



MARKS & ASSOCIATES

Cash Management Seminar - Course Overview

Understanding the Products and the Process

Aimed at relationship managers, lenders, product managers, operations staff and cash management sales people, this two-day session provides a pragmatic understanding of what cash management products do for banks and their customers. Initial discussions focus on banks' traditional view of non-credit products as "services" rather than "products"; the impact of that view on costing methods and pricing decisions; the role of cash management in a lending-based environment; and the benefits of cash management during periods of depressed loan demand, intense competition, and contracting profit margins.

Product building blocks, such as the check clearing system, availability schedules, Fed presentments, the ACH, are explained so that participants see how they impact the end user -- the corporate customer. All major cash management products are covered with a "features / applications / benefits" approach, so that participants understand how each product fits into a corporation's treasury activities.

At the conclusion of this class, participants have:

- A better understanding of the role of non-credit products in the bank's product mix;
- A heightened awareness of the corporate view of cash management;
- A well-honed ability to identify prospects for a specific product or set of products.

In total, the participants should be able to identify, qualify and convert more cash management prospects, in addition to sell more deeply into existing relationships. A course outline follows.

- I. What Is Cash Management?
 - A. Cash Management: Corporate and Bank Perspectives.
 - B. Origins and History
 - C. Environmental Factors
 1. Bank Profitability
 2. Product Profitability
 3. Pricing Issues
 - D. Why Banks Have No Choice About Being Involved in Cash Management
- II. Role of Cash Management in Corporate Finance
 - A. Corporate Operating / Cash Cycle
 - B. Tools of Cash Management
 - C. Key Players
 - D. Time Value of Money
 - E. Cash Flow Timeline

III. The U.S. Check Clearing System

- A. How Checks Clear
- B. What Is Availability?
- C. The Fed System
 - 1. Local clearing houses
 - 2. Automated clearing houses
 - 3. Direct sends, Piggy-Back Direct Sends, RCPC Direct Sends
- D. Demystifying Availability Schedules

IV. *Cash Management: Evolution & Timeline*

- A. Operating Cycle
- B. Cash Management Objectives
- C. Cash Flow Types
- D. Tools of Cash Management
- E. Key Players
- F. Development of U.S. Cash Management
- G. Current Treasury Environment
- H. Key Corporate Finance Concepts
- I. Integrated Cash Flow Timeline
- J. Potential Conflicts

V. *Collection and Concentration Products*

- A. Review of Corporate Receivables Objectives and Policies
- B. Lockbox and Cash Concentration
 - 1. Features: How it works from the bank's perspective (Just the facts!)
 - 2. Advantages: How it works from the customer's perspective
 - 3. Benefits: float reduction, staff reduction, improved audit control, reduced fraud loss, convenience
 - 4. Potential Product Objections
 - 5. Wholesale vs. Retail
 - 6. Potential Prospects (relative to industry classifications)
 - 7. Remote Deposit Capture, Drop Boxes, Electronic Lockbox

VI. *Disbursement Products*

- A. Review of Corporate Payables Objectives and Policies
- B. Zero Balance Accounts, Controlled Disbursement Accounts, Account Reconciliation Services, Positive Pay, Integrated Payables, On-line payables
 - 1. Features: How it works from the bank's perspective (Just the facts!)
 - 2. Advantages: How it works from the customer's perspective
 - 3. Benefits: increased control, improved cash performance, centralization of disbursement activities, staff reduction, improved audit control, reduced fraud loss, convenience, float implications
 - 4. Potential Product Objections
 - 5. Potential Prospects (relative to industry classifications)

- VII. *Other Products* - These are discussed at the option of the bank
 - A. Procurement Cards (Purchasing Cards)
 - B. On-line data systems or Internet access to the bank
 - C. Payable-Through-Drafts
 - D. Direct Deposit of Payroll
 - E. Debit Cards or Stored Value Cards
 - F. Payroll Cards (Paycard, PayTM, etc.)
 - G. EDI-Related Products
 - H. Image Technology
 - I. e-Commerce products

- VIII. *The Competitive Environment*
 - A. Identifying and assessing the banks in your market
 - B. Recognized banks in your marketplace and their strengths and weaknesses

- IX. *Bank/Corporate Relationships*
 - A. Organizational focus of both the company and the bank
 - B. Relationship Management: What it means to the company and to the bank, and how it too often leads bankers to make unprofitable decisions
 - C. Pricing issues: availability as a price, reserve requirements, ECR, fees vs. balances, analysis statements

- X. *Fraud*
 - A. Check Fraud
 - B. Identity theft
 - C. Other types of fraud

This class has been approved by The AFP for CCM credit. A two day session yields 16 CCM Credits