



IBOS - SUMMER SCHOOL

International Banking - One Solution

15th - 19th August 2010

International Cash and Treasury Management Systems and Services



**"A Really Hot &
Critical Topic"**

**4 Full Days of
Intense Tuition**



**"A fantastic course,
prepared by very
knowledgeable staff"**



IBOS Summer School

Location, timing and tutors

Location:

Fitzwilliam College Cambridge - Includes
(full accommodation, meals and sessions)

Date:

**Sunday 15th August -
Thursday 19th August 2010**

Arrival on the Sunday evening,
then four full days of tuition.

There will be an informal reception and dinner on
the Sunday for those arriving before 19:00.

Pre-reading will be supplied three weeks in advance:

Customer Business Models
Customer Supply Chains
Account Services
Banking Operations
Corporate Liquidity Management techniques

Daily Schedule & Timings:

Breakfast from	07:30
Start-time	09:00
Coffee	10:45
Sandwich lunch	12:30 – 13:15
Tea	15:15
Dinner	19:30

Optimal joining route from Northern Eng- land, Scotland, Ireland and outside the UK:

Fly into London Stansted
Take direct train to Cambridge
Taxi to Fitzwilliam

Optimal joining route from UK Midlands:

Take direct train from Birmingham,
Manchester or Nottingham to Cambridge
Taxi to Fitzwilliam

Optimal joining route from London:

Take direct train from London Kings Cross or
London Liverpool Street to Cambridge Station
Taxi to Fitzwilliam



Tutors:

Bob Lyddon MA (Fitzwilliam)

ICM specialist

Caroline Connor MA (Fitzwilliam)

Sales training specialist



IBOS Summer School - Day 1

Welcome and introduction

Explanation of the objectives of the seminar

Participant expectations and experiences of International Cash Management ("ICM")

Fundamental principles – recap of Pre-Reading

The Bank's balance sheet and P&L account

Asset classes short/medium-term, Fixed assets

Liability classes – balances, deposits, CDs, bonds

Equity classes – subordinated debt/Tier 2 capital, Tier 1 capital

Off-balance sheet transactions

Income sources and P&L account

Return-on-capital (ROC) and Risk-adjusted Return-on-capital (RAROC)

Basel I and Basel II

The customer's Balance Sheet

Objective of Cash Management from customer's perspective

Order-to-Cash cycle

Asset classes and their maturity (Cash/Receivables/WIP/Fixed Assets)

Purchase-to-Pay cycle

Liability classes and their maturity (Overdrafts/Creditors/Loans/Leasing/Term debt/Sub debt/Equity)

Definition of Working Capital, Working Capital Ratio, Quick Ratio

Definition of Liquidity Management for a treasurer

Payments and Cash Management business where banks and customers meet

Electronic Banking

Overview of Pre-reading on EB systems

History and proprietary developments

Domestic functionality

Typical cross-border functionality

Where does IBOS fit into that picture?

Limitations

Drivers to enable multibank and multi-country operation:

SWIFTNet

Standards (ECBS, RosettaNet, SWIFT C2B XML, ISO20022 and SWIFT MX)

SWIFT Corporate Access: SCORE and MACUG

Single European Payments Area

Account Services

Overview of Pre-reading - purpose and attributes of a bank account, and the group of services around it; costs involved in running an account and the information requirements:

Account types and identities, account mandates and account conditions

Resident/non-resident status, taxation, withholding tax, tax credits

Setting of interest rates (official rates, reference rates, bank's rates)

Credit interest, balance offset or investment options to deploy CR balances

Account analysis and billing

What IBOS banks offer against this point

Payment and Collection Operations

Overview of Pre-reading, looking at the attributes of all the following operations types:

Cash, Card and Cheque operations

ACH and Bill operations:

- credit
- direct debit
- ACH bills

High-value payments

What IBOS banks offer against this point – major strength of IBOS in the scope of local payments

Important issues in money movement:

Process complexity

Lifting fees

Value-dating and float (mail, funds, information)

Central Bank reporting

Blacklisting and embargos

Exchange control

Clearing systems - overview of Pre-reading:

RTGS – Real-time Gross Settlement Systems

TARGET

NSS - Net Settlement Systems

ACH clearing

Paper clearings

In the process of looking at these types of clearing system we will cover the following important issues in payments clearing:

Membership and operating costs

Systems requirements, and volume/value requirements

Remote access

Liquidity and collateral management

Finality

Who is the ICM Customer and how are they organised?

Who is the customer?

Overview from the Pre-reading

Typical customer organisations and legal entity types

Case studies from Company Annual Reports

What we can infer from that information

What is useful about that for our work in ICM

Finance Function organisation

Overview from the Pre-reading

Responsibilities of the CFO, the Treasurer and of the Financial Controller

Centralisation models for financial functions

Case studies on degree of and indicators of finance function centralisation

What can infer from that

Why is it useful

Treasury Centres and Systems

Shared Service Centres/Payment Factories and Systems



End of Day 1

IBOS Summer School - Day 2

The customer's Supply Chain

Order-to-Cash: what they sell and who to, in what units of quantity do they deliver it and in what form and where

Purchase-to-Pay: what do they buy, in what units of quantity, who and where from, and where do they take delivery

Ownership/insourcing/outsourcing/offshoring

Supply Chain Case studies

What we can infer from that information for ICM needs

Accounts Payable & Receivable

Managing the external supply chain

Payments and Collection processes

Order-to-Cash cycle and how to shorten it

Purchase-to-Pay cycle and how to lengthen it

Payments

How a need for a payment arises

Objectives for the payments process at a corporation

Designing a generic process for payments

How a Bank might service this.. what IBOS has to offer

Collections

How a need for a collection arises

Objectives for the collection process at a corporation

Designing a generic process for collections

How a Bank might service this.. what IBOS has to offer

Accounts Payable and Receivable - case studies carried out by groups in parallel:

Compile an Accounts Receivable chart from a set of invoices issued, and compile an Accounts Payable chart from a set of invoices received/costs incurred

Different sets of invoices will be issued to each of the three groups, as if each group is a different company

Managing the internal supply chain

Multilateral Netting

Section 1: Explanation of the service

Section 2: Case study in small groups in parallel

Cashflow Forecasting

Meshing Accounts Receivable and Payable charts, and Multilateral Netting results, into a forecast of Payments and Collections for each company individually

Treasury

Foreign Exchange

Liquidity Management

- Funding
- Investment

What are the objectives of the corporate in undertaking Treasury activities?

What are their policies?

How might these objectives be achieved within the framework of the policies?

What services does the treasurer have to buy to achieve them?

A Bank's services – usually a Host Bank in IBOS

Exercise based on the forecasts prepared by each group at the start of the session:

Each group applies Treasury activities to their Cash Forecasts

What are the operations they would undertake in the financial marketplace?

Treasury Centres

Interposing a Treasury Centre between the subsidiaries and the financial marketplace:

Reasons for doing it and how it is done mechanically

Case Study on Treasury Centres:

Deal tickets

How the Treasury Centre takes over the positions of the subsidiary companies

How the Treasury Centre records these

What operations it then performs itself

Banks' services towards Treasury Centres – usually a Host Bank

IBOS

What it is, scope, services, banks

What types of customers does it appeal to and why

How to position it in the Sales Process

Points that can be ticked off when responding to a Request for Proposal

Prospecting and Selling

Researching the customer

Assessing a customer's ICM needs and making a proposal

The stages of the Sales Process

Creating a concept proposal, stating the assumed needs and the solution

Conversion to a firm proposal

Responding to a Request for Proposal

Nurturing the proposal

Contracting with the customer

Implementation

Production

Break at 16:30

Punting outing on the River Cam until dinner



IBOS Summer School - Day 3

Prospecting and Selling (cont'd)

Managing the human side of the Sales Process

- Awareness of relationships within the client
- Dealing with diverse personality types and cultures
- Communicating clearly and honestly
- Understanding buying signals
- How to say "I cannot do that" without breaking the rapport
- When is it acceptable to oversell?

Situational Role-plays

Selling IBOS

- Anticipated areas of buy-in and objections
- What are the counter arguments to objections
- How to bring home the counterarguments and combine them with the areas of buy-in
- Business development processes in IBOS
- Account Opening
- Platinum/Gold/Silver pricing
- DZero Sales
- RFP Handling
- Support on the IBOS website

International Cash Management Market Structure

- Monobanking and Multibanking
- EB systems available
- Managing Treasury vs managing AP/AR
- Globalisation and centralisation; use of ERP/SSC/Payment Factory

ICM structural options

- Using a Banking Club
- Using a single bank's own branches – the Global Bank approach
- Using existing banks coordinated by an ICM bank
- Using SWIFT Corporate Access
- Using a SWIFT Service Bureau or third-party coordinator

First case study on options for ICM

- Groups take one of the above options each
- Work out the Value Proposition that a bank would make to corporates if it structured its offering round the option
- What is the value for the bank

Second case study on options for ICM

- Corporate profiles
- What is the ideal Value Proposition for a corporate with that profile
- Which of the options comes closest to it

What is so good about IBOS?

- Number of countries
- Account opening
- Guaranteed Service Levels
- End-to-end timing of payments and pricing
- After-sales and support structure

Changes to infrastructure for ICM and impacts on available options

Single Euro Payments Area

- Objectives and Timing
- SEPA Payments Scheme
- Implementation Issues

Payment Services Directive

- Objectives, scope and timing, and interaction with SEPA
- Impact on float and revenue
- "Payment Institutions"

Electronic Banking and SWIFT – Guest Speaker Markus Straussfeld Unicredit Group

- What is UniCredit's strategic positioning in ICM?
- What are the systems and services in place to realise that positioning for customers?
- Where does IBOS fit into that picture?
- What are UniCredit's offerings for carrying out payments for AP/AR and Treasury?

What stays so good about IBOS?

- Global expansion
- Companies globalising – banks are re-domesticating
- Whole package
- Implementation and after-sales

Main formal dinner



Continued on next page.

IBOS Summer School - Day 4

Liquidity Management and Pooling

Corporate Liquidity Management techniques

Overview of Pre-reading.

Collecting balance information, manual disposition.

Use of funding and investment instruments, tiered interest accounts.

Zero-balancing, target balancing, interest enhancement, pooling.

This session will highlight the applicability of techniques to different situations -

Single or multiple legal entity

Single or multiple currency

Single or multiple country

Single or multiple bank

Competitors

IBOS DZero Offering.

Network banks (Deutsche, BofA, Citi, ING..).

In each case what they offer and a SWOT analysis.

Banks using other clubs.

Banks using Liquidity Engines.

Bank Mendes Gans.

Liquidity Management Case Studies

In each case...

Presentation of example company situation.

Groups design a proposed solution.

Discussion of proposed solutions and reasoning/benefits.

"Ideal" solution and reasoning/benefits.

Tax and Legal issues and techniques to avoid/minimise their impact

Stamp Duty.

Withholding tax/double tax treaties.

Thin capitalisation/disallowance of debit interest.

Deemed dividend.

Capital stripping/endangering ordinary creditors.

Use of treasury centres and locations with beneficial tax rates.

Review of the day and feedback

Review of the course and feedback

Staying In touch

Course close



IBOS Summer School—Comments

Past responses to the IBOS Summer school

Day 1:

'To discuss the case study was very helpful to understand the problems of these customers'.

'The know your customer approach was very valuable'.

'Homework and good preparation helpful for case studies'.

'Very interesting for me and very clear thanks to well prepared exercises, to be done in small groups, Thanks'.

'Very good & complete overview on treasury jobs - Useful'!

'Very much enjoyed day 1 especially the case studies'.

Day 2:

'The sell - training was very good'.

'Very good overview Treasury Functions and clarifying by exercises'.

'Selling presentation and exercises enrich the summer school'!

'Very high quality and very useful'.

'Ideal - prospect & selling'

'Very interactive session'!

'Another good day topped off with the punting'.

'Good mix sale - Theory'.

Day 3:

'A lot of information in general'.

'Realistic and Critical remarks to SEPA'.

'Practical advice on managing the human side of selling'

'Very good role plays'.

'A very long day but filled with useful sessions'.

Day 4:

'Perfect for improving my knowledge'

'The case study difficult but interesting, the information on Tax very interesting'.

'Very important for ICM Consultant'.

'Interesting to get a picture of competitors process'.

'A good finish to the course'.

Overall Course Comments

'Thanks for perfect organisation & subject matter'.

'Thanks to Fitzwilliam College for fantastic services'.

'Good course, Nice teachers, Nice colleagues, Nice food, Nice place & Very Good Topics'.

'Bob & Caroline have such a good way of presenting, the language was so clear'.

'Good organisation, Nice colleagues, Good training and for me, the networking is the important thing'.

'Overall I think this was a very brilliant course - I really enjoyed it - Thank you very much'!

'All the concrete examples (business stories) are an absolute plus of this course'.

'Bravo for the very professional organisation of the course - all aspects'.

'A very good arrangement and good sessions and food and drink'.

'Good balance between theory and case studies'.

'A great course & great group'.

'A very good course - Thanks for everything'.

'Excellent, thank you'.

'Perfect! - Thanks'.





IBOS

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FITZWILLIAM
COLLEGE
CAMBRIDGE



**IBOS Managing Director
Mr Robert Lyddon MA (Fitzwilliam)
ICM Specialist**



**"A Really Hot &
Critical Topic"**



**"Quite intense days. Really
interesting speakers, with very useful
information"**



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