5 Signs You Might Have Outgrown Your Cash Management Process

As your business grows and evolves, so does the amount of cash you manage and the complexity of managing it. Effective cash management with a single bank and a handful of bank accounts may be manageable, but what if you had to do so with multiple banks, bank accounts, and subsidiaries, across different currencies and geographies? As multiple dimensions are added to your Treasury environment, effective cash management becomes elusive. **These five signs could mean it's time for a new set of processes and/or a system to support the added complexity:**

You're logging into multiple bank websites and portals

- As your business grows or diversifies, you might find yourself dealing with multiple bank accounts or portals.
- Logging into multiple websites limits your ability to efficiently identify your cash at a moment's notice.
- It also impedes the ability to make smart and informed decisions and prevents agility when you need to act quickly due to changing circumstances.

You're managing cash through spreadsheets

- When using spreadsheets, you're likely spending too much time on manual data entry and increasing your chances of errors and fraud risk.
- This also makes it more challenging to properly manage the multiple borrowing/lending inter-company relationships that come with business growth and more legal entities.
- With more chances of human error and more inter-company relationships to manage, you run the risk of working off of delayed or incorrect cash positions.

You're unable to instantly forecast and report cash flows

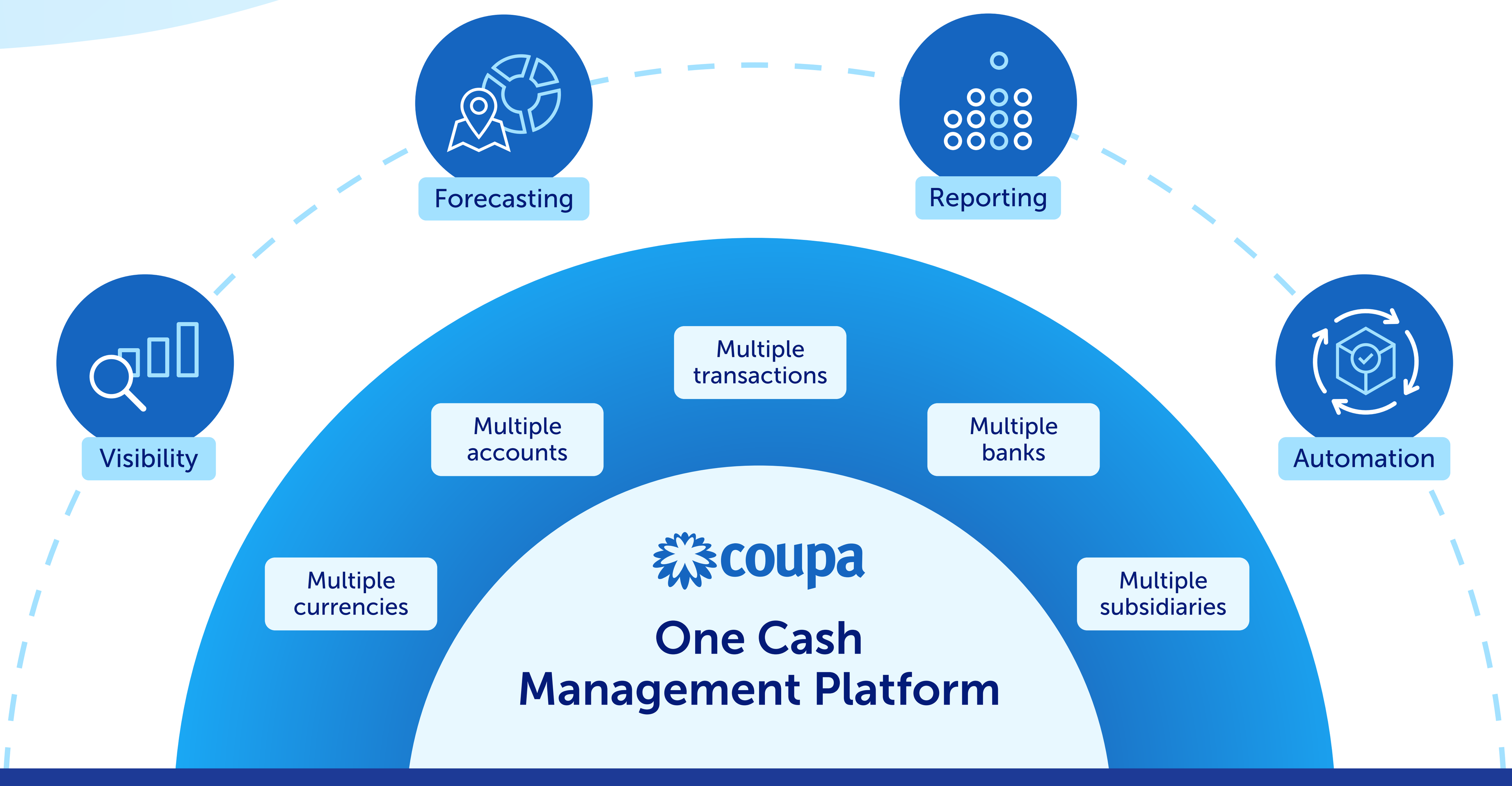
- With cash spread across multiple banks, accounts, subsidiaries, and currencies, your data may be captured across disparate systems.
- This makes it difficult to get a real-time, accurate picture of your current liquidity and forecast your global cash position and future cash flows.
- Simple questions like, 'How much cash is available today?' and 'How much cash will the company need at month-end to meet its financial obligations?' have never been more challenging to answer.

You're an easy target for fraud

- Manual cash management invites risks like fraud and compliance breaches due to issues like human errors and allowing multiple people to enter/approve payments, consequently leading to delayed detection of discrepancies.
- Manual processes lack real-time tracking and comprehensive audit trails, falling short of compliance standards and leading to potential penalties.
- Payment fraud is also more likely in the absence of prevention processes and tools, such as payment verification, AI, a central vendor database, and streamlined payment approvals.

You're unknowingly paying large bank fees

- If you're not enforcing a requirement for banks to submit invoices before payment and explicitly prohibiting unauthorized debits for monthly fees from your accounts, you're likely paying for bank fees that you're unaware of and haven't approved.
- The absence of a bank-fee invoicing review process results in minimal oversight from accounts payable (AP) or other internal teams, allowing banks to go unchecked, potentially charging for undelivered services or at prices that weren't agreed upon.
- Furthermore, banks can unilaterally increase service prices and add services without scrutiny, highlighting the need for proactive validation tools.



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