



A leading global supplier of drug development services uses G-Treasury's customized software to automate its global banking and cash management functions

Excel is the single corporate finance tool that nearly every company of any size uses, many for core financial operations. In treasury, it is a common tool for forecasting cash and determining the organization's daily cash position.

Yet spreadsheet-based systems pose operational, financial, and compliance risks to organizations of any size. And the more complex the spreadsheet, in terms of the number of formulas and amount of data, the more likely it is that the spreadsheet will contain errors.

One expert on spreadsheet errors says that he has never audited a spreadsheet that did not have errors. "In general, errors seem to occur in a few percent of all cells, meaning that for large spreadsheets, the issue is how many errors there are, not whether an error exists," wrote Ray Panko, a professor at the University of Hawaii and an expert on spreadsheet error rates, in "What We Know about Spreadsheet Errors" (<http://panko.shidler.hawaii.edu/ssr/Mypapers/whatknow.htm>).

In seven studies over a 15 year period, researchers found that some 88% of all audited spreadsheets contain errors, while separate studies found that about approximately 6% of all formula cells contain errors, Panko reported. If these statistics are not unsettling enough, there are indications that they may be understated. Error detection studies have found that only 54% of errors are actually identified in audits.

Corporations have another solution in the treasury area: replace Excel with an automated G-Treasury workstation.

Streamlined Processes

PharmaNet Development Group, Inc is a case in point. In late 2007, the company did not have a centralized treasury function. Rather, a group of individuals working in separate offices in the United States, Switzerland, and Canada, shared responsibility for overseeing all of the firm's bank accounts.

The company had about 100 separate accounts at 28 different banks around the globe, with limited cash visibility and no simple means to create detailed reports for management.

Daily cash reporting and analysis was done manually using Excel spreadsheet files with limited details. As in many organizations, the Excel spreadsheets were inconsistent, not integrated with other corporate reporting systems, and required manual data input.

In March 2008, PharmaNet hired Lilian Burke to serve as Corporate Treasurer. One of her primary goals was to centralize the treasury management function and bring efficiencies to the global process. The goal was to move all treasury functions to a single office in the United States, streamline processes through automation and bank account consolidation.

As one of her first tasks toward treasury efficiency, Ms. Burke started to seek new technology to automate and optimize information flows. The company relied on daily manual input of bank account balances into Excel spreadsheets for determining its daily cash position.

Ms. Burke inquired about GTreasury to learn more about the variety of GTreasury modules. At first, Ms. Burke was solely interested in the bank communications module where she planned on using PharmaNet's own development staff to try and expand it into an in-house treasury system. But when she saw that GTreasury offered a variety of new features, she decided to use their ASP platform to manage the treasury and cash management functions for PharmaNet.

Greater Cash Visibility

Ms. Burke has been very pleased with the results. PharmaNet's new Treasury department has been able to automate their daily processes and centralize operations into a single office in the United States. Her staff now manages all cash flow operations and bank accounts on behalf of all of the firm's offices and locations around the world.

The Benefits of Automating Treasury Processes

Compared to organizations still using manual processes, companies using treasury automation for cash management:

- Use 43% fewer FTEs per \$1 billion of annual revenue.
- Reconcile 49% more bank accounts per "cash management" FTE.
- Process 329% more cash receipts per "cash management" FTE.
- Spend 37% less on systems per \$100,000 of annual revenue.
- Spend 58% less on personnel per \$1,000 of annual revenue.

*Source: Association for Financial Professionals, 2009
AFP Treasury Benchmarking Program Executive
Summary.*

The GTreasury system allows Ms. Burke and her staff greater visibility to monitor cash flows and bank accounts for all offices that represent PharmaNet worldwide. PharmaNet's Treasury department can see details about cash inflows and outflows from each office or party and easily manage foreign currencies. Working with GTreasury, PharmaNet now has international payments capabilities, including SWIFT integration, and can make payments in any currency through the GTreasury workstation.

As a centralized system that automates and tracks all treasury processes and data, GTreasury allows all users to view and share the same critical data in real time. Information on all business units, currencies, and banks is consolidated for quick information gathering and sharing, supporting decision making and working capital management.

The system has simplified routine treasury operations and freed existing staff for more strategic activities. Treasury today is responsible for strategic and analytical tasks domestically and internationally. Adopting the latest technologies has brought the efficiency required for PharmaNet's treasury department to handle multiple functions.

Installation

GTreasury's ASP is designed to allow their customers to shape the workflow to meet their customer's needs. Every user of the system gets the same environment, and to that they can add modules, functionality and workflow as they see fit. No two customers are alike, but the innate flexibility of GTreasury's ASP allows PharmaNet to create a distinct environment that facilitates their time and cost efficiencies.

For instance, the PharmaNet Treasury department decided to move most of the company's vendors to ACH processing. With the collaboration of GTreasury and the internal technical group at PharmaNet, GTreasury provided a script to communicate between the treasury workstation and the General Ledger—and ultimately to the bank.

With automation from GTreasury, PharmaNet now has the cost and control benefits of a centralized treasury.

GTreasury-PharmaNet Facts

Standard GTreasury Functions at PharmaNet

- Funds Transfer
- Balance Reporting
- Worksheets
- FX

Custom GTreasury Functions at PharmaNet

- Free Cash Calculation

PharmaNet Payment Volumes

- 5 – 200 Payments per Day

Development and Implementation Time

- 3 Months

Training and Support Assessment

- Quickly and Smoothly
- Daily Support when Needed

About PharmaNet

PharmaNet is a leading global supplier of drug development services that offers comprehensive capabilities and expertise clinical trials, bioanalytical services, pharmaceutical and regulatory consulting, and other solutions. Founded in 1984 and based in Princeton, New Jersey, PharmaNet has offices in 39 countries with about 2,400 employees.

About GTreasury

For the past 24 years, GTreasury has provided best-of-breed treasury and cash management software and services to leading banks and corporations of all sizes and all over the globe. GTreasury™ provides the ONE Enterprise Treasury Platform for both ASP/SaaS Services and On-Site Treasury Workstations Installations.