

# Agenda



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{ CASH AND LIQUIDITY MANAGEMENT }

## DIGITAL DEBATED AT CASH CONFERENCE

> Innovation and technology topped the agenda at the ACT's 10th Annual Cash Management Conference in February. Chris Brauer, director of innovation at Goldsmiths, University of London, told delegates that computing power doubles every 18 months and computer processing speed doubles every two years. "This will eventually lead to computers that have more intelligence and processing power than the humans who are designing them," he said. "Therefore, the machines will start designing themselves."

Quoting research by internet security company AVG Technologies, Brauer pointed out that 57% of children aged three to five can operate at least one mobile phone app, while just 14% can tie their own shoelaces.

Meanwhile, Chris Skinner, director of European networking forum the Financial Services Club, argued that technology, social media and virtual currencies, such as bitcoin, are changing the purpose of banks. "Banks are not there for banking; banks are there to manage your data," he said.

More than 215 delegates attended the Barclays-sponsored conference. Our 16-page special on cash and liquidity management starts on page 31



SOURCE: LONDON EVENING STANDARD, FEBRUARY 2014

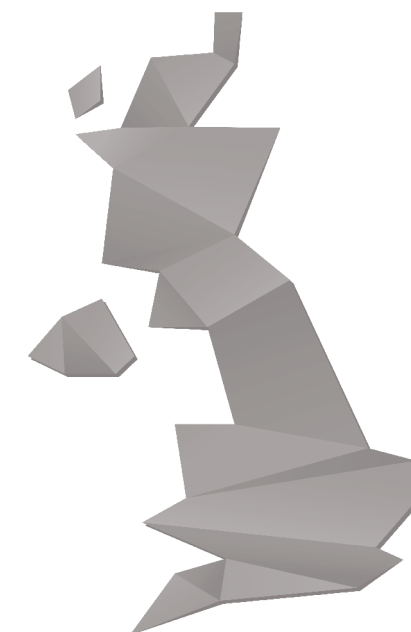
**"The last few years have told us we can't forecast the economy really well."**

Bank of England chief economist Spencer Dale admits that, when it comes to UK growth, anyone's guess is as good as that of the central bank.

**"We expect a pause in our revenue and profit growth, reflecting offsetting trends across the business."**

SOURCE: BLOOMBERG, FEBRUARY 2014

These immortal words from Rolls-Royce CEO John Rishton wiped £3.3bn off the manufacturing giant's value last month.



{ QUESTIONS YOUR FD IS LIKELY TO ASK THIS MONTH }

### BIG DATA

#### What is big data?

The term 'big data' has just been coined as a way to describe the large volumes of unstructured data that organisations hold. Whereas traditional structured data is usually stored in a relational database, big data tends to come in large volumes and with rapid frequency. Organisations usually struggle to process unstructured data using traditional database-processing applications.

#### Why is it in the news now?

Well, the speed of technological change means that more data is being created all the time by machines, mobile devices and social media sites on the internet.

#### What does it mean for us?

If harnessed properly, big data can be an important competitive

advantage. Companies can use social media data to provide them with useful insights into consumer behaviour.

Transactional data generated by mobile devices – for example, the purchasing of goods from an online retailer – is also valuable information for companies that sell to consumers and other businesses. Sensors that monitor machinery in an industrial environment produce useful data that can help companies operate more efficiently.

#### But I thought you said companies don't know how to interrogate this data?

That's where big data analytics software comes in. The software drills down into data to uncover hidden patterns and unknown correlations. For example, the

financial services industry sees big data as a means to prevent and detect fraud. Institutions are reviewing data across various different banking platforms and using data analytics to understand patterns of activity among their own customers and the wider industry.

#### What does that mean in practice?

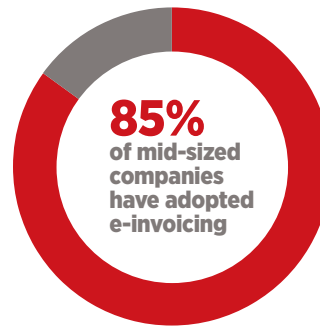
Banks will track factors such as how often a customer logs into their bank account from a mobile device or PC, where they usually log in from and how quickly they type in their user name and password. Clever, eh? No wonder research firm IDC predicts that the value of the big data technology and services market will be worth a whopping \$16.9bn by 2015.

{ KEY FINDINGS OF SAGE PAY STUDY INTO LATE PAYMENTS }

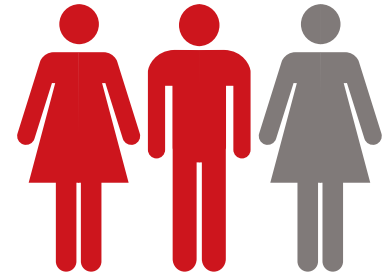
**£55bn** in unpaid or outstanding invoices are owed to UK small- and medium-sized businesses

**£11,358** is the amount owed to the average business

**1 in 5** businesses is owed more than £30,000



**2/3** of businesses still use paper invoices



{ CAREER }

## DEPARTMENT HEADS LEAD TREASURY RESHUFFLE

➤ Several group treasurers moved jobs in 2013, sparking hiring activity at every rank within the profession, new research reveals.

According to the *Hays Accountancy & Finance Market Overview and Salary Guide 2014*, vacancies arose at all levels due to senior personnel moving roles, which created opportunities for other team members. Employers also opted to expand their treasury teams.

Hiring is being driven by the return of market confidence and companies needing to comply with important legislative developments, including the European Market Infrastructure Regulation reporting regime for derivatives. Meanwhile, the Big Four accountancy firms are actively recruiting experienced treasurers from industry into their treasury advisory service lines, where they specialise in areas such as hedge accounting and risk modelling.

Commenting on the findings, Andrew Ryan, senior consultant for Hays Treasury, said: "Last year saw renewed movement in the market for treasury professionals and, as economic confidence improves, we are seeing more firms looking to grow their treasury teams."

ACT engagement director Peter Matza contributed to the guide, saying: "The skill and expertise that qualified treasurers can bring to an organisation mean that the profile of treasury continues to climb."

{ RISK MANAGEMENT }

## RBS AT RISK OF DOWNGRADE

➤ Royal Bank of Scotland (RBS) faces the prospect of a credit rating downgrade after it revealed that its capital levels were lower than expected.

Last month, rating agency Moody's said it had put RBS on "review for downgrade", citing the bank's "weaker than previously anticipated regulatory capital position".

RBS announced in January that it had set aside £3.1bn in extra provisions to cover issues including the sale of toxic mortgage-backed securities and the mis-selling of interest rate hedging products.

It also said that its core capital under the Basel III regulations would be between 8.1% and 8.5% for the end of 2013, putting it behind most of its rivals.

In a statement, Moody's said: "RBS's recent announcement demonstrates that its management faces a number of short-term headwinds, which could challenge the implementation of [its recovery plan] and in turn be negative for its creditors. In addition, Moody's believes that the overall downside risks associated with the bank's recovery have increased."



**"Our sense is that at this stage these developments do not pose a substantial risk to the US economic outlook."**

New US Federal Reserve chair Janet Yellen holds her nerve despite the emerging markets reacting badly to the tapering of the Fed's quantitative easing programme.



**£2.18bn**

Societe Generale's profit in 2013, up from €790m in 2012

**£1.7bn**

Lloyds Banking Group chief executive Antonio Horta-Osorio's 2013 bonus

**\$645m**

social media site Twitter's net loss in 2013

**39%**

the proportion of UK workers that has dated a colleague, according to CareerBuilder.co.uk

**\$7.9bn**

the sum that China drained from its money markets in February as it tried to control the level of credit in its financial system

**12,000**

the number of jobs Barclays plans to shed in 2014, 7,000 being in Britain.

**3.4%**

the UK's predicted growth rate in 2014, according to the Bank of England

**\$275m**

the sum paid by RBS to settle a US class action lawsuit brought by pension funds