Wednesday, 25th May 2011 (Source: IEA)

Paul Murphy of Finalysis Ireland gave the May Council a presentation on this consultancy business which reviews companys' banking arrangements to find savings. Finalysis, he said, was set up 20 years ago and now has offices in London and South Africa and is staffed by former bankers, accountants and treasury specialists. It is geared to the Irish corporate market and their core market is companies with a minimum turnover of €20m. However they work with smaller companies too.

He said that underpinning the need for their consultancy is the fact that the banks' core business are still very profitable, despite what people hear and there is a lack of transparency with hidden margins and costs which Finalysis tries to 'lift the veil on'.

Paul stated that the process doesn't upset the banking relationship and he has found that, in many cases, this relationship is enhanced as banks like to see that companies' treasury management skills are sharp. He said they almost always encourage better engagement with the bank in question rather than switching banks and don't have any ties with any of the banks. He said they aim to make every review self financing and if they don't deliver, the client doesn't pay. Also, he added that the process is completely confidential and done in their office in Fitzwilliam Square. They don't speak to the bank, unless expressly directed to by the client.

What they do: They put together a high level, strategic report for the company which is usually 20 to 30 pages in length and which covers all areas of the banking interaction from credit card administration to leasing to currency operations to borrowing costs, to name a few. The more info the client provides to them, the more detailed the report. This usually takes 4 to 6 weeks to compile.

They first look at the contract with the bank with regard to overdraft facility letters. They check to ensure that the bank is operating in accordance with the contract. They input data from bank statements in their own system to derive balances and then look at currency trends, finance, operating leases, bank charges and other areas to see if there are trends emerging that they can offer advice on.

Regarding Finalysis' fees, there are 2 options for cleints. One is fixed based and the other is results based, which the majority of clients opt for and which is 50% of the savings and must be agreed by both parties, so he said the payback time is 6 months. He said that after they present the report, they also stay around to help the client implement it and the client is under no obligation to pursue the recommendations.

He showed a slide a list of clients that they have worked with and these include 2 well known Irish indigenous food and drink companies.

Finally, it is important to note that Finalysis only deal with clients who are in good standing with their banks.

At the end of the presentation, the Chairman, Bernard Coyle, raised the issue of the fee and the required turnover. Paul's colleague, Tom Clifford, replied that they are flexible regarding which companies they'll talk to but their target audience is those with a turnover in excess of €20m. He said they have worked with smaller companies and the savings had been significant. Bernard asked if Finalysis would look at a 3 year payback as this might be interesting to companies. TC said they'd look at this option if there were interested companies.

To view presentation, please click here .