The ultimate Treasury Management Guide

Snab's Guide for Mid-Sized and Large Companies

Content

Executive Summary

The vast majority of companies are managing treasury tracking bank accounts and balances in excel, running complex financial models and lacking complete and real time visibility of their bussines

Treasury management is evolving—but not fast enough.

In a world where digital consumer experiences in payments and banking and are instant, intelligent, and automated, many finance departments still rely on fragmented systems, manual processes, and outdated banking portals.

In this industry deep dive, we outline the main pain points of traditional treasury management and provide a roadmap toward a smarter, AI-powered, and connected treasury function.

Designed for CFOs, Controllers, and finance professionals in mid and large companies, this guide aims to simplify complexity and highlight what's possible today.

How did the industry end like this?

Treasury management is undergoing a digital transformation, driven by the need for speed, accuracy, and real-time decision-making in an increasingly complex financial environment.

Yet despite this urgency, many finance teams are stuck in outdated workflows and systems.

Traditionally, treasury management systems (TMS) have been built for very large enterprises. These legacy solutions often cost hundreds of thousands—or even millions—of euros to implement and maintain. They require months of configuration, large IT teams, and suffer from inflexible workflows that are difficult to adapt to rapidly changing business environments..

As a result, mid-sized and even some large companies have been left underserved, relying on fragmented Excel spreadsheets, disconnected bank portals, and time-consuming manual processes.

This report provides a deep dive into the current fragmented state of treasury operations, the evolution of banking connectivity, the challenges of reconciliation and transaction categorization, and the transformative power of AI and automation. It offers a clear path forward for companies ready to modernize and consolidate their financial operations, improve visibility and control, and empower their finance teams.

Introduction:
The Fragmented State of Treasury Today

In many companies, treasury management remains a disjointed operation in most of the cases, and exceptionally inexistent in some others unfortunately.

Multiple tools, spreadsheets, and banking interfaces are used for cash visibility, payment initiation, and reconciliation—often with minimal integration between them. Finance teams navigate through a maze of bank portals, manually download statements, and then upload them into ERPs or Excel for analysis

Why Excel rules the treasury department?

Even basic tasks like understanding cash position or projecting short-term liquidity require significant manual effort.

This fragmentation increases the risk of errors, limits real-time visibility, and burdens teams with low-value administrative work, rather than enabling strategic decision-making.

Disconnected tools and manual processes leave finance teams fighting fires, reconciling excel exports, comparing versions, instead of focusing on strategy
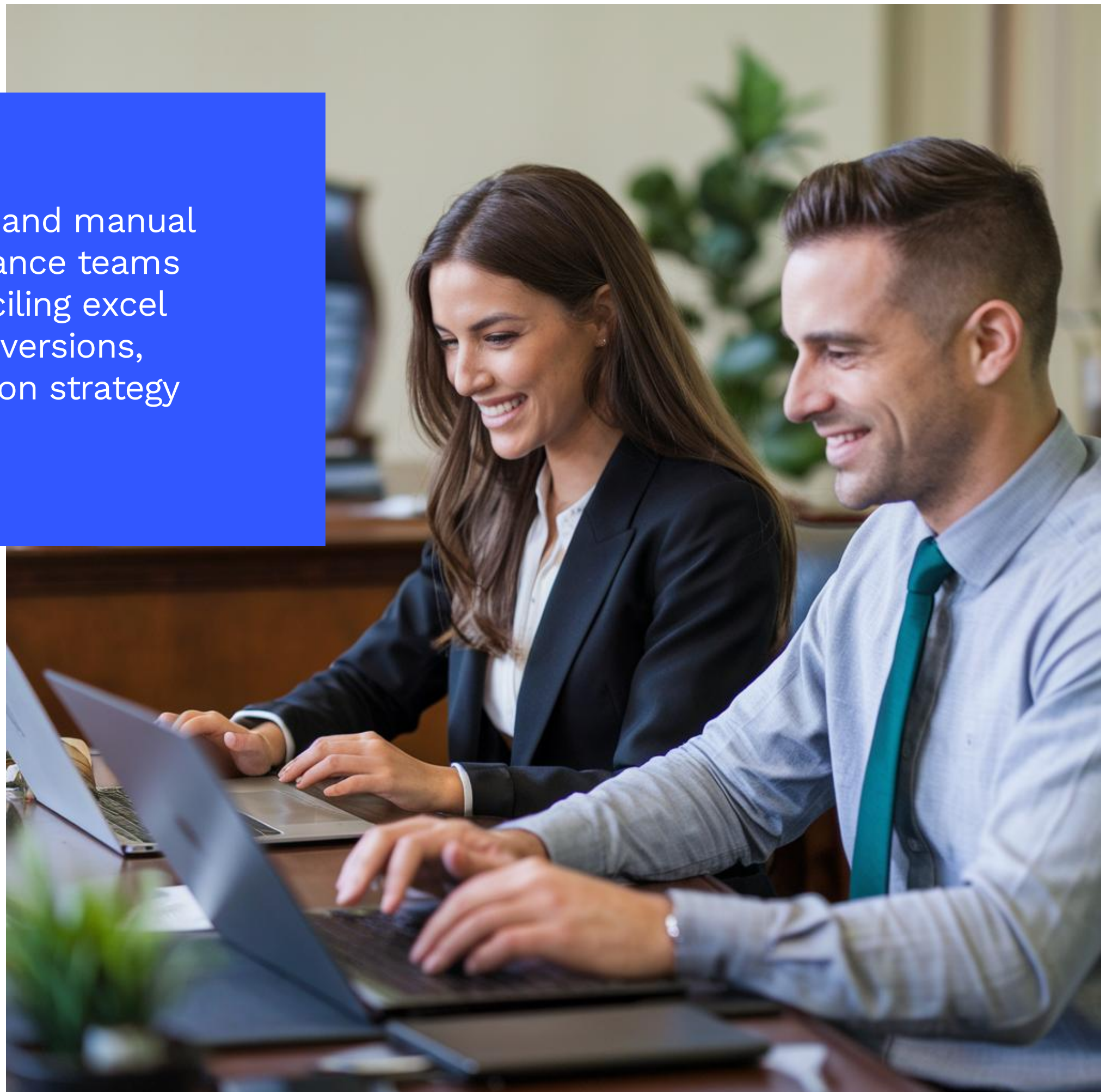
Banking Connectivity: APIs vs SWIFT

When it comes to treasury management, banking connectivity has become the foundation of modern treasury operations.

Historically, companies have connected to their banks via SWIFT or proprietary file-based systems using ISO 20022 messages. These traditional channels require significant onboarding time, offer limited real-time capabilities, and rely on batch processing. Despite being reliable for international payments, they are not optimized for today's speed and agility.

With the advent of PSD2 and open banking regulations, banks have been compelled to offer APIs that enable real-time access to account data and payment initiation. This method is revolutionizing treasury by enabling seamless, secure, and real-time integration between banks and treasury systems. APIs drastically reduce the implementation burden, cut down costs, and enable instant visibility into balances and transactions. This evolution marks a significant shift from static, legacy infrastructure to agile, cloud-native treasury ecosystems.

- **Open Banking (PSD2)**

The Revised Payment Services Directive (PSD2) originated in the European Union and came into effect in 2018. It was designed to increase innovation, enhance consumer protection, and improve the security of payment services by mandating that banks open access to account data via APIs for licensed third-party providers.

"APIs are redefining how treasury systems talk to banks and ERPs—faster, cheaper, and always on."

- **SWIFT**

SWIFT is the global messaging network used for secure financial communications, particularly for cross-border transactions.

Common formats include:
CAMT Files (e.g., CAMT.053): Used for cash management reporting, delivering structured daily account statements.

Norma 43 (Spain): A localized bank file format standard used in Spain for account statements.

MT940/MT942: Traditional SWIFT messages for end-of-day and intraday statements.
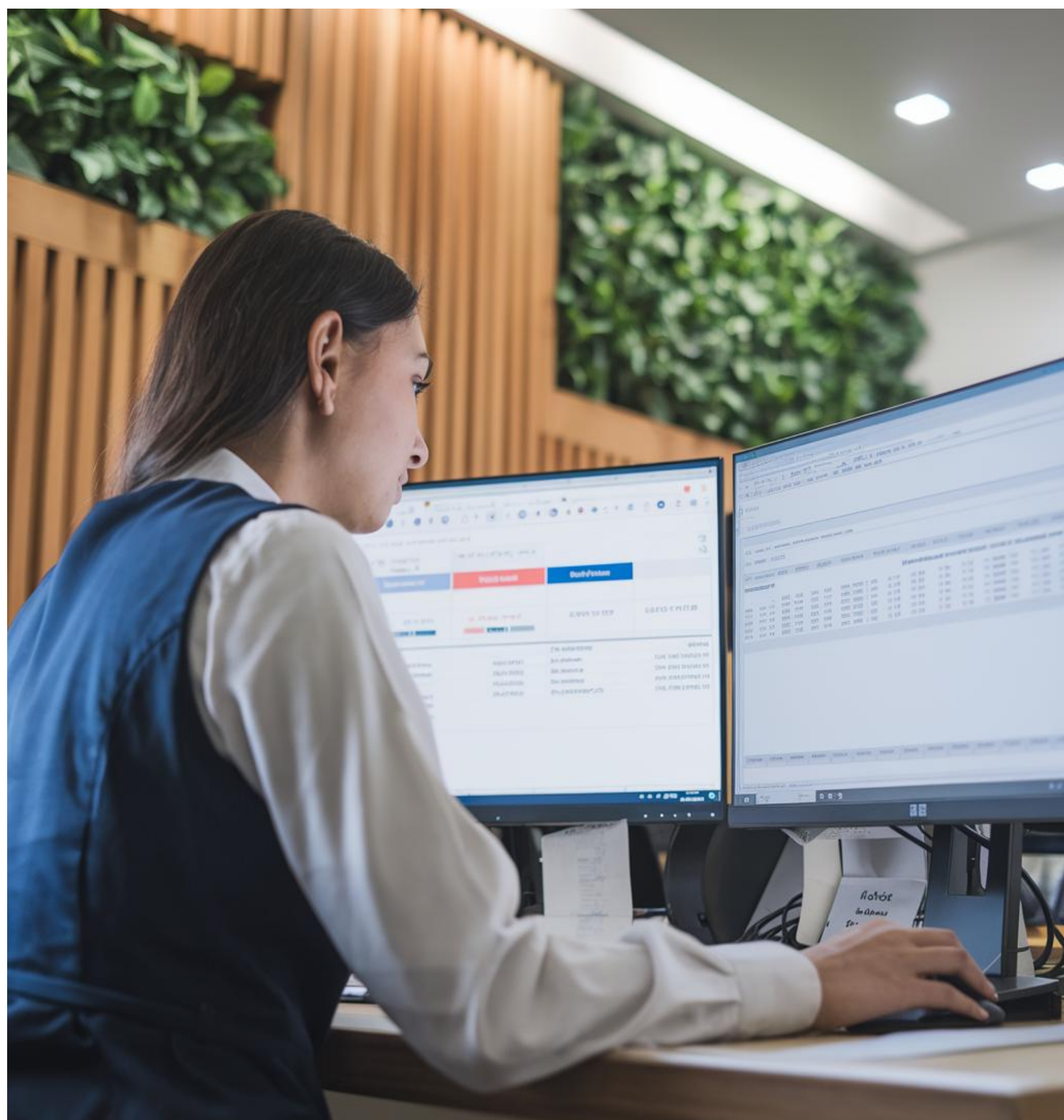
Transaction Categorization:

Every treasury department deals with large volumes of transactions, from supplier payments and payroll to tax disbursements and intercompany transfers.

Without automated categorization, these entries must be manually reviewed and labeled—leading to inefficiency and delays in reporting.

Advanced systems today use rule-based logic and machine learning algorithms to automatically categorize transactions based on past behavior, bank descriptors, and invoice data.

This allows companies to group expenses by type, department, or project, offering clearer insights into cash usage. It also supports more accurate budgeting and variance analysis, transforming raw transactional data into a strategic resource.

- Bank Fees
- Operational Expense

"Automation transforms endless rows of transactions into meaningful financial insight."
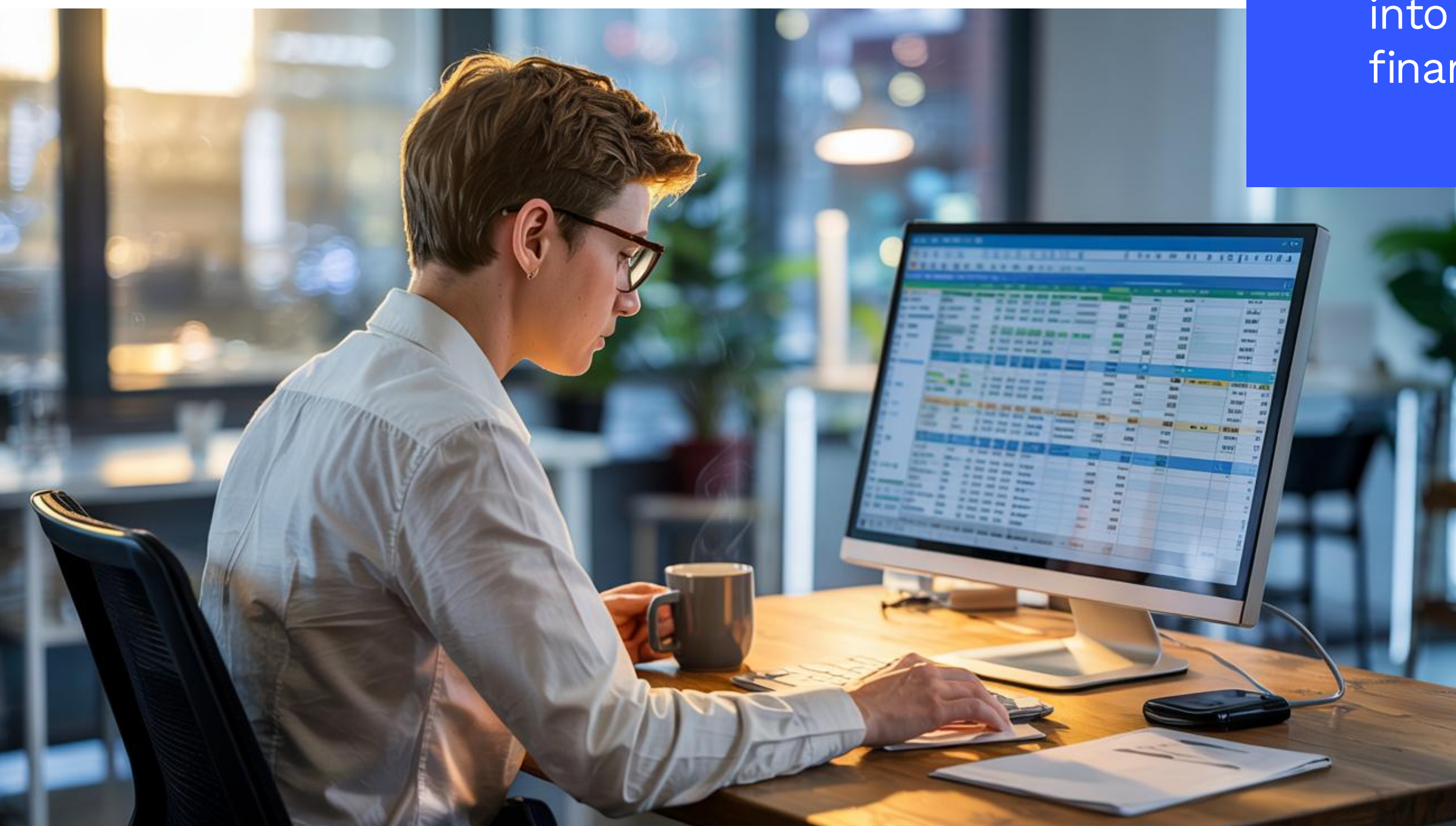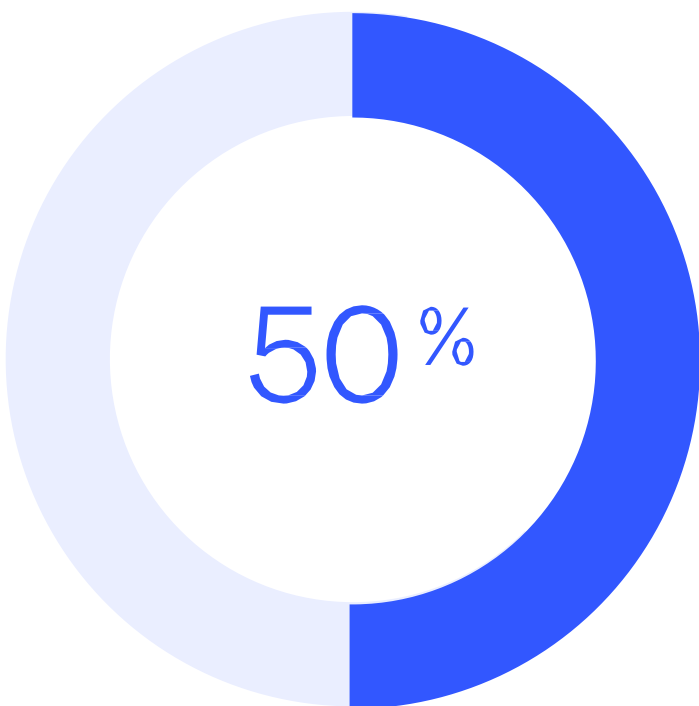
Reconciliation: From Chaos to Clarity

Reconciliation is one of the most time-consuming and error-prone tasks in finance.

Traditional processes involve downloading bank statements, cross-checking them with internal ledgers or ERP data, and resolving discrepancies manually in excel. Delays in reconciliation can obscure the true cash position, delay financial reporting, and increase audit risk.

Automated reconciliation engines compare bank feeds with ERP or TMS entries in real-time, automatically matching payments to invoices and flagging unmatched items for review. AI can further enhance this process by suggesting likely matches for partially reconciled items, reducing the workload on the finance team. This not only accelerates the month-end close but also ensures more accurate, timely reporting and better fraud detection.

Save Over 50% in reconciliation

50%

"Smart reconciliation tools save time and reduce errors—while improving visibility and control."

Cash Forecasting: Predictability in an Unpredictable World

Forecasting is essential for liquidity planning, risk management, and strategic investments.

However, most companies still rely on Excel-based models that are outdated the moment they are completed. These models often lack integration with real-time banking and ERP data, limiting their accuracy.

Modern cash forecasting tools pull data from various systems in real-time, offering a consolidated view of expected inflows and outflows.

Using historical data, seasonality patterns, and machine learning, these tools can predict future cash positions under different scenarios.

Finance teams can simulate delays in customer payments, changes in supplier terms, or the impact of large capital expenditures—providing more confidence and agility in decision-making.

"Dynamic forecasting gives finance teams the power to see ahead—and act faster."

The Role of AI in Modern Treasury Management

Artificial intelligence is redefining the treasury landscape by automating decision-making and reducing repetitive tasks. AI can analyze massive volumes of financial data to detect patterns, anomalies, and trends that would be invisible to the human eye.

In treasury, AI applications include predictive analytics for cash forecasting, anomaly detection for fraud prevention, smart categorization of transactions, and even conversational assistants to guide users through complex processes.

AI doesn't replace the finance team—it amplifies their capability to manage risk, optimize liquidity, and provide strategic insights. Companies that adopt AI in treasury gain a significant advantage in speed, accuracy, and foresight.

On average, users save 50% on slow and manual treasury management processes

Treasury Integration with Accounting Software (ERP)

For treasury operations to function effectively, they must be tightly integrated with the company's accounting and enterprise systems. A direct, bidirectional connection with ERPs ensures that all treasury-related activities—such as payments, collections, bank fees, and liquidity positions—are automatically reflected in the company's financial records. This eliminates silos between accounting and treasury, reduces reconciliation time, ensures compliance, and gives finance leaders a single source of truth for real-time financial decision-making.

"When treasury systems and ERPs speak the same language, finance teams gain speed, clarity, and control."

Snab synchronizes bidirectionally with the leading accounting ERPs

Conclusion: Toward a Smarter Treasury

As business complexity grows, finance leaders can no longer afford to manage treasury manually or with outdated tools and fragmented processes. The shift to a smarter, automated, and integrated treasury operation is not just about efficiency—it's about survival and competitiveness.

By adopting modern treasury solutions built on APIs, AI, and real-time data, mid and large companies can drastically improve control, visibility, and agility. The technology exists. The value is clear. The only question is: are you ready to upgrade your treasury?

We hope this guide has helped answer your questions about digitizing treasury management and has shown you why your company needs to automate this area.

We're sure you're ready to save hundreds of hours, cut manual costs and human errors, and explore the world of digital treasury management.

Get started now

Ready to dive into the world of treasury management automation?

Snab can be implemented in minutes and allows your mid-sized or large company to automate its financial operations

"The future of treasury isn't coming—it's already here. And it's smarter, faster, and fully connected."

Request a demo today to see Snab's solution in action

A product expert will show you how Snab works for your business.

To learn more, visit:

https://snabfinance.com/es/

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