

Increasing Treasury's Strategic Bandwidth

An Integrated Workflow for Forecasting and Investing

An innovative integration between its cash automation platform and money market investment portal has given Bandwidth Inc. the benefits of a truly straight-through data workflow. Scott Taylor, Treasurer at the enterprise cloud communications company, explains how this efficient integration took place – without him needing to lift a finger.

By Eleanor Hill, Editor

Established in Raleigh, North Carolina, in 1999, Bandwidth counts companies including Google, Microsoft, Cisco, and Zoom among its client base. These organisations leverage Bandwidth's application programming interfaces (APIs) to easily embed voice, messaging and 911 access into software and applications.

Given the significant rise in communication platforms in recent years, and in particular due to Covid-19, Bandwidth is growing at a rapid rate. Bandwidth is the first and only Communications Platform as a Service (CPaaS) provider to offer a range of communications APIs built around their

nationwide IP voice network, and they are the only API platform provider to own a Tier 1 network, which enables the company to deliver better quality, rates and control to their customers. The company also recently acquired Voxbone SA in a move that significantly accelerates their plans for international expansion.

Preparing for the future

While rapid growth is a nice challenge to have, it also meant that Taylor needed to have his treasury operations working as efficiently as possible in order to scale with the business. This was no mean

feat considering that, when he joined Bandwidth in the middle of 2019, Taylor was the company's first dedicated treasury professional.

"All of the core treasury tasks were spread across accounting functions at that time. We were also outsourcing a significant part of the cash management to an asset management firm because we had raised a lot of cash from the public offerings and simply didn't have the in-house resources to manage that. Another challenge here was that there was no treasury management system [TMS] in place," he explains.

What's more, due to its previously national rather than international focus, Bandwidth was working with relatively small, incumbent banks, that did not necessarily offer the latest in connectivity options or solution sets. All of this meant that there was a huge manual burden placed on Taylor, and his time was taken up with low-value tasks, when he wanted to focus on supporting the company more strategically.

Reinventing treasury

It was clear that change was needed. "We're starting to build a larger treasury team in-house. As part of a reorganisation in the Finance department, individuals on the cash applications team moved into treasury roles, and some of the accounting responsibilities also shifted over to my team. It's a work in progress, but it's a great start," explains Taylor.

Alongside the creation of a true treasury team, Taylor has set about revolutionising his treasury technology set-up. "We knew we needed a dedicated treasury workstation of some nature, but we were reluctant to go down the path of implementing a fully blown 'monolithic' TMS," he says. The hesitance stemmed from Taylor's previous experience of TMS implementation projects – being both costly and long-winded. "I didn't want to wait 18 months to have a solution up and running. Or to pay for functionalities we did not require. The company needed a light-touch technology that would assist in a matter of weeks, not years."

At the end of 2019, Bandwidth chose Trovata as its cash forecasting platform. "It was a cost-effective choice and virtually no IT resources were required for the implementation. Trovata set up an API

connection into our ERP [enterprise resource planning] system for the cash forecasting and the data was pulled automatically into the platform."

As soon as this solution was up and running, Taylor was keen to bring the company's cash management back in-house. "Although outsourcing to a cash manager was an effective and simple solution for the way the company was set up initially, the cost of outsourcing meant that we weren't getting the yield we wanted. As such, we selected ICD Portal to enable us to handle that side of things internally instead. We use it to invest in money market funds [MMFs] and Federally Insured Cash Accounts – all at the click of a button. And that's something that I don't take for granted, having a whole universe of short-term investments to choose from, in one place."

Having worked with the ICD team at a previous company, he knew that the portal would be a perfect fit for Bandwidth. He also recognised the "partnership approach that ICD always brings to the table, with dedication to customer service". Another benefit of using ICD was its vision for using technology to make the treasurer's life easier – which dovetailed nicely with Trovata's ambitions.

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A perfect partnership

In fact, in conversation with Trovata one day, Taylor spoke about the other partners Bandwidth already worked with – from vendors to banks. "And with ICD being on the same wavelength as Trovata, the idea came about to work on an integration between the two companies, to make the workflows between the two absolutely seamless," explains Taylor.

ICD and Trovata worked together on the integrated workflow concept, with input from Taylor, but with zero resource requirement from his side. "Honestly, we had the kick-off meeting and shortly afterwards, it was implemented!" he quips. "This is the beauty of APIs, there is little to no technology resource requirement from the treasurer's side in order to benefit from great solutions – and this is 100% a great solution."

With the integrated workflow, Taylor can now use Trovata to forecast and easily identify that he has excess cash he wants to invest. He then performs the investment transaction using ICD Portal and all of the information automatically populates back into Trovata, saving time and eliminating manual errors.

The benefits of this are manifold,

INTEGRATED WORKFLOW EXPLAINED

The integration between Trovata's cash automation platform and ICD Portal establishes a straight-through process for the free flow of data across platforms. Trovata's API platform is pre-integrated so it aggregates, normalises and delivers bank balances and transactions in real time to automate cash reporting, cash flow analysis, and forecasting, with no implementation.

With richer and faster intel, treasury enters ICD Portal to invest its excess cash with greater confidence and precision. Through ICD Portal, teams access and research more than 300 funds, analyse underlying credit and bank exposures, and execute trades across 30 fund families using a single ticket. Investment data then flows back into Trovata to automatically update forecasts.

says Taylor. “The integrated workflow provides speed and agility, as well as confidence in having up-to-the-minute, accurate data available. When I log on to my computer each morning, I no longer have to access different portals and pull together reports from various sources – which could easily take half the morning. And as we grow as a company, the amount of time required to perform all of this manually would be unthinkable.”

Furthermore, one of the issues with legacy connections such as SWIFT service bureaus is that reports often don’t come in. “Even one report can make a huge difference – especially in the operating environment like today’s,” says Taylor. “Having to speak to the TMS client service team and then the SWIFT service bureau, which then tells us to call our bank, used to mean a lot of time was tied up in non-value-adding tasks, or simply waiting for the correct information. Now, with the integrated workflow, that worry drops away. The information from ICD is automatically pulled through into Trovata in a completely seamless manner.”

Alongside the transition to this integrated workflow, Bandwidth is also moving banking partners. “We have one bank still left to change. Unfortunately, it does not operate using APIs and we need a more agile partner, as well as a more international one. So that is on the horizon, and will bring further benefits.”

Added developments

With the ICD workflow now fully integrated into Trovata, Bandwidth is finding its cash forecasting has improved significantly. Making investments is also easier than ever. Nevertheless, Taylor has ideas for further improving his treasury tech set-up. “If we could reach the point where we can actually make the investment via ICD in a pop-up window in Trovata, or using suggested actions in Trovata, that would be incredibly helpful and I hope this will be an additional area for development in the future.”

As well as linking the cash solution to the company’s general ledger, he is looking to source a provider to pull FX data into Trovata, again via APIs. “As we start to grow internationally, we’re experiencing foreign currency

exposures for the first time. And these exposures will only become larger in the years ahead. We need robust FX data in order for me to come up with recommendations for managing our positions, so that I can confidently go to the board and justify that decision making.”

Elsewhere, Taylor is keen to reap the benefits of real-time payments and collections. And he sees the seamless link between Trovata and ICD becoming more important in the 24/7/365 working environment. “Automated investment solutions will be critical to keep pace with the real-time environment and having the integrated workflow in place will be a significant boost to our efficiency,” he says.

Stay curious

Taylor also points out that the ICD/Trovata tie-up is by no means limited to Bandwidth. “Any company can make use of the integrated workflow. We just happened to be the first customer. But it’s totally feasible for others – and I would recommend that treasurers cast aside any preconceptions they might have about these solutions.”

It might be hard to believe, given the pain of monolithic TMS integrations, but using APIs in this way is “incredibly easy,” he says. “You can keep all of the technology and treasury architecture you already have, from your in-house bank to your multilateral netting module. At the same time, you gain a much more efficient way to pull your data into one place and can make short-term investments in just a few clicks. What’s not to like?”

He adds that “you can do this with very limited resources from your IT department. At a time when getting on IT’s priority list is tougher than ever, this is a great benefit”. Taylor concludes: “In today’s operating environment it is vital for treasurers to be open to new ideas and to keep learning about the technologies that are available in the market. This integrated workflow almost sounds too good to be true, but it’s delivering very real benefits for Bandwidth and freeing me up to be more strategic, which is precisely what’s needed as a growing company. So, my best advice to others is to embrace the art of the possible.” ■



SCOTT TAYLOR

Treasurer, Bandwidth Inc.

Taylor’s treasury career began at Dillard’s Department Stores in 2002. He then joined Treasury Strategies, consulting corporate treasury teams and financial institutions. He has since held various treasury roles at large and middle-market multinational companies, including Bandwidth, where he is currently Treasurer. Taylor graduated from the University of Georgia with a degree in economics and completed an MBA at Kansas University after studying and living in Italy.

BROADEN YOUR HORIZONS

For more information about cash forecasting and investing with Trovata and ICD, contact info@icdportal.com