Achieving True STP: Trends in Straight Through Processing

Tuesday
October 29, 2013
2:00-3:00 pm

Jeanne Keane
Lynne Marlor
Sean O’Connell
Stacy Rosenthal
Achieving True STP

• How have we defined True STP.
• How does your Company define True STP?
Achieving True STP-Our Definition

A means whereby the end-to-end processing of financial transactions is fully automated and integrated without manual intervention across diverse applications, diverse systems and even across diverse organizations participating in the transaction.
Achieving True STP- Goals and Objectives

It’s goal is to facilitate or enhance automation from the front office or client facing areas of marketing, sales and service departments to the middle office or operations and finance where product control, risk, allocation and initial stages of settlement take place to the back office where final settlement and reconcilement take place.
One example of STP—FX Netting

- **Actual Data (by bank)**
  - Invest. Bal. & Transactions + Debt + Bank Transactions + Bank Balances + Mkt Rates

- **Collect**

- **Sum Data**
  - actual + forecasted cash flows

- **FX Exposures (Non functional currencies)**
  - By Organization by period

- **Review Exposures**
  - Price & Sell

- **Cash Position**
  - Decision to Borrow
  - Decision to Invest

- **Operating Forecasted Receipts**

- **Operating Forecasted Disbursements**

- **Back Office**
  - Issue hedge and Transfer instructions to 3rd parties

- **Send Accounting entries to G/L (Book Cash)**

- **Front Office**

- **Middle Office**
  - Price & Buy
  - Price & Sell

- **Get Confirms, Create reports (Treas. Cash)**

**Operating Forecasted Receipts**

**FX Netting**
Achieving True STP

• Where does the ownership of this fit in your organization?
• How is it managed, measured?
• Are there metrics and are they current and meaningful?
Achieving True STP

- Risk Mitigation
- Improve Liquidity
- Minimize Costs
Achieving True STP

- Industry Standards and automation?
- How does your company use standards?
- Which standards are “standard” for your company?
- How do they help enhance controls and streamline operations?
True STP-Treasury centric

- Connectivity - internal/external/global
- Coordinated integrated Information
- Security Transparency

- Diverse applications, diverse systems, diverse organizations
- Performance Metrics in Place
- Effective Bank Network

Financial Markets & Institutions

Company & Operating Units

Debt Management
Cash Management
Risk Management
Investment Management

STP
Achieving True STP

• **Take Aways**
  – Cross Functional Global Effort
  – Security Technology Considerations
  – Internal and External Customers/Champions
  – Resource Deployment Availability
  – Internal/External/Global

• **What else? Pain Points/Pitfalls?**
Achieving True STP-Contacts

• jeanne.keane@staples.com
• lynne.marlor@bnymellon.com
• seann.p.oconnell@ge.com
• stacy.rosenthal@swift.com