

# Global cash visibility: 'tackling the blind spot'

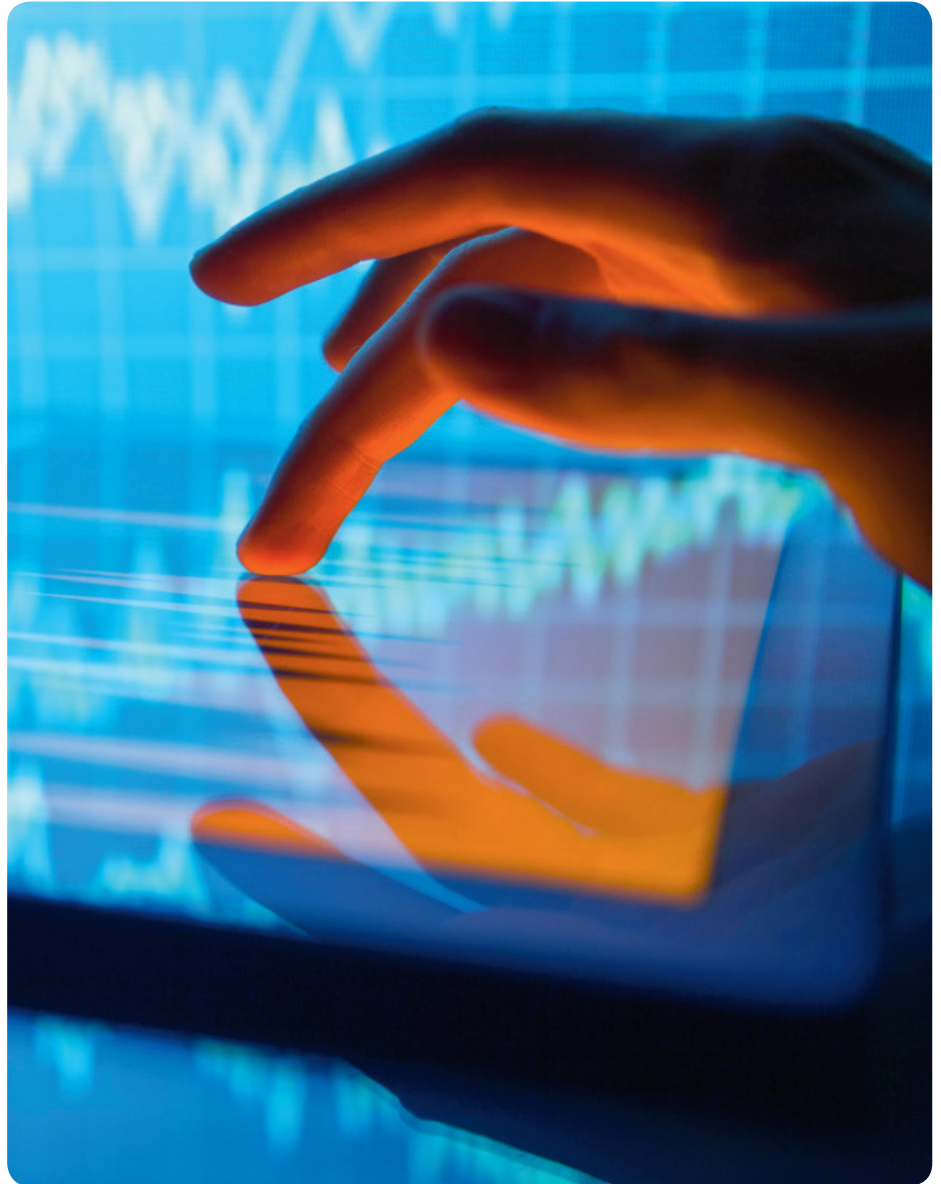
Achieving 100% cash visibility has always been tough, especially in a multinational, multi-bank environment. Today, digital advances are making cross-border cash visibility a reality for all corporates, regardless of their size or IT set-up.

It's a simple equation: without visibility, treasurers cannot adequately control and mobilise group cash. A lack of accurate and timely information over the company's cash positions will impact treasury's ability to create meaningful forecasts, manage foreign exchange risk, make prudent investment decisions, and keep a lid on borrowing costs.

Yet fewer than six in ten treasurers have over 80% cash visibility, according to a recent survey conducted by Kyriba and the Association of Corporate Treasurers<sup>1</sup>. Reasons behind this shortfall include the level of treasury centralisation and the company's geographic footprint. Getting the right technology in place is another significant cash visibility challenge – but also one of the greatest opportunities for treasurers.

## Common stumbling blocks

For smaller corporates, technology concerns frequently revolve around costs. While treasury management systems (TMSs) have become more affordable thanks to cloud-based delivery models, many companies are still reliant on spreadsheets to complete manual forecasts and reporting.



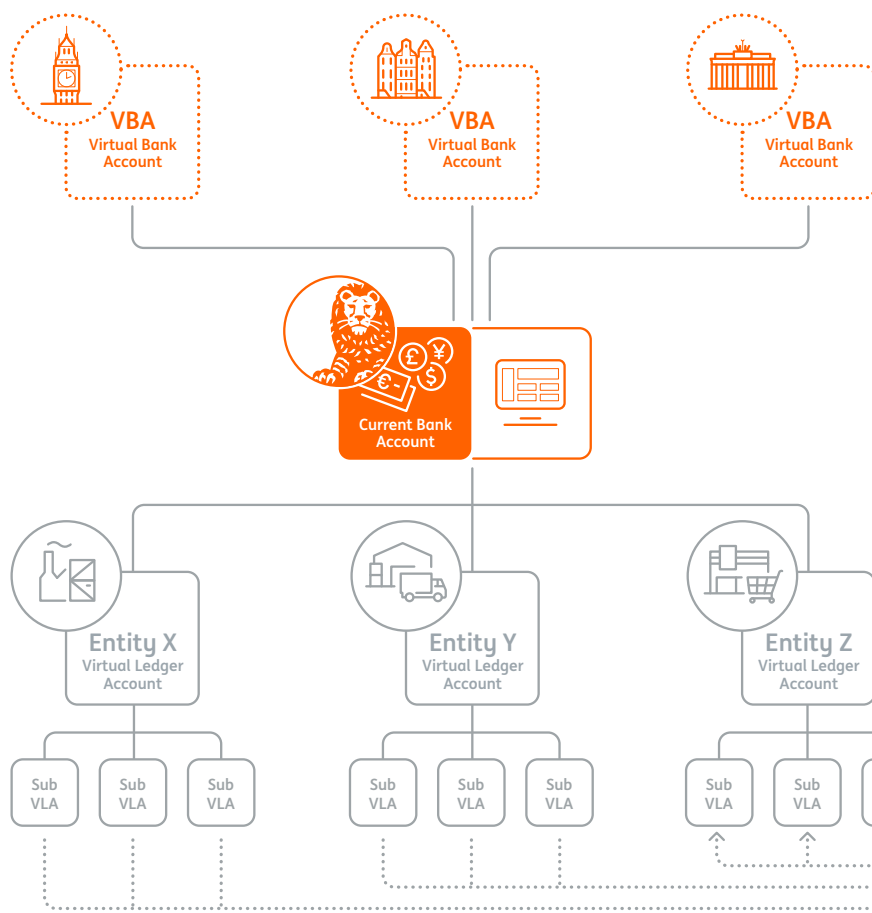
Using downloads from different single bank portals to manually build up a picture of the company's cash is inevitably time-consuming. There's also significant margin for error and data is often only available on an end-of-day basis.

Meanwhile, larger corporates that do have sophisticated treasury technology still face visibility challenges. Before an accurate overview of the company's com-

plete cash position can be built up, there are legacy infrastructure and integration issues to overcome.

Trying to achieve cross-border cash visibility with multiple TMS and enterprise resource planning (ERP) systems can be a real struggle. Ask treasurers of any large multinational, and they'll tell you that format and channel inconsistencies and incompatibilities are all too common.

<sup>1</sup> Source: <http://www.kyriba.com/company/press-room/fraud-attempts-increase-prevention-not-top-priority-corporate-treasurers>



This article forms part of a series of insights from ING Wholesale Banking on the latest trends and developments in cash management. Watch out for forthcoming articles on enhancing cross-border cash visibility and accessibility, as well as leveraging digital cash management advances to help improve strategic decision-making. For more information, visit [www.ingwb.com/vcm](http://www.ingwb.com/vcm)

### Real-time requirements

As such, the need for a multi-bank cash management portal that is scalable and capable of connecting to existing TMS and ERP systems in a seamless, light-touch way has never been clearer.

Alongside this, there's a growing requirement for real-time cash visibility. This is largely being driven by the advent of instant payments, as well as the need to monitor receivables (and therefore customer credit lines) more closely as the pace of international commerce intensifies.

With this in mind, it's hardly surprising that technology vendors are investing in multi-bank cash management portals that aim to deliver a single view of the company's cash, in near real-time. However, the resource requirement to work with these solutions – whether it be time, money, or knowledge – still tends to be rather high. At ING, we believe a different

approach is required, which is why we're introducing Virtual Cash Management.

### Seeing things clearly

Virtual Cash Management is an easy-to-implement digital overlay that enables central visibility and availability of cash, while respecting the underlying treasury structure. It combines **Virtual Bank Accounts** with administrative sub-accounts called Virtual Ledger Accounts (see Figure 1). It allows every company, regardless of its IT infrastructure or budget, to see its group-wide cash positions from anywhere in the world, in near real-time. All this in a single, flexible, multi-bank, self-service dashboard.

### Virtual Cash Management: enhancing visibility

Facilitating the set-up of in-house bank and 'on-behalf-of' structures for payments and collections, Virtual Cash Management also enables treasury to reach a

greater level of cash centralisation, in line with the organisation's own timescale and strategy.

### Minimising the blind spot

So, where treasurers have previously grappled to combine all the elements required for achieving full cash visibility, today's digital advances can deliver the whole package.

Technology not only has the ability provide a near real-time view of the group's cash positions, it can also enable greater centralisation, further improving cross-border cash visibility and accessibility.

When it comes to cash visibility, the 'blind spot' is quickly becoming a thing of the past.

