

HAZELTREE CASH MANAGER™

CASE STUDY

The Challenge: Inefficient Cash and Payment Management

A diversified alternative asset manager with a focus on credit-oriented investments was operating with an outdated, paper-based process to manage all payment transactions and cash wires. In addition, the firm was using an inefficient third-party application for reconciling cash balances and transactions between its internal books and external counterparties.

Due to the lack of an automated, systematic process, the treasury team was tasked with initiating payment requests by physically printing payment orders, attaching supporting documents, and walking the documents around for multiple approval signatures on every individual document package supporting each wire payment. The number of signatories required per payment varied depending on the transaction type and the amount of the payment.

Once the payment orders were approved, the treasury team logged onto the respective bank portals to enter payment instructions. With limited staff (2) and a volume of over 50 wires per day, the process became virtually unworkable and was highlighted as an operational risk by the firm's investors during due diligence reviews. Meanwhile, the process of reconciling cash balances had become untenable due to an outdated vendor system that lacked data management capabilities. That outdated system required approximately 0.5 FTE of internal operational support per week.

The Action: Hazeltree Cash Manager

Hazeltree worked in conjunction with the firm's treasury, operations and internal technology teams to install Hazeltree Cash Manager to address the above-noted challenges, integrating with existing systems, including Sungard VPM™ and RSA security tokens, and processes to reduce cost, improve timeliness, improve confidence in information being used for decision making, and overall reduce liquidity, while providing virtually unlimited scalability to support future growth.

Hazeltree Cash Manager, a cornerstone of the Hazeltree treasury solution, enables the firm to gain scale and control over all daily payments via a single-entry portal with fully automated workflow management and electronic signatories. The system was configured to comply with internal procedures and approval signoff hierarchies, and included an electronic audit trail with time-stamp.

Hazeltree Cash Manager is fully-compliant SWIFT messaging technology which connects with all external bank and broker counterparties for direct payment management. As a result, the firm eliminated all paper-based transactions and removed the need to log on to multiple, independent

AUM:

\$54 billion

Type:

Credit Fund

**Active Banking and
Broker Relationships:**

12

**Average number of
Cash Wires per Day:**

50

**Full-time
Treasury Staff?**

Yes

external portals to enter wire instructions. As part of Hazeltree Cash Manager, Hazeltree configured its reconciliation solution that enabled the firm to replace its outdated, manual reconciliation process.

The Result: Annual Cost Savings of Over \$500K with Greater Security, Scalability, Visibility, Control and Reduced Operational and Cybersecurity Risks

Hazeltree Cash Manager enabled the firm to take control of a part of its operations workflow that was identified as a key risk by its investors. In addition to addressing this risk, the firm was able to save costs by building efficiencies, and freeing up resources.

In addition to reducing operational risks inherent in manual processes, the firm also reduced cybersecurity threats by utilizing the secure SWIFT network and tightly integrating all access to Hazeltree Cash Manager with RSA security tokens. Finally, the firm was able to automate its robust multi-level wire approval policies through Hazeltree, while creating a full audit trail for every wire movement.

The firm realized actual cost savings with Hazeltree Cash Manager which enabled it to free up 1 FTE treasury staff through the automation of what was previously a manual paper-based process. Along with efficiencies gained through the automation of cash wires with Hazeltree Cash Manager, the firm eliminated manual data aggregation of cash and transactions through Hazeltree Reconciliation Manager, which saved another 0.5 FTE, enabling future scaling without a commensurate increase in staff. Through the combined efficiencies, the firm estimated all-in savings of over \$500,000 annually. Through the cost savings alone, the firm viewed the project as “self-funding” in year one and total upside thereafter.

Benefits

- › **Increased investor confidence**
- › **Reduced operational costs by over \$500K annually**
- › **Improved cash movement controls**
- › **Reduced operational risks**
- › **Increased transparency**

About Hazeltree Cash Manager™

Hazeltree Cash Manager is a cash management solution that aggregates balances across your counterparties in one concise dashboard. Hazeltree Cash Manager delivers flexible analytics and rules-based “recommended actions” enabling you to optimize cash positions across counterparties to free up cash. Hazeltree Cash Manager includes full wire processing and approval workflow required and tracked prior to executing actual wires through available protocols, including SWIFT network, secure file transfer protocols and letters of authorization. This advanced cash management solution helps effectively manage cash across multiple currencies and includes FX hedging tools to suggest and aid in foreign exchange trades.