

BY DARIUS ZEMRIETA



Darius Zemrieta is Treasury Analyst at Arqiva, the UK communications infrastructure and media services provider. He began his career over four years ago at UK's leading independent contract catering services provider as an Assistant Treasurer, managing the Group's liquidity, Cash-in-Transit operations of over 1,000 business units and satisfying business requirement of various EPOS and other payment card solutions.

In 2014 Darius joined Arqiva as Treasury Analyst embracing a new set of responsibilities of operational Treasury. In Arqiva Darius is responsible for administration of large volume and complex financial derivatives and over £3bn of various debt instruments. This entails ensuring business liquidity, meeting business financial obligations and providing financial reporting.

## A PRACTICAL USER GUIDE TO IMPLEMENTING A SUCCESSFUL TMS

### FIVE KEY QUESTIONS TO ANSWER AT THE OUTSET

Treasury Management Systems used to be the preserve of big banks and major corporates. Technology advances and lower prices have today made TMS accessible to companies of all sizes. Darius Zemrieta, Treasury Analyst at communications infrastructure and media services company [Arqiva](#), gives a practical guide to those about to embark on their TMS journey on how to avoid the pitfalls in selecting and implementing a system.

These days there is no excuse for any organisation trying to implement critical treasury management functions through outdated and inaccurate spreadsheets. Indeed, those who attempt to do so risk paying a heavy price due to ever increasing pressures on efficiency, accuracy and more importantly, compliance and security concerns highlighted by external auditors.

Despite these pressures and lower costs of implementation, a recent [survey](#) by the Association of Financial Professionals in association with Bloomberg found that nearly half (49%) of organisations still do not use a TMS.

Another recent report from [Deloitte](#) found increased pressure on treasurers to play a strategic role in the overall management of the business. More than 70% of respondents said their responsibilities included:

Liquidity risk management; efficient capital markets access; steward for risk management company; strategic business advisor; value-add partner to the CFO in areas such as mergers and acquisitions (M&A); leading, governing and driving working capital improvement initiatives; enhanced governance and control over domestic and overseas operations; creation of a scalable treasury organisation to support company growth.

It is most unlikely that this level of activity can be achieved without the aid of an effective TMS. So once the decision to invest is taken, how do you select and implement a TMS solution successfully? Organisations need to ask themselves five key questions before they even start:

#### What are your business needs now and in five years' time?

A key question is whether the TMS you select is scalable and flexible enough to meet your business needs in the future. There is little point in selecting a system which will not have a capacity to grow with you.

## ABOUT ARQIVA

**ARQIVA**

Arqiva is a leading UK communications infrastructure and media services provider dedicated to connecting people wherever they are through the delivery of TV, radio, mobile, WiFi and the Internet of Things (IoT). We are an independent provider of telecom towers, with over 8,000 sites across Great Britain, and are also the only supplier of national terrestrial television and radio broadcasting services in the UK. Our advanced networks support the exponential growth of connected devices and the ever-increasing demand for data from smartphones to tablets, connected TVs, smart meters, cars and medical devices.

Customers include major UK and international broadcasters such as the BBC, ITV, Sky Plc., Turner Broadcasting, the independent radio groups, major telco providers – including the UK's four mobile network operators – and retail, leisure, energy and water companies.

For more information, news and insights from Arqiva, please visit the website at: [www.arqiva.com](http://www.arqiva.com)

At Arqiva, for example, we didn't feel an off the shelf was fit for our needs. We looked at nine international providers but eventually selected [Salmon Software's](#) TMS, because it is designed on a modular basis. That means we can add to it as business needs change but still ensure seamless future compatibility with legacy systems.

### Have you secured the best value for money?

While you need a scalable solution, you should avoid paying for functionality you don't need today. The 80/20 rule, whereby you only use 20% of the available functionality, applies as much to TMS as other areas of technology. But you should not be paying for the other 80%.

The advantage of going for a modular solution such as Salmon is that you only pay for what you need at the time. This can dramatically reduce the cost of TMS, which is likely to please your CFO.

### Do you require an on premise or cloud solution?

Ideally you should select a provider which has a track record in supplying both. At Arqiva we went with an on premise solution. There are positives in both. It really depends on the individual company and your IT strategy.

The good news is that a cloud solution means that even the smallest treasury operation today can afford to automate.

### Do you have the internal resources to ensure successful implementation?

The truth is that you cannot fully outsource the implementation of a TMS. It will need the involvement of those within the organisation who work on a day to day basis at the treasury coalface.

The problem is that these are the people who are already up to their eyes in daily treasury management functions and who may not have the time to work as part of the implementation team as well. It is vital not to underestimate the internal resources required.

It is estimated that an implementation will require a 50/50 split between the vendor and internal client team. As a result, you must get management buy in to provide additional resources so that these key internal people can be released to work on the installation.

This is critical to a successful installation and saves time and money in the long run for a number of reasons, including:

- a) It ensures that the system meets the requirements of the actual users.
- b) As they will have been involved closely in the implementation it saves time and money on training.

### Is your reporting flexible enough to meet future demands?

Different audiences within the organisation require different information and reports from treasury operations. What's more, these can change over time. At the tender and installation stage you must ensure that the vendor's reporting systems are flexible enough to cope with these changing demands.

Salmon Software, for example, uses Crystal Reports as the report writing toolkit. This provides us with the flexibility to deliver real time reports geared to different internal and external stakeholders.

In conclusion, asking the right questions early enough, combined with proper planning and project management, will smooth the successful implementation of your TMS. In this regard, it's important to talk to the vendors' delivery team at an early stage as well as sales people. It's also vital consult with other users to check out their installation and support experience.