



# Cash Management

Advancements in Technology  
and Future Trends



Cash flow management is the top priority for businesses of all sizes and is expected to remain so over the next 12 months<sup>1</sup>.

## Current Trends in Cash Flow Management

- Cash flow, visibility, and liquidity management have always been important for business leaders. Advancements in technology and automation have made it more achievable.
- Business payments and cash flow management are constantly evolving. The last decade has seen major upheaval across the world with supply chain disruption and evolving customer relationships. As a result of these dramatic changes, businesses are focusing on payment technology to improve visibility into their cash positioning.
- Mid-sized businesses can find it challenging to understand what the right level of automation is, and which solution can best meet their needs.
- Finance leaders are keen to improve future cash flow forecasting, with 43% of corporate treasurers indicating cash flow forecasting will remain a top priority over the next 12 to 24 months<sup>2</sup>. In today's world, gaining real-time visibility and control over cash flows is more important than ever.

1. *Bottomline Business Payments Barometer 2023*

2. *Forbes - Treasury Priorities Reshape Business Growth For 2024 and Beyond*



# Why Is There Still a Reliance on Spreadsheets?

---

Many corporates, particularly mid-sized organizations, are not aware that there are simpler cash management solutions available that can meet their needs for end-to-end cash lifecycle management and working capital optimization.



### Why Is There Still a Reliance on Spreadsheets?

While spreadsheets are a useful tool for calculating data and building charts, it is not an integrated solution across a business.

Many companies use spreadsheets for accounting purposes but few people have knowledge of how it was built. This can cause problems when the person who built it leaves the company. Macros and scripts can provide some impressive tools, but they are not customizable, or supportable.

One of the main reasons for the continued use of spreadsheets is the reluctance to move to a Treasury Management System (TMS) which can be long and costly to implement. Many corporates are not aware that there are simpler cash management solutions available that can meet their needs for end-to-end cash lifecycle management and working capital optimization.

**In a recent Bottomline webinar all 65 attendees highlighted that they still use spreadsheets in some capacity to manage their organization's cash.**



# Technology Innovation: How Important Is AI for Treasurers?

---



## Technology & Automation Innovation

Investment in automated cash flow management software is on the rise, with 64% of businesses in the US now using it.<sup>3</sup> However, this figure indicates there is still room for growth in cash flow technology.

The best approach to having a global view of payments and accounts receivable is to adopt simple and secure solutions that can be quickly adopted and integrated into your existing infrastructure.

Traditionally this may have involved implementing a complex and time-consuming solution that could take six to twelve months. With the growth in cash flow technology, businesses can capture and manage high volumes of accurate data using much simpler solutions, so they can make informed decisions that can benefit them immediately.

3. *Bottomline Business Payments Barometer 2023*



## The Role of AI in Cash Management

The Bottomline Business Payments Barometer highlights that the biggest concerns around AI when coupled with predictive analytics are difficulty keeping up with advancements and the resources required to implement them.

It is crucial for businesses to understand that AI is not limited to the generative AI controversy that dominates the headlines.

In cash management solutions, AI can process high volumes of data and draw valuable insights from it. AI should be viewed as a tool that promotes insights for humans to observe, analyze, consume, and then take appropriate action.

**AI can augment the data flowing through the system and then provide observations that may not be apparent to the human eye. Therefore it is essential to augment with AI rather than replace the human interaction.**



# Evolution of Cash Management

---





**Kevin Grant,**  
Director, Treasury  
Management, Bottomline  
shares his view of the  
evolution of cash  
management

“The ideal solution is for an end-to-end cash management platform providing visibility, reconciliation, forecasting, and security leading to working capital optimization.”

## Evolution of Cash Management

**1990s.** Anticipated technology promising frictionless payment flows and data sharing does not materialize leading to general sense of disappointment.

**2000s.** Amid increasing complexity of accounting standards, payments and cash management remain pivotal.

**2010s.** The financial crisis leads to the failure of banks which had not been recognized as a systemic risk within financial markets. Corporates asking is my money safe? Can I close-out my complex treasury derivative transactions to remove counterparty risk?

**2020s.** The disruptive impact of COVID prompted a shift towards simplicity. Finance leaders increasingly recognize their organizations are unable to process high volumes of data nor get comprehensive views of AP, AR, or forecasting.

The early 2023 collapse of Silicon Valley Bank and other banks caused businesses to re-assess their cash management policies.

**Today** complexity and cost of traditional TMS are leading to finance leaders looking for a more efficient centralized platform for cash visibility/liquidity, bank reconciliation, and secure payments.

A woman and a man in business attire are looking at a laptop screen in an office setting. The woman is leaning over the man, who is sitting at a desk. The background is a blurred office environment. The text is overlaid on the image in a yellow color.

“Working capital financing has emerged as an easy and flexible solution to fortify financial stability and enhance operational efficiency. Working capital enables businesses to navigate uncertainty and foster growth during recovery.”

– Torsten Aul, Partner, Debt Advisory & Capital Solutions, Capitalmind Investec, 2023

## Understanding Working Capital

Working capital is crucial for maintaining the continuous operation of a business. It is primarily composed of accounts receivable, accounts payable, and inventory. Effective management ensures that a company has sufficient cash flow to meet its short-term obligations and operational expenses.

**Accounts Receivable:** Money owed to a company by its customers. Efficient management involves reducing the days sales outstanding (DSO) and aged debt which accelerates cash inflows, improving liquidity. Prompt collection of receivables ensures that businesses have the necessary funds for growth and operational expenses. Shortening the receivable days can significantly improve liquidity.

**Accounts Payables:** Obligations the company owes to suppliers. While longer payment terms can improve liquidity by keeping cash longer, it's a delicate balance to maintain good supplier relationships and credit terms. Proper management ensures favourable payment terms are negotiated and utilized without compromising supply chain integrity. Managing payables efficiently ensures good supplier relationships and optimal cash flow.

**Inventory:** Goods and materials held for sale. Effective inventory management (reducing holding and carrying costs, optimizing reorder levels) ensures that cash is not unnecessarily tied up in stock, thus improving liquidity. It also ensures that the company can meet customer demand without delay, contributing to profitability and operational efficiency.

## Enterprise Cash Lifecycle Management

### Global Cash Visibility

- Centralized cash positioning and liquidity management
- Opening, projected closing and intra-day balances and updates
- Intercompany loans and deposits
- Automated bank feeds

### Cash Forecasting

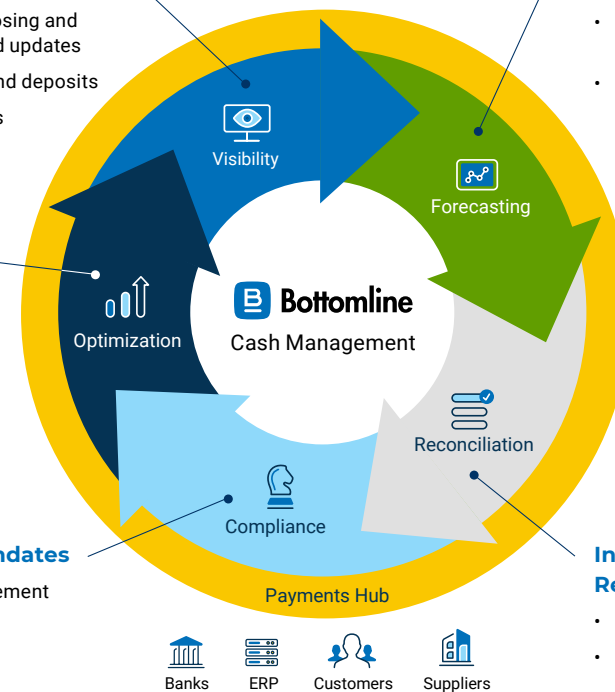
- AP/AR integrated Forecasts
- Actual and forecasts comparison analysis
- Automated ERP feeds

### Working Capital Optimization

- Create facility management, usage and availability
- Long-term borrowing and investments
- FX Management

### Compliance and Mandates

- Bank Account Management and FBAR
- Bank Fee Analysis
- Integrated reporting



### Integrated Reconciliation

- Bank reconciliation
- GL integrated Cash Accounting
- Intercompany invoice netting and settlement



# How Are Finance Leaders Using Technology and Automation for Greater Cash Visibility? Real World Applications

---



## Having a Cash Management Platform Paid Dividends for Holiday Inn When Covid-19 Hit the Travel Industry

In March 2020, the resort industry came to a grinding halt. With millions of cancellations and empty hotel rooms, the resort and hospitality world faced unique challenges. However, the treasury team at Holiday Inn Club Vacations was more prepared than most.

Holiday Inn Club Vacations had previously implemented Bottomline's flexible and highly integratable Corporate Cash Management solution. With it, they were enabled to:

- Automate data feeds from banks to aggregate balance and transaction data in real time
- Eliminate contract redundancies and reduce/improve bank fee spend
- Establish automated credit line and revolver balance tracking to improve short-term liquidity using virtual accounts
- Automate reconciliation and develop data-driven forecasts to understand liquidity requirements and anticipate shortfalls



Read more about how they achieved their objectives here:

[Read the Case Study](#)



## Avalon Healthcare Transforms Its Cash Management Operations

Avalon Health Care Group is a diversified healthcare services provider that offers skilled nursing, therapy, senior living/assisted living, and other medical services through their owned, operated, or managed facilities. With numerous real estate holdings, they had extensive cash complexities, liquidity requirements, and payment control needs. Their current TMS provider could not meet these specialized requirements, so Avalon sought out another solution.

Since implementing Bottomline's Corporate Cash Management solution, they:

- Eliminated human intervention by 100%
- Reduced duplicate ACH payment execution by 100%
- Reduced bank transaction fees by \$100K/year



Read about how Avalon transformed their cash management operations here:

[Read the Case Study](#)



## Learn How to Make Better Strategic Decisions With:

- A consolidated view of all your cash in a single integrated solution
- More accurate cash forecasts
- Automated processes and less reliance on spreadsheets



Get in Touch

[Book A Meeting](#)



REV US061024KG

© Copyright 2015 - 2024 Bottomline Technologies, Inc. All rights reserved.

Bottomline®, Bottomline Technologies® and the Bottomline logo are trademarks of Bottomline Technologies, Inc. and may be registered in certain jurisdictions. All other brand/product names are the property of their respective holders.

**Corporate Headquarters**

100 International Drive, Suite 200  
Portsmouth, NH 03801  
United States of America

Phone: +1 603-436-0700  
Toll-free: +1 800-243-2528  
info@bottomline.com