



วารสารวิชาการศรีปทุม ชลบุรี

ปีที่ 20 ฉบับที่ 2 เดือนตุลาคม ถึง ธันวาคม 2566

CASH MANAGEMENT SYSTEM FOR FINANCIAL MANAGEMENT ON MODERN BUSINESS ORGANIZATIONS

Atchayapa Keeratisontorn, Krissanin Keattanasak*

Lecturer, School of Business Administration, Sripatum University at Chonburi,

e-Mail: atchayapa@gmail.com (Corresponding Author)

(Received: 2023, November 4; Revised: 2023, December 9; Accepted: 2023, December 22)

ABSTRACT

The purpose of this paper was to study the application of Cash Management systems in modern business organizations. In addition, the paper explored how information from Cash Management systems could be utilized to mitigate financial risks in both new and modern business organizations. The management of cash in everyday life and its application in modern business organizations were discussed in relation to human behavior. The Cash Management system operated on an online platform, which reduced the risk associated with physical cash. Furthermore, modern technology was employed in cash management to support banks and organizations, promoting sustainability and increasing liquidity. The integration of technology in financial transactions created opportunities for access and customer extension. In conclusion, the Cash Management system proved beneficial in modern business organizations by leveraging technology to enhance financial transactions, thereby facilitating access and customer expansion.

Keywords: Cash Management System; Financial Management

INTRODUCTION

In today's dynamic business environment, understanding and effectively managing financial resources, particularly within the context of cash management systems, is imperative. The business landscape experiences constant changes, especially in financial aspects, making it

*Lecturer, School of Business Administration, Sripatum University at Chonburi,

e-Mail: Krissanin.ke@chonburi.spu.ac.th



increasingly sensitive. Consequently, there is a heightened risk associated with financial activities and assets. Cash management emerges as a critical financial activity due to the uncertainty prevalent in new businesses and organizations, particularly concerning liquidity and uncontrollable risks. Furthermore, the responsibility to invest in modern businesses places a high level of importance on the decisions made by investors and stakeholders. In this context, the Cash Management System (CMS) becomes a crucial tool for orchestrating cash flow, managing liquidity, and mitigating risks.

As the financial section in each business and organization is uncertainly in profit and less in knowledge about the financial management and financial function also. On the other hand, the financial crisis is the one of problem can make new investor and stakeholder to less control in risk of finance while after the COVID the number of new businesses is decreasing but some calculation number of business in each section is increasing such as online business. According to (Chen, Engert, Huynh, Nicholls, Nicholson & Zhu, 2020, p. 11) is investigated the impact on pandemic on the demand for and use of cash in term of COVID in Canada the first stage of COVID in 2020 the bank can conduct in cash within cash inventories, cash deposits and increase demand of cash but the second stage of COVID in 2020 it has still the impact of cash the bank in Canda will persistent to conduct in cash because the need to increase potential of cash in temporary. Moreover, (Alvarez & Argente, 2021, p. 156) is studied in Cash management in time of COVID-19 depend on the consumer behavior and household is less using in cash and they finding in the other way to use payment method but some cost of payment method is imperfectly than cash cause of the cash can make higher in of household and more potential in cash also.

Moreover, the financial management is hard to pay attention in the step of financial transaction and structure of financial management also. For this reason, it is showing the cash flow in the one of sensitively to understand in structure and cash management. For this paper is studied the cash management system in financial management while using CMS (Cash Management System) to control in cash flow.

For this paper has a decision to investigate to use the cash management method to management in financial section and financial transaction in modern business organization. Meanwhile, the cash management system is working on online platform while this system can



apply to use in the modern business and organization because in term of present the modern business and organization is more working on online platform until the COVID to present. The activities of business and organization need to work in high speed. For this reason, the cash management system can support to decrease working time and high speed in financial activities and financial transaction including decrease in the risk of hold on cash. The financial section is he one of main section in each business. For the risk and liquidity in financial is shown the potential of each business and organization. According to (Camerinelli, 2010, p. 141) has studied in Trends in cash, liquidity and working capital management automation: The role of technology. In part of the role technology can support and management in the liquidity of and working on investment. In the other part is showed on the role of technology suitable for small and medium sizes of entrepreneurships. Therefore, the role technology to use in cash management is more potential to conduct in middle market also. In term of management in financial and (Silvestro & Lustrato, 2014, p. 317) is studied the integrating financial and physical supply chains: the role of banks in enabling supply chain integration for the buyer and supplier. For management financial by using supply chain integration is more significant in this methodology between buyer and supplier because they can get more coordination, collaboration information sharing and visibility and forced to get the opportunity to merge between bank and organization also.

However, in this paper is showed in 2 sections of Liquidity and Risk in Financial Management on Modern Business Organizations and the settlement of Cash Management system on Modern Business Organizations. Nowadays, the economic is merging to work on online platform. The response of use in advance and modern technology has more impact on modern business and organization also. Meanwhile, in this paper need to study in the Cash Management system for Financial Management on Modern Business Organizations.

OBJECTIVE

1. Study of relationship between the cash management system and modern business organizations.
2. Applied the cash management system to work on modern business organizations.



3. Creation and improving the cash management system through public services on modern business organization.

4. Reducing and management in the risk of financial liquidity on modern business organization.

LIQUIDITY AND RISK IN FINANCIAL MANAGEMENT ON MODERN BUSINESS ORGANIZATIONS

The dynamic of financial section is more dimension of risk cause of the various of financial actives, financial transaction and working capital such as then financial asset is various risk in finance such as hold on cash, transfer payment and other method of payment transition. For the factors of liquidity and risk of financial is showed in interest rate, tax holding, exchange rate and etc. Hence, these factor of liquidity and risk is the cause of inflation and deflation also. The liquidity and risk of financial can simulation in the loan, debt and financial activity and financial asset. However, the bank performance has to conduct in liquidity and risk because these factors are direct impact to the investment in financial asset and portfolio. For the percentage of risk highly the rate of investment is reducing because the stakeholder and investor they is uncertainly in invest in financial asset and portfolio. Hence, the bank has to conduct in these factors and push the bank performance information in higher level.

According to (Adeusi, Akeke, Adebisi & Oladunjoye, 2014, p. 341) is investigated in relationship between bank and risk management. They use the factor risk in financial to study in liquidity, equity of loan asset, debt, equity of total asset and fund. Therefore, the result is showed significant in variables. Meanwhile the bank performance can conduct in risk of management and protection in the risk of investment also.

The risk on portfolio in the one of main problem in financial asset because the investor and stakeholder use the cash and some asset to invest in portfolio. Moreover, the portfolio is always changing in information and depend on real time financial situation. (Christoffersen & Gonçalves, 2004, p. 1) is investigated in the Estimation Risk in Financial Risk Management is studied to portfolio risk measurement and risk capital allocation and performance attribution by



using Value-at-Risk Model (VaR) for the result of studied is showed more dimension of multiple in risk of portfolio.

In term of the risk while using cash is showing the risk of financial on interest rate, exchange rate and other. For the risk in financial is related to financial management, financial transaction and financial crisis also. Therefore, the risk of cash management is the one of main problem. Nowadays, many people didn't use in cash because the seeking while they hold on much cash is not safety in their life. In the other hand, it has many of organization is using the online platform to control the financial transaction and forced to use in payment method instead of hold on cash.

THE SETTLEMENT OF CASH MANAGEMENT SYSTEM ON MODERN BUSINESS ORGANIZAITONS

For the settlement in CMS (Cash Management System) is suitable for organization and corporation because CMS (Cash Management System) is the transmit of bank and organization for work on financial transaction in online process. However, the CMS (Cash Management System) is decreasing transaction and safe in time while you work on financial transaction also. Therefore, the sensitivity of cash is depended on the cash quantity because of the cash quantity can calculate the liquidity and stability of the organization and the other of response in CMS (Cash Management System), they can reduction in bank fees and financial of cost. For the bank fees is showed in each part of payment and financial transaction when you holding the cash in short-term from organization. The bank fees such as withdraw charge, exchange charge, fund charge, payment charge and etc when the CMS (Cash Management System) is used of the modern organization they can save the bank fee also and this system is less cost of bank fees. Moreover, the reduction of financial cost is depended on the deposited of debt in long term and short-term holding cash for financial transaction. For this cause is reduce in expenditure of service in financial fund and the expenditure of debt to increase the profit of organization after use this system.

As refer to the Liquidity and Risk in Financial Management on Modern Business Organizations to the CMS (Cash Management System) is also reducing the risk of cash payment and the risk of transaction in cash because the sensitivity in cash holding for payment in bank refund.



Moreover, this process is decreasing in cost, waste, and risk while they can improvement in liquidity and supported in financial section knowledge to use in making a decision to invest on their business. According to (Lienert, 2009, p. 23) studied on Modernizing Cash Management. It can be meagering and developing cash management in activities of cash flow for income and expenditure approach. It can be active in real time to manage in active of live in cash management.

In this paper classify to management in financial and reduce in risk of cash and investment by Cash management system to settlement in 4 sections on financial transaction management.

1 Management in Payment Service is depended on bill payment method for buy and sell in products and services. For this part each organization can work on internet banking for check payment and cash while the organization can use this information to recheck in the financial information immediately.

Moreover, Direct Debit is the one of service in Payment Service because direct debit can support the customer after the organization pay in cash in time also.

2 Management in Collected Service is can support the organization in part of management in salary, tax and transform in cash for this past the bank is showing in financial transaction of Payroll for in time salary payment, e-Withholding-Tax is supported when the organization pay in tax fee. Direct Credit is supported in payment in organization partner. For Bulk Payment work on profit after payment in each organization. The lasted service of Collected Service is BATHNET, it is the third party for transformation in cash between Bank of Thai (BOT) and Financial Institutes for this financial transaction is suitable to pay in index and bond.

3 Management in Other Special Service is making an easy to supported in modern business and organization for financial management in cash because it can Sweep Zero Balance and Cash pick up service without the bank which it depends on contact between organization and bank

4 Management in Electronic Chanel is depended on work in internet banking while the new organization use in this system the financial in historical data of financial transaction in real time. Moreover, Electronic Chanel can use for payment in product and service also.



The settlements of Cash Management System are worked on the online platform for financial transaction within 4 parts of using the CMS (Cash Management System). The modern organization can be applied the CMS in their owner business because the functions of CMS can reduction in bank fees and financial cost. In multi-function is supported in payment, exchange money, trading, management of fund and etc. Moreover, the settlement of Cash Management System is also forced the liquidity and risk in financial activity and financial asset.

After the modern organization is using the CMS (Cash Management System), they can conduct and reduce in the risk of holding cash for payment in short-term holding for financial transaction in bank. The CMS (Cash Management System) is more effective in operating online platform based on knowledge information between bank and organization.

CONCLUSION

The dynamic of financial management is more dimension of activities of financial transaction financial asset and working on capital. Therefore, the cash is important to work and use on them while the risk of financial on cash is more impact on the financial management also. Meanwhile, in this paper is using the cash management system to conduct the risk in financial and supporting in modern business organization.

According to COVID situation the advance and modern technology is more impact in our daily life activities also that make us to work on online platform more than offline platform so the cash management is work on online platform that suitable of the modern organization is forced on risk in cash, decrease in time and high speed in financial transaction and management as well.

The multi-function of CMS (Cash Management System) can be supported in part of payment and financial transaction when you holding the cash in short-term from organization such as withdrawing, exchange money, investment in fund, payment and etc. In addition to, the system is more safety in holding cash on working process in bank and can reduction in the sensitivity of holding in liquidity and risk also.

Moreover, the system is made the higher level of liquidity and risk reduction within bank fees and financial cost in transfer payment and financial transaction including reduction in



part of payment and financial transaction when you holding the cash in short-term from organization. The bank fees such as withdraw charge, exchange charge, fund charge, payment charge and etc. In section of liquidity and risk is more comfortable to modern organization because they can conduct in interest rate, exchange rate, investment of fund and etc. For the knowledge of information about this system and real-time financial information. Therefore, the system is more effective within the financial section is applied the system to the organization.

SUGGESTIONS

1. Modern organizations continually strive to enhance their performance, driven by the adoption of cutting-edge technologies such as the cash management system. It is imperative for these organizations to acquire the necessary knowledge about this system and apply it to manage cash effectively within the financial sector.

2. The Cash Management System operates on an online platform, necessitating enhanced collaboration between banks and organizations. To align seamlessly with this platform, banks are required to provide comprehensive information, facilitating a cohesive working relationship between the two entities.

3. In part of risk management is required to estimate in the Value at Risk (Var) within Likelihood Ratio (LR) for use to analysis in the methodology of Vector Auto Regressive Model case of the risk in management is more sensitively in financial activities and financial transaction.

REFERENCES

- Adeusi, S. O., Akeke, N. I., Adebisi, O. S., & Oladunjoye, O. (2014). Risk management and financial performance of banks in Nigeria. *Risk Management*, 6(31), pp. 336-343.
- Alvarez, F., & Argente, D. (2021). Cash-management in times of Covid-19. *The BE Journal of Macroeconomics*, 22(1), pp. 139-171.
- Camerinelli, E. (2010). Trends in cash, liquidity and working capital management automation: The role of technology. *Journal of Corporate Treasury Management*, 3(2), pp. 141-148.



- Chen, H., Engert, W., Huynh, K. P., Nicholls, G., Nicholson, M., & Zhu, J. (2020). Cash and COVID-19: The impact of the pandemic on the demand for and use of cash, Bank of Canada. *Staff Discussion Paper* 2020-6, July.
- Christoffersen, P., & Gonçalves, S. (2004). Estimation risk in financial risk management. *CIRANO*, Citeseer, pp. 1-31.
- Lienert, I. (2009). Modernizing cash management. *Technical Notes and Manuals*, 2009(003), p. 23.
- Silvestro, R., & Lustrato, P. (2014). Integrating financial and physical supply chains: the role of banks in enabling supply chain integration. *International journal of operations & production management*, 34(3), pp. 298-324.