2023 TREASURY TECH SURVEY RESULTS

WHAT
Discussing the results of the 2023 Treasury Technology Survey.

WHEN
Wednesday, September 6, 2023
2:00 PM - 3:00 PM EDT

JON PAQUETTE
Vice President of Solutions, TIS

CRAIG JEFFERY
Managing Partner, Strategic Treasurer

WHERE
Live online presentation
Replays at StrategicTreasurer.com

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ABOUT THE SPEAKERS

GET TO KNOW TODAY'S SUBJECT MATTER EXPERTS

JON PAQUETTE

Jon Paquette is Vice President of Solutions with TIS. In his role, he assists clients and prospective clients in finding the best use of the technology that TIS offers to solve their organizational challenges. Prior to joining TIS, Jon held various Finance and Treasury positions in U.S.-based organizations. Most recently, Jon held the role of Senior Director, Treasury for a large health care organization. Jon holds a BA in Economics from Merrimack College and an MBA from the Carroll School of Management at Boston College.

CRAIG JEFFERY

Craig Jeffery formed Strategic Treasurer in 2004 to provide corporate, educational and government entities direct access to comprehensive and current assistance with their treasury and financial process needs.

His 30+ years of financial and treasury experience as a practitioner and as a consultant have uniquely qualified him to help organizations craft realistic goals and achieve significant benefits quickly.

TOPICS OF DISCUSSION

KEY AREAS OF FOCUS & ANALYSIS

ABOUT THE SURVEY

KEY POINTS OF INTEREST

ADOPTION & GROWTH

ADOPTION RATES OF TREASURY TECHNOLOGIES

ITEMS OF IMPORTANCE

BUYING, CONNECTIVITY AND PRODUCT DEVELOPMENT

AI/ML

IMPLICATIONS FOR FORECASTING, FRAUD AND OTHER AREAS

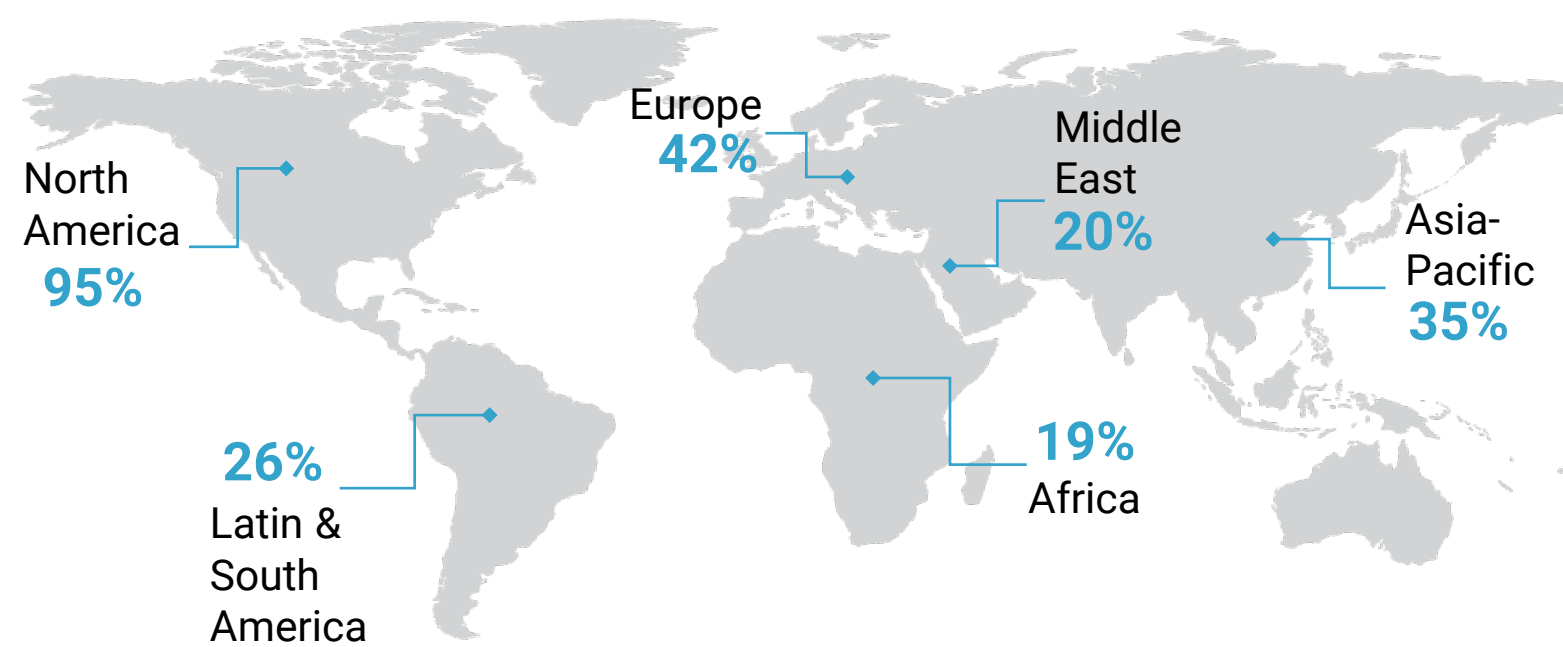**EXPOSURES & RISKS**

SHIFTING ACROSS CATEGORIES
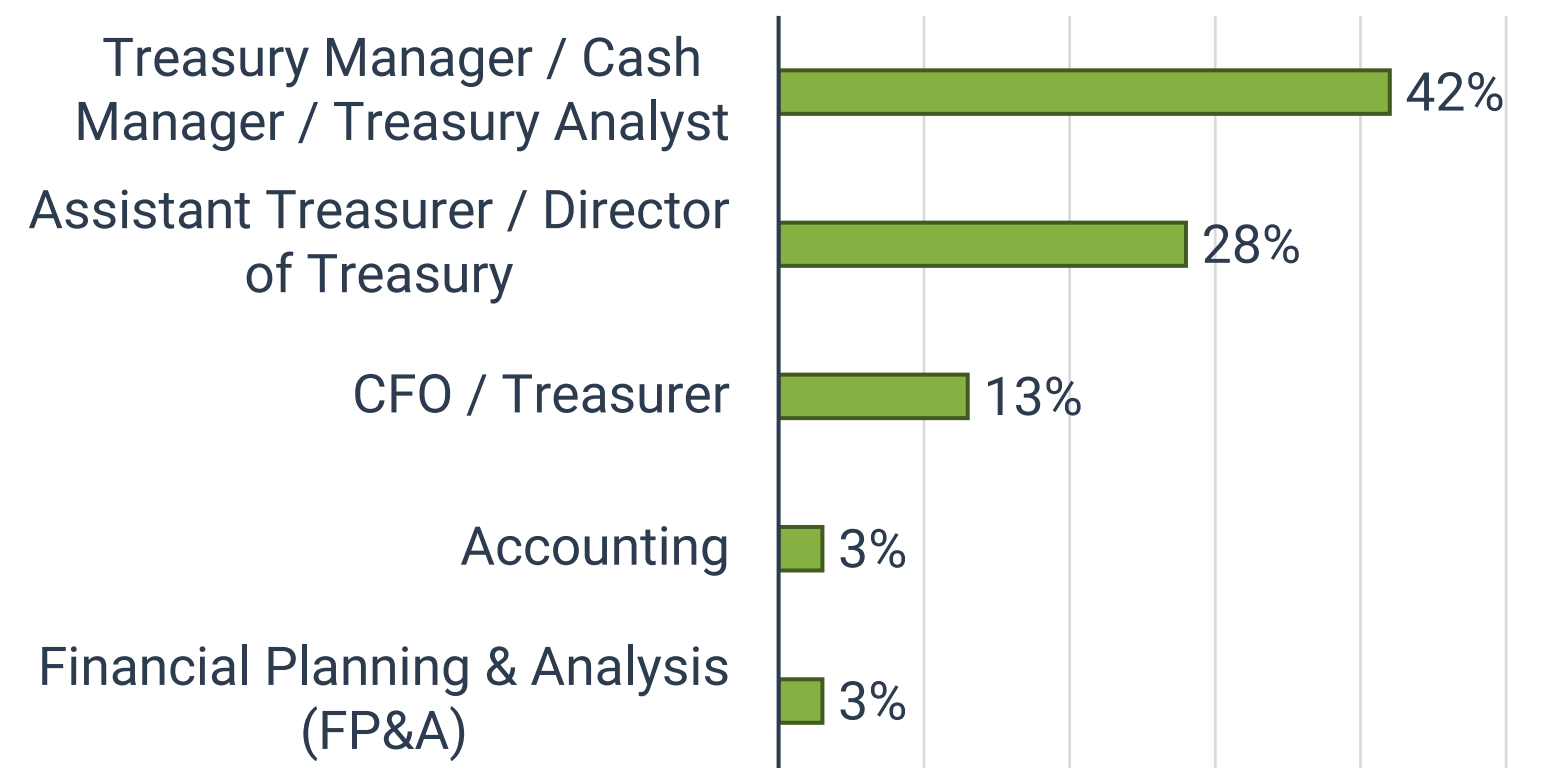
KEY TAKEAWAYS

AND FINAL THOUGHTS

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SURVEY QUICK STATS

2023 TREASURY TECHNOLOGY

200+ Respondents

4 Week Survey Run-Time

50+ Questions

Regions of Operations

North America **95%**

Latin & South America **26%**

Europe **42%**

Middle East **20%**

Africa **19%**

Asia-Pacific **35%**

Top Respondent Roles

Role	%
Treasury Manager / Cash Manager / Treasury Analyst	42%
Assistant Treasurer / Director of Treasury	28%
CFO / Treasurer	13%
Accounting	3%
Financial Planning & Analysis (FP&A)	3%

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TREASURY TECH USE AND ADOPTION

ACROSS BUSINESS SIZE AND LOCATION

TMS

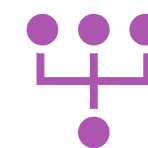100+% growth expected in medium and small businesses (<$5B)

Reconciliation

Small businesses (<$500mm) anticipate 44% increase in adoption

Payment factory

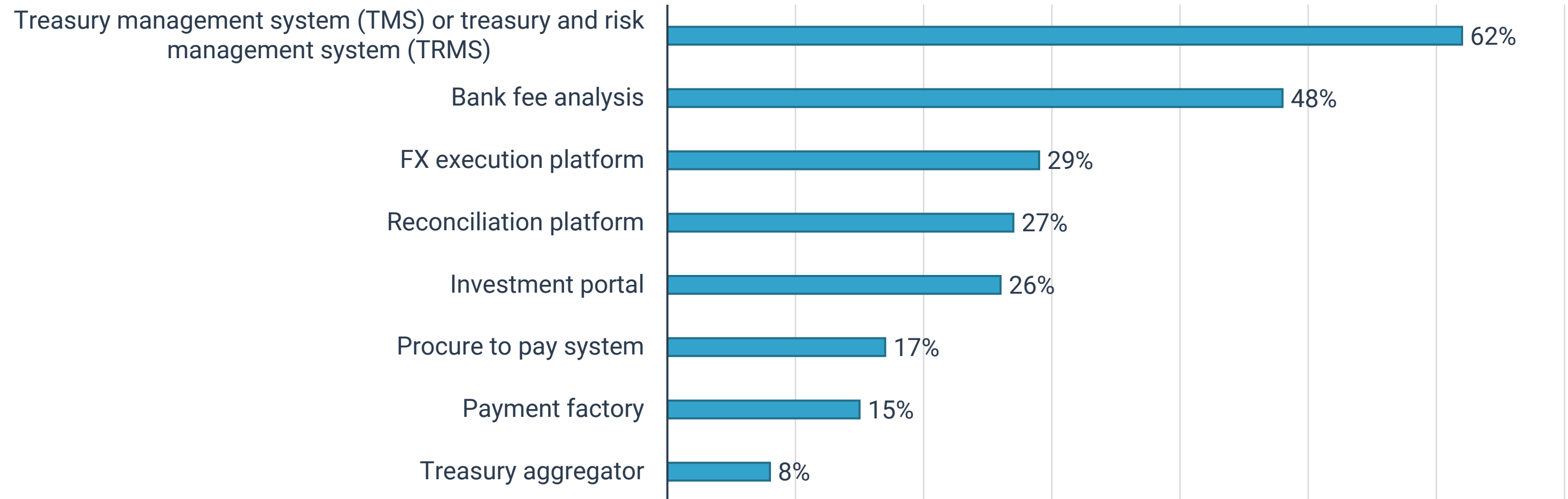Market size in medium and small businesses (<$5B) expected to more than double
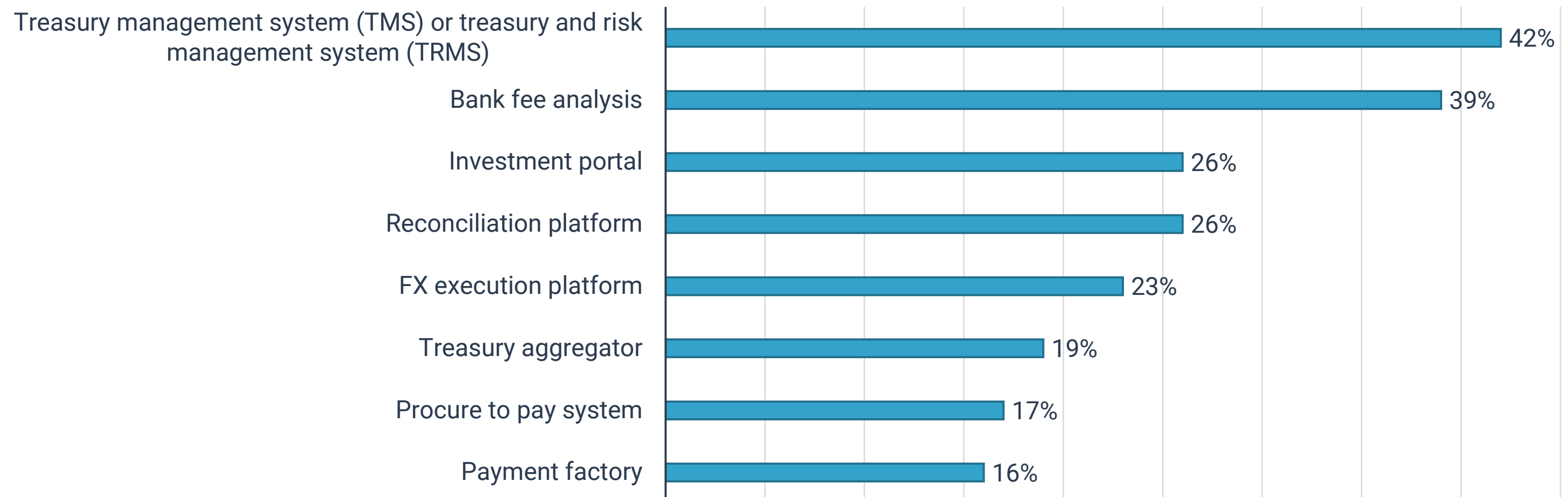
Treasury aggregator

100+% growth expected in businesses in North America

POLL QUESTION

Poll 1 - Which of the following do you currently use? (select all that apply)

Category	Percentage
Treasury management system (TMS) or treasury and risk management system (TRMS)	62%
Bank fee analysis	48%
FX execution platform	29%
Reconciliation platform	27%
Investment portal	26%
Procure to pay system	17%
Payment factory	15%
Treasury aggregator	8%

Poll 2 - Which of the following do you plan to use within 2 years? (select all that apply)

| Category	Percentage
Treasury management system (TMS) or treasury and risk management system (TRMS)	42%
Bank fee analysis	39%
Investment portal	26%
Reconciliation platform	26%
FX execution platform	23%
Treasury aggregator	19%
Procure to pay system	17%
Payment factory	16%

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CLOUD DOMINANCE
ACROSS SOLUTIONS

Most current and planned systems are cloud-based for each category

82%	71%	65%	59%
TMS	Treasury aggregator	Payment factory	Netting platform
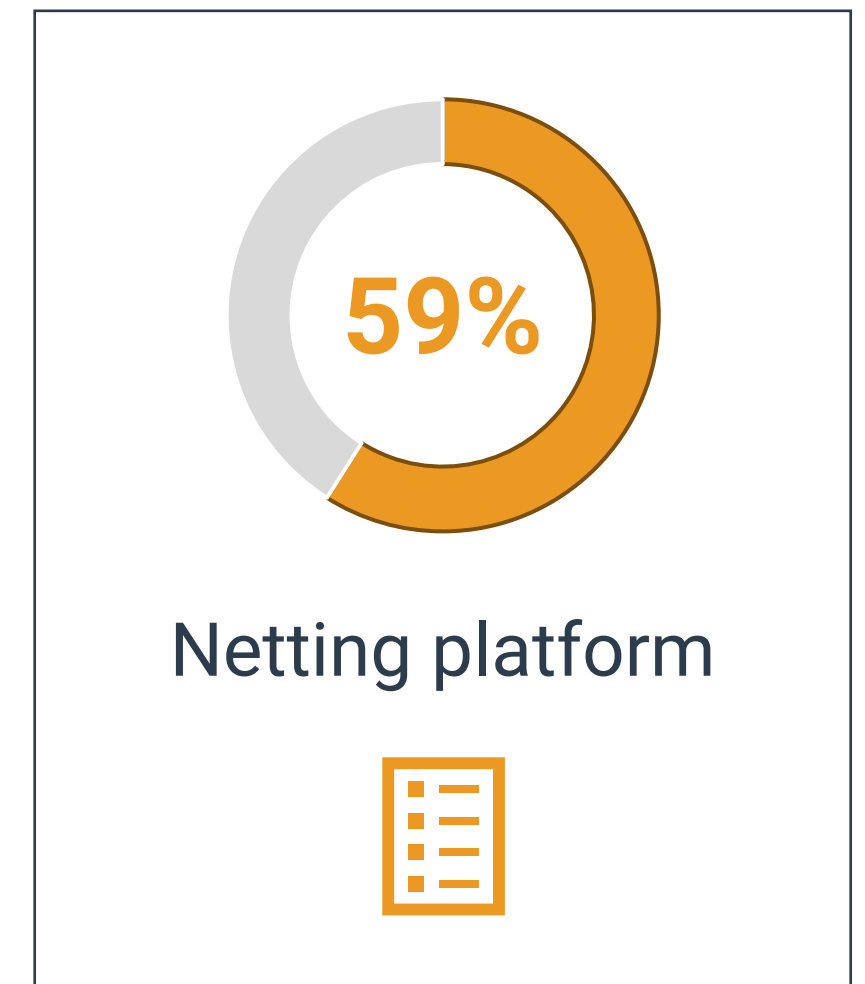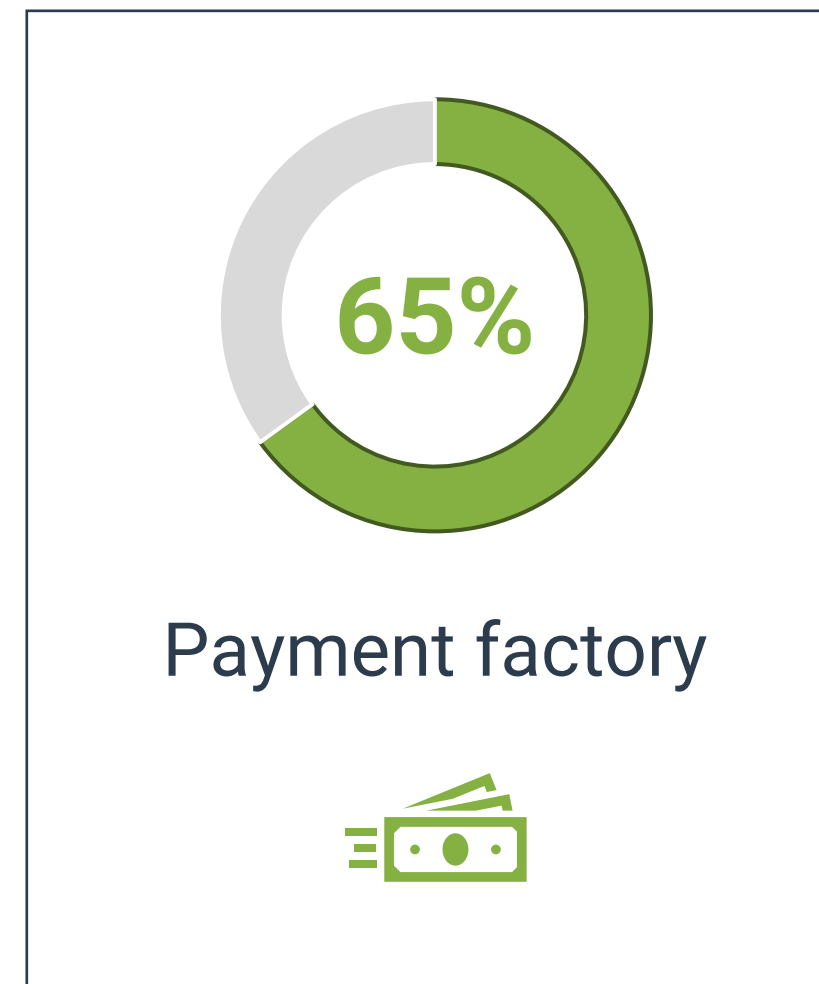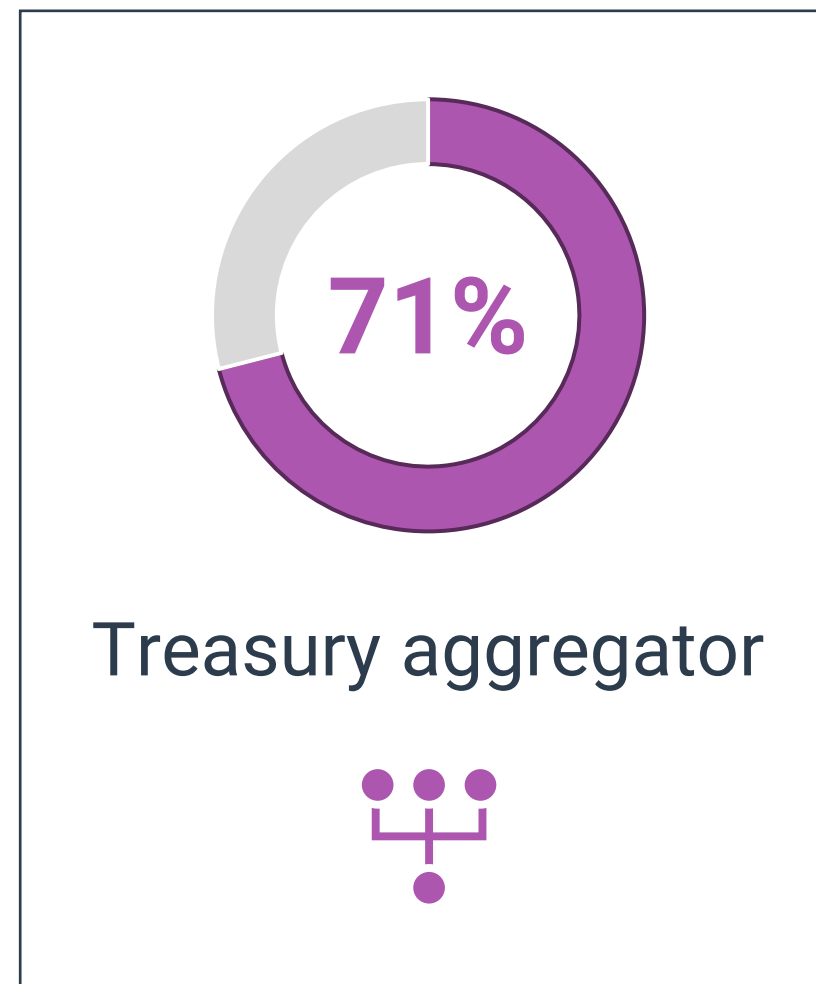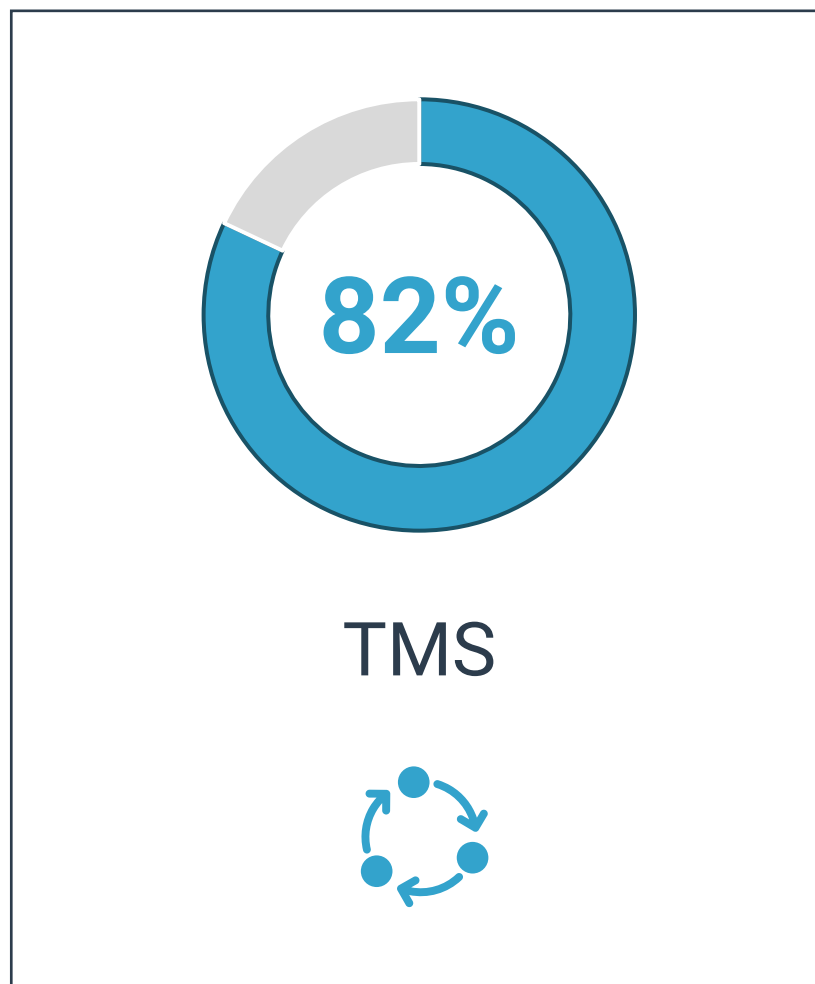
INFLUENCES ON BUYING DECISIONS
VENDOR COMMITMENT TO PRODUCT HAS GREATEST IMPACT

» Corporate: *When looking at TMS/TRMS systems, how important are the following categories in your buying decision?*

Category	Extremely Important	Important	Neutral	Low Importance	Not at all Important
Vendor commitment over time to the product	61%	29%	9%		1%
Leverages modern technology (e.g., supporting API use; machine learning)	48%	38%	13%	1%	1%
Robustness of future roadmap	44%	40%	13%	2%	1%
Historical delivery on their product roadmap	39%	49%	11%		2%
Vendor leadership	22%	52%	24%	1%	1%
Strength of the balance sheet/investors	18%	50%	29%	3%	1%
Whether the vendor is profitable	16%	58%	21%	4%	1%
Revenue size of the vendor	13%	43%	40%	3%	1%

Legend: Extremely Important, Important, Neutral, Low Importance, Not at all Important

TOP IMPORTANCE
CONNECTIVITY AND FORMAT CHANGES

» Corporate: *Which is most important to you?*

Limiting the disruption to our IT group while driving long-term benefits for short-term cost — 45%

Enriched formats (more information) or interoperability with existing systems — 40%

Not changing connections that are working fine or staying current — 15%

Up from 30% two years ago

Down from top spot at 41% two years ago

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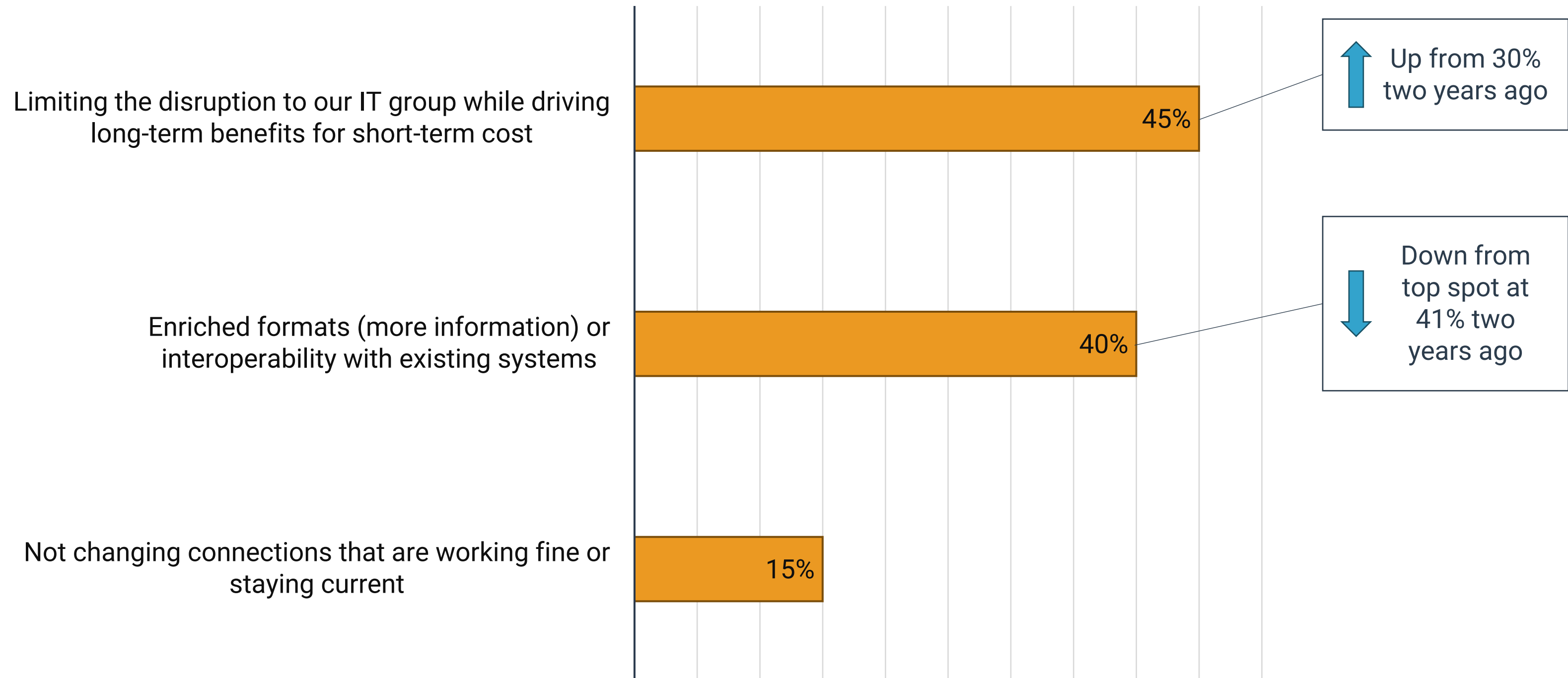
POLL QUESTION

Poll 3 - When it comes to new and expanding product development, what is important to your organization? (select all that apply)

Category	Percentage
Fraud detection	57%
Forecasting	54%
API	52%
Ability to benchmark performance against other companies/peer sets	37%
Fast development and updates	30%
Software as a service (SaaS)	22%
Utilization of AI/ML	15%
Expanding ecosystem partners	9%
Natural language search	5%
Platform as a service (PaaS)	5%
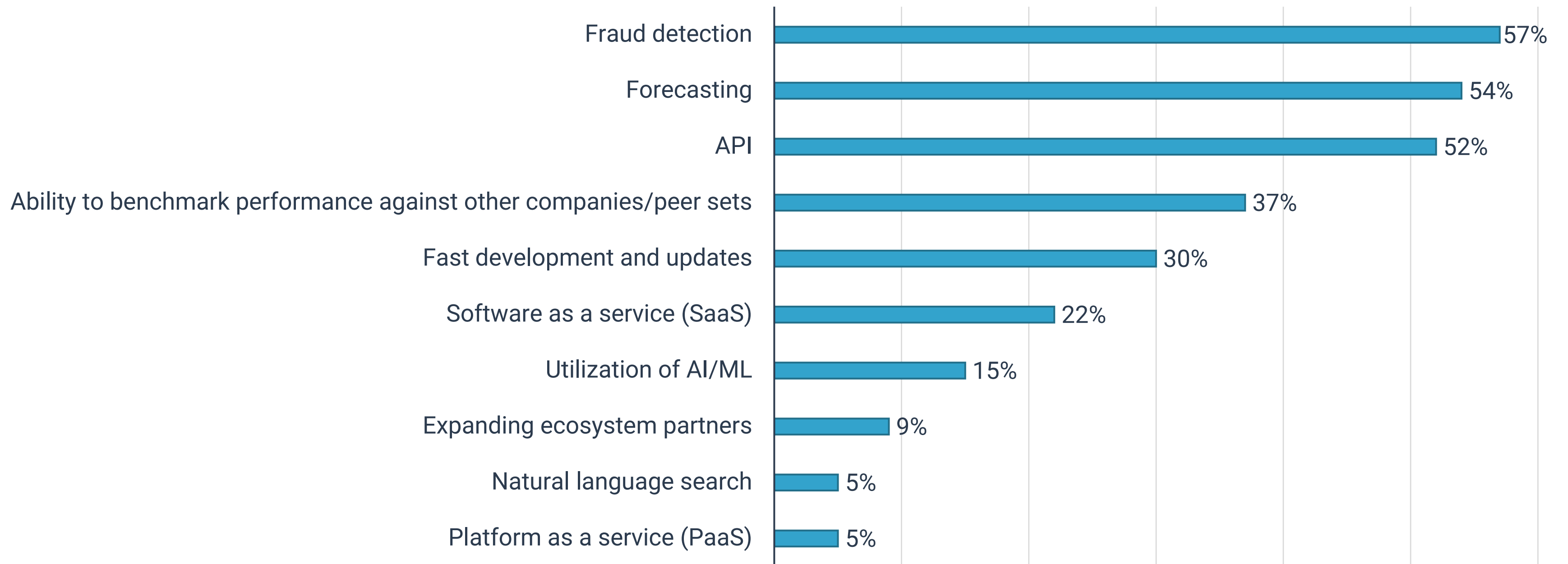
PRODUCT DEVELOPMENT

IMPORTANCE TO THE ORGANIZATION NOW AND IN THE FUTURE

» Corporate: *When it comes to new and expanding product development, what is important to your organization?*
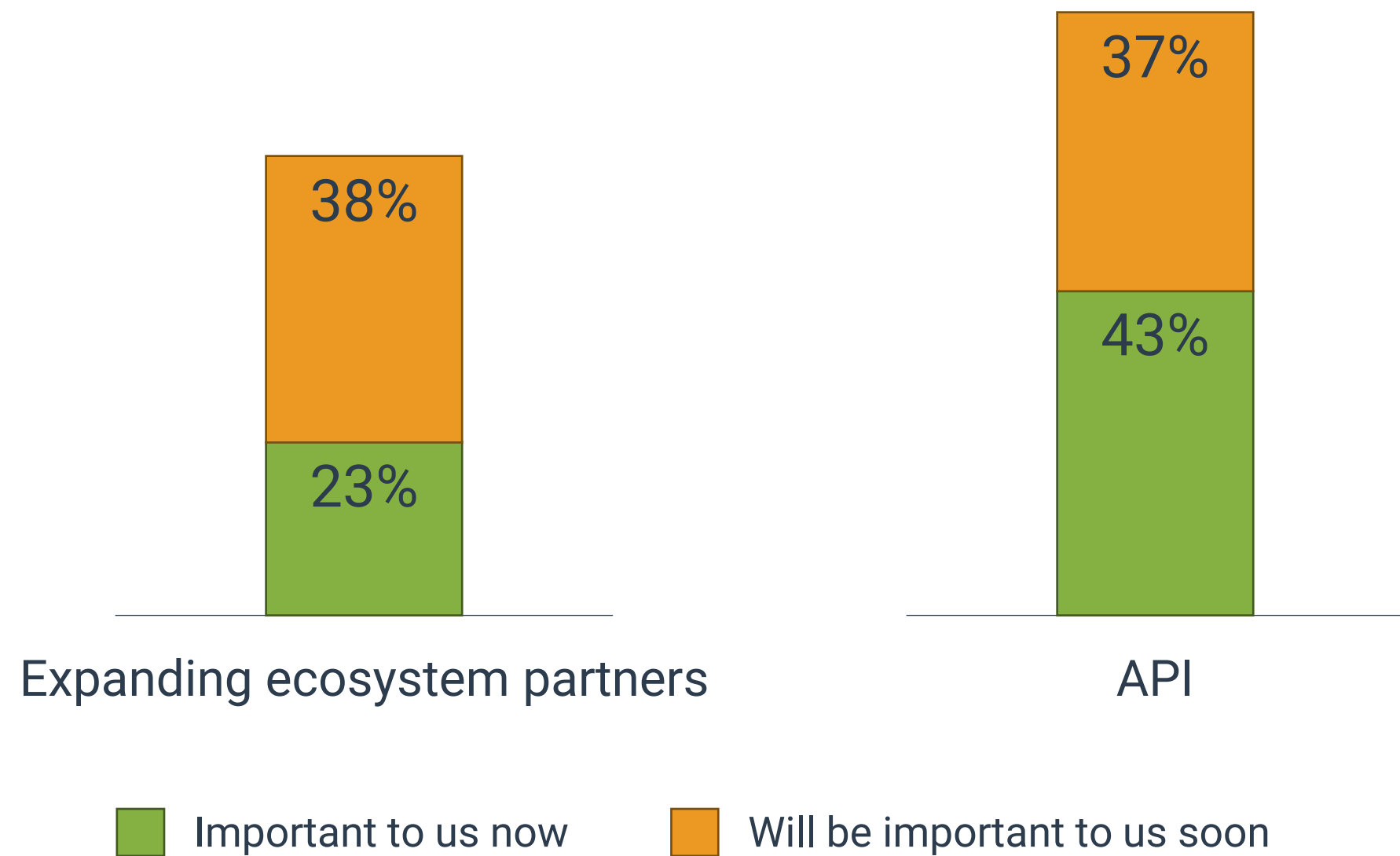
Currently most important

76%

Fraud detection

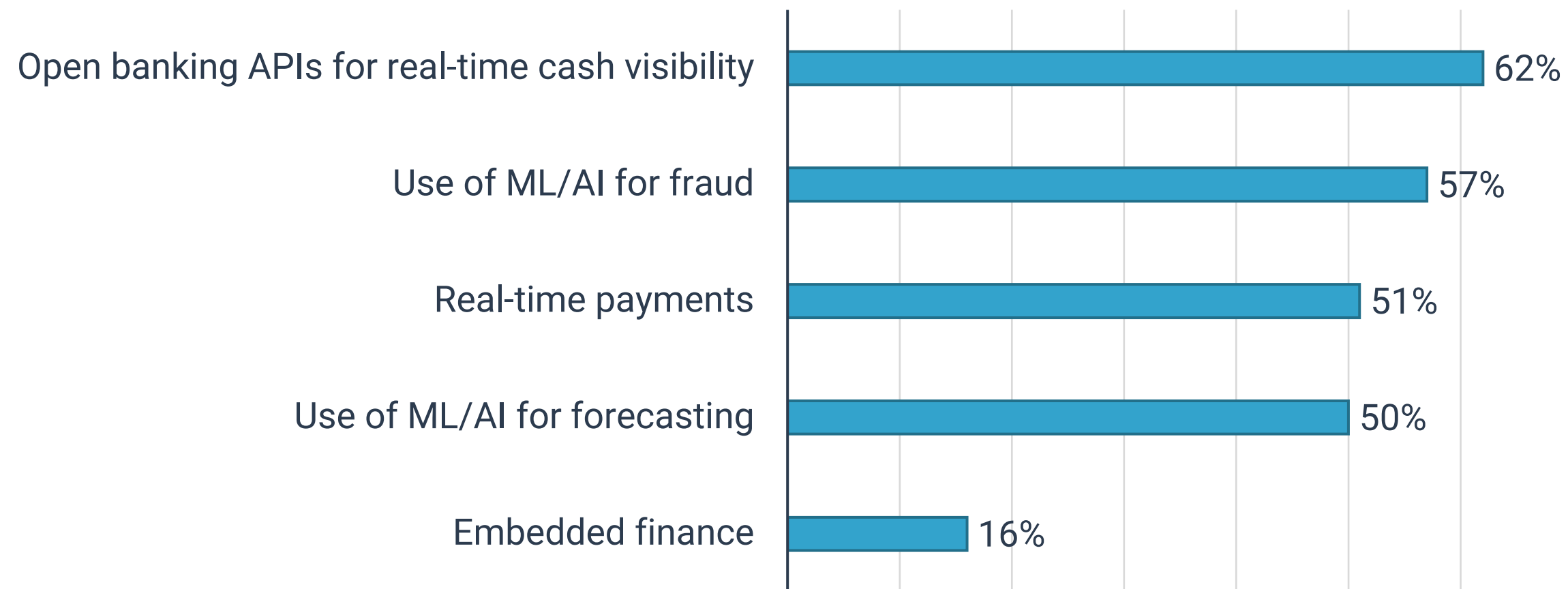**Top expected growth in importance**

Expanding ecosystem partners
- 38%
- 23%

API
- 37%
- 43%

■ Important to us now   ■ Will be important to us soon

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POLL QUESTION

Poll 4 - What emerging technologies do you think will be the most beneficial to your organization? (select all that apply)

Open banking APIs for real-time cash visibility	62%
Use of ML/AI for fraud	57%
Real-time payments	51%
Use of ML/AI for forecasting	50%
Embedded finance	16%

AI AND ML

HIGHLY IMPORTANT ESPECIALLY TO LARGE OR EUROPEAN COMPANIES

» Corporate: *When it comes to machine learning (ML) and artificial intelligence (AI), what is important to your organization in product development?*

Use of ML/AI for forecasting: 33% | 41%

Use of ML/AI for fraud: 34% | 39%

Use of ML/AI for other areas: 23% | 42%

Forecasting

Small: 25% | 38%

Large: 41% | 40%

■ Important to us now   ■ Will be important to us soon

Differences in regional views of importance of AI/ML for fraud
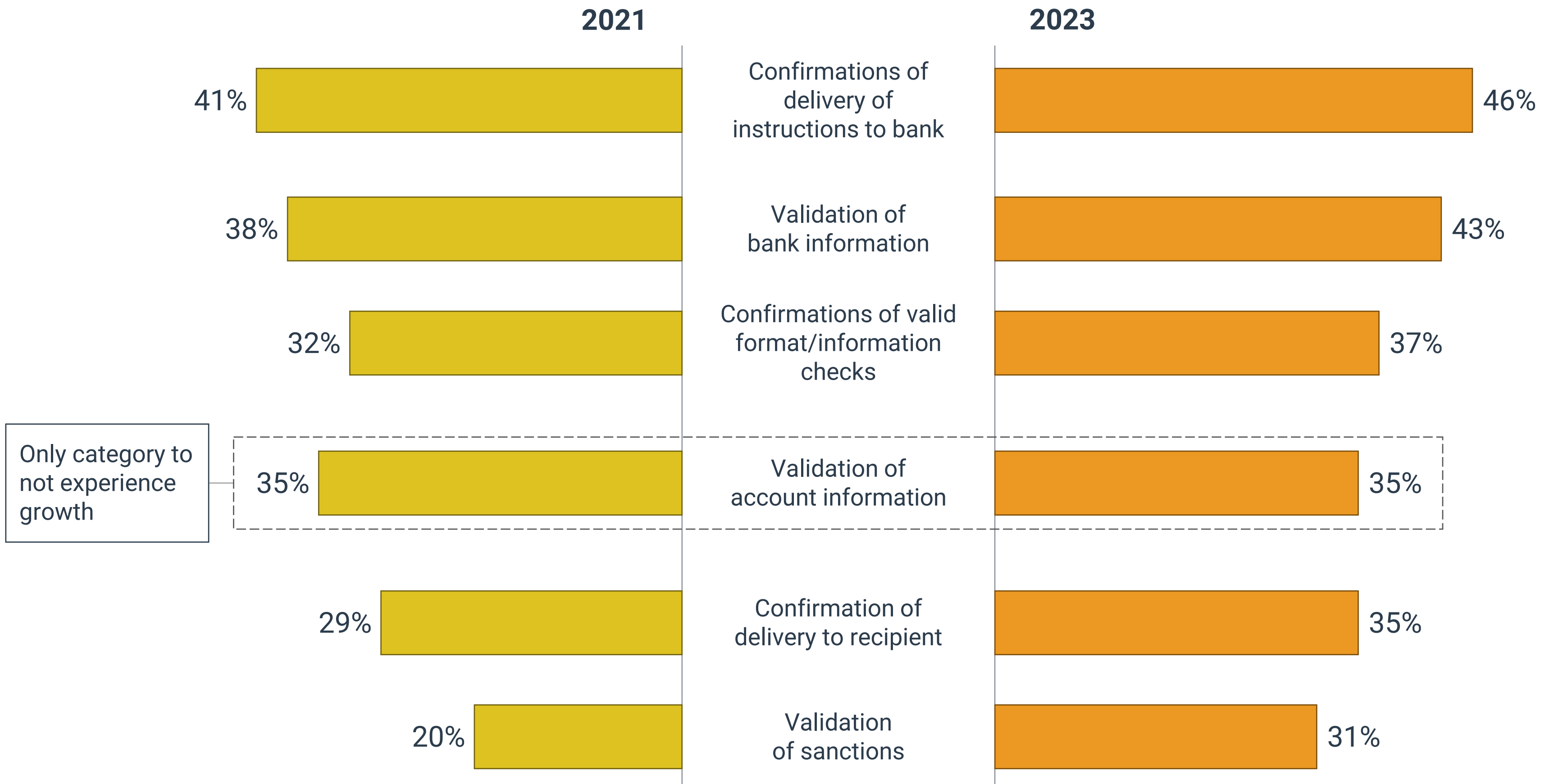
Europe: **93%**   North America: **71%**

WIRE PAYMENTS
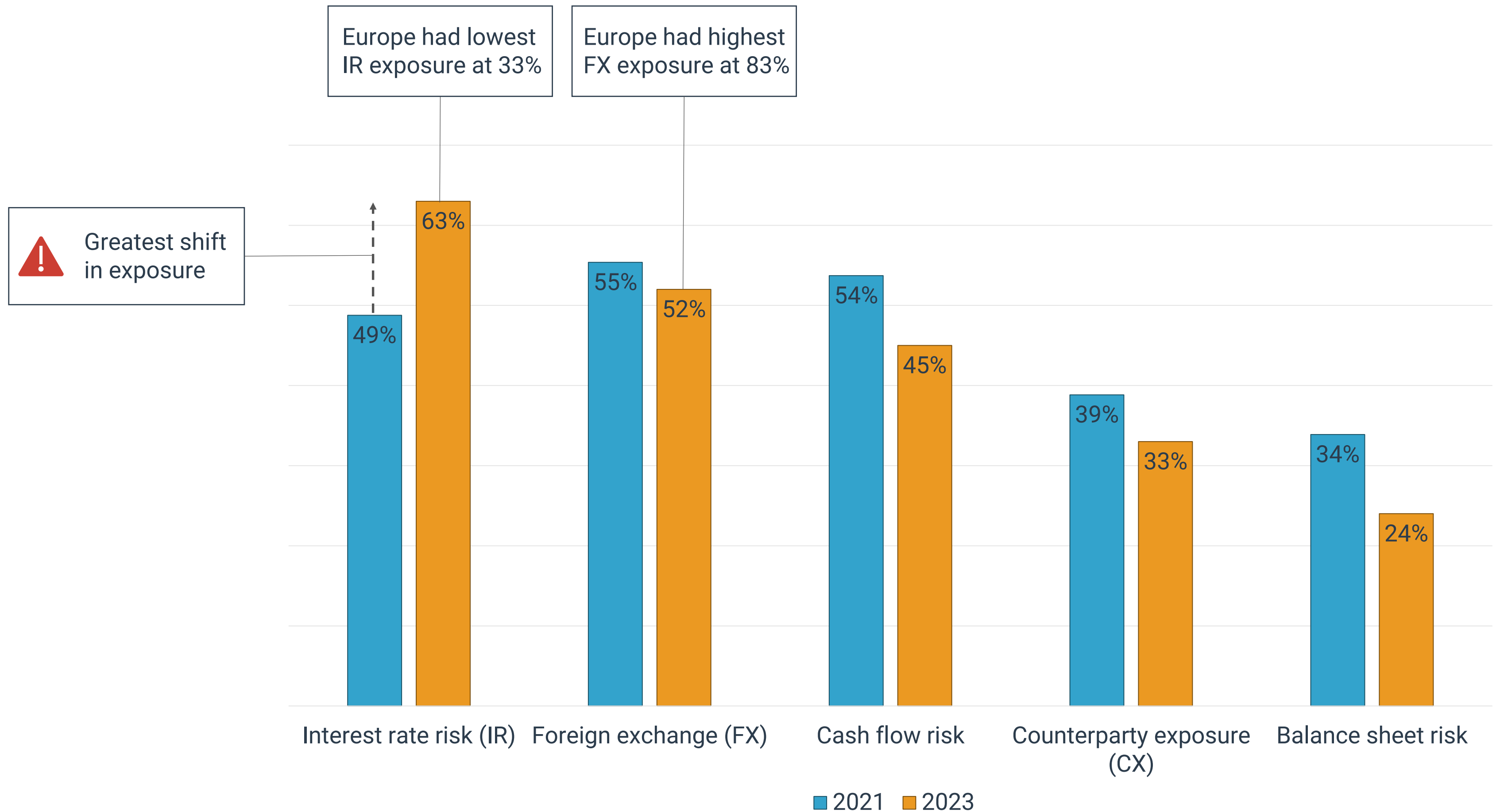## MORE VALIDATION AND CONFIRMATION SERVICES WANTED

Companies whose wire/RTGS payments
currently have these functions

2021   **2023**

41%	Confirmations of delivery of instructions to bank	46%
38%	Validation of bank information	43%
32%	Confirmations of valid format/information checks	37%
35%	Validation of account information	35%
29%	Confirmation of delivery to recipient	35%
20%	Validation of sanctions	31%

Only category to not experience growth

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ASSET CLASS

EXPOSURES AND RISKS

» Corporate: *Do you have the following significant asset class exposures and risks? (Select all that apply)*

Europe had lowest IR exposure at 33%

Europe had highest FX exposure at 83%

⚠️ Greatest shift in exposure

Asset Class	2021	2023
Interest rate risk (IR)	49%	63%
Foreign exchange (FX)	55%	52%
Cash flow risk	54%	45%
Counterparty exposure (CX)	39%	33%
Balance sheet risk	34%	24%

■ 2021 ■ 2023

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FINAL THOUGHTS
HOW TO PROCEED

PAYMENT SECURITY

- Confirmation and validation growth
- Address core requirements
- Keeping up with new payment methods and attacks

RISE OF THE MACHINES

- Reason for the use of AI and ML
- Anomaly detection
- Pattern recognition
- Adopting through tech providers

MINDSHARE AND PRODUCT ROADMAP

- Importance of the product roadmap
- Delivering on commitments
- Vital for products that increase in value over time

RISK MANAGEMENT

- Operational risks (payments)
- FX and IR exposure management
- Technology obsolescence

LET'S CONNECT

DON'T LET THE LEARNING END HERE...
CONTACT US WITH ANY FUTURE QUESTIONS

Thank you for your interest in this presentation and for allowing us to support you in your professional development. Strategic Treasurer and our partners believe in the value of continued education and are committed to providing quality resources that keep you well informed.

STRATEGIC TREASURER

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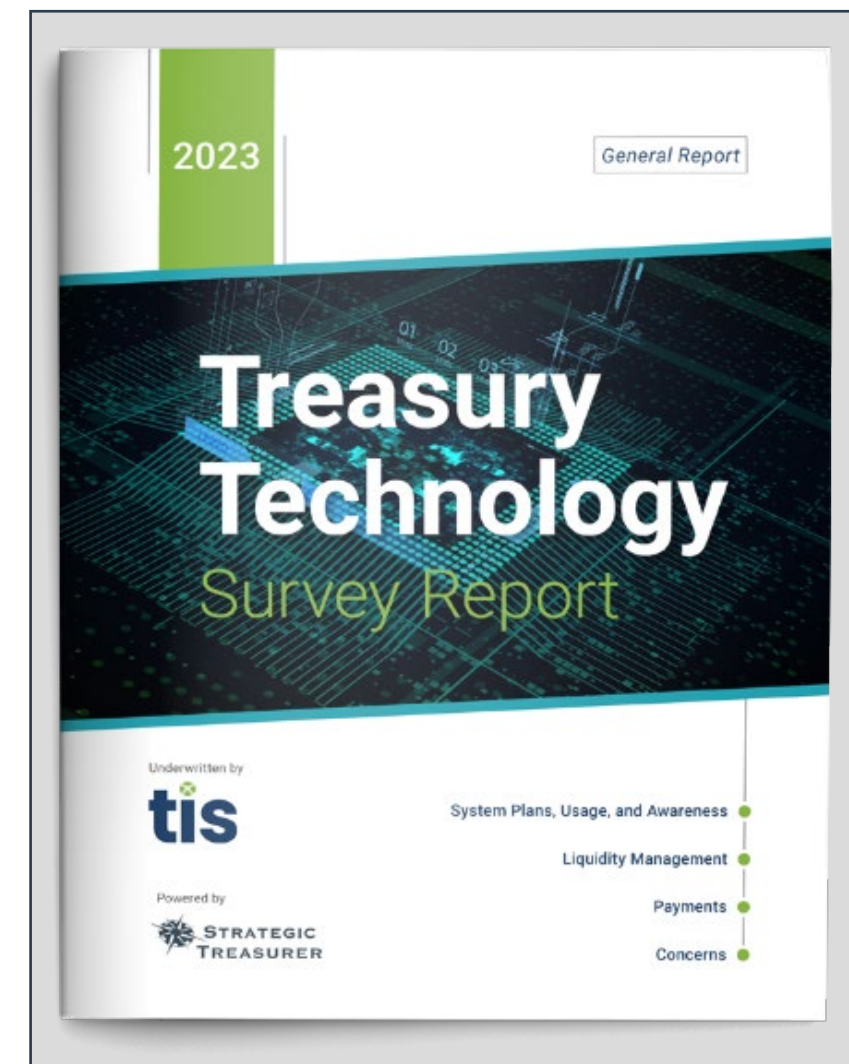💬 +1 678.466.2222

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SURVEY REPORT

Thanks to those who completed this year's survey!

Respondents to the 2023 Treasury Technology Survey will be emailed the comprehensive results report.

Non-respondents can download the summary report by clicking the link below.

📋 **Download Report**

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