



Innovation and Excellence in 2016 The Awards

By **Helen Sanders**, Editor



Yet again, 2016 saw a record number of nominations and submissions for the TMI Awards for Innovation and Excellence across both bank/supplier and corporate categories. Once again, the quality was outstanding, and many entries, both winners and – we hope – future winners, reflected a great deal of thought and effort, for which we offer our sincere thanks. So with such close competition, what ultimately marked out our award winners?

A year of success for US banks

The Cash & Liquidity Management and Payments & Collections Awards were dominated by Citi and Bank of America Merrill Lynch respectively this year, with both banks submitting highly professional entries supported by very strong client

testimonials. Citi won the Global Cash & Liquidity Management award, together with regional awards for Sub-Saharan Africa and South America. In Asia Pacific and Middle East & North Africa, Citi was successful in both the Cash & Liquidity Management, and Payments & Collections awards. In addition to specific regional

capabilities in each of the relevant categories, the judges were impressed by the bank's ongoing investment in innovative customer solutions, such as its liquidity management services and Citi Treasury Diagnostics (CTD). With over 600 participants, this differentiating diagnostic feature helps clients to identify strengths, weaknesses, and areas for improvement and generates specific action plans to help them prioritise their activities. An extension of CTD is the Citi Bank Rationalization Tool (BRT). For complex multinational corporations aiming to rationalise global banking or transform treasury practices, BRT allows the client to gather data in a consistent manner on banking practices to review its current state and make critical decisions.

Bank of America Merrill Lynch achieved similar success in the Payments & Collections Awards, as well as being awarded best bank for Cash & Liquidity Management in North America and China. As the winner of the Global Payments & Collections award, as well as regional awards in China and South and North America, Bank of America Merrill Lynch had a demonstrable commitment to innovations that are driving a change in client behaviour and opportunity. Over the past 12 months, the bank has launched a range of new solutions such as virtual account management (VAM), the next generation of virtual accounts, which supports both payments and collections, including SEPA direct debit collections. Other innovations include ongoing investment in the bank's card programme, and CashPro® Flow, which enables clients to lock in FX rates over extended periods (also recognised by the technology award for Risk Management).

European banks fighting back

While Citi and Bank of America Merrill Lynch may appear to dominate these award categories, other international and regional banks were successful in some of the most hotly contested categories, most notably in the European awards. Nordea won the Nordic regional awards for Cash & Liquidity Management and Financial Supply Chain Management. The bank's submission, supported by a variety of client nominations, reflected the leadership role that the bank is taking in cash management innovation, with an active innovation lab running initiatives in

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fintech collaboration, PSD2 and open banking. Nordea's Startup Accelerator programme is well-established and reaping benefits for the bank, fintech partners and ultimately, the clients they support. The bank is also a pioneer in external initiatives such as the R3 CEV Blockchain initiative and SWIFT's global payments innovation (gpi) initiative.

In western Europe, the most contested region, the clear winners were Deutsche Bank and BNP Paribas in Cash & Liquidity Management and Payments & Collections respectively. There has been significant reader interest in BNP Paribas' Payments & Collections supplement published earlier in 2016, and more recently, its Cash Management University publication, which together with other articles during the course of the year, are a clear demonstration not only of BNP Paribas' credibility, insights and solutions in payments and cash management, but also of the bank's commitment to engaging with the corporate community to share ideas and challenges, co-create solutions and provide education.

Deutsche Bank, winner of the Cash & Liquidity Management Award for western Europe, was also heavily focused on client engagement during the course of 2016. These included a global treasury research project culminating in the white paper *Managing Risk in Challenging Economic Times* conducted with The Economist Intelligence Unit. A series of articles authored by Deutsche Bank experts based on the findings of this report starts in this edition of TMI. The bank has also announced a number of notable new corporate mandates and innovation projects, including ongoing developments of its FX4Cash platform and Autobahn App Markets, including Cash Inquiry which supports payments across all currencies

and management reporting for performance analysis.

In Central & Eastern Europe, UniCredit was awarded best bank for Cash & Liquidity Management, not least due to the excellent guide published in conjunction with TMI in September 2016. The Guide combines expert industry insights with practical, innovative customer solutions, and has been warmly welcomed by readers. UniCredit's leadership position in instant payments was also amongst the reasons for the judges' decision to offer this award.

Staying in Central & Eastern Europe, ING was particularly noted by the judges for the quality of its submission, with a clear commitment to creating a high quality customer experience by simplifying and streamlining its organisation and processes and investing in innovation. This includes initiatives to standardise and rationalise the documentation, with notable results for customers, and ongoing development of its Inside Business international banking platform. Similarly, while other banks have been consolidating their footprint, ING continues to expand to new territories in line with customer demand.

A balanced picture of bank achievement

In Financial Supply Chain Management, covering trade and supply chain financing, there was a very well-balanced picture of success across multiple banks. BNP Paribas should be congratulated on an excellent submission which resulted in the global award, with a clear commitment to developing and reinforcing its depth and breadth of capability across a footprint of 60 countries and territories to support international trade. The thought



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leadership and educational focus demonstrated by the cash management team is also clearly apparent in the bank's trade finance team, with a wealth of both cash management and trade finance information provided through the Atlas on the bank's cash management website. The only bank to win awards in two regions in this category was Societe Generale, which was successful in both Middle East & North Africa and Central & Eastern Europe. The bank's factoring business enjoys a leadership position in France, but also in key markets in these regions and beyond. Since the beginning of 2016, Societe Generale has been engaged in a transformation project to create a dedicated factoring business line to facilitate integrated solutions and best practices since the beginning of 2016, which is likely to further enhance its success.

ANZ's success in Asia Pacific was based on a variety of excellent case studies and testimonials. These illustrated demonstrable benefits in improving earnings and leveraging receivables finance to drive behaviours at client organisations, enhancing cash conversion cycle and reducing the working capital employed. In North America, HSBC's submission was also successful as a result of the quality and diversity of case studies and client testimonials that supported the bank's entry, across a range of industry sectors including technology, retail, electronics and international fashion. What was clear to the judges from HSBC's entry was the value that clients derived from the combination of the bank's international network with highly personalised solutions that meet each company's distinct requirements.

New priorities, new awards

With FX risk management becoming increasingly important in an environment of ongoing political, economic and currency volatility, this year marks the first of a new award in FX Management and Markets, which the judges unanimously awarded to Commerzbank. This award attracted more customer nominations than any other award, with compliments from a number of senior finance professionals from leading corporations. What quickly became clear from the nominations is not only the achievements of both the bank and its clients, but also

how nice its clients are! One nominated the bank "for consistently insightful and helpful analysis of our balance sheet exposures". Another described the bank as "innovative and convincing", while others referenced the bank's excellent derivative solutions. One simply said "Great bank, great service". For any bank, this is an accolade that's hard to beat. This award was also the only one for which clients mentioned specific individuals, so particular congratulations should go to Mireille Meens, Commerzbank's Head of Corporate Sales, Western Europe, and the teams in both Prague and Germany.

A clean sweep

In the Money Market Fund categories, J.P. Morgan Asset Management won awards for all three regions: Asia, US and Europe, although it should be noted that the competition in each region was very strong, so it was a very close decision in each case. Ultimately, the awards were given based on excellent client testimonials, including comment on the degree to which J.P. Morgan Asset Management advocates on behalf of its customers, the quality of advice and transparency of its cash investment solutions. Readers also responded very favourably to the expert contributions to TMI during the course of the year, which have also enhanced perceptions of J.P. Morgan Asset Management and its credibility.

A quick fire round....

With fifteen separate technology categories, including an impressive number of nominations and submissions in each one, I will keep this section short... Judges decided to award the 2016 technology awards for innovation and excellence for the following achievements:

Card solution

Bank of America Merrill Lynch, for its Value of Cards web app. This app, which is freely available to clients, models the potential benefits of a B2B payment card solution. The tool offers detailed estimates of savings and efficiency gains based on the company's specific circumstances, which are crucial to developing a robust and compelling business case. Treasurers and finance managers can also set realistic objectives for card projects and measure success.





Trade finance solution

BELLIN, for its integrated, paperless trade finance solution as part of tm5. This allows clients and their banks to exchange trade finance data and documentation electronically using a standardised process with impressive straight-through-processing, reporting and tracking.

Bank connectivity

Reval, for developments to the Reval Cloud Platform over the past year, including integration of: Fides, a global multibanking service bureau; EBICS, the transmission protocol used extensively in Germany and France; SWIFT, including Alliance Lite2; BACS, the interbank payment network in the UK; NTT DATA's gateway to Japan's ANSER and Zengin, amongst a number of other developments to simplify and streamline clients' payment and information processing.

Treasury analytics

OpenLink, for providing corporations with a single platform for treasury and commodities procurement. With high levels of commodity and currency volatility, corporations are increasingly demanding an integrated view of their currency and commodity price risks as opposed to managing these separately.

Accounts receivable solution

FIS, for its GETPAID solution. Over the past year, FIS have continued to develop GETPAID with a sophisticated credit workflow engine and ongoing enhancements to its predictive credit scoring and collaboration capabilities. Clients particularly valued FIS' partnership approach to achieving highly efficient credit & collection processes and managing risk.

Mobile treasury solution

Commerzbank, for its photoTAN (transaction authentication number) smartphone app. This provides customers with dual-factor authentication, including a single-use barcode solution to authorise and release transactions, including securities, time deposits, call money and administration, providing both security and convenience.

Electronic trading – MMFs

EBS Treasury, for innovation and expansion of its electronic trading portal, in addition to strong sales and client testimonials. New developments include: an investment

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optimiser to evaluate net returns across different currency MMFs and execute swap and investment/redemption transactions automatically, an embedded EMIR reporting capability; addition of commercial paper trading and a variety of initiatives across different product types, including FX and local authority peer-to-peer lending.

Accounts payable solution

FIS, for its TRAX solution. TRAX's comprehensive functionality across both payment processing and bank reporting continues to be the industry benchmark for accounts payable, with notable developments not only in efficiency, integration and transparency, but also in fraud prevention and detection, such as fraud lists and 'self learning' to detect deviations in payment behaviour. Client nominations were particularly strong for this award, which we look forward to exploring in more detail during the course of 2017.

ERP-based solution

Hanse Orga, for its recently enhanced and extended FS2 Payments, an SAP-embedded software solution that supports medium-sized companies as well as global players with complex corporate structures in performing their payments most effectively and cost-efficiently. The solution helps centralise control and visibility of company-wide payments and supports global payment factories.

Cash management solution

ING, for its Virtual Cash Management (VCM) solution that the bank launched in 2016. VCM enables treasurers to rationalise and simplify account structures and set up or enhance in-house bank structures with advanced capabilities including invoice matching, optimised reconciliation, internal

transfers, and intercompany loan administration. It also facilitates both payments and collections-on-behalf-of (POBO and COBO) structures.

Customer experience

HSBC, for its GTRF solution, a digitally-enabled sales and onboarding model for SME customers, including in markets such as UK, Hong Kong, China, US, and Mexico. The bank has completed the implementation in the UK Receivables Finance business and with that, has become the first trade bank to apply a direct model of this kind, with the aim of rolling out more widely. The solution is based on a digital platform offered by Vizolution, a SaaS-based customer experience company in which HSBC has invested, demonstrating an early example of how major banks and emerging technology companies are working together to develop innovative customer solutions.

TMS

Reval, for ongoing developments to the Reval Cloud Platform, supported by positive client testimonials. Recently acquired by ION, Reval has invested in a range of additional functionality, in addition to the connectivity capabilities integrated into the platform listed above, including support for IFRS9 and double-byte characters, and negative interest rate models. One client commented, "Aside from having a talented group of practitioners, this [Reval] is really the system that lets them [the team] execute at their best and focus more on trade optics and value-added decision-making instead of back-office items."

Solution innovation

Standard Chartered, for its 'Banking the Ecosystem' concept, summarised by Alex Manson, Global Head of Transaction Banking in the October (247) edition of

TMI. While supply chains typically refer to the connected thread of suppliers and wholesalers that create a company's products and services, and the distributors, agents and retailers that sell them, this concept has arguably become outdated as networks of commercial counterparties have extended and become more complex and intertwined. Instead, the concept of the 'ecosystem' better reflects the complexity and mutual dependencies that exist, from individuals and small family producers through to the world's largest multinationals. These different entities have different financing and banking needs, but by taking a holistic approach to providing liquidity, managing risk and facilitating transactions, the ecosystem becomes more resilient and efficient financially, and is positioned for growth.

Electronic trading portal, FX

360T for ongoing growth, innovation and investment. With 1,600 buy side customers in 75 countries, and daily trading volume

of around EUR 70bn, in addition to intercompany solutions, 360T continues to go from strength to strength. Clients express a high degree of satisfaction with the platform, which is provided on a SaaS basis, and regulated by the German financial authority.

Risk management solution

Bank of America Merrill Lynch for its recently re-launched CashPro Flow product, which enables clients to pay, price or invoice goods and services in local currency without taking on FX risk. This proposition is available globally for time frames extending from 1 - 180 days, reducing risk and enhancing competitiveness when entering new markets. By aligning these rates with budget or forecast rates, clients can also eliminate any FX exposure between payments, budget rates and hedges, improving forecasting ability, avoiding mismatches and simplifying both supplier relationships and treasury management. ■

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The end of innovation? Not so!

Commentators have been predicting a decline in innovation in the treasury and banking sector in recent years as organisations direct their investment dollars towards regulatory compliance and tackling and pre-empting security vulnerabilities and threats. This year's awards demonstrate that innovation is taking place alongside these essential investments, with a clear focus on enhancing the customer experience. Many people ask at this time of year how their organisation can win a TMI award. So here are our handy tips:

1. You need to enter, or clients need to nominate you. This may sound obvious, but every year we receive calls from banks or suppliers asking why they haven't received an award in a category that they have not entered.
2. Produce a concise submission that outlines specifically why your organisation should be considered for a particular award – bullet points are fine. This can refer to case studies and editorial elsewhere in the publication, but you cannot assume that judges will have time to trawl through everything you've produced to construct a picture of your organisation's strengths in the award category.
3. Encourage clients to nominate you or provide case studies or testimonials you can link to your entry. This was a characteristic of many of this year's award winners, of which Commerzbank is a particular case in point: not only did the bank provide a very strong, clear submission, but clients in all regions submitted very short but powerful nominations.
4. Be selective. It's better to enter for award categories in which you have a compelling value proposition rather than every category.

With thanks for the very many entrants to this year's awards, and congratulations to our winners.

