Treasury 3.0: Moving Towards Treasury Intelligence

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Treasury 3.0 - Corporate Perspective

Treasury Management Timeline

HIGH

Treasury 1.0
Treasury Operations is an immature, fragmented or informal function, characterized by manual processes

LOW

Pre 1970 1970 - 2010 Now - Future
Treasury 3.0 - Corporate Perspective

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Treasury 2.0

Treasury centralizes key roles, improving transparency and controls.

Greater access to data and computing power, and consolidation of competency.

Pre 1970 1970 - 2010 Now - Future

Treasury Influence & Value Add

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Treasury is a strategic advisor, more closely integrated with business units, supporting globalization, efficiency, trading partner/supply chain integration and greater sophistication in risk/return optimization.

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Treasury Influence & Value Add

Data

Information

Intelligence

Pre 1970
1970 - 2010
Now - Future
Treasury Is the Financial Nerve Center
Feeling the 3.0 Forces

- Regulations
- Globalization
- Senior management and business needs

**PULL**

**PUSH**

- Resource constraints
- Risk management
- Compliance and audit requirements
Treasury 3.0 Benefits

- Broaden Treasury focus beyond execution to strategic evaluation and support
- Respond to Senior Mgmt rapidly, comprehensively
- Assess impacts of major events
- Plan proactively
- Access the power of integrated data
Challenges to Reaching Treasury 3.0

• Disintegrated, siloed approach
• Constant curveballs
• Non-believers
• Tactical/execution focus
• Short-term perspective
How Do We Prepare??
Roadmap to Treasury 3.0

Establish the vision

Plan a multi-year roadmap

Anticipate challenges
- diversions, funding, organizational change
Taking the First Steps

- Operations
- Infrastructure
- Risk Management
- Policy & Oversight
Operations

Automation
- Eliminate manual processes
- Leverage current technology
- 3.0 roadmap

Cash Visibility
- Get to 100%
- Automate
- Find the hidden cash

Cash Forecasting
- Do variance analysis
- Improve compliance
- Scope: liquidity, balance sheet targets, covenant coverage
Infrastructure

Bank Network
- Align with geographic and org structure needs
- Streamline
- Relationship risk

Organization
- Align with geographic and corporate structure needs
- Rebalance in favor of analytics
- Ensure access to IT resources
Risk Management

Counterparty Risk
• 360 degree view
• Look through

FX Risk
• Revisit hedging objectives
• Pooling
• Intercompany netting

Payments Risk
• Availability of funds
• Finality of settlements
• Intraday exposures

Financial Controls
• Segregation of duties
• Fraud minimization services
• Payment file security
• Timely reconciliation

Liquidity Structures
• Button up access to credit
• Stress test portfolio
Policies

- Align with senior management and Board dictates
- Align with new market and regulatory realities
- Specific compliance reviews

Dashboards/Metrics

- Align with senior management requests
- Reflect new market realities
- Revisit timeliness
Moving towards Treasury 3.0

Forces are pushing and pulling us towards Treasury 3.0 and we want to get there.

Moving takes planning!

- Vision
- Roadmap
  - Operations
  - Infrastructure
  - Risk Management
  - Policy & Oversight
Who We Are
Treasury Strategies, Inc. is the leading treasury consulting firm working with corporations and financial services providers. Our experience and thought leadership in treasury management, working capital management, liquidity and payments, combined with our comprehensive view of the market, rewards you with a unique perspective, unparalleled insights and actionable solutions.

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We help you maximize worldwide treasury performance and navigate regulatory and payment system changes through a focus on best practices, technology, liquidity and controls.

Treasury Technology
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Financial Services
Our experience, analytic approach and benchmarks provide unique consulting solutions to help you strengthen and grow your business.