

creating a treasury management system RFP:

What You Need to Know to Find the Best Solution for Your Organization

Implementing a treasury management system can be transformative for financial institutions, offering enhanced financial operations, improved customer experiences, and broader commercial portfolios. Drafting an effective request for proposal (RFP) for a treasury management system requires strategic planning, consensus-building among stakeholders, and clear priorities.

why do you need a treasury management system?

Before diving into the RFP process, it's crucial to understand how investing in a treasury management system can benefit your institution.

First, a treasury management system can help you **diversify your commercial portfolio**. Treasury management solutions attract a broader range of business clients by offering advanced financial tools, which can mitigate concentration risk and support revenue growth.



Additionally, a treasury management system can **enhance the accountholder experience**. Treasury management platforms enable you to provide customizable and comprehensive banking solutions. These systems support businesses of all sizes, empowering them to manage cash flow, liquidity, and financial planning more effectively.

Key Differences Among Treasury Management Systems

Because treasury management systems vary in functionality and specialization, understanding these distinctions is essential for a well-targeted RFP. Here are some key features to consider:

- **Receivables management:** Some treasury management platforms support both paper and electronic re-ceiveds, enabling greater flexibility for different types of transactions.
- **Account reconciliation:** Look for solutions that simplify reconciliation by automating processes and integrating with other bank systems.
- **ACH fraud detection:** Advanced treasury management platforms offer fraud detection capabilities for ACH payments, adding an extra layer of security to safeguard transactions.
- **Cash visibility:** Enhanced cash visibility tools provide real-time insights into cash positions, essential for businesses managing daily liquidity.
- **Bank relationship management:** Treasury management systems that help manage an inventory of accounts and banking relationships are invaluable for institutions with multiple banking partners.
- **Cash positioning:** Optimizing cash positioning and liquidity management is another critical feature, allowing businesses to allocate cash efficiently.



A treasury management system can help you **diversify your commercial portfolio**.

preparing your RFP

Creating an effective RFP involves strategic planning and engagement with internal stakeholders. Here are some critical steps in the process:

1. **Identify key stakeholders.** You'll need to involve stakeholders who'll have a role in the selection, implementation, and daily use of the treasury management system, including:
 - » **Finance teams** – to provide expertise on treasury needs.
 - » **IT department** – to assess integration capabilities and data security.
 - » **Risk management** – to evaluate security features.
 - » **Executive leadership** – to ensure budget approval and alignment with strategic objectives.
2. **Address internal stakeholder debates.** Anticipate potential debates that may arise when drafting your RFP, such as:
 - » **Core vendor versus third-party solution** – Some stakeholders may favor the core vendor for easier integration, while others may advocate for a best-of-breed solution with specialized features. Outline the pros and cons of each to help find a balance.
 - » **Cost versus value debate** – Treasury systems can be perceived as costly, especially by those focused on immediate return on investment. Emphasize how treasury management capabilities can generate revenue and improve client relationships over time, helping the CFO see it as a growth tool rather than a cost center.
3. **Conduct a current-state assessment.** Assess your institution's existing processes, identifying pain points and setting clear objectives. This assessment should cover:
 - » **Current treasury functions** – Review existing workflows, tools, and customer satisfaction levels.
 - » **Challenges** – Identify inefficiencies, security risks, and any compliance issues in the current setup.



Creating an effective RFP involves **strategic planning** and engagement with internal stakeholders.

- » **Goals** – Define what success looks like for the new treasury management system, such as streamlined processes, improved client experiences, and/or new revenue streams.
- 4. Define functional requirements.** Identify core functions that the treasury management system must fulfill. At a minimum, consider:
- » **Integration needs** – Specify any systems or databases the treasury management system must integrate with for seamless operations.
 - » **User experience** – Ensure that the solution offers an intuitive interface, since ease of use will drive adoption and customer satisfaction.
- 5. Prioritize requirements.** Once you've defined your requirements, prioritize them based on the following criteria:
- » **Business impact** – Evaluate which features will have the most significant impact on operations and customer satisfaction.
 - » **Compliance needs** – Ensure the treasury management system aligns with regulatory requirements and mitigates risks.
 - » **Budget constraints** – Identify any financial limits to prevent overspending.
- 6. Develop the RFP.** Drafting the RFP requires detailing your institution's needs to help vendors provide relevant responses. Be sure to include the following information:
- » **An organizational overview** – Provide context on your institution's mission, size, and client base.
 - » **Detailed requirements** – Outline all core functions, integration requirements, and any technical specifications.
 - » **Evaluation criteria** – Define how proposals will be evaluated, whether by functionality, price, customer service, or integration capability.



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selecting the right treasury management provider

Evaluating proposals effectively is critical to finding a solution that meets your needs. Here are some tips to help you choose your vendor wisely:

- **Research solution types:** Familiarize yourself with the different treasury management options available, from core vendor systems to specialized third-party providers.
- **Create a short list of candidates and request demos:** Narrow down your list of vendors to those meeting your requirements. Schedule product demos to evaluate user experience, capabilities, and flexibility.
- **Ask scenario-based questions:** During demos, ask vendors how their solution would handle specific scenarios relevant to your institution's operations, such as managing cash flow for large business clients or providing enhanced security for ACH transactions.
- **Check references:** Reach out to other financial institutions using the vendor's treasury management system to gain insights into their experiences with implementation, ongoing support, and system performance.

implementing and managing your treasury management system

Once you select the provider that best meets your institution's needs, here's how to set the stage for a successful implementation:

- **Create an implementation timeline:** Establish a clear timeline with milestones to keep the project on track.
- **Develop a change management strategy:** Adoption will be smoother if employees and customers are prepared. A strong change management plan includes:



Familiarize yourself with the **different treasury management options** available.

- » **A training program:** Ensure staff is well-trained to use the treasury management system and help clients leverage its benefits.
- » **A communication plan:** Keep all stakeholders informed, including customers who will be impacted by the new system.
- » **A governance framework:** Establish a structure for ongoing system management, covering areas like user access controls, system updates, and periodic audits to ensure the treasury management system continues to meet regulatory and operational needs.

getting started

Creating a robust RFP for a treasury management system is essential to finding the solution to meet your financial institution's unique needs. By involving key stakeholders, defining and prioritizing requirements, and carefully evaluating vendors, you build a solid foundation for a successful implementation.

Wherever you are in your treasury management journey, Jack Henry™ is here for you. Discover what our [JHA Treasury Management™](#) solution can do for you!



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take a deep dive

 **Article**

[Top 8 Questions to Include in a Treasury Management RFP](#)

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