Q&A

ACCELERATING ROI ON A DIGITAL TREASURY

The past year has given treasurers more reason than ever to embrace digital technology. But as treasurers accelerate their move to digital, they must make the right decisions to maximize their ROI from the cloud. Thomas Jerolitsch, vice president, Product Management, Enterprise Treasury and Payments, FIS and Steve Wiley, vice president, Treasury Solutions, Treasury SaaS, FIS, explain where you should start.

Q1: Why are treasurers now embracing cloud?

Thomas Jerolitsch: Companies are no longer asking why they should invest in the cloud, because the reasons are clear. For one thing, the cloud provides greater agility: Companies recognize they need to adapt to the changing market circumstances. The cloud is also no longer viewed as just a deployment model; it's also an enabler that allows vendors to provide more services, including system maintenance and monitoring of operational tasks – helping to free up treasurers to focus on decision making and core tasks.

Also, we're likely to see a wider economic impact from COVID-19 this year as economies redistribute the costs of the pandemic to the broader economy. As a result, it will be even more important to find ways of operating more efficiently and achieving cost savings. The cloud is a way to drive that optimization.

Q2: How does a cloud-based treasury system add value?

Steve Wiley: Reducing the overall cost of your system is one part of this, as is the ability to achieve IT and operational efficiencies. A cloud-based system can also help you do a better job of mitigating operational or market risks – and working with a stable, secure counterparty can mitigate the cybersecurity risk you might face if you're using an antiquated system with an untrusted partner.

Other elements include the ability to access functional enhancements related to market changes, such as the transition from LIBOR. A cloud system allows you to access any enhancements as soon as they are released.

Q3: My treasury is already on the cloud. Why aren't I seeing all of these benefits?

TJ: If you previously acquired a system with a certain scope in mind, it might be that you only ended up implementing a fraction of what you were looking for. Or your company may have grown in the intervening years, meaning the existing system can no longer provide the functionality needed for a larger organization. It's not uncommon for companies to outgrow an early cloud-based system that they implemented five or ten years ago. We used to see small systems with limited scalability and functionality in the cloud. Today, most vendors have caught up and overtaken early cloud offerings with broader and more flexible cloud services.

Q4: How easy is it to switch between cloud vendors?

TJ: The cloud typically makes it easier for treasuries to switch vendors since companies that use cloud-based systems aren't locked into a particular vendor. The speed of deployment and lack of an unwieldy infrastructure mean that it's straightforward to change providers.

Q5: What sort of questions should I ask when evaluating vendors?

SW: Treasurers are relying more heavily on their vendors to protect their assets and data, recommend process reengineering changes and help them bulletproof their treasury departments. With this in mind, you should ask questions about uptime, high severity issue resolution time, mass outages and security breaches – as well as about investment in organizational cybersecurity and risk mitigation.

Q6: How do I know if I'm getting the full ROI on my cloud system?

TJ: It goes without saying that the system you're using should provide the right functionalities and fulfil the scope you purchased it for, as well as offering robust security to protect your assets and data from cyberattacks. To maximize your ROI, a vendor that provides managed services can also free you up to focus on realizing the value of the solution instead of spending time maintaining it.

LET'S SOLVE YOUR ROI FROM THE CLOUD.

Speak to us today.

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