

{ KEY FINDINGS FROM PwC'S FAMILY BUSINESS SURVEY 2014 }

**49%**  
of family  
businesses  
worldwide are  
worried about  
their ability to  
recruit skilled staff



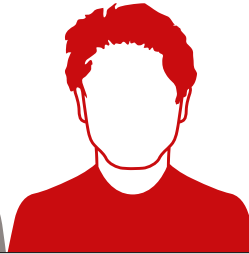
**40%**  
of respondents  
view the need to  
professionalise  
their business  
as a challenge



**15%**  
of family  
businesses plan to  
grow aggressively



**63%**  
of family  
businesses see  
the economic  
situation as testing



**65%**  
of family  
businesses  
reported growth  
over the past  
12 months



**59%**  
of respondents  
feel a strong sense  
of responsibility  
to support  
community  
initiatives

{ AROUND THE WORLD IN 30 DAYS }

## CORPORATE SPENDING, CURRENCY VOLATILITY AND COMPLEXITY CONCERNS

### M&A markets recover in 2014

M&A deal values for the first three-quarters of 2014 are up more than half (51%) on the same period in 2013, according to new research. Law firm Allen & Overy's *M&A Index* found that M&A markets have staged a strong recovery in 2014, with deal values in the first three-quarters of the year higher than for the same period in 2013, and average deal sizes at their highest levels for many years. It also noted that the value of cross-border transactions is higher than at any time since 2007, with US companies leading the charge, followed by growing activity from Canadian, Chinese, German and UK strategic investors. M&A activity is being fuelled by low interest rates and large cash reserves on corporate balance sheets.

### Currency volatility costs companies \$3.9bn

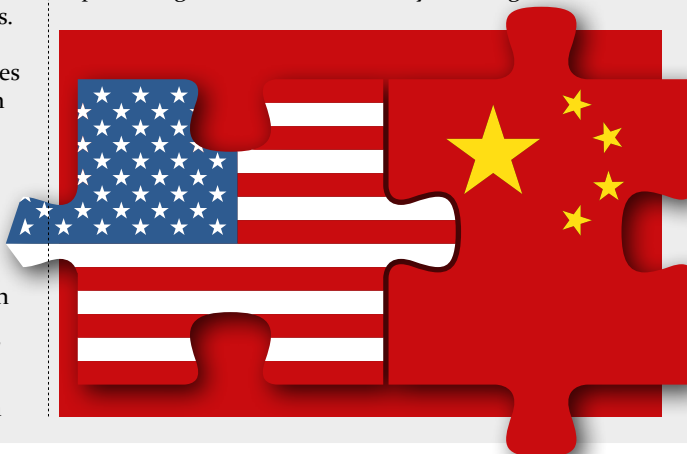
Companies in North America and Europe reported a negative currency impact of \$3.9bn in the second quarter of this year. The volatility of the Brazilian real and the Russian ruble, along with

other currencies, caused issues for businesses on both continents. In total, 132 North American companies reported negative currency impacts in the second quarter, compared with 124 European corporates. The aggregate impact of currency volatility quantified by companies in Europe stood at €2.1bn (\$2.7bn) compared with \$1.2bn in North America. Medical equipment and supplies, business services, and electronic instruments and controls were the industries where companies reported the most currency impacts.

### Complexity concerns CFOs

Four out of five of the top challenges that

CFOs face are related to internal complexity, a study by consultancy firm Accenture suggests. These challenges include dealing with legacy systems and environments (55%); managing the complex needs of all stakeholders (48%); addressing new and complex business risks (46%); and supporting increasingly complex operating models (28%). But, on a positive note, almost three-quarters (73%) reported that the CFO's influence in supporting strategic decision-making has increased in the past two years. Meanwhile, 60% say the CFO's influence in providing insightful analytics has grown.



{ CORPORATE FINANCIAL MANAGEMENT }

## FAMILY BUSINESSES ARE WORRIED BY SKILLS SHORTAGES

> Nearly half of family businesses around the world are apprehensive about their ability to recruit skilled staff.

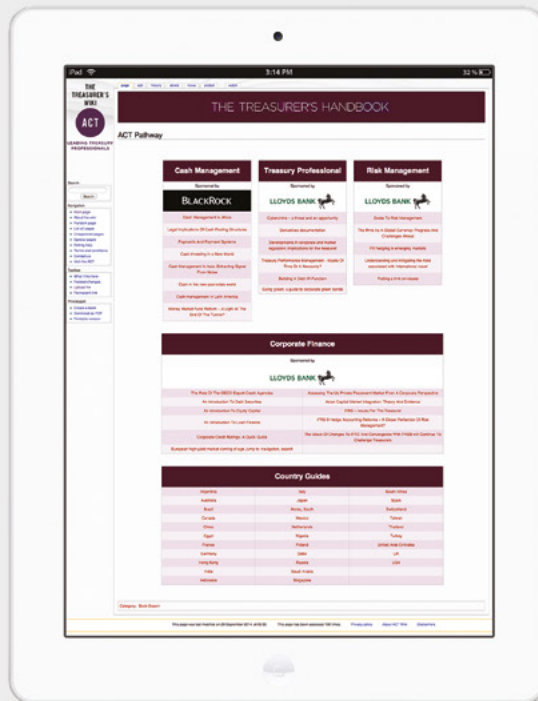
A PwC survey of more than 2,000 family businesses in more than 40 countries found that 49% were worried about skills shortages, up from 43% in 2012. Meanwhile, 40% of respondents cited the need to professionalise their business as a key challenge over the next five years.

In general, family businesses are in reasonably good shape, with 65% reporting growth in the past 12 months, and 70% expecting to grow steadily over the next five years. Meanwhile, 15% are seeking aggressive growth, compared with 12% in 2012. Growth ambitions are particularly strong in China (57%), India (40%) and the Middle East (40%).

But the proportion of respondents citing the general economic situation as a key challenge in the coming year has risen slightly from 60% in 2012 to 63% in 2014.

Meanwhile, it seems that family businesses have become more hard-headed since the survey was last conducted, in 2012. The most important priorities they cite are to remain in business and to improve profitability.

Commenting on the research, Henrik Steinbrecher, network middle market leader at PwC, said: "In this climate, family businesses accept they will have to adapt faster, innovate earlier and become far more professional in the way they run their operations."



# KNOWLEDGE AT YOUR FINGERTIPS

*The Treasurer's Handbook* is back and in an exciting new digital format. Peter Matza gives the low-down

Since the late 1990s, the publication of *The International Treasurer's Handbook* in November has been a familiar fixture in the ACT's winter calendar. In the early 2000s, it was joined by *The Asia Treasurer's Handbook* and together they represented a physical link between the ACT, the world's treasury associations and the customers of our sponsor (at least in recent years) JPMorgan Asset Management. As with many good things over time, the association with our sponsor came to an end with the 2014 editions of both handbooks.

As a consequence, we have – after nearly 20 years and more than 100,000 books – decided to discontinue the distribution of printed versions of the *International* and *Asia Treasurer's Handbooks*. But we know that the global treasury community has always appreciated the range of content, both new and old, and the editorial integrity that the books have provided. The handbooks were each unique; no other reference work of their type was produced and distributed globally by any other treasury association.

The ACT has recognised, however, that its support for the modern treasurer requires adapting elements of what we produce to meet contemporary needs and changing information demands, and to be in a format more suited to a digital lifestyle.

As a result, we have designed a handbook that is an online reference tool. It is available to anyone who visits either the ACT website ([www.treasurers.org](http://www.treasurers.org)) or the new home for *The Treasurer's Handbook*, *The Treasurer's Wiki* ([wiki.treasurers.org/wiki/Main\\_Page](http://wiki.treasurers.org/wiki/Main_Page)). The handbook is available without registration or charge.

The 2015 edition Wiki Handbook has five distinct sections: cash management, corporate finance (including markets and funding), risk management, the treasury professional and the ever-popular country guides. The overall volume of material has been distilled into a set of essential articles covering contemporary treasury topics and geographies. All the content has been revamped and reviewed by the ACT to meet a consistent and demanding editorial standard. As

in previous years, the content has been sourced from the ACT itself, academics, financial institutions, professional bodies, associations and sponsors.

We are confident that in its new format the handbook will remain *the* reference book for treasurers, given that it is produced by the only Chartered body for international treasury.

The ACT would like to thank all our contributors. Lloyds Bank Commercial Banking and BlackRock have provided sponsorship for this year's edition of *The Treasurer's Handbook* and we are grateful for their support.



**Peter Matza** is engagement director at the ACT