



ANNUAL CONFERENCE

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ORIGINAL/ESSENTIAL/UNBIASED/INFORMATION

Why the cloud is good for treasury

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Today's discussion

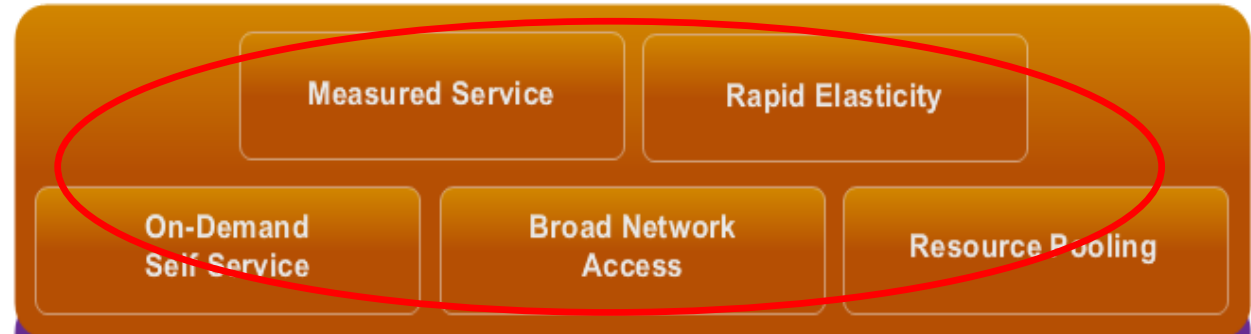
- **What is the cloud?**
- **Operational Risk Reduction**
 - IT's reduced role
 - Security of the cloud
 - Business continuity
- **Functionality for Treasury**
 - Software updates
 - (Lack of) customization
 - Global process standardization
 - System integration

What is the Cloud?

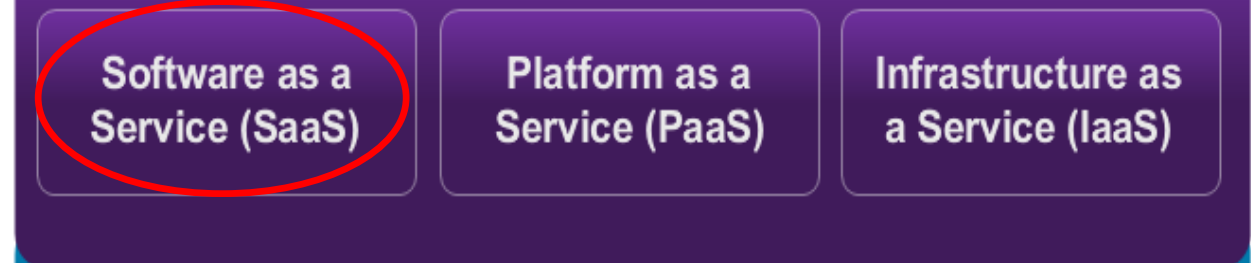


Defining the Cloud

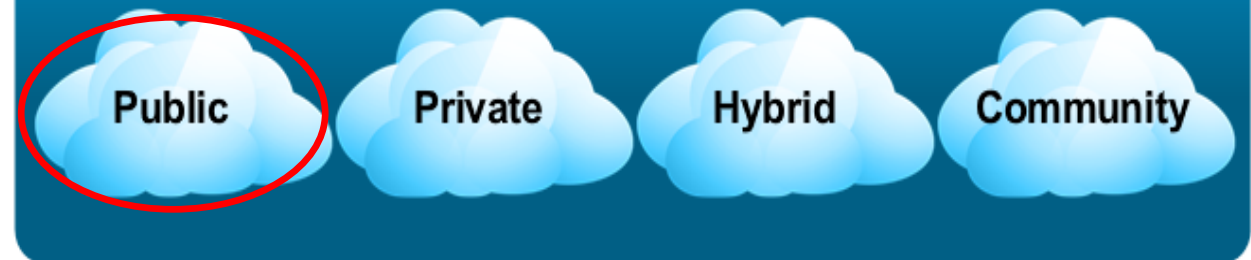
Essential Characteristics



Service Models

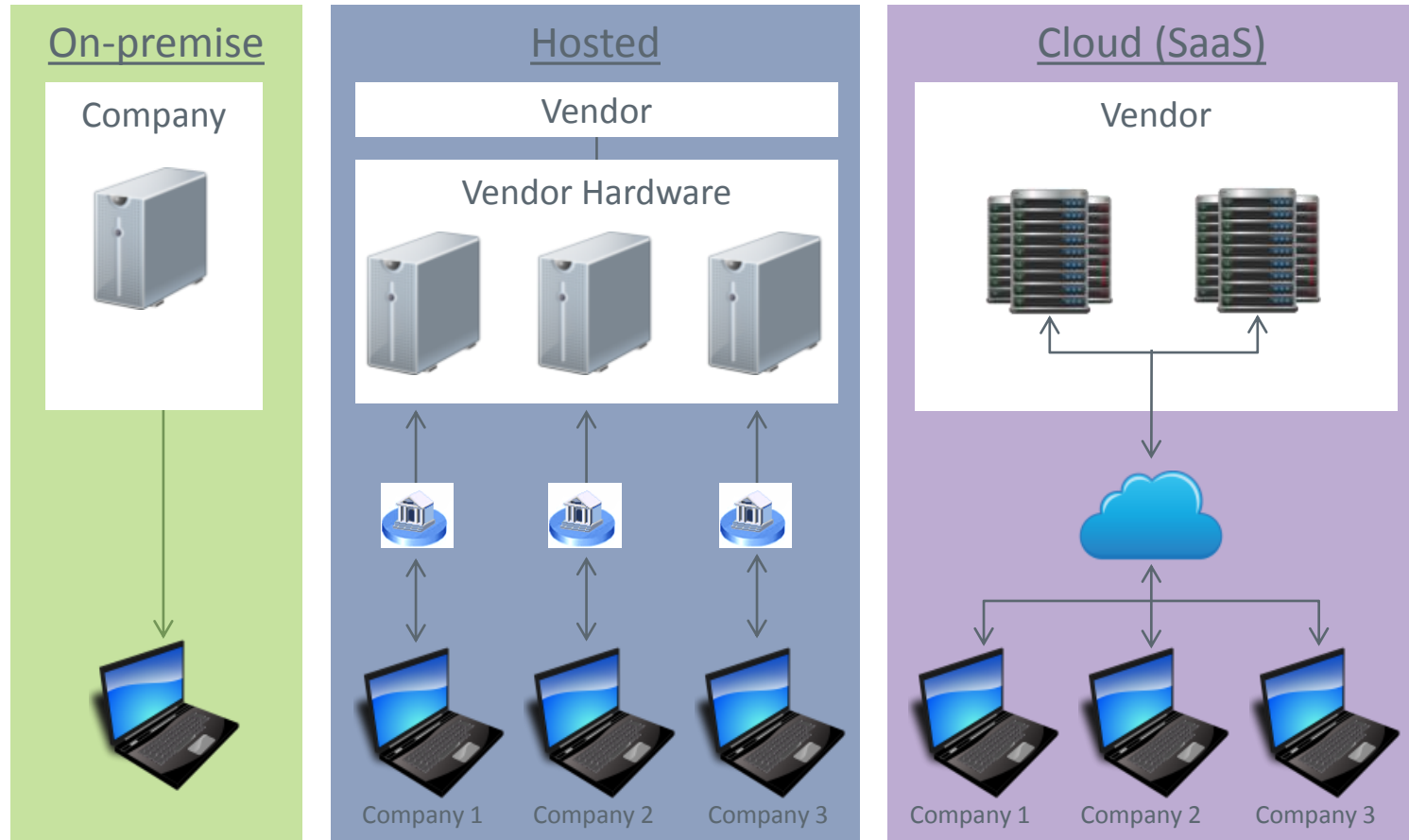


Deployment Models

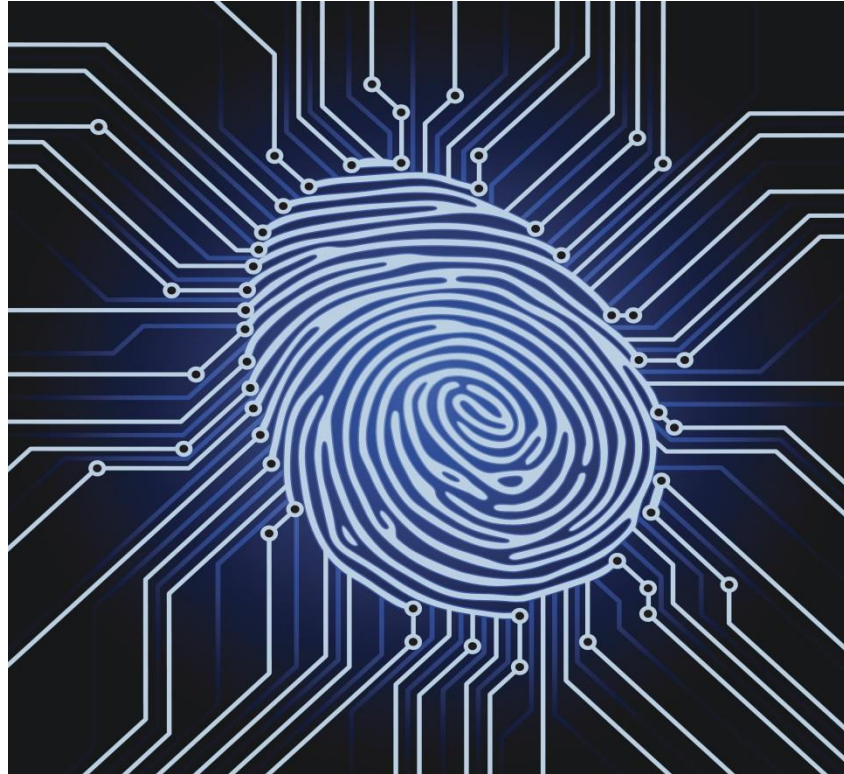


Source: National Institute of Standards and Technology (NIST)

Cloud vs. Hosted Software



Operational Risk Reduction



Operational Risk

Cloud transfers risk and responsibility

- Protects company from its own employees and 'on premise' safeguards
- Shifts risk to new set of variables beyond company's immediate control
- Changes IT's responsibility from hosting to evaluating
- New set of C-level executive offices (CIO, CTO, CISO) exist to ensure that cloud offers greater safety

Operational Risk

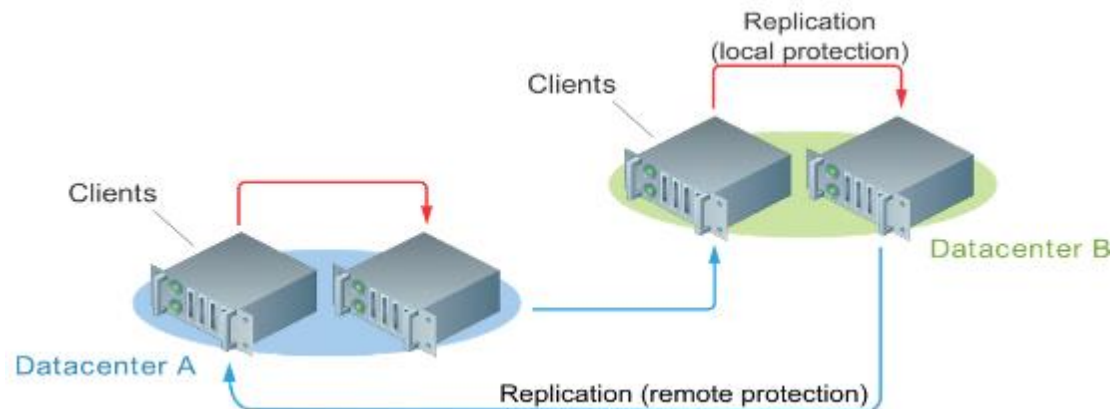
What are the CIO/CTO/CISO looking for?

- Data centers: access points, redundancy, rented vs. leased hardware
- Software: login, encryption, penetration testing, consistency of security in DR/BCP
- Vendor: viability of company, internal security procedures, investment in security infrastructure
- Alignment with company's information security policies

Evaluating Cloud Technology

Treasury system providers are designed to avoid service disruptions

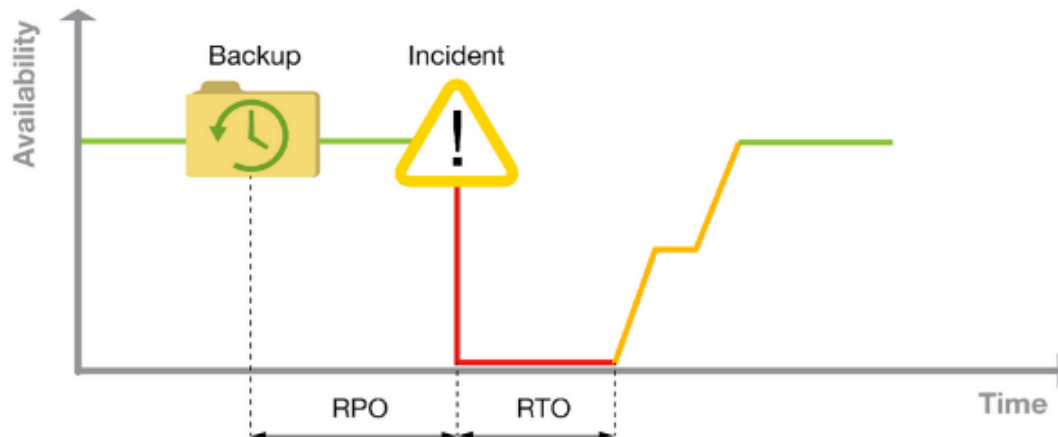
- Datacenter locations are in low risk areas
- One datacenter will backup another, with full replication
 - Full replication = data, bank connections, ERP interfaces, login protocols, etc.



Evaluating Cloud Technology

Two key metrics in disaster recovery

- Recovery Time Objective (RTO): how much time is lost
- Recovery Point Objective (RPO): how much data is lost



*** Treasury's RTO/RPO will be very different than rest of organization**

Evaluating Cloud Technology

When evaluating treasury technology, IT considers:

- ❑ SLA – especially RTO/RPO/availability metrics
- ❑ SOC2 Type II report (read it!)
- ❑ What exactly is replicated – data, interfaces, security, URL
- ❑ Locations of primary and backup datacenters
- ❑ In the cloud - Fully virtualized w/ no additional plug-ins
- ❑ Security – flexibility based on where software is accessed
- ❑ Costs to manage internally

Evaluating Cloud Technology

Costs of cloud must be analyzed

- Treasury technology often comes from treasury's budget
- IT can evaluate cost compared to other options (e.g. hosting in cloud themselves)
- Sometimes some/all costs can go to IT's budget
- Worth investigating opportunity for cost sharing entire application or only "extra security" features



Business Continuity



Business Continuity

Loss Condition	Scenario
1) Loss of personnel	Treasury team wins the lottery and tenders resignation from a beach
2) Loss of facilities	Company offices unusable
3) Loss of services	Company offices lose key services such as power or internet
4) Loss of access	Unable to reach company offices if there is a snowstorm

Business Continuity

Loss of Personnel	
Scenario	Some or all of treasury team leaves
Goal	Continue treasury elsewhere or w/ non-treasury people
Required Solution	<p>The Cloud</p> <ul style="list-style-type: none">• No reliance on spreadsheets or computer• Immediate access from other locations• Single repository for data and documents• Easier rollout to new team members and other locations

Business Continuity

Loss of Facilities	
Scenario	Company offices are disabled and can't be accessed
Goal	Perform treasury from <u>other company</u> locations
Required Solution	<p>The Cloud</p> <ul style="list-style-type: none">• Datacenters for Cloud TMS reside in different locations than company offices, so treasury system still operates• Same workflows can be run anywhere in the world by authorized users

Business Continuity

Loss of Services	
Scenario	Company offices lose key services e.g. power, internet
Goal	Perform treasury from <u>alternate</u> locations
Required Solution	The Cloud <ul style="list-style-type: none">• Treasury system continues to run outside your offices• Treasury system can be accessed via mobile device and/or low speed web connection• Additional security can be implemented for access outside of company office

Business Continuity

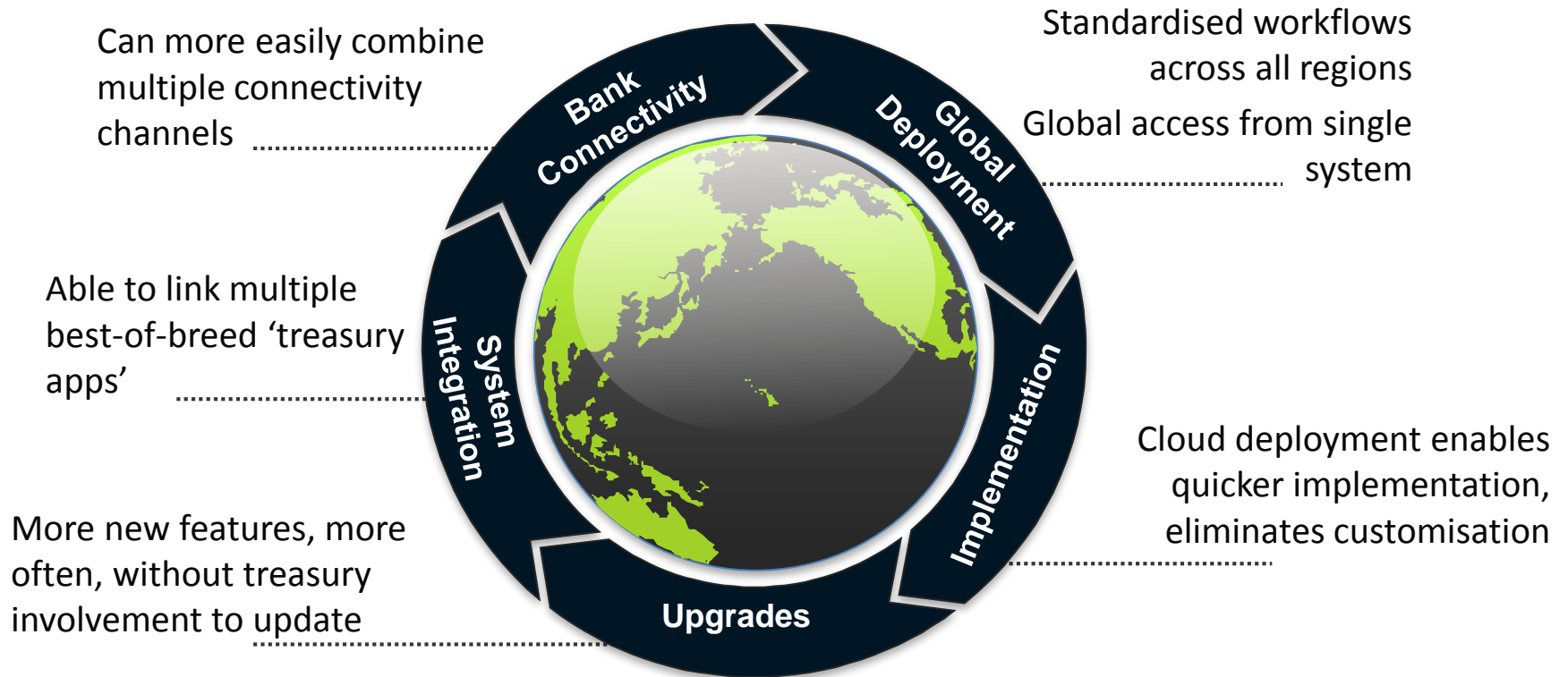
Loss of Access	
Scenario	Treasury cannot get to the office in a giant snowstorm
Goal	Perform treasury activities from home
Required Solution	<p>The Cloud</p> <ul style="list-style-type: none">• Treasury system continues to run outside your offices• Treasury system can be accessed via mobile device, really old desktop and/or low speed web connection• Additional security can be implemented for access outside of company office

Treasury functionality



What does the cloud do for use of treasury functionality?

Key benefits of a cloud treasury system



The Cloud is good for treasury because...

- 1) Reduced Costs to acquire and implement software-as-a-service
- 2) Ease of access to software (including mobile)
- 3) Vendors invest more in features
- 4) Improved Business Continuity
- 5) Aligns with information security policies & cloud strategy

Thanks for attending!



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