

The ACT logo is a white circle containing the letters 'ACT' in a bold, green, sans-serif font.

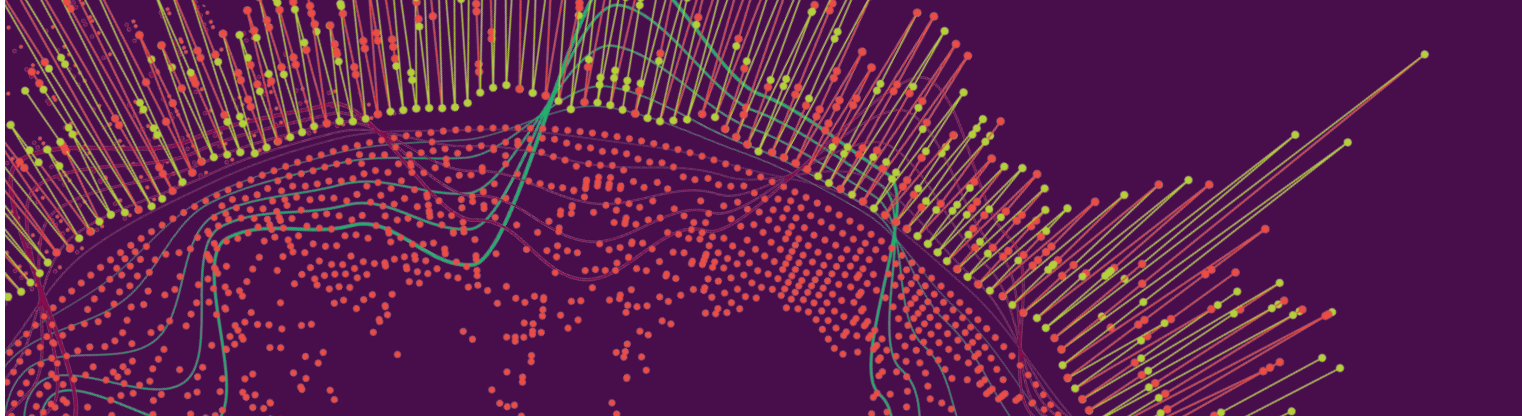
ACT

TREASURY
EXCELLENCE
AS STANDARD

The background features a complex, abstract graphic of numerous thin, curved lines in shades of red, orange, and teal, with small dots at their ends, creating a sense of dynamic movement and interconnectedness.

**THE BUSINESS
OF TREASURY 2021**

**A YEAR OF
DISCOVERIES,
A FUTURE OF
POSSIBILITIES**



KEY INSIGHTS

- In terms of treasurer priorities, capital and liquidity management reign again. Whether COVID alone is responsible for this we cannot be sure; last year treasurers thought it would dip down the list, but was that ever going to be the case?
- Working patterns have changed, and there is a strong indication that treasury teams will work from home on a regular basis in the future, although not all the time.
- The focus on strategy among treasurers has dropped, and there is perhaps a 'mismatch' with the prioritisation of the board – inevitable if treasurers have to get their heads down and deal with the immediate crisis and its implications. The question is: will this block them further in their career ambitions or, now that they're firmly positioned at the heart of the business, will this hold them in good stead post-crisis?
- The percentage of treasurers who believe that treasury is seen as a strategic business partner to their organisation is at an all-time high of 92%.
- Trust has been gained in and between teams. Treasurers would like to see this – along with independence – live on after the pandemic is over.
- Working in treasury has always been demanding; this past year has intensified the pressure. Treasurers have needed to develop even more personal resilience and, it seems, have found this through social and team interactions, as well as through their families.
- Adoption of technology accelerated to facilitate homeworking and cybercrime protection. But other developments, such as treasury management system (TMS) implementation projects, have often been put on hold.

INTRODUCTION



Treasurers always play an invaluable role in maintaining the financial health and stability of their organisations and the wider economy. At the close of a year when they've been exposed

to more uncertainty and pressure than at any other time, the 2021 *Business of Treasury* report provides a fascinating insight into treasurers' minds and views.

The global pandemic has put treasurers in the spotlight, given the importance of liquidity and cash management. On top of that, they've had huge changes in ways of working imposed on them. This has led to some interesting – sometimes polarised – views about the future. There are always two sides to a coin.

Treasurers have been able to carry out their roles well in 2020/21, though the circumstances have meant they've had to adopt a more operational approach. We see little change in treasurers' base priorities, but there is a real shift in ways of working and in certain 'behavioural' areas: without prompting, many treasurers point to an increase in trust between themselves and colleagues. On a more logistical level, people are printing papers less, and many are enjoying the lack of a commute.

We see a year-on-year increase in the proportion of women interviewed as part of the research. This would suggest that the gender balance in treasury is improving. It's somewhat better in the rest of the world versus the UK*, we note.

Meeting cultures and traditions are changing, and the virtual world encourages people to be on time and to the point, so there are efficiencies, but also it promotes a more democratic approach (a level playing field) as well as getting to know people on a personal level, and has the benefit of added flexibility. In the UK, people are looking towards more flexible working, while the rest of the world is leaning towards more technology and automation.

Treasurers are thinking about personal development to enable them to become even more well-rounded, in particular by developing their leadership and strategic influencing skills.

CONTENTS

► KEY INSIGHTS AND INTRODUCTION

► SECTION 1: CHANGING FUNDAMENTALS?

► SECTION 2: WORK AND LIFE PATTERNS

► SECTION 3: THE BIG PICTURE

► SECTION 4: BUILDING TRUST, EMPOWERING TEAMS

► SECTION 5: FURTHER CHALLENGES AND CONCERNS

► SURVEY AND METHODOLOGY



But they're also spending less time on strategising – an apparent tension that we'll dig into later on.

We dedicated a number of questions to the impact of technology on the treasurer's role this year – a line we started in 2020. In 2021, treasurers' focus was inevitably on work-from-home systems and protecting against increased cybercrime risk. As a result, we saw a stalling of TMS implementation projects and other technology developments.

Environmental, social and governance (ESG) is a prominent concern for treasurers, as it should be. Activity in this area is still low, however. More needs to be done here.

Treasurers are giving much more focus to operations and controls in 2021. This isn't surprising given the circumstances, and perhaps explains why the focus on other areas outside the fundamentals has not been as high as we might have anticipated.

On the whole, the results point to a profession that has knuckled down without complaint, despite the unprecedented personal as well as work challenges faced, and has found that its professional training has held it in good stead. Even before the pandemic we saw a trend

towards people, particularly those entering the job market, focusing on lifestyle rather than profession when making career choices; this trend is now accelerating and enhanced as people find greater flexibility is available to them.

There has also been time for self-reflection. We are more aware of mental health issues and how these can affect us all, and we see even more clearly the importance of relationships and building mutual trust.

I'd like to thank all those involved in this year's report: the 180 treasurers around the world who answered our questions; the team at The Association of Corporate Treasurers (the ACT) who've put so much into it; the research team at Critical; and Think, who helped us produce the report itself.

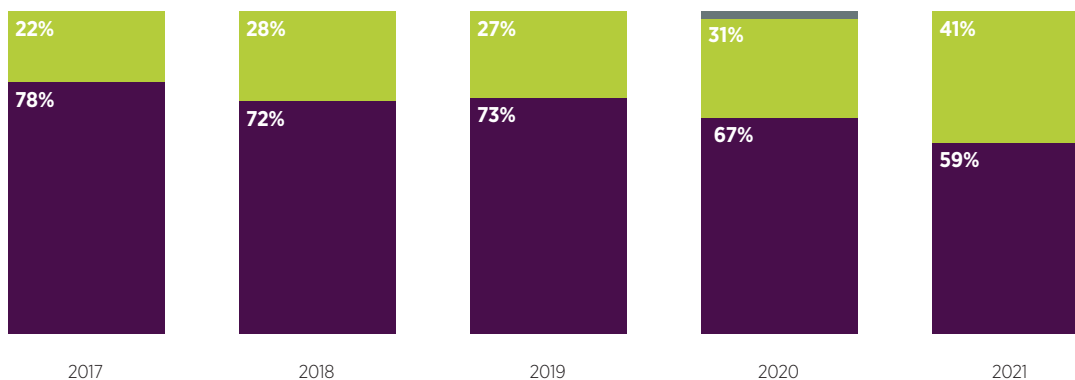
Caroline



Caroline Stockmann

Chief Executive, The Association of Corporate Treasurers

Global male/female split of *Business of Treasury* respondents over time



● Male ● Female ● Other/declined to say *The male/female gender split in rest of the world respondents is 55%/45%

SECTION 1

CHANGING FUNDAMENTALS?

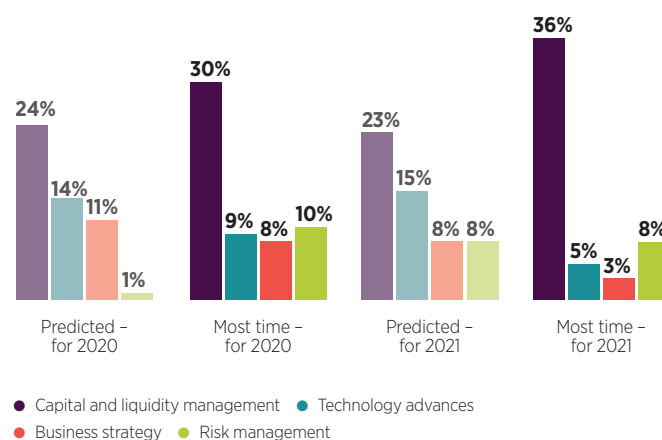


The fundamentals of treasury are not changing significantly in 2021. Indeed, the focus on capital and liquidity management is increasing; last year this was expected to decline. The reasons for this are clear of course. Interestingly, treasurers again

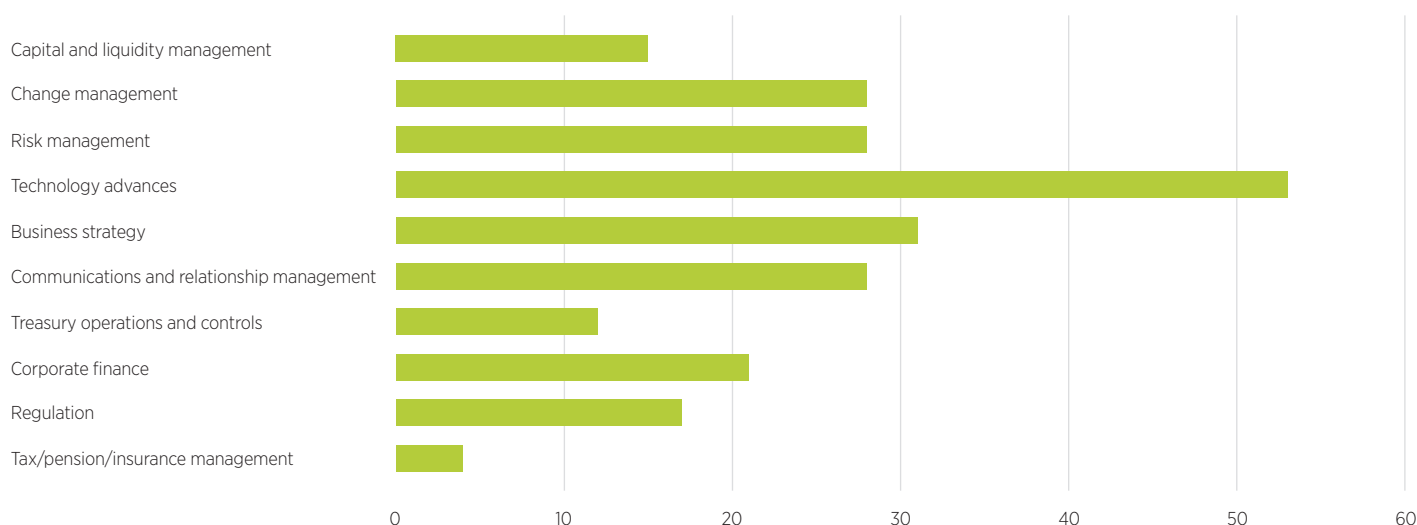
anticipate spending less time on capital and liquidity management in the next year – in fact, only 10% of treasurers expect an increased focus on liquidity, and this suggests that the majority of treasurers again feel their current attention level is sufficient/should be reducing. It's the same with business strategy.

Time spent on technology was the other way around: less time was spent here than anticipated and, where time was spent, the focus was on working-from-home capability versus large transformational projects.

The areas on which treasurers currently spend – and expect to spend – the most time



Where treasurers expect to spend the most time (net change* from today)



*Net change = net more time – net less time (expected for 12 months' time)

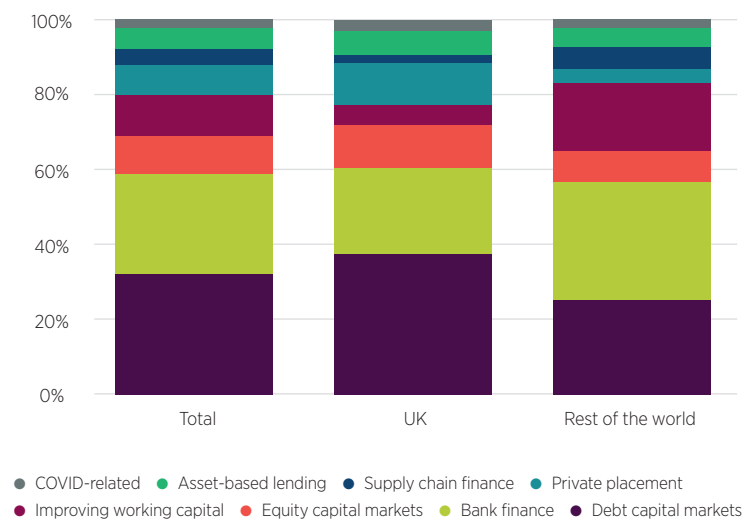
Operations and controls have been a focus of the past year, but again we see treasurers anticipating that this will change. In future, they'll be more focused on technology advances.

In terms of funding, bank finance is on the decline, while working capital improvements are increasing. We notice some differences regionally with UK treasurers looking more commonly to debt capital markets, and working capital being a greater focus for the rest of the world. For 31% of respondents, supply chain finance has become more prominent during COVID-19.

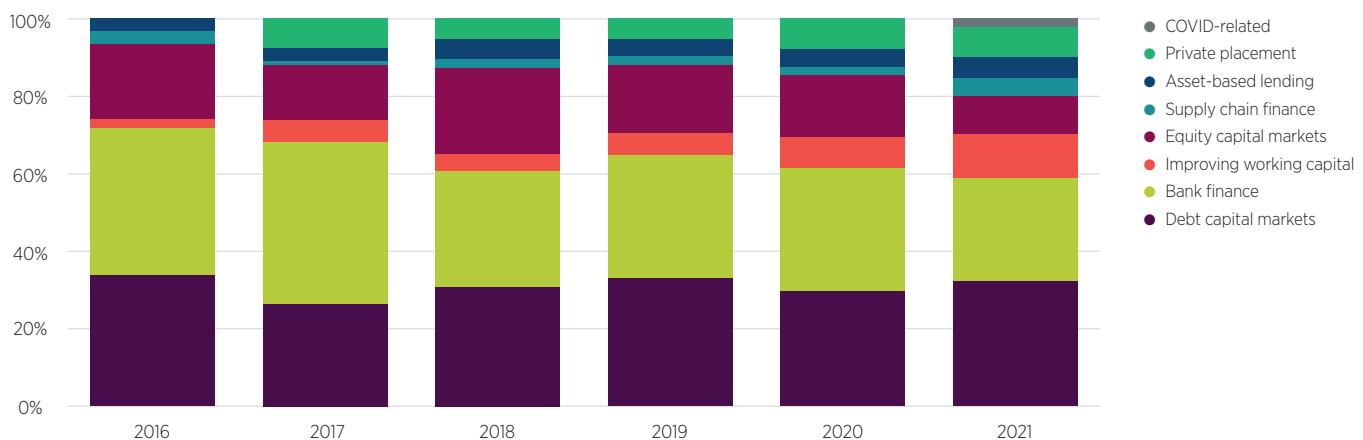
“There’s hugely more focus on cash and liquidity. The pandemic has given us the opportunity to raise our profile and be seen as a safe pair of hands”

TREASURER, UK FTSE

Sources of funding: global breakdown in 2020/21



Sources of funding: global breakdown over time





COMING OUT OF COVID...

“We are stretched too thinly. More resource is required or wellbeing will suffer”

TREASURER, UK NON-FTSE

“We have got more transactions going on. We are waiting for recovery from COVID to increase the size of the team”

TREASURER, APAC

“Business performance has been impacted due to COVID-19; there’s company-wide staff reduction”

TREASURER, APAC

“We’re seeing restructuring and people leaving the organisation who are not going to be replaced”

TREASURER, EUROPE

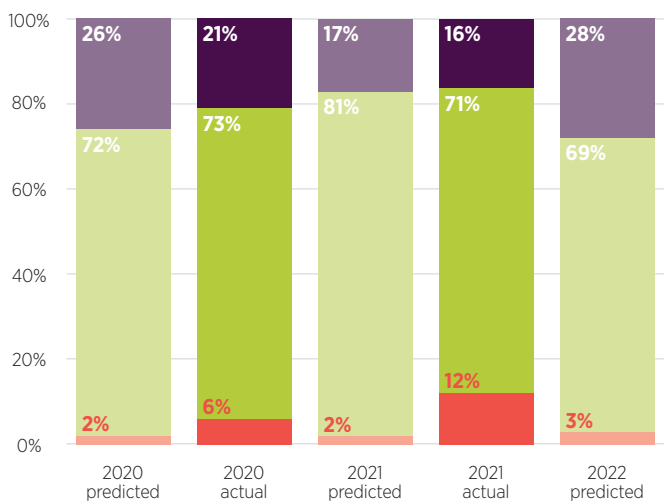
Treasurers expect their team size to increase, which bucks the trend of the past few years. A higher proportion of large organisations, which will naturally be more significantly impacted by technology efficiencies, expect to decrease their team size; 97% of small companies predict the same or an increased team size. As you’ll see from the quotes on the left, our community works in a rich diversity of organisations.

Treasurers seem to enjoy working in diverse teams, and have appreciated the support from their employer over the past year. Treasurers do feel they can bring their whole self to work, but there is a statistically non-significant decline in how well they feel their team works together.

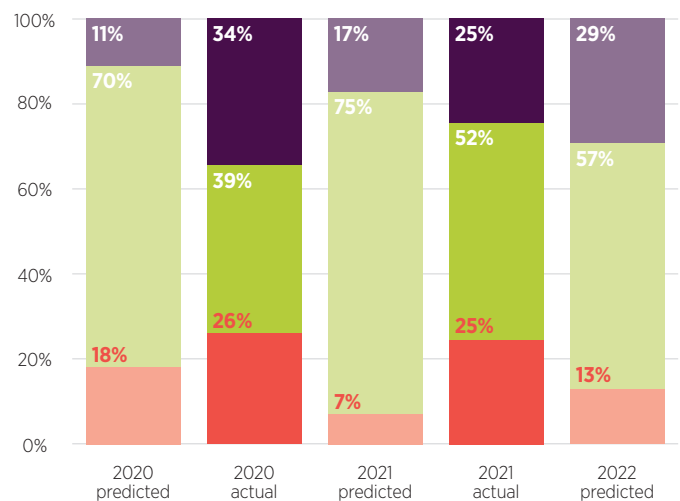
ESG as a funding source has dipped since the prior year, but the level of concern and interest has actually increased.

Team size: what treasurers said would happen vs what did happen

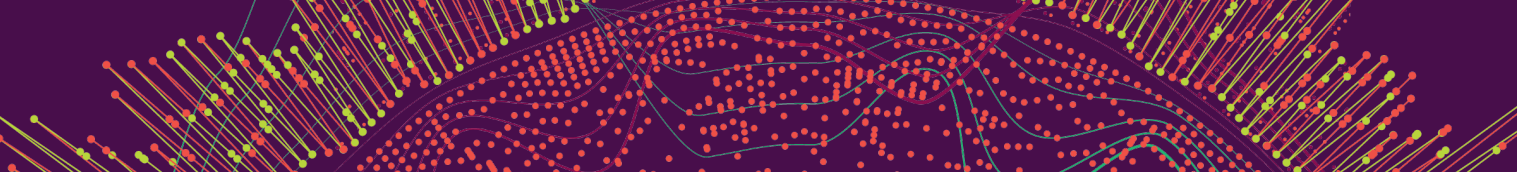
Small organisations



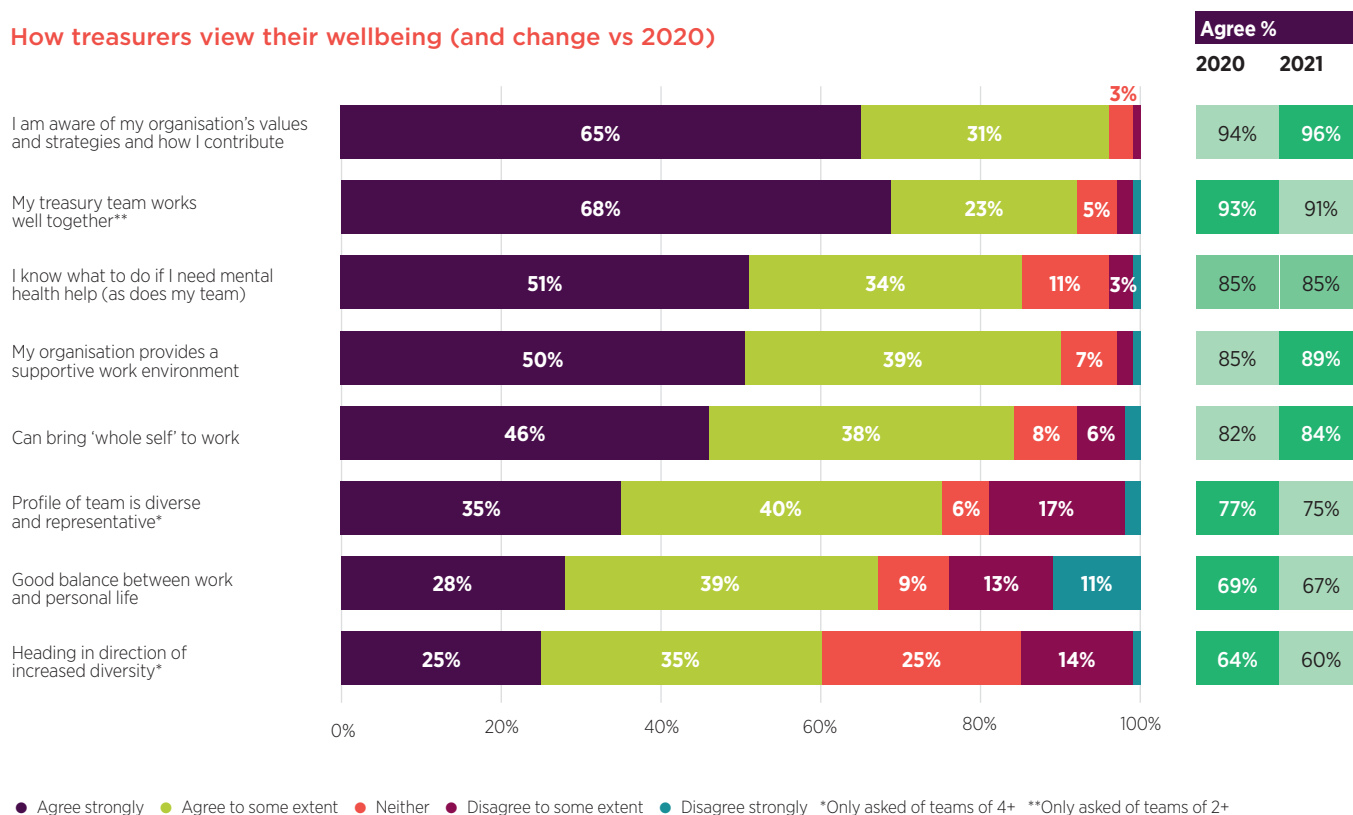
Large organisations



● Decrease ● Stay the same ● Increase



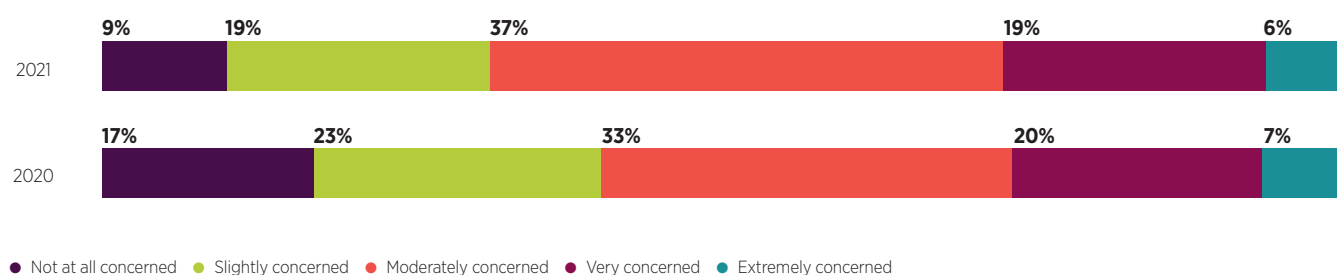
How treasurers view their wellbeing (and change vs 2020)



Proportion of funding put forward to the board that is ESG or sustainable



Level of concern about ESG and sustainability generally



SECTION 2

WORK AND LIFE PATTERNS



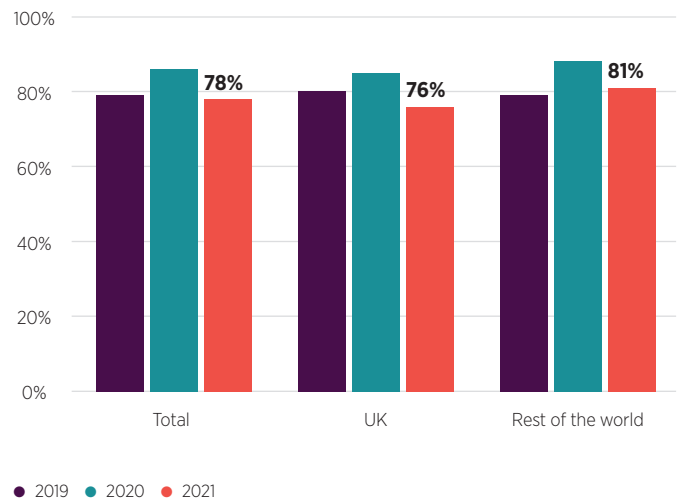
Treasurers say that technology and automation remain important concerns for their organisation, but that seems to have dipped a little after a small spike in level of concern in 2020. It is noticeable that younger treasurers and those from

ethnic minorities are more focused on technology than others. Some 95% of those who have worked in treasury for less than five years, 94% of those under 35 and 91% of treasurers from minority ethnic groups were particularly concerned about automation.

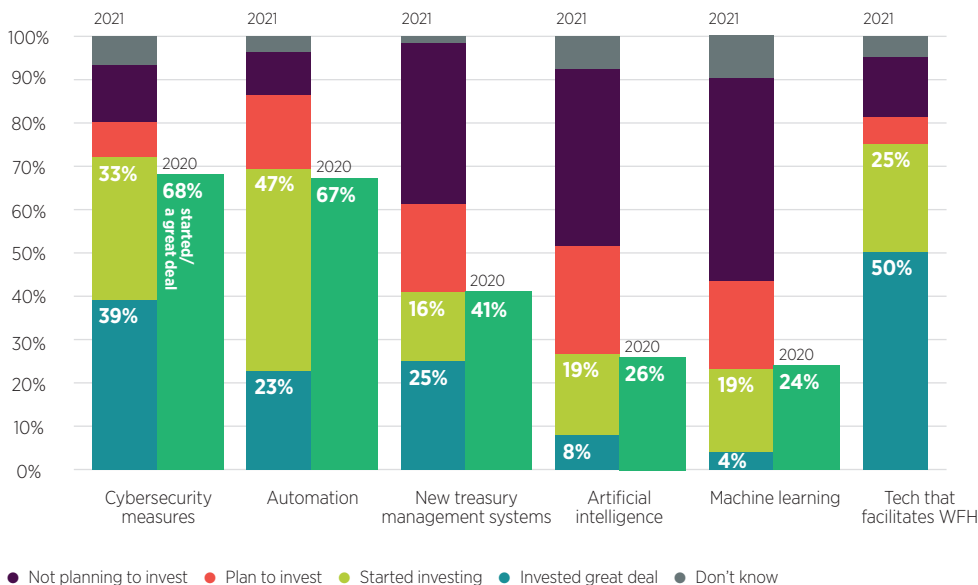
There is actual acceleration in technology investment due to the pandemic, a large part of it being around the transition to working from home.

On the whole, treasurers could carry out their role from home during the pandemic, but 59% of them reported that they found it harder to do so. Often this was about personal and family challenges, particularly among those who have children who needed home-schooling, as opposed to technical and operational matters.

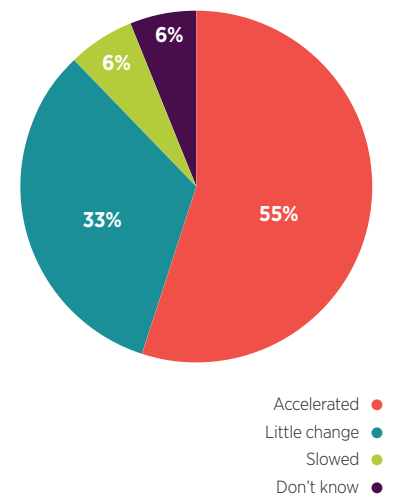
How concerned organisations are about technology, AI and automation (% net)



Where businesses are investing in technology



How the pandemic has affected the rate of technology adoption





“We have all got connected as a team. Decision-making has definitely become faster and interdepartmental communication has improved”

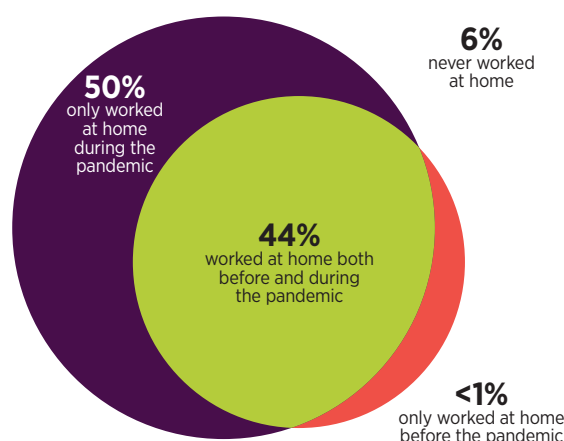
TREASURER, MIDDLE EAST



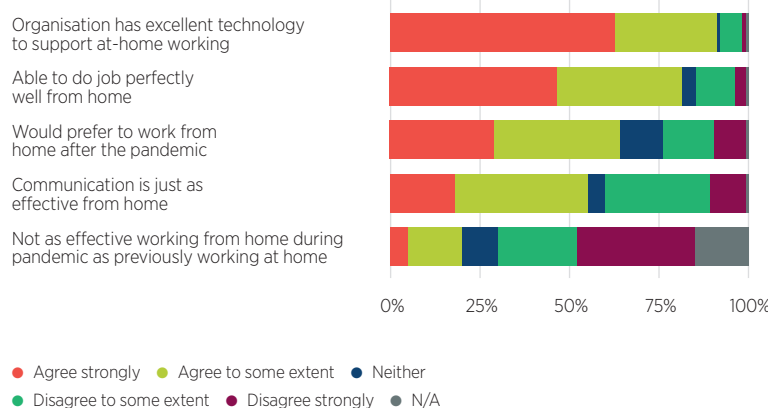
“Being more available can be a bad thing as people don’t always respect time zones and working hours. The number of meetings has vastly increased”

TREASURER, UK FTSE

Treasurers working from home



How treasurers found working from home



We see a number of paradoxes and polarised views coming through over the past year:

- treasurers miss physical interactions, yet the more formalised virtual meetings do keep to time and allow personal flexibility
- commuting time can be used for something else/better, yet the line between work and home is blurred
- some people think that we will be going back to the way things were before (24% in the rest of the world, 19% in the UK), whereas others are facing a ‘brave new world’.

When we look at moving to working from home/greater flexibility, the polarity of views becomes even more stark: while only 37% of treasurers from the rest of the world expect this to happen, 58% of UK treasurers expect it to. Many treasurers say they are effective working from home. From the treasurers’ comments, the consensus seems to be that working in the physical office is likely to range from 1-3 days a week in the future.

One of the main challenges throughout the crisis period has been getting the banks up to speed, and the requirement (in places) for wet signatures has been frustrating to say the least. Again, views were polarised – this time between treasurers and their service providers: whereas treasurers are embracing a paperless world, banks sometimes struggle to accept the art of the possible.

What will change post-pandemic



48%

expect to work from home more or have greater flexibility

58%

UK

37%

Rest of the world



20%

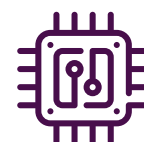
expect to change the way that they communicate, or use more video chats

21%

UK

18%

Rest of the world



13%

expect more technology and automation

6%

UK

21%

Rest of the world

SECTION 3

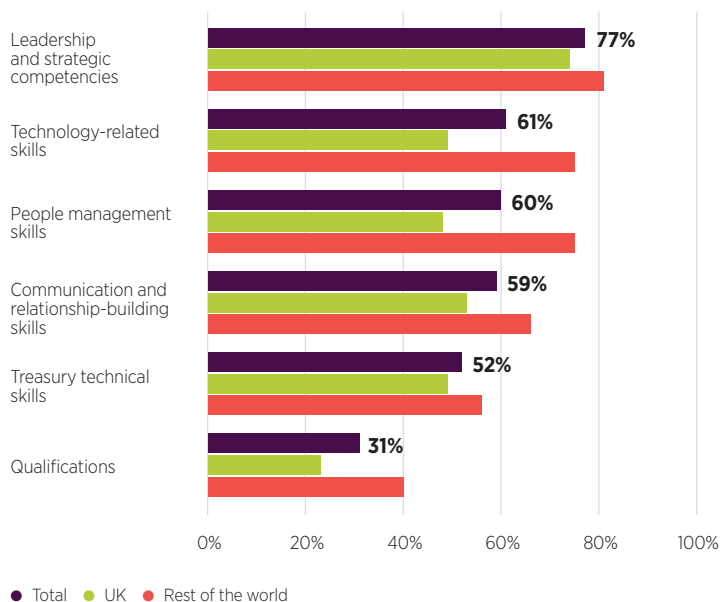
THE BIG PICTURE



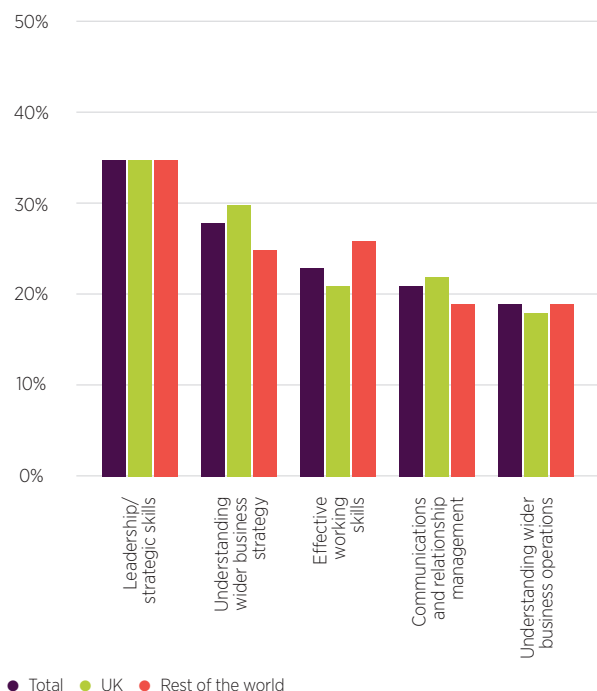
The need to develop leadership and strategic skills still remains the biggest barrier to career advancement for treasurers, and the need for these skills increases as treasurers progress through their careers. We've focused on this area

at the ACT in recent years, through our educational offerings as well as other opportunities for learning, such as (virtual) conferences and written content. Once you have the fundamental technical treasury skills under your belt, it's leadership and strategic skills that really differentiate you as an individual. It's good that treasurers still have this at the top of their learning priorities, although it has fallen slightly in importance. Technology skills have moved up as a learning priority.

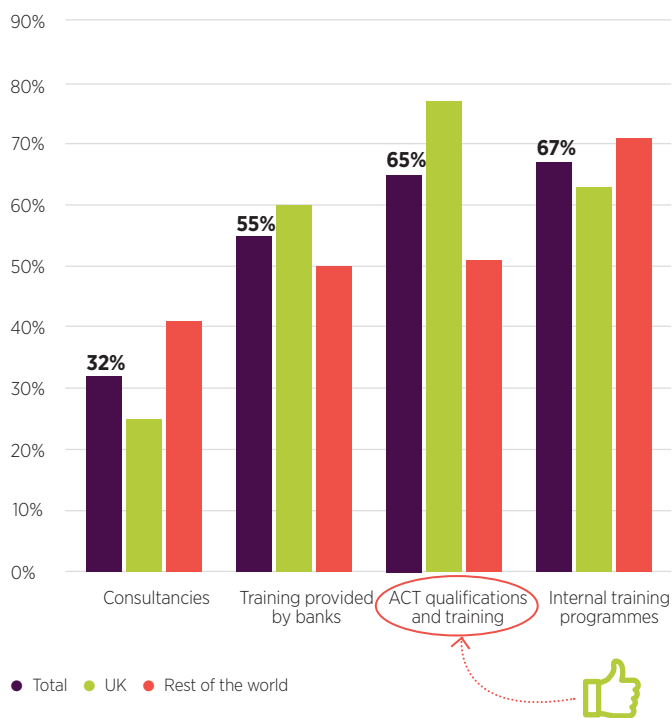
Where treasurers feel they need to develop themselves

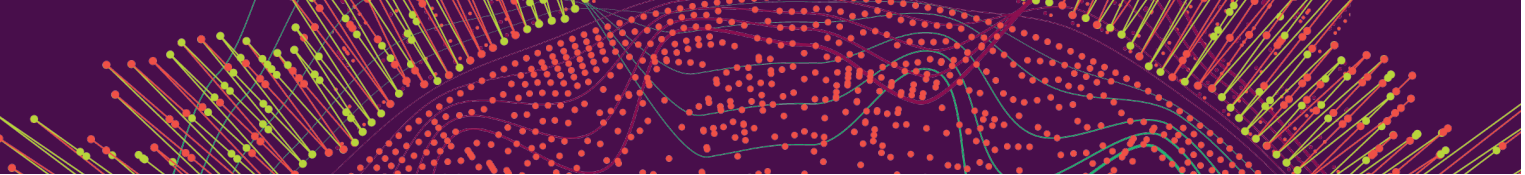


The biggest barriers to career progression (top five)



Where treasurers look for support in developing their skills





“COVID prompted a lot of tactical and business strategy discussions. Now the situation is stabilising, more time is spent on medium-term change and risk management”

TREASURER, EUROPE

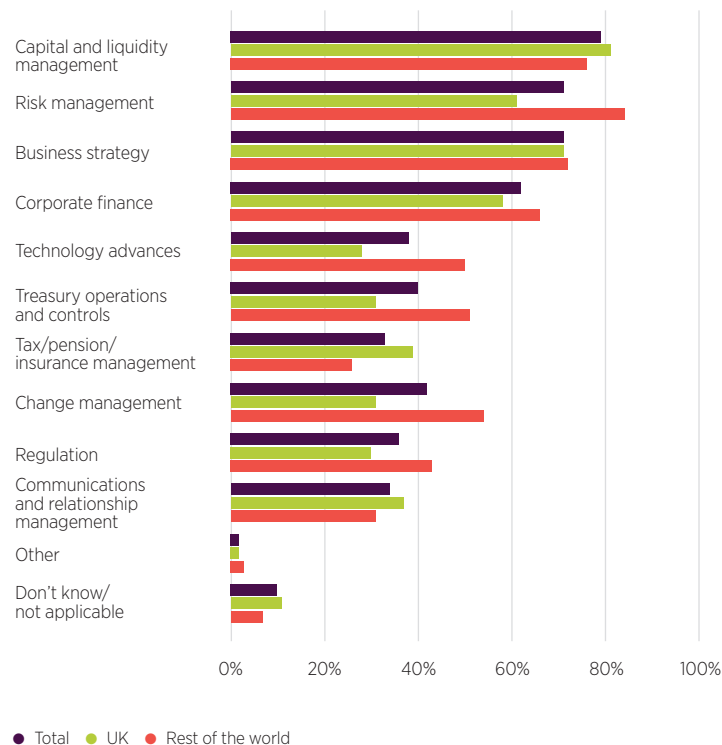
This year's survey reveals an important divergence when it comes to strategy. While boards are engaging with treasurers on a strategic level – they're looking to treasurers for input on capital and liquidity management, followed by risk management and business strategy – many treasurers have less time to spend on strategy.

Business strategy has dipped, therefore, in terms of time spent, over the past year. This bucks an upward trend.

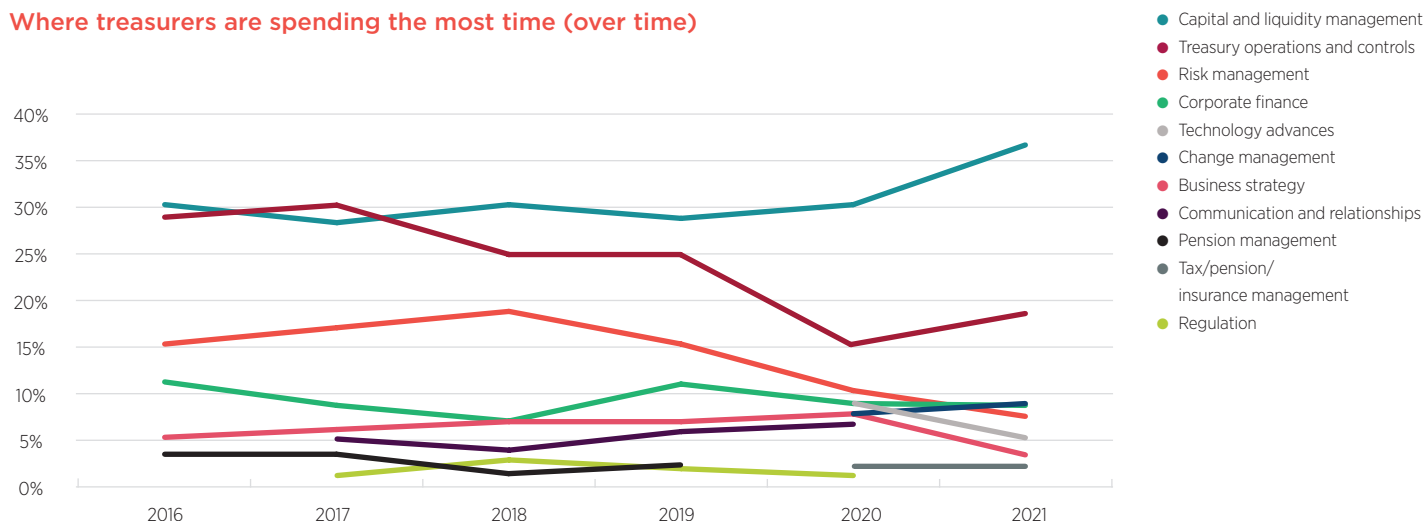
Casting our eyes forward, treasurers will have to make up for lost time to retain their place at the strategic decision-making table.

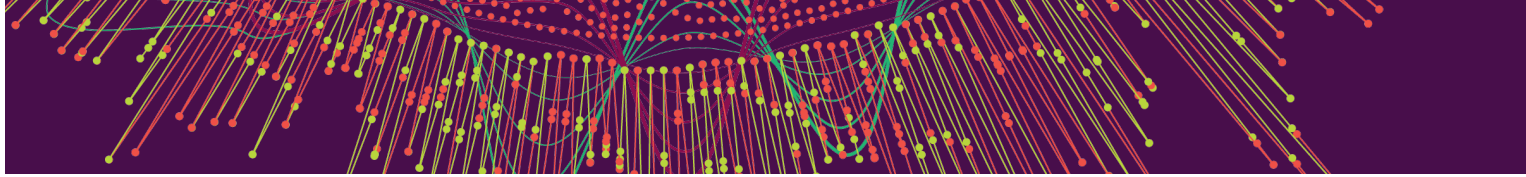
That said, the profile treasurers have received over the past year can only help. Indeed, despite the limited time available, 39% of treasurers feel that they have been working more closely with their board; 58% however say they've experienced no change. We also see that the value of the treasurer as a strategic business partner to the rest of the business continues to rise – it's now at an all-time high of 92%.

Topics on which the board has expressed an interest (past six months)

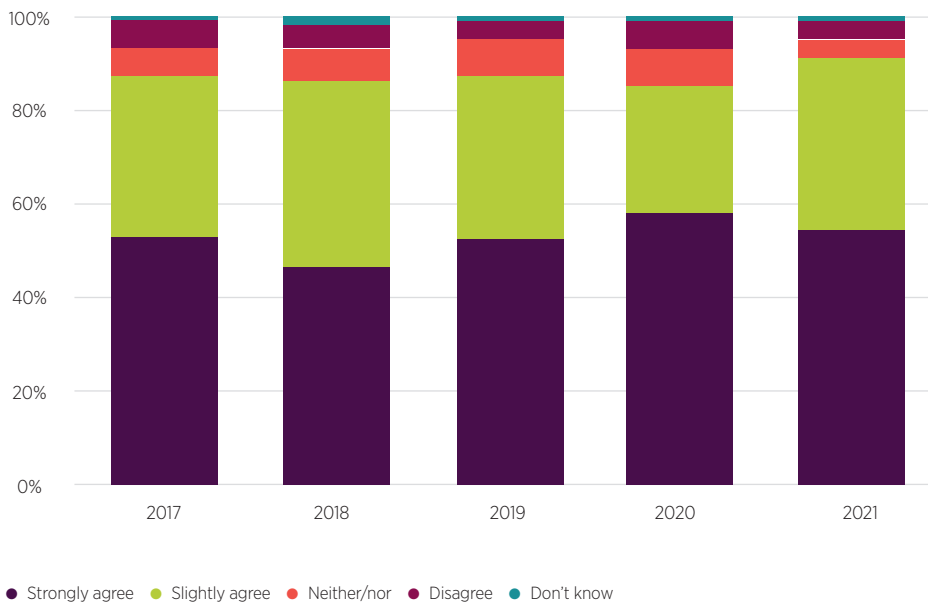


Where treasurers are spending the most time (over time)





Whether treasury is seen as a business partner



39%

are working closer with the board

58%

have seen no change

1%

are more distant from the board

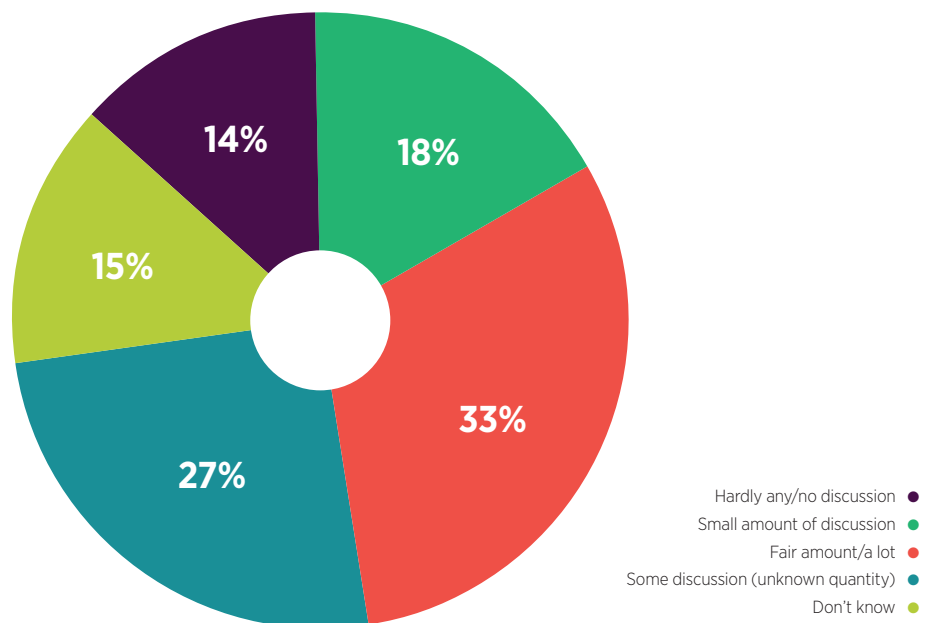
...as a result of COVID-19

The level of board discussion around COVID varies, depending on the organisation. It is quite surprising, however, to see the number of treasurers who aren't even aware of discussions.

“Liquidity management was prominent at the start of COVID-19, but has settled down”

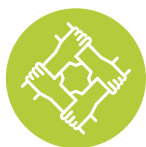
TREASURER, UK NON-FTSE

The board's topics of interest: % that was shaped by COVID



SECTION 4

BUILDING TRUST, EMPOWERING TEAMS



This year's survey threw up an intriguing, unprompted finding around trust: a significant number of treasurers said that they felt more trusted and/or they had learned to trust their team better.

Relationships have been enhanced through COVID, it seems, but people are missing being together.

Again we're seeing polarised views (perhaps even within individuals!): it's not as easy to turn around and chat with someone or meet at the water cooler, but treasurers like to be efficient and appreciate virtual meetings getting to the point quicker, so they achieve more in a shorter period of time; and while treasurers feel constrained by lockdown and physical separation from others, they find they now have more flexibility in their working arrangements and are really enjoying their independence as well as giving it to others. People feel more able to empower others, and they also possess a greater sense of self-accountability.

Many treasurers have found it hard to get energy when they've sat in front of a screen all day long. Those who have actively built in flexibility to their day by, for instance, choosing to take a break or a walk, are finding they are enjoying the benefits, with enhanced energy.

Many treasurers have found they have actually communicated more as a team over the past year, and are considering how they can carry this benefit forward into the 'next normal'.

HOW COVID HELPED TREASURERS AND TEAMS BUILD TRUST

"It's forced us to be more trusting of people and their abilities to work independently. I myself have delegated far more to the team and they have stepped up to their new responsibilities"

TREASURER, UK NON-FTSE

"This pandemic has forced CFOs and CEOs to trust their treasury department, that they can manage the risk without being sat 10 yards away from them"

TREASURER, UK FTSE

"It's increased my self-accountability"

TREASURER, UK NON-FTSE



HOW COVID CHANGED OUR WELLBEING AND SOCIAL INTERACTIONS

"Not only do I have more available time due to lack of commute, I am also more physically comfortable (no formal dressing!). Overall I am able to actually work for longer and with more energy"

TREASURER, UK NON-FTSE

"Because I don't have to commute, I have more time to be proactive. I can afford to go out for a walk at lunchtime and I live a more healthy lifestyle"

TREASURER, EUROPE

"The biggest change for me is missing the energy of having everybody together in the same room and be able to overhear each other and have a hot discussion"

TREASURER, UK FTSE

SECTION 5

FURTHER CHALLENGES AND CONCERNS



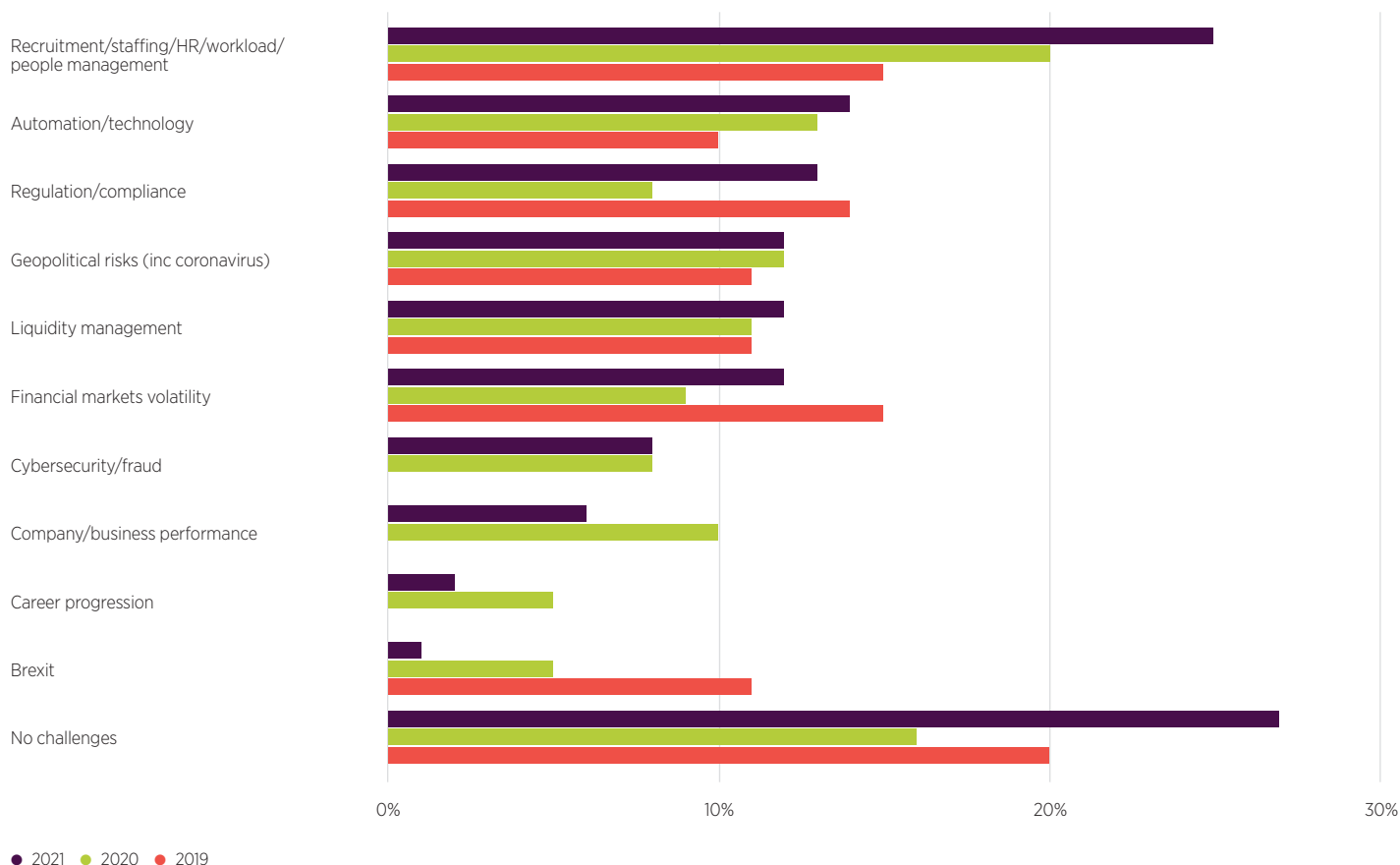
Fewer treasurers reported professional and business challenges this year. Staffing, people management and automation remain the biggest ones, continuing the trend from 2020.

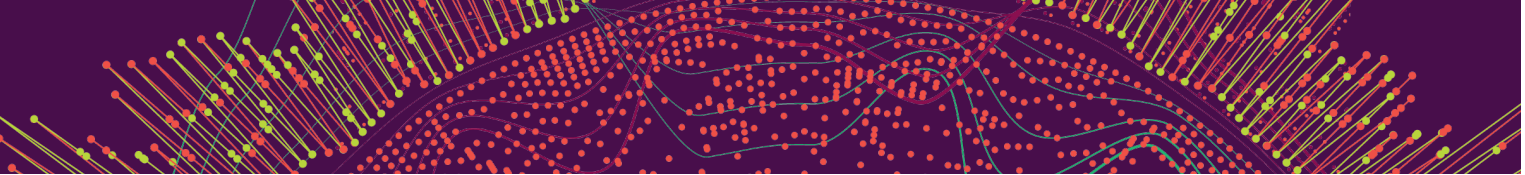
COVID-19 became the primary external concern for treasurers in 2021 of course; internally, mental health came to the fore. Reassuringly, treasurers have a little more confidence in their leadership's ability to deal with new challenges this year. However, we're

seeing more concern about learning and development as this either gets put on the back-burner or just hasn't been possible. Leadership abilities and learning were of higher concern outside the UK.

Stigmas around mental health have reduced, with 60% of treasurers feeling that the pandemic has influenced this positively. But there is still a way to go to remove stigmas entirely. Some treasurers feel that enough isn't being done, and that leadership is sometimes just paying lip service to the matter.

The professional and business challenges keeping treasurers awake at night

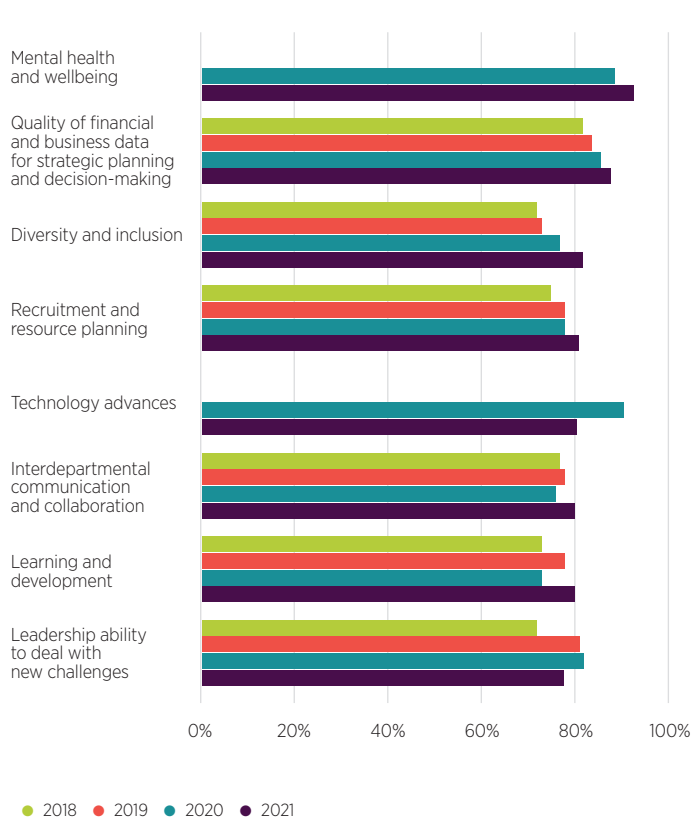




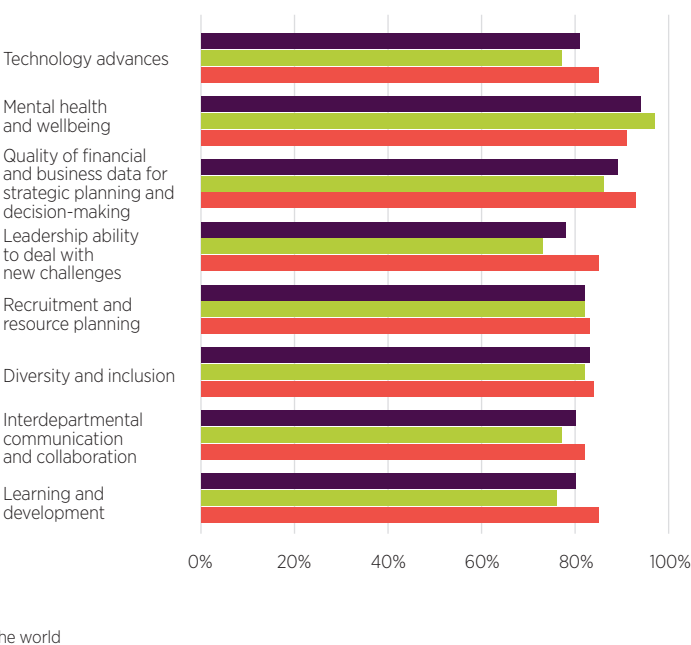
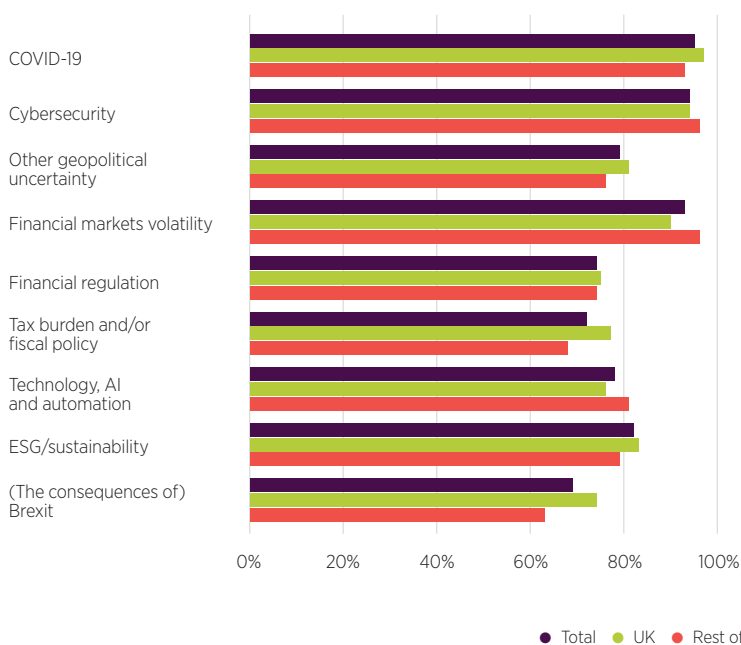
Treasurers' external concerns (over time)



Treasurers' internal concerns (over time)



Treasurers' external and internal concerns (by location)



SURVEY AND METHODOLOGY



For the past nine years, the ACT's *Business of Treasury* report has shed light on the world of treasury. This 2021 survey was conducted during

the COVID-19 pandemic and necessitated some changes to our methodology. The survey, conducted by Critical Research, took place between 17 February and 19 March 2021 and, for the first time, a mixed method survey was conducted with ACT members, using both online and telephone methodologies.

A total of 180 individual treasurers from across the globe completed the survey. As we saw in the introduction, the proportion of female treasurers surveyed is the highest it's been since the tracker began. Among respondents, 45% describe themselves as leading the treasury

function, 50% hold another treasury role and the rest hold other roles such as CFO. On average, respondent treasurers have spent 5.3 years in their current role. The average turnover of respondents' organisations was £4.8bn.

ABOUT THE ACT

The ACT is committed to helping treasurers at every stage of their career with both personal and professional development. We are committed to helping treasurers navigate a world of shifting priorities, and to being a support system for like-minded treasury professionals around the world.

As the only chartered professional body for treasury, we believe that treasury continues to be the compass needed to successfully steer organisations through future, as yet uncharted, waters.

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