

State of the Treasury Profession 2015 Priorities

Introduction

As part of the 9th annual State of the Treasury Profession address, Treasury Strategies surveyed nearly 200 corporate treasury professionals on their high-priority activities for 2015. We analyzed 33 treasury activities, ranging from the most strategic to the tactical.

When we consider what companies told us, it's apparent that treasury continues to grow in strategic importance. This is the result of being organizationally well-positioned and technologically empowered. Treasury is becoming a value creation center, not a cost or profit center, and is expanding its strategic scope, supported by advancements in infrastructure, technologies, and well-defined processes.

Key survey findings are below. You can use these as a barometer to confirm your own priorities or identify activities that may have escaped your radar.

We've grouped the most important 2015 initiatives into four categories

- Strategic activities
- Organizational activities
- Treasury processes
- Treasury technology

Strategic Activities

The top 2015 priorities demonstrate treasury's increasingly strategic role; 93% of corporate treasury professionals prioritize at least one strategic issue listed below, and 74% of respondents have at least two of these initiatives prioritized for 2015.

- Cash forecasting
- Financial risk management, FX
- Access to credit
- Balance sheet optimization
- Treasury management systems

Treasury groups expect to cope with financial volatility and uncertainty in 2015, clearly evident in the survey results. They will be able to minimize adverse financial impacts through focusing on cash forecasting, financial risk management, credit access and balance sheet optimization, wrapped together by treasury technology. These initiatives will also enable them to align the treasury strategy with the overall corporate strategy.

Treasury is becoming a value creation center, not a cost center or a profit center.

Treasury Organizational Structure

Once a treasury group has its strategy in place, the next logical step is to focus on the treasury organizational structure. High priorities here include

- Treasury functional organization
- Centralizing or decentralizing treasury functions
- Cross-silo initiatives
- Integration with business units
- Training
- Shared service centers

We observed that 88% of corporate treasury professionals are focused on at least one of these activities in 2015, and 69% on at least two of them.

Optimizing the treasury group's structure enables a treasurer to execute the strategy of minimizing financial risk, face off against other parts of the company and meet larger organizational objectives as efficiently as possible. A sound structure sets up the team for long-term success.

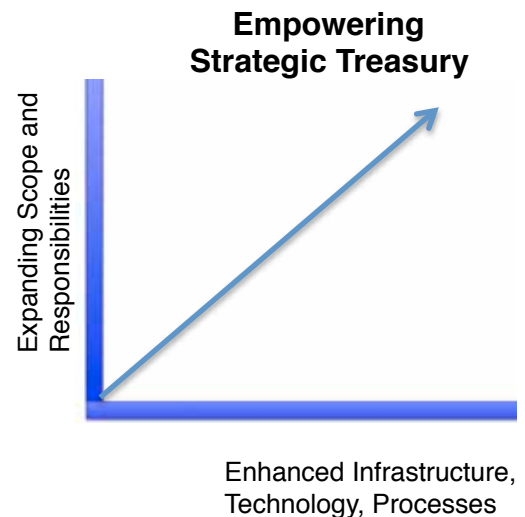
Treasury Processes

Another focus area for 2015 is treasury processes. Priorities include

- Operational efficiency
- Foreign exchange execution
- Short-term investments
- Outbound payments
- Inbound receipts
- Pooling structure
- Banking services
- Process documentation

Most respondents (91%) have one or more of these processes as a high priority in 2015; 63% have two or more.

Advances in these areas will help reduce costs, improve controls and security, standardize processes and decision making, and support overall organizational goals much more efficiently.



Treasury Technology

Treasury technology continues to grow in importance. Companies are replacing siloed and archaic treasury systems with better integrated, more functionally robust global platforms. Dashboard reporting, real-time data, and powerful analytics are of utmost importance in today's decisioning environment – these are a treasury's "best friend" to ensure it stays the course.

Treasury technology priorities include

- Treasury management systems
- ERP systems
- Investment portals
- Cyber security
- New technologies

A large majority of corporate treasury professionals (75%) set at least one or more of these technology activities as high importance for 2015; 42% of respondents specified two or more.





The Benefits

- Reduce risk
- Increase investment return
- Lower your cost of capital
- Lower your operating and hedging costs
- Improve compliance
- Optimize balance sheet



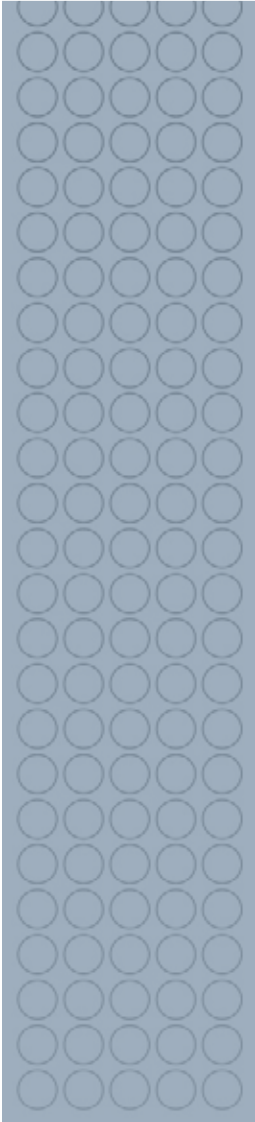
Carpe Diem!

It's time to seize the day. If your top priorities align with your peers, then get started! If they differ, pause for a minute to consider why, and adjust if appropriate.

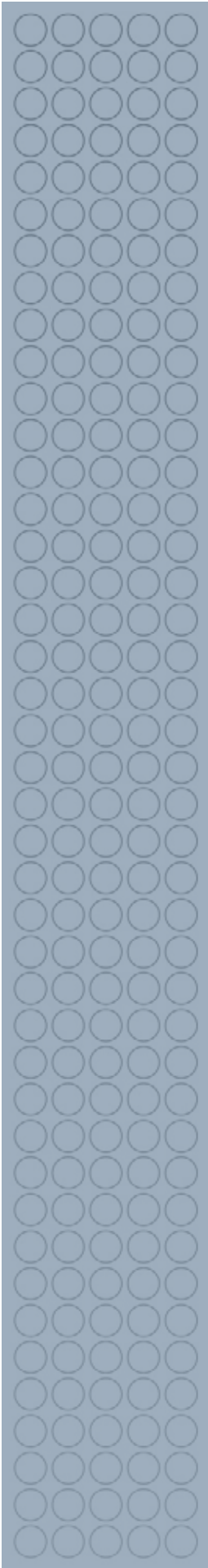
To get the most out of your treasury team, we recommend these four steps

1. Develop a treasury strategy. Align it to your company's overall strategy.
2. Create a two- to three-year roadmap with the key initiatives that underpin the strategy.
3. Develop project plans for each roadmap initiative.
4. Get started.

If you're having a difficult time with any of your initiatives, or if you'd like help thinking through your treasury strategy, call us. It's in our name – Treasury Strategies! We can help. With the correct methodology and approach, together we can make 2015 your best year ever!



Carpe Diem!
It's time to seize the day.



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