

# Straight-Through Processing: What Does This Mean to Treasury?



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THE BANK OF NEW YORK MELLON

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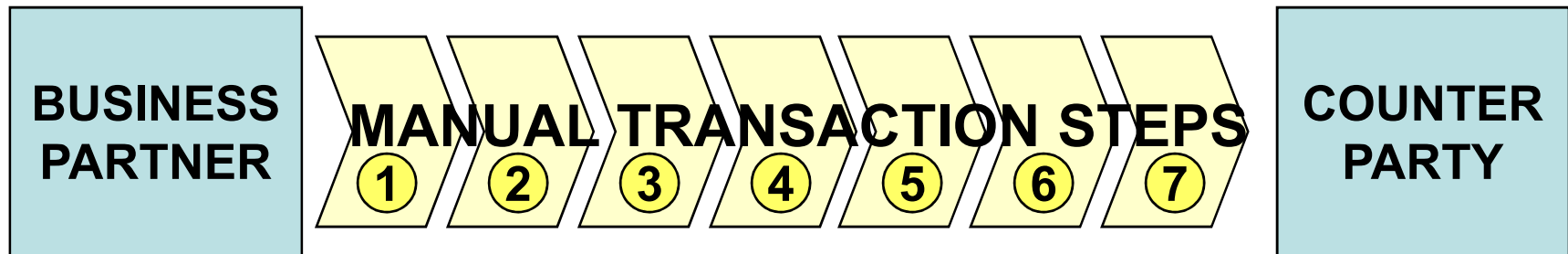
The Bank of New York Mellon  
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# Straight-Through Processing - What is It?

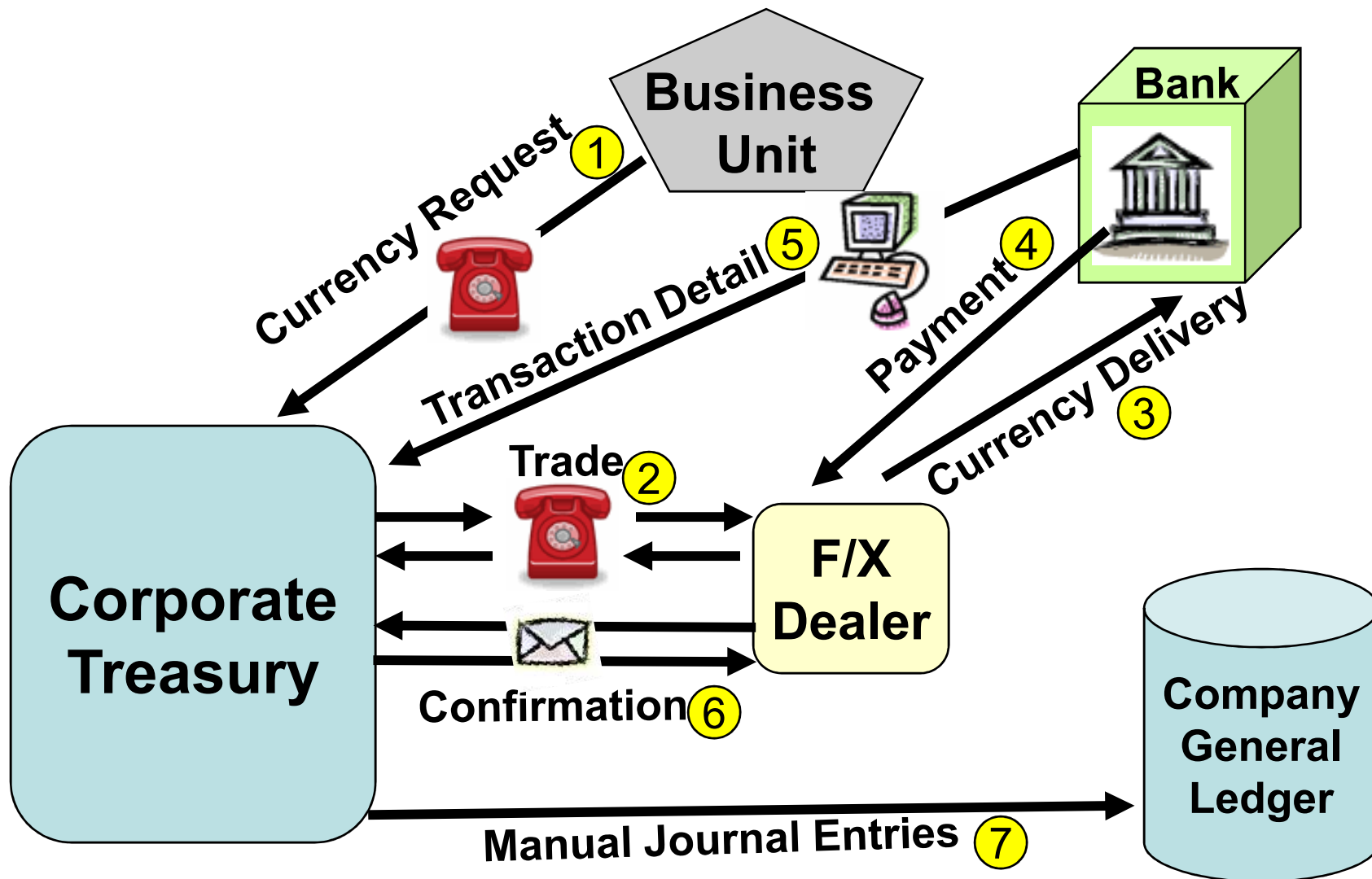
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## Current Environment:

**Labor Intensive, Multi-Step, Manual Business Processes**

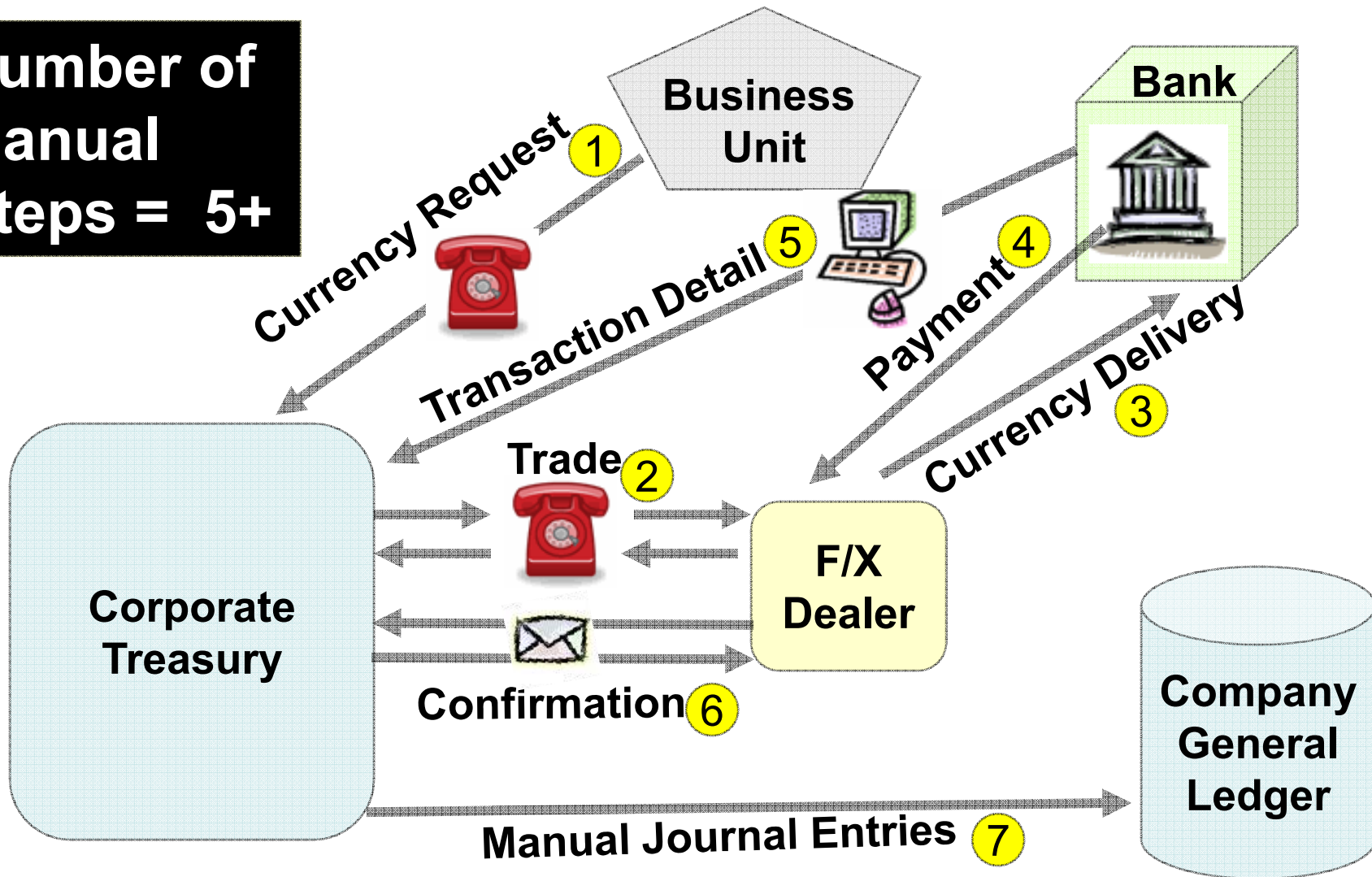


# A Detailed Look at a “Simple” Process: Foreign Currency Request



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**Number of  
Manual  
Steps = 5+**

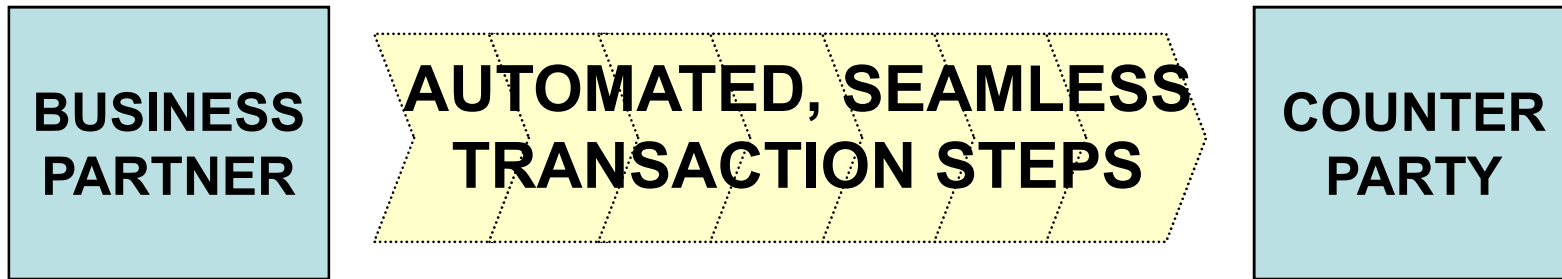


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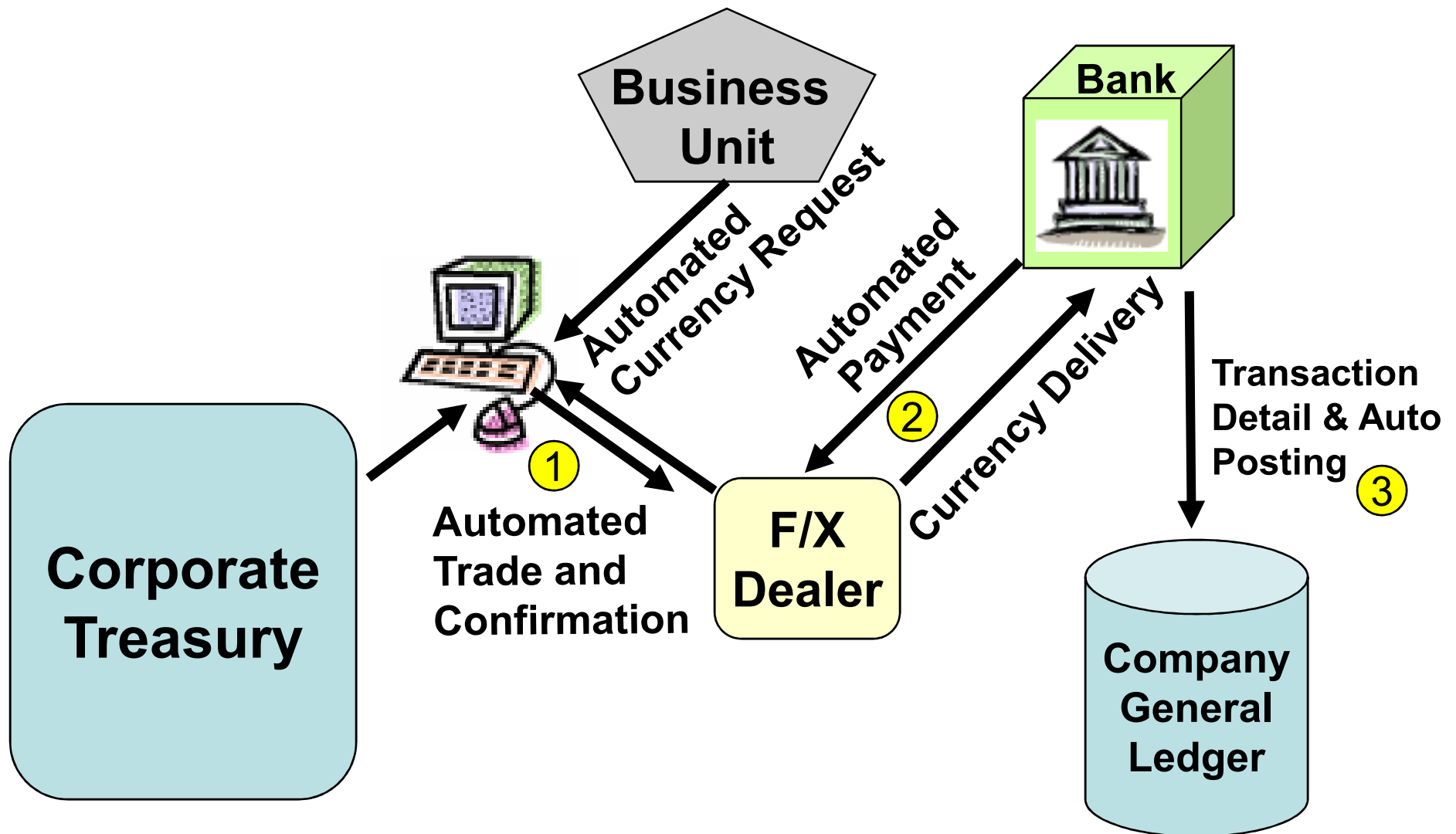
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## Future Environment:

**Efficient, Single-Step, Automated Business Processes**

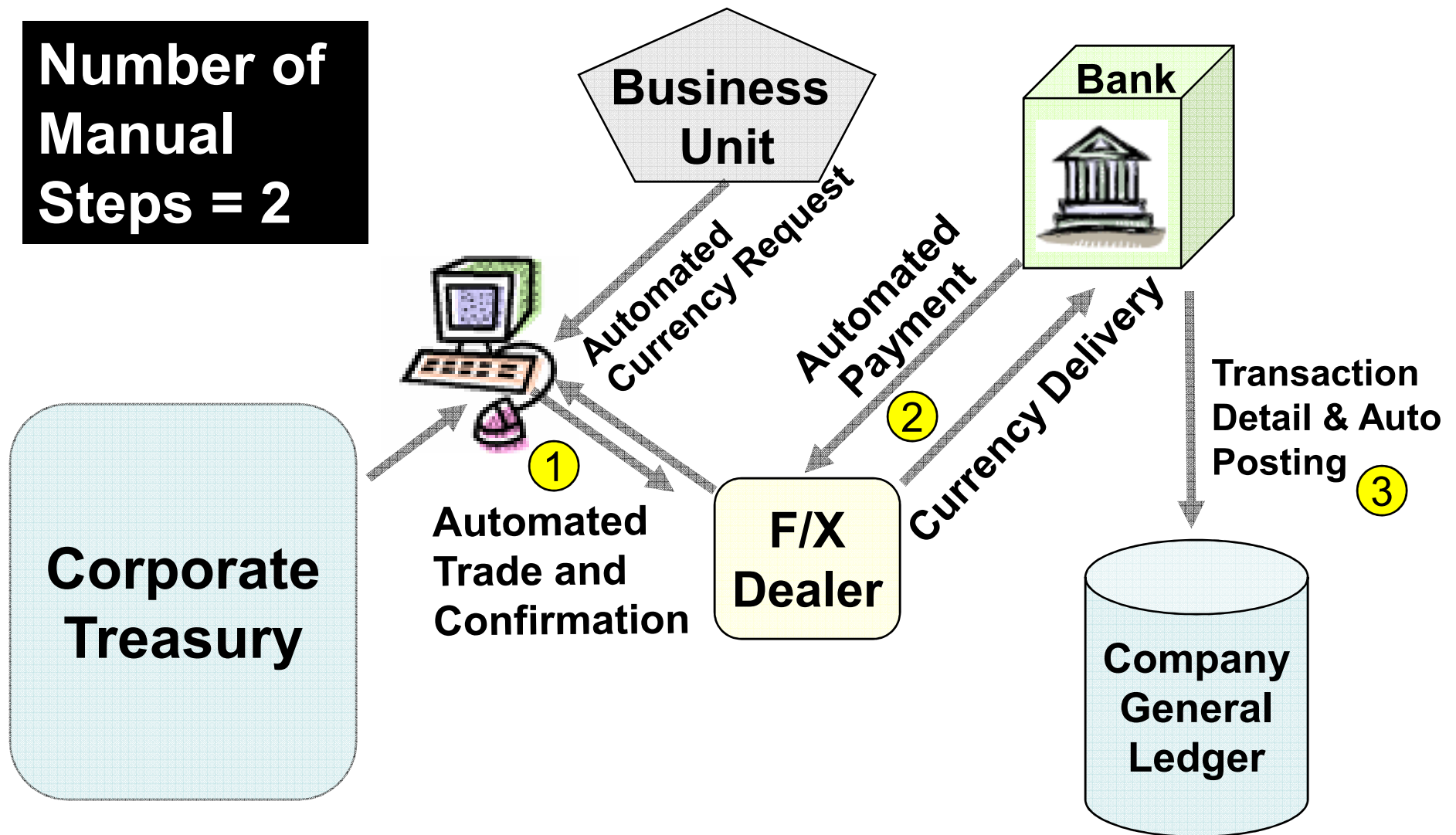


# How STP Can Simplify Things....




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**Number of Manual Steps = 2**



# Where Else Can STP Be Used?


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**Purchasing**



**A/R**



**Liquidity  
Mgmt**



**Risk  
Mgmt**



**Trade  
Finance**



**A/P**



**EFT**

# What Are the Benefits of STP?

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- **Streamlined, efficient processing - few touches**
- **Cost reductions in transaction and information processing**
- **Faster, earlier completion of transactions, and updating of records, reporting and accounting**
- **Enhanced controls - decreased exposure to fraud and human errors**

# What Are the Barriers to STP?

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- **Multiple transaction and system standards**
- **Cost and resources constraints - development**
- **Confusion as to the best implementation approach**
- **Reluctance to be an early adopter - who wants to take the “first step”?**

# A Banker's Perspective of STP

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## Drivers for Banks

- **Improved Client Satisfaction**
  - End-to-End Service Delivery
  - Lower Bank Fees
  - Fewer Inquiries
  - Trusted Partner
- **Processing Efficiencies**
  - Lower Processing Fees
  - Less Exception Handling
- **Risk Reduction**
  - Misrouted Payments
  - Misapplied Transactions

# A Banker's Perspective: Current State of STP

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## **STP is at an all-time high**

- Customer Education
- Artificial Intelligence for Automated Repair
- Increased Use of Standards (SWIFT, EDI)
- Fees For Repairs
- Imaging Technologies

# A Banker's Perspective: Next Generation STP

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## **Exception and Inquiry (E&I) Automation**

- Now the Largest Cost to Back Office
- Labor Intensive
- Drives Client View of Your Services

## **Two Focus Areas**

- Bank-to-Bank
  - SWIFTNet E&I automates routine requests with formatted messages and real-time response
- Customer-to-Bank
  - Electronic Banking Platforms and direct access to SWIFT to automate exception and inquiry handling

# Straight-Through Processing: What Does This Mean to Treasury?

## Moderator Questions



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# About Treasury Strategies, Inc.

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## Who We Are

Treasury Strategies, Inc. is the leading Treasury consulting firm working with corporations and financial institutions. Our experience and thought leadership in treasury management, working capital management, liquidity and payments, combined with our comprehensive view of the market, rewards you with a unique perspective, unparalleled insights and actionable solutions.

## What We Do

### **Corporations**

We help you maximize worldwide Treasury performance and navigate regulatory and payment system changes through a focus on best practices, technology, liquidity and controls.

### **Financial Institutions**

Our experience, analytic approach and benchmarks provide unique consulting solutions to help you strengthen and grow your business.

### **Market Intelligence**

We deliver the keys to informed decision making through customized research that gets to the heart of what's happening in the marketplace.