

ROCHFORD

At Rochford, we are committed to protecting and enhancing your business.

Our simple yet powerful Agile Treasury process has been refined and reinforced through decades of experience and working with hundreds of businesses. Agile Treasury positions a business within a value creation cycle, producing objective calls to action in day-to-day operations through to executive-level strategic decision making. This starts with identifying the operational gaps and value drivers within Treasury. We then deliver fast, flexible and effective solutions, which means stakeholder value is maximised. We can then either step back or provide ongoing strategic advice and support.

In our thought leadership series, we want to highlight the value of this process and why the lens of SP3-IM3 has time and again proven so crucial to success.

Rochford

Design
Develop
Implement &
Operate

optimal Treasury

Systems
Policies
People &
Processes

to improve the

Identification
Measurement
Management &
Monitoring

of Treasury risks

Agile
Process

SP3
Operations

IM3
Value Drivers



Systems should empower people to effectively perform clearly defined processes, which means that time spent innovating and making valuable strategic decisions is maximised.

SYSTEMS: Ensure the system is being fitted to a process, not the other way around

DESIGN

Designing a system can only be best achieved once the process the system is meant to empower is first designed. Ideally, the process will also be developed, implemented and operated for a period in a fast, flexible solution (Excel!) to refine the steps, calculations and clear actionable outputs. Then, this process can be migrated from a low-security, low maintenance framework to a more robust structure. The trade-off is in losing flexibility and nimbleness to gain robustness, so this should only be done once the option for flexibility is no longer more valuable than structural integrity. This is only achievable once the process is clearly articulated and proven as valuable over a period of time.

DEVELOP

From a design perspective, system development can be thought of as internal or external. Internal development is at first experimental, aligned to a clearly refined process. External development has been taking place for decades by treasury software companies, but this doesn't necessarily mean any given external developer has a solution flexible enough for your specific needs. If you are unable to clearly articulate your end to end processes the system needs to empower, you risk the conversation being led by the software sales team who will have incentive to sell the idea that their system can deliver a process for you whether or not it's the one that will deliver most value to your business.

IMPLEMENT

The size, flexibility and number of stakeholders interacting with a system are key considerations in system implementation. This phase requires its own action plan with emphasis on ensuring users are not overburdened with low value, seemingly disjointed tasks and upskilling requirements. This is the quickest way to burn good will, demotivating users and increasing the odds that users revert to old and less effective procedures.

As such, an effective action plan should include:

- » A realistic timeline for implementation
- » Buy-in from management to encourage an active user community
- » Clearly defined benefits and expectations of the system
- » Adequate training

OPERATE

The operation of any system should be empowering users to make faster more effective decisions due to pre-defined processes now being executed more effectively. Operation should be low-touch, and outputs should be objective calls to action. Anything less than this, and you are not at the end of your process, but rather in the middle of one, with additional required steps to follow.



Common Shortfalls

Expensive, committed technology licenses

Highly fragmented system data and multiple sources of truth

Lack of process planning prior to technology commitment

Extended implementation and training

Lack of technology flexibility as strategic requirements change

Lack of dataflow alignment to processes and policies

Lack of prescriptive or clear calls to action from workflow output



Solutions

Strategic and holistic construction of low-cost, flexible operating tools in Excel

RFP management should an advanced system still be deemed valuable

Implementation and training on new system

Integrated solutions for the identification, measurement, management and monitoring of risks

CASE STUDY

[GLOBAL PHARMACEUTICALS DISTRIBUTOR]

A pharmaceuticals distributor recently acquired by private equity was aware that systems were insufficient to provide visibility and process, but could not decide with confidence whether a Treasury Management System was a viable investment.

PROBLEM

Why the challenge was proving difficult to solve

- ⚙ Cash balance reporting, cash flow forecasting, liquidity management and FX risk management were unachievable in desired time frames
- ⚙ Processes lacked a consistent sourcing and calculation process to achieve key actionable insights
- ⚙ Treasury management system investment size and implementation timeframe would not produce enough return on investment

SOLUTION

Rochford actions to address and correct the problems

- ⚙ Rochford first isolated multiple workstreams for design and development within Excel that would have the highest value impact
- ⚙ We ensured stakeholders stayed informed of development work and implemented updated processes wrapped in the system across three continents
- ⚙ We provide ongoing active management based on system outputs from cash balance reporting through to M&A and Capex funding advice

RESULT

End outcome, leaving the business in a better position

- ⚙ We now have a weekly Treasury reporting process and have reduced time spent compiling monthly Board reports by 85%
- ⚙ Rochford's tools, processes and advice are enabling proactive cash management previously unavailable, eg funding M&A transactions through multiple revenue currencies while minimising trapped cash and required draws on revolver credit facilities



If you are facing these challenges, or would like to find out more, contact Rochford and begin your treasury improvement journey today.

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WHAT OUR CLIENTS SAY ABOUT US

“Rochford has played a key role over the years in assisting us to protect our gross margins in times of AUD volatility. Their dynamic and consultative hedging approach has allowed significant uplift during periods of favourable FX trends.”

| GREG DARWELL, FOUNDER & CEO MULWARRA EXPORT PTY LTD

“Their research and advice consistently provide us with the tools to both mitigate risk and take advantage of opportunities as they arise. They have also provided invaluable advice with regard to the structure of the appropriate hedging solutions allowing us to achieve margin protection whilst still participating in favourable market moves.”

| CARL SCUDERI, CFO DYNAMIC SUPPLIES PTY LTD

“We are delighted with the positive changes they have made to our business and are enjoying a relationship that has developed further than our expectations. The team are a true pleasure to work and be associated with.”

| PETER CALOPEDIS, GROUP FINANCE MANAGER, TNA AUSTRALIA PTY LTD

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