TREASURY EXCELLENCE AS STANDARD

ACT CASH MANAGEMENT CONFERENCE 2021

WHAT WE LEARNED

TREASURY ON THE FRONT LINE

CASH VISIBILITY; TREASURY TECH; AUTOMATION; CO-CREATED SOLUTIONS; ESG. **CAROLINE STOCKMANN** AND **KAREN BRAITHWAITE** ON THE RECENT CHANGES THAT ARE LIKELY TO BECOME NEW REALITIES FOR THE MODERN TREASURER

Throughout the COVID-19 crisis, we've seen treasury teams doubling down on cash visibility, cash-flow forecasting and working capital management. Yes, these fundamentals have always been at the heart of treasury activity, but getting them right over the course of 2020 and 2021 has – frankly – enabled organisations to get through the pandemic and its chaotic slipstream.

As we look to the future, we'll need to bank some of the gains made – and keep up momentum on the trends that were already emerging. Here are five gains that if you've not implemented yet, you should really think about:

1. Provide faster access to cash visibility. We've seen management teams and boards demanding more and faster access to data on organisations' cash position – feeding into a renewed appreciation of the central role treasury plays and driving technology adoption.

2. Increase adoption of treasury technology. We've seen a rapid take-up of banking and treasury technology, including greater adoption of online banking from corporate clients who hadn't dealt with the banks digitally prior to the crisis. Among those already using online banking access, adoption rates of other digital solutions also grew significantly.

3. Accelerate the move away from manual processes to inspire younger treasurers. Some treasury functions have accelerated their automation programme and shifted away from manual processes. This is all good news, since a well-optimised treasury infrastructure frees treasurers up to devote their time to more strategic inputs including business partnering, providing them with more meaningful working environments and clearer career paths.

4. Look to co-create treasury technology solutions. Banks, treasurers and fintechs are increasingly working together to define challenges more precisely and to make solutions fit for purpose. There is recognition that each party has a specialism and perspective to contribute and that collaboration drives better solutions all round.

5. Participate in the transparency and standardisation of ESG offerings. Now a permanent part of the business and finance landscape, there is growing imperative to understand the quality of environmental, social and governance (ESG) finance offerings. Being able to establish that an issuance or credit offering is genuinely green or ESG-related is pivotal to their wider acceptance and take-up, and will have pricing implications in the future. As with any new feature of the finance landscape, standardisation and transparency will be key.

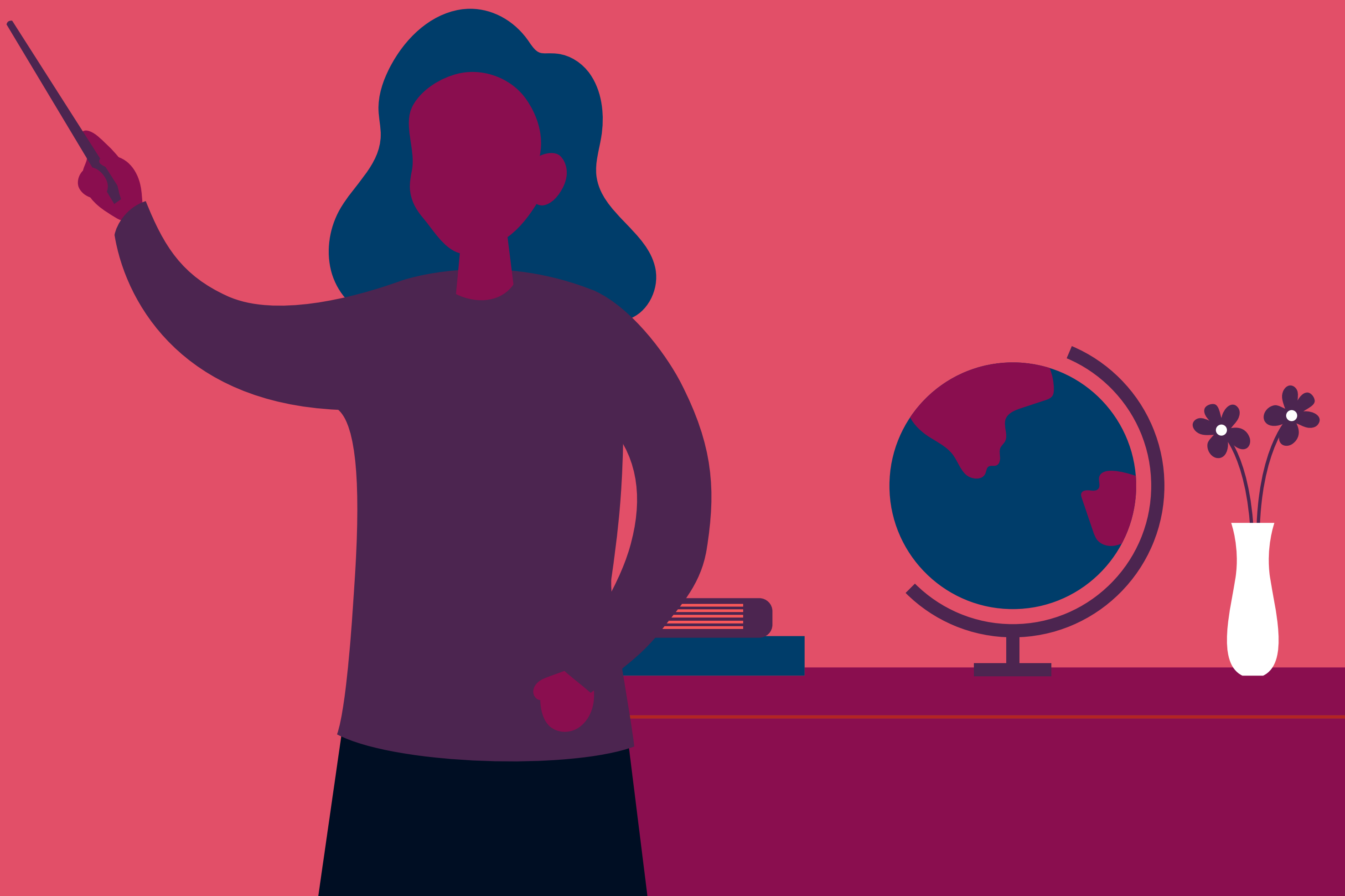
The 2021 ACT Cash Management Conference, powered by Barclays, was a chance to celebrate what treasurers have achieved over the past year – and to look at future trends in cash management.

QUICK LINKS

LESSONS FROM MANAGEMENT 2

THE STANDOUT LESSONS FROM THE ACT'S 2021 CASH MANAGEMENT CONFERENCE – **LIZ LOXTON**, EDITOR, *THE TREASURER*

CASH
2021



1 PRIORITISE CASH FORECASTING

Lessons: When we look at the impact of the pandemic – the business reaction to lockdown and the work treasurers have done in response – the leadership and sustained effort that went into cash forecasting stand out.

Throughout the crisis, treasurers became instrumental in ensuring the supply of real-time information to their boards and senior management teams, providing not just daily but intraday reports. They were an authoritative source on the business intelligence that would prove essential to understanding COVID-19 impacts.

In early lockdowns, we heard about treasury teams setting up back-to-back Zoom calls to ensure subsidiaries didn't run out of cash and remodelling cash-flow forecasting systems and protocols to deliver precise and realistic outputs.

Future actions: With a renewed appreciation of just how pivotal liquidity is, treasurers have cemented direct lines of communication with executive teams. Cash forecasting must remain agile to reflect the realities of business on the ground.

2 CYBERCRIMINALS HAVEN'T STOPPED, SO NEITHER SHOULD YOU

Lessons: Cybersecurity remains decidedly a business risk, with cybercriminals ramping up their own response to the crisis.

Shifting operations from office to home vastly increases the surface area and points of entry from the point of view of hackers. Networks and devices in the home simply do not benefit from the same level of security as office-based technology and may lack routine protections such as network monitoring, security protocols and patching. Homeworking also introduces many more devices that might be vulnerable to hackers via the internet of things. Factor in stressed-out employees and the vulnerabilities increase.

Future actions: Staying one step ahead of the cybercriminals will be crucial as lockdowns ease and more normal routines resume. Treasurers and security experts will respond accordingly, especially as hybrid modes of working start to emerge. It will be incumbent on treasurers to keep abreast of both threats and the protocols and defences that emerge.

3 OPTIMISE YOUR TECHNOLOGY CAPABILITIES

Lessons: Some organisations have taken the opportunity to ramp up their technology adoption, a development that brings huge upside in terms of visibility and cash-forecasting capacity. Well-implemented treasury management systems (TMSs) have proved invaluable to treasurers during COVID-19; however, not all treasury technology infrastructures are well-optimised. There are examples where only top-line bank connectivity has been reached or only partial TMS functionality is being used.

Future actions: Keeping a close focus on treasury technology and its possibilities is more important than ever. New technologies and connectivity models beckon, and the potential is hugely in the treasurer's favour. Advances such as machine learning and application programming interfaces will drive increased functionality and connectivity: 100% visibility is becoming a viable prospect.

4 PREPARE FOR PAYMENTS INNOVATION

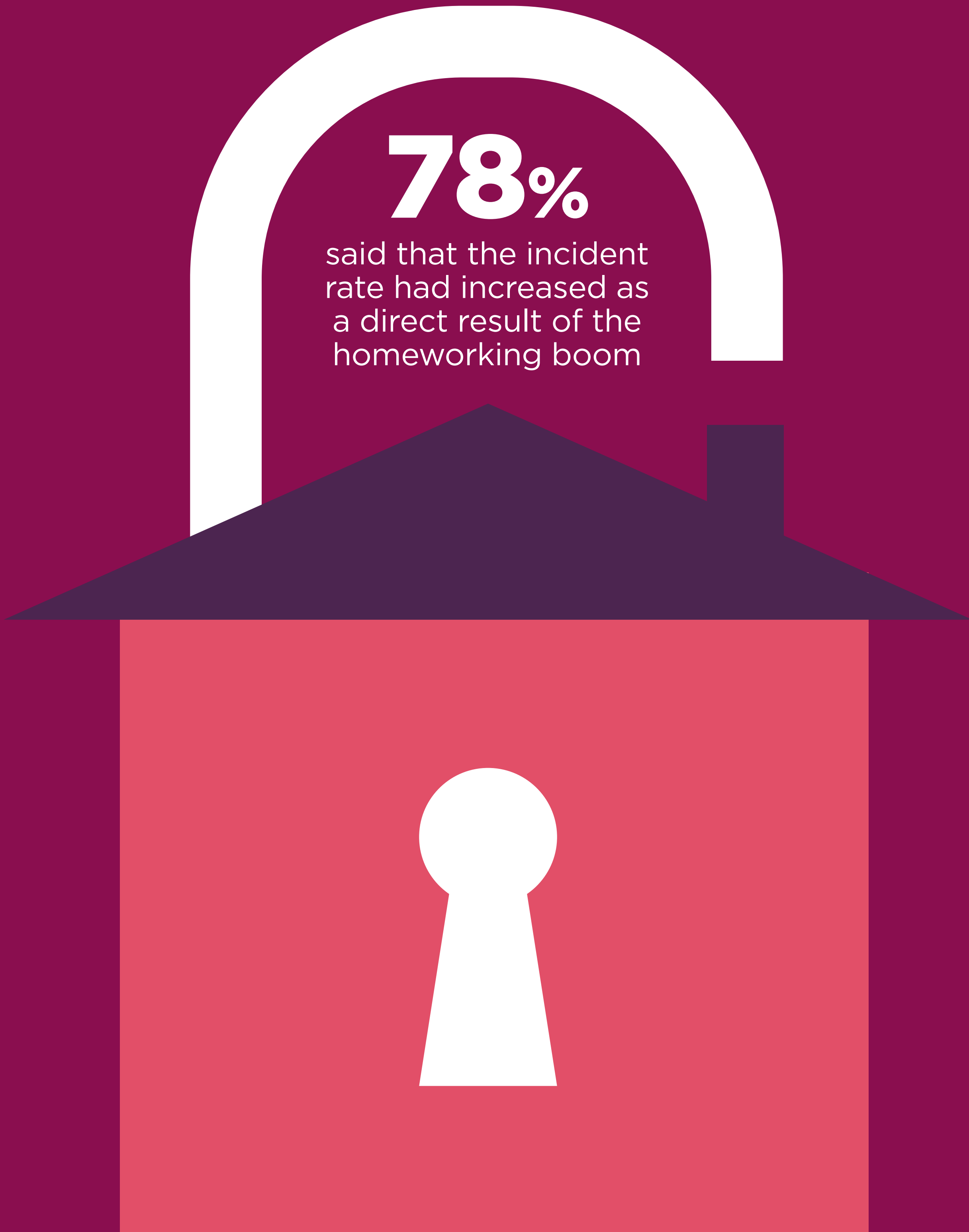
Lessons: This dynamic area has seen huge amounts of activity and investment and is one that treasurers track very closely.

From infrastructure projects like the Bank of England's real-time gross settlement system to advances in international transfers, from cryptocurrencies to bank-supported fintech developments, the payments ecosystem is enormously diverse.

Data enrichment and transparency remain key themes in the international transfer space. Migration from proprietary data tags to international standards, for instance, is an effort that will bring benefits to treasurers.

The prospect of enriched data moving around payment infrastructures such as the global correspondent banking network will greatly enhance traceability. It comes with a need for treasury technology infrastructures to keep pace with developments, however.

Future actions: Keeping abreast with ways of establishing connectivity with multiple banks or tracking payments as they transit around the globe is imperative. More and better data is coming onstream. Treasurers should ensure their infrastructures are positioned to match.


78%
said that the incident rate had increased as a direct result of the homeworking boom

CYBERCRIME

IN A PART-HOME, PART-OFFICE MODEL, KEEPING ON TOP OF SECURITY BECOMES A KEY TASK. **MATT PACKER** REPORTS

'Adapt to survive' has been the workforce mantra of the COVID-19 era, as staff in firms of all sizes have strived to adjust to new work styles based mainly at home; however, the same mantra has also applied to cyberthreats.

In June US cybersecurity specialist VMware Carbon Black published its latest *Global Security Insights Report*. Three-quarters (76%) of the respondents said that the number of cyberattacks they have experienced rose in 2020. Within that segment, 78% said that the incident rate had increased as a direct result of the homeworking boom, while 79% said that attacks had become more sophisticated.

In his foreword, VMware Carbon Black principal cybersecurity strategist Rick McElroy writes: "Digital transformation programmes advanced rapidly as the cyberattack surface expanded to include living rooms, kitchens, home networks and personal devices."

OPEN GOAL

COVID-19 has indeed left an indelible mark, shaking the white-collar workforce free from the traditional berth of the office and reframing the home as the primary site of production. 'Hybrid working' is the buzz phrase on everyone's lips.

But how can corporates avoid leaving a permanently open goal for cybercrime? That question is high on the agenda for Jason Harrell, executive director and head of external engagement at US post-trade financial services firm DTCC. As the company's cyber resilience lead, Harrell is taking a keen interest in how cyberthreats are evolving in line with the hybrid-working boom. And the past 18 months have already produced some lessons.

"The shift from an 'everyone at HQ' model to a 'corporate office plus an array of home networks' set-up increases the available surface area for attacking the corporate network," Harrell explains.

He notes: "At home, we have Internet of Things (IoT) gadgets, streaming TVs, mobile devices, smart-home features for tasks such as temperature control – all of which could be operating on the same network as hardware used to access the corporate office. Domestic devices' security status is often unknown. And if staff don't know how to protect those household devices, they will provide a vector for malicious actors to gain proxy access to the corporate network."

CONTINGENCY PLAN

Another factor that Harrell warns corporates to be more aware of is that stressed staff working from home could be more vulnerable to phishing, where hackers masquerade as trusted individuals or parties. "At home, there are more distractions," he points out. "And with COVID-19 continuing to dominate the news cycle, this event will probably continue to be used as bait for links in phishing messages."

Harrell advises treasurers: "For your domestic Wi-Fi networks, make sure you choose strong passwords and change them on occasion. That's one simple way to prevent people from accessing your home network. Another is that if you're not actually using your corporate device, just turn it off. Don't have it active-but-idling on the network."

From a management perspective, he urges: "Carry out checks on any relevant employee devices before they're allowed to connect to your network, so you have some level of assurance around their baseline security."

Patrick Verspecht is group treasurer at a multinational firm and a director at the Belgian Association of Corporate Treasurers. In his corporate work, he explains, his department managed to anticipate the COVID-19 era's requirements for cyber resilience: "Our treasury team was prepared for an era of working from home, because in 2019 the business set up a contingency plan for remote working. Every member of the team now has a company printer, company cell phone and company notebook. Those devices all have network access – but we use a highly secure VPN to connect to people's homes."

In addition, he notes: "We launched cyber-fraud training for all our people across the globe. Periodically, we test our processes by simulating issues such as CEO fraud, fake emails and other security risks. The results are improving dramatically and we believe that we have the right tools and processes in place to protect us from those risks. Even while we acknowledge that a 0% risk environment does not, and will never, exist."

BOOSTING RESILIENCE

In the long term, then, which cybersecurity considerations should be front of mind for treasurers as hybrid working cements its position as the dominant work style?

Verspecht notes: "The budget impacts of boosting cybersecurity may be higher than we expect. Perhaps we, as corporate treasurers, will need to invest in new tools, or review and update existing ones. Another major question that corporates must ask themselves is: do we have broad cyber coverage in our insurance? Very often you will need to purchase a separate policy. Last year I asked our broker if any of our policies would cover cyber fraud, and the answer was not fully positive. We do have comprehensive cyber insurance now – but we expect a double-digit rise in premiums this year."

Turning to emerging threats, Verspecht says: "I see potential for risks to emerge from some of the new functionalities in cash management, such as instant payments for the euro area. That is something that corporates will need to monitor and prepare for. In parallel, it's important to educate all of our employees about how different threats work and how they can be stopped or contained."

On a broader level, Harrell notes: "Organisations must think about how to implement remedies in a meaningful and thoughtful way. Leaders must document the performance of their chosen solutions, and ensure they have understood the risk factors within their new working environment. They must also explore new technologies that boost resilience – for example, tools such as artificial intelligence, distributed ledger and the cloud. How can we better utilise those resources to automate activities and remove the human element?"

He adds: "My hope is that hybrid working will allow organisations to tap into talent that may not be resident near corporate offices, and that it will provide a healthier work-life balance. My concern is that there will be increased compromises of popular IoT devices, and that those devices will create new security breaches for corporate networks."

KEY LESSONS

- Regularly screen employees' devices for potential cyber risks;
- Switch off corporate devices at home if you're not actually using them;
- Routinely change your home Wi-Fi password, and ensure each iteration is strong;
- Build awareness through companywide tests that simulate different threat scenarios;
- Ensure your firm is covered with comprehensive, up-to-date cyber insurance; and
- Find out how new technologies can enhance your cyber resilience.

SOURCE :
ATLAS VPN/RISK
BASED SECURITY 2020

CYBERCRIME

IS BECOMING MORE PREVALENT

37 BILLION

THE NUMBER OF DATA RECORDS LEAKED WORLDWIDE IN 2020

77%

OF BREACHES WERE CAUSED BY OUTSIDE ACTORS

16%

THE PERCENTAGE OF BREACHES CAUSED BY INSIDE ACTION

REMAINDER UNKNOWN

140%

INCREASE COMPARED TO THE PREVIOUS YEAR

CLICK HERE

2020 ALSO SAW A
100% INCREASE
IN RANSOMWARE ATTACKS

CYBERSECURITY RESILIENCE CAN BE REINFORCED...

HOW TO BE CYBER-ALERT WHILE WORKING FROM HOME

1

Set up a **COMPETENCY PLAN** for working from home and brief staff on cyberattacks

2

Issue **COMPANY EQUIPMENT** as far as possible

3

Use **SECURE CONNECTION** tools between home offices and work systems

4

ENSURE staff remain vigilant about **CYBERATTACKS** with regular catch-ups

DIMENSIONS OF TREASURERS' WORKING LIVES DURING THE PANDEMIC

- AGILITY
- LEADERSHIP
- COMMUNICATION
- FUNDAMENTALS

AGILITY: Treasurers went from working at home to operating in crisis mode – sustaining an ability to adapt against changing circumstances.

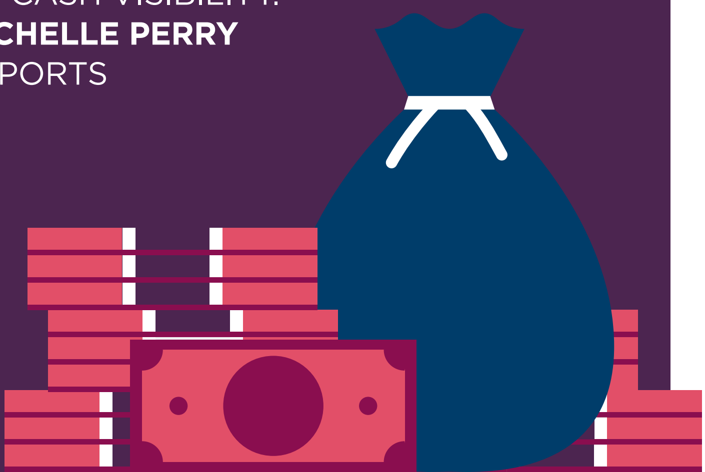
LEADERSHIP: Looking after the wellbeing of their teams while demonstrating value to stakeholders.

COMMUNICATION: They have established, reinforced and cultivated lines of communication with colleagues, their boards and banks like never before.

FUNDAMENTALS: Excellent execution of treasury fundamentals and safeguarding brilliant basics have been key.

THE IMPORTANCE OF CASH MANAGEMENT DURING THE CRISIS AND BEYOND

GROUP TREASURERS FROM TWO BLUE-CHIP COMPANIES EXPLAIN THE PRIMACY OF CASH VISIBILITY. **MICHELLE PERRY** REPORTS



What the pandemic has highlighted for organisations of all kinds is the importance of cash. Treasurers have, of course, always been keenly aware of this; however, the speed and urgency with which they have had to make decisions during the past year has reinforced that message and made visibility of cash vital.

Business continuity, risk assessment and securing operational funding became an immediate focus for treasurers when the first lockdowns hit in March 2020, as senior management teams scrambled to ensure staff could work safely and effectively from home.

But as treasurers told the ACT Cash Management Conference, it was the granular work required on cash management that really challenged treasury functions. Watch the replay of the session at treasurers.org/node/387657

A QUESTION OF FOCUS: VIRGIN MEDIA

James Marshall, head of treasury at Virgin Media, sets the scene on key issues at the media and telecoms group: "We operate in a large complex industry, with many moving parts and big payments to make, be they suppliers, interest or VAT bills. We had to keep a really good grasp of all of that and maintain our visibility of systems," he says.

In this new and high-pressure situation, Marshall says he had expected to see difficulties in some areas. In the event, few materialised – a result he puts down to the calibre of the team and a collective desire to perform well even under extreme conditions. "Great teamwork and nobody wanted their area to be the one shown to struggle. That was very important to them.

"My message to the team was to concentrate on systems security and cash visibility. My treasury background and Association of Corporate Treasurers [ACT] education certainly helped in setting a platform for us to work to."

THE LESSONS OF CRISIS MODE: IHG HOTELS & RESORTS

For Hailey Laverty, group treasurer at InterContinental Hotels Group (IHG), which owns the brands Holiday Inn and Crowne Plaza, being in an industry particularly hard hit due to the global lockdown meant she had to consider funding and cash flow in each territory.

"Assessing things operationally from a treasury perspective, we had to think in terms of funding some of our subsidiaries, which historically didn't need a lot of regular funding. We had to think in a very individual country-by-country way. Could we anticipate what the cash-flow impact of the crisis might be, for instance? Obviously, we knew that as a hotel company we were going to see a significant impact. We had to do a lot more granular work on some of those countries than was needed previously," says Laverty.

VISIBILITY IS KING

The onset of COVID-19 accelerated the move towards digitisation in treasury, with the notable need to analyse data and capture trends to provide real-time answers on cash flow. The period has also highlighted how clearer cash visibility will be progressively vital to manage future unknowns. Experts suggest the speed of digitisation will continue to increase as treasury functions require access to real-time information.

Nicolas Christiaen, global CEO of cash and working capital forecasting fintech Cashforce, adds that during the crisis it became apparent that additional focus around cash visibility is far from a short-lived fad. "In the future, it will remain vital to keep a good grip on cash for potential unknowns. The COVID-19 crisis introduced new risks for the future into the system, leading to more questions being asked by different stakeholders that required faster answers," he says.

THE DIGITISATION FUTURE

The complexity of cash management has increased with organisations at different stages of their digitisation journeys. Few corporates have perfect, clean data to analyse, but the growing adoption of machine learning and artificial intelligence treasury tools have shown that they can speed up these processes to provide treasurers with quicker answers and solutions – a realisation that can be expected to pay performance dividends in the future.

For instance, one aspect of treasury technology brought into focus is how very Excel-dependent treasuries are when collating information to make decisions. The message around future-proofing has now been heard loud and clear.

"Cash forecasting and putting together statements, making better use of some technology is something that we're going to be doing with more rigour in the future," says Marshall. "I think that more future-proofing is needed."

BANKING RELATIONSHIPS

Despite the economic turmoil, treasurers found their bankers were supportive, positive and vital. In the future, treasurers said they anticipate that the emphasis on the two-way relationship with banks would be key, as well as perhaps a broader church of banks for more specialist areas.

Marshall comments: "The ability to talk freely with bankers about operational issues was very helpful."

Laverty agrees: "Right at the start of the crisis, all our banks were interested to try to understand the impact on the operational side, and whether we needed any additional support with any potential cash-flow impacts. It was useful to have those conversations with our bankers just to set the scene in terms of where we are practically."

Laverty adds that her group's banks were very supportive in helping the team negotiate covenant waivers and amendments, as well as discussing the business model and always thinking about what the picture looked like going forwards.

KEY LESSONS

- "Always make sure you understand the granularity underneath your cash forecast. You never know when you need it" – Hailey Laverty, IHG Hotels & Resorts
- "Along with understanding cash cycles, working capital cycles are also important. Make sure you do both" – James Marshall, Virgin Media
- "What's now key to future progress in treasury functions is lowering the barrier to new technology in order to get it in the door and rolled out without huge investment" – Nicolas Christiaen, Cashforce

FINAL THOUGHTS

Having underscored the need for detailed cash forecasts and a deep understanding of working capital, the pandemic crisis will – it is to be hoped – clear a path for new technology in treasury functions.

APIs, FASTER PAYMENTS AND THE DEMISE OF CASH

TREASURERS NEED PAYMENT INNOVATION TO ENSURE THEIR IN-HOUSE RESOURCES MATCHES WHAT'S GOING ON IN THE WIDER WORLD. **LIZ LOXTON** REPORTS

Technology is a significant driver within the payments space, as are competition and regulation. The customer journey is also a significant focus, with fintechs vying to enhance customer payment experiences and central banks investigating digital currencies. Here are four key themes where treasurers need to keep up to date with progress.

1 THE PAYMENT INFRASTRUCTURE

The Bank of England has been rebuilding its real-time gross settlement (RTGS) infrastructure and is about to enter an implementation phase on a system that, it says, will bring greater stability and herald the arrival of richer payment data.

That richer, more structured data will filter down into better services and payment journeys.

With the migration from the proprietary MT messaging system to international payment standard ISO 20022, individual payments will carry additional markers (such as legal entity identifiers) facilitating better traceability as well as highlighting different parties in the payment chain.

Action: Act now to ensure internal systems – such as treasury management systems or enterprise resource planning systems – are aligned with incoming standards.

2 APIS

Open Banking has brought more market participants into the payment space. Non-banks and fintechs, in particular, have set their sights on improving payment journeys for retail and corporate customers.

The application programming interfaces (APIs) on which Open Banking is based have started to make an impact on the life of the corporate treasurer – in ways that have proved helpful during the difficult trading conditions prevalent since mid-last-year.

For instance, APIs can provide treasury functions with increased visibility on the cash balances of overseas operating companies and subsidiaries enabling them to take intraday action on overseas cash balances.

Action: Look for ways in which APIs can improve cash visibility and payment management.

3 CONTACTLESS AND FASTER PAYMENTS

The COVID-19 crisis and associated lockdowns have fast-tracked the adoption of digital payments and accelerated the decline in cash with astonishing swiftness.

The slowdown in economic activity last year brought falls in payment volumes overall, as business confidence fell; however, the growth in digital payments was remarkable. Over half of all payments in 2020 in the UK were made via cards, and cash payments fell by 35% compared to the previous year, according to UK Finance's market summary for 2021.

In the UK, contactless payments rose from 19% of all payments in 2018 to 27% in 2020.

Faster Payments also increased. According to UK Finance's *UK Payment Markets 2021* report, the number of remote banking payments processed via Faster Payments (or cleared in-house by banks) rose by 21% to just under £3bn. Four out of 10 B2B payments were made via Faster Payments or other remote banking in 2020.

Action: Treasurers need to look at digital payments strategically. Businesses, particularly consumer-facing ones, need to position themselves to accept payments via a range of channels.

4 CENTRAL BANK DIGITAL CURRENCIES (CBDCS)

The Bank of England, along with the vast majority of central banks, is looking closely at CBDCs, prompted in part by the rapid changes in the payments landscape, especially the increase of digital money.

Touted as a means of counteracting the privatisation of money that the shift to digital arguably brings about, the Bank of England argues a CBDC, underpinned by secure technology, will increase resilience in the global payments system and could become a building block for better cross-border payments.

Commercial organisations such as banks and fintechs are also watching closely to see where their own innovations might intersect with CBDC development, particularly in relation to international payments.

Action: Stay on top of trends in electronic money – there could be fundamental implications for treasurers and payment management.

FINAL THOUGHTS

Payments innovations, in their many forms, have real implications for treasury management. Tracking developments and ensuring that in-house technology matches what's going on in the wider payments world will remain firmly on the treasurer's radar.

TMS EVOLUTION

A STRONG TREASURY MANAGEMENT SYSTEM CAN OPTIMISE CASH AND LIQUIDITY MANAGEMENT NOW AND IN THE FUTURE. **LESLEY MEALL** REPORTS

There has been massive innovation in treasury and payments technologies in recent years and this has, like many tech trends, been accelerated by the pandemic. We have become significantly more interconnected and so have many of the tech tools we rely on, including the treasury management system (TMS).

"You should think of your TMS as the centre of the universe," says Tom Leitch, director of sales and business development for treasury at Bottomline TreasuryXpress. With a strong design, a TMS can offer flexible, secure payment functionality and insights that deliver value across the whole business and not simply the treasury function or even the finance department.

FRESH PERSPECTIVES

The key to achieving this – with an existing or prospective TMS – is connectivity. "A multibank TMS has the ability to capture data, on a single platform, from various sources and complex processes," continues Leitch.

To maximise its potential, the reach of that TMS needs to extend not just to banking partners and payment service providers, but internally across the business – quickly, easily and automatically exchanging data with other internal systems with data feeds from enterprise resource planning (ERP) systems, trading platforms, expense management systems, invoice management and so on.

Benefits accrue when your TMS can automatically bring in, for example, future book transactions from your ERPs, forwards from your trading system, and data on interest and principal payments from your debt portfolio. "Once you've got all of this interconnected, it's going to optimise your cash and liquidity management," says Leitch.

There is real value in combining the enterprise data and the bank data, and getting that single overview and summary of all this in a visual dashboard, showing business key performance indicators. "Without a TMS that makes it easy to integrate the data streams from multiple systems, software, physical locations, divisions and so on, this is almost impossible."

REMOVE CONSTRAINTS

In achieving and sustaining this, the importance of extensive, flexible and automated connectivity cannot be overemphasised. It's not enough for your TMS to connect to two of your main banks and not the other six, just one of many ERPs, or the relevant enterprise systems at head office without your 15 subsidiaries.

While a company with a multibank TMS has the potential to capture data from various sources and complex processes on a single platform, not all TMSs provide for that functionality readily – and for a variety of reasons. Some of these relate to constraints upon a company's legacy non-TMS tech infrastructure; some are TMS-specific.

A large organisation with myriad complex systems and processes can find integration challenging, despite increasing availability of application processing interfaces (APIs) and other software connectors. Even an established ERP system with different version numbers can create integration barriers.

Additionally, some software providers are more prescriptive than others, meaning that integration across systems could be more challenging. When evaluating TMSs, find out what can be connected and how easily. Maybe you should also be asking your current TMS provider: How easy is it to connect everything?

To future-proof your TMS, it is helpful if treasurers can be involved in procurement, implementation and systems development. Without that involvement it might prove costly and complex – if not impossible – to achieve 100% connectivity between the TMS and the systems with which you want to exchange data.

The better connected your TMS is, the better you will be able to respond to the changing demands of treasury. During the pandemic, many treasurers have been asked to report on cash positions daily and intraday, with questions on different iterations and forecasts coming thick and fast throughout the day.

LOOKING AHEAD

As the world of business and payments becomes more complex and more automated, so will providing accurate responses to questions such as: What is our position now? and: What has changed between this morning and this afternoon? Answering such questions will require more and better data, and a TMS that can access, unify and share it quickly and easily, without presenting reformatting issues.

Being able to access more data can allow treasurers to make more intelligent working capital decisions and provide better-informed insights to colleagues. But the flexibility that underpins interactivity between systems and the data it can liberate will also be necessary if treasurers (and their TMS) are to embrace and exploit future tech-enabled developments and possibilities.

Smarter systems that rely on quantities of quality data are evolving within the treasury ecosystem. "Data-analytics techniques like machine learning and predictive analytics are coming to the forefront and enabling treasurers to make short-term and long-term decisions that have a vast amount of power behind them," says Leitch.

Business and payments are in very different places from where they were a year ago and where they will be tomorrow. The arrival of regulation in Europe around Open Banking and the associated APIs have, for example, already reshaped possibilities regionally, and their use is spreading both globally and evolving.

"There are now lots of different payment options," says Leitch, who anticipates a hybrid future with APIs, API bureaux, SWIFT service bureaux, secure file transfer protocol and other options. "The ideal solution is to create a payment factory, where you can choose the least expensive or the quickest approach and have that logic already built into your TMS."

Changing bank requirements, regulations, tech and so on can create lots of moving parts. Ideally, your TMS can and will be updated to reflect such things, before you become aware of them. "You need a TMS that will provide and retain the maximum flexibility," says Leitch, "because you don't know what is going to happen or what will work best for you in the future."

KEY ACTIONS

What treasurers can do:

- Decrease time spent on manual tasks;
- Streamline processes;
- Automate as much as possible;
- Feed your TMS the data it needs;
- Connect it to all relevant internal and external systems;
- Involve treasurers in procurement, implementation and development of internal systems that might exchange data with a TMS;
- Unify your data from enterprise and bank systems;
- Partner with providers that do not limit your connectivity and payment options; and
- Use your TMS as a payment hub.