



Solution

# Fusion Cash Management

A single global solution across business segments, borders and channels



# Executive Summary

**As banks look for international growth in corporate banking, their customers expect best-in-class cash management with value-added services, compliance and real-time capability.**

Fusion Cash Management has been developed to respond to these fast-evolving needs. As technological advances drive demand for real-time access and better visibility, the time for better cash management is now. The Finastra solution addresses the modern payments landscape, with receivables and liquidity management services to improve working capital.

Corporate customers can automate their cash management processes and take advantage of modules to support a wide range of activities. All users benefit from next-generation ease of use and functionality, in a solution that operates across channels and transaction types.



## The time for better cash management is now

Digital disruption and changing customer expectations have made the corporate world more complex. This has radically reshaped the banking landscape and the ways in which corporates interact with banks.

### Liquidity optimization

Liquidity optimization is increasingly important as corporate treasurers strive to manage and optimize working capital in a dynamic, global environment.

With the growth in international working capital requirements, and in order to make the best use of their cash, most companies have implemented cash pools across multiple currencies and countries. Global or regional treasuries are now commonplace and not just in large multinational corporates – this trend is also being seen among small and mid-sized corporations.

### International growth

Many banks are looking to geographic expansion as a source of growth. Wherever they look, their corporate customers' demands in the area of cash management are evolving significantly. The visibility of cash positions is viewed as critical. Corporates are looking for value-added services and a single view of their global position, with flexible analytics. At the same time, they need to be compliant across borders, currencies and banks.

To maintain their role as trusted advisor, banks must align themselves perfectly with the requirements of corporate customers – and even play a role in their digital transformation efforts.

### Better experience

Corporates want solutions that improve the efficiency of their cash and working capital management globally. They expect automation, centralized and real-time information, lower costs and more simplicity.

This drives an emphasis on user experience and intuitive design. Low-cost deployment models such as cloud are increasingly popular.

### Real-time expectations

Customers want more and they want it in real-time, putting pressure on banks to innovate faster. Data analysis, which powers cash management, is growing in significance. Today's technology can collect more data than ever, for example how often you process particular currencies or which days are busiest for your business clients.

### Emerging technology

Cash management technologies with more analytical capabilities will help banks deliver better advice and customer service. AI is revolutionizing the world of payments, as machines begin to handle routine payments. Machine learning, for example, could keep your clients' data safer and more accurate. Banks themselves are also interested in adopting these technologies for their own in-house cash management.

Advances in technology are driving liquidity management strategies, allowing real-time access, a global view of cash at any given point, faster processing, and enhanced capabilities to use cash pooling and other important mechanisms for cash flow management. The time is right for banks to give their corporate customers access to these evolved systems, and significantly improve their relationships. In a future where uncertainty and volatility are likely to be the norm, having systems in place that enable efficient and effective cash flows will be a necessity rather than a choice.

### Advanced cash management

Banks looking to exploit the corporate cash management opportunity are confronted with a number of significant challenges. Each corporate has unique requirements and goals. It is difficult to obtain detailed information on accounts held on disparate back-office systems, while pooling solutions require complex calculations and processing. And cross-border cash pooling is subject to a maze of regulation and legislation. As new competitors emerge, value-added services will remain key for banks.

For corporates focused on global growth and services to improve working capital, Fusion Cash Management addresses the growing ubiquity of faster, modern payments with integrated liquidity management tools and working capital-focused capabilities.

The solution enables a bank's customers to automate payables and receivables, gain real-time cash position visibility, and leverage automated delivery tools for balance and information reporting. Add-on modules support activities such as managing corporate liquidity, facilitating supply chain financing, and efficiently capturing remote deposit transactions.

### Next-generation ease of use and functionality

Fusion Cash Management supports a modern, digital-age user experience, with robust analysis of customers' usage trends, product adoption and transaction volumes.

### Omni-channel solution

A single platform addresses multiple business segments across geographies, including support for multiple currencies and languages. Robust capabilities are targeted to mobile, desktop and tablet, with an appropriate user experience design. One platform also supports payments, liquidity and receivables functionality that scales to meet the range of needs from a small business to a multinational corporation.

### Transaction ubiquity

Support for world-class payments and transfers includes security and workflow controls, for example multi-level approvals, granular entitlements and limits with options for segment and/or customer level settings. Integration with our modern payments hub solution, Fusion Global PAYplus, offers end-to-end payments processing for your customer and back office transaction processing. Integration with financial messaging services offers a unique level of SWIFT network integration.

### Liquidity management

Fusion Cash Management includes a wide range of liquidity management tools to manage cashflows, credit facilities and working capital across many accounts, potentially spanning multiple banks.

The solution consists of a single engine to provide the database, calculations and processing for notional pooling -single currency and multicurrency- and sweeping - single country and cross border -with the most common method for sweeping being where balances are physically moved in one currency at a time. Different interest apportionments are available.

The system delivers a high level of automation to improve operational efficiency and the flexibility banks need to both define innovative pooling products and operate in multiple regulatory jurisdictions. Furthermore, all information related to the cash pool can be delivered to corporate treasurers online.

Ultimately, Finastra enables banks to win on customer service. Enhanced customer service helps you attract and retain corporate customers, increase your 'share of wallet' of those customers, develop new revenue streams that will support your digital transformation

//

**For corporates focused on global growth and cross-border opportunities, Fusion Cash Management addresses the growing ubiquity of faster, modern payments with integrated liquidity management tools and working capital-focused capabilities."**



75%

of the companies confirm that when selecting a banking partner, the most important criteria is the bank capabilities



59%

of the cash is pooled on a daily basis by treasurers



74%

of the cash is visible daily by treasurers

**More than a quarter of global cash is not visible to Corporate Treasury on a daily basis. This may be relating the right bank connectivity solutions or the ability of local banks to provide cash balance information in a cost-effective manner which may offer an opportunity for optimization.**

\$364



GTB revenue globally is projected to grow at an overall rate of 5% (CAGR) through 20222

77%



expect to increase innovation over the next 3-5 years with AI, blockchain or a new innovative culture

1. IDC Global Corporate Treasury Survey 2019

2. Oliver Wyman GTB Revenue Pools, Celent 2020

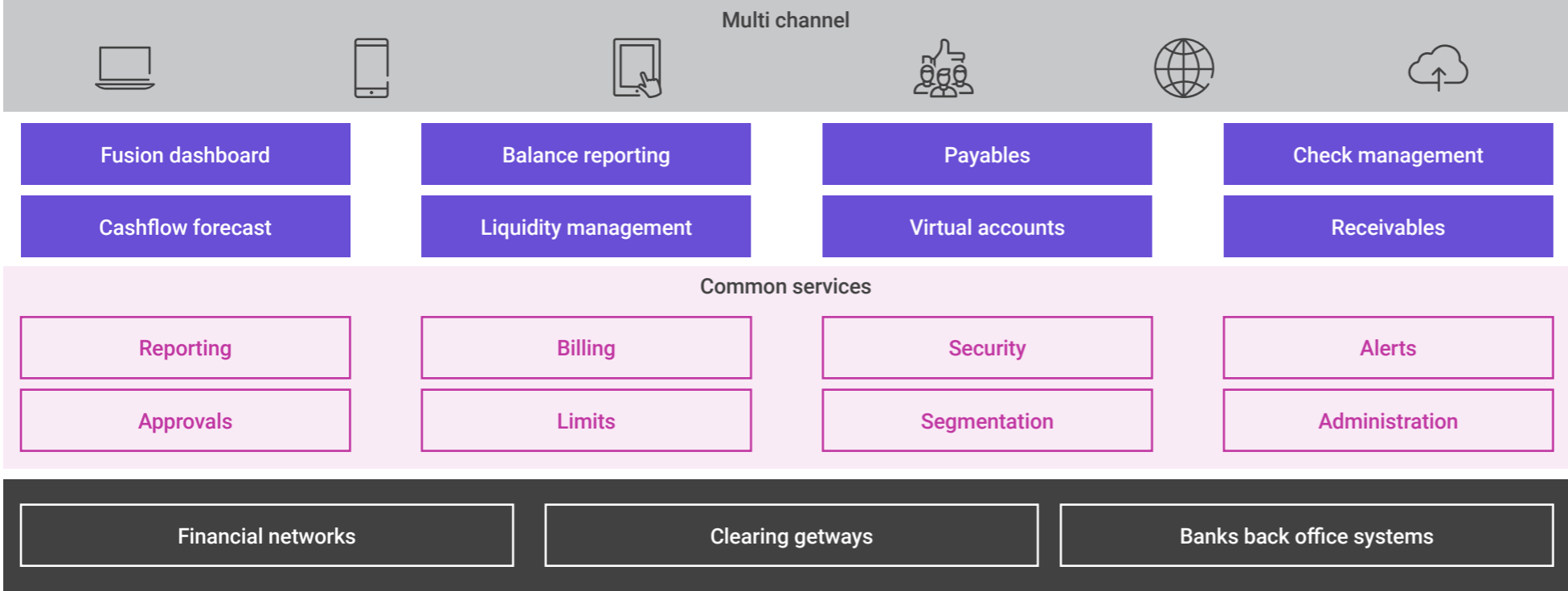
3. PwC Digital Treasury – It takes two to tango 2019 Global Treasury Benchmarking Survey

4 **FINASTRA** Fusion Cash Management Solution

# Single platform, modular design

With Fusion Cash Management, financial institutions can help their customers optimize working capital through enhanced cash flow, manage payments, provide treasury services, send and receive financial messages, automate payables and receivables, and accommodate channel access. The solution is secure, operationally efficient and reliable.

## Customer front end



# Full suite of cash management modules

## Pooling: thriving and here to stay

Regulatory change and the rise of new technology have led to question marks over cash pooling in recent years yet it remains an effective, valuable strategy for companies aiming to maximise the availability of internal sources of capital, especially when it is executed on a global scale.

In recent years there has been speculation over the relevance of notional pooling due to regulatory changes, for instance Basel III, making corporates perhaps unsure whether it will be useful to them in the future. However "notional pooling is much alive and will continue to be on the agenda in the future for corporates wanting to optimise cash management.

## Sweeping features



Sweeping can be set to occur daily on scheduled dates or at periodic frequencies, intra-day at specific times and/or on request



Flexible target and trigger balances and value-dated sweeping (including back valuation)



Includes capability to cope with multiple time zones and allow global sweeping, either from east to west or from west to east



Exchange rates can be fixed to allow multi-currency sweeping



Supports local and cross currency instructions



Enables set up and execution of third bank sweeping

## Notional pooling features



Automatic notional pooling across multiple banks, countries, currencies and time zones, where permitted



Offers true multi-currency notional pooling rather than converting the accounts via a sweep into the same currency then notional pool



Automatically calculates and apportions interest or margin bonus, and banks' pooling costs



The system offers different interest calculation methods



Full reporting so corporations can see how interest has arisen



Simulates cash pooling structures

## Payments

With Fusion Cash Management, financial institutions can manage payments of all types, within and across national borders, to and from any channel, with the highest degree of automation and straight-through processing (STP) available on the market. The solution delivers full transparency and real-time visibility at every stage of the payment lifecycle. Fusion Cash Management also offers a range of payables solutions that can help corporates manage working capital more efficiently and effectively. Payables can be originated through a wide array of channels including web, file upload, host-to-host, tablet and mobile. Corporates can manage all types of payment needs in a single window: electronic and physical instruments, local and foreign currency, domestic and cross-border, and specific intention-based, statutory or simple fund transfers.

# Full suite of cash management modules

## Receivables

Fusion Cash Management supports receivables processing through a comprehensive range of channels and can include additional information to support settlement and reconciliation. Where finance departments are initiating invoices and processing payments from multiple host systems, our receivables module acts as a 'hub' that captures data on all the flows in real-time. This creates an end-to-end collections management system that enables corporate customers to improve efficiencies in their collection process, make better decisions, and achieve total visibility of receivables.

## Balance and transaction reporting

With cash position reporting, standard balance and transaction reports, custom reports, downloadable and scheduled reports plus saved filters, Fusion Cash Management addresses a corporate's need for daily visibility and real-time access to its financial accounts. It supports automated balance reporting, simplifying the daily task of gathering balance information, and allowing a firm's customers to benefit from multi-bank balance reporting with a single view of their accounts across banks.

## Cash flow forecasting

Cash Flow Forecasting helps corporates to optimize surplus funds and to benefit from optimized cash flow, enhanced liquidity and increased competitiveness.

With the Cash Flow Forecasting module, users can group the forecast based on account type (for example loans, saving, and checking) or currency (if the client holds an account in multiple currencies). It also allows tracking of the partial funds received against the forecasted transaction. Data can be exported for further analysis or uploaded into ERP systems.

## Virtual accounts management

Virtual Accounts enable banks to credit clients' accounts without revealing their real accounts. Clients can also receive detailed analysis of receivables against each virtual account. For example, a mobile phone operator collecting phone bills can create virtual accounts with account numbers that are the same as customers' mobile numbers, so subscribers pay into a credit account that is the same as their mobile number. Within the bank, mobile numbers are mapped to the credit account of the mobile operator. Credit will flow into the mobile operator's account, and it will be able to reconcile receivables based on the virtual account numbers.

## Key advantages are:

- Extend physical account to support specific virtual account structure
- Multiple types of virtual accounts (sequential, non-sequential, auto-defined, manual selection)
- Make payments on behalf of (POBO) or receive collections on behalf of (COBO)
- API to interface with external systems requiring virtual account definition

## Third-Party Fund Administration (TPFA)

With this module, banks can automate parts of the third-party fund administration process. Third-party fund administrators or agents are typically attorneys, estate agents, sheriffs, property managers, and asset managers. Agents handle treasury management functions for their customers.

## TPFA services in Fusion Cash

### Management include:

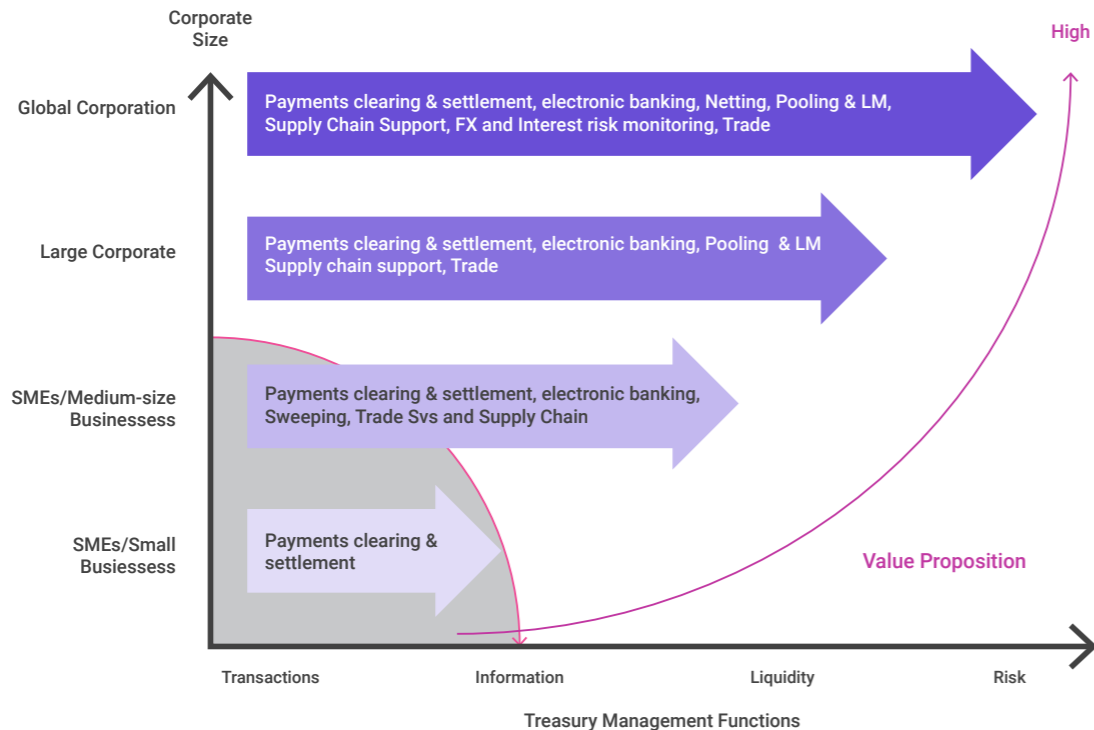
- Maintain TPFA agent list
- Compute interest on funds held by TPFA agent and its clients
- Calculate and apply fees on end-customers
- Allow the TPFA agent to self-administer end-customer onboarding (sub-accounts) and fee structure
- Generate relevant reports
- Provide alert notifications upon certain events
- Calculate taxes as applicable to the agent / end user

## Support for any scale of corporate business

## Support for any scale of corporate business

For smaller businesses, Fusion Cash Management supports basic cash management and payments, while large multinational corporations can benefit from robust entitlements, cash flow forecasting, liquidity management, and supply chain finance management services.

### Customer needs grow with differentiated service requirements along the transaction value chain



With Fusion Cash Management, all of these services are modular and fully integrated to offer a best-in-class user experience for business customers.

Banks can ease the process of onboarding clients with pre-defined products, packages and billing plans that fit with its segmentation strategy or go-to-market focus. Components can be re-used across multiple segments, markets or geographies, reducing TCO.

#### Integrated global transaction banking solutions

Fusion Cash Management provides out-of-the box integration with Finastra solutions for Remote Deposit Capture, Total Payments and Total Messaging (SWIFT). It also supports custom interfaces with third-party solutions so banks can offer best-in-class, end-to-end treasury management solutions.

#### Fusion Open API

The Fusion Cash Management APIs enable third-party developers and financial institution personnel to access the solution's proprietary functionality. The APIs enable authorized users and customers to:

- Access Fusion Cash Management services and integration points
- Integrate Fusion Cash Management with the FusionFabric.cloud ecosystem
- Reduce Fusion Cash Management implementation and onboarding times
- Share and retrieve data from various Finastra products



# Global Services


## Get maximum support from your Fusion solutions

With Finastra solutions, you've chosen the platform and components that can transform your business to meet the challenges of today and the future.

Now, it's time to boost their impact with Finastra Services, helping you to get the maximum return on investment from your Finastra solutions, with **better** outcomes that are achieved **faster** and **safer**.

[Contact us](#) to find out more about our Services portfolio or head to our [Services page](#)



 Click each icon for more information

# Global Services for Fusion Cash Management

Our services are designed to provide dependable timelines, optimize total cost of ownership and provide expert consultancy to guide you throughout your projects.



### Fusion Adopt

Fusion Adopt employs market best practice and proven techniques to successfully and smoothly implement your solutions with minimal disruption and risk.



### Fusion Select

Fusion Select is a premium service that allows you to tailor your services to your organization, from aiding integration to providing onsite subject matters experts. We take on the burden of projects and support, giving you freedom to focus.



### Fusion Knowledge Services

The key to successful IT projects is effective training, Fusion Knowledge Services embeds valuable expertise and knowledge throughout Finastra customers and partners.

# THE FUTURE OF FINANCE IS OPEN

Finastra is unlocking the power of finance for everyone by creating a platform for open innovation in the world of financial services.

## Contact us

### **About Finastra**

Finastra is building an open platform that accelerates collaboration and innovation in financial services, creating better experiences for people, businesses and communities. Supported by the broadest and deepest portfolio of financial services software, Finastra delivers this vitally important technology to financial institutions of all sizes across the globe, including 90 of the world's top100 banks. Our open architecture approach brings together a number of partners and innovators.

Together we are leading the way in which applications are written, deployed and consumed in financial services to evolve with the changing needs of customers. Learn more at [finastra.com](https://finastra.com)

Finastra and the Finastra 'ribbon' mark are trademarks of the Finastra group companies.

© 2020 Finastra. All rights reserved.

### **Corporate Headquarters**

4 Kingdom Street

Paddington

London W2 6BD

United Kingdom

T: +44 20 3320 5000

