

# Global Treasury Benchmarking Survey Results

PRESENTED BY:

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# Today's Speakers



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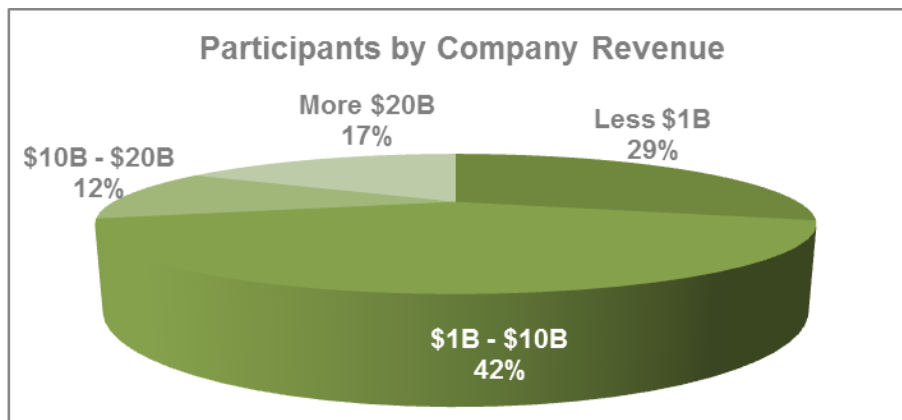
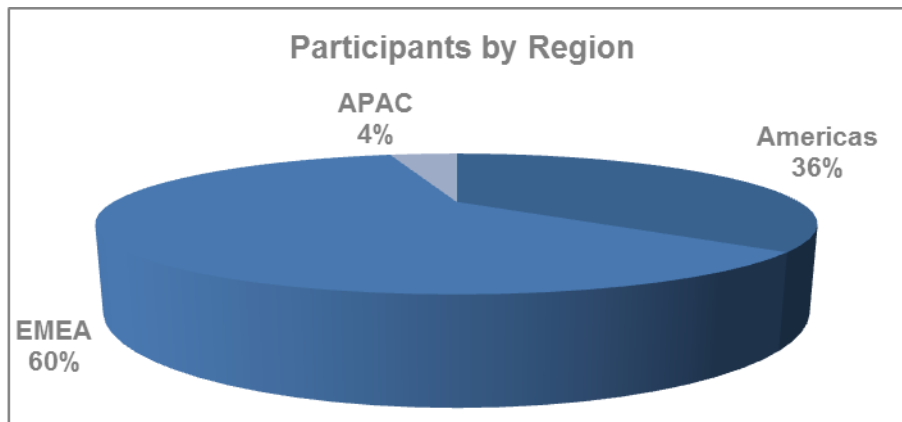
**Cathy Gregg**  
*Partner*  
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# Agenda

- Challenges Driving Change in Treasury
- Treasury's Changing Scope and Structure
- Treasury Technology as Enabler for Change

# Survey Methodology & Demographics



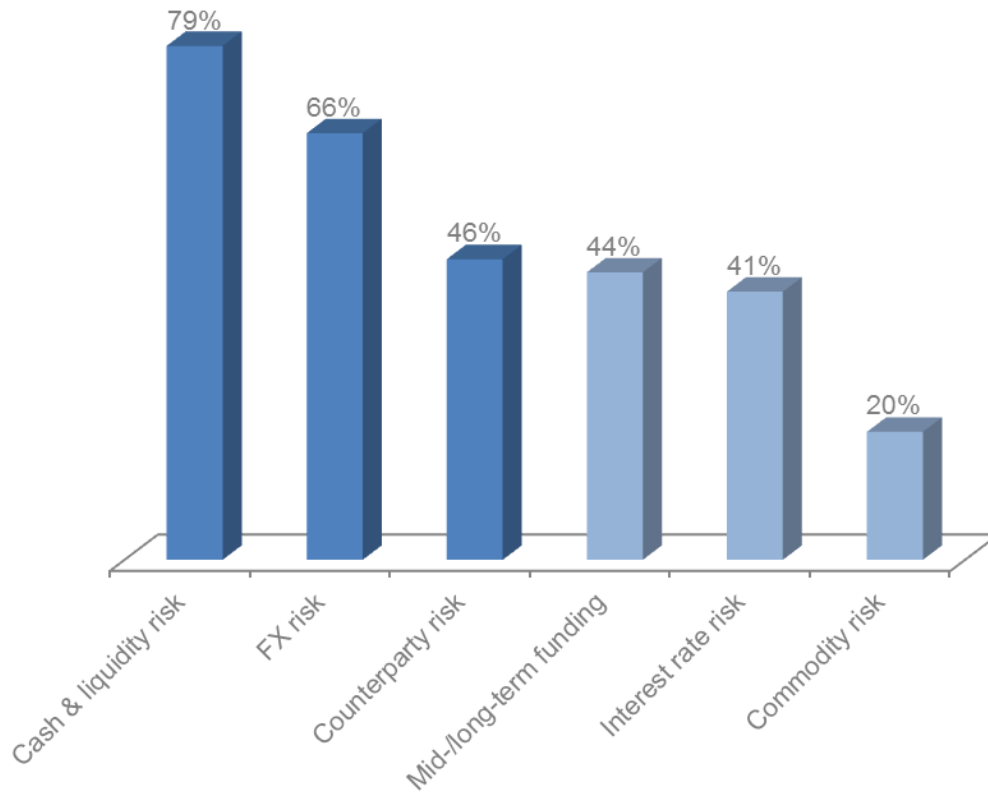
- Online survey rolled out by the EACT, Treasury Strategies and Reval in 2014/2015
- Responses from more than 600 global treasury professionals from all industries, regions and company sizes

# Top Insights

- **Challenges Driving Change in Treasury**
  - Pressures on Corporate Liquidity
  - Playing by the Rules & Regulations
  - How Strategic Is Treasury?
  - Machines over Manpower
- Treasury's Changing Scope and Structure
- Treasury Technology as Enabler for Change

# Pressures on Corporate Liquidity

What are your top 3 risk challenges?

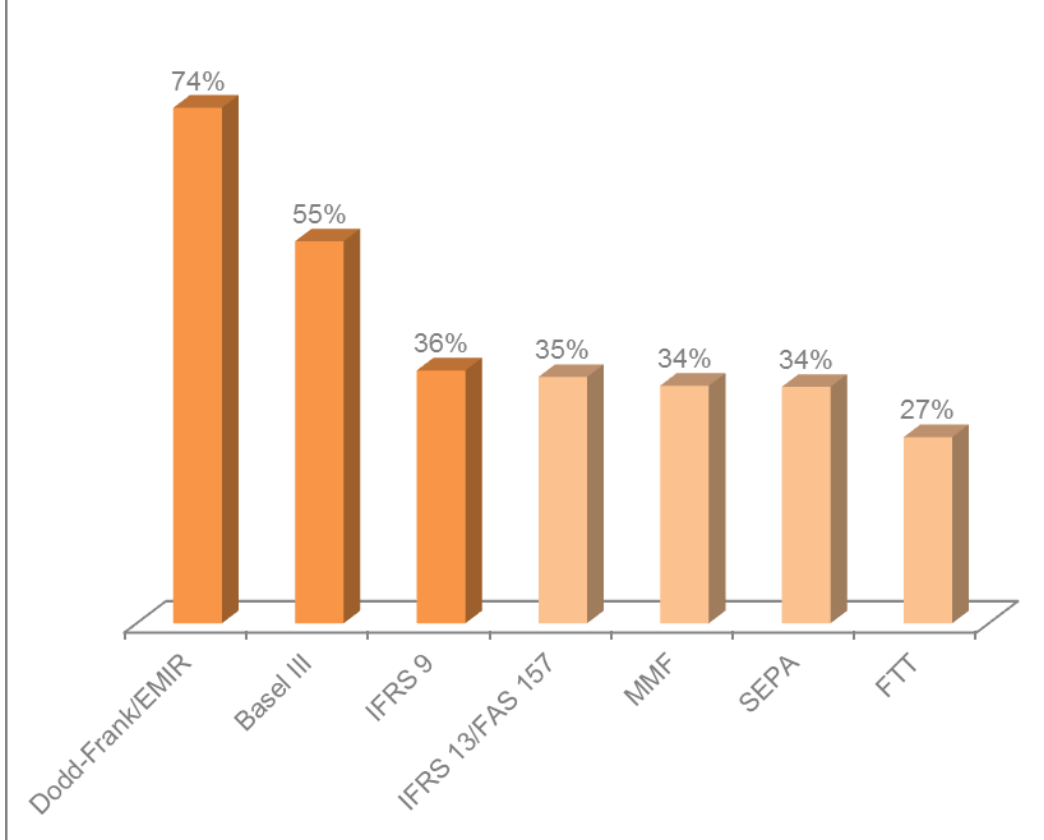


- Effective liquidity management is a major challenge
- FX volatility continues to be a challenge
- Low/negative interest rates and payment/bank regulations put spotlight on bank relationships

# Playing by the Rules & Regulations

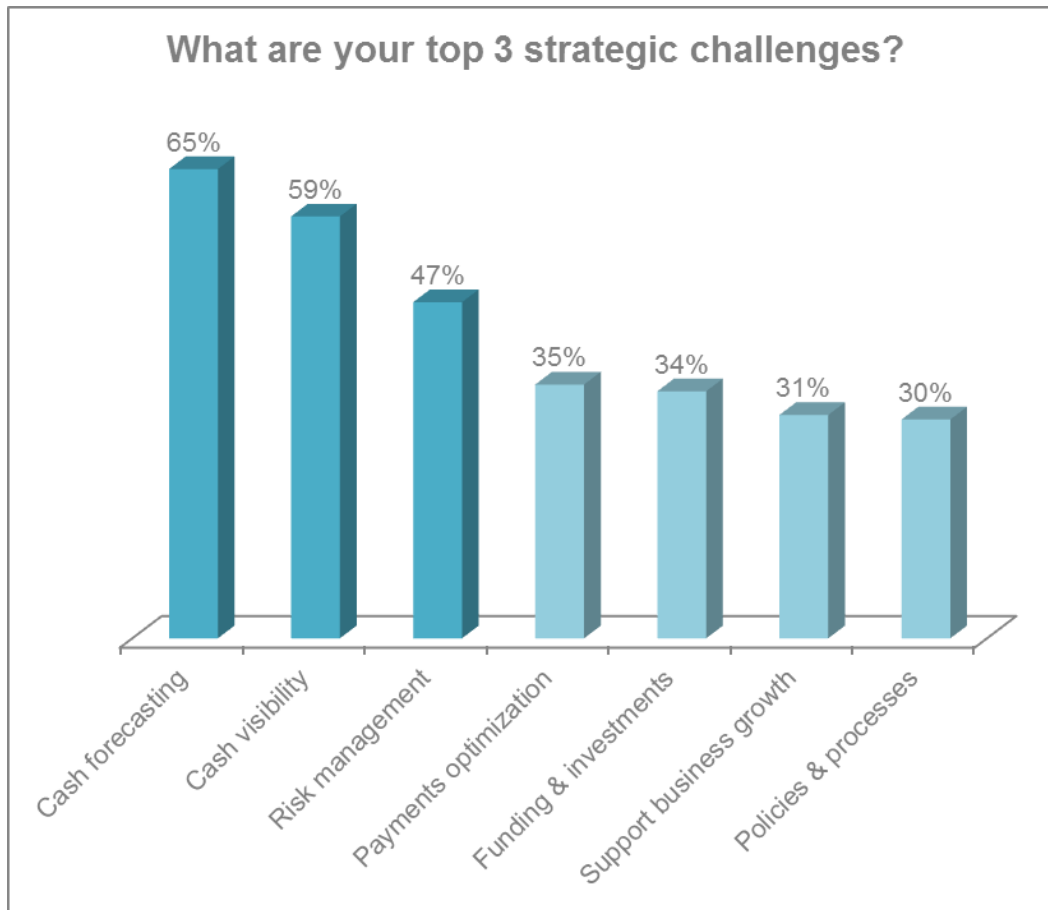


What are your top 3 regulatory challenges?



- EMIR/Dodd Frank top concern around the world
- Banking relationships changing
- Regional differences as expected

# How Strategic Is Treasury?



- Cash forecasting, cash visibility and financial risk management are strategic priorities
- Treasurers are focused on operational challenges



# Machines over Manpower?



- First line of defense is internal improvements
- Lack of budget is biggest roadblock for treasury innovation
- Few companies see adding headcount as an alternative

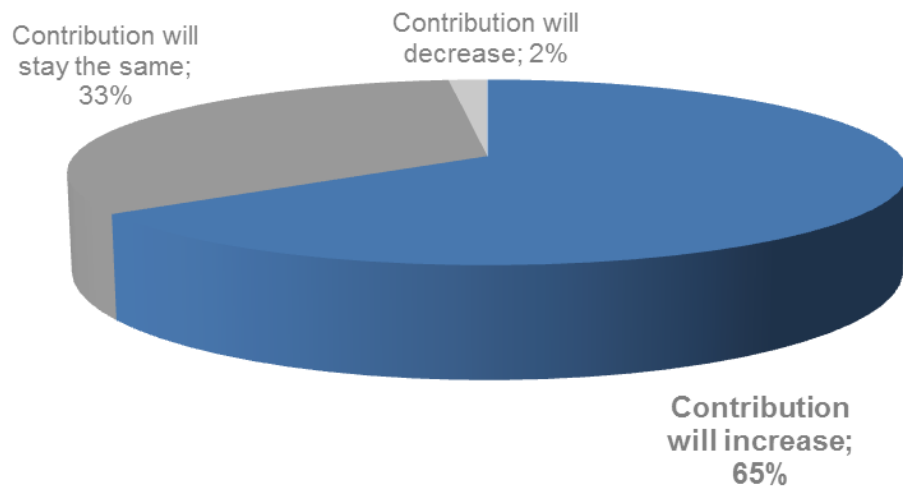
# Top Insights

- Challenges Driving Change in Treasury
- **Treasury's Changing Scope and Structure**
  - **Fueling Business Success**
  - **Good News for Treasury Teams**
  - **A Strong Centralization Theme**
- Treasury Technology as Enabler for Change

# Fueling Business Success

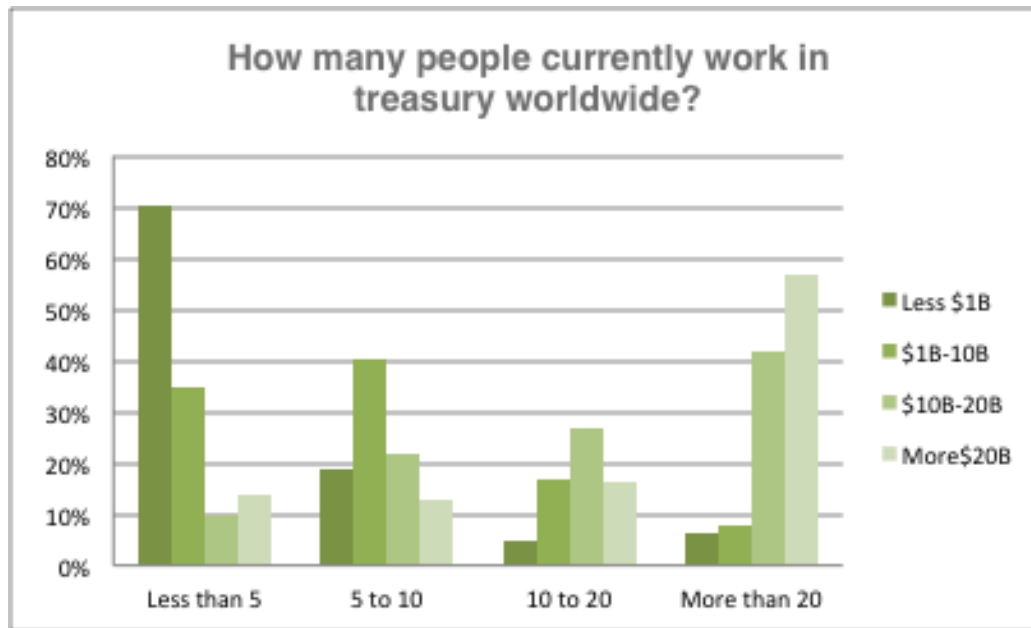


Do you expect treasury's contribution to business success to change within the next 3 years?



- Treasury seen as key contributor to business success – with importance increasing
- Treasury's scope expanding into new areas, e.g., commodities, supply chain finance, insurance

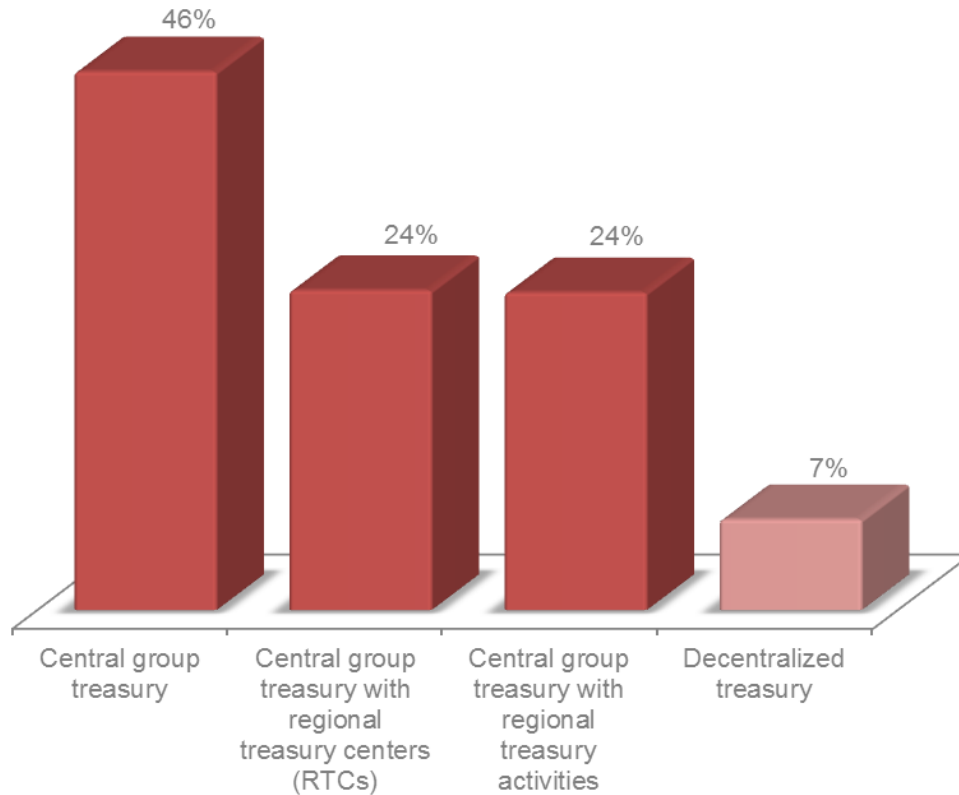
# Good News for Treasury Teams



- Bigger companies have more treasury staff
- For most, Treasury staff levels will stay the same; yet, nearly a third expect an increase
- Many Treasury teams will become more international

# A Strong Centralization Theme

How is treasury currently organized?



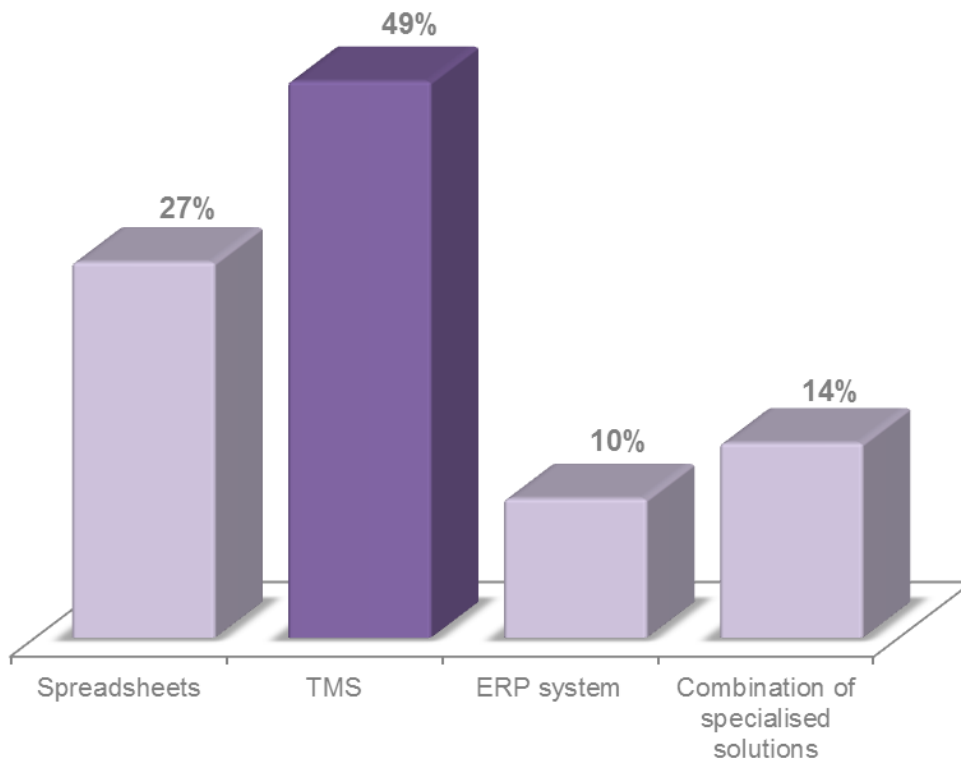
- Centralized treasuries are most prevalent
- There is a further push for stronger corporate functions
- Upcoming changes are expected to be towards more centralization

# Top Insights

- Challenges Driving Change in Treasury
- Treasury's Changing Scope and Structure
- **Treasury Technology as Enabler for Change**
  - Treasury Systems on the Rise
  - Stuck with Old Technology
  - The Main Roadblock: Budget

# Treasury Systems on the Rise

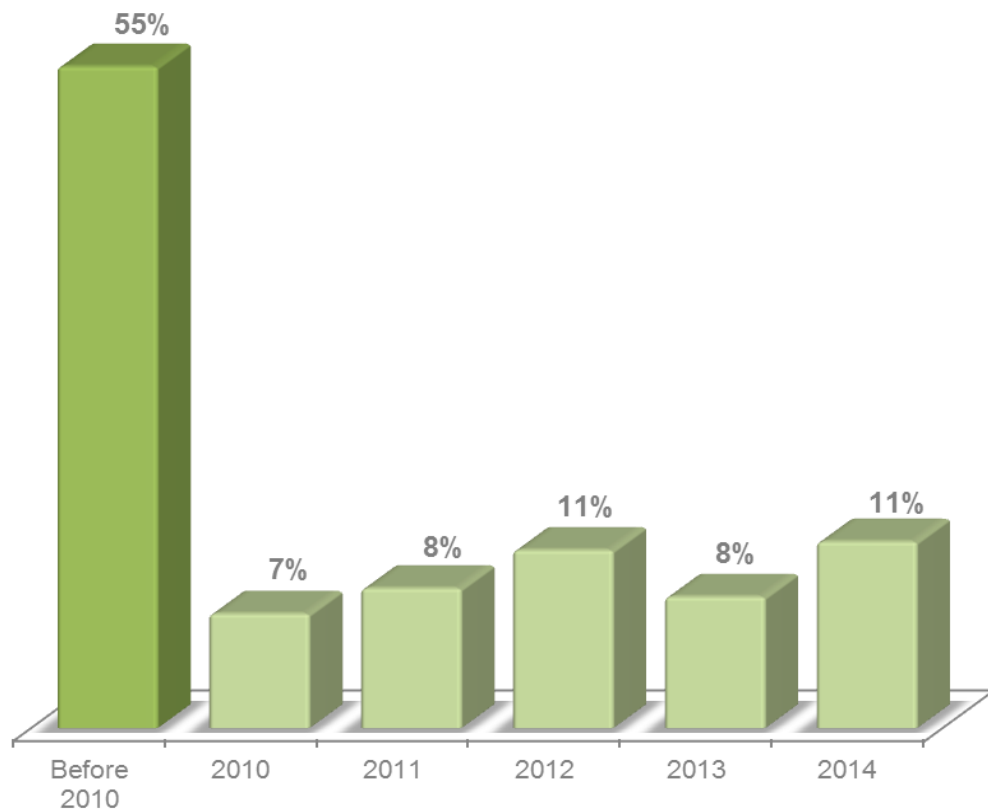
What technology is primarily used in treasury?



- 95% of treasurers consider technology as enabler to change in treasury
- Treasury management systems are widespread
- Spreadsheets are still used, particularly in mid-market companies
- Treasury uses 3.3 different tools on average

# Stuck with Old Technology

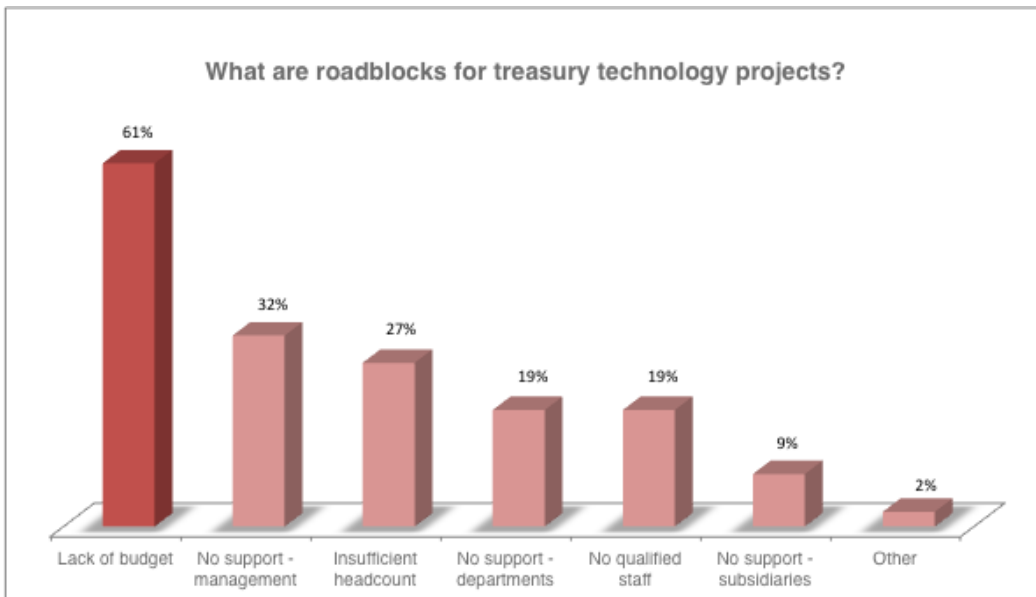
When was the TMS implemented?



- Existing treasury technology is quite old in many companies
- 30% updated their treasury technology in 2014
  - Updating is on the rise
    - 2010 → 5%
    - 2014 → 30%
- Most frequent criticisms are limited functionality and integration with peripheral systems
- Only 22% report “no limitations” with technology



# Main Roadblock: Budget



- Lack of budget is top roadblock to treasury transformation and treasury technology adoption
- It is difficult to win business case without acknowledging strategic benefits of technology

# Conclusions

- Today's **disruptive market and regulatory environment** is challenging treasury
- **Treasury must promote its strategic value add** to continue to grow as a useful strategic partner to the business
- As staff and budget are limited, **technology** is considered the most effective **enabler to transform treasury**

# Questions?



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