

**PRO
FILE**

A Treasure in Retail


As Macy's VP of treasury and insurance, Douglas Brauch looks to automation and innovation to not only improve his department but also navigate challenges during the pandemic

By KEITH LORIA

“I’ve always been a part of iconic brand names that are part of individuals’ daily lives,” says Douglas Brauch, vice president of treasury and insurance at Macy’s. “I wanted to work for a company that I could say I was proud to work for.”

It was at his first job after graduating from the University of Kentucky where Brauch began his twenty-year career within the treasury and insurance function. He joined Chiquita Brands in 2001 and stayed for five years before moving on.

“I started in their financial planning and analysis area, assisting with internal forecasts, board presentations, and strategic projections,” he says. “A position became available in treasury, and what drew me to that side of the business was that treasury engages with all aspects of a company’s operations. It has a broad visibility into all the functions of the business.”



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The company was going through Chapter 11 bankruptcy reorganization at the time, and while Brauch initially thought it was unfortunate to have this happen in his first-ever role, in hindsight he feels it was invaluable experience.

“I had an opportunity to understand how the balance sheet and overall capital structure were reorganized, while also managing the company’s cash through such a significant corporate event was a great experience. I learned a wealth of financial and management lessons through the process,” he recalls.

In 2006, Brauch transitioned to the E.W. Scripps Co., which quickly announced they would be spinning off their cable division into a separate public entity. That provided him with the experience of establishing a treasury department from the beginning in terms of putting new processes and systems in place and hiring a staff.

“The company experienced tremendous growth over the almost ten years I was there, and we completed a number of international acquisitions as well,” Brauch says. “Toward the end of my career there, the media industry started towards a direction of significant consolidation.”

At the time, Macy’s had the need for some treasury department succession planning, and in 2015 Brauch joined the retailer, where he currently serves as its vice president of treasury and insurance. Brauch and his team are responsible for the daily cash, treasury operations, and insurance functions for the entire company.

“On a daily basis, the team ensures we have appropriate liquidity to meet the company’s needs,” he says. “We are evaluating our cash reserves, market conditions, and making determinations of how to invest funds.”

Additionally, his team supports all aspects of the company’s operations, whether that’s improving working capital, issuing letters of credit, overseeing supply chain financing, or account payable discounting programs.

On the insurance side, Brauch’s daily responsibilities include partnering with divisions along with a corporate entity perspective evaluating how to mitigate risk and ensuring there are appropriate insurance policies and coverage.

Obviously, 2020 was an unprecedented time in the world, and retail was hit particularly hard. “As our national portfolio of physical stores were essentially closed overnight, it’s a situation that no disaster

recovery or business resiliency playbook contemplated to that magnitude,” Brauch explains. “I had to rely on past experiences of business transformation and reorganization events, such as the bankruptcy and reorganization spin-off from my previous roles.”

Even before the pandemic, the retail industry was experiencing its own transformation as physical locations were contracting while digital platform volume was increasing.

“When I joined Macy’s, we as a treasury department implemented a treasury platform called Kyriba, which essentially consolidated all of our bank reporting and automated that into a single electronic platform,” Brauch says.

That’s a big difference from how things were done when he joined the company six years ago, when all the cash management and treasury operations were manual and required logging into multiple different banking platforms, printing out bank reports, and entering data into excel spreadsheets.

The treasury team also implemented Institutional Cash Distributors (ICD), an online investment portal that allows the team to compare funds to ensure Macy’s is maximizing returns and provides full visibility into its investments. “From an

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VP of Treasury & Insurance

Macy's



investment perspective, previously the process required us to pick up the phone and get a hold of traders to make investment trade orders, whether we were purchasing or redeeming funds,” Brauch explains.

“Overall, we had limited automated reporting and processes. The Kyriba workstation and ICD investment portal has eliminated many of the manual steps and assisted in driving efficiency and better decision-making.”

Thanks to the automation and new processes, the team was well-prepared to manage the treasury operations in a remote environment during the pandemic.

In summer 2021, Brauch and the treasury team are still working remotely, and from a business component, he’s seen tremendous progress over the past six months. While many stores were closed last year, there was tremendous growth on the digital side, and that continues to be the case.

“Our results and performance are exceeding expectations,” he notes. “It’s a testament that people want to both get out and still be physically in the stores, while also engaging with Macy’s on our digital platforms.”

That has led to a lot of optimism about the rest of 2021 and beyond, with all things trending in the right direction. “There’s always a continuous goal to drive efficiency with our treasury operations, and we are constantly seeking innovative solutions to reduce expenses, enhance decision-making, and ultimately drive improved business results,” says Brauch, who spoke with *Profile* in May 2021.

For instance, one innovative improvement that emerged out of the pandemic on the insurance side was the method

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in which Macy’s completed their annual process of collecting detailed property information on nearly eight hundred locations.

“In partnership with Carrington Risk Consultants, we implemented a virtual survey platform that enables users who are on-site to use an app to enter information and take pictures of features like sprinkler heads, fire extinguishers, or the roof,” Brauch explains. “The app, which eliminates the need for travel and manual procedures to collect critical property information, has been an innovative piece of technology.”

And he expects to continue to use automation and innovation to help leverage his team’s skill sets and contributions towards achieving company’s goals. ■

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