Kowi Kan
Smart Treasury

Experience you can trust

Innovation you can rely on

06/11/2025

Capstone Project : Edhec Business School

Why Treasury Management Matters

💧 **Cash is the lifeblood of a company**

A business can be profitable and still fail because of **cash shortages**.

Treasury management ensures the ability to **meet short-term commitments** (salaries, suppliers, taxes, debt).

A well-managed treasury allows a company to:

- avoid liquidity stress,
- optimize returns on cash,
- reduce financing costs,
- anticipate needs and negotiate better with banks.

⚠️ **The new financial context**

Interest rates are **volatile**.

Exchange rates are **fluctuating**.

Supply chains and payment cycles are **unpredictable**.

CFOs now need **real-time visibility** on their cash position.

💬 *"Cash is the barometer of a company's financial health — and its first line of defense."*

The Current Market Landscape

Audit and Consulting Firms

- Provide strategic diagnostics and one-off recommendations.
- **Strong analytical expertise**, but often limited operational follow-up. (not regulated so no way to manage financial operations)
- Expensive and not designed for continuous decision-making.
- Poor technical framework.

Banks

- Offer cash management tools and hedging or financing products.
- Useful for daily operations, but advice is often **product-driven**.
- Limited transparency and lack of integrated forecasting capability.

Software Providers

- Examples: Kyriba, Diapason, Agicap, Titan Treasury, Sage.
- Effective SaaS solutions, yet:
  - mostly focused on reporting, not decision-making,
  - costly for SMEs,
  - require complex integration with ERP and banking systems.
- No advice
- No way to manage financial operations

💬 *Today, companies have many tools — but no unified, intelligent view of their future cash position.*

What KowiKan Brings to the Table

The first consulting firm built on technology and experience, with a business model fully aligned with its clients' interests.

🎯 **Our Ambition**

To build an intelligent treasury management platform that offers:

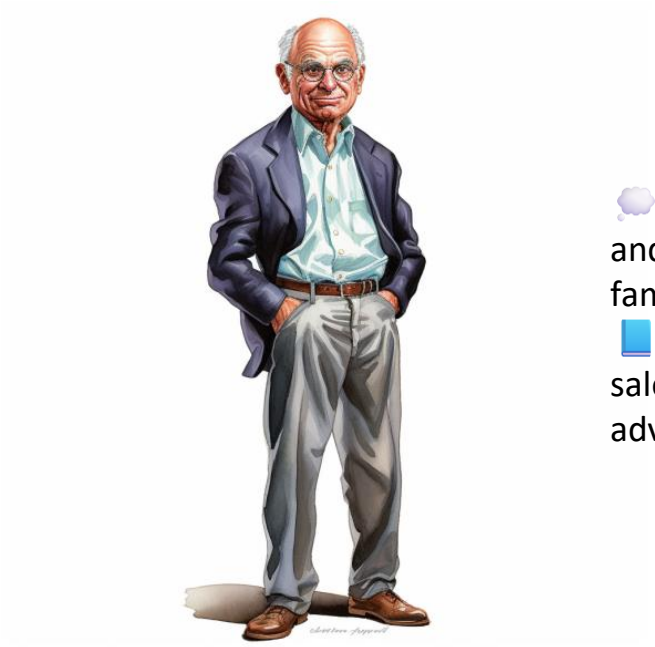
- 360° view of cash positions (multi-bank, multi-entity, multi-currency),
- Automated forecasting,
- Interest rate and FX risk simulations,
- Smart recommendations on placements and funding.
- Ability to manage financial operations in platform

💬 *KowiKan aims to become the new standard for intelligent treasury management.*

Our Knowledge Stack

Harry Markowitz

🎓 American economist and pioneer of **Modern Portfolio Theory** (MPT).
🏆 Nobel Prize in Economic Sciences (1990), shared with Merton Miller and William Sharpe.
💡 Demonstrated that **investors can optimize risk and return through diversification,** introducing the concept of the efficient frontier.
📊 His work laid the foundations of quantitative portfolio management, risk modeling, and asset allocation.



Daniel Kahneman

🎓 Israeli-American psychologist and founder of **behavioral economics.**
🏆 Nobel Prize in Economic Sciences (2002), awarded for integrating psychological insights into economic science, especially regarding human judgment and decision-making under uncertainty.
💭 Co-developed Prospect Theory with Amos Tversky, showing that **people value gains and losses asymmetrically and often act irrationally**.
📘 His work transformed our understanding of risk perception, bias, and decision-making in finance.

+

💭 30 years of real-world experience in FX, treasury, and financial advisory for banks, corporates, and family offices.
📘 Clear, independent business model — no product sales, no hidden incentives, only value-driven advisory.

Our Tech Stack

⚙️ API Connectivity 🧩

- Real-time data integration through secure banking and Financial APIs.
- Unified access to accounts, payments, and market data across multiple entities.
- Enables automated reconciliation and forecasting updates — no more manual spreadsheets.

🤖 Artificial Intelligence 🧠

- AI models analyze historical and real-time data to predict future cash flows with higher accuracy.
- Machine learning identifies seasonality, anomalies, and risk patterns.
- Combines data science and financial expertise to support proactive decision-making.
- Data Privacy : all AI models are open source and stored or our own infrastructure.

🔗 Tokenization

- Converts real-world assets and financial contracts into secure digital tokens.
- Facilitates instant settlement, transparency, and traceability of transactions.
- Opens the door to new liquidity solutions.

Capstone Project

🧭 Objective

Students will design a **treasury forecasting and decision-making model** that integrates:

- cash flow forecasting,
- interest rate and FX risk analysis,
- investment and financing decisions,
- and a digital prototype or simulation.

🔍 Expected Learning Outcomes

Students will learn to:

- Build a **robust cash flow forecast**,
- Analyze exposure to **interest rate** and **FX risk**,
- Propose **hedging and investment strategies**,
- Develop a **digital or automated model** (Excel, PowerBI, Python, Notion…),
- Communicate insights like a **modern CFO**.

Project Structure

1. Cash Flow Forecasting
Model inflows and outflows over 3–6 months.
Create base, optimistic, and pessimistic scenarios.
Identify cash shortages or surpluses.

2. Interest Rate Risk
Identify variable-rate debt and simulate rate shocks (+/–100 bp).
Estimate the impact on interest expenses and net results.
Suggest hedging or refinancing strategies.

3. FX Risk
Map out foreign currency exposures.
Quantify the impact of ±5% currency moves.
Suggest hedging (forwards, netting, natural hedging).

4. Investment & Financing Decisions
Optimize short-term placements and funding choices.
Compare costs and returns across scenarios.

5. Innovation / Digitalization
Automate calculations and visualization.
Build dashboards, simulations, or simple APIs.

📘 **Deliverables**

Written Report (10–15 pages)
Context, modeling, results, recommendations, and digital proposal.

Prototype / Model
A working tool or dashboard demonstrating the logic.

Oral Presentation (10–12 min)
Clear, structured presentation to a mock financial committee.

Timeline & Milestones

🗓️ Week 1 — Market Analysis & Research Foundations

Objective: Understand the current treasury management landscape and the academic basis of forecasting models.

Tasks & Deliverables:

Conduct a **market analysis** of existing treasury solutions:

- Consulting firms (e.g. Big 4, advisory boutiques)
- Banks (cash-management offers, hedging services)
- Software vendors (Kyriba, Agicap, Diapason, Titan, etc.)

Identify their **strengths, limits, and innovation gaps**.

Build a **bibliography / literature review** on forecasting models:

- Statistical (ARIMA, exponential smoothing)
- Machine learning (LSTM, GRU, ensemble models)
- Academic references: *J.P. Morgan (2024)*, *Roy et al. (2025)*, *Fitranita et al. (2024)*

Deliverable: Short research paper (3–4 pages) summarizing key insights and sources.

🗓️ Week 2 — Data Modeling & Forecast Construction

Objective: Design and implement a baseline cash-flow forecast.

Tasks & Deliverables:

Build or simulate a **dataset of inflows/outflows** (sales, salaries, suppliers, taxes, debt, FX flows).

Identify **recurring vs. non-recurring** items and seasonality.

Construct a **baseline forecast model** (central scenario).

Visualize expected cash position over 3–6 months.

Deliverable: Excel or Python-based model + explanation note (2 pages).

Timeline & Milestones

🗓️ **Week 3 — Scenario Simulation & Risk Analysis**
Objective: Integrate uncertainty and market risks (interest rates and FX).

Tasks & Deliverables:
Create **optimistic and pessimistic scenarios** (changes in sales, payment delays, rate/FX shocks).
Simulate the **impact of ±100 bp interest-rate** and **±5 % FX** variations.
Propose **hedging or funding strategies** to mitigate risks.

Deliverable: Updated model + risk-analysis summary (charts + 2 pages commentary).

🗓️ **Week 4 — Final Recommendations & Presentation**
Objective: Summarize findings, formulate financial recommendations, and present results.

Tasks & Deliverables:
Define a **cash-management strategy**: placement of surpluses, financing of deficits, risk mitigation.
Develop a **simple dashboard or visualization** (PowerBI, Notion, Excel, etc.).
Prepare a **10-minute presentation** for the final defense.
Submit a **concise final report (8–10 pages)** including:

- Market overview and research background
- Forecast methodology
- Scenario analysis and results
- Recommendations and innovation proposal

Our Client

TEXTRONICS

🏭 Company Overview

European **textile and technology** company specializing in **smart fabrics** and **connected clothing**.
Founded in **2014**, headquartered in **Lyon (France)**, with subsidiaries in Germany and Japan.
Combines **traditional textile know-how** with **IoT and data-driven design**.
Exports represent **18% of turnover**, mainly to Japan (14%) and the U.S. (4%).

👕 Core Activities

- **Smart Textiles Division** → production of connected fabrics with embedded sensors (temperature, motion, heart rate).
- **Performance Apparel Division** → design of intelligent sportswear integrating Textronics' fabric technology.
- **Industrial Partnerships** → co-development with automotive and healthcare manufacturers.
- **R&D** → 8% of turnover invested annually in research and prototyping.

🌍 Market Position

- Positioned between **industry and tech**, part of the **European "Industry 4.0" ecosystem**.
- Competes with firms like DuPont Smart Fabrics and Hexoskin on innovation;
differentiates through **European manufacturing quality and integrated design**.
- Clients include **sports brands**, **medical device companies**, and **automotive OEMs**.

Our Client

💶 Key Financials (FY 2024)

Metric	Amount	YoY Change
Revenue	€178.5 million	-4%
EBITDA	€8.7 million	margin 4.9%
Net income	€2.63 million	↓ vs. €6.8M in 2023
Total assets	€252.6 million	
Equity	€50.5 million	
Debt (E3M + 1.2%)	€20 million	variable rate
Cash position	€7.4 million	stable

TEXTRONICS

💹 Treasury and Risk Profile

- Multi-currency operations:
  - EUR 86% | USD 4% | JPY 14%.
- Exposure to:
  - **FX risk** on USD and JPY sales.
  - **Interest rate risk** on floating-rate debt (Euribor 3M).
- Key treasury priorities:
  - Forecasting and liquidity optimization.
  - Managing working capital cycles (DSO/DPO).
  - Hedging FX and rate exposures.

Q&A