

# Embedded Finance – Optimize Your ERP

September 26, 2023



# ERP Solutions Promise Opportunities & Challenges

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# ERP Evolution

- Updated ERP and financial systems form the backbone of an organization's digital nervous system.
- All processes within an organization need to be reflected in some shape or form within the ERP/financial system to enable capture of all activities and their impact on the organization's performance.
- ERP systems and capabilities have evolved:
  - Core operations to finance additions
  - CRM, WMS, SCM and e-Commerce extensions
  - Analytics and BI evolution
  - HRIS and Social XRP
  - AI enabled innovations
- Outdated and poorly integrated/enabled systems pose a significant obstacle towards the digital transformation journey!

# Digital Transformation Journey

- Digital transformation is an effort by management to leverage the latest information technology capabilities.
  - This is done by improving and integrating business processes within the organization and with outside parties such as suppliers and customers.
- This journey is an evolutionary process, and its pace is dictated by management and driven by several factors such as capabilities, resources, competitive forces and client demands.
- Every organization embarks on this journey, from the “Old World” onto the “New World”, but to what extent and at what pace?

# Digital Transformation Defined

- Digital transformation is the ability for an organization to leverage the latest information technologies in order to achieve capabilities such as:
  - Establishing highly integrated, frictionless operational processes
  - Enabling collaboration within the organization
  - Enabling customer interaction with our systems
  - Integrating within the supply chain network
  - Improving management decision making capabilities
  - Viewing data as an organizational asset
  - Establishing proper cyber and privacy safeguards
  - Maintaining a spirit of experimentation & innovation

# Transformation Accelerators

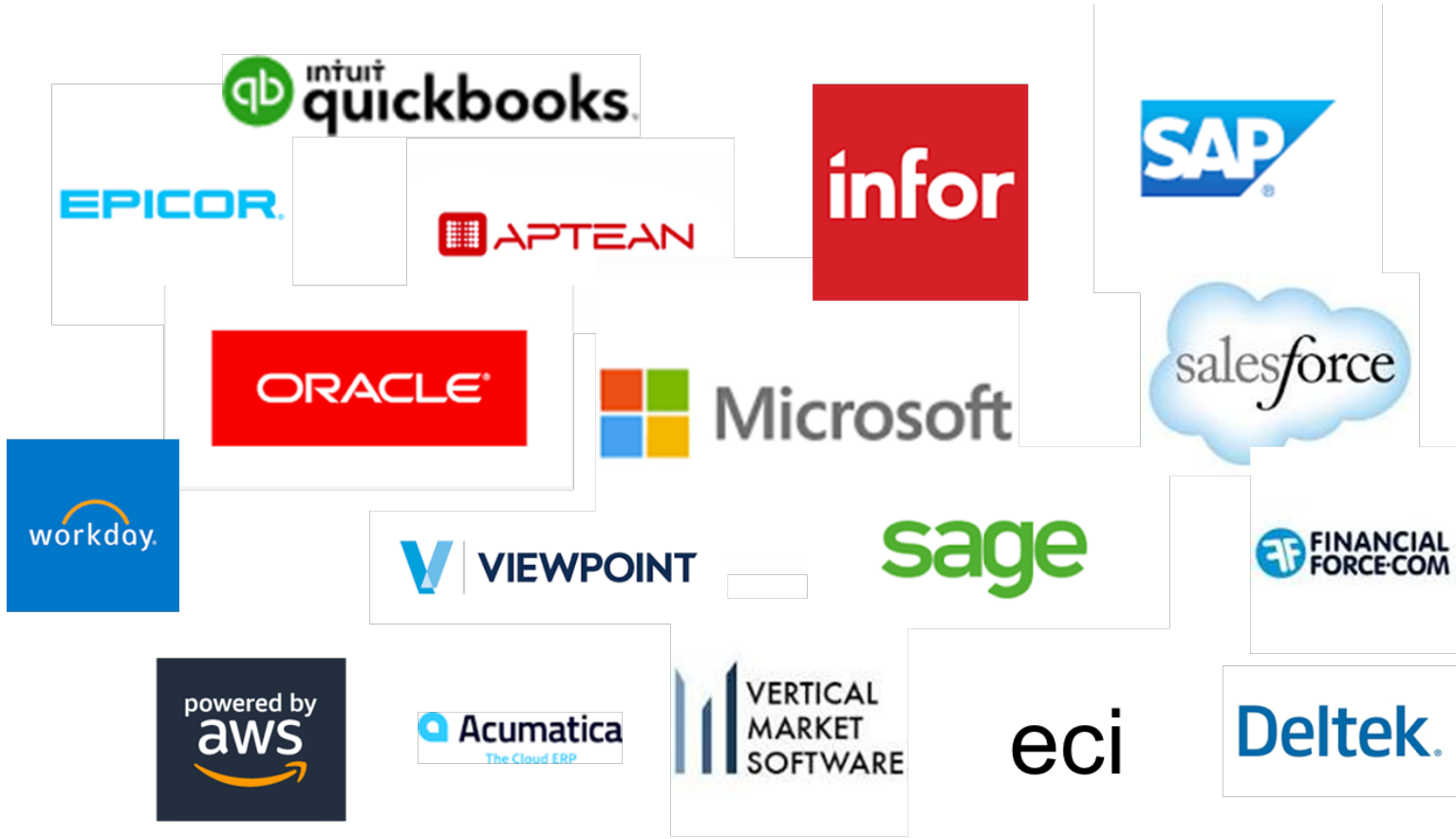
- Recent events – Realization that we need the ability to work from anywhere at anytime with ease and security
- Industry realities – Competitive pressures and customer expectations for product and service pricing and delivery capabilities
- Emerging technologies – Cloud and mobile computing, process automation, artificial intelligence, Web 3.0
- Internal capabilities – Outdated IT systems, applications, tools and related resources
- Managerial priorities – Executive leadership's view on priorities and allocation of resources for growth and profitability

# ERP Digital Transformation Enablement

- Process integration/efficiency (direct or API)
- Break down the silos, provide visibility
- Real-time information updates and alerts
- Dashboards for management by exception
- BI/AI for decision support
- Access anywhere, anytime, any device
- Less paper, more workflow
- Increased self service capabilities
- Software as a service, ease of IT management
- Address information security and privacy concerns



# Market Leaders





# ERP Solution Approaches

## All-in-One

- Using one primary software solution to handle various facets of the company.

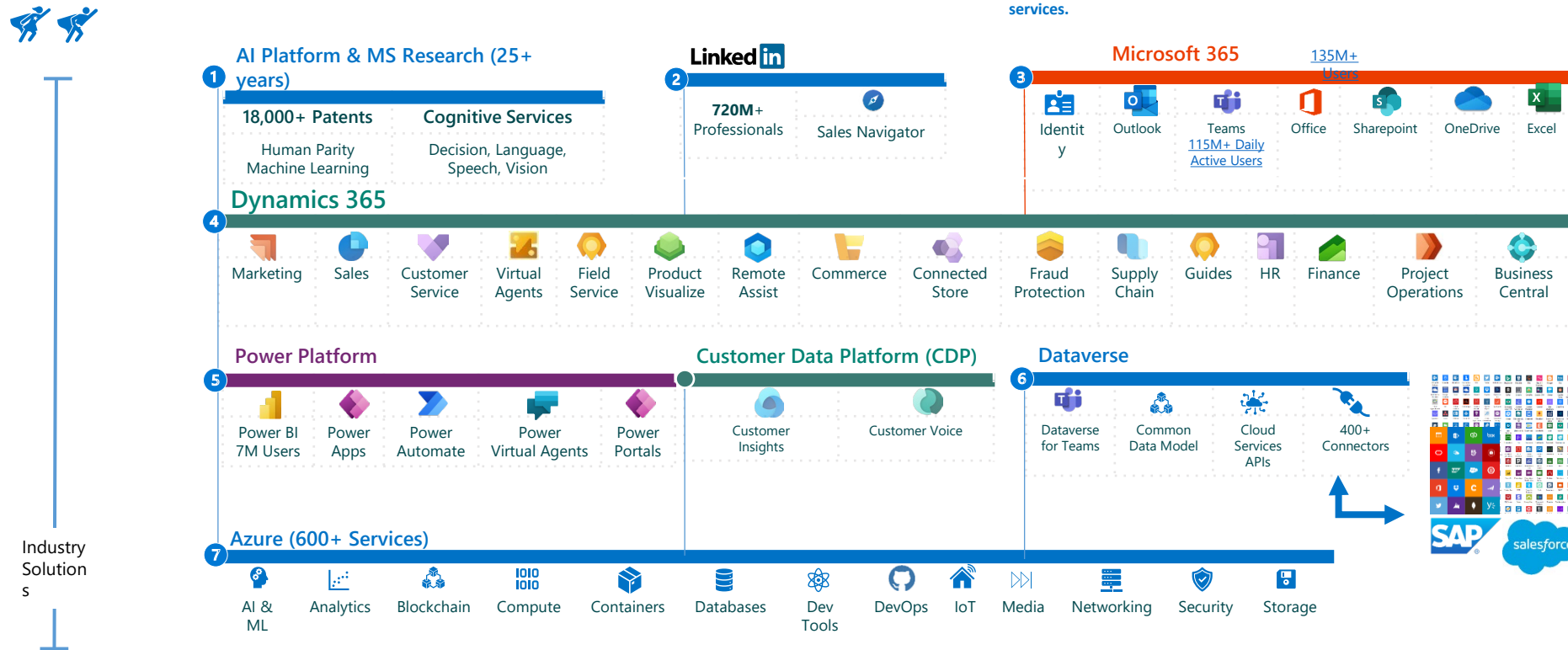
## Best of Breed

- Using several software applications and providers to satisfy the needs.

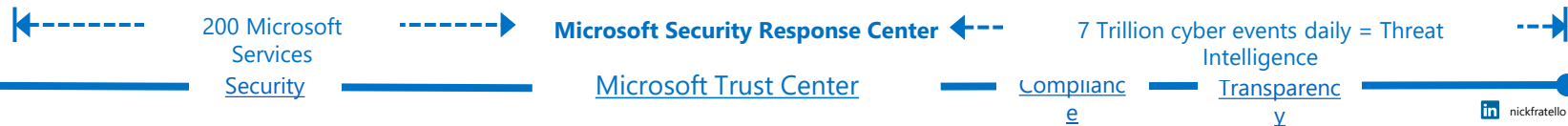
# Microsoft Platform Highlights

## Microsoft Business Application Solution Ecosystem

Microsoft's Business Applications are built on Azure, using a **Common Data Model** that unifies data in **Dataverse**. **Power Platform** is the low code extensibility solution for Microsoft's **Office 365**, **Teams**, **Dynamics 365** business applications (CRM & ERP) and integrates with **400+ services**.



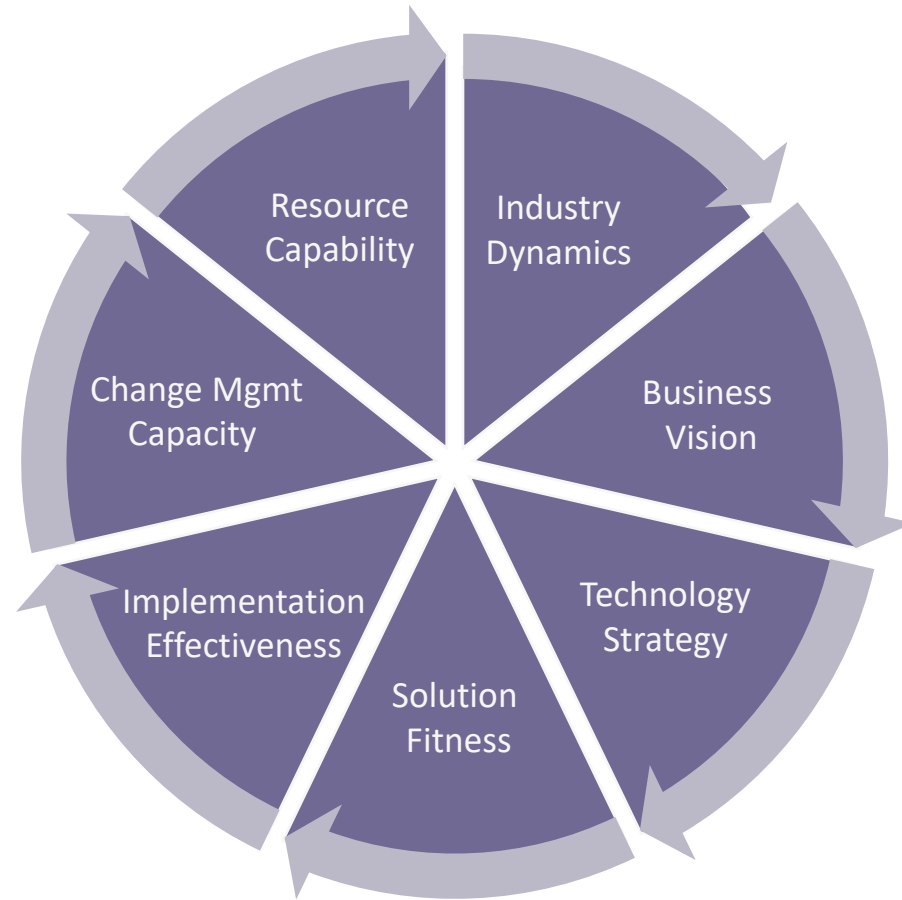
Industry Solutions



# ERP Platform Considerations

- Best of Breed approach provides an opportunity to mix and match cloud-based applications.
- Applications leverage differing underlying technologies and as a result, could pose challenges in areas such as:
  - Ease of integration
  - Technology familiarization
  - Resource consideration
  - Total cost of ownership
- A well-integrated solution roadmap could be leveraged as a source of competitive advantage.

# Financial System Success Factors



# Transformation Opportunities

- Operational agility – Ability to adjust to changing conditions in a rapid response manner.
- Lowered transaction costs – Tightly integrated systems offer increased process efficiencies.
- Improved decision making – Data becomes more of a digital asset; easier to slice and dice/dashboards.
- Increased customer loyalty – Customers have a higher regard when dealing with best-in-class providers.
- Increased scalability – Company can easily support and scale operations without adding significant support resources.
- Improved cyber resiliency – Reducing risks through leveraging integrated cloud security tools and expertise.

# Q&A

Questions for the presenters? You can text them here:

**717-823-1786**



# Contact the Presenter



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Kreischer Miller's technology professionals specialize in helping middle market organizations leverage the latest information management and protection solutions and practices in support of their strategic objectives.



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# LEVERAGE EMBEDDED FINANCE TO TRANSFORM YOUR BUSINESS

September 26<sup>th</sup>, 2023

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**Dana DiOstilio**

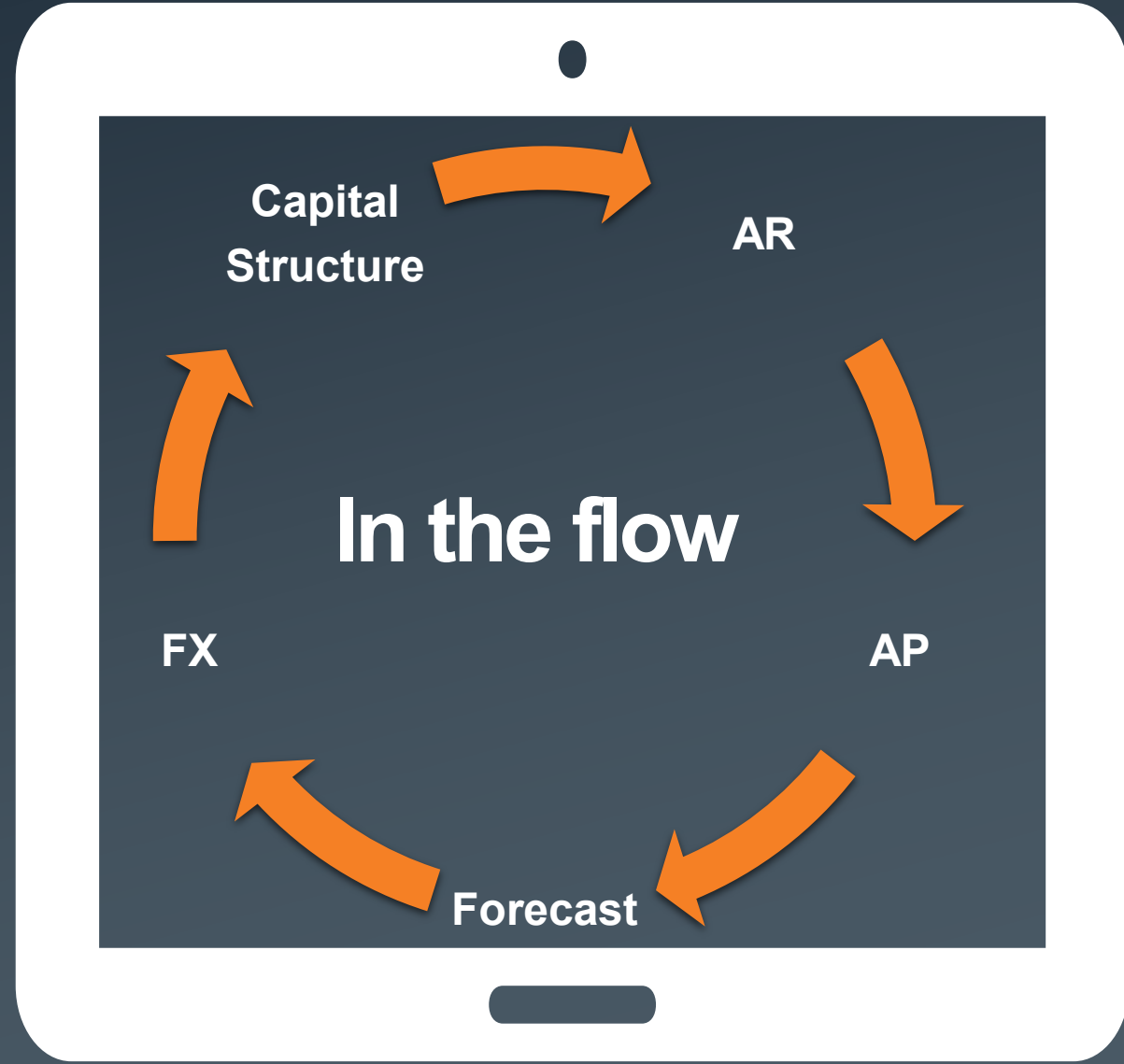
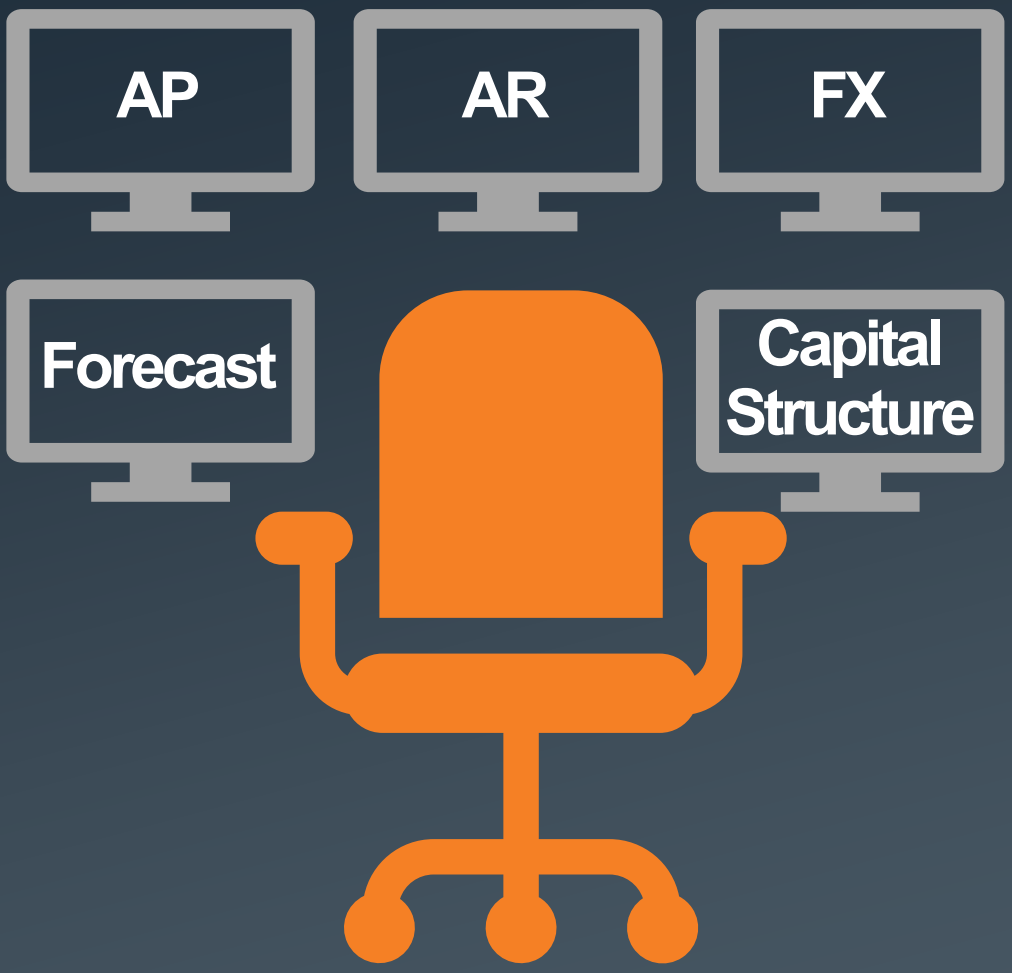
VP, Treasury Solutions Group



**Michael Senuta**

SVP, Embedded Finance Strategy Manager

## The Swivel Chair



1

Understand CFOs and Treasury Teams' Top Strategic Priorities and the technologies that organizations are using to manage the treasury function

2

Discuss why bank integrations are critical to achieving treasury automation and understand the connectivity channels available

3

Review examples of how modern technology and real-time bank integrations are enabling corporates to execute against their priorities and learn how to get started

## CFOs – Finance

1. Ability to reduce overall costs in business (49%)
2. Ability to manage company growth (41%)
3. Ability to save significant time and effort through reduction of manual effort and errors (27%)
4. Ability to standardize common processes (22%)

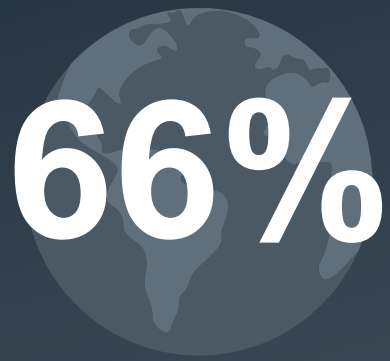
## Treasury Teams – Treasury

1. Improving treasury operational efficiency (53%)
2. Gaining real time insight in cash position (26%)
3. Evaluating and improving our banking relationship (21%)
4. Reducing our cash management costs (21%)

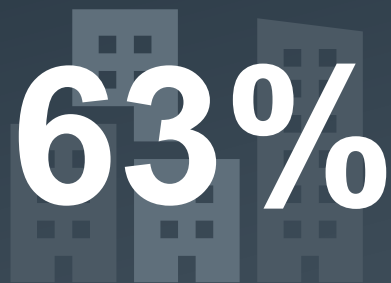
**CFOs ARE FOCUSING MOST ON REDUCING COSTS,**

**WHILE TREASURERS ARE PRIORITIZING IMPROVING TREASURY OPERATIONAL EFFICIENCY.**

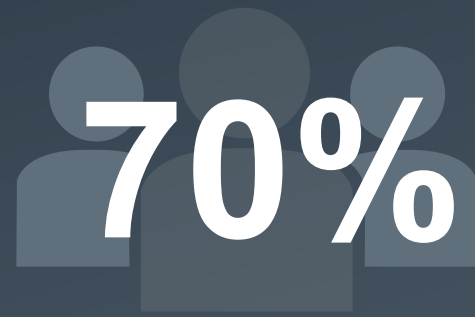
## MOST TREASURY TEAMS ARE SMALL AND MOST MANAGE CASH IN HIGHLY COMPLEX BUSINESSES



OF COMPANIES ARE OPERATING WITH MULTIPLE CURRENCIES



OF COMPANIES HAVE MORE THAN 5 SUBSIDIARIES



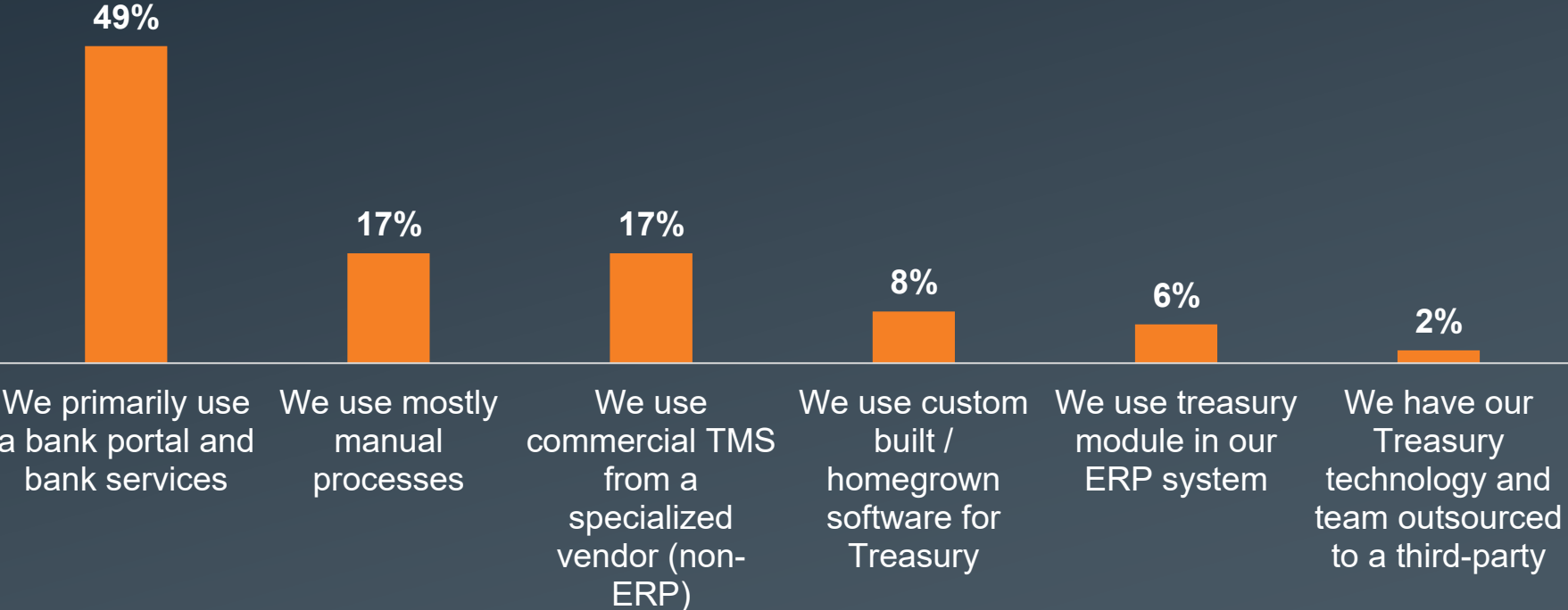
OF TREASURY DEPARTMENTS HAVE 5 OR LESS TEAM MEMBERS



42%

OF COMPANIES HAVE A DIGITAL TRANSFORMATION PLAN

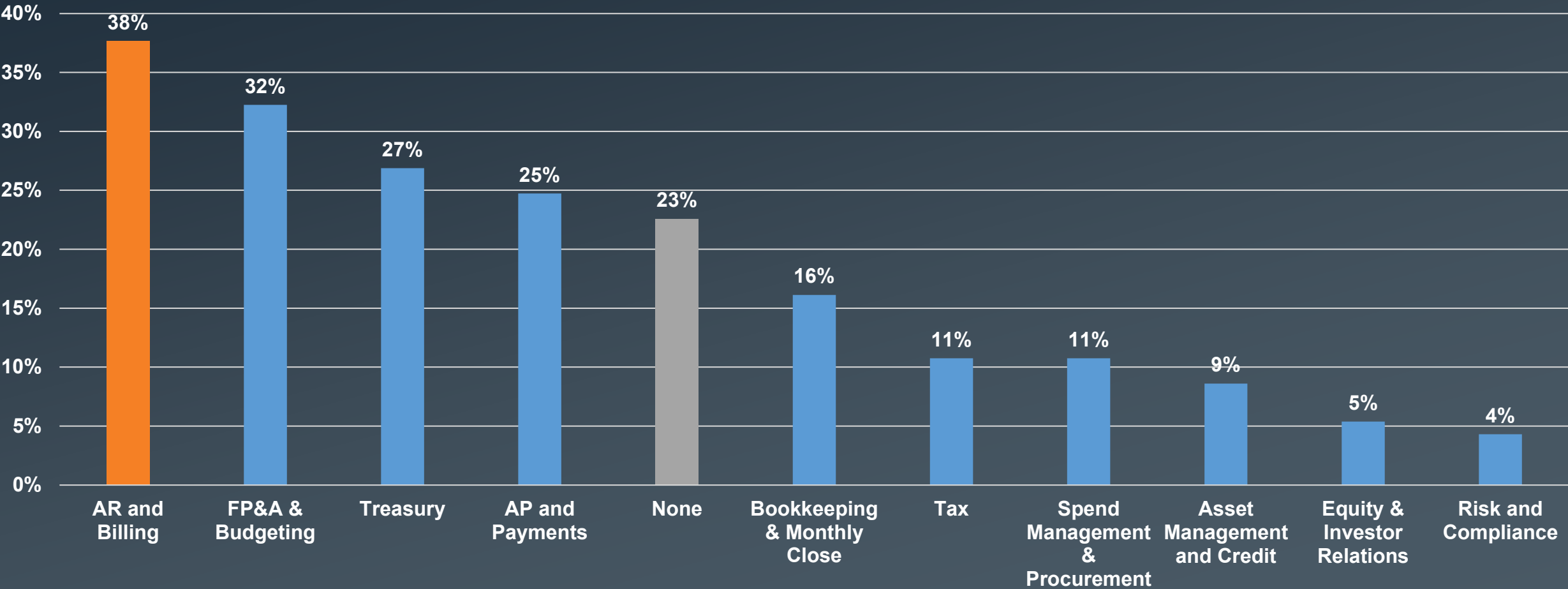
## Q: WHAT KIND OF TECHNOLOGY IS YOUR ORGANIZATION USING TO MANAGE THE TREASURY FUNCTION?



**BANK PORTALS ARE THE MOST USED SOLUTION FOR CASH MANAGEMENT AND TREASURY FUNCTIONS IN THE U.S.**



## A/R AND BILLING SOFTWARE LEADS THE WAY IN SOFTWARE PROJECTS PLANNED



**FINDING RELIABLE AND SECURE WAYS TO INTEGRATE THESE TECHNOLOGIES AND DIGITAL DATA SOURCES IS CRITICAL**

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**REDUCE  
OPERATIONAL  
EXPENSES**



**SIMPLIFY  
PAYMENTS**



**STREAMLINE  
RECONCILIATION**

**71%**

**OF COMPANIES  
AUTOMATE  
PAYMENTS  
STREAMS TO  
BANKS USING  
INTEGRATION  
TECHNOLOGY**

## WHAT IS EMBEDDED FINANCE?

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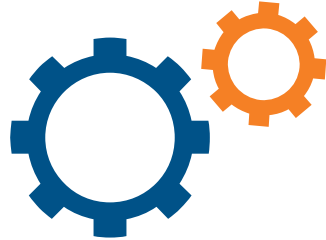
**“Embedded finance refers to the integration of financial services – such as banking, payments processing, and lending – into digital experiences with the goal of streamlining processes and placing banking services directly where and when they are needed.”**



## DO YOU NEED A CUSTOMIZED EXPERIENCE?

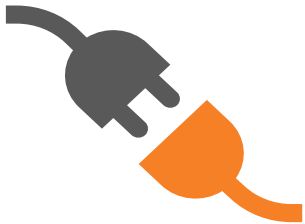


FILE TRANSFER



APIs

## DO YOU NEED A PRE-BUILT CONNECTION TO IMPROVE PLATFORM EFFICIENCY?

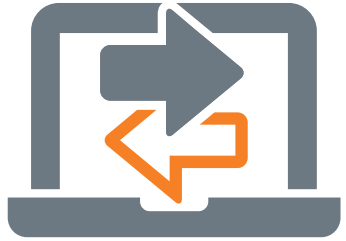


CONNECTORS



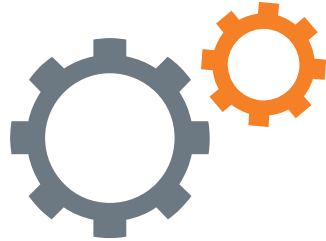
EMBEDDED APPS





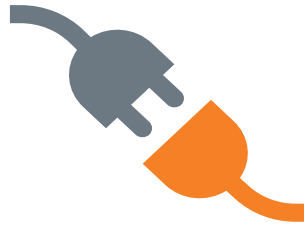
## FILE TRANSFER

File transfer services supports a variety of exchange options such as AS2, SFTP, SWIFT FileAct, and HTTPS, for both standard and modern file formats such as BAI2 and ISO20022, offering secure and monitored data exchange capabilities to organizations



## APIs

APIs facilitate the sharing of data and functionality between different applications, enabling powerful combinations of services to deliver cohesive experiences



## CONNECTORS

Connectors are pre-built integrations that make connecting and sharing data between platforms more efficient



## EMBEDDED APPS

Embedded solutions offer pre-built integrations and ERP embedded experiences that facilitate seamless interactions with bank solutions, allowing for convenient and efficient work within the ERP environment



APIs allow companies to **create custom experiences** for their **teams** or **customers**



## VERIFICATION

## RECEIVABLES

## PAYABLES

## REPORTING



Verify payee  
Information before  
making payments



Verify received  
checks prior to  
deposit



Integrating  
payment  
functionality into  
client platform



Initiate real-time  
payroll



Simplifying  
payments to  
consumers



Integrating real-  
time reporting and  
improving  
reconciliation

## Payment Initiation

## Balance Reporting

## Transaction Reporting

ORACLE NETSUITE  Help Feedback David Enick PNC Bank - Demo Account - 00: Controller (PNC Demo Role 1)

ORACLE NETSUITE  Help Feedback David Enick PNC Bank - Demo Account - 00: Controller (PNC Demo Role 1)

ORACLE NETSUITE  Help Feedback David Enick PNC Bank - Demo Account - 00: Controller (PNC Demo Role 1)

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**1000 - Checking (x0000 (Demo Data))**  
Last Updated 15 minutes ago

PREVIOUS DAY BALANCES		INTRADAY BALANCES	
<small>Last Updated 15 minutes ago</small>		<small>Last Updated 15 minutes ago</small>	
LEDGER BALANCE	\$999,065.69	LEDGER BALANCE	\$365,420.23
AVAILABLE BALANCE	\$725,883.89	AVAILABLE BALANCE	\$303,842.16

**FILTERS**

FROM DATE:  TO DATE:

**Refresh** **Export** 1..50 < > TOTAL: 72

SETTLED DATE	DESCRIPTION	CUSTOMER REFERENCE	BANK REFERENCE	BAI CODE	AMOUNT	POST DATE	DETAILS
4/14/2022 4:00:25 pm	ACH payment	086758e87b8c47d69ea6a8d9b2cb0306	4298b9c36e284dfb85e6880c2aad67a4	231	(294,988.37)	4/14/2022 4:00:25 pm	<a href="#">View</a>
4/14/2022 4:00:25 pm	ACH payment	346db742373d42c2b48b9cb35ed5a4ad	ef3da0b14941441e8424d1d238bcffba	141	(597,518.08)	4/14/2022 4:00:25 pm	<a href="#">View</a>
4/14/2022 3:00:30 pm	Wire payment	0d782c1e81f84ae8a7534025ed5d3db7	44de2b3b66b3421f9a134806c386711b	294	334,999.72	4/14/2022 3:00:30 pm	<a href="#">View</a>
4/14/2022 3:00:30 pm	ACH payment	bc177246b44e41a91d22bb1bdf479b	9ab437973e844b6fac051b477370aef7	747	894,448.20	4/14/2022 3:00:30 pm	<a href="#">View</a>
4/14/2022 2:00:33 pm	Wire payment	eda58558396d4ce7887f2f509d8bd5bd	84b8bbce436b40e39dac70c631082789	239	(319,479.21)	4/14/2022 2:00:33 pm	<a href="#">View</a>
4/14/2022 2:00:33 pm	ACH payment	a7be30198a65407a87389754535a86c4	f57028968f2d4b9a8bfc4a5b359a47	274	(734,904.73)	4/14/2022 2:00:33 pm	<a href="#">View</a>
4/14/2022 1:00:41 pm	Wire payment	6f6c9d1cd8a34b61828bc930d7961d05	a5970679baf46aa88e31ea015fab62d	210	972,131.05	4/14/2022 1:00:41 pm	<a href="#">View</a>
4/14/2022 1:00:41 pm	Wire payment	827bba8f4754a2b414f892c2c6bb8	8a224c649f74a3d8a2a14524075425c	227	252,402.66	4/14/2022 1:00:41 pm	<a href="#">View</a>



Connectors **streamline onboarding** and enable companies to **leverage banking services** within specific systems, delivering **embedded experiences**

## SOLVING COMMON CHALLENGES

Logging into multiple platforms to keep track of account balances



View real-time information reporting within your ERP or TMS

IT priority and resources to build custom files and setup transmissions



Integrate without the need for IT resources

Easily accessing and leveraging new payments and bank capabilities



Access continuous new features released over time

Learning another bank portal



Utilize familiar ERP / TMS system to carry out bank functions

Manual reconciliation involving downloading files



Streamline the reconciliation process

Lengthy implementation process



Dramatically reduce onboarding time



## HOW TO PRIORITIZE AUTOMATION AND INTEGRATION INITIATIVES

### UNDERSTAND YOUR CURRENT STATE

- What are the most time consuming tasks?
- What is the most prone to error, omission, or fraud risk?
- What tools can fill knowledge or experience gaps of in-house resources?



### EVALUATING SOLUTIONS AND DESIGN FUTURE STATE

- Consider outsourcing and consolidating treasury functions
- Look for bank partners that have invested in embedded technology
- Develop business cases and explore ROI



### DRIVE BUSINESS PERFORMANCE

- Prioritize areas of focus based on greatest returns and enablers of scalability
- Develop roadmap for short and long term initiatives





## FUEL GROWTH

CFOs looking to reduce costs and fuel growth are focusing on three important areas: improving risk management, increasing cash visibility, and automating treasury functions.



## ENTER THE NEXT PHASE OF AUTOMATION

Treasury technology will not only help you navigate through an uncertain market, but may also unlock key financial opportunities by enabling treasury functions to add more business value.



## NAVIGATE UNCERTAINTY

With early efforts toward automation being ERP focused, more organizations are ready to mature their systems and tune in to the needs of today's treasury and finance departments by using technology to be more strategic.

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# Thank you!

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