recent* case studies
- Vendor has established a customer advisory board and customer forum
- Vendor presents a standardized implementation methodology workflow and clear service/maintenance costs
- Vendor presents experienced implementation personnel who can demonstrate formal training or certification on the treasury management system
- Vendor has staff and technology dedicated to protecting treasury functions from cybercrime



Selection Scoring Framework

The recommended framework is a concise composite evaluation that maps market-leading TMS vendors along two drivers:

- **Company stability:** Combining the scores from the vendor stability and treasury experience evaluation components, this criterion measures the vendor's overall long-term business viability as a product and service provider.
- **Digital product investment:** Combining the scores from the product features and investment and client service components, this criterion measures the ability of the vendor to deliver on key product functionality and support.



The Framework for Evaluating Technology Providers



Source: Aite Group's Digital Treasurers' Handbook for Treasury Technology Selection



Are You Ready to Navigate
the Treasury Technology Selection Process?

Let's Have a Conversation.

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