



BEING A TREASURER TODAY: TECHNICIAN, CONTROLLER, OR BUSINESS PARTNER?

September 20, 2017

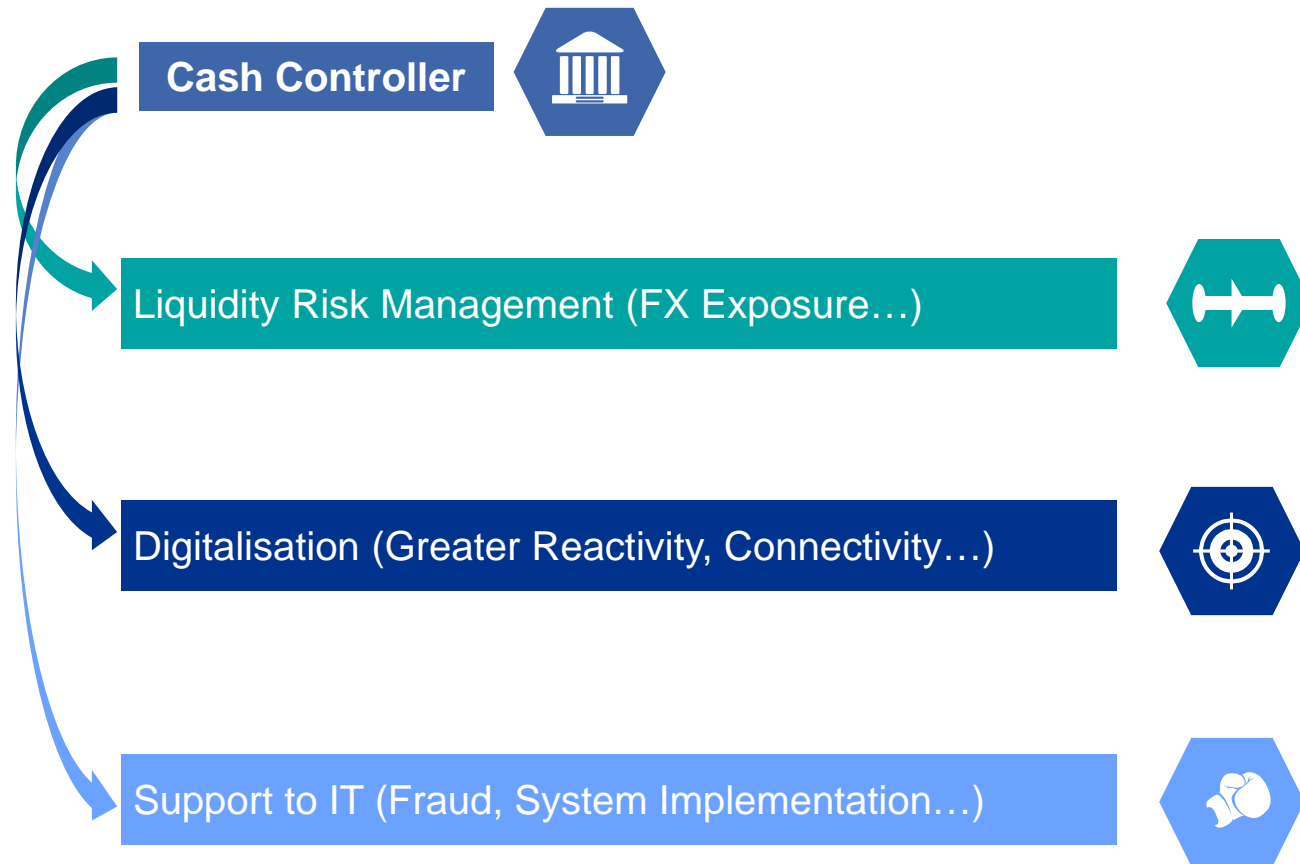
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1. From Cash Controller to Technician

Treasury department has a wider role to play within the organisation.

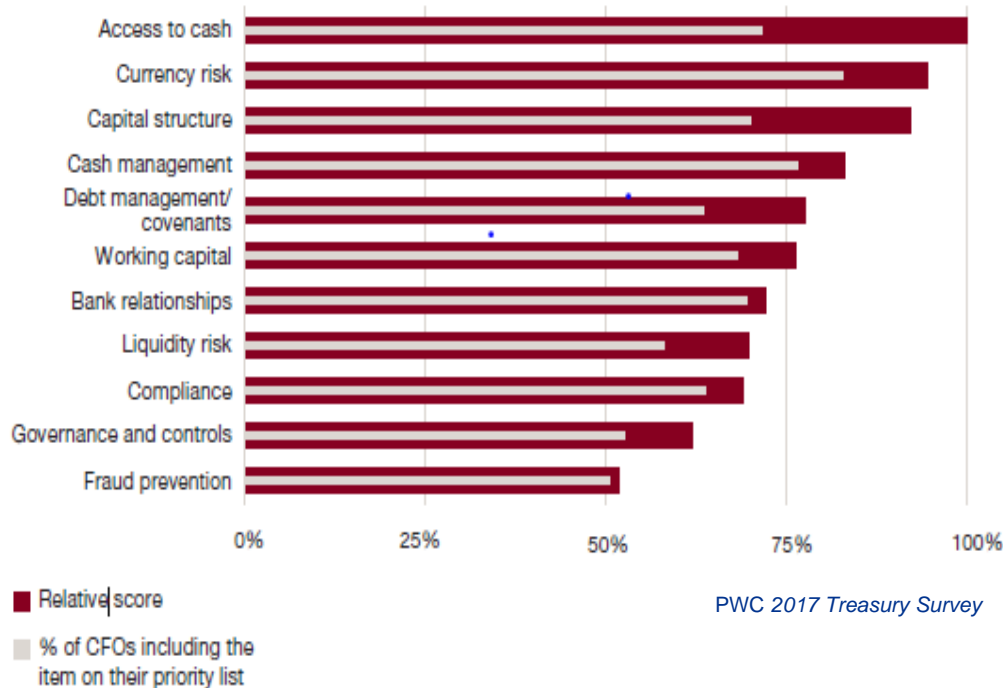


1. From Cash Controller to Technician

“ Treasurers are often considered the go-to expert by colleagues when it comes to interpreting the complexities of the modern world.”

ACT 2017 Business Treasury

The CFO's priorities for treasury



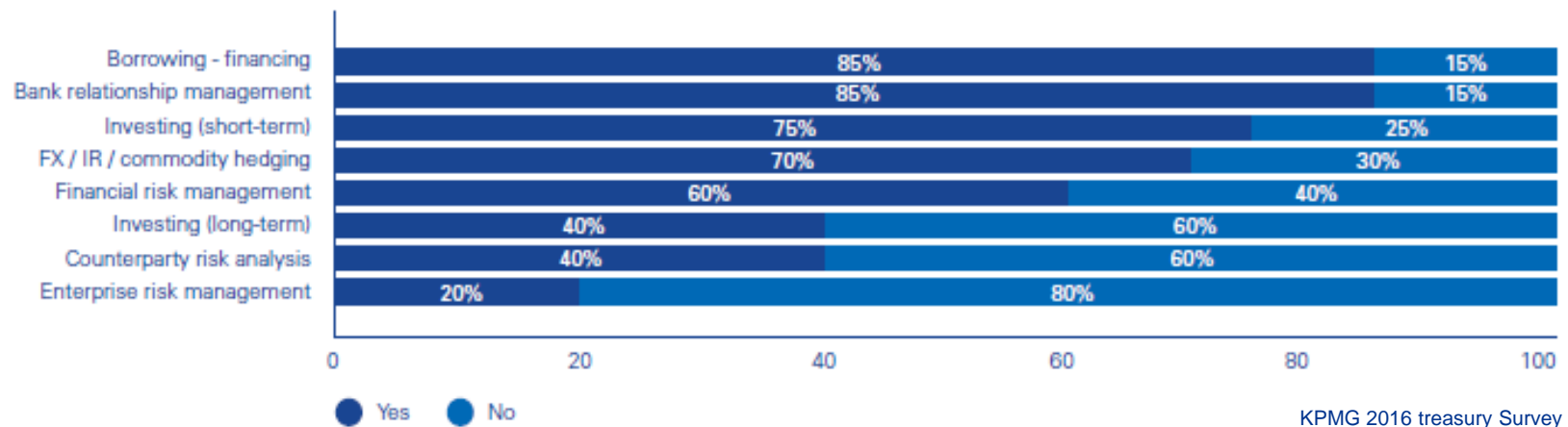
More than 1 out of 2 treasurers have to deal with 11 priorities. This solidifies their image as a go-to-expert.

Yet, one can wonder if too many priorities do not kill priorities?

1. From Cash Controller to Technician

What are the lead roles of treasurers?

Lead roles of the treasury function



The main focus remains on operations.

Treasury is still to further take the lead on Risk Management and long term investing activities.

2. From Technician to Business Partner

What are the key business areas in need of a treasurer's insights?

Most frequent contact with business areas – once a month or more



ACT 2017 Business Treasury

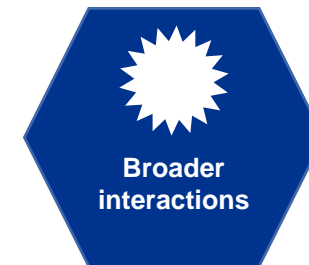
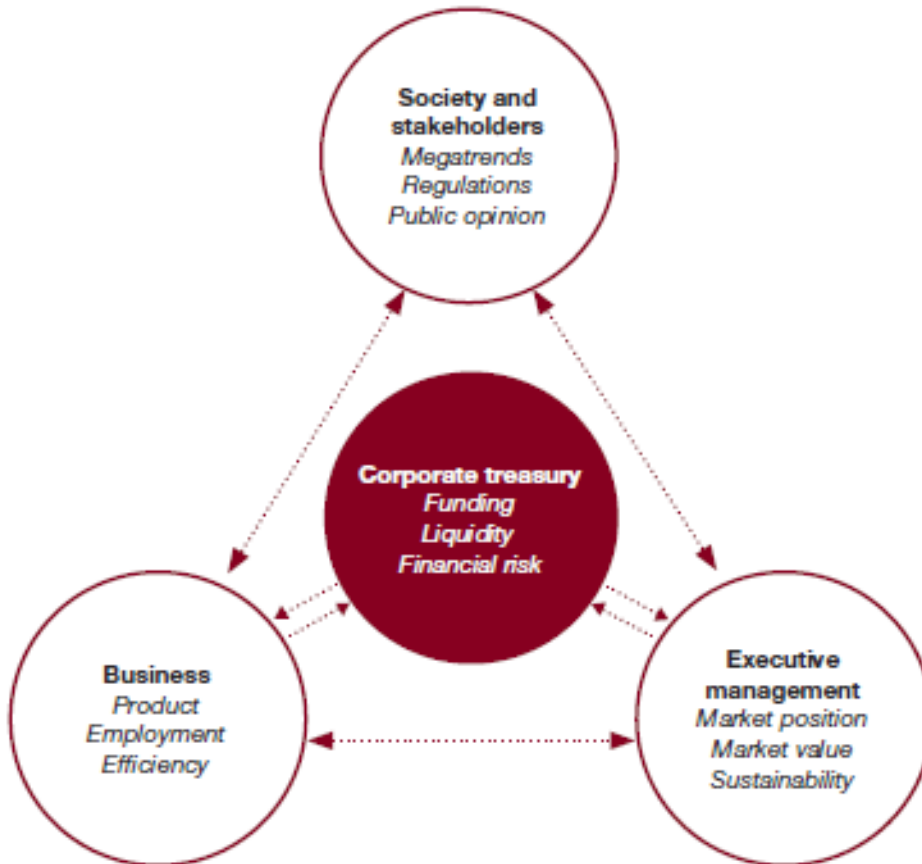
“The increasing virtual reality of treasury implies that treasury is no longer only about technical skills and centralised processes. More than ever, success in treasury is about integration and collaboration.”

PWC 2017 Treasury Survey



2. From Technician to Business Partner

Who are treasurers interacting with?



Treasury plays a pivotal role in providing a wide range of stakeholders with more and more insights.

PWC 2017 Treasury Survey

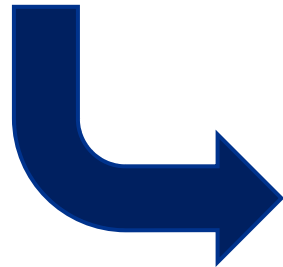


2. From Technician to Business Partner

Can Treasury still be considered a department?

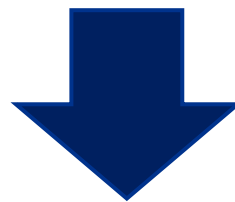
“ On average, only 35% of the full-time equivalent (FTE) involved in treasury processes are employed in treasury departments.”

PWC 2017 Treasury Survey



“ Treasury can be considered more of a range of services and processes than a department.”

PWC 2017 Treasury Survey



“ 88% of our respondents view treasury as a strategic partner for the business, and the same number tells us that a strategic treasury is a key function for their organizations.”

ACT 2017 Business Treasury

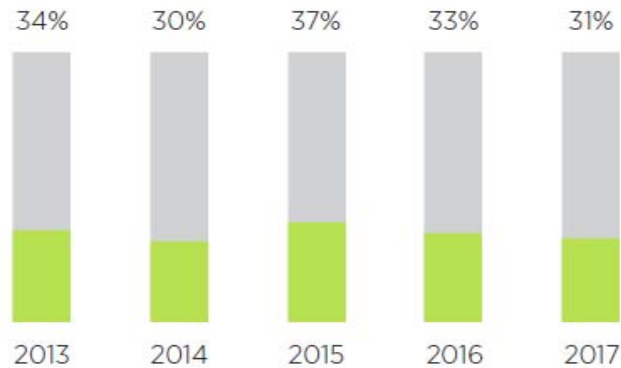


3. From Business Partner to Strategist

Is Treasury really playing a strategic role?

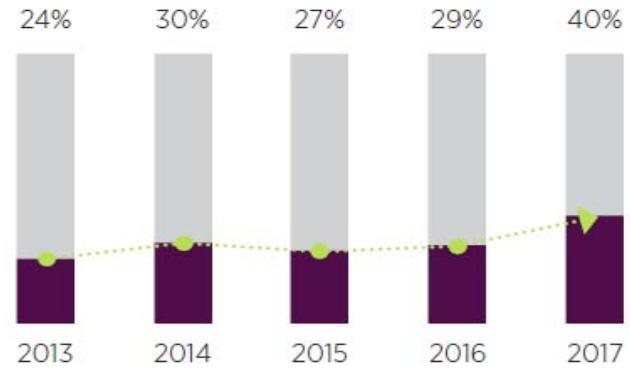
Average % time spent on operational/functional treasury activity

UK FIVE-YEAR TREND



Average % time spent on strategic treasury activity

UK FIVE-YEAR TREND



ACT 2017 Business Treasury



Strategic role and responsibilities are not replacing operational tasks but rather come in addition to existing duties.

3. From Business Partner to Strategist

Is Treasury really playing a strategic role?

“ Organizations are looking for those in treasury to have skills beyond technical expertise and financial knowledge and desire broader leadership attributes.”

AFP 2017 Strategic Role of Treasury



“ The time qualified treasurers are spending on strategic issues has risen from 24% in the 2013 survey to 40%. ”

ACT 2017 Business Treasury

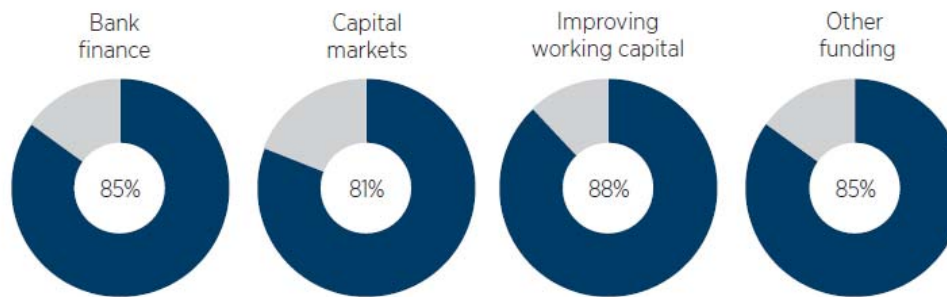
“ Treasurers and CFOs alike acknowledge that a key part of the treasury’s role is now providing advice to the business, and not simply executing transactions cost effectively.”

Nordea - The future of the corporate treasury

3. From Business Partner to Strategist

To what extent can Treasury have a strategic role in the organisation?

% of treasury recommendations approved by boards



ACT 2017 Business Treasury

“ Board acceptance of treasury’s funding solutions on an upward trend : 63% in 2013 vs 84% in 2017.”

ACT 2017 Business Treasury

“ Treasury skill sets and insights are increasingly viewed as valuable and necessary contributions to key strategic and operational decisions for organizations.”

AFP 2017 Strategic Role of Treasury



4. Hurdles and Pitfalls

Is Treasury fully exploiting its strategic potential?

“ Over half of the respondents point to a few basic concerns such as accuracy, collection and analysis of data and tooling.”



PWC 2017 Treasury Survey



“ Forecasting and Strategic Value generation are respectively the two areas for which treasurers are the least confident.”

Kyriba 2016 Treasury Survey

“ Only half of finance professionals (51 percent) believe their organizations are effectively taking advantage of treasury’s skills and talent to optimize financial performance.”

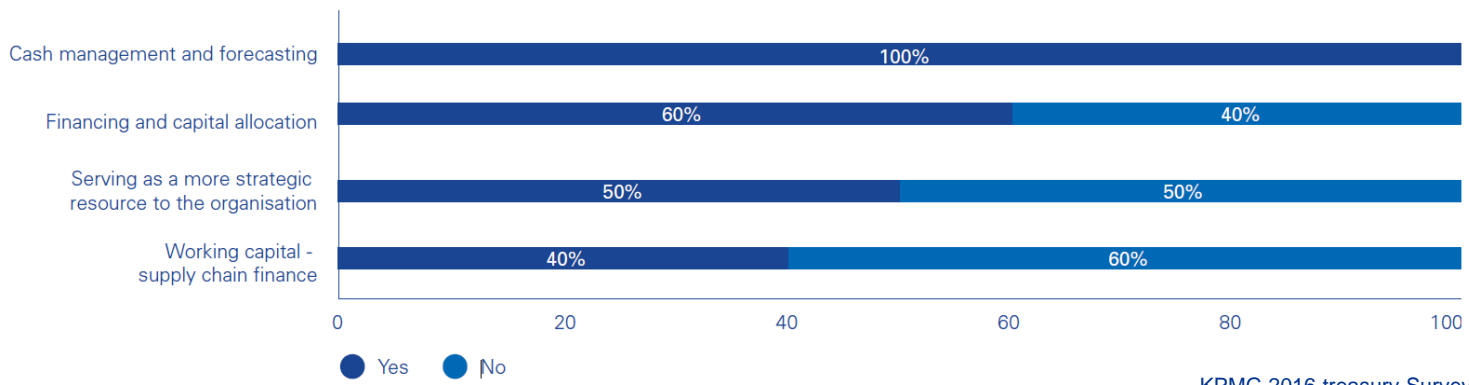


AFP 2017 Strategic Role of Treasury

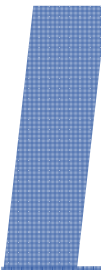
4. Hurdles and Pitfalls

Is Treasury fully exploiting its strategic potential?

Focus areas of the treasury function



KPMG 2016 treasury Survey



“ Treasury centres are focused on cash management and forecasting, while only one in two centres serves as a strategic resource to the organisation. Only 40% of the treasury centres surveyed are focused on working capital and supply chain financing.”

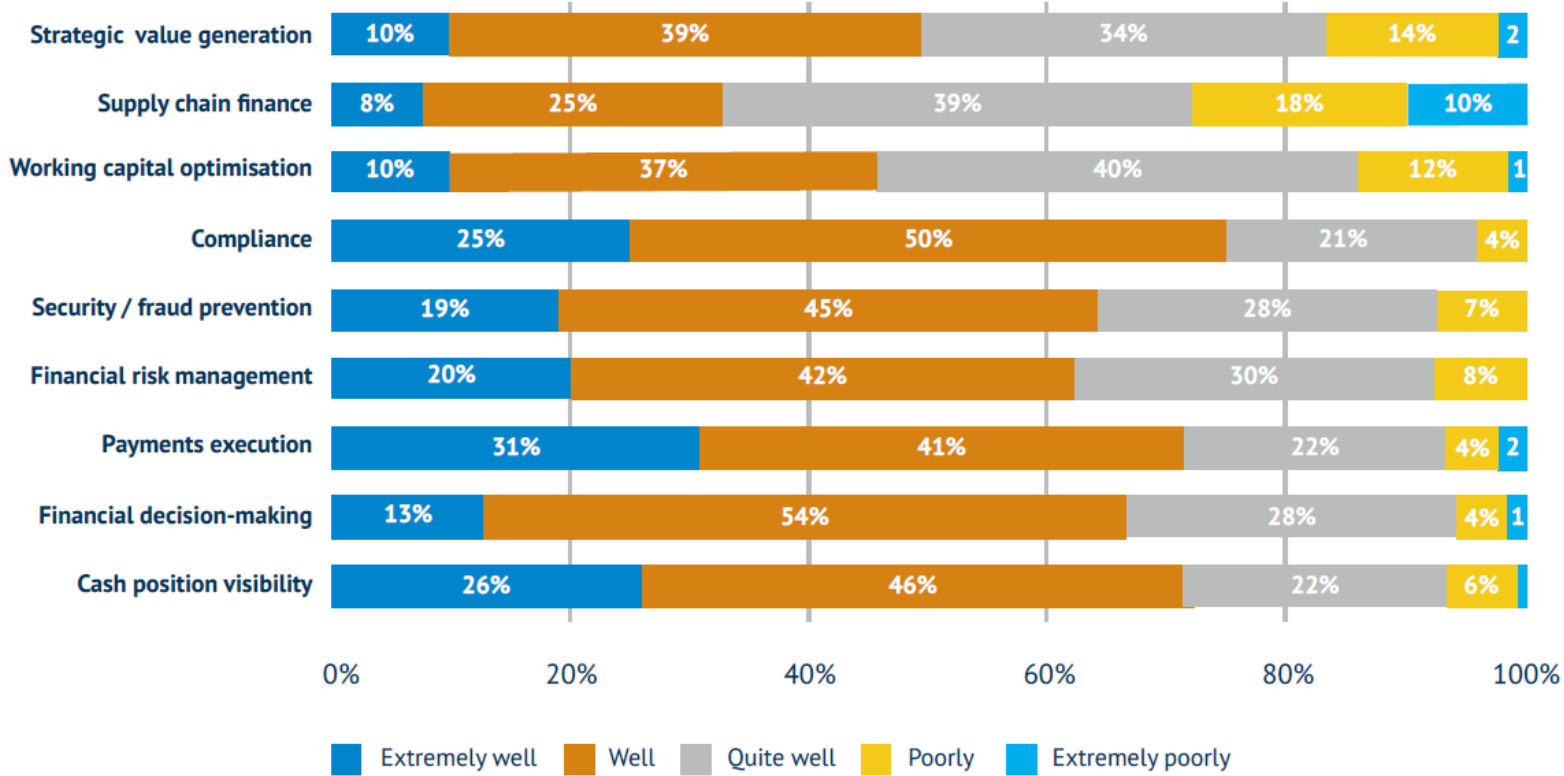
KPMG 2016 treasury Survey



4. Hurdles and Pitfalls

Is Treasury fully exploiting its strategic potential?

Perspectives on treasury performance



Kyriba 2016 Treasury Survey



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4. Hurdles and Pitfalls

Are resources aligned with the strategic executive needs?

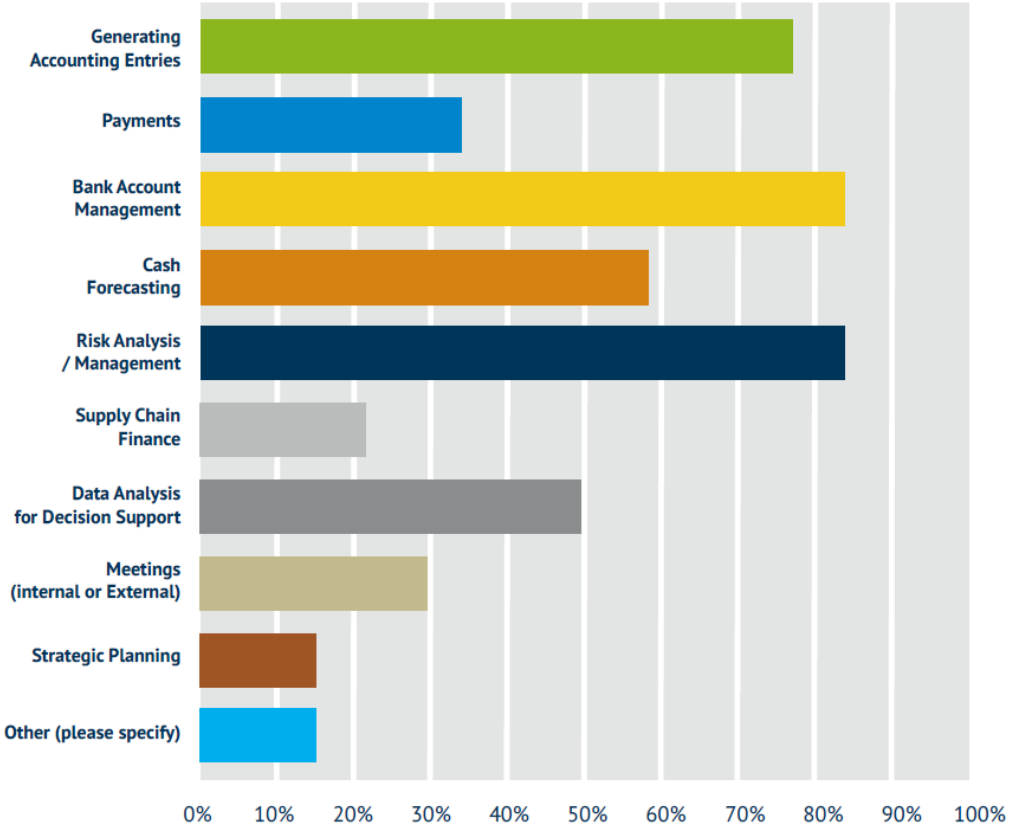
“ Strategic value generation is an increasingly important role for treasurers, but currently, they are not able to spend sufficient time on it.”

Kyriba 2016 Treasury Survey

“ Almost 2/3 of the respondents indicate that their treasury budget will be either flat or cut next year.”

PWC 2017 Treasury Survey

How treasurers spend their time



Kyriba 2016 Treasury Survey



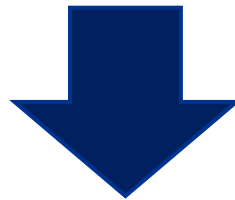
4. Hurdles and Pitfalls



Is Cyber-Security the next burning issue?

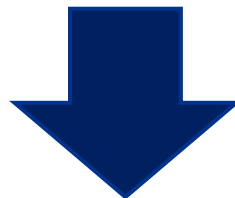
“ 62% of participants noted that their treasury function had been the actual or attempted target of internal or external fraud (from 43% in 2015).”

Kyriba 2016 Treasury Survey



“ Only 19% of treasurers list cybersecurity as a critical concern. In contrast, 45% of CFOs name cybersecurity as a priority, again suggesting a misalignment in CFO and treasury agendas.”

PWC 2017 Treasury Survey



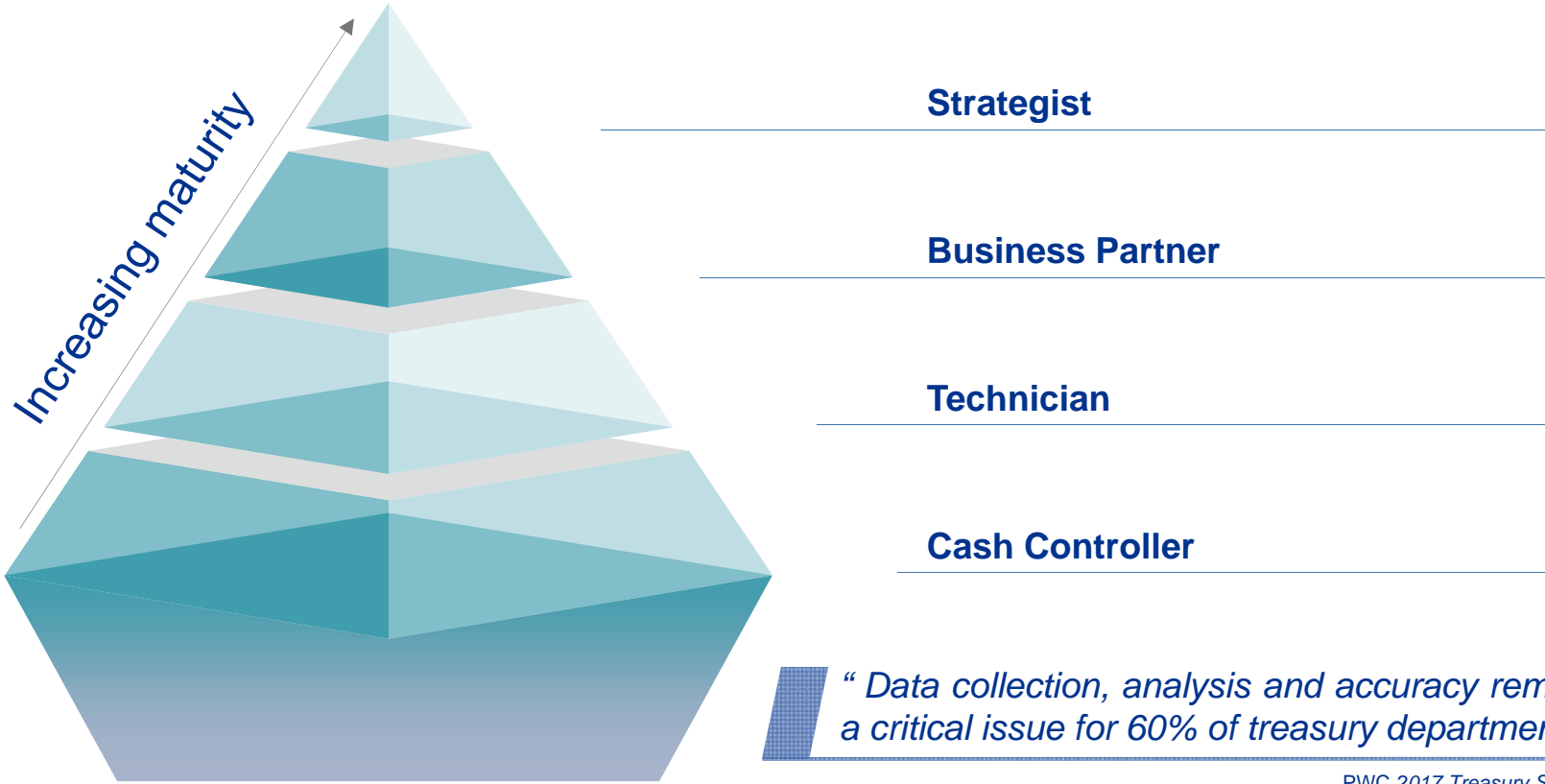
“ Many respondents were uncertain about ownership, priority setting and responsibility for security related issues such as cybersecurity, disaster recovery, master data management, upgrading of treasury systems and budget.”

PWC 2017 Treasury Survey



5. Structured Improvement is Key

Strategic considerations are all the more relevant as the Treasury department matures.



“ Data collection, analysis and accuracy remains a critical issue for 60% of treasury departments.”

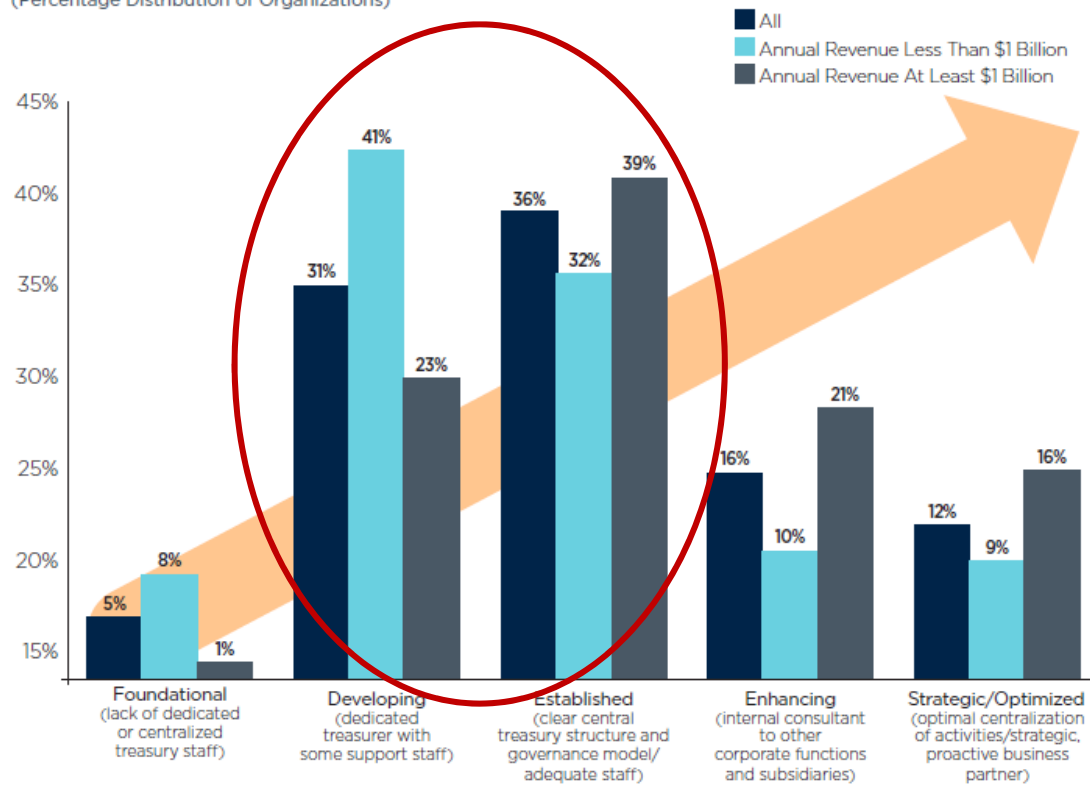
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5. Structured Improvement is Key

Strategic value generation can only be achieved in a mature department.

Position of Treasury Department on the Maturity Spectrum
(Percentage Distribution of Organizations)



AFP 2017 Strategic Role of Treasury



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Treasurers are still on their way to a strategic role



Strategic role

Treasurers are here!

Do you agree?



Thank
you



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