

Highly Commended Winner

Treasury Today's Top Treasury Team

Apollo Global Management, Inc.

Paul Franek, Global Head of Treasury Services & Solutions



Richard Fitzgerald, Apollo Global Management, Maria Crist, Goldman Sachs and Nathan Boyarksy, Apollo Global Management

APOLLO

Apollo Global Management, Inc. is a global alternative asset manager and a retirement services provider. It operates in three segments: asset management, retirement services and principal investing. The asset management segment focuses on three investing strategies: yield, hybrid and equity.

Lean team delivers complete transformation

A clear vision

Apollo's primary treasury transformation objective was to become fully automated and centralised around two core functions: Apollo Funds and Apollo Corporate. Systems and processes required uplift to support high volumes and accurate entity onboarding as Apollo averaged two to three net new entity onboardings per week. In addition, with account and user entitlements being a focus, Apollo required a way to optimise payment execution that ensured robust, straight through processing rates given the size and importance of their transaction flows.

Apollo's challenges

Historically, Apollo faced three primary challenges in the treasury space:

1. Decentralised account onboardings being performed by individual funds globally, which led to confusion around capabilities and services, inconsistent oversight, slow account onboardings threatening deal closings and insufficient risk controls.
2. Manual fax and bank portal transaction processing required additional headcount as the firm grew as well as created the risk for human error and longer payment settlement times.
3. The company lacked payment and KYC subject matter experts and relied on shared services personnel and resources from across Apollo.

Centres of Excellence created

To introduce change and transformation, Apollo created three Centres of Excellence (CoEs) that combined people, processes and technology to identify ways in which tangible improvements could be realised.

- Onboarding CoE fully centralised all new entity and account openings across the entire firm with one single team.
- Payments CoE consolidated all payments firmwide into one team and one treasury management system (TMS) Kyriba, completely replacing manual payment processing.
- Referential Data CoE, the final pillar of the optimisation strategy, ensured that internal Apollo data usage was completed on a normalised basis across a multitude of underlying data lakes, and made Apollo's treasury team responsible for approval of all counterparty/investor payment instructions.

Apollo's implementation of a single instance TMS helped enable the overall centralisation initiative and empowered the CoEs to enact genuine change.

Optimised onboarding and account management

Apollo worked with Goldman Sachs Transaction Banking to create a unique onboarding workflow that could support monthly volumes of 15-20+ entity and account openings. The onboarding experience included new entity onboarding, full KYC completion and fully funded account activity within three days. Through this approach, Apollo was enabled to

fully self-service their onboarding requirements, handling documentation fulfilment and upload directly.

Apollo hasn't missed an account onboarding deadline in three years, allowing the company to attract and open new funds at scale while maintaining investor satisfaction and significantly reducing risks (eg, preventing Apollo from breaching terms of contract with their investors, or missing acquisition closure deadlines).

Success benchmarks

Transformation and centralisation work enables Apollo to establish clear success benchmarks. Additionally, Apollo's engagement with Goldman Sachs allows them to trial new ideas, market new solutions and influence contemporary treasury management technology.

Apollo manages accounts and liquidity across several financial institutions in the United States, which requires daily cash concentration activities. Speed and finality of settlement are paramount to Apollo's operations, and partnering with Goldman Sachs enables Apollo to implement real-time payments (RTP) for the first time. This innovative approach allows Apollo to self-identify eligible transactions for RTP execution (ie, payments under the RTP transaction limit of US\$1m), providing faster funds movement and optimised interest and balance yields.

In certain instances, Apollo helps manage accounts and operations for underlying platform companies. Goldman Sachs Transaction Banking's virtual integrated account solution allows Apollo to quickly open accounts without additional KYC paperwork, reduce possibilities of fraud and receive customised account reporting.

The breadth and speed at which Apollo manages new activity required innovative thinking. Apollo and Goldman Sachs co-created the 'Deal Closure Execution Framework', which proactively ensures seamless coordination to avoid any delays or payment failures.

This framework enables Apollo to meet contractual obligations, which impacts both investor disbursements and acquisition closings.

STP uptick

In 2020, 0% of Apollo transactions were instructed via Swift with an STP rate of 0%, as the firm had no connectivity with any of its banks. As of today, 99.9% of Apollo transactions are instructed via Swift with a STP rate of 99%. Additionally, Apollo's internal payments and referential data systems are highly integrated with intraday feeds, delivering payment data and standard settlement instructions (SSIs) across Apollo's internal network. Apollo has significantly future-proofed itself by adopting its TMS, consistently enhancing it with new APIs, and ensuring ISO 20022 compliance in all bank communications.

Benefits

- Cost savings.
- Headcount savings.
- Process efficiencies.
- Increased automation.
- Risk mitigated.
- Errors reduced.

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- Number of banking partners/bank accounts reduced.
- Manual intervention reduced.
- Increased system connectivity.
- Future-proof solution.

People, processes and technology

By combining people, processes and technology, Apollo has been able to achieve what many other global organisations continue to struggle with, including:

- Centralising account onboarding and entity creation across all of Apollo.
- Eliminating manual processes specific to payment execution.
- Operating globally using one TMS instance.
- Pioneering concrete usage of Virtual Accounts and al-Time Payments for specific business needs.

Treasury team achieves complete transformation

Apollo has achieved a complete transformation of the treasury function through thought leadership, a deep commitment to the acquisition and development of subject matter expertise and talent, and constantly challenging the limits and boundaries erected by its partners. Their lean team of 13 consists of multiple CTPs, payment SMEs, KYC experts and TMS SMEs. For the last three years, they have insisted on excellence and refused to compromise their vision of a fully centralised, fully automated treasury operations function.

“We collaborated deeply with our technology partners, banks, and tangential functions like accounts payable and corporate tax as we built out and executed the strategy. These efforts resulted in significant growth in the skillsets of our individual team members, and the team itself has received recognition and commendation from Apollo’s senior management in the form of multiple promotions,

expanded responsibilities for the team, and even a giant cake celebrating our 99% STP milestone,” explains Paul Franek, Global Head of Treasury Services & Solutions.

It is nothing short of remarkable that this small team was able to achieve so much transformation in such a short period of time while simultaneously ensuring ongoing attention to day-to-day responsibilities. Apollo’s people and collaborative culture have been core to the implementation of this transformation, especially over the last two years when this transformation significantly escalated. The team’s tenacity and commitment to excellence has transformed Apollo’s treasury function from a decentralised, manually intensive, high-risk afterthought to a cutting-edge, highly integrated, fully-automated, risk-focused, efficiency-obsessed leader in treasury management practices and organisational leadership.

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“Apollo is thrilled beyond words with this recognition. Our treasury team has been working diligently to transform our function into the best version of itself; we are very proud of the results and honored to have been recognised at Adam Smith this year for our progress.”

Paul Franek, Global Head of Treasury Services & Solutions

Apollo Global Management’s journey to create a future-proofed treasury organisation showcases many facets of innovation and thought leadership, all in the mission of supporting Apollo’s growing business globally. Apollo’s team has shown tenacity, curiosity and a deep commitment to excellence, delivering on their vision of a fully centralised, fully automated treasury operations function by combining people, processes and technology. Joining Apollo on this journey has been a rewarding experience for Goldman Sachs Transaction Banking. We’re honored to have supported their progress and look forward to our continued partnership.

**Maria Crist, Co-Head of North America Sales,
Goldman Sachs Transaction Banking**

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