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Treasury Digitisation: innovation and advancement



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What is Digital Dialogues?

In 2021 Treasury Today Group and Citi bring you a new series dedicated to the topics of the moment. This audio centred content series brings together leading voices from across Asia Pacific. From academics to corporate treasurers to financial leaders, we will focus on the issues affecting corporate decision makers against a backdrop of the pandemic and global risk.

In our first audio episode with Jason Han of Nanyang Technological University and Citi's own Sandip Patil, we explored the most exciting digital innovations of the past decade, outlining the scope of our upcoming episodes throughout the course of this year's series and focusing on both their experiences and insights.

Jason Han has held roles in corporate treasury at SABIC, Michelin and most recently at GE, leading treasury digitalisation. When asked about his highlights from the last decade of advancements and innovation in treasury, Han spoke about process excellence

and how APIs are helping bank connectivity. He speaks about SWIFT GPI, the importance of virtual accounts and how that has been used to maximum effect, all of which are driving process excellence.

Looking ahead

Han spoke specifically about cash flow forecasting, 'Cash forecasting for all corporates is an exciting space. Many things can be done from there. Helping to finance and at the same time you can see sales patterns that are coming up and where certain suppliers may be having certain issues. Automating and using AI for cash flow forecasting is very impactful and innovative.'

Patil agrees but believes 'It's not all about cash flow forecasting'. Looking beyond just automation, they focus on putting decision making into the power of machines. Moving from APIs to 'deep APIs,' the bulk of the APIs are consumed with balances and we have taken it deeper into treasury's needs into cards, supply chain etcetera, to offer a range of services and digitise the entire domain. Creating a service and leaving the client just to consume that service isn't enough so we want to co-create solutions with our clients which can perfectly suit their needs and so that they can benefit fully in execution.'

Transformation

When asked about advancements and digital transformation in general, Patil states 'Digital treasury will play a huge role in digital transformation of the whole world as we continually grapple with the pandemic. All the wallets such as Alipay along with digital currencies are players in this space and so digital treasury is a vital area. It will have been only enhanced by the pandemic and more widespread adoption of new technologies.'

Total transformation

Patil speaks about 'transformation rather than evolution,' that he has seen with disruption and metamorphosis occurring across the world and across multiple industries. 'Treasury is no longer seen as a space which just acts as financial efficiency but it also drives cash flow, profits and business support which brings a large amount of investment and evolves the way the function operates. The newer technologies like APIs, robotics and instant payments drive change in a positive direction to create new business pockets and demands.' Although Patil recognises that such transformation brings challenges, the overall energy is positive.

Harnessing new technology

As new technologies emerge there is a co-existence with existing technologies. This is set against a backdrop of a complex regulatory backdrop and cyber security landscape. When it comes to the impact of the pandemic, Patil explains, 'Shock after shock and wave after wave, there has been a lot that everybody has gone through. Ecommerce has taken a boost and future of work has been affected. Consumption habits have certainly shifted as tolerance and patience have diminished. Reactivity on the part of providers has improved. This is a totally different landscape that is transforming business.' As Patil explains, this change and ecosystem shift has changed forever and he believes that out of these challenges positive changes have developed.

Collaboration and community

Han's new role brings his corporate experience into an academic space as he collaborates with the fintech industry and industry associations to create learning opportunities and collaboration. Bringing professors and research teams together with the industry allows both sides to leverage one another's expertise and to create a better future for the industry and Singapore at large. Han wants to encourage an environment where corporates can reach out and collaborate, and welcomes all the community to get in touch with universities and himself.

Patil continues, 'The approach with which services and solutions are developed differentiates Citi. Perceiving fintech as a collaborative partner instead of as the competition was an approach that we took from the beginning.' The future of innovation comes from these collaborations, interactions and exchanges and is one of the main reasons why we have created Digital Dialogues, to inspire that synergy. Citi has long promoted a collaborative approach within the industry and has many academic partnerships. It has long facilitated education and exchange with its corporate clients through its annual conference and partnerships with academic institutions including INSEAD (Institut Européen d'Administration des Affaires).

To listen to the full audio episode and to see all the episodes in our new Digital Dialogues series here:
treasury.com/digital-dialogues-2021