Cash Management Value Chain™

Cut your costs by becoming the best
In our view, cash management is increasingly a question of developing work methods and processes – to generate value streams between yourself, your company, your customers and your suppliers. Our logic is simple. If you work consistently and in the right way, the savings will come automatically. And with SEB and our Cash Management Value Chain™ concept, you will gain access to an approach that ensures your continuous improvements – for the optimum utilization of resources and a high standard of administrative and financial quality. Thus the similarity with what is known in the manufacturing industry as Lean Production is not a coincidence.

The Cash Management Value Chain™ concept incorporates a range of process
development tools. We benchmark your company’s administrative and financial quality – from purchasing and invoicing, through cash positioning to payments.

By applying our benchmark model, you can compare your business with the world’s most advanced companies and financial institutions. We also define a road map and an internal vision towards which you can aim while your company develops. We then set up a plan of action together, offering tangible tools that enable top-class liquidity management and work procedures. And of course, even if your company is already at the leading edge, there is still every chance that we can help you fine-tune your masterwork.
Which of your cash management costs would you like – or dare – to see?

With global competition becoming increasingly fierce, a company’s ability to increase productivity is an absolute prerequisite for survival. SEB quickly recognized that many of the ideas instrumental in defining quality and efficiency within manufacturing industry could be reinvented for the administrative processes associated with corporate liquidity management. It therefore seems very appropriate when we say that we help our clients develop leaner cash management.

All things considered, a production department and a treasury have a great deal in common. Both are engaged in the stimulating of internal and external flows, the improvement of timing, and the control of time consumption. Carrying out tasks sequentially and with the right quality level is also vital.

**Best practice – based on the art of measuring performance**

Just as a production manager makes every effort to minimize surplus stock, unnecessary transports, overproduction and quality deficiencies, so there is every reason to take equivalent measures in your cash management.

Our concept is based on a joint analysis of your company’s unique work processes and conditions, which is then compared to best practice. This is complemented with our lengthy experience of value addition from a Lean Cash Management perspective – all with the primary goal of eliminating waste in all its manifestations.

When we have formed a complete picture, we can then pool ideas and identify potential improvements. It goes without saying that we have a wealth of experience to fall back on: for over 150 years we have guided many leading Nordic companies through various phases of expansion – through adversity to prosperity, locally and globally. And just as our clients have expanded into new export markets, we have accompanied them. Just as new technology has appeared, we have remained in its front line. In short, this has given us a unique bank of knowledge upon which to draw.

And since all development activities take place in close collaboration with our clients, we also have a deeper understanding of their internal corporate processes. Furthermore, while we feel that optimizing the interaction between your central treasury and associated subsidiaries / shared service centres is vital, controlling the processes that define your banking relationships is equally important. You can also enable major process savings through simplifying your interaction with an increasingly complex world – with independent business systems, other banks, local clearing organizations, your clients’ customers, and so on.

**Defining true cash management costs**

Since the goal of our concept is to enable your company to maximize its resources and ultimately to become more cost effective, it is essential that we agree on the definition of the term “cost” in a cash management context. Traditionally, companies have focused on more obvious costs, in other words the tip of the iceberg – interest charges and bank fees. These are both tangible and easily calculated. But if, on the other hand, we analyse corporate cash management costs from a process perspective, an entirely different – and in many respects more complex – picture begins to emerge. In practical terms, it is a question of deciding what proportion of your cash management...
Six processes that lead to success

In our basic plan, we collaborate with you to derive strength from the following six processes. Of course, the most significant improvement opportunities can be identified when reviewing the whole chain. In practice, this involves developing new operational processes or enhancing integration within the existing infrastructure. It can also mean implementing an SEB solution or a product from a third-party supplier, for example a Treasury Management system.

**Purchasing & sales**
In our world, much of the administration associated with purchasing and sales is integrated into the cash management concept. Streamlined
administration has a direct, positive effect on both cash flows and working capital. Just by examining how invoices are processed, it is sometimes possible to achieve administrative savings of 60% or more in comparison to a largely manual invoicing process. In regard to purchasing, substantial cost savings can also be made through administrative and physical coordination in the purchase of goods and services not directly linked to production. But regardless of where you wish to implement changes, we can offer invaluable advice.

Risk management
Doing business and managing financial assets are invariably associated with risks of various kinds. Your company must receive payment for products and/or services rendered. Exchange and interest rates may increase or decrease. Operational risks can occur as a result of human error, or for technical reasons. Political trouble spots can, and will continue to, impact on business climates.

No matter what might happen, we will support you in identifying and evaluating the risk factors associated with your line of business – and together develop risk management strategies.

Cash positioning
Day-to-day liquidity management often conceals a considerable savings potential. Clear structures, sophisticated techniques, efficient reporting and extensive systems integration are the cornerstones of this process. Our goal is to generate value by optimizing net positions, working capital and, consequently, cash flows. In this case, best practice often comprises a distinct – and frequently centralized – process. Furthermore, well-designed processes can reduce the number of banks involved.

Cash flow forecasting
An individual company’s ability to make forecasts is a key indicator of the quality of their liquidity management. It often reveals the effectiveness of integration between central functions and associated business units or subsidiaries. We examine existing procedures and make improvement proposals. And as in the mega-process described previously, our purpose is to optimize processes dealing with net positions and cash flows. Automating processes improves internal control in regards to both current position and risk, as well as increasing proactivity. Furthermore, accurate information that can be accessed quickly improves the quality of decision-making.

Short-term investment and funding
Once cash positioning is accurately monitored and consolidated with a forecast of future cash flows, it is time to make correct decisions. Qualitative short-term investments and funding are reliant on the availability of accurate information and the ability to act upon it. They also require direct access to a range of alternatives for investment and funding that matches the treasury mandate. As well as improving return on investment and avoiding mistakes, it enables an increased control and efficiency in the working processes associated with the transaction itself.

Payments
Efficient payment procedures are dependent upon integration – linking internal and external information flows that are generated by purchases, sales and financial transactions. Netting solutions allow you to meet payments, but minimize the number of transactions and currency exchanges involved. There is also much to be gained from the integration of your payment information with your sales and supplier ledgers, as well as your general ledger.

The keyphrase is Straight Through Processing (STP) – the ability to interact with other banking systems, clearing houses and, of course, your own financial and business systems.
A means of joint production

Our collaborative work on development within the Cash Management Value Chain™ is based on a methodology developed specifically for this purpose. And since we see our concept as a joint production between your company and SEB as a bank, it is essential that we find a common agenda. To help us, we apply a model with which we define your company’s route to cash management excellence. And this is a process in which we collaborate with you to establish a road map for the next few years.

There is a very good reason for our motto, “Creating world-class cash management – in partnership with our clients”.

Whether we choose to examine the whole picture or evaluate a single process, we always maintain a holistic approach for the duration of the partnership.

After agreeing on our common agenda, we proceed to the analysis phase. We allow you the opportunity to benchmark your own processes with those of the most successful companies and financial institutions in each individual phase.

We can also enable you to identify key figures for issues such as working capital.

The discrepancy between best practice and our own diagnosis of your processes represents an indicator of your improvement potential in relation to your organization’s unique circumstances. You receive a direct assessment as to the efficiency of your company’s processes.

When the analysis is complete, we create a business case in which we define the measures that need to be taken in order to achieve the shared identified goals. We also designate a financial value to the identified improvement potential, which allows your company’s management to make well-founded decisions before proceeding to the next stage.

At this point, we come to agreement in regard to the planning and implementation of proposed improvements. And since we are used to building lasting relationships, we even ensure the continuous support and upgrade of the solutions that we have implemented. Our long-term commitment guarantees the continuous development of your processes and organization, which is a prerequisite to realizing your organizational and financial goals.
Some of our awards

Our customers are our most important critics. Thanks to them we are able to continually refine the services we offer to businesses and financial institutions. We have recently received a number of international awards, which we feel is proof that we have succeeded – that we do indeed have an eye for opportunities.

“No. 1 Overall Customer satisfaction in Europe”

“No. 1 globally. Level of commitment to the Cash Management Business”
EUROMONEY CASH MANAGEMENT POLL, 2006 & 2007

“No. 1 globally Industry Expertise & Knowledge”
EUROMONEY CASH MANAGEMENT POLL, 2007

“No. 1 globally Quality of Personell”
EUROMONEY CASH MANAGEMENT POLL, 2007

“Best overall Bank for Cash Management – Nordic Region”
GLOBAL FINANCE, 2007 & 2008

“No. 1 globally. Voted Best Bank for Electronic Cash Management”
EUROMONEY TECHNOLOGY AWARDS, 2005

“Best at Cash Management in the Nordic/Baltic region”

“Best Bank Nordic region – Cash Management”

“Best Bank Nordic Region – Supply Chain Finance”
TMI AWARDS, 2007

“Leader in Cash Management Innovation – Nordic Region”
FINANCIAL-1, 2006 & 2007