

# *The 'virtual reality' of treasury*

## Global Treasury Benchmark Survey 2017

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Global Corporate Treasury Leader

***“With only one third of people involved in treasury processes reporting into the treasurer, treasury should be seen very much as a process rather than a department.”***

We are proud to present the latest edition of our global Treasury Benchmark survey.

Before zooming in on the findings, I'd like to thank the 220 corporate respondents for the time and effort they invested in sharing with us the information which is the basis for this study. I'd like to see this as a measure of the trust and appreciation of our clients for the work that our 600 treasury consultants across the globe deliver on a daily basis.

The responses gathered this year, combined with those of prior editions of the survey, have become a database for in-depth analysis on market trends and treasury topics. This gives us a wealth of information going beyond the highlights you will find in this document and will provide a basis for detailed benchmarking exercises in the future.

The data collected this year validates some of the trends we detected in our 2014 survey. For example, with only one third of people involved in treasury processes reporting into the treasurer, treasury should be seen very much as a process rather than a department.

More than ever, the treasurer is becoming responsible for managing the risks the organisation is exposed to instead of just the risks as reported to them by operations.

The success and effectiveness of treasury is, therefore, dependent on how it operates in this virtual world. Traditional management models may not be as effective as in the past. Instead, collaboration and a consultative approach may yield maximum benefits.

Another aspect defining success is how treasury deploys applications to enable processes. Tools and applications, including applications from an ever-

growing range of Fintechs, should enable people across the organisation to collaborate internally and externally on treasury processes. The level of integration defines the scalability of the solutions.

Given the broad responsibilities of treasury, combined with the low number of people involved and flat budgets, integration and automation will generally be the best strategy. Having said that, treasury may need to invest more in (cyber) security and control frameworks to avoid potential crises.

Last, but not least, we observe that the treasury agenda is often hijacked by regulatory topics that need urgent attention. As examples, treasury has recently had to invest more in Know Your Customer (KYC), but also in understanding the possible impact of changes in fiscal legislation and of the ruling by the IFRS Interpretation Committee (IFRIC) on accounting for cash pooling structures.

Clearly, treasury has an interesting future ahead. More than ever, treasury professionals have to be jacks of all trades to succeed in today's environment.

Please do not hesitate to contact us to discuss the survey findings or any treasury issue you may be facing.

I wish you an enjoyable read.

A stylized, handwritten signature in black ink, consisting of several loops and a long horizontal stroke at the end.

**Sebastian di Paola**  
Global Corporate Treasury Solutions  
Leader

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# Executive summary

Capturing the views of over 220 treasurers and Chief Financial Officers (CFOs) from around the world, our bi-annual global treasury benchmarking report reveals that the success and effectiveness of the treasury profession is dependent on how well it operates in an increasingly virtual environment.

Treasury's scope continues to expand and has moved away from being a 'department' to become a company-wide process.

Its operations are increasingly virtual, with only one third of people involved in treasury processes today reporting directly to the treasurer. Increased outsourcing of back office and payment factory processes and more involvement with local finance teams for exposure reporting create new complexities for treasury.

It's clear that treasurers have to collaborate more with the business, shared services, vendors (including FinTechs) and banks and raise their game in terms of IT security, risk management and delivering value. Given this demand, traditional management models need rethinking – a consultative approach, better integration with other business processes and automation of workflow are the best ways forward.

This year's results bring to the fore a number of key findings, including:

## ***The agendas of the treasurer and the CFO should be better aligned***

Although the agendas of the CFO and the treasurer are aligned at a high level, CFOs seem to be urging treasurers to take on responsibilities beyond the textbook definition of treasury, giving the opportunity for treasurers to expand their remit.

In some key areas, treasurers do not appear to share the same sense of urgency as CFOs. Notably on topics like cybersecurity, compliance, working capital and financial risk management, as CFOs mention these two to three times more often than treasurers in their top priorities.

## ***True focus on cash flow forecasting is needed but remains a challenge***

Cash flow forecasting is on the top of the treasury agenda for both CFOs and treasurers. Nearly half (42%) of the respondents mention this as a priority and 80% of these respondents rank it as high or of critical importance. However, there are a number of basic issues that need resolution including accuracy of data, data mapping and proper tooling, before treasurers can truly benefit from the features that enable proper predictive and scenario analysis.

## ***Cybersecurity needs to be owned by the business, and not just by IT***

Treasury typically 'owns' payment infrastructures and bank communication. Both are key business functions and cannot be compromised.

With cyber attacks and payment fraud regularly making headlines, treasurers must be vigilant in safeguarding financial assets. It is worrying, therefore, that 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.

## ***Base Erosion and Profit Shifting (BEPS) will bring tax and treasury closer together***

New fiscal legislation means substance and transfer pricing will take centre stage. This will have a material impact on the location of treasury activities, distribution of decision power and may impact the configuration of systems. As a result, treasurers will need to work more closely with tax to assess the impact of BEPS and properly prepare their organisations.

## ***Treasurers need the means to make their activities truly resilient and effective***

The agenda of treasurers is dominated by a wide range of high effort compliance topics such as Know Your Customer (KYC) and accounting changes. In recent years, budgets have been flat and budget outlooks remain stagnant. Many treasurers find it challenging to balance budgets with the effort required to meet compliance requirements and make treasury more effective and resilient. Attractive business cases from increasingly innovative digital solutions may provide at least a partial solution to this conundrum.

## ***Acknowledgements***

Thanks to the following authors and editorial team who produced this year's report:

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# The forces changing treasury

## The dynamics of the treasury function

Now, more than ever, businesses operate in a rapidly changing environment. However, we are now seeing that financial technology, such as online tools, Enterprise Resource Planning (ERP) and Treasury Management Systems (TMS), is finally delivering on promises made for the last two decades.

Integration, unbroken audit trail, enhanced security and workflow enable people across organisations to collaborate on processes independent from their physical location. The declining cost of maturing treasury technology makes this attainable for even more organisations.

Virtualisation is prevalent in treasury and will shape treasury probably even more than other business functions. Already two thirds of staff involved in treasury processes are not reporting directly or even indirectly to the treasurer. A number of treasurers have outsourced their back office and payment factory processes to shared services and exposure reporting increasingly involves local finance. These treasurers are more concerned about effective Key Performance Indicators (KPIs) and effective Service Level Agreements (SLAs) for these functions rather than their day to day management.

At the same time CFOs expect treasurers to take responsibility for enterprise wide liquidity and financial/commodity risks. They urge treasurers to identify exposures proactively and manage liquidity actively.

The CFO's ambition, as summarised in Figure 3, is an open invitation to treasurers to claim a more strategic role and become the custodians of liquidity and financial risk for their organisations. CFOs are urging treasurers to be involved in finance processes beyond the traditional scope for treasury such as in working capital management and in actively managing new exposures as these are created by core businesses.

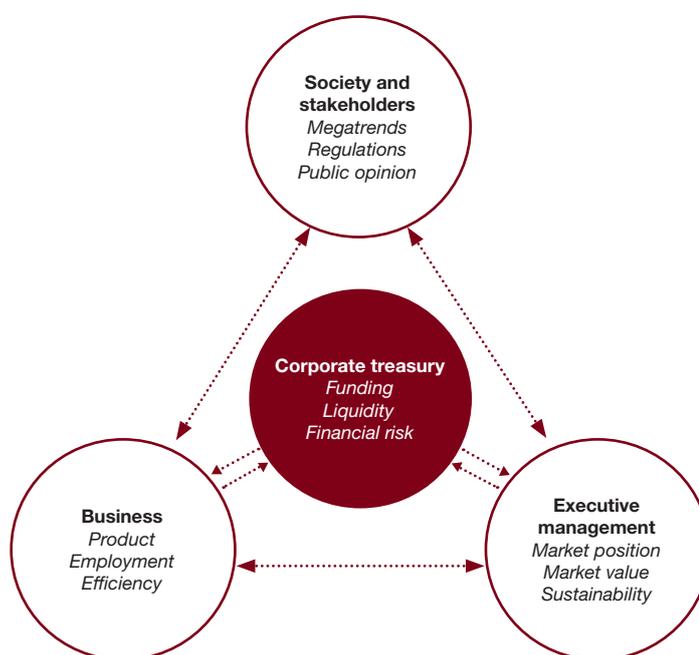
Treasurers should seize the opportunity. Going forward, they should not only master traditional treasury topics, but also business consultancy, project management, (cyber) security and Fintech developments. Furthermore, treasury professionals now need to understand how to engage and orchestrate people across locations and business functions outside their chain of command.

Organisations have only started scratching the surface of what virtualisation of business processes

entails in terms of scalability, flexibility and talent acquisition. Whilst technology can make processes efficient, more scalable and robust, it also changes the way processes should be managed. Virtualisation requires a more collaborative and less hierarchical organisation of processes.

Opportunities are abundant, but resources are limited. Consequently senior management has to evaluate and match ambition with budget and available skill set.

Figure 1: The forces shaping treasury



# The treasury agenda

## Some evergreen topics and some new concerns

The treasury agenda continues to be dominated by traditional topics like liquidity management, risk management and funding, which are in line with the CFO's expectations of treasury.

However, CFOs tend to put more emphasis on compliance and IT security than treasurers. And when they do, they often rank these items as critical.

### Will the forecasting challenge ever be met?

At the top of the treasury agenda is cash flow forecasting. Nearly half (42%) of respondents mention it and 80% of them rank it as high or of critical importance.

Cash flow forecasting has been a top priority for treasury in the past two decades. Detailed analysis of survey responses suggests that many respondents struggle with fairly fundamental and basic preconditions such as data collection and mapping, data accuracy, analysis methodology and reporting. Respondents grapple

with finding tools which are fit for purpose. Those treasurers that make a concerted effort to focus on this area reap the benefit of the investment and end up with a scalable, flexible solution, often tailored to specific requirements<sup>1</sup>.

### Rising priority: cybersecurity

A topic that surfaced this year in our survey for the first time is cybersecurity. Cyber attacks and payment fraud regularly make headlines and treasurers struggle with how best to safeguard their financial assets. In particular, treasurers responsible for in-house banking, payment factory operations and bank connectivity have cybersecurity high on their agenda.

Simplification of bank connectivity and establishing centers of excellence are trends we see to preempt the risk of cyber attacks<sup>2</sup>.

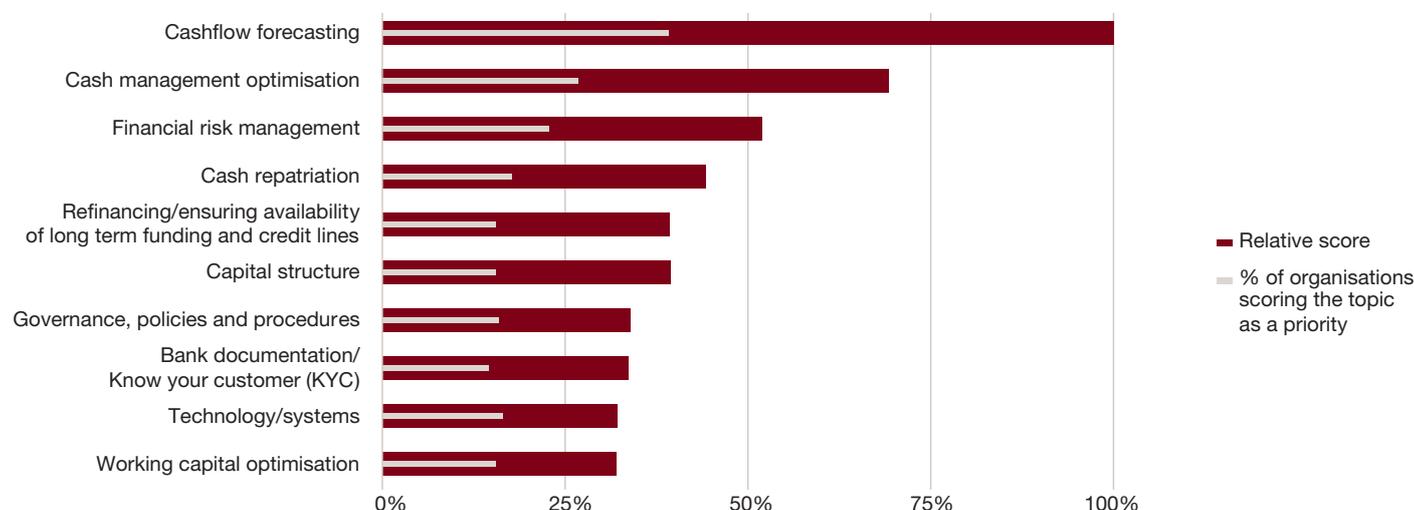
### Know your customer: a source of frustration

Another issue prominent on the treasury agenda is that of bank documentation/ Know Your Customer (KYC).

For treasurers, bank documentation remains a source of frustration. Banks have largely failed to make significant progress in this area in the last decade and treasurers fear that the KYC process issue will only get progressively worse in the near future.

The responses suggest that treasurers will focus on this aspect of bank relationship management as part of their wallet sharing strategy or by replacing predominantly spreadsheet based Bank Account Management (BAM) solutions with more robust applications<sup>3</sup>.

Figure 2: Current treasury agenda



<sup>1</sup> J. Tosi, Easing corporate treasury's headache – value-add cash flow forecasting. GT News, August 2016 – <https://www.gtnews.com/articles/easing-corporate-treasurys-headache-value-add-cash-flow-forecasting/>

<sup>2</sup> PwC's The Global State of Information Security® Survey 2017 – <http://www.pwc.com/gx/en/issues/cyber-security/information-security-survey.html> and <http://www.pwc.com/us/en/risk-management/assets/pwc-cybersecurity-and-payment-fraud-the-challenge-for-treasury.pdf>

<sup>3</sup> B. Rebel, E. Homan, Cutting bank documentation down to size. GT News, October 2016 – <https://www.gtnews.com/articles/cutting-bank-documentation-down-to-size/>

## Who is responsible for working capital?

Working capital is on the agenda of the CFO three times more often than for the treasurer.

Given the close relationship between liquidity and working capital, and the increasing responsibility of treasurers for payment infrastructures, this discrepancy is striking.

Working capital management is a proactive form of cash flow management and a key process in balance sheet management. We also know that, worldwide, companies potentially can unlock USD \$1.1 trillion from working capital<sup>4</sup>.

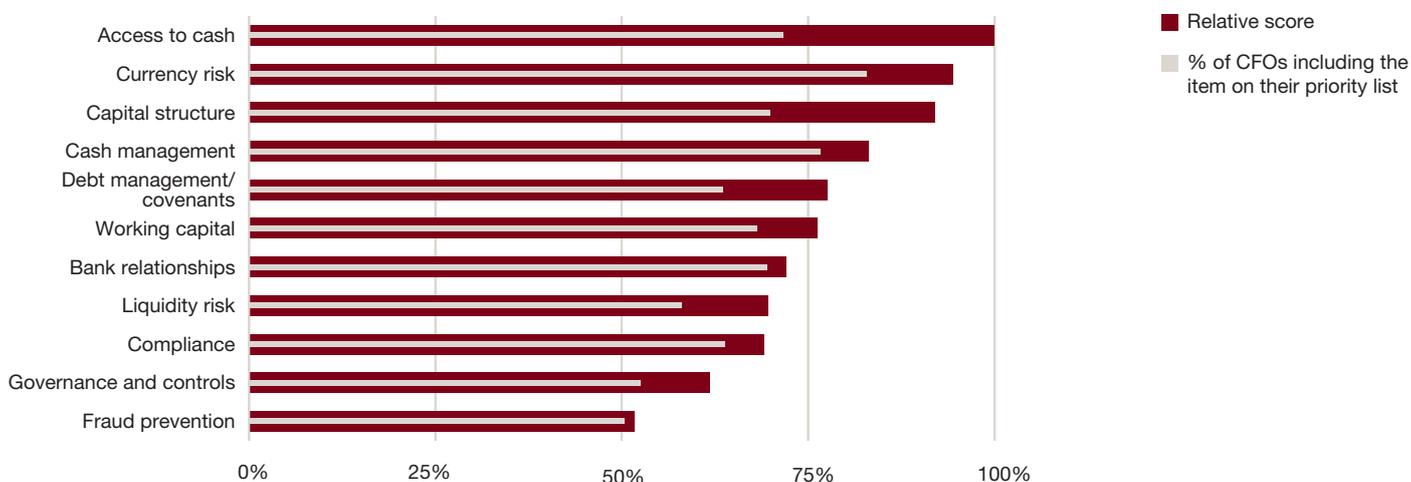
## What are we missing?

Surprisingly low on the priority list of treasury is tax. Not only is the public spotlight on fiscal matters, but fundamental changes resulting from Base Erosion and Profit Shifting (BEPS) are materialising.

Next to Brexit and other political turmoil, new fiscal regulations may trigger fresh discussions about treasury (re)locations. Tax and treasury have to break out of their silos in order to prepare their organisations for potentially major change.



**Figure 3: The CFO's priorities for treasury**



<sup>4</sup> PwC's 2016 Annual Global Working Capital Opportunity – <http://www.pwc.com/gx/en/services/advisory/deals/business-recovery-restructuring/working-capital-opportunity.html>

# Changing role of treasury

## Broad responsibilities managed on a flat budget

### Treasury is no longer a department

Eighty-three percent of respondents have a dedicated central treasury department. However, on average, only 35% of the full-time equivalent (FTE) involved in treasury processes are employed in treasury departments.

Treasury processes involve not only local finance managers for forecasting, but also shared services for accounting and payment factories. With 65% of the FTE involved in treasury processes distributed across the enterprise, treasurers have to manage what is, in fact, a virtual treasury organisation. Treasury can be considered more of a range of services and process than a department.

The full time equivalent staff (FTEs) involved in treasury processes does not differ vastly across the world. However, European companies tend to be slightly more centralised and to involve shared service centres more often than their peers in other parts of the world.

Treasury is widely seen as value-adding shared services, with 92% run as a cost or cost saving centre. Sixty-four percent of the respondents say their treasury operates as the central counterparty or the group in-house bank.

Almost 2/3 of the respondents indicate that their treasury budget will be flat or cut somewhat next year, while 30% indicate that it will increase somewhat.

### Is today's treasury 'fit for purpose'?

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

In the past two decades, treasury professionals have successfully moved into the fields of in-house banking and payment factory solutions. However, the CFO priorities suggest that, going forward, their remit is likely to broaden into other areas and processes, such as working capital and balance sheet management.

Rising to the opportunity provided, treasurers will need to rely on more than technical and managerial skills. Creativity and collaborative skills across business and financial disciplines will be equally important for treasury professionals to advance their careers.

Figure 4: Activity split for central treasury staff (% of available FTE)

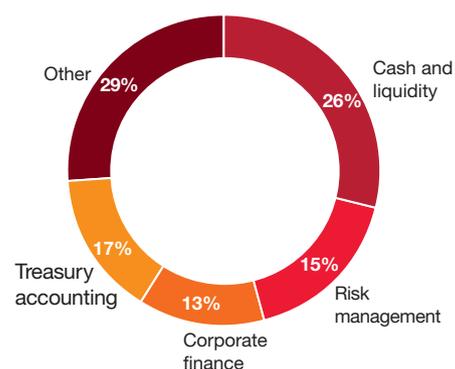


Figure 5: Average treasury full time equivalents (FTEs) by geography and location

	Central treasury centre	Regional treasury centre(s)	Local treasury	In-house bank	In-company shared services	Outsourced shared services	Total staffing (average)
Asia Pacific	3.3	2.1	11.1	1.0	0.0	0.0	19.4
Africa and Middle East	9.6	2.2	6.5	0.0	50.8	0.0	49.4
Southern Europe	5.7	1.8	3.9	4.0	5.0	6.0	17.2
Northern Europe	6.9	4.5	1.3	0.0	7.5	0.0	16.8
Western, Central and Eastern Europe	7.4	2.0	3.3	4.2	5.6	2.0	16.3
Latin America	9.0	0.0	2.0	0.0	0.0	0.0	11.0
North America	4.9	5.8	5.1	1.5	0.0	0.0	11.9
<b>Average number of FTEs</b>	<b>6.6</b>	<b>1.7</b>	<b>5.9</b>	<b>0.6</b>	<b>3.9</b>	<b>0.2</b>	<b>18.9</b>
<b>% of organisations using this structure</b>	<b>83%</b>	<b>30%</b>	<b>49%</b>	<b>15%</b>	<b>20%</b>	<b>4%</b>	<b>100%</b>

# Risk and ownership

## Does treasury have an adequate budget? What are the blind spots?

When queried about the operational risks facing treasury today, respondents mention a variety of organisational, process and systems related topics. No single topic really stands out.

However, a variety of technology related themes, such as functionality, upgrading systems, integration, cybersecurity and data reliability are apparent.

Looking at the variety of risks and their relative score, flat budgets may be a constraint for the necessary investment as two thirds of respondents say their budget will be flat or increase only marginally. When mapping the risks identified by respondents to current or near term treasury priorities, we see some discrepancies, especially in technology and processes.

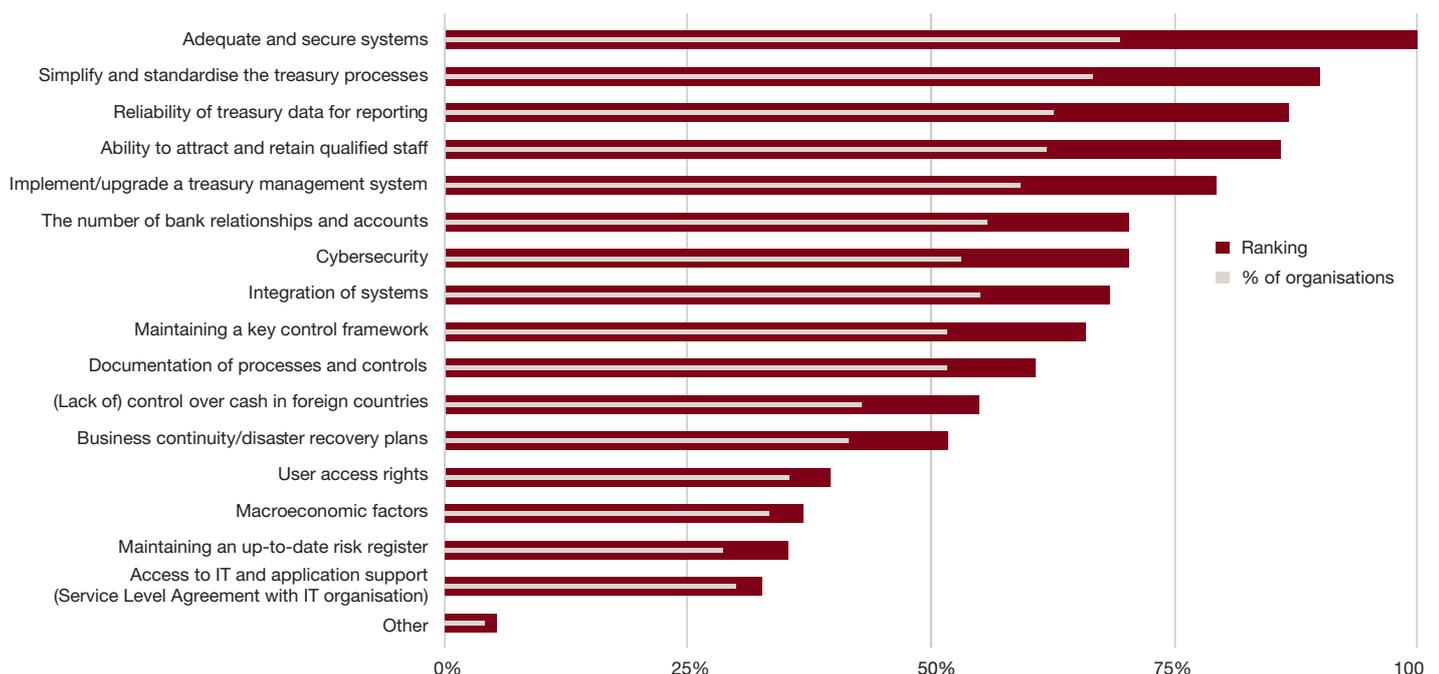
One explanation for the discrepancy could be lack of clarity on the owner. Many respondents were uncertain about

ownership, priority setting and responsibility for security related issues such as cybersecurity, disaster recovery, master data management, upgrading of treasury systems and budget. This exposes treasury to cyber criminality in similar ways as SWIFT has been exposed in the case of the central bank of Bangladesh. Although treasury may not be technically accountable for the processing of a fraudulent transaction, management and society will still point to the function as being responsible for bank connectivity and payment processing.

Virtual treasury can be a blessing in disguise. It creates efficiency in terms of processing, time, cost and instant visibility and fosters collaboration across the enterprise. Having said this, the operational risk a virtual environment creates must be properly assessed and addressed.



**Figure 6: Relative importance of treasury-related risk mitigation measures**



# Operational risk and control

## How can treasury be in control?

Treasury processes are increasingly virtual. They are executed remotely and reach far beyond the treasury department's head office. Consequently, control framework and governance have to be a priority.

Clearly, CFOs are aware of this evolution as 54% of the respondents list these areas as a high or critical priority for them. In comparison, surprisingly, these themes are a priority for only 18.5% of treasurers.

Treasury is generally regarded a vulnerable process: high complexity, high value, with few staff involved. As treasury processes are brought online, application management, workflow configuration, static data management, defining user roles, access and reporting have to be properly addressed.

IT security, process monitoring, escalation/status messaging and key controls are all essential when preventing data leaks and detecting fraudulent or criminal activity.

Consequently, adequate reporting, KPIs, cybersecurity and key control frameworks have to be a high or critical priority for treasury.

Just over half of the respondents solely rely on manual key controls.

Organisations that rely on both manual and system controls have typically defined three times more key controls for treasury operations, of which more than half are manual controls.

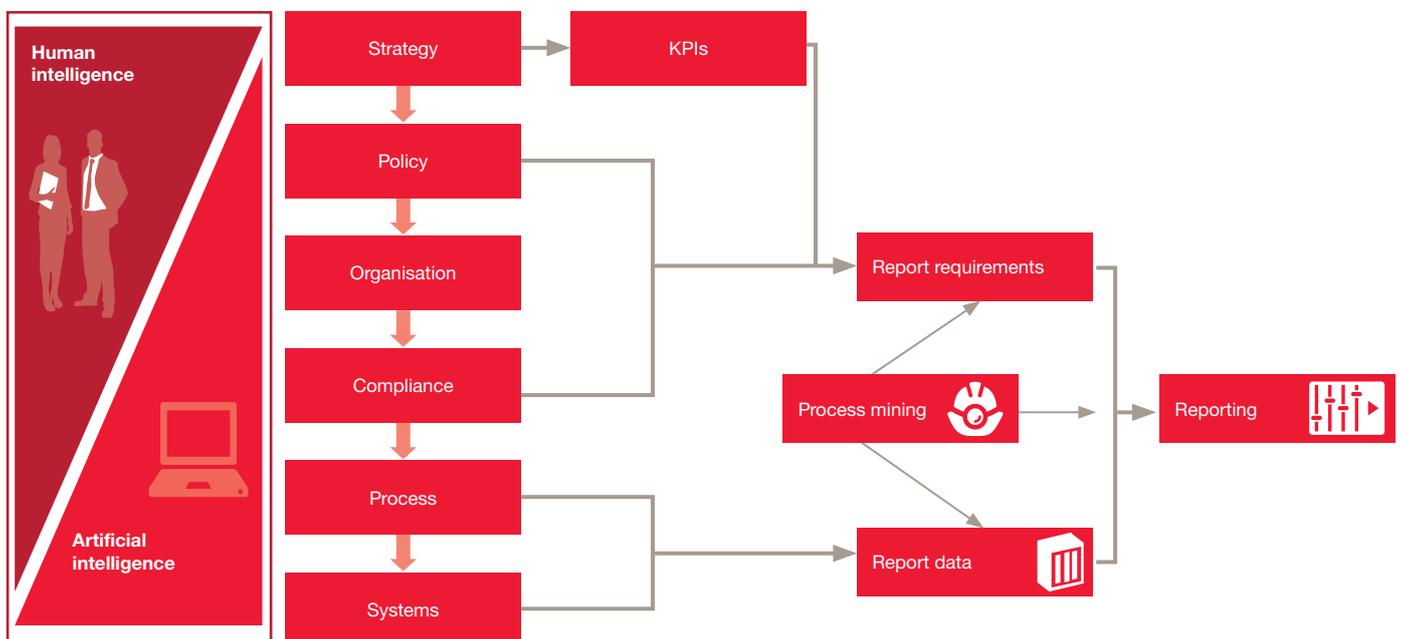
Treasury reporting plays an important role in enabling proper control. Reporting enables monitoring of processes but, when combined with KPIs that are defined upfront, it tracks effectiveness and performance.

Sixty percent of the respondents shared information on their reporting package, with 80% of these respondents making use of KPIs. However, on average, some 25% of the areas reported on do not include any sort of KPI.

In order to report adequately, treasury may need to implement a data cube or data warehouse drawing from multiple sources including the TMS, ERP and Market Data Provider.

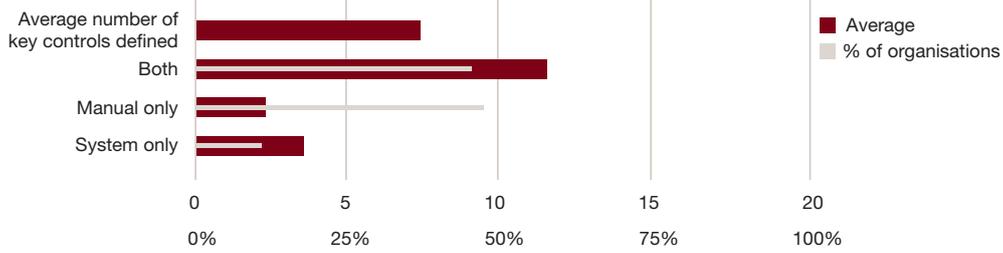
Advanced predictive analytics increasingly enables organisations to improve control. Process mining can quickly visualise where and to what extent the process deviates from the designed flow. Process mining can also be used as an online monitoring and escalation tool.

Figure 7: Reporting: linking strategy, organisation and control

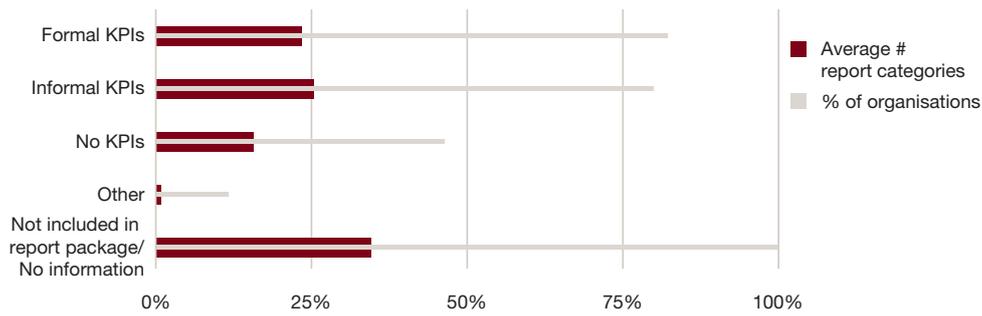




**Figure 8: Number of key controls defined by type**



**Figure 9: Use of KPIs across 20 Treasury Report categories**



# Bank relationship management

## A vendor or a partner?

Clearly, treasurers are coming to grips with the post-credit crisis multibank reality. Organisations nowadays maintain relationships with an average of 7.7 core banks and 20.7 additional banks, suggesting an increase from pre-financial crisis levels.

The results indicate that organisations also maintain an average of 344 bank accounts with local banks.

On average, respondents claim to have daily visibility on 71% of all bank accounts and 80% of the total cash balances. The bank accounts not visible are typically stand alone accounts with local banks for which only local management has access. Without visibility on balances and transactions, these accounts are potential targets for fraud and cyber criminality.

### Who is in charge?

Bank relationship management is one of the traditional responsibilities of treasurers and more treasurers than ever before are fully controlling the bank relationships across the enterprise. One third of the respondents indicate that they have no formal process in place or treasury has only a passive role.

### Multibank reality

Respondents tell us that credit is the entry ticket for banks to fee earning business from their organisations. The responses also indicate that pricing, quality of service and relationships are equally important for distribution of business across core and secondary banks.

Bank technology and product efficiency rank surprisingly low in importance. This could indicate that treasurers do not find this as relevant or that banks have little competitive edge in this area. More likely is that treasurers are focused on creating bank-independent communication platforms for their organisations and focus more on basic product features and bank services.

### Wallet sharing and relationship review

Respondents are very much aware that they require multiple bank relationships and have to share their wallet strategically.

Half of the respondents review their core bank relationships periodically. Some 28% of the respondents review the performance of their core banks at least each quarter, and 29% review core banks annually. Local bank relationships and performance are reviewed at least annually by only 20% of the respondents. Respondents are aware that their fee earning business (cash management, FX brokerage and M&A) is sought after by their bank relationship managers.

We know from our interviews with treasurers that many struggle with justifying the distribution of their banking wallet. Many believe it to be an art rather than a science. They use a variety of methodologies but no best practice has yet emerged. Key obstacles seem to be collection of reliable historic data points, evaluation of margins and normalising the cost bases of their banking partners.

Furthermore, respondents are contemplating improvements to the wallet sharing and relationship management process as a significant number indicate they are thinking about replacing their current spreadsheet based solutions in this area in the near future.

Figure 10: Prime policy for managing bank relationships

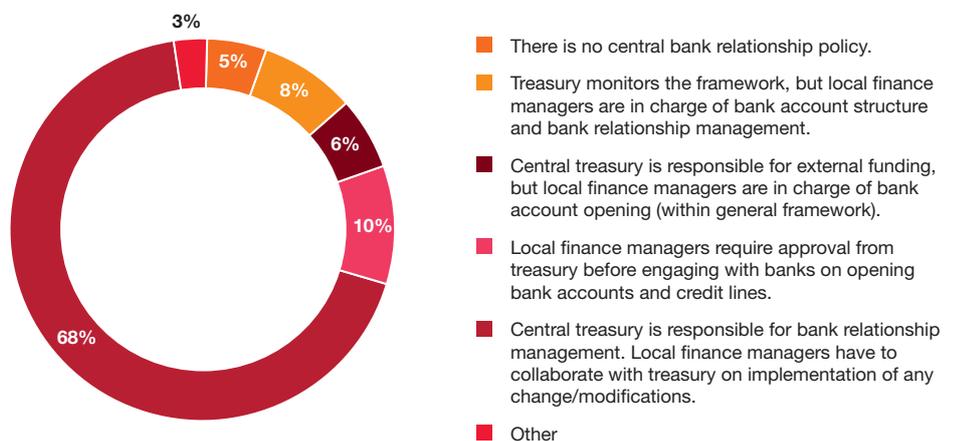
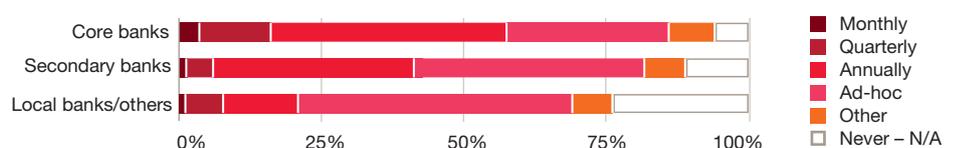
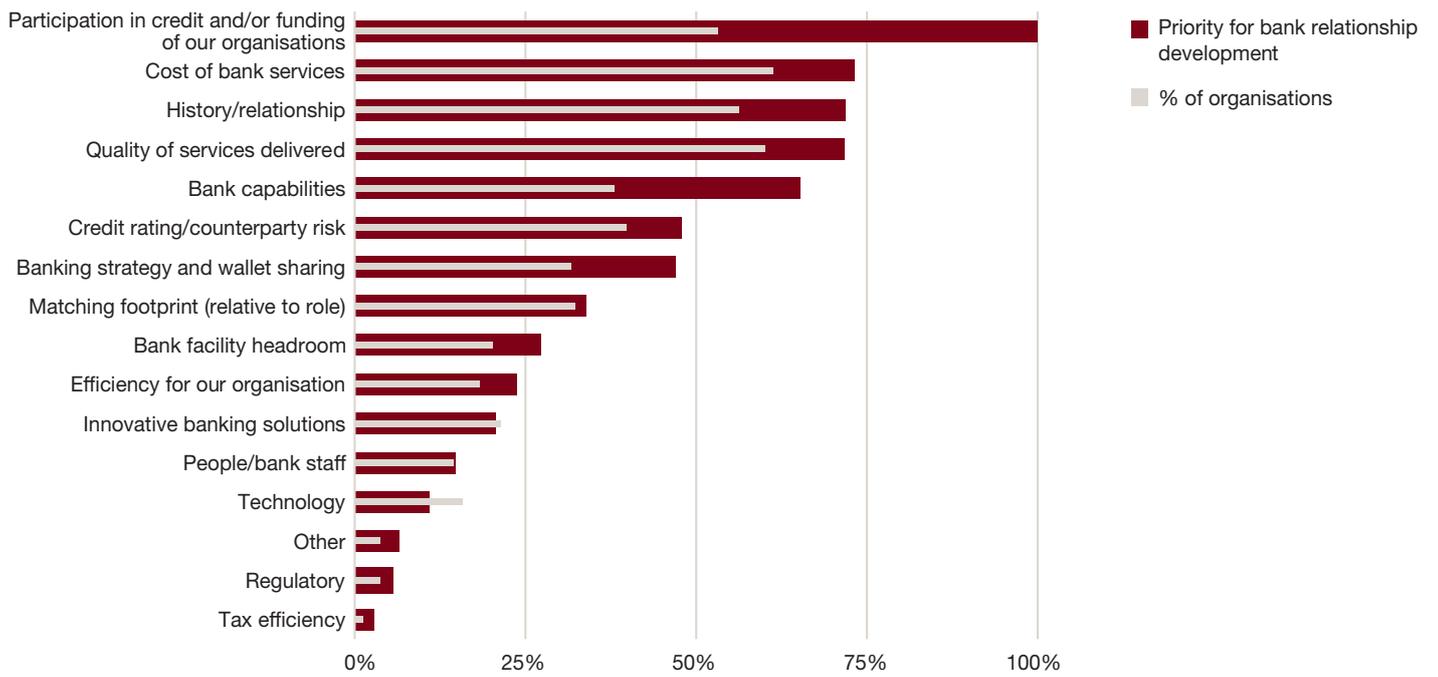


Figure 11: Bank relationship review frequency



**Figure 12: Priority when selecting a bank for service**



# Forecasting: a challenging top priority

## When will the cash flow forecast be up to standard?

### Is forecasting really top of mind?

Forecasting has consistently been a top priority for nearly two decades. It feeds the decision making process for critical activities such as liquidity, capital structure, funding and planning. Despite this long term focus, the survey responses suggest it is still a source of frustration.

Over half of the respondents point to a few basic concerns such as accuracy, collection and analysis of data and tooling. Additionally, cash flow forecasting is still one of the most manually intensive reports used by treasury.

The issues around forecasting are hardly new and yield some fundamental questions: Do treasurers have adequate forecasting to make insightful business decisions? Are treasurers really convinced that the benefits of an accurate forecast outweigh the cost of getting it right?

### Or should we accept shortfalls as a fact of life?

Treasury forecasting is still a cumbersome, manual and spreadsheet-based process involving many people from across the organisation, resulting in monthly or quarterly, rather than weekly, updates.

Also, the granularity of input data is rather limited. Most organisations have forecasting reports only at a consolidated level using monthly input numbers at the transaction type level. Less than 6% of the respondents make use of the inputs at the transactional level.

Some respondents tell us that, irrespective of the effort they might devote to this key process, they do not expect material improvement.

### Uncovering a solution

Today's age of digitalisation and sophisticated tooling means that treasurers can now get real value out of the effort put into implementing a robust and accurate cash flow forecasting process. Business Intelligence tools make it easy to consolidate business unit submissions in a uniform and timely way and provide a view at either specified line item or summary consolidated level.

Creating awareness and educating the business on the importance of accurate source data can go a long way, as can making it an incentive-driven deliverable by attaching KPIs to data accuracy.

Figure 13: Frequency of forecast update

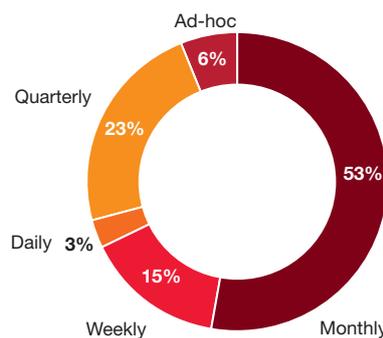


Figure 14: Forecast horizon

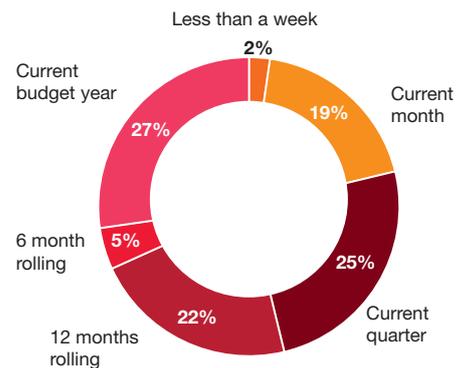
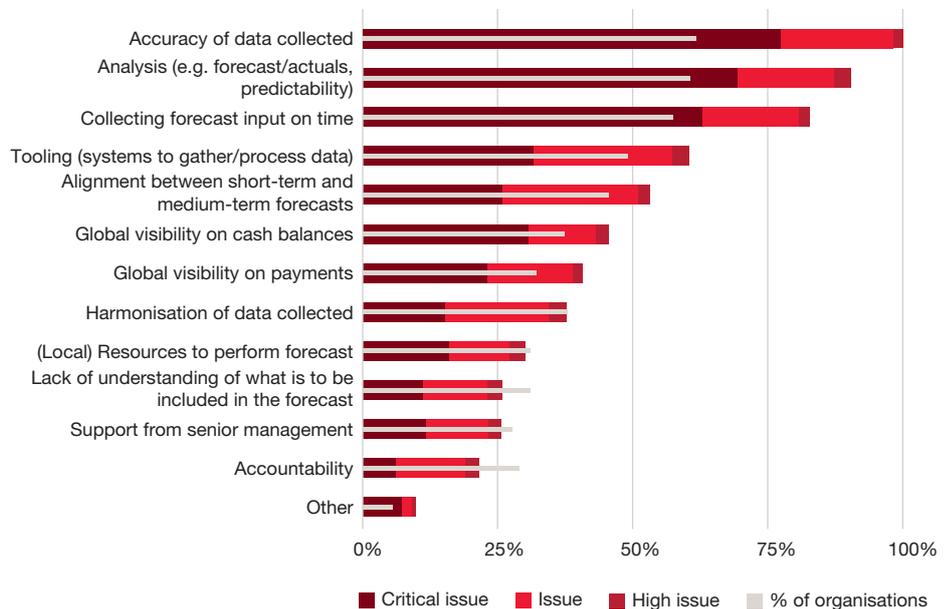


Figure 15: Forecasting challenges



# Funding

## Limited access to markets means a greater need for strategic thinking

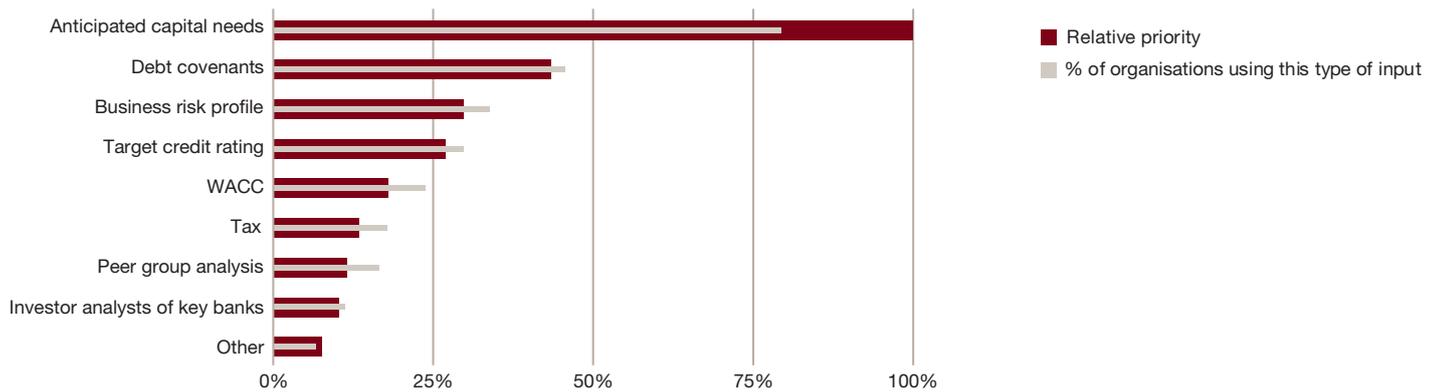
The survey results confirmed that capital structure and funding continue to be top priorities for CFOs. Taking a closer look at the decision making process around funding reveals that many of the respondents could benefit from a more strategic assessment of their options.

While organisations clearly assess their needs and the resulting impact on existing funding, less than a third of respondents consider forward-looking and more strategic drivers when contemplating new funding.

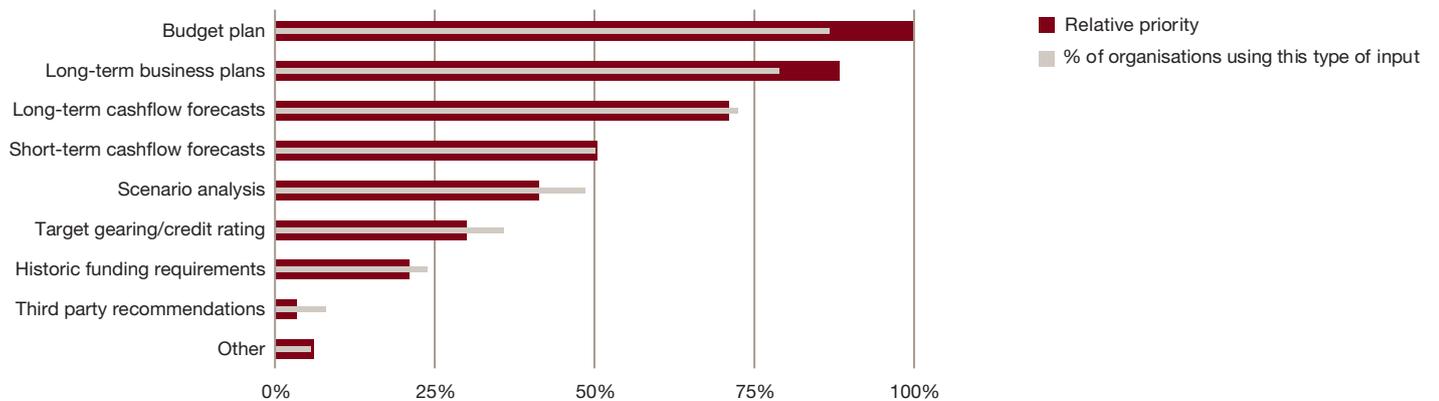
For the respondents taking a more advanced approach, considerations include business risk profile, impact on weighted average cost of capital (WACC) or credit rating.

The limited use of advanced assessment methods might also be related to our observation that many organisations still find building a reliable forecast process challenging.

**Figure 16: Key objectives for funding decisions**



**Figure 17: Sources for defining funding requirements**



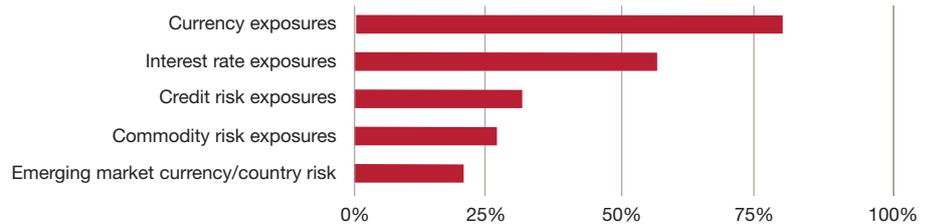
# Accounting and financial risk management

The treasurer's duty to secure the financial assets of the company is in the spotlight during volatile times. Investors and analysts expect multinational corporations to identify and manage risk proactively. New accounting standards also require organisations to be more transparent about the management of risks.

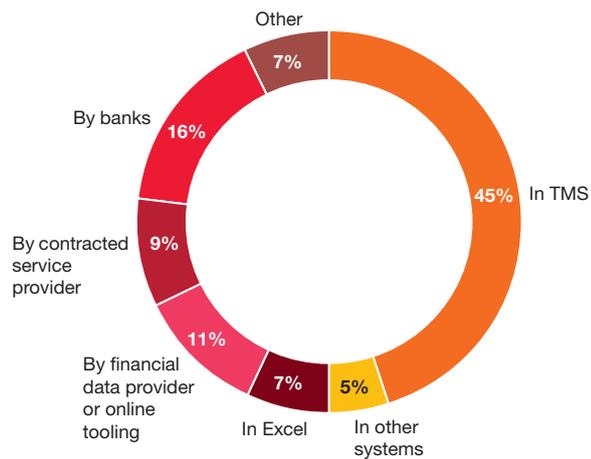
Seventy percent of respondents indicate that IFRS 9 is, or will be, relevant to them going forward. One third has not yet considered the impact of this standard. Only one out of every five organisations is actively working on the implementation or already report under this standard. Western and Northern European organisations believe the impact is minor (<4.5 on a scale of 10) whereas North American and Southern European based organisations believe the impact is substantial (>5.5). However, it may be the case that many respondents are not fully informed on the implications of the new accounting standards.

Just over half of respondents calculate fair market values using treasury applications or spreadsheets. Twenty five percent make use of contracted third parties. Small organisations are more inclined to rely on banks for fair market values, but otherwise no significant differences in preference can be detected.

**Figure 18: Percent of organisations hedging a particular type of risk**



**Figure 19: Calculation of fair market values of derivatives**



Implementing a robust risk management programme can help organisations achieve better business outcomes by managing the impact of foreign currency volatility on their financial performance and help drive profitable growth.

Find out more about foreign currency risk:

<https://www.pwc.com/us/en/risk-management/assets/foreign-currency-risk.pdf>



# Treasury system solutions

## How can you benefit from ‘best in class’ technology?

### Development of the Treasury IT landscape

Prior editions of the Treasury Benchmark Survey have suggested that treasury is making use of a variety of integrated treasury applications. This edition takes a more detailed stock of the IT landscape.

European companies rely on an average of six different applications for their treasury function, typically including their ERP, TMS, spreadsheets and a Market Data Provider. Their IT landscape can also include more specialised solutions for deal capture, valuations, confirmation matching, payment processing, regulatory reporting and commodity risk. By contrast, North American companies deploy an average of five different applications. Organisations in other regions typically deploy fewer different systems, which may suggest a lot of work is still done manually and that their automation and tooling may not be as sophisticated.

Overall, respondents seem fairly satisfied with their applications and vendors. However, with a rating of 6.8 on a scale of 10, the satisfaction with their key TMS rates lower than most other systems. Respondents are most satisfied with their FX portal and confirmation matching solutions (8.4) and are least satisfied with their commodity risk management, bank fee and bank account management tools (6.0). The latter two tools are typically home grown spreadsheets and almost half of respondents indicate that they will be replaced in the near future.

Approximately one third of all companies interviewed make use of SWIFT for bank connectivity. Two thirds of these are European organisations.

Treasury is increasingly operating online and makes use of multiple solutions in support of its enterprise wide processes. We also observe a growing tendency to integrate separate applications. Automating interfacing, cybersecurity, data management and application management are all now a core part of the treasury strategy.

Although system administration and static data management has become a regular theme during system implementations, treasury may be in need of a more permanent solution for system and static data administration. Only a few organisations have defined a separate position for treasury IT support.

### Important points to consider when preparing a system implementation:

- ✓ Review current, as well as future, treasury processes to ensure a good fit.
- ✓ Ensure the new TMS solution can be integrated with the treasury and the company system landscapes. Implementation of a TMS must be viewed as being part of a greater company IT ecosystem.
- ✓ Does the workflow process in the new TMS solution match the structure of treasury’s roles and responsibilities?
- ✓ What are the requirements from other company functions when implementing a new TMS?
- ✓ How would the application management be best organised after go-live?

Figure 20: Number of different solutions in the treasury IT landscape

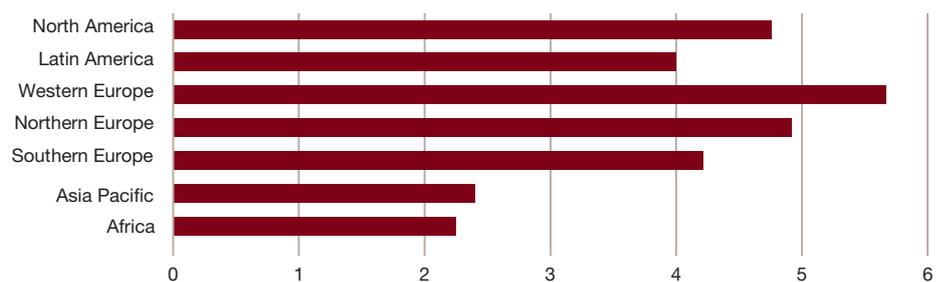
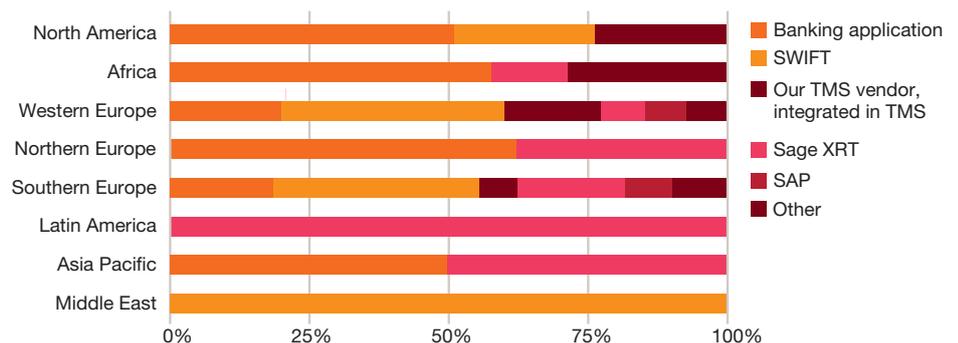


Figure 21: Prime bank connectivity solution



# Research methodology and demography

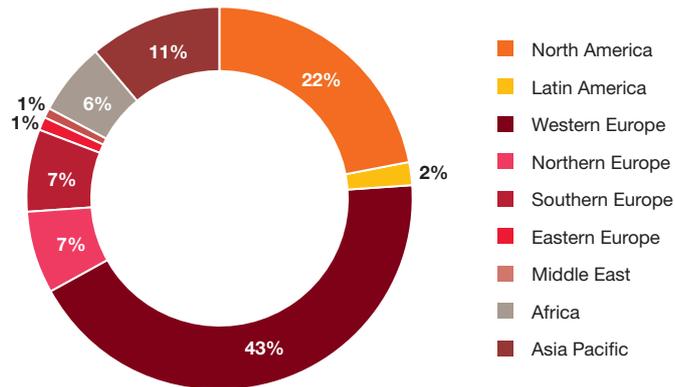
The 222 survey respondents were contacted by local treasury consultants across the PwC network. Half of the respondents completed the online survey of approximately 70 questions on their own. The remaining respondents were interviewed by one of our consultants. The figures on this page outline geography, ownership structure and revenue size.

The responses were collected between 1 July and 30 September 2016.

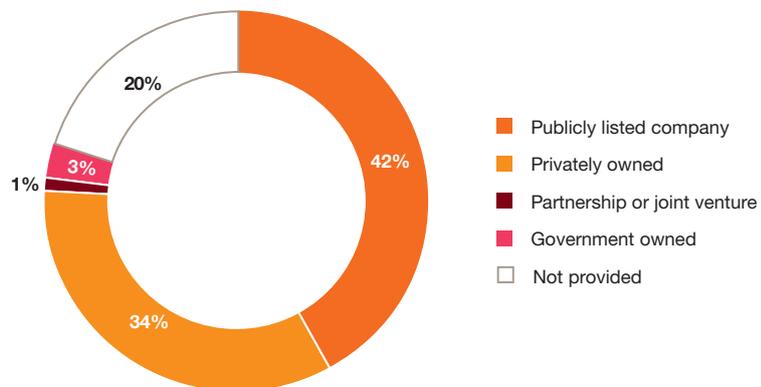
Graphs displaying rankings of multiple items are based on exponential scoring: e.g. a ranking of 'high', 'medium' and 'low' would receive a weighted score of respectively 9, 4 and 1.

Not all respondents answered all questions.

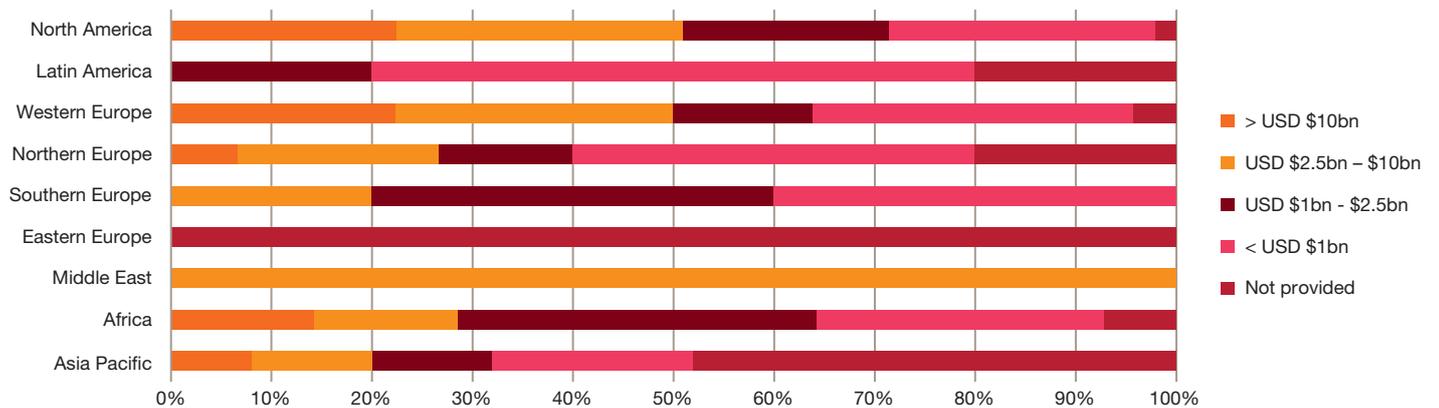
**Figure 22: Geography of group parent company**



**Figure 23: Ownership structure**



**Figure 24: Revenues**



## About PwC Corporate Treasury Solutions



PwC's Corporate Treasury network combines a variety of multidisciplinary backgrounds, including treasurers, bankers, system developers and management consultants. Our teams have successfully implemented treasury change for many leading corporations and have an established track record of successful solution-based project work.

We also offer a comprehensive variety of additional resources, such as tax, accounting, regulatory and digital specialists.

Visit us at [www.pwc.com/corporatetreasury](http://www.pwc.com/corporatetreasury) for more information.

***“Because every Treasury is unique, we co-create bespoke solutions that work for our clients, helping to develop the treasury function to enhance the entire organisation – be that efficient processing, informed management decision making or increased shareholder value.”***

Sebastian di Paola,  
Global Corporate Treasury Leader



# About the PwC Treasury Benchmarking Tool

## **Measuring the differences**

How could you improve your treasury risk management approach and capabilities?

What tools might help you?

The answers to these questions depend partly on the specific profiles of your business.

We recognise that every business is different. How your treasury function is set up and performs varies depending on the financial and risk profile of your business, as well as the size, sector and international reach of your organisation.

Our web-based 'Treasury Benchmarking Tool' allows us to assess your organisation against your peers and analyse where improvements to your treasury and risk management approach and capabilities can be made.

Our approach and technology, combined with our broad client base and reach, mean we can compare you against companies of similar size, complexity, industry and geography.

This helps us to assess where you are different, and the benefits of these differences, so we can identify and develop further opportunities to drive value for your organisation.

## **Easy to use**

This tool has a simple, intuitive approach: across the nine sections, it asks for information that your treasury team will have readily available. Working hand-in-hand with us to fill in the information, you will also have the opportunity to discuss any insight or observations that arise during the process.

The output from the tool offers comprehensive insight into your treasury set-up, objectives and performance. It provides a graphic representation of how you measure against companies of similar size and complexity. The benchmark can be tailored by geographic region, country, regulation, exchange listing, size, industry, legal structure and market index.

*Whatever business you are in, whatever market you operate in and whatever your strategy and corporate culture, we work with you to ensure your treasury function is the most streamlined and competitive it can be.*

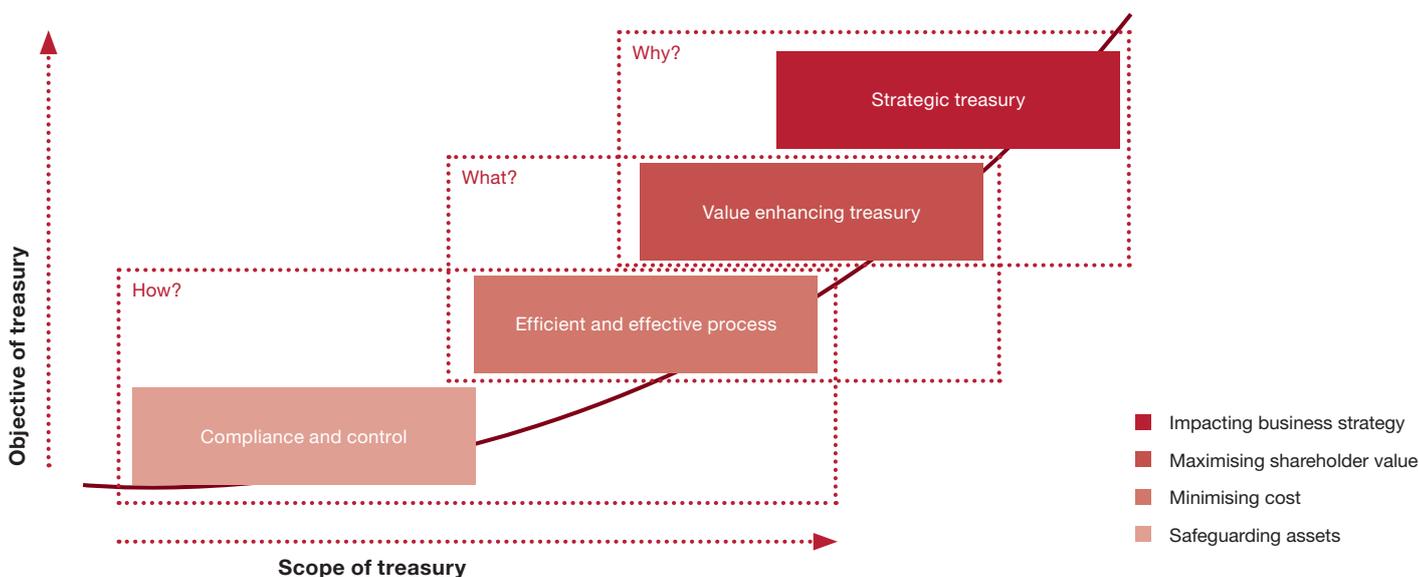


**The Treasury Benchmarking Tool assesses your performance over a number of areas where questions commonly arise**

Organisation overview	Risk and control	Banking relationships
Treasury characteristics	Market risk management	Funding
People and systems	Cash and investment management	

**...across four key stages of development**

The treasury development model



**Compliance and control**

A treasury that provides excellence in execution, ensuring optimal use of cash via integration with underlying finance processes and banking providers.

**Efficient and effective process**

A treasury that plays a focused execution role, enabling the business to carry out necessary transactions; primarily impacting financial functions

**Value enhancing treasury**

A treasury that delivers quantifiable value for the business as a whole, optimising financial flexibility and efficiency, and acting as an enabler to the business to achieve its strategic goals.

**Strategic treasury**

A treasury that actively contributes to the strategic decisions of the whole business and provides financial leadership.

## Contact us

Please get in touch with your local contact to learn more about this survey or how we can help enhance your treasury function.



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