

Cash Forecasting at Waterton



ABOUT

Waterton is a privately-held real estate investor and property management company based in Chicago. It has developed an attractive property portfolio in major markets across the US, which it manages on behalf of institutional investors, family offices and financial institutions through its wholly-owned property management subsidiaries.

Introduction

Waterton is an entity-heavy, private equity real estate investment fund management firm. It manages cash across more than 200 bank accounts with up to 12 bank relationships at any given time. Working with GTreasury, Waterton was able to reduce data collection by 90%. Improve cash forecasting, and future-proofed its treasury function.

The Challenge

Waterton's treasury team is small, consisting of a treasury manager and a vice president of treasury, who together are tasked with managing the firm's many accounts and banks. Work includes regularly opening and closing accounts, analyzing bank fees, executing daily ACH and wire transfer functions, and compiling accounts payable reports, while also reporting cash flows and forecasting to senior executives.

These tasks had been very time consuming for Waterton Treasury's two-person team. With very limited resources, they relied on spreadsheets with data pulled manually from bank websites and the firm's enterprise resource planning (ERP) system. To help them, the team used a low-cost bank portal system, but it only offered limited functionality, and for just that bank. "All the bank portal system did was pull in one bank's activity and put it into a spreadsheet for you," explains

KEY RESULTS

- Reduced data collection 90%
- Improved cash forecasting
- Future-proofed treasury

Joe Steadman, Treasury Manager.

The team needed visibility into all of its account activity with robust capabilities to effectively manage bank accounts, daily cash balancing and a rolling 12-month cash forecast. "The bank product was really only doing a daily and weekly cash balancing worksheet for us. What we wanted to do was integrate a cash forecast."

The Solution

During its search for a TMS, Waterton found that most vendors with sophisticated capabilities were less attuned to the requirements of a smaller business. The team then discovered GTreasury's modular software as a service (SaaS) treasury management system, which offered the robust capabilities the team was looking for, and the flexibility to buy only what the firm needed.

"Other vendors basically provided the entire system - 'this is our system, here it is, here's your monthly bill,'" Steadman recounts. "With GTreasury we could pick and choose the modules we wanted, so it helped us keep costs low," Steadman says. "Now that we have the system in place we are going to be looking into the investment module. As interest rates go up, it makes more sense for us to get into the market and review our

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investment options.”

The team adopted GTreasury’s cash management worksheets and forecasting modules, using a general ledger (GL) export. Steadman noted how easily GTreasury was implemented and how configurable the solution was to the team’s property management software, which Waterton uses for its accounting systems.

“We upload several hundred GL transactions a month, so the integration with our property management software not only saves time for the treasury team, but also for the accounting team.”

The Result

Automation has reduced the time needed for information gathering, which was typically 10 hours each month, by around 90%. The worksheets are extraordinarily detailed and include full historical data that is consolidated to provide a clear, straightforward account for Waterton’s executive team.

The historical data in the Balance Explorer, where transactions are set up in GTreasury’s worksheets, also helps fraud prevention for Waterton. “The historical data in GTreasury has been a real plus for us. In real estate, we do a lot of high dollar amount transactions and a lot of free form wires. With this historical data, it is very easy for us to go back and identify whether an account number is valid when executing free form electronic transfers.” In addition, Steadman explains, “There’s a

lot of data points in the Account Explorer, which helps us keep track of tax IDs, and we use it as our global database now. It helps keep us more organized around when accounts are opened and when they are closed.”

Steadman also credits collaboration with GTreasury’s implementation team for Waterton’s significantly improved cash forecasting abilities. “When it comes to the operational budgets, we get that information from several different departments. We use forecast rules to get an accurate picture going forward, piecing together from various departments where we think the actual cash transactions will happen and when.” Most importantly, the treasury team can now report to the company’s CFO with full confidence in the accuracy of its communications.

As Waterton continues to grow its use of GTreasury, the support the small team gets from GTreasury makes a big difference in its user experience. “The ongoing support is great,” Steadman says. “GTreasury client support is very thorough and responsive, sometimes within minutes.” For Waterton, GTreasury proved to be the right choice for its low fee structure, cloud delivery, rich capabilities, and the valuable ongoing support GTreasury provided the Waterton team at each stage of the transformation.

ABOUT GTREASURY

GTreasury’s integrated TMS not only keeps pace with today’s rapidly evolving enterprises, it surfaces the critical relationships between cash management and risk management. In this way, your treasury information becomes an invaluable driver of strategic business decisions.

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