

# 10<sup>th</sup> Annual State of the Treasury Profession

## Doing More With More

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The Power of Experience®

- 
- ✓ Review
  - ✓ Expect the Unexpected
  - ✓ Building Your "A" Team
  - ✓ Managing Complexity
  - ✓ Wrap-up



# Recap of the Past Few Years: We Were Spot-On



**Recovery wore us out – longer than anyone expected**

**Then we turned a corner**

**It was time to chart the Treasury destiny and re-take  
some initiative**

**We helped our clients navigate all of this**

**And they benefited greatly by having a keen perspective**



# What Do We Foresee for Treasury in 2016?



## DOING MORE WITH MORE

- Financial market demands expanding
- Treasury agenda expanding
- Treasury no longer being starved for resources



**What's your growth agenda?**



# Expect the Unexpected



**In 2016, there are more moving parts than ever before**

- Markets have fundamentally changed
- The rules have changed
- Traditional service providers have refocused
- New FinTech players are emerging
- New tools are available to help Treasurers



## With moving parts in 2016, you must deal with

- Rising US rates, flat or falling European rates
- Volatile exchange rates
- Fallout from Basel III
- Uneven economic growth
- Commodity price challenges
- Corporate tax rate imbalances and trapped cash
- Scattered pockets of illiquidity



# Expect the Unexpected



## Your service providers are in flux

- Banks are more precisely targeting clients
- Traditional technology companies are offering more robust solutions
- FinTech is reinventing ways in which companies interface with customers



# Build Your “A” Team



**Quality vs. getting by**

**The right internal people, external partners, tools**

**Think long-term**



**A compelling strategy will attract a compelling team**



# Build Your “A” Team – Internal People

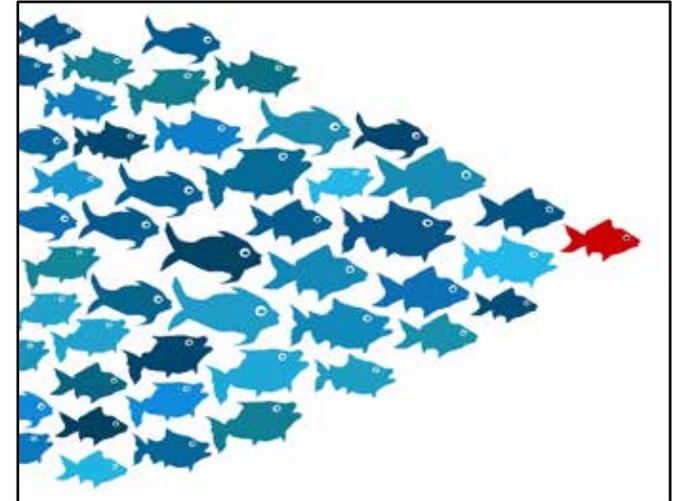


**Design your ideal future team first**

**Build connections internally – IT, tax, business units, marketing, compliance, security**

**Cost of being average**

**What competencies are important for your firm?**



# Build Your “A” Team – External Partners

**Key external players - bankers, advisors, associations, auditors, insurance brokers**

**One per category would be a great start**

## **Worthy “A” Team Partners**

- Something meaningful to contribute
- Willing to invest in you
- Relationship vs. deal mentality

## **Your contribution**

- Share your vision
- Relationship vs. deal mentality
- Compensate for value



# Build Your “A” Team – Tech Up

**More firms than ever invested in technology**

**Everyone has SOME dissatisfaction**

- Lack of integration
- Missing functionality
- Behind in upgrades
- Inadequate reports

**Your biggest Treasury investment – need to plug the gaps**

**Most gaps can be addressed without rip and replace**



## Re-equip treasury to deal with new interest rate dynamics

- Will U.S. continue to tighten while rest of the world stimulates?
- Invest long / invest short?
- Borrow long / borrow short?
- In which currencies?
- To hedge or not to hedge? And how much?





## Manage liquidity – the lifeblood of the corporation

- Maintain access to cash
- Will new MMF regs impair this?
- Avoid liquidity gaps in the financial markets
- Maximize visibility of cash
- Avoid the next “auction-rate securities” crisis



## Secure access to longer-term capital

- More difficult given a changed banking system
- Changed relationship with providers
  - More transactional
  - More compliance
  - Three c's of credit
  - Less relationship
- New sources of capital



## Cash forecasting – getting it right in 2016

- Soaring opportunity cost of back forecast
- Need to go way beyond cash calendar
- New tool integration
- Better variance analysis
- Tighter integration with lines of business and geographies



## 2016 Treasury Top Priorities

	Rank 2016	Rank 2015
Cash forecasting	1	1
Financial risk management, FX	2	2
Bank relationship management	3	6
Treasury management systems	4	5
Best practices	5	3
Treasury staffing levels and skill sets	6	4
Short-term investments	7	7
Balance sheet optimization	8	10
Operational efficiency	9	8
Centralizing or decentralizing treasury functions	10	9

## DOING MORE WITH MORE

More turmoil with vital players in the Treasury space

More moving parts

More accomplished Treasury team

New complexities





### How we can help

- An “A” Team partner / advisor for the right firms
- Help establish your strategy and structure for the future
- Help with tactics
  - Global banking structures
  - FX assessments and strategy
  - New payments, payment strategy, cyber controls
  - Centralized functions like IHB, netting centers, payment centers
  - Assessments and roadmaps
  - Tech plans and optimization



## 2016 Ideas

	Internal	External
Idea 1		
Idea 2		
Idea 3		



**Make 2016 the best year ever!**



## Give Us A Call



**Cathy Gregg**

Partner

Treasury Strategies

312.443.0840 x125

Cathy\_Gregg@TreasuryStrategies.com



**Tony Carfang**

Partner

Treasury Strategies

312.443.0840 x121

Tony\_Carfang@TreasuryStrategies.com



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## Who We Are

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## What We Do

### Corporations

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

We provide guidance through every step of the technology process – which includes creating a roadmap, selection, implementation and optimization. Our expert approach will uncover opportunities to optimize the value of your treasury through fully integrated technology solutions.

### Financial Services

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

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