Reducing Operational Risk Through Cloud-Based Treasury Technology

Large private research university rethinks its treasury approach to increase efficiency and protect against loss

Note: the client in this case study could not be publicly named per university policy, but the assistant treasurer agreed to share their success story anonymously.

The client is an iconic private university in the Northeast with more than 30,000 undergraduate and graduate students in a dozen major cities around the globe. The university has a multi-billion-dollar endowment and is closely associated with a famous medical center. To operate at peak efficiency, the university needs to have the highest standards for security, compliance and efficiency to properly manage its global cash flows and meet its obligations.

Overdependence on Traditional Processes

To maintain these high standards, the university's assistant treasurer knew he needed to make some key changes when he first arrived on campus. At the time, the treasury staff relied on two traditional staples—spreadsheets and bank portals—to chart their daily cash positions across multiple global banks. Treasury members spent several hours each morning on this task, which was not only inefficient, but created operational risk in the form of potential manual errors and "key person risk," where only one or two people could understand the department's massive spreadsheets.

In his initial assessment of the university's treasury operations, the assistant treasurer wanted to stay ahead of another issue: potential exposure to growing threats around fraud and cybercrime. He and the university wanted to enhance financial controls across the organization to guard against both internal and external fraud—everything from business email scams and spear-phishing to bank account compromise. Finally, with 2012's Superstorm Sandy serving as a reminder

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>
> — University Assistant Treasurer

5x

Estimated reduction in operational risk

2x

Increase in treasury productivity

$65k

Annual bank fee savings

about the destruction that can be unleashed by unforeseen natural disasters, the assistant treasurer wanted to improve and test his business continuity plan (BCP).

Cloud-Based Simplification

As a former management consultant, the assistant treasurer knew all about processes and procedures, as well as the importance of technology in the modern workforce. But which technology could deliver the best results? He knew he wanted a simple, easy-to-use cloud-based solution that could solve multiple activities at once and help him run a more efficient and secure organization. After conducting an extensive RFP review and talking to peers, the treasurer selected Kyriba based on its simplified approach, ability to centralize operations globally, and depth of integrated capabilities that could grow with the department's needs. He also liked Kyriba's strong presence in the education market, including clients such as the University of Notre Dame, Columbia University, Johns Hopkins University, and many more.

Boosting Efficiency, Reducing Operational Risk

The university deployed several Kyriba modules within a matter of months: Cash Management, Cash Forecasting and Bank Fee Analysis (BFA). The cloud-based platform for managing cash was an immediate success, enabling treasury staffers to quickly automate the collection of their daily positions each morning across more than 4 global banks. This boosted efficiency by at least 2X, helping contribute to more timely and accurate cash forecasts, while enabling team members to spend more time on strategic initiatives and variance analysis. In addition, the university is now well positioned to take on the treasury functions of two campuses overseas because of the ability to centralize operations into a single cloud application. Meanwhile, the bank fee analysis capabilities enabled treasury to easily pinpoint and eliminate redundant bank services, saving about $65,000 per year in fees.

The biggest payoff, however, came in the form of reduced operational risk and improved business continuity planning. Through cloud-based automation and robust controls, the university was able to mitigate the potential for manual errors, minimize the threat of key person risk, and dramatically improve fraud detection and prevention. Information is automatically backed up to reduce the risk of data loss and the university is using Kyriba's multi-factor authentication and IP filtering functionalities to strengthen controls over access to the system. Overall, through the use of technology and smart processes, the assistant treasurer estimates the university has reduced operational risk by at least 5X, while providing greater peace of mind to senior leadership.

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