



**A Comprehensive Analysis of Cash Management Services to support
Business Workflow within an Organization
Cash Management Services Department:
Sumitomo Mitsui Banking Corporation [Bangkok Branch]**

Ms.Suthira Boonyuen

TNI

**Submitted in partial fulfillment of the requirement of the
Bachelor Business Administration Course, Industrial Management**

Business Administration

Thai - Nichi Institute of Technology

June - September, 2010

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Abstract

The purpose of this project is to explain for how cash management services support business workflow within an organization. This project is focused on increasing the value and the importance of cash management services within an organization.

This project use information of Sumitomo Mitsui Banking Corporation (Bangkok Branch). First, I will study on the structure of Sumitomo Mitsui Banking Corporation (Bangkok Branch) to understand an overview and then focus on Cash Management Services Department. This project shows case studies of a company which utilize electronic banking instead of payment by manual cheque. The comparison is fixed by 450 cheques of payment enables Company to decrease time from 43 hours to 2.5 hours and to save money 8,675 baht per month or 104,100 baht per year.

SMBC (Bangkok Branch) provides cash management services to customer to make fund transfer instructions easily and select the most appropriate method with the lowest fee for each of customer's transaction. From comparison of payment solution between e-banking and manual cheque enable the company to get benefits as follows 1. Management time saving 2. Cost saving

Keywords: cash management services/ electronic banking/ management time saving/ cost saving

Acknowledgement

First and foremost, I would like to acknowledge the support of my manager, Mr. Anurak Tengrangsarn for the valuable guidance and advice. He inspired me greatly to write this project. I also would like to thank him for showing me some example that related to the planning of my project. Besides, I would like to thank the senior for providing me with a good environment and facilitate to complete this project. Also, I would like to take this opportunity to thank to Sumitomo Mitsui Banking Corporation (Bangkok Branch) for offering this project, a comprehensive analysis of cash management services to support business workflow within an organization. It gave me an opportunity to study about banking business. In addition, I would like to acknowledge to my instructor, Mr. Sombat Warintornnuwat who provide me valuable information as the guidance of my project.

Finally, an honorable mention goes to my families and friends for their understanding and supports on me in completing this project. Without helps of the particular that mentioned above, I would face many difficulties while doing this project.



Contents

| | Page Number |
|---|--------------------|
| Abstract | B |
| Acknowledgement | C |
| Contents | D |
| List of Figures | F |
| List of Tables | H |
| | |
| Chapter I Introduction | |
| 1.1 Company Name and Location | 1 |
| 1.2 Business Profile and Services | 2 |
| 1.3 Structure of Sumitomo Mitsui Banking Corporation (Bangkok Branch) | 2 |
| 1.4 Position and Duty | 3 |
| 1.5 Job Supervisor | 3 |
| 1.6 Period of Internship | 3 |
| 1.7 The propose of this project | 4 |
| 1.8 Expected Result | 4 |
| | |
| Chapter II Literature Review | |
| 2.1 Banking Business: concepts Included | 5 |
| 2.2 Sumitomo Mitsui Banking Corporation: Cash Management Department | 7 |
| 2.2.1 Structure of Cash management Services Department | 8 |
| 2.2.2 Product Development Team | 9 |
| 2.2.3 Marketing Team | 13 |
| 2.2.4 Helpdesk Team | 15 |
| 2.2.5 Implement Team | 17 |

Contents

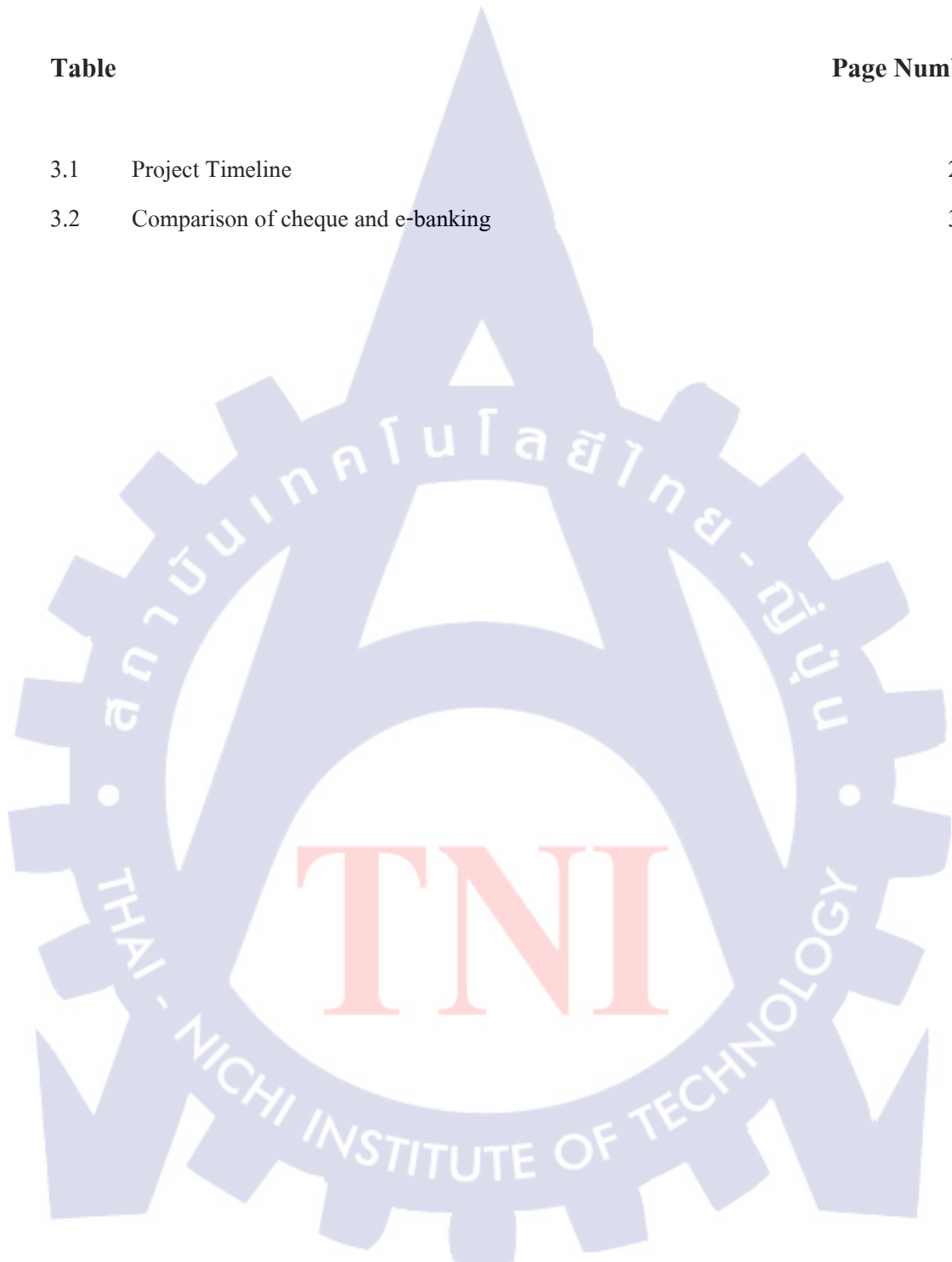
| | Page Number |
|---|--------------------|
| 2.3 Sumitomo Mitsui Banking Corporation: Cash Management Services | 19 |
| 2.3.1 Payment Services | 19 |
| 2.3.2 Collection Services | 20 |
| 2.3.3 Liquidity Management | 21 |
| 2.3.4 Electronic Banking | 21 |
| 2.3.5 Trade Services | 22 |
| 2.3.6 Treasury Services | 22 |
| Chapter III Project Timeline and Methodology | |
| 3.1 Project Timeline | 23 |
| 3.2 Cash Management Services Department: Services | 24 |
| Account Payable Solutions | |
| -Fund Transfers | 25 |
| -Cheque Issuance | 27 |
| -Taxes & Utilities payment | 28 |
| -E-customs Tax Payment | 29 |
| -Cheque Express | 31 |
| 3.3 Comparison of cheque and e-banking | 33 |
| Chapter IV Conclusions | |
| 4.1 Conclusions | 34 |
| References | |
| Writer's Profile | |

List of Figures

| Figure | | Page Number |
|---------------|---|--------------------|
| 1.1 | Logo of SMBC | 1 |
| 1.2 | Office location: SMBC (Bangkok Branch) | 1 |
| 1.3 | Structure of SMBC [Bangkok Branch] | 2 |
| 2.1 | Manufacturing Business Model | 5 |
| 2.2 | Banking Business Model: SMBC [Bangkok Branch] | 6 |
| 2.3 | Cash Management Services Department workflow within SMBC | 7 |
| 2.4 | Structure of Cash management Services Department | 8 |
| 2.5 | Manufacturing Process | 9 |
| 2.6 | Product Developing Process of CMS | 10 |
| 2.7 | Product Development Team's workflow | 10 |
| 2.8 | Launching new product processing | 12 |
| 2.9 | Marketing Team's workflow | 14 |
| 2.10 | Standard Helpdesk Team Procedures for new agreement | 16 |
| 2.11 | Implement Team workflow | 18 |
| 3.2 | Cash Management Services Department [CMS]: Services | 24 |
| 3.3 | Internal Transfer | 25 |
| 3.4 | Bahtnet | 25 |
| 3.5 | Smart Credit | 26 |
| 3.6 | Direct Credit | 26 |
| 3.7 | Manager Cheque | 27 |
| 3.8 | Cheque Delivery | 27 |
| 3.9 | Taxes & Utilities Payment transaction via SMBC e-payment | 28 |
| 3.10 | Taxes & Utilities Payment transactions via Direct Debit | 28 |
| 3.11 | General paperless scheme | 29 |
| 3.12 | Outsource customs tax declaration process to customs broker | 30 |
| 3.13 | Cheque Express | 31 |

List of Tables

| Table | Page Number |
|--|--------------------|
| 3.1 Project Timeline | 23 |
| 3.2 Comparison of cheque and e-banking | 32 |



1. Introduction

1.1 Company Name and Location



Figure1.1 Logo of SMBC

Company Name: Sumitomo Mitsui Banking Corporation (Bangkok Branch)

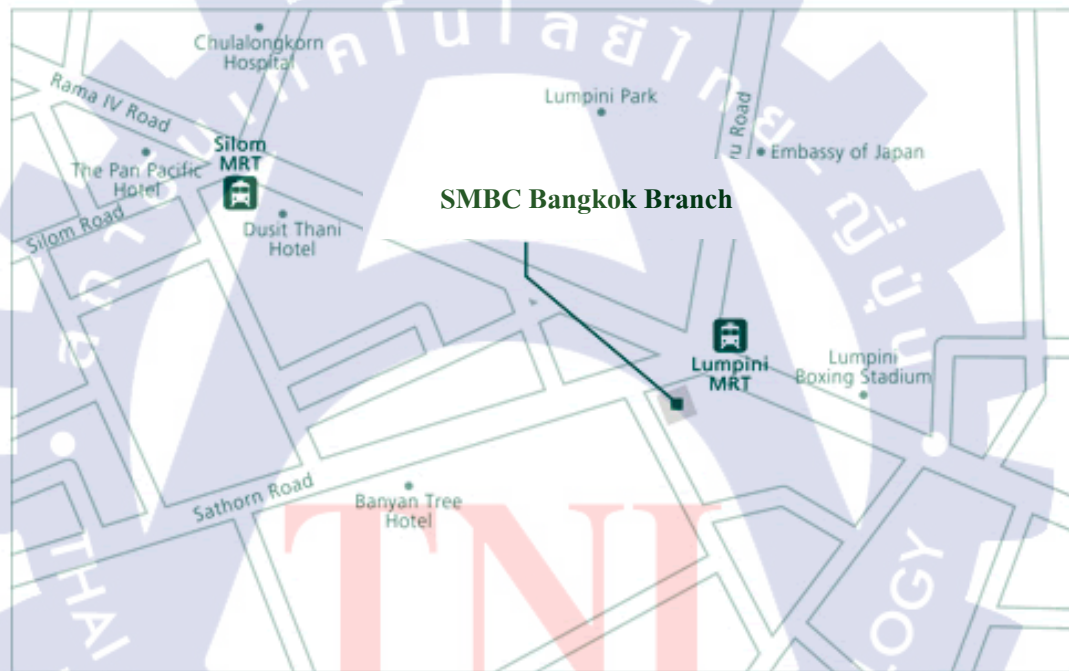


Figure1.2 Office Location: SMBC [Bangkok Branch]

Location: 8th – 10th Floor, Q.House Lumpini Building, 1 South Sathorn Road, Tungmahamek, Sathorn, Bangkok 10120, Thailand

1.2 Business Profile and Services

Sumitomo Mitsui Banking Corporation was founded in 1876 and the head office is located in Tokyo, Japan. Sumitomo Mitsui Banking Corporation operates as a subsidiary of Sumitomo Mitsui Financial Group Incorporated.

Sumitomo Mitsui Banking Corporation offers a range of financial services centered on banking. The headquartered and branches, including oversea branches, of Sumitomo Mitsui Banking Corporation engages in money transfer, foreign currency exchange, deposit taking, lending, and other commercial banking activities. The company also provides trade finance, structured finance, project finance, and cash management services.

Business Profile: Corporate Banking, Banking services for large corporate.

- Services: -Deposit -Remittance
 -Export – Import -Treasury
 -Loan & Guarantee
 -Cash Management Services

1.3 Structure of Sumitomo Mitsui Banking Corporation (Bangkok Branch)

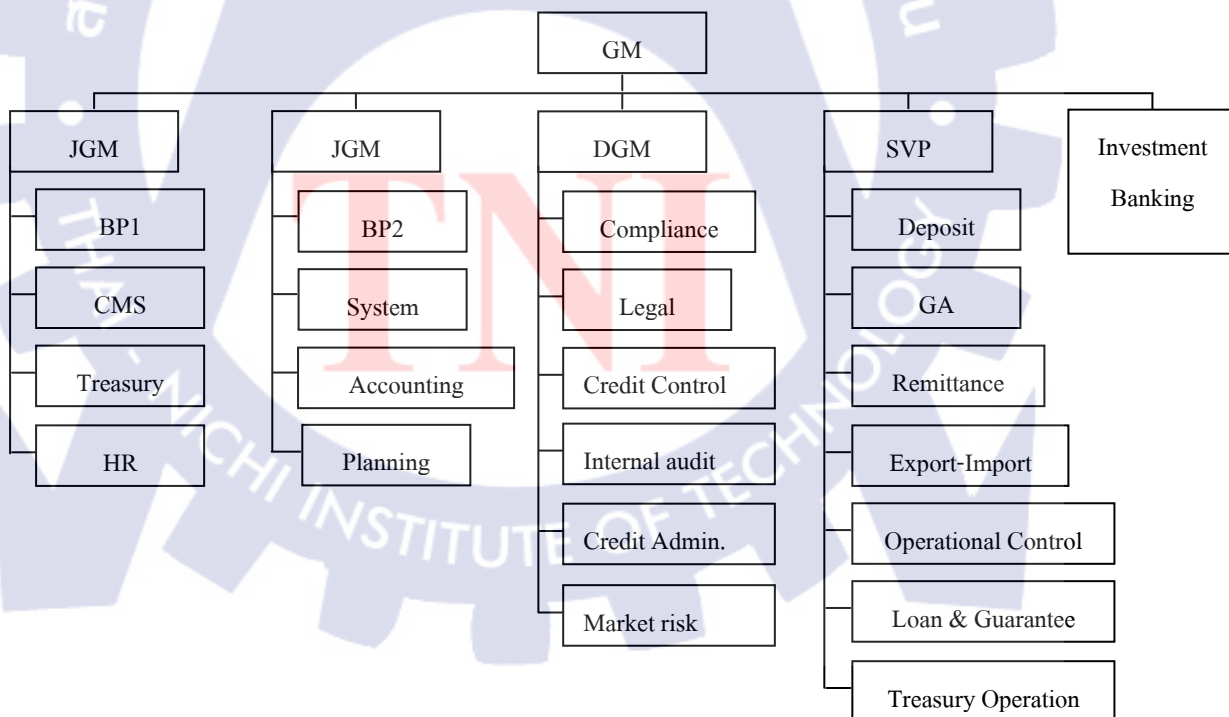


Figure1.3 Structure of Sumitomo Mitsui Banking Corporation (Bangkok Branch)

1.4 Position and Duty

Student Internship, Cash Management Services Department

-Studying and training within Cash Management Services Department.

-Rotate between each team in Cash Management Services Department. Cash Management Service Department is divided into four teams by functions:

- Product Development Team

Product Development Team, “Product” of Cash Management Services is an intangible product which means various services which satisfy a want or need and provide convenient services for customer.

- Marketing Team

Marketing Team work for Cash Management Services Department to approach customer to create customer interest in products or services. Marketing Team generates the strategy that underlies sales techniques and business communication. Marketing Team builds strong customer relationships and creates value for cash management services department.

- Helpdesk Team

Helpdesk Team provides customer service to CMS’s customer to ensure that they are able to use the system to deliver transaction to the bank. Helpdesk Team follows standard helpdesk procedure and to prepare each activity report and check and Follow up on all Electronic Banking contract to ensure completeness.

- Implement Team

Implement team consists of two sections which are Technical Support Section and Marketing Solution Section. Technical Support Section provides customer service to support when the customer has problem with their Electronic Banking system. Marketing Solution Section is responsible for System interface, Data interface service to provide convenience for customer.

1.5 Job Supervisor

Mr. Anurak Tengrangsak

Manager, Cash Management Services Department

1.6 Period of Internship

June 01 – September 30, 2010

1.7 The purpose of this project

The purpose of this project is to explain how cash management services (CMS) support business workflow within an organization. This project use information and study on cash management services of Sumitomo Mitsui Banking Corporation (Bangkok Branch) only.

This project is outlined as follows. Following the introduction, overview of structure of Sumitomo Mitsui Banking Corporation (Bangkok Branch) provides reader to understand each function of SMBC (Bangkok Branch). The second section introduced CMS's services. Cash Management Service Department provides various services to customers. CMS's service is divided into three categories as following Account Payable Solutions, Account Receivable Solutions and Liquidity Management. This project focuses on information about Account Payable Solutions and Account Receivable Solutions only. The third section then describes those services' workflow and presents procedure used in this project. The final section presents the conclusions that how cash management services (CMS) support business workflow within an organization.

1.8 Expected Result

This project provides reader to understand overview of Sumitomo Mitsui banking Corporation (Bangkok Branch) increasingly and to obtain information about each service's workflow of Cash Management Services Department. Studying on each service's workflow of Cash Management Services Department enable understanding to banking business increasingly. This project explains together account payable solutions and account receivable solution. The importance of project is an approach to business focused on increasing the value and the importance of cash management services within an organization.

2. Literature Review

2.1 Banking Business: Concepts Included

As an example, starts a business or invests in something, the basic involved in running a business or investment is “capital”. According to balance sheet, a balance sheet summarizes an organization or individual's assets, equity and liabilities at a specific point in time. It's called a balance sheet because the two sides balance out. This makes sense: a company has to pay for all the things it has (assets) by either borrowing money (liabilities) or getting it from shareholders (shareholders' equity).

There are various financing models for every entrepreneur. However, those financing models depending on the form of your business, there's an optimal way to fund it. If you have a small home business, then running it out of your house using your own savings, credit card loans, and eventually your own revenues may be enough to keep it going. If you have bigger ideas and more ambitious aspirations, then you may want to consider other ways of injecting fuel into your business. This study focuses on “Liabilities” which some money are borrowed from the bank.

Manufacturing Business Model, Support Activities are also necessary to input labor, raw material, tools to production line. Then finished goods are produced by production department and sold them by marketing department. Easy concept to understand as shown in the figure below:

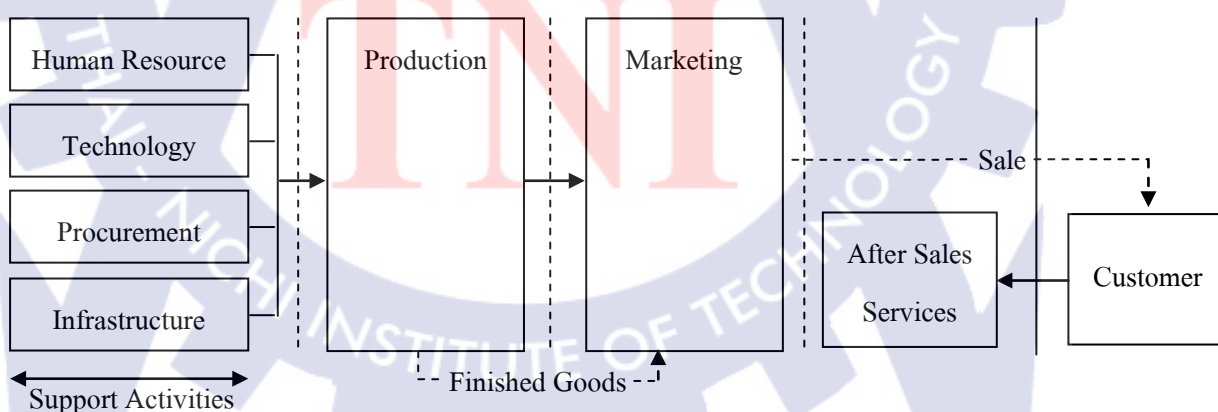


Figure2.1 Manufacturing Business Model

Various activities of manufacturing business model are necessary to use a large amount of capital for running those activities. Financial services of Banking provided many services to their customers. As shown in the figure next page:

Banking Business Model: Sumitomo Mitsui Banking Corporation (Bangkok Branch)

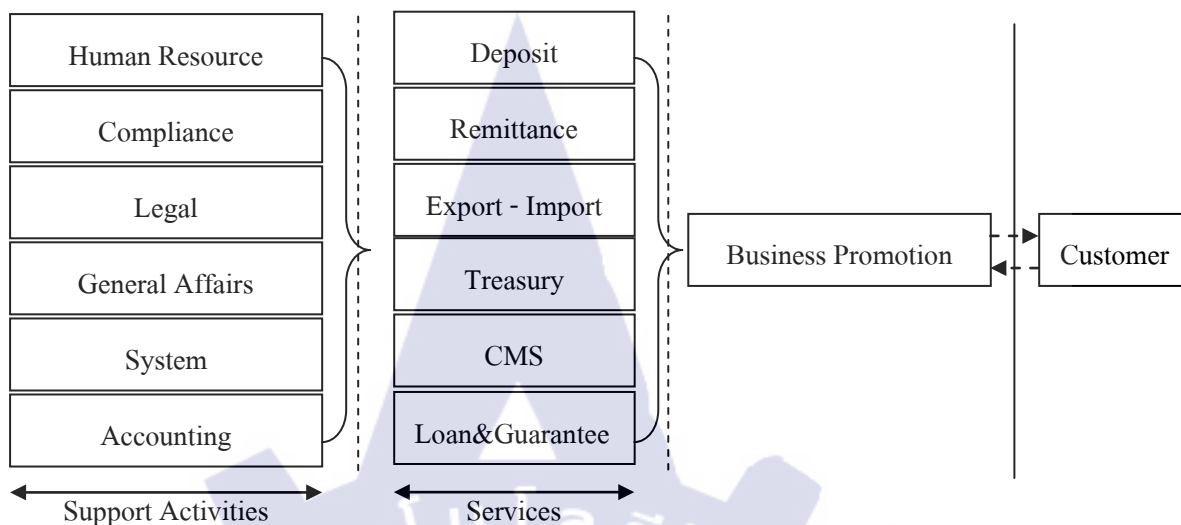


Figure 2.2 Banking Business Model: SMBC (Bangkok Branch)

Using information of SMBC (Bangkok Branch)'s Structure, SMBC is Corporate Banking (Banking services for large corporate). So majority of bank's customers are large corporate.

If your business wants to borrow money from SMBC, you must open SMBC's account via deposit department. You can choose between current account and saving account up to you. For loan, Business Promotion Department must consider and analyze about quantity and quality of customer to decrease risk occurs. Quantity will consider about Environment of factory, Technology, Employee, Economic, etc. Quality will consider about Balance sheet, Income statement, Financial Ratio, etc. Business Promotion compared manufacturing business model to banking business model, Business Promotion is also marketing department which chooses target group to make profit for business.

Loan Guarantee, if you run business and then want to bank assures your business, you should loan guarantee service for your business. If your business is an international trading business, Import – Export will be an appreciative service. Remittance Department supports you to exchange foreign money. Treasury is responsible to balance deposit and withdrawn. Treasury operates cash flow to protect lack and surplus of money of bank.

The last one which this study focused on, Cash Management Service Department supports you to services account payable solution, account receivable solution and liquidity management.

2. 2 Sumitomo Mitsui banking Corporation: Cash Management Services Department

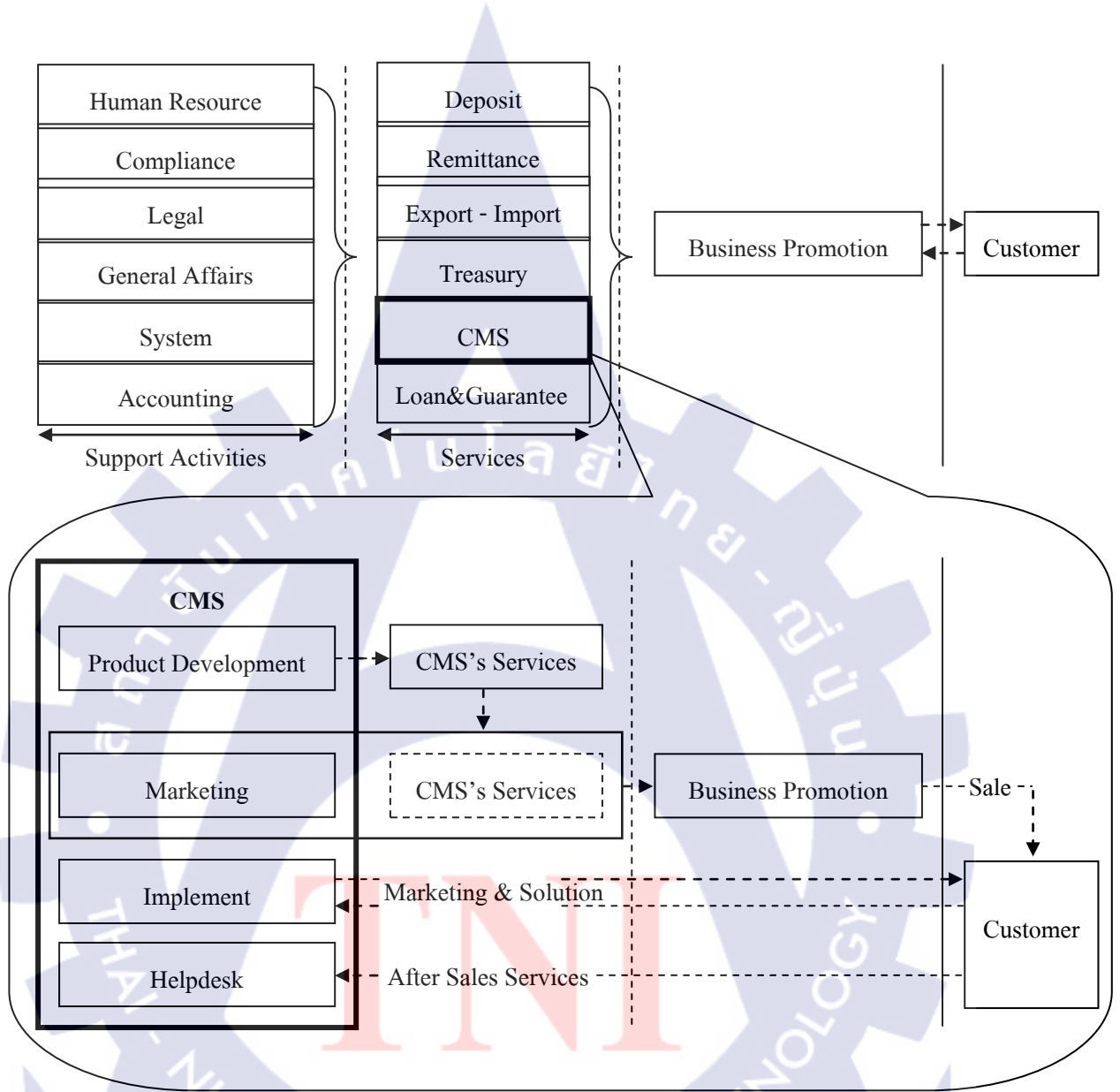


Figure2.3 Cash Management Services Department workflow within SMBC [Bangkok Branch]

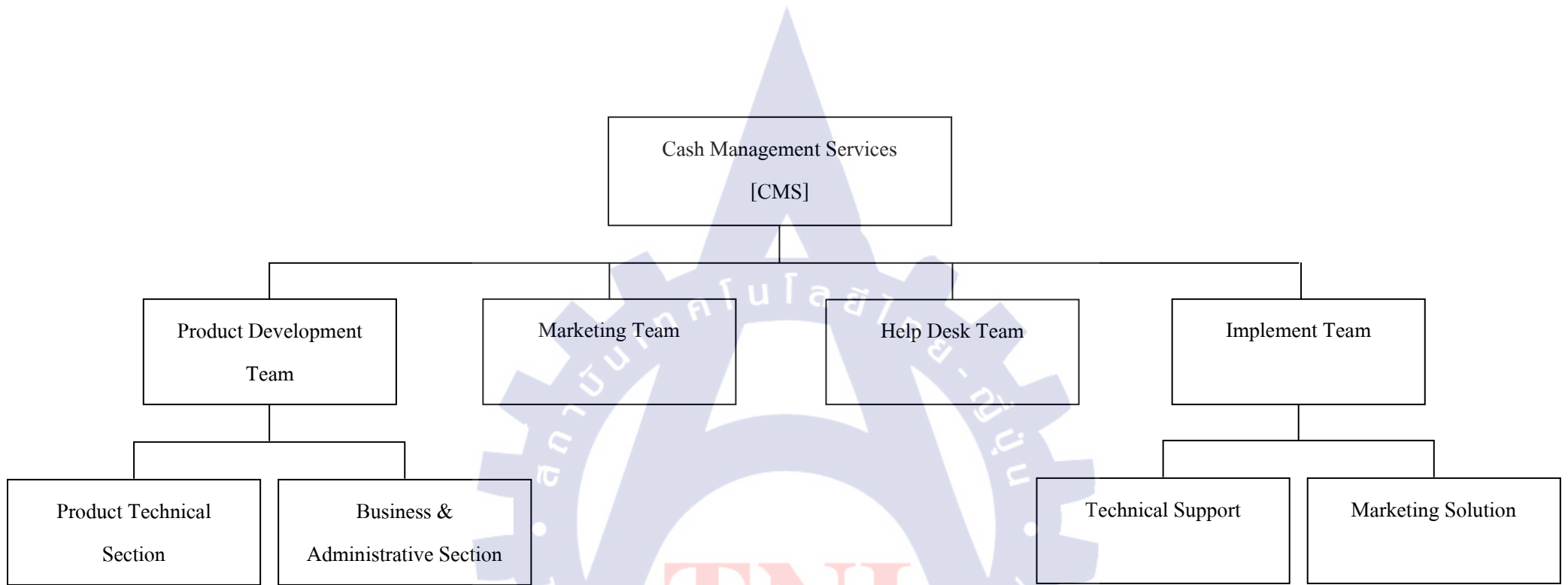


Figure2.4 Structure of Cash Management Services Department

Cash Management Service Department is divided into four teams by functions:

- Product Development Team
- Marketing Team
- Helpdesk Team
- Implement Team

1. Product Development Team

The product is defined as a “thing produced by labor” or the “result of an act or a process”. Product can be classified as tangible or intangible. A tangible product is any physical product that can be touched like a computer, automobile, etc. An intangible product is a non-physical product like goodwill, insurance policy.

Product Development Team, “Product” of Cash Management Service is an intangible product which means various services which satisfy a want or need and provide convenient services for customer. Product of cash management service is produced by process like general manufacturing. In manufacturing, products are purchased as raw materials and sold as finished goods. As shown in the figures below:

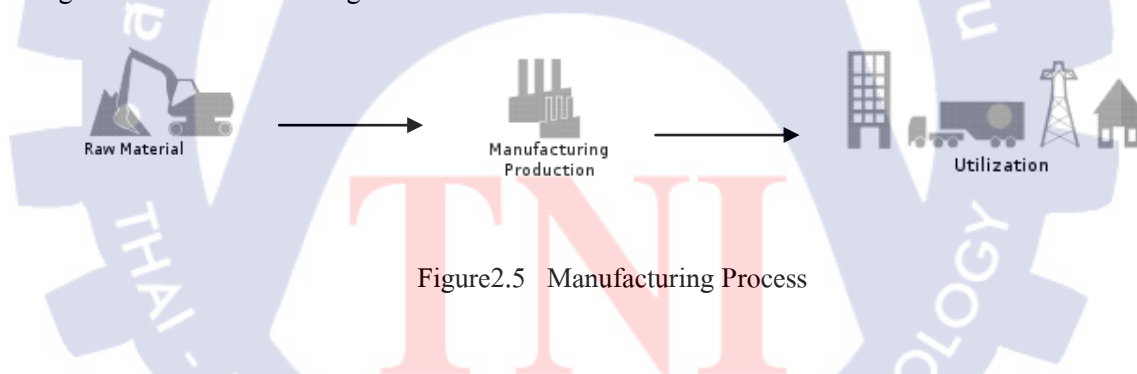


Figure2.5 Manufacturing Process

Product Development of cash management service has a procedure similar to manufacturing process but the details of procedure are difference. According to manufacturing process, input of manufacturing process is also raw material. For cash management service, something is put into process is some of ideas. Product Development Team obtains more information on marketing team (market research), customer survey and internal discussion to create new product. Product Development Team is necessary to work with various developments such as system, operation, business promotion (BP), legal & Compliance, management, etc. After get new ideas,

Product Development Team will prepare quantity & quality analysis such as cost, benefit, system, risk, etc. And then arrange product kick-off meeting to explain product concepts and fine-tune after meeting.

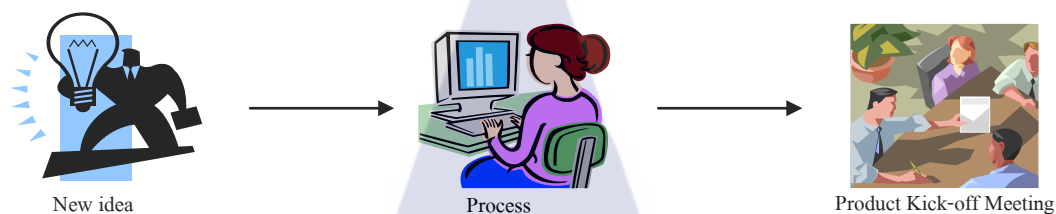


Figure2.6 Product Developing Process of Cash Management Service

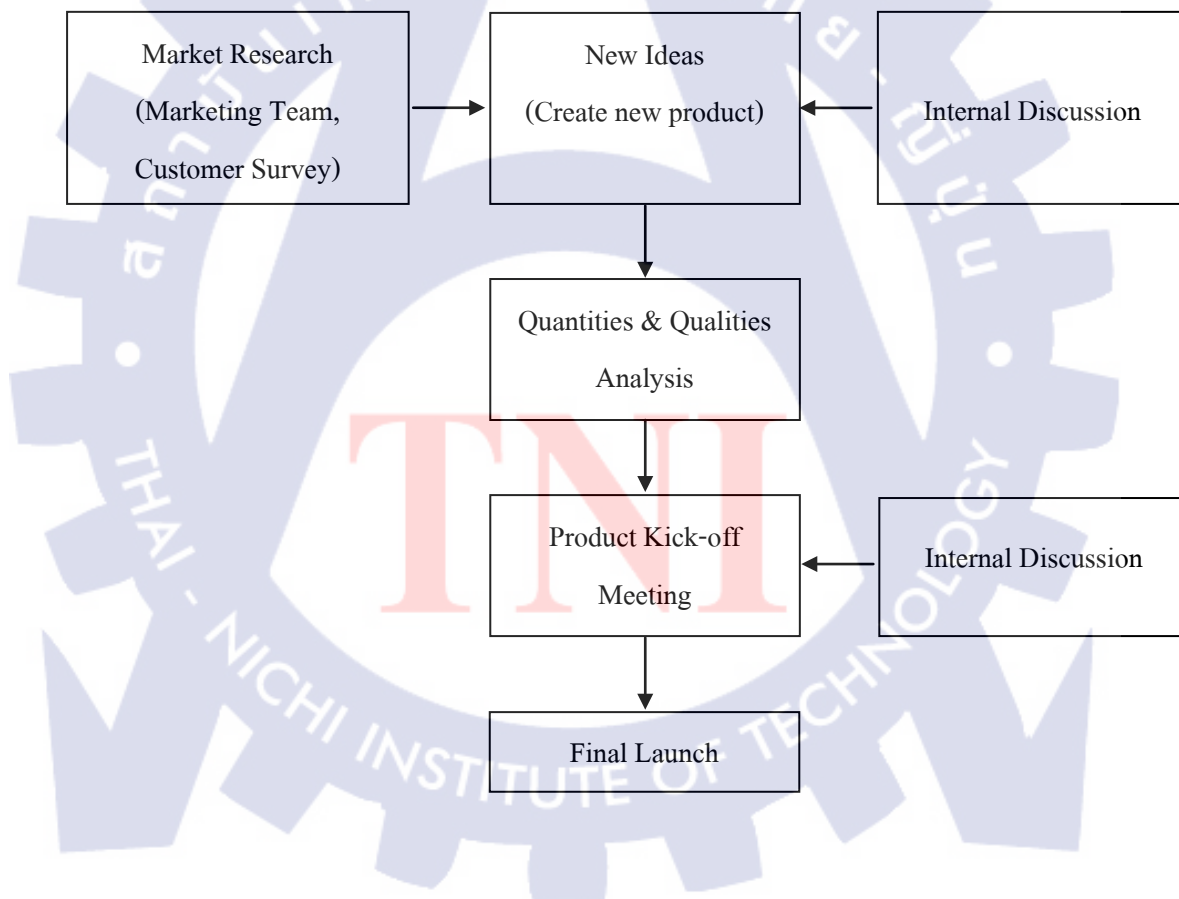


Figure2.7 Product Development Team’s Workflow

Team Structure

Cash management service product team consists of two sections:

1. Business and Administrative Section
2. Product Technical Section

Each section segregates duties as following:

1. Business and Administrative Section

- Help product team head on non-technical sides such as business analysis, market research and legal compliance issues
- To co-ordinate with various departments
- To provide product documentations such as operational manuals and sales kits
- To work with the whole product team for problem solving, product enhancement and new product launching
- To support Business Promotion (BP) on product consulting when necessary and gather ideas to implement new services and/or overcome customer's requirements by exiting product features.

2. Product Technical Section

- Help product team head on technical sides such as technical product requirements, product testing and following up
- To solve and follow up product problems like software problems
- To work with the whole product team for problem solving, product enhancement and new product launching
- To support Business Promotion (BP) on product consulting when necessary and gather ideas to implement new services and/or overcome customer's requirements by exiting product features
- To provide product documentations for customer manuals and system manuals.

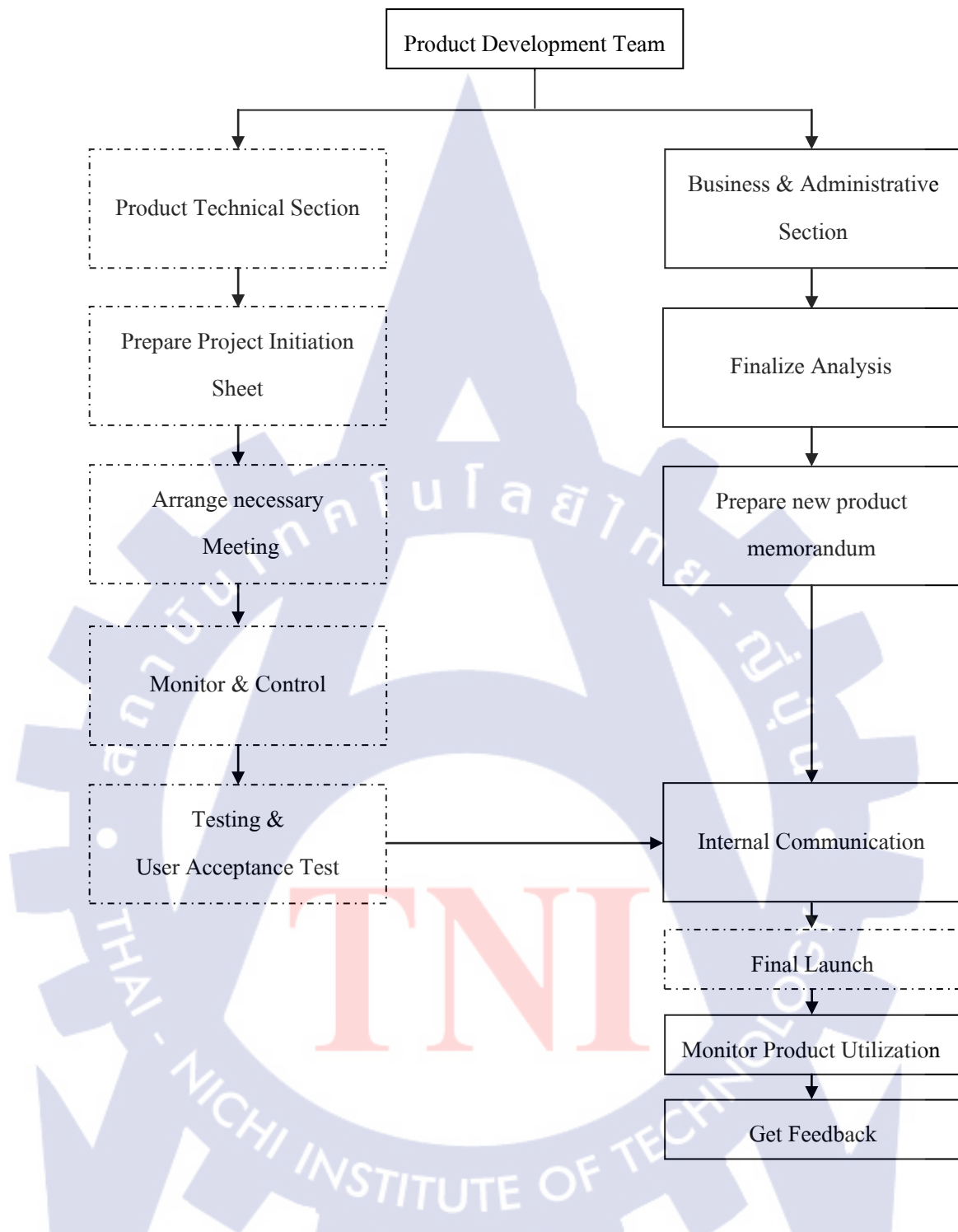


Figure2.8 When launching new product, this figure is product development team's guideline to ensure that necessary analysis is established.

2. Marketing Team

Marketing Team work for cash management services department to approach customer to create customer interest in products or services. It generates the strategy that underlies sales techniques and business communication. It builds strong customer relationships and creates value for cash management services department. The marketing team concept holds that achieving organizational goals depends on knowing the needs and wants of customers and responding the desired satisfactions.

Marketing Team approaches solution to customer via presentation and demonstration. After that follow up consider of customers to utilize or non-utilize cash management services. Marketing Team has a procedure like marketing management of manufacturing business model which is well-known as 4Ps supply side model.

Target Group

1. New Contact

- Customers just open SMBC's account.
- Customers have already opened SMBC's account. Customers have yet to utilize CMS's Services.

2. Utilizes

- Customers still utilize CMS's Services. Marketing Team approaches new solution/new Product to customer.
- In case of customers expanding their business or proposing to International Trade. Marketing Team can approach existent product. So Marketing Team always follows up customers.

3. Non-Utilizes

- Agreement is divided two categories: Agreement for checking Statement, inquiry only and Full Set agreement. In case of "Non-utilizes" means Customers had Full Set agreement. They haven't yet utilized services.

Marketing Team's Workflow

Marketing's workflows of each target group are different. As shown in the figures below:

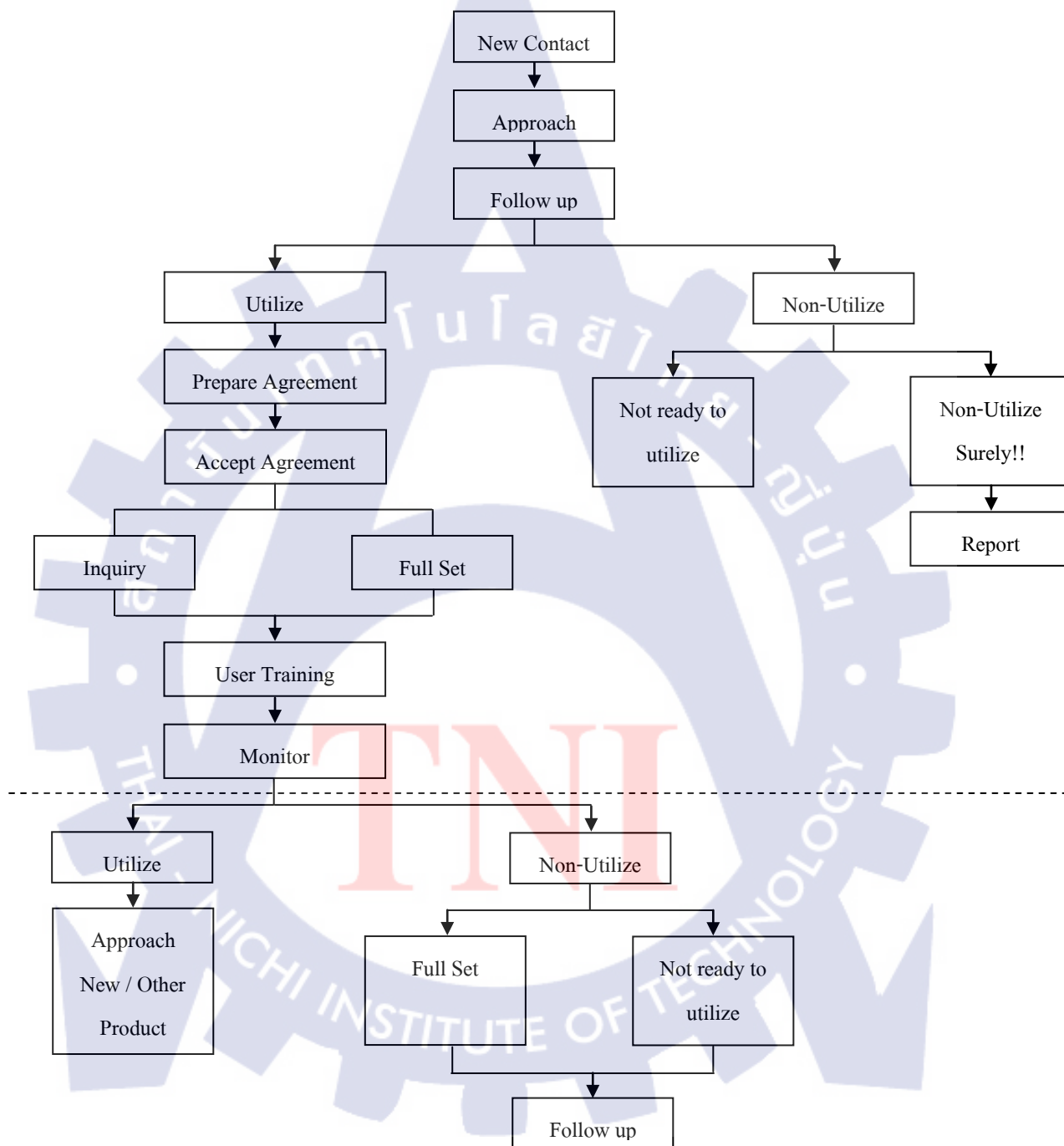
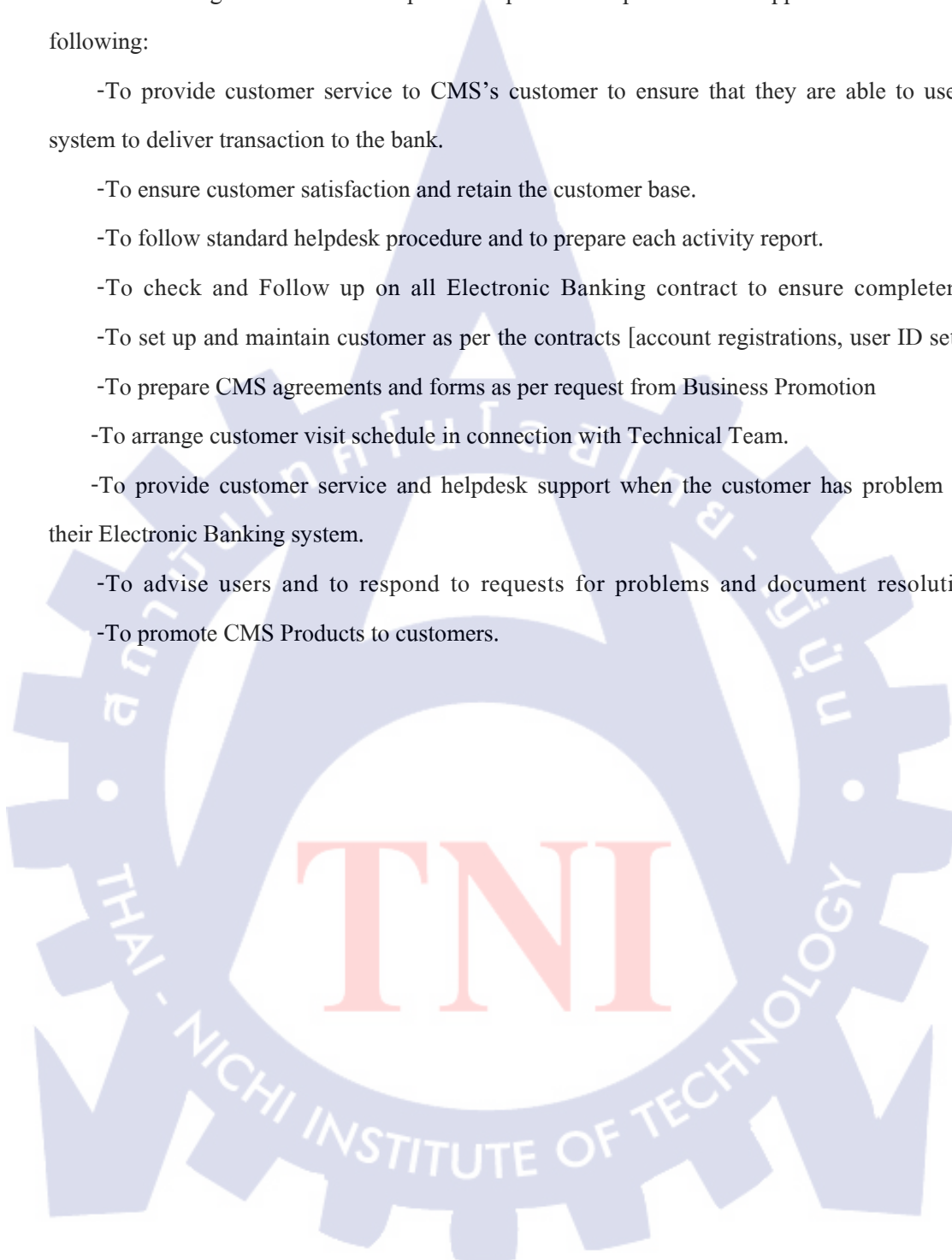


Figure2.9 Marketing Team's workflow

3. Helpdesk Team

Cash management services department provide helpdesk team support to customers as following:

- To provide customer service to CMS's customer to ensure that they are able to use the system to deliver transaction to the bank.
- To ensure customer satisfaction and retain the customer base.
- To follow standard helpdesk procedure and to prepare each activity report.
- To check and Follow up on all Electronic Banking contract to ensure completeness.
- To set up and maintain customer as per the contracts [account registrations, user ID set up]
- To prepare CMS agreements and forms as per request from Business Promotion
- To arrange customer visit schedule in connection with Technical Team.
- To provide customer service and helpdesk support when the customer has problem with their Electronic Banking system.
- To advise users and to respond to requests for problems and document resolutions.
- To promote CMS Products to customers.



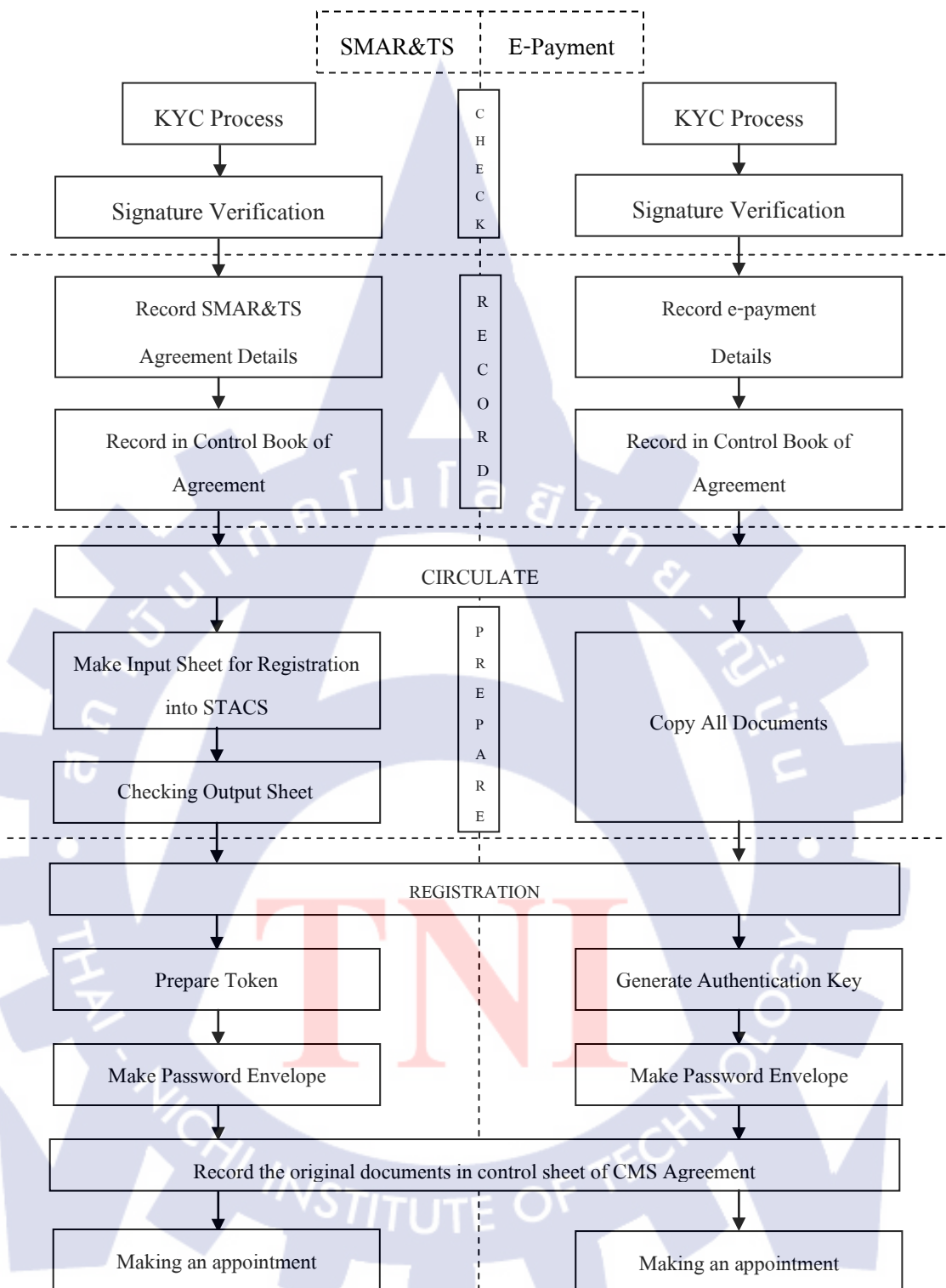


Figure2.10 Standard Helpdesk Team Procedures for new agreement

4. Implement Team

Cash management service implement team consists of two sections:

4.1 Marketing solution Section

- To implement CMS Solutions which require interface method, partner bank involvement and complicated special setups

- To advise customers on the proper implementation process.

- To report all implementation process to management / CMS / Business Promotion Department

- To perform and plan for implementation of CMS solutions.

- To provide consultation to customers for CMS solutions and implementation process.

- To initiate control mechanism on all implementation process

- To ensure transaction properly executed during testing/lived /monitoring period before hand-over to operation

- To provide reports to ensure that problem/progress of each implementation is properly shared and controlled with all parties concerned

4.2 Technical support Section

- To provide implementation and customer services to SMBC's CMS customers

- To ensure that the customer are able to use CMS system to deliver transactions to the bank as well as to receive benefits from the usage of SMBC's EB systems

- To ensure that the customer satisfaction and retain the customer SMBC customer base

- To install SMBC's EB system in customers' offices successfully and to ensure that the system is operational

- To provide training and after sales services to customers either on-site or in-office so that the customers are able to use SMBC's EB services.

- To control all EB problems and follow up with related departments. To also feedback any CMS information / requirements from customers to CMS team.

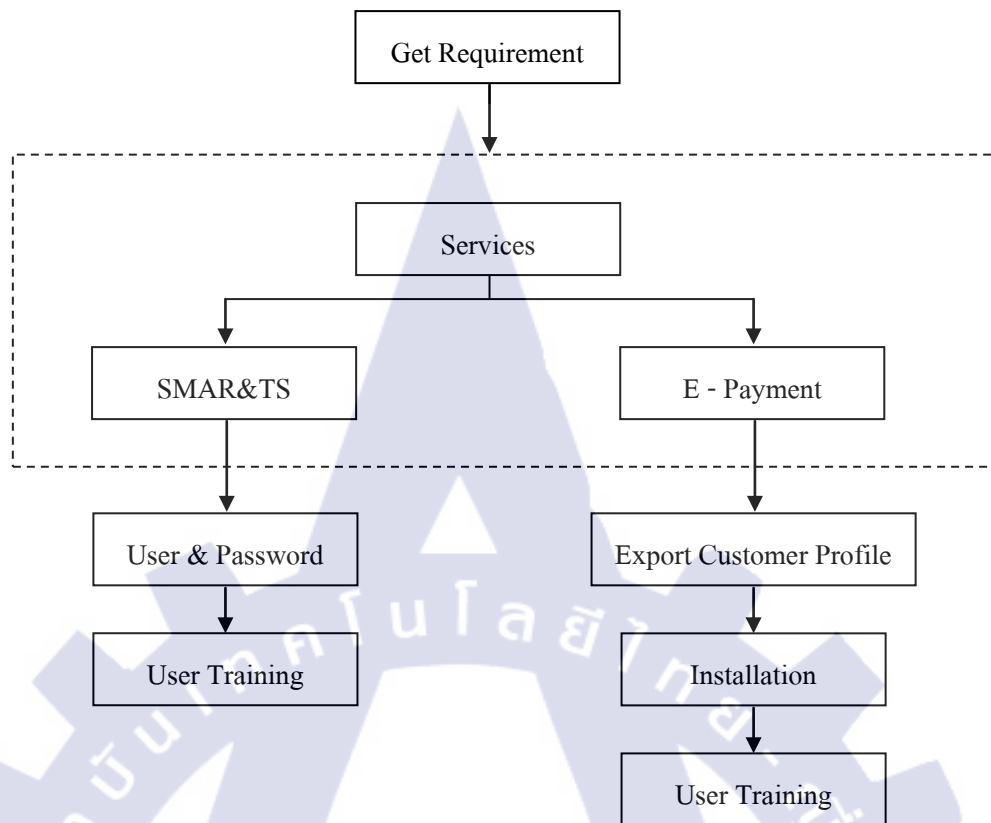
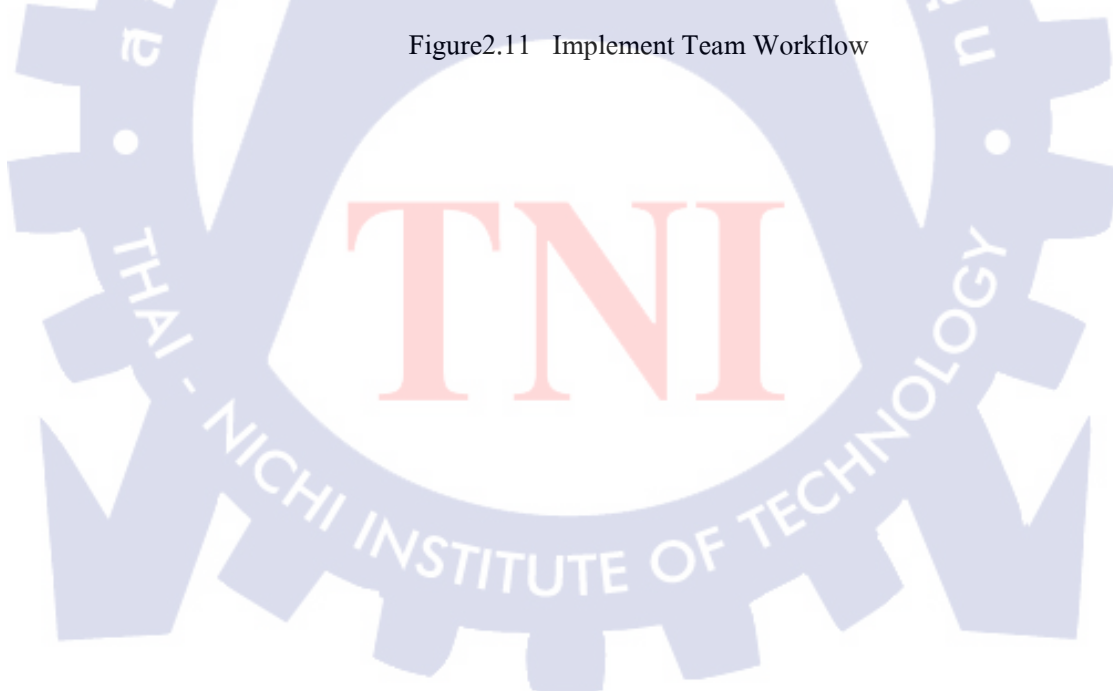


Figure2.11 Implement Team Workflow



2.3 Sumitomo Mitsui Banking Corporation: Cash Management Services

SMBC has a dedicated cash management services team who will seek to understand your company's business requirements before delivering in-country and cross-border cash management solutions to you. Our extensive banking network in Asia, together with our partnership with some reputable banks, ensures that we are always able to provide you with the best solution.

Our cash management services cover the following:

1. Payment services

Our comprehensive payment services enable you to perform in-country and cross-border payment transactions with minimal hassle. Depending on your preference, you may even completely outsource your company's payment process to the bank. By combining the use of technology and traditional process, SMBC allows you to initiate payment applications and track payment status in a most convenient manner.

Our Payment services include:

- Cashier's order issuance and delivery service

We will receive payment instructions from you either through our electronic banking system or through direct interface with your accounts payable system. We will issue the cashier's order on your behalf and depending on your preference, will arrange for the cashier's order to be sent to your Customers directly, returned to you for your onward dispatch, or arrange for collection by you or your payee at pre-specified locations (e.g. SMBC counters, branches of partner banks, or counters set up near Custom Department).

- Local payment scheme & Domestic and cross-border funds transfer

Customers may make use of our electronic banking systems to initiate batch payment and funds transfer applications, as well as to check the status of such payment applications.

- Payroll service

Directly or through our partnership with reputable local banks in certain countries, you may subscribe to our payroll service which allows you to credit staff salaries to the individual bank account of your employees.

- Direct credit service

Under the alliance with reputable local banks in certain countries, you may utilize the direct credit service which is a cheap and efficient form of domestic payment service.

- Cheque Printing Service

We can provide you with a desktop solution to enable you to print your cheques in an easy and convenient manner. What's more, this service will allow you to keep records of all the printed cheques, and to monitor whether each cheque has been presented to and cleared by the Clearing House.

- Other value added services

In certain countries where domestic withholding taxes are imposed on local payments, you may outsource the preparation of withholding tax certificates to SMBC.

In addition, in certain countries, you may request SMBC to send payment advices to your beneficiaries through e-mail or fax.

2. Collection Services

Depending on the peculiarity of each country's clearing system, we are able to assist you to expedite the deposit of funds, and to provide you with remittance and accounts reconciliation information on a timely basis. We are mindful of that corporations are always concerned about the efficiency and effectiveness of the cash collection process in Asia. We understand that you desire to () collect funds securely on a timely basis, and () reduce the manual processes required to manage your accounts receivables.

Our Collection services include:

- Upcountry cheque collection service

Through our partnership with local banks, we will help you to expedite the cheque clearing process when you deposit upcountry cheques with SMBC. We will also provide you with collection reports to enable you to monitor the status of the cheque clearing and to facilitate your easy reconciliation of your accounts receivables.

- Nation- wide branch deposit service

You may deposit cheques with SMBC by presenting them at any of the nation-wide branches of our partner banks. The cheque clearing process will be expedited and we will provide you with timely collection reports.

3. Liquidity Management

We have the necessary expertise to provide you with customized solutions to maximize the utilization of group funds, and to improve the interest returns on such funds. At the same time, you would be able to enjoy a leaner consolidated balance sheet with reduced external borrowings.

SMBC's cash management services team, which comprised members with diversified banking, consulting and professional background, will examine your group's requirements before developing customized liquidity management solutions for you. We endeavour to help you to achieve the following objectives:

- Better interest returns on the group's cash balances.
- Better utilization of group funds, leading to reduced external borrowing costs.
- Tax efficient arrangement for the group, taking into consideration income tax, withholding tax, double tax relief, and other indirect taxes such as specific business tax.
- Compliance with local regulation such as foreign exchange controls.
- Minimization of your Consolidated Balance Sheet.

Our available liquidity management techniques include:

- Sweeping

Under a zero-balancing arrangement, we will sweep the account balances of all participating companies into a designated "master account" at the end of each day, with reverse sweeping on the following morning. While we will only compute and pay interest on the net balance to the "master account", depending on your preference, we are able to assist you to re-allocate interest from the master account to each participating account.

- Netting

If there are substantial cross-border inter-company transactions, you may wish to implement netting arrangement to help you streamline your intra-group payment process. This will help you to reduce the number of costly cross-border payment transactions as well as the related foreign exchange charges.

4. Electronic Banking

Our electronic banking solution, Sumitomo Mitsui Advance Report & Transfer Service (SMAR&TS), allows you to perform round-the-clock banking transactions in a secure network environment or through the Internet.

Leveraging on web-based technology and the convenience which it provides, our user-friendly electronic banking solution, SMAR&TS, allows you to perform banking transactions directly from our SMAR&TS website using ordinary Internet connections.

Our electronic banking services include

- Account inquiry service:

Obtain information such as account balances, statement details, maturity information and forex contract details.

- File Inbox Service

Obtain electronic files (e.g. collection data, or various reports in PDF format) from SMBC in a secure and reliable manner.

- Fund transfer, payroll and collection services

- Cashier's order application.

- Other services

5. Trade service

With the commitment to continuously improve our Trade Service, we had developed a range of solution which will allow you to create Trade related applications or documents in a convenient manner, and to receive timely arrival notice for Export LC and Collection.

6. Treasury service

Through "S-Deal" which is a foreign exchange inquiry and dealing service available in SMAR&TS, you will be able to receive real-time quotations of foreign exchange rates, make deals online, and inquire your outstanding deals.

3. Project Timeline and Methodology

3.1 Project Timeline

| Assignment | June | | | | July | | | | August | | | | September | | | |
|--|------|----|----|----|------|----|----|----|--------|----|----|----|-----------|----|----|----|
| | W1 | W2 | W3 | W4 | W1 | W2 | W3 | W4 | W1 | W2 | W3 | W4 | W1 | W2 | W3 | W4 |
| Study and collect information about SMBC | ■ | | | | | | | | | | | | | | | |
| Study and collect information about cash management services department | ■ | | | | | | | | | | | | | | | |
| Study and collect information about electronics banking and CMS's services | ■ | ■ | ■ | | | | | | | | | | | | | |
| Comparison of SMBC's Cash Management and Others bank | | ■ | ■ | | | | | | | | | | | | | |
| Study about step of approval [e-payment&SMAR&TS] under Implement Team | | | | ■ | | | | | | | | | | | | |
| SMBC's organization for transaction banking | | | | ■ | | | | | | | | | | | | |
| Create Outline Report: Contents and then create project timeline | | | | | ■ | | | | | | | | | | | |
| Study under Marketing Team: Search Customer's Information | | | | | ■ | | | | | | | | | | | |
| Started writing the report | | | | | ■ | | | | | | | | | | | |
| Search information for the necessary to writing on "introduction to SMBC" issue | | | | | | ■ | | | | | | | | | | |
| Set up plan and fix settled issue for report writing: Title Page | | | | | | | ■ | | | | | | | | | |
| "Outline Report" is checked by manager: improve it and make it more accurate. | | | | | | | ■ | | | | | | | | | |
| Writing the report: Cash Management Services Workflow | | | | | | | | ■ | ■ | | | | | | | |
| Collect more information about Product Development Team: workflow | | | | | | | | ■ | ■ | | | | | | | |
| Collect more information about Marketing Team: workflow | | | | | | | | | ■ | ■ | | | | | | |
| Collect more information about Helpdesk Team: workflow | | | | | | | | | | ■ | | | | | | |
| Collect more information about Implement Team: workflow | | | | | | | | | | | ■ | | | | | |
| Send First Draft: is checked by manager: improve it and make it more accurate. | | | | | | | | | | | | ■ | | | | |
| Writing the report: Cash Management Services Dept.'s services | | | | | | | | | | | | | ■ | ■ | ■ | |
| Collect more information about Account Payable Solutions | | | | | | | | | | | | | ■ | | | |
| Collect more information about Account Receivable Solutions | | | | | | | | | | | | | ■ | | | |
| Collect more information about Liquidity Management | | | | | | | | | | | | | ■ | | | |
| Send Second Draft: is checked by manager: improve it and make it more accurate. | | | | | | | | | | | | | | ■ | | |
| Writing the report: create some cases of business to support report's proposal. | | | | | | | | | | | | | | | ■ | |
| Writing the report: conclusions | | | | | | | | | | | | | | | | ■ |
| Send Final Draft: is checked by manager: improve it and make it more accurate. | | | | | | | | | | | | | | | | ■ |
| Create List of Figures & List of Tables | | | | | | | | | | | | | | | | ■ |
| Abstract & Acknowledgement | | | | | | | | | | | | | | | | ■ |
| Collect info. of authors which has been referred to within the report: Reference | | | | | | | | | | | | | | | | ■ |
| Send Finished Report | | | | | | | | | | | | | | | | ■ |
| Co - operative Education Finished | | | | | | | | | | | | | | | | ■ |

Table3.1 Project Timeline

3.2 Cash Management Services Department: Services



Figure3.2 Cash Management Services Department [CMS]: Services

Cash Management Service Department provides various services to customers. CMS's service is divided into two categories as following:

- Account Payable Solutions
- Account Receivable Solutions

Account Payable Solutions

Fund Transfers

Customer will send payment transaction to SMBC through electronic banking system. For domestic payment, A single file format means one payment platform to effectively handle various payment types.

Account Payable Solution is divided into four categories as following:

1. Internal Transfers

Transfer from SMBC to SMBC. If you want to transfer money to recipient via internal transfer services, Recipient's Account must be SMBC's account.



Figure3.3 Internal Transfers

2. Bahtnet

Bahtnet is a Third Party Fund Transfer service through the Bank of Thailand. SMBC provides this service to customers who want to large fund transfer to recipients who have different bank account. You can transfer money via Bahtnet service.



Figure3.4 Bahtnet

3. Smart Credit

Smart Credit, which is known as Media clearing, is a Third Party Fund Transfer service through Interbank Transaction Management and Exchange [ITMX]. SMBC provides this service to customers to transfer money to another commercial bank like Bahtnet service. The difference between Bahtnet and smart credit is amount, cut of time and service fee.

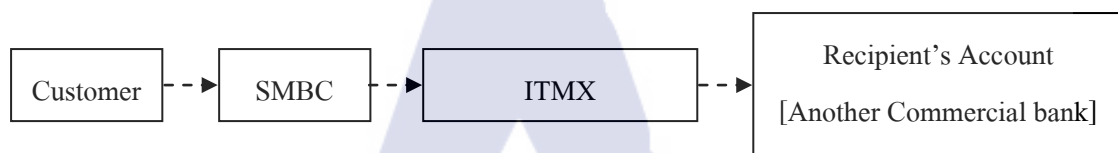


Figure3.5 Smart Credit

4. Direct Credit

Direct Credit, A convenient service for high volume payment, is a fund transfer service through SMBC's partner bank. SMBC co-operates with partner bank for convenience of customer. Direct Credit is a service in which customer allow SMBC to deduct funds from customer's account with payment instructions customer send directly to SMBC's electronic banking system.



Figure3.6 Direct Credit

Auto – Payment Selection Services

Auto – Payment Selection facilitates you to make domestic fund transfer instructions easily by considering all the possible factors, including cut-off time, fee, transferred amount, and beneficiaries' bank account, and finally select the most appropriate method with the lowest fee for each of your transaction.

Cheque Issuance

SMBC offers Cheque issuance service to issuing cheques together withholding tax certificates to customer’s trade partners. In addition to, SMBC will report cheque status. Cheque issuance is divided into two categories as following:

1. Manager Cheque

Customers are able to avoid cheque preparing and signing process by simply sending payment instructions to us online and later picking up cashier cheques at SMBC counter.

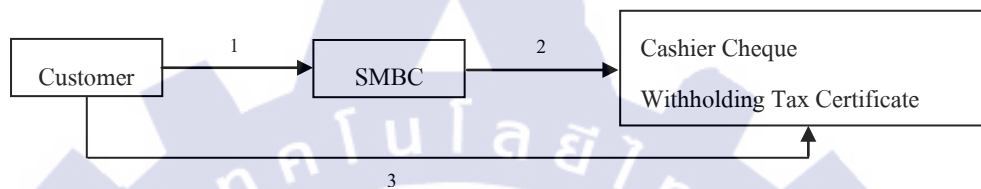


Figure3.7 Manager Cheque

- 1. Payment instruction / withholding tax information
- 2. SMBC processing
- 3. Customer picks up at SMBC counter on payment date

2. Cheque Delivery

Replacing a cheque distribution process, cheque delivery helps you to handle required documents as our partner bank will provide document checking service. In addition, this also facilitates suppliers by providing them 22 convenient pick up locations in Bangkok and upcountry.

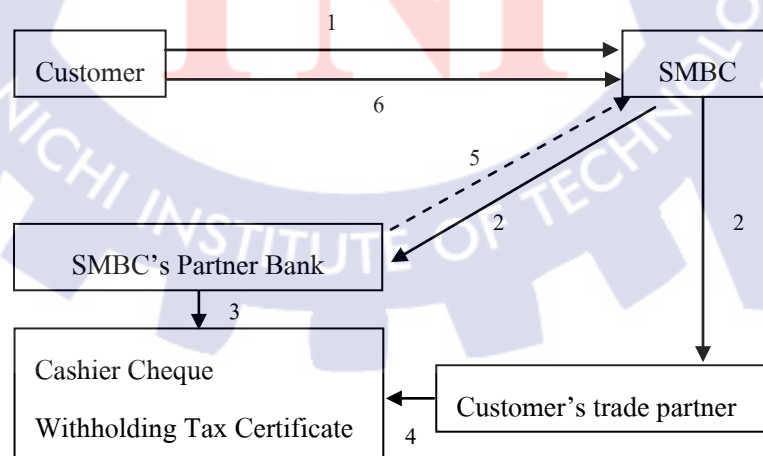


Figure3.8 Cheque Delivery

- 1. Payment instruction / withholding tax information
- 2. e – Advice
- 3. SMBC’s Partner bank processing
- 4. Pick up Cheques
- 5. Collected documents and status reports at SMBC
- 6. Customer picks up documents and status reports at SMBC

Taxes & Utilities Payment

Agreement needs to be signed prior to start using the product. You will receive payment notification from SMBC in advance before fund will be debited from your account on the payment date.

This service support payment transaction about taxes & utilities of customer. SMBC provides two alternatives for Channel of Taxes & Utilities Payment as following:

1. via SMBC e-payment

Customers send payment instructions directly to SMBC’s electronic banking system.

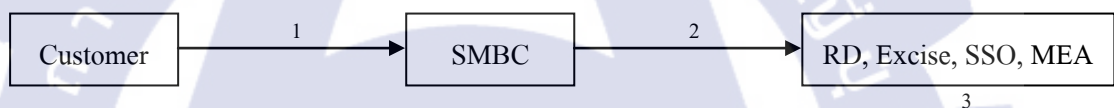


Figure3.9 Taxes &Utilities Payment transaction via SMBC e-payment

- 1. Payment Instruction
- 2. Customer account is debited on payment date
- 3. Accounts get credited automatically

2. via Direct Debit

Customers allow SMBC to deduct funds from customer’s account when receive debit instructions.



Figure3.10 Taxes &Utilities Payment transaction via Direct Debit

- 1. Debit Instructions
- 2. Customer account is debited on payment date

E-customs Tax Payment

The Customs Department of Thailand and Sumitomo Mitsui Banking Corporation have signed MOU on electronic tax payment via SMBC to provide more convenience to businesses, especially the Japanese corporate in Thailand.

This service support customers to pay customs tax transaction. SMBC provides two alternatives for e-customs Tax Payment as following:

1. SMBC customers

Customs tax can be automatically paid from the account at SMBC Bangkok Branch via our direct debit channel. You can get away from preparation and delivery of cheques for customs tax payment.

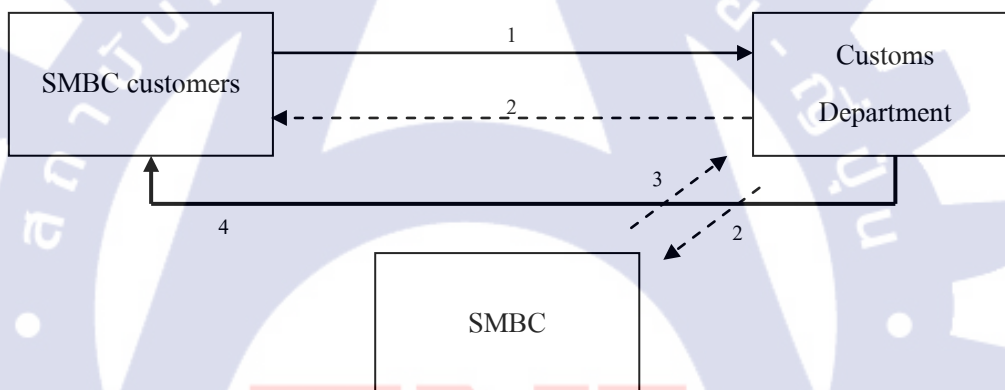


Figure3.11 General paperless scheme

1. Import/Export “Declaration”
2. “Payment Amount” notification to SMBC customers
2. Payment Instruction to SMBC
3. Payment confirmation
4. Payment Code

2. Customs Broker

Outsources customs tax declaration process to customs broker but tax payment process by Importers / Exporters

We can debit the customs tax from importer / exporter's account, while the process of declaration can be processed by your customs broker.

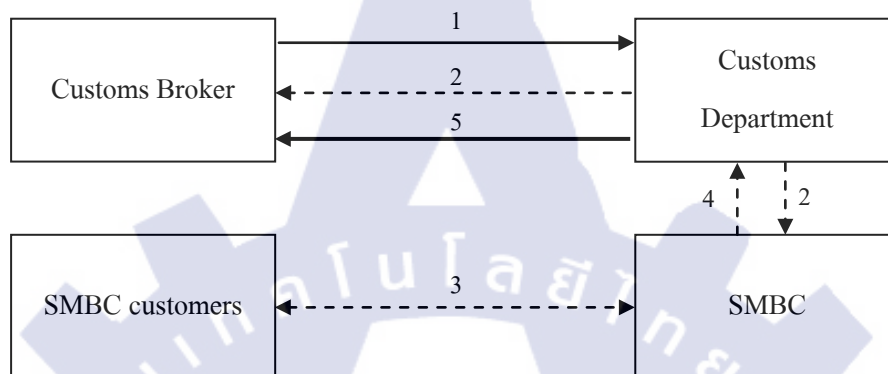


Figure3.12 outsource customs tax declaration process to customs broker

1. Import/Export "Declaration"
2. "Payment Amount" notification to SMBC customers
2. Payment Instruction to SMBC
3. Transaction approval
4. Payment confirmation
5. Payment Code

Advantages for using e-customs via SMBC

1. 1st Japanese Customs bank who provides direct debit services for customs tax payment.
2. Eliminate cheques preparation process & delivery to customs department for customs tax payment.
3. Minimize "face-to-face" contact with customs department.
4. Facilitate and speed up the customs clearance process.
5. Pre-authorization of debited amount can be set under your preference.
6. Ease reconciliation with SMBC's payment Summary.

Cheque express

This service provides cashier cheque quickly within 2 hours to release goods.

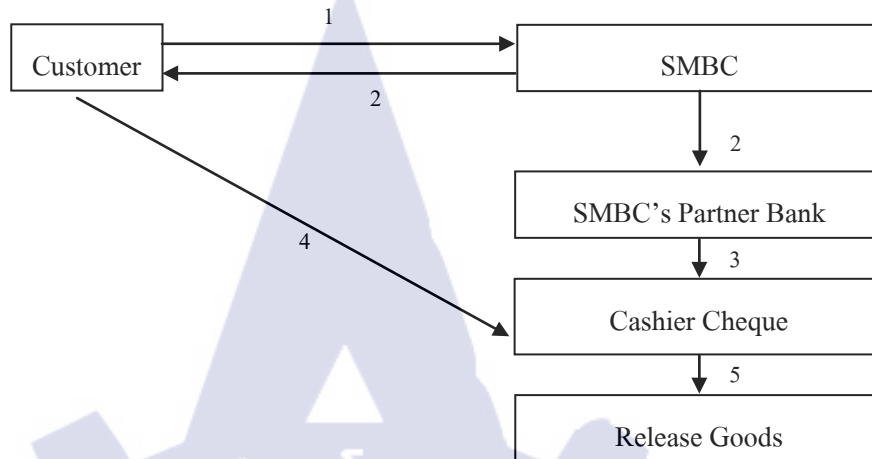


Figure3.13 Cheque express

- 1. Payment instruction
- 2. e – Advice
- 3. SMBC’s Partner bank processing
- 4. Customer Picks up Cashier cheque at SMBC’s partner bank which is nearly harbor, airport, the ministry of Finance, etc.
- 5. Release goods

Value Added service: e-notification

Available types of payments for this service

- 1. Internet Transfer
- 2. BAHTNET services
- 3. SMART credit
- 4. Direct credit services
- 5. SMBC Manager cheque
- 6. Cheque delivery services

Your supplier will be provided payment information from SMBC by either e-mail or fax notification. Therefore, they are able to directly reconcile payment information with their account receivable. Thus, you are able to eliminate time of receiving their calls regarding payment inquiry.

Value Added service: System interface

Data interface service “IMAGINE” [Integrated Mapping Engine] As your request, SMBC can provide you with a data mapping engine, so that transactions and bank report information for reconciliation of receivable data can be imported or exported freely between SMAR&TS and your accounting systems



**Case Study: Company A
Conditions**

| | | | | |
|---|--------------|--------------|------------------------|--------|
| 1.Salary | | | Days/Month | 22 |
| | salary/Month | salary/Hours | | |
| Japanese Staff | 250,000 | 1,136 | Hours/Day | 10 |
| | salary/Month | salary/Hours | | |
| Thai Staff | 20,000 | 114 | Hours/Day | 8 |
| 2.Quantity of Cheque (per month) | | | | 450 |
| 3.Timing | | | Making(per a cheque) | 3 min. |
| | | | Clearing(per a cheque) | 2 min. |

Comparison of Cheque and e-banking

| Expense for Cheque | | | | | Expense for e-banking | | | | | | |
|--------------------|----|------|-------|------------|------------------------|-----------------|-----|------|-------|------------|--------|
| Monthly Fee | | | | 0 | Monthly Fee(per month) | | | | | 1,250 | |
| Cheque Price | 15 | THB | 450 | Cheq. | 6,750 | Transferred Fee | 35 | THB | 450 | Cheq. | 15,750 |
| Preparing Time | 23 | Hrs. | 114 | THB | 2,622 | Creating Time | 1.5 | Hrs. | 114 | THB | 171 |
| Clearing Time | 15 | Hrs. | 1,136 | THB | 17,040 | Approval Time | 1 | Hrs. | 1,136 | THB | 1,136 |
| Counter Cheque | 5 | Hrs. | 114 | THB | 570 | SET UP program | | | | | 0 |
| | | | | Total(THB) | 26,982 | | | | | Total(THB) | 18,307 |

Conclusion

| | | |
|--------------------------|---------|-------------|
| 1.Management Time Saving | 40.5 | hours |
| 2.Cost Saving | 8,675 | (per month) |
| | 104,100 | (per year) |

Table3.2 Comparison of Cheque and e-banking

4. Conclusion

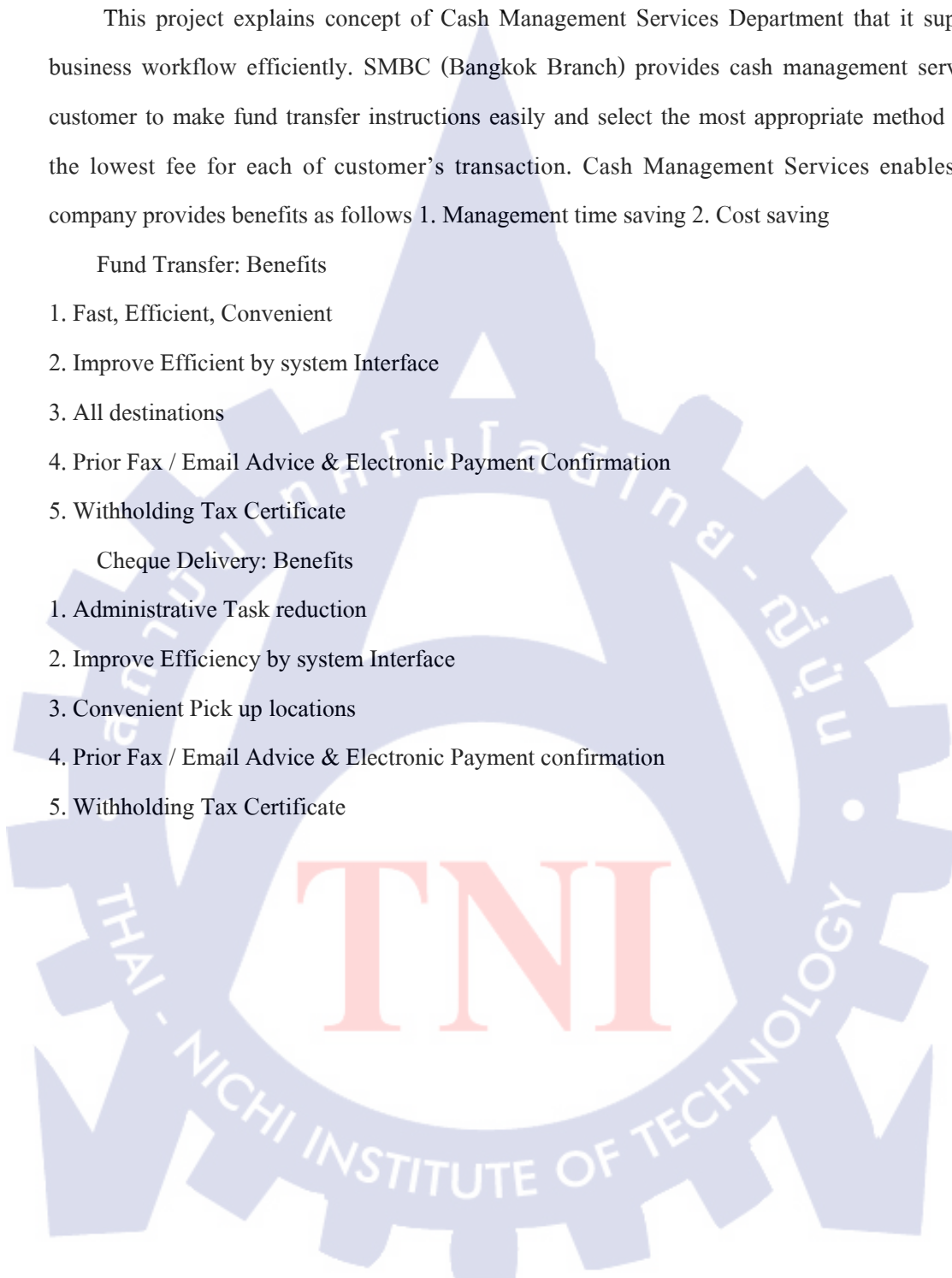
This project explains concept of Cash Management Services Department that it support business workflow efficiently. SMBC (Bangkok Branch) provides cash management services customer to make fund transfer instructions easily and select the most appropriate method with the lowest fee for each of customer's transaction. Cash Management Services enables the company provides benefits as follows 1. Management time saving 2. Cost saving

Fund Transfer: Benefits

1. Fast, Efficient, Convenient
2. Improve Efficient by system Interface
3. All destinations
4. Prior Fax / Email Advice & Electronic Payment Confirmation
5. Withholding Tax Certificate

Cheque Delivery: Benefits

1. Administrative Task reduction
2. Improve Efficiency by system Interface
3. Convenient Pick up locations
4. Prior Fax / Email Advice & Electronic Payment confirmation
5. Withholding Tax Certificate



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