

APIs—Treasury’s newest tool for speed and simplicity

Host: Jonathon Traer-Clark

Co-hosts:

Stephanie Wolf, Head of Business Banking, GTS

Tom Durkin, Global Product Head for CashPro

- Jonathon: [00:00](#) You're listening to the treasury insights podcast. This podcast is part of our broader objective to foster a treasury relationship that prepares you for the future, supports more strategic decision making, creates efficiencies and helps manage risk. Put another way, we want to give you the power to see what's next. APIs or application programming interfaces are offering financial professionals new ways of working, moving away from batch processing into a real time environment, as well as facilitating more efficient payments and delivering working capital management benefits. I'm Jonathon Traer-Clark, Managing Director, GTS. And with me is Stephanie Wolf, Head of Business Banking, GTS, and Tom Durkin, Global Product Head for CashPro®. We will examine the efficiency and automation driving, where things are going as it prepares our clients for the future. Stephanie, let's start with you. What have we heard from our clients and what are they looking for?
- Stephanie: [00:59](#) Thank you, Jonathan. It's great to be with you again, when you talk to our clients, they're really focused on, I would describe it as four simple things. Is the solution quick? Is it easy? Is it cost effective and increasingly is it a digital solution? Those are the four areas that when I think about approaching a client with a solution or way to improve what they're doing with us today, I always frame it in those four categories.
- Jonathon: [01:32](#) Thank you! Quick, easy cost-effective, and is it digital, which I think, Tom leads us naturally to you. Why don't we start with explaining what is an API and how does that work with data integration?
- Tom: [01:46](#) Thanks, Jonathan. I think Stephanie hit on a couple of key themes there. When I think about APIs, I think APIs are a way that enables two things, automation and connectivity from systems that our clients use to the systems of Bank of America. APIs are not new technology. They've been around for a number of years, no simpler experience to think about, then when you are purchasing something, let's say on a website. That website needs to talk to Bank of America, as you're using your credit card for purchase. That's usually done over an API type connection. Very relevant in the merchant and commercial card space. I think the power though, the API lies in its ability to get direct connectivity with systems and allow for that exchange in more of a real time exchange and data. Also opens up more opportunities for harnessing, probably more robust natures of it, so that clients can take advantage of that type of data. A lot of focus on that and to use APIs as the rail to bring that data across.

- Stephanie: [01:03](#) It's really interesting when I think about the last four months that we've been in an environment that none of us have seen during our lifetimes, I have found that our clients are so similar, they're similar to each other. They're similar to us. The first and foremost concern of all of our clients is the people in their franchise. We sent hundreds of thousands of employees to work from home and all of our clients did the same thing. The first consideration of every client was their people, their safety, their health, and their emotional wellbeing. That has played a greater and greater role as the months go by. The second consideration is your client franchise and how best to serve them. I find all of our clients have gone about this in the exact same way.
- Stephanie: [02:05](#) The first and most important issue is to make sure that your operations can function in the same manner they were before a work from home environment. Are all pieces of data and information, and of course, underlying funds moving the way they should? We all ran into bumps in the road. For example, if a particular country instituted a lockdown order in a very short period of time, how did you react to that? The operations was the first thing we considered in serving our clients. The second thing was digital interface. We have learned all companies and thankfully Bank of America has a great reliance on digital interaction with our clients. We were able to showcase that interaction and we were able to build upon it to become even more reliant on the digital interface. Yesterday was the last day of the second calendar quarter, and we at Bank of America had the largest number of CashPro logins ever in our history.
- Stephanie: [04:28](#) That's quite an accomplishment. It's very exciting for us and our clients. What all of our clients learned is you must be able to do anything from anywhere for your clients and that leads to digital. The last thing I will mention is we have all thought about the risks inherent in our business. I briefly mentioned operational risk. There is no diversion of money or information to a place that it should not go, but we've also had to deal with credit risk. We have as a bank to consider the credit risk of those clients, and all of our companies have had to do the same. Last but not least the AML risk has not gone away during this time that we've all been asked to step away from our offices. All of our plans are making sure that we are protecting ourselves against any money laundering or terrorist money movement in the system.
- Jonathon: [04:28](#) Wow, thank you, Stephanie. Quite a very comprehensive list there. If I sum up, you talked about people, clients, and then risks in terms of our priorities and the things that we have to think about, and I think you made the point that is very similar to what we're going through as a bank as well today. Paul, how have you seen the relationships changed in the FI space now compared to earlier in the year? It sounds like you probably would echo a lot of what Stephanie was saying.

- Tom: [02:46](#) I think it's the evolution. Go back a little while and think about, go back 10, 20 years. There was movement to adopt, and remember the excitement about moving to the web. We're going to get online and you're going to have excitement. I'm thinking of your dial up comment from earlier, but to get to a website and have full visibility was slow. Next, move forward, gain some efficiencies with getting a batch oriented file. Again about speed, about efficiency, get use with the mobile app, so I can get quicker action on timely things. I think APIs are that next step in an evolution, meaning, I want more access to customize it. I need things more in real time. Our world, we live in drives around that. Whether it's the accessibility, what we might catch over the phone or the importance of managing your cash and having a real time access to where you're at in terms of a full 360 degree view of it. I think from a treasury standpoint, it's important to think about it on an evolutionary scale. How can you use it? How can get access and how can your internal systems adapt to take advantage of that?
- Jonathon: [03:57](#) Thanks Tom. Very insightful. Stephanie, what about you? I mean, how do you see there being important to the clients functions particularly treasury obviously?
- Stephanie: [04:05](#) Well, I'll tell you, Jonathan, I take it one step further than Tom did. I want it now! I want it instantly. Our clients have a question or query or a function that they need to provide. They've got only so much time and they've got to do it now. They don't want to order a report. Even if we give them a customized report, which CashPro can easily do, and has done for years. They want to see the information now because chances are; they need to do something else with what we're sharing with them. That's why the technology is important.
- Jonathon: [04:45](#) Sticking with you, Stephanie, it's fascinating, so you want it now. What trends are we seeing the clients and the ERP systems? Because obviously it's not just the connectivity between us and them or between them and their banking providers, but it's also about other systems as well. You see similar kind of progression in that space and how are they using it?
- Stephanie: [05:02](#) Well, you hit the nail on the head there, its integration. When I think about, even for my personal use, the number of apps that I want to have on my phone, I really don't want to have a thousand apps. I want to use a tool and have that tool perform as many functions as possible for me, and that's why, as Tom and his team are happy to tell any of our clients, we've built the API connectivity through CashPro, so that you have one connectivity point. What we're doing is we're taking CashPro and we're integrating it into a client's ERP system in their treasury management system. This way, and by the way, we've already started. Tom can certainly tell you about that, but we're going to add player after player, after player, so we further penetrate across our client base and CashPro will be integrated. Should they choose not to connect with us directly via API. We

will be integrated in the ERP system. That's key to our clients right now.

- Jonathon: [06:14](#) Thank you, Stephanie. Tom, putting you on the spot a little bit here. It sounds to me like if I go to CashPro, I can pretty much through all the integration that we're doing, be integrated with lots of other ERP systems as well. Is that correct? Or did I misunderstand it?
- Tom: [06:28](#) No, I think you digested it well. Think about it this way to. Think about CashPro acting as your command and control center. One thing that our clients have made very clear, they like to security the controls. Who has access to what. Think about the role that the primary administrator plays, and in certain cases, before a client and the API gets set up, the client's got to make that decision. They authorize it no different than if I was the admin, and I give you Jonathan access. I give Stephanie access. I'm going to add the access I have full control, have visibility. Think about administration and security as another component of API that CashPro delivers for customers. Then as the natural extension, and just to go back a little bit to what Stephanie was saying, where do you go with that? Think about how our customers use a variety of different accounting type platforms and ERP. Think about QuickBooks, NetSuite, think about the opportunities for Sage, Zero, bringing some of these applications together. It's about the data. We have the data, you've got balances, you've got transactions. Bring that information to help them reconcile. So for us, our goal is to ensure, and our advisory board clients have always stressed this. Help me leverage some of the investments I've made in these type of platforms. Help me get more out of it. The API kind of becomes that conduit that helps us get the data to those source systems so it's integrated. They're doing position management, a full picture, in terms of their liquidity portfolio, balancing and reconciling yesterday's transactions. We can support leveraging it inside your application, regardless of what it is and bring it forth. And I think it's going to be important for us in this era of open banking, to continue to integrate with more based upon client demand. That's always the key driver and to do that. And then our clients may bounce back and forth. Perhaps they want to use the API in the morning. Let's get today's cash position, let's get yesterday's activity in terms of payments and deposits that have come through reconcile. Perhaps then you need to go to the online or the mobile app to do a quick search and query. Look for all the channels across CashPro space to come together, so you leverage it by what's immediate. So think about what Stephanie said, I need it now. I need it instantly. You don't want to tell customers, they got to wait to do a run or create a query. The ability to harness information depending upon, just like you or I bounce back and forth, here we're on the laptop, mobile app, tablet, that same kind of experience. Think about CashPro that way, and I think APIs has become the foundation for delivering the most robust data.
- Jonathon: [09:03](#) I mean, you've mentioned that I was actually just going to reference, what

Stephanie said at the beginning in terms of what clients are looking for. It sounds like this fits that. It means a lot to the client. It's quick, it's easy. I'm assuming it's cost effective and it's digital. Talk to us a bit about that, Tom. You're a client. It sounds to me like this is almost like a key to opening an awful lot of interfaces and dealing with an awful lot of integration and a very simplistic way. Is it really that simple?

Tom:

[09:27](#)

Well, I think it's a step away where the simplicity. So think about those platforms, we mentioned earlier. Think about the adoption of the cloud. As more companies move to a software as a service model, they're basing their capabilities in a cloud based setup, like certainly the growth of Azure, AWS and so forth as examples. But those components work across, and APIs work really well with those. Sometimes they develop different models for different degrees of simple integration. Even if you take a look at our API developer portal off of CashPro, so you can see those examples. We're very open about what it takes to get up and running, more degrees for types of testing within the sandbox. It is a movement away towards self-service. The ability to quickly move in terms of the integration model and right the cost model. Clients themselves don't have to pay extra because they're getting it over at API, right, the cost and value for certain, (Complimentary, basically) Exactly! We cover that in another way, so keep the perspective of getting it to your source system and bringing across. And I think as more models move to the cloud, whether you're software providers, accounting packages, the opportunity for getting data from different sources, the primary channel will probably be API over the next year or two as customers and different vendor providers look to aggregate information.

Stephanie:

[10:46](#)

If I can sneak in there, Tom said something that the first time I heard it, I got quite concerned, the API developer portal. This brings back computer coding courses, I took years ago. (laughing) And just suffice it to say they were not my strongest classes. But the API developer portal, you don't have to be a coding expert. You don't have to be as scientist. I urge all of our clients to truly go in and play and see that it's a very 21st century version of an app store. I also want to say, Tom was talking about going in and getting information. We started out with what our clients want first reporting, same day, previous day, account detail, transaction detail, but we certainly aren't stopping there. The progression of what we're going to enable our clients to use APIs to do is, well, I hope it's never ending because I hope our development of new and different ways to move information and funds is never ending, but real-time payments, FX Settlement, ACH, Wires, it's all coming.

Jonathon:

[12:00](#)

Brilliant. Stephanie you're in the business banking segment for GTS and I'm a business banking customer. I'm talking to you about this. How does it change my relationship with the bank? How should I partner with you to implement this for my business? How difficult is it? Obviously I can browse

the portal for developer APIs, but I just love to know how do I make this happen?

- Stephanie: [12:21](#) On average, Tom can keep me honest on this, it's going to take about three weeks, 21 days. If you're a first time user to go from beginning to end. You're going to start by talking to us about what means do you want to use? Do you want to direct API connection with us? Do you want us to integrate with a third party vendor? How do you want to integrate with us? How many entities do you want to integrate for how many accounts are there? And obviously after you get the hang of it, so to speak, each incremental layer is going to move faster and faster. Tom, how am I on that timeline?
- Tom: [13:01](#) I think all those computer classes you had taken historically are starting to pay off at this particular point, Stephanie. (laughter) You're right. The key thing I like about the positioning is build upon it. We've seen that in other successes before, in terms of leveraging the first time connectivity, understanding of the flow and the element of getting the data; get the reporting transaction, and then the feedback. I'll just add a couple of other examples to where Stephanie was going. First, you get your cash position, your balances transaction, maybe you do account servicing and query. Do funds check, type different elements, but think about all those elements that are in the banks back office. Signer information, we've had queries about that. How could I use an API to do some additional fraud check components? Could I balance off what's in my payments file against a secondary call back? Similar concept, as opposed to having someone look online and do all the dual approval, add an additional check where the systems talk to one another. The different elements that are in the banks back office. That's a robust opportunity for us to tap into, get that information across and think about it, to bring information that's most critical and the fact that they need.
- Jonathon: [14:14](#) Presumably with the information integration that we talked about, it's not just our information; obviously it's the client's information too. I'm thinking cash forecasting and other, such things. Maybe you can move into more working capital analytics. Is that a possibility here? If I'm talking to say NetSuite, as well as the Bank of America systems.
- Tom: [14:34](#) Think about it expansive right across the suite from working capital and maybe it's a view for FX hedging in your company lending and bringing those other components that maybe aren't on one side together to aggregate all of those aspects. I think there's a number of different opportunities to bring it because what you want is 360 degree view of your treasury across the board and the ability to harness that source system with information and leverage that's in the API space. The thing I'm most excited about is with us, the approach for APIs is going to be what I would call qualitative relative to the things that are important to

customers. And Stephanie highlighted a few of those. To me, it's how customers use it. We'll set the priorities for where we go and looking into next year. Versus quantity. It's more important to be qualitative customer usage. I think that is what's going to drive more value for customers at the end of the day.

Jonathon: [15:27](#) Tom, are you able to kind of, or maybe even Stephanie, both of you could talk about what clients are looking for in the future, as they begin to utilize these systems. Do you have any ideas of things that might be coming down the pipeline that we can think about?

Stephanie: [15:40](#) Hey Tom, why don't you take that.

Tom: [15:42](#) Sure, I think with more of the markets moving globally to real-time payments, that's a natural lead in to leverage from a global standpoint. Thinking about (OK) the opportunity to bring forward, I'd look at that increasing significantly for bringing elements across. Again, I'd probably look at account level information for data insights. That's also some things that some of our different boards have brought forth to help them aggregate to better assess how they are doing. Where you're delivering some of that in a manual scorecard, give it to the clients in terms of best visibility and set it in. I think 2021 is really going to be about tapping into the payments arena to start.

Jonathon: [16:21](#) Thanks, Tom. Stephanie, just final comment to you. I think Tom's done a great job talking about the ease of use. It seems to me that the process of an implementation of APIs is relatively simple. Is that the sort of thing that you're hearing by way of feedback from clients?

Stephanie: [16:36](#) I would with the fact that nothing is as easy as it sounds. One hopes that things can be done with a click of a finger. But I will tell you what we are hearing is it actually worked in a simply, understandable fashion, and we did it. It's as I told my mom when she was setting up her laptop last week, I know it's frustrating when you're in the middle, but when you're done, you feel like a rock star. It is doable. We're here to guide our clients to an API solution that works for them and works for us.

Jonathon: [17:16](#) Well, thank you. And I think on that note, particularly as you've just concluded that we're all rock stars or we have the potential to be. I'm going to say thank you very much to both Stephanie and Tom for your insights and sharing your views today. I know we're all going to be watching this trend very closely over the coming weeks and months, and indeed getting quite excited about the possibilities for 2021 and beyond. But thank you, Tom, and thank you, Stephanie.

Stephanie: [17:40](#) Thank you.

Tom: [17:41](#) Thanks Jonathan.

Jonathon: [17:42](#) You've been listening to Treasury Insights. I'm Jonathon Traer-Clark, Managing Director of GTS. My cohost today are Stephanie Wolf, Head of Business Banking for GTS, and Tom Durkin our Global Product Head for CashPro.

As each day brings innovation and opportunity, we are dedicated to working with you to turn technology advances into intelligent treasury.

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