



CapitaMalls Asia Limited, a wholly-owned subsidiary of CapitalLand Limited, is one of the largest shopping mall developers, owners and managers in Asia by total property value of assets and geographic reach. CapitaMalls Asia has an integrated shopping mall business model encompassing retail real estate investment, development, mall operations, asset management and fund management capabilities. It has interests in and manages a pan-Asian portfolio of 105 shopping malls across 54 cities in Singapore, China, Malaysia, Japan and India.

#### HIGHLIGHT

*"We are also impressed with [CS Lucas] after sales support and they are quite pro-active and quick to listen to our feedback and implement revisions that further customise the system to suit our needs. This is important for us"*

**CMA Head of Corporate  
Finance and Treasury Foo  
Choon Yeow**

When it comes to data management and risk modelling, many companies rely on the ubiquitous spreadsheet to do the job. This is not surprising, given that the software is powerful, flexible and very user-friendly.

However, the use of spreadsheets does have its drawbacks and, in the case of a certain US bank, such "drawbacks" cost the investment bank US\$6billion in losses.

In brief, investigations showed that the Bank had calculated Value at Risk (VaR) on spreadsheets using a manual process that was "error prone" and "not easily scalable".

It was also pointed out that the process of copying and pasting data into analytic spreadsheets ran the inherent issue of being done "without sufficient quality control".

This example is but one of many, although it surely ranks among the top when it comes to losses resulting from spreadsheet risks.

Therefore, it is not surprising that some companies have invested in a Treasury Management System (TMS) to do the job of the spreadsheet. Instead of relying on the spreadsheet for everything, these companies now do not rely on the spreadsheet for every treasury management function, but use it mainly to extract information for presentations, as a back-up and for data validation purposes.

One such company is CapitalMalls Asia (CMA) Limited.

"While the spreadsheet is flexible and powerful, it is at best a short-term solution. Having a well designed, comprehensive system is key to ensure business continuity with a high level of security and data integrity," said Foo Choon Yeow, Head, Corporate Finance and Treasury in CMA. Mr Foo pointed a few key risks related to the use of spreadsheets:

**Ownership** – It is very hard to determine data ownership as spreadsheets offer very limited method of data protection and data entry identification; this can lead to the potential introduction of errors from many and unknown sources.

**Tracking** – It cannot track of information very well. A careless delete, or a "harmless" typo, can result in important information being deleted from the system forever.

Flexibility and scaling – It does not encourage multiple distribution of sources of information to different users. What is required is the manual linking of workbooks, updating formulas, copying and pasting data - a recipe for disaster. This approach also results in different individuals holding different and unique sets of information. Potentially, this is a nightmare scenario if there is no proper handover as and when employees get transferred out or leave the company.

CMA's Mr Foo added that the key risk for CMA, if it continued using spreadsheets, would be to a potential "significant data integrity issue". "For example, in terms of data tracking and revisions, something as elementary as tracking deleted/edited records was non-existent," he added.

Mr Foo explained that CMA's search for a TMS to replace the spreadsheet was driven by the simple motivation to do things more accurately, efficiently and effectively. CMA bought its TMS from CS Lucas in October 2012 after investigating what's available in the market and shortlisting several vendors for consideration. "We saw a need to use a system to help improve our efficiency and at the same time reduce possible human errors. Coupled with our new focus to increase communication between the treasury teams of different countries, we decided that we need a common TMS platform to make the entire treasury management process more seamless," Mr Foo added. But what had started out as an IT initiative has now resulted in benefits beyond those that usually accompany an exercise to automate processes. The obvious benefits are: data integrity, and confidence in the numbers churned out, ease of use among different users across different geographies, and the ability to monitoring millions of transactions confidently without relying on human intervention and repeated manual submission of data.

Another result is that there is better corporate governance, as a TMS means that there is less room for fraud, as there is less room for human intervention. "I believe that having a TMS is crucial as a company grows bigger. For CMA Treasury, we are in charge of monitoring the cash movements of the company across five different geographies; can you imagine different teams managing their own database without communication with each other? The potential margin of error that we face every day will be very wide.

Of course, equally important is the fact that a comprehensive TMS has removed much of the manual work required of employees, freeing them to spend more time on strategic thinking and higher-value work.

Asked why CMA chose CS Lucas out of what's available in the market, Mr Foo replied that, all things considered, CS Lucas' pricing relative to user flexibility (CS Lucas charges a flat annual fee and no per user fee), easy and quick customisation, and good service and support. "We are also impressed with the after sales support and they are quite pro-active and quick to listen to our feedback and implement revisions that further customise the system to suit our needs. This is important for us," Mr Foo said.

On CMA's adoption of the CS Lucas solution, Mr Tan Chee Seong, who is the CEO of CS Lucas, said: "We are impressed with the CMA project team. They were committed and diligent in evaluating and mapping the CS Lucas solution to their needs. They were prompt and pro-active with their coordination efforts, for example, getting their China colleagues to specify the country's needs quickly, to ensure that our solution take into account the unique regulatory and practical considerations of the country. They are a group of smart and savvy users who know what they want and how they want it, and that made CS Lucas' job that much easier."

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