

# UNDERSTANDING CASH MANAGEMENT TRENDS

NOW IN ITS SIXTH YEAR, THE ACT/JPMORGAN FLEMING *INTERNATIONAL CASH MANAGEMENT SURVEY* IS LAUNCHED THIS MONTH AND SHOULD PROVIDE YET MORE INVALUABLE INSIGHTS INTO TODAY'S CASH MANAGEMENT PRACTICES, SAYS JPMORGAN'S **MARK STOCKLEY**.



For the sixth year running, the Association of Corporate Treasurers (ACT) and JPMorgan Fleming Asset Management will be conducting their *International Cash Management Survey*. Over the past five years, both organisations have worked in unison to provide an insight into cash management practices.

The *International Cash Management Survey* aims to identify trends in liquidity management. As such it has become the definitive benchmark for providers in understanding their market position and how they want to position themselves in the future.

**STRONG GLOBAL RESPONSE.** Last year's survey response was very successful with almost a 50% increase in the number of completed surveys compared to the previous year, providing a particularly useful insight into current attitudes among global treasurers. There were nearly 350 responses to the survey last year, up from 204 in 2002. A higher proportion of respondents also came from the US and Asia than in previous years, providing a wider geographical cross-section of results. Nearly a quarter of our responses, for example, were from US-based treasurers, with a further 10% from Asia. However, the majority of respondents (some 55%) continue to come from the UK, with the remainder replying from continental Europe.

**CONTINUED ENHANCEMENTS.** The purpose of this piece of research is to provide a useful and accurate analysis of corporate treasurers' cash management practices. Its value can only be improved by encouraging more participants to complete the survey. Therefore this year we will be focused on encouraging a broader global response to allow more in-depth regional analysis. In addition, we will be expanding the questioning regarding cash/liquidity concentration. This enhancement follows comments made by the Editorial Board while reviewing last year's survey.

**BUILDING AN INSIGHT.** The questioning format tends to follow previous surveys as closely as possible, allowing valuable comparisons to be made with previous results. This continuity and consistency allows us to identify key trends in cash management. For example, last year's survey revealed that treasurers continue to class yield as one of the most important factors when selecting an asset manager. The survey also revealed a continued move by treasurers towards greater centralisation of the management of their cash holdings, as they look to reduce costs in a low yield environment.



**VIEW THE RESULTS OF LAST YEAR'S SURVEY.** The 2003 *International Cash Management Survey* provided a valuable insight into the cash management market and identified certain trends that made for very interesting reading. A PDF of the report can be downloaded from the websites below.

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