

THE STATE OF TREASURY

2021 Survey Results



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WHAT

Results, analysis, discussion
and takeaways from current
surveys.



WHEN

Thursday, August 19, 2021
11:00 AM – 12:00 PM EDT



WHERE

Live online presentation
Replays at StrategicTreasurer.com



This presentation is provided by Strategic Treasurer and Fiserv

TOPICS OF DISCUSSION

KEY AREAS OF FOCUS &
ANALYSIS



FRAUD IN CONTEXT
ON THE RISE



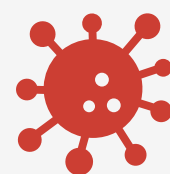
TECHNOLOGY
USE, GROWTH & FORMATS



FORECASTING
IMPORTANCE & ACCURACY



PAYMENTS
DESIRE TO AUTOMATE



PANDEMIC IMPACT
CONCERNS DURING THE
PANDEMIC



KEY TAKE-AWAYS
FROM THE RESEARCH



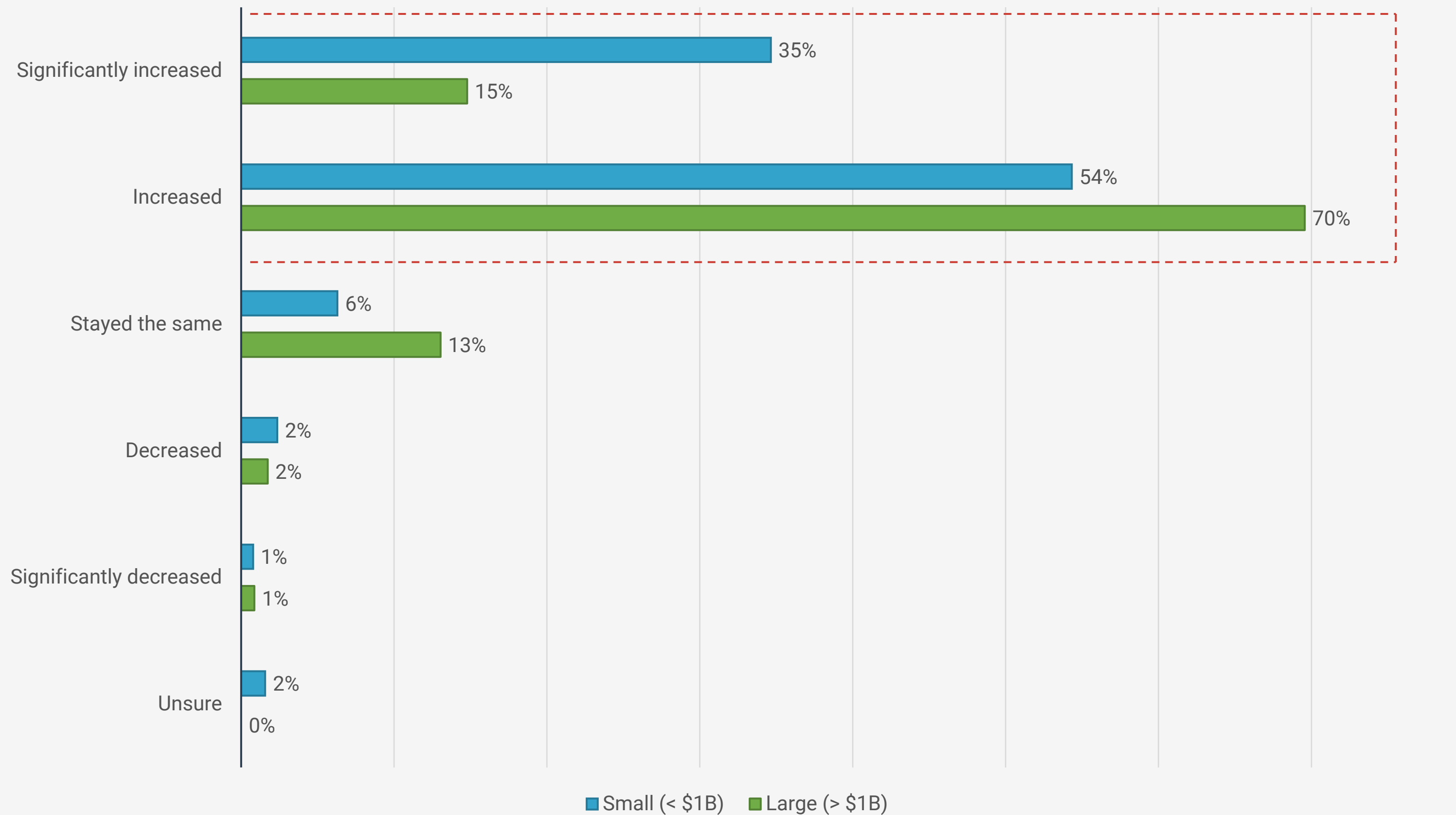
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ESCALATION OF FRAUD

FRAUD ESCALATION

AUTOMATION ASSISTS IN BROAD ATTACKS

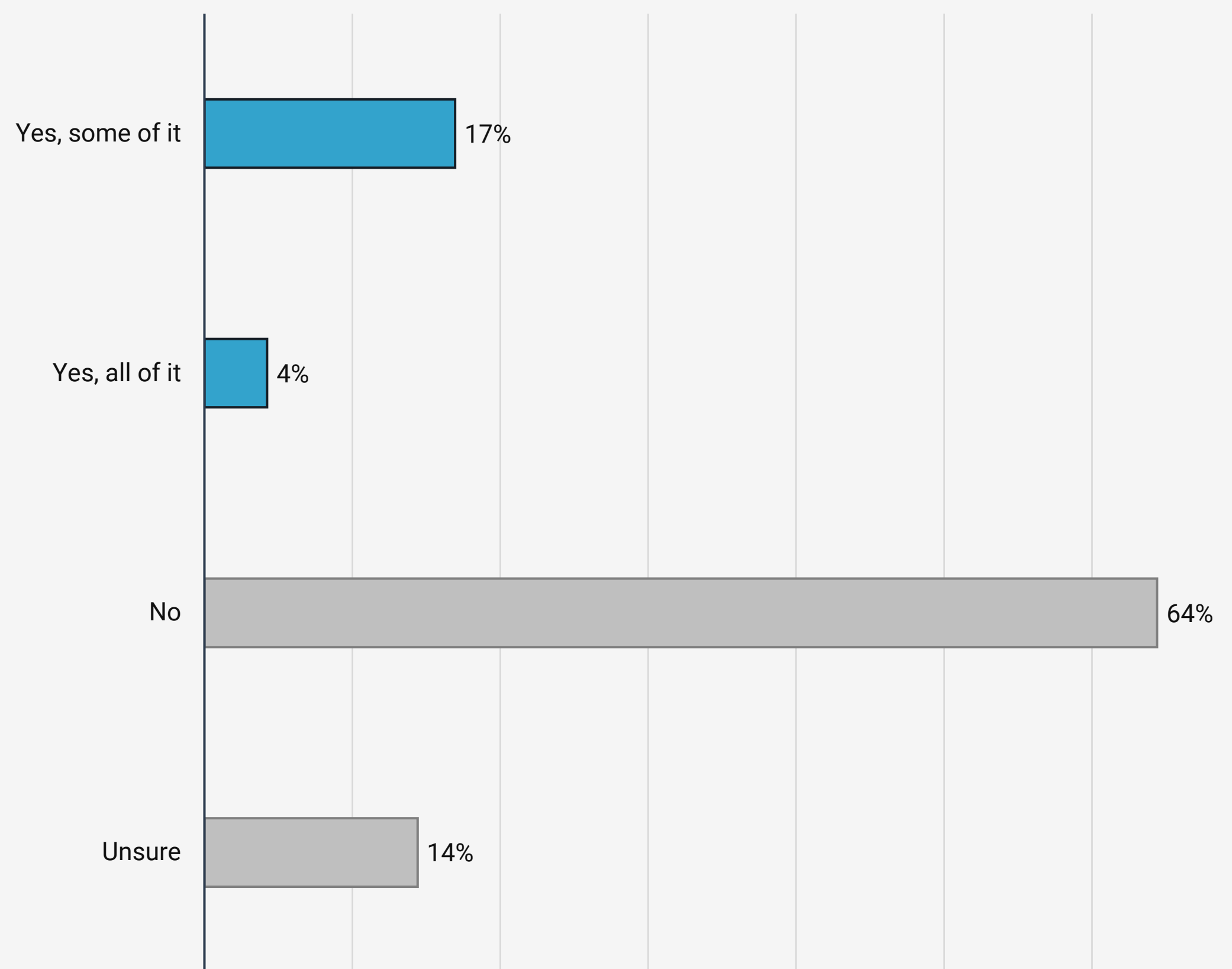
» Corporate: In the past year, I think that the threat-level of fraud has:



COVID-19 CONNECTION

FRAUD RELATED TO THE PANDEMIC

» Corporate Sub Question: Was the fraud you experienced related to COVID-19?



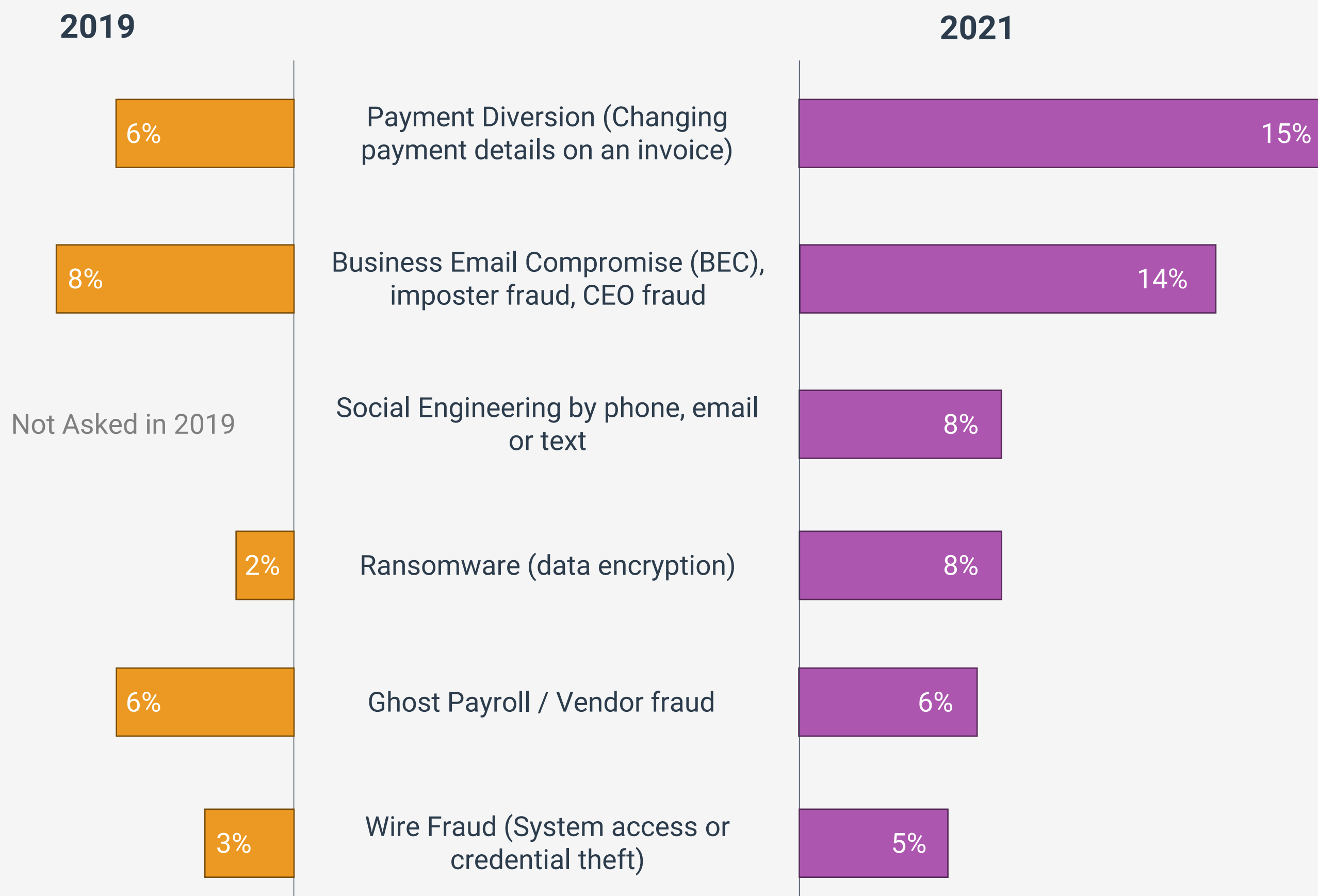
1/5 OF COMPANIES EXPERIENCING FRAUD SAW THE COVID-19 CONNECTION.

Criminals are opportunistic and used the pandemic to improve their yield.

THEN & NOW

LOSSES FROM FRAUD

Fraud attempts are increasing along with the losses. Those that report suffering a loss in the last 12 months have significantly increased over a two-year period.

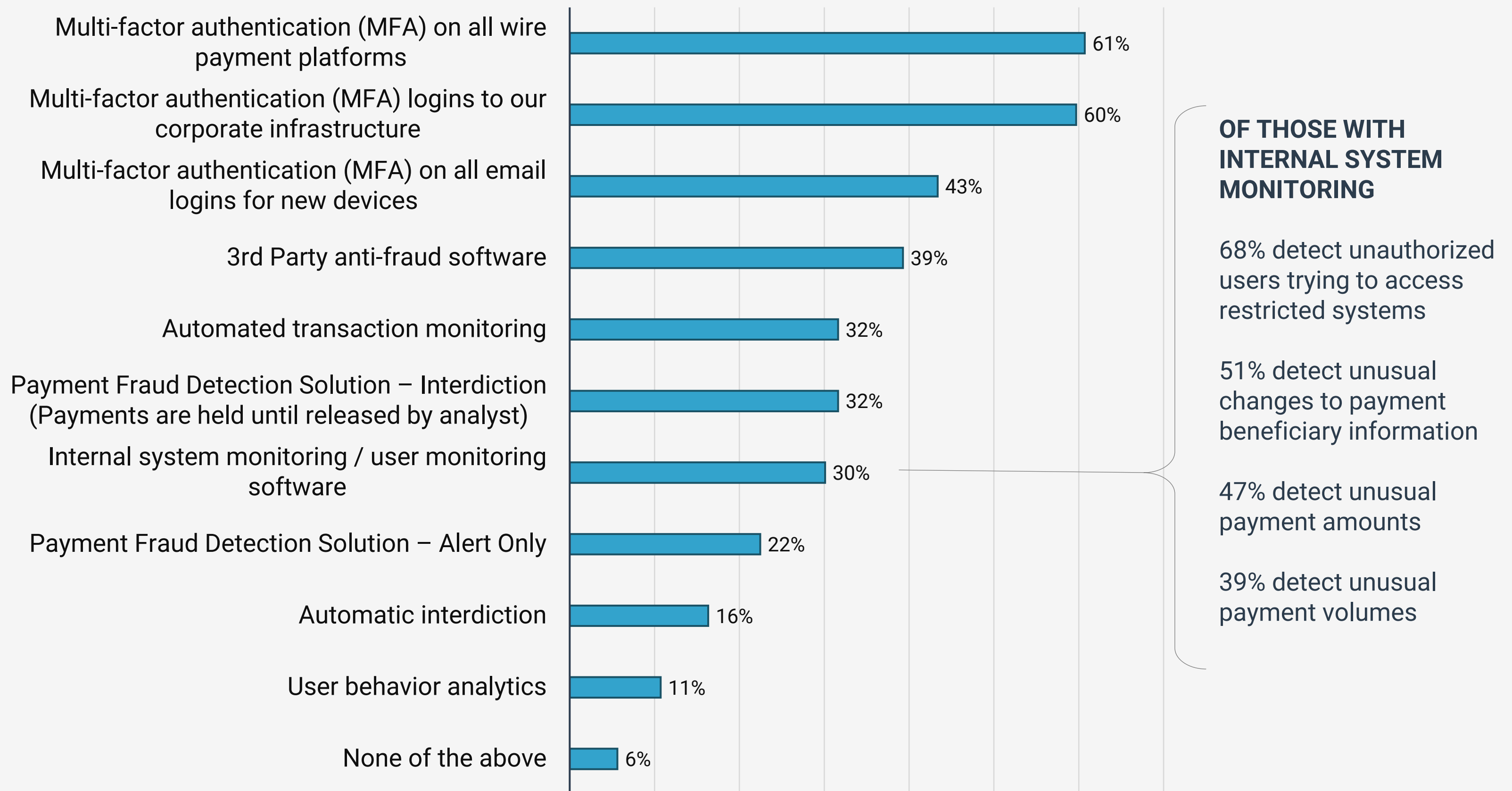


Source: Treasury Fraud and Controls Survey. Only top 6 responses from 2021 displayed

THE POWER OF MACHINES

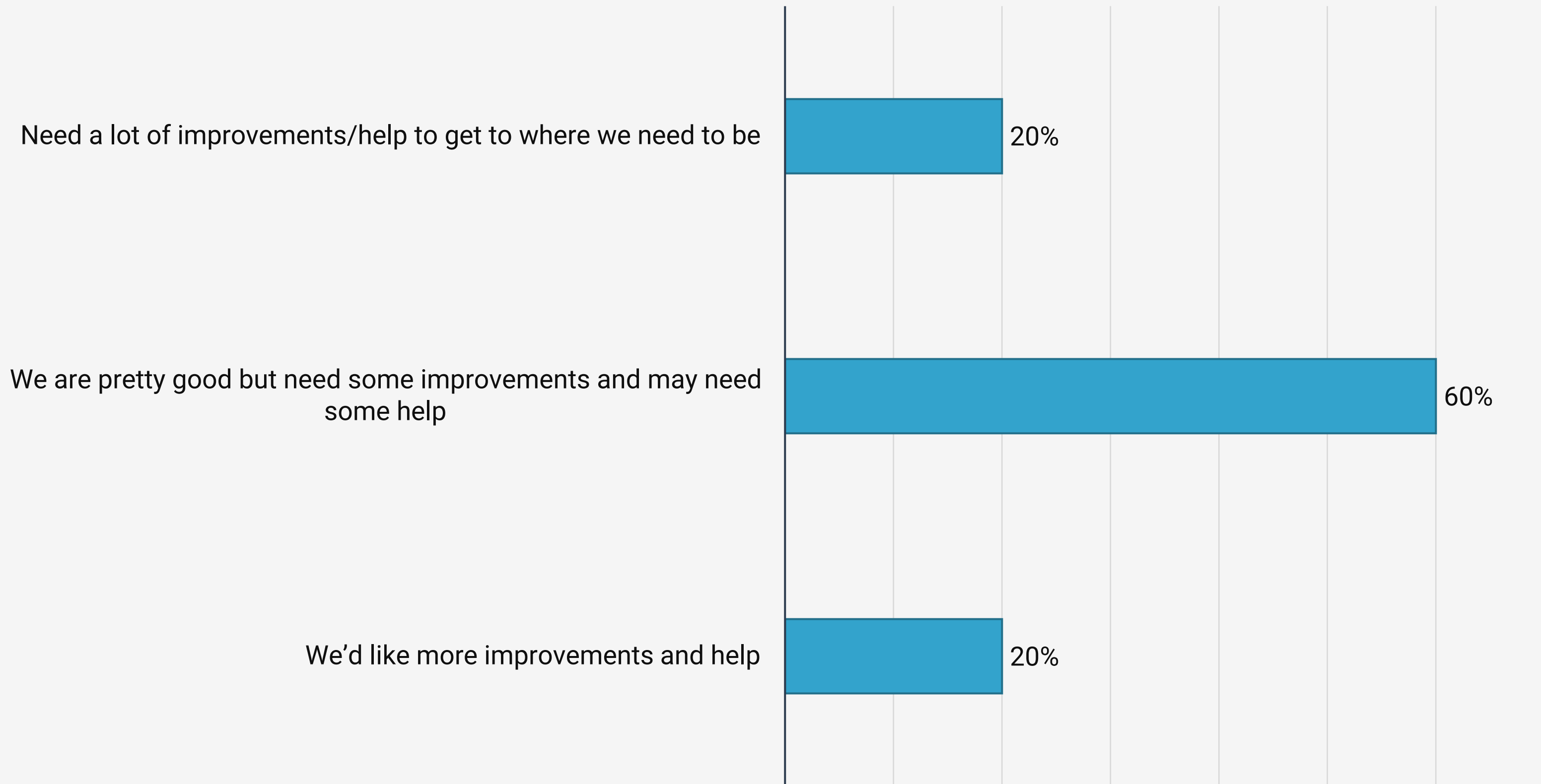
LEVERAGING TECH TO FIGHT FRAUD

» Corporate: What controls do you have in place to prevent fraud? (Select all that apply)



POLL QUESTION

How would you rate your forecasting?





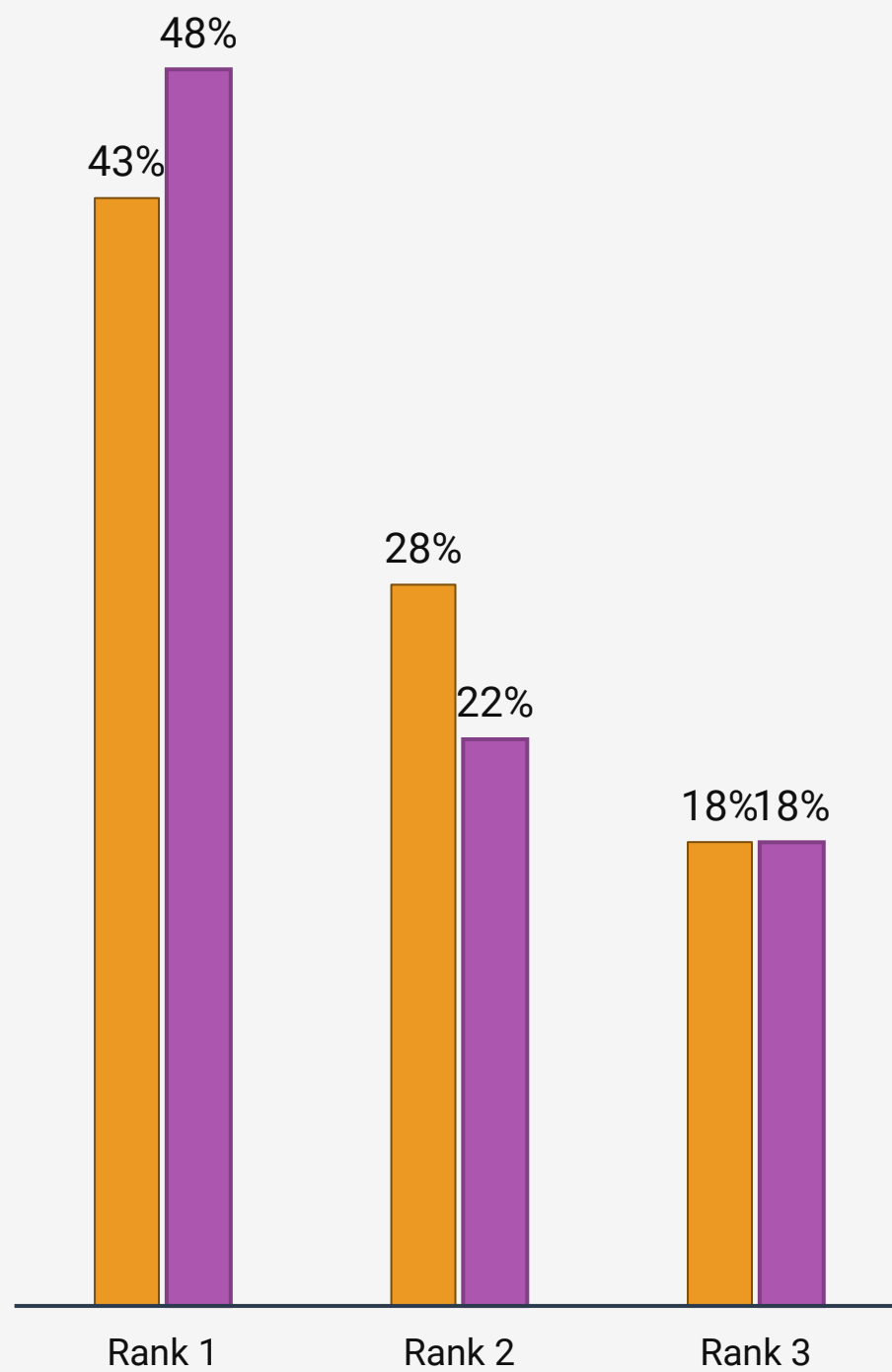
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TECHNOLOGY

TECH USE

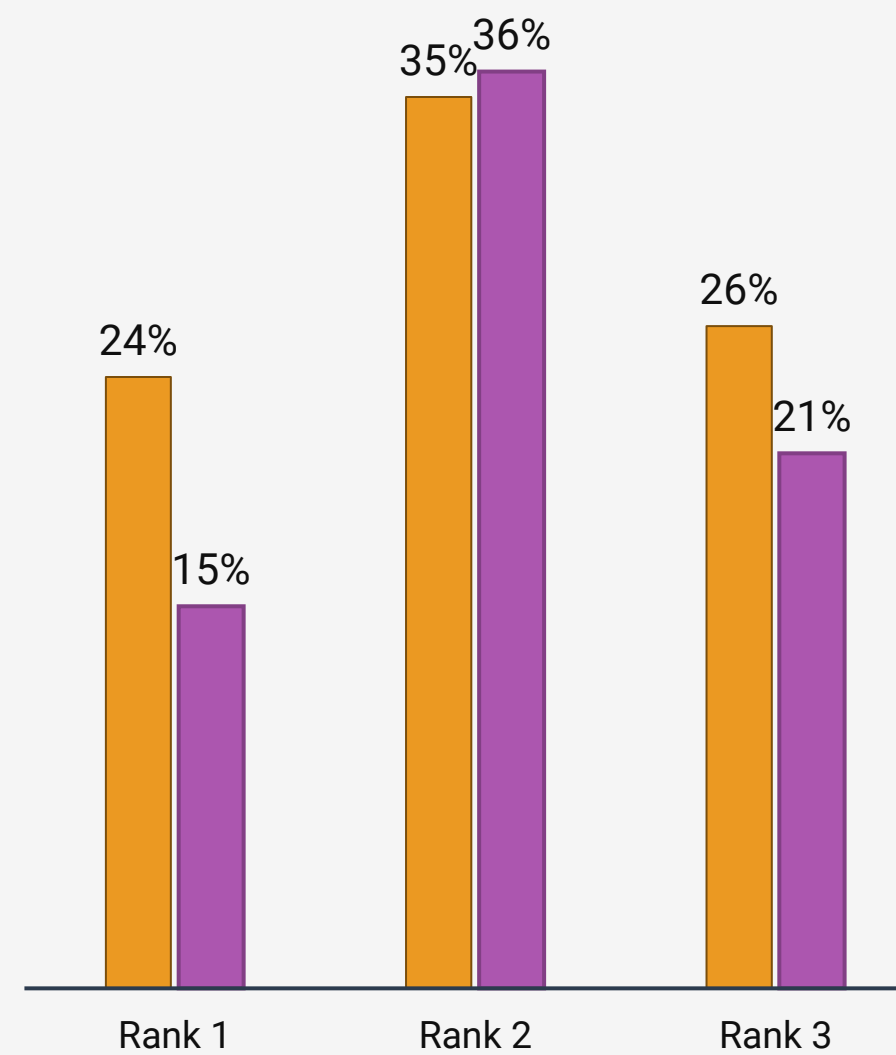
TREASURY – A PRACTICAL GROUP

» Please rank the following technologies or services in the order that you believe they will impact B2B payments over the next 2-3 years:

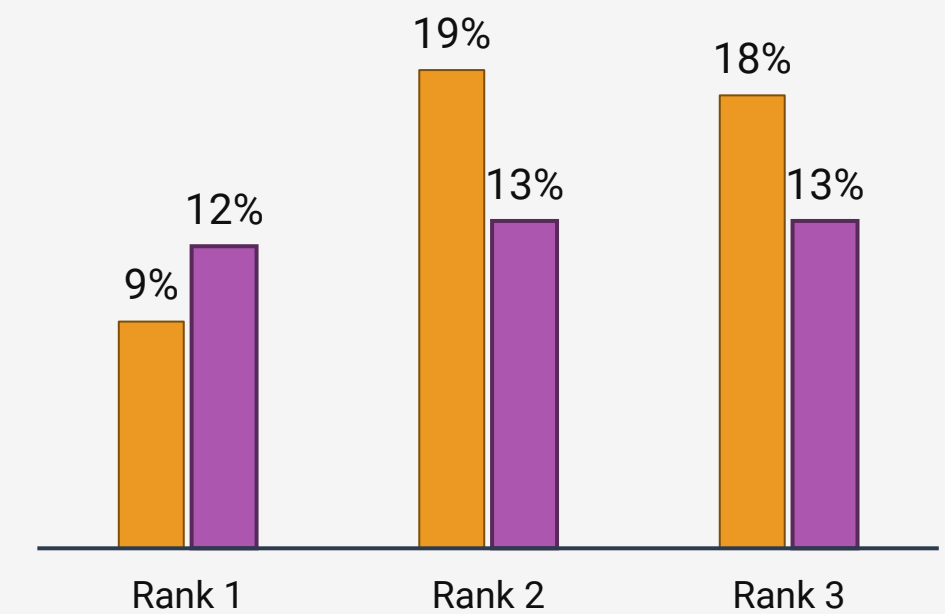
Application Programming Interface (APIs)



Artificial Intelligence (AI) / Machine Learning



Robotic Process Automation (RPA) / Bots



2020 2019

TECH GROWTH

EXPECTED TO CONTINUE OR INCREASE



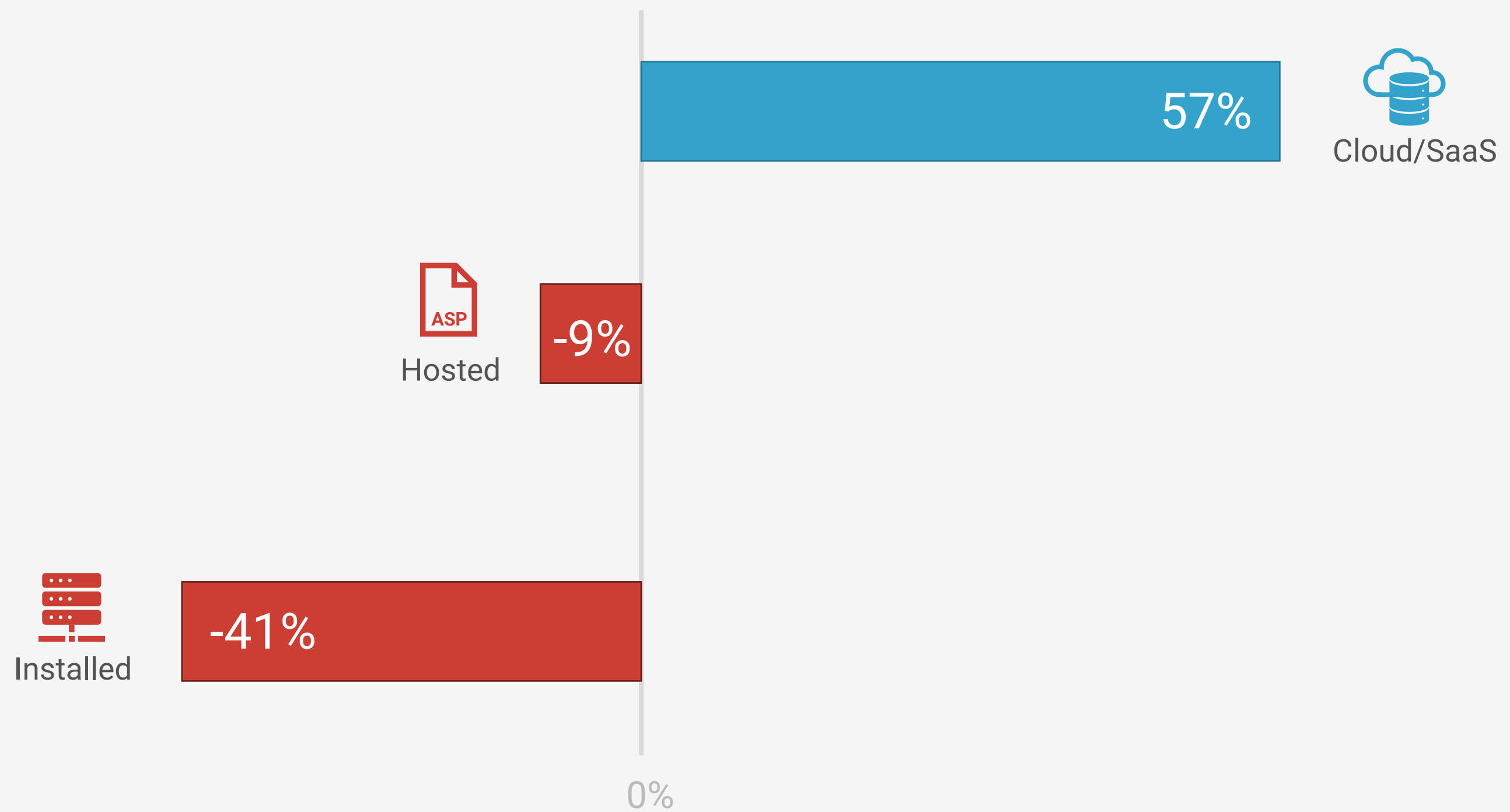
CLOUD/SaaS

DOMINANCE

The perception of value is highly divergent between the platform options.

DECREASING IN VALUE

INCREASING IN VALUE

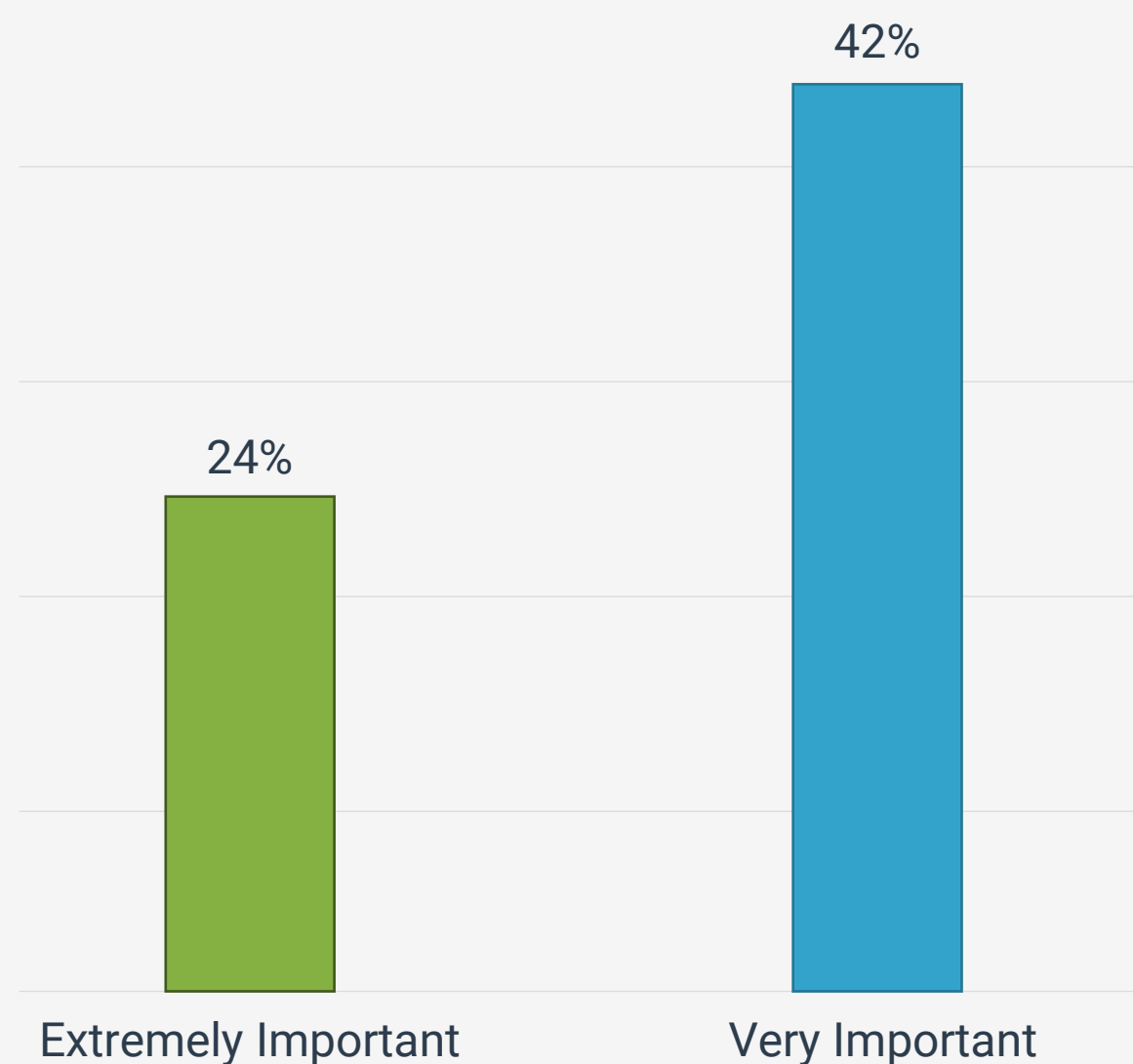


APIs ARE HIGHLY IMPORTANT

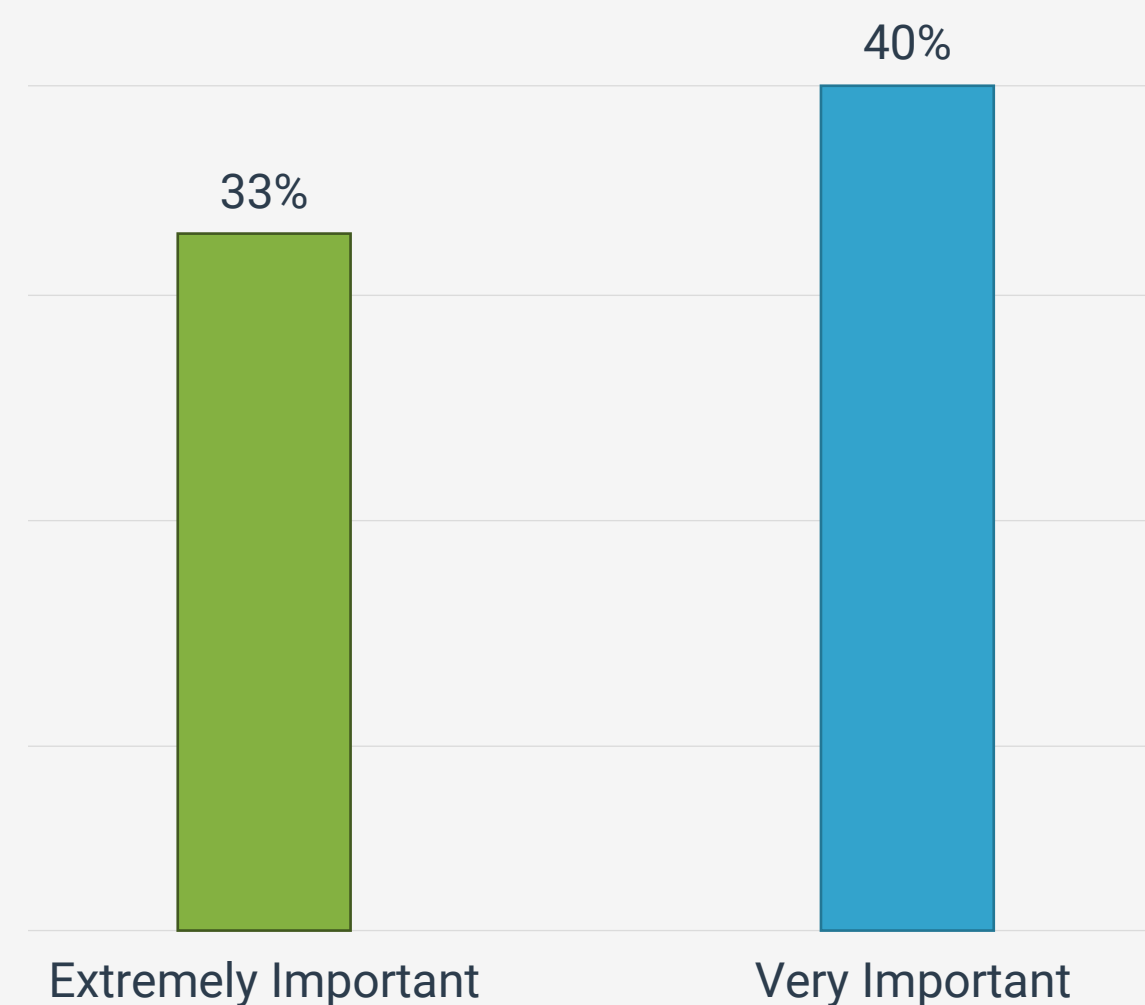
TO CORPORATE TREASURY GROUPS

There is a heavy focus on new technologies on the part of buyers, with the use of APIs and machine learning most significant.

» Importance that TMS/TRMS uses a platform that allows APIs for connectivity is:



» Importance that banks support APIs for connectivity is:



APIs' HEAVIEST USE

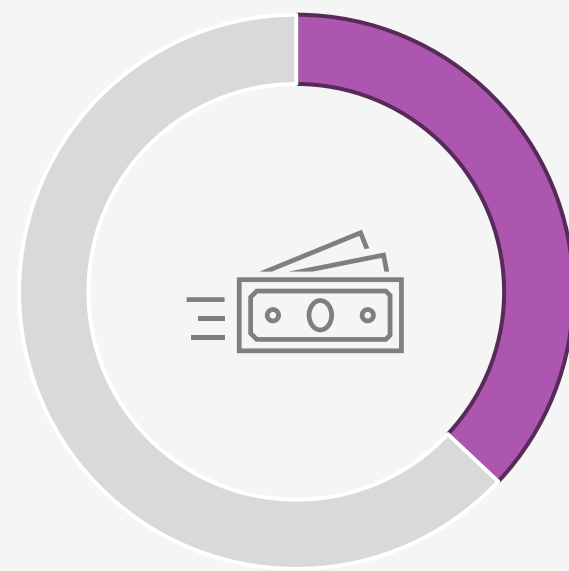
INFORMATION REPORTING

Information reporting leads the pack for API usage through TMS/TRMS vendors.



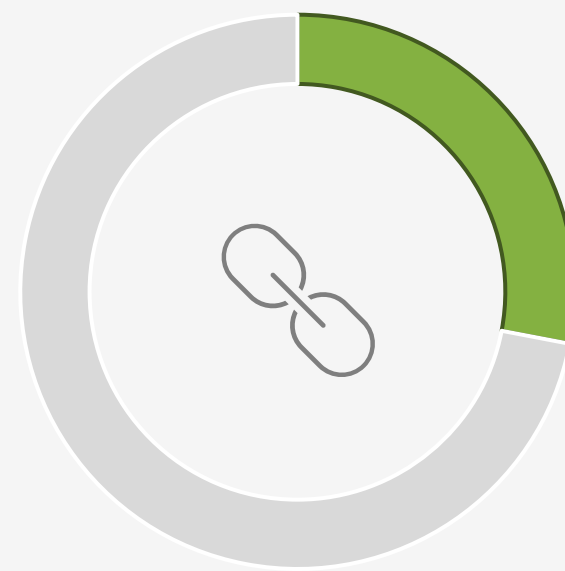
56%

For connecting to banks for information reporting



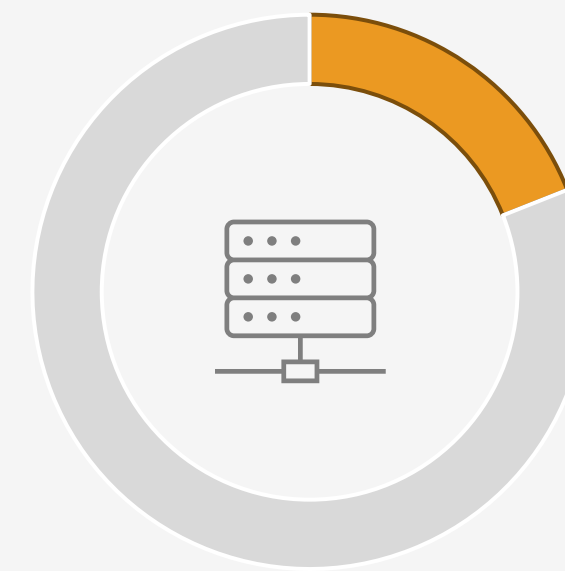
37%

For connecting to banks for payments



28%

To connect to ERPs



19%

To connect to information/data providers



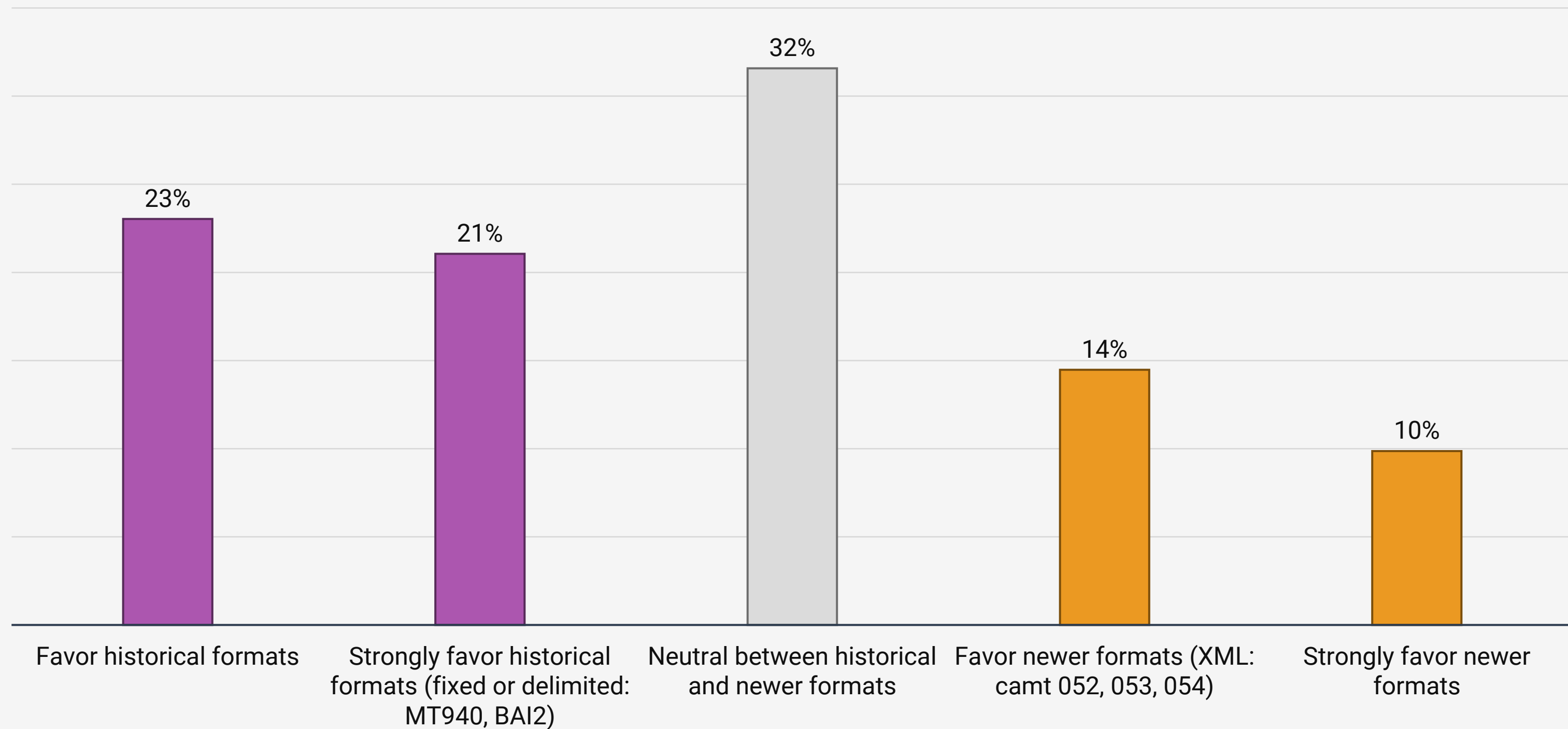
13%

To connect to other BI tools (Power BI, Tableau, etc.)

THE HOLDOUTS

POCKETS OF RESISTANCE

There appears to be a desire to hold onto older formats rather than adopting newer, enriched ones that use XML.

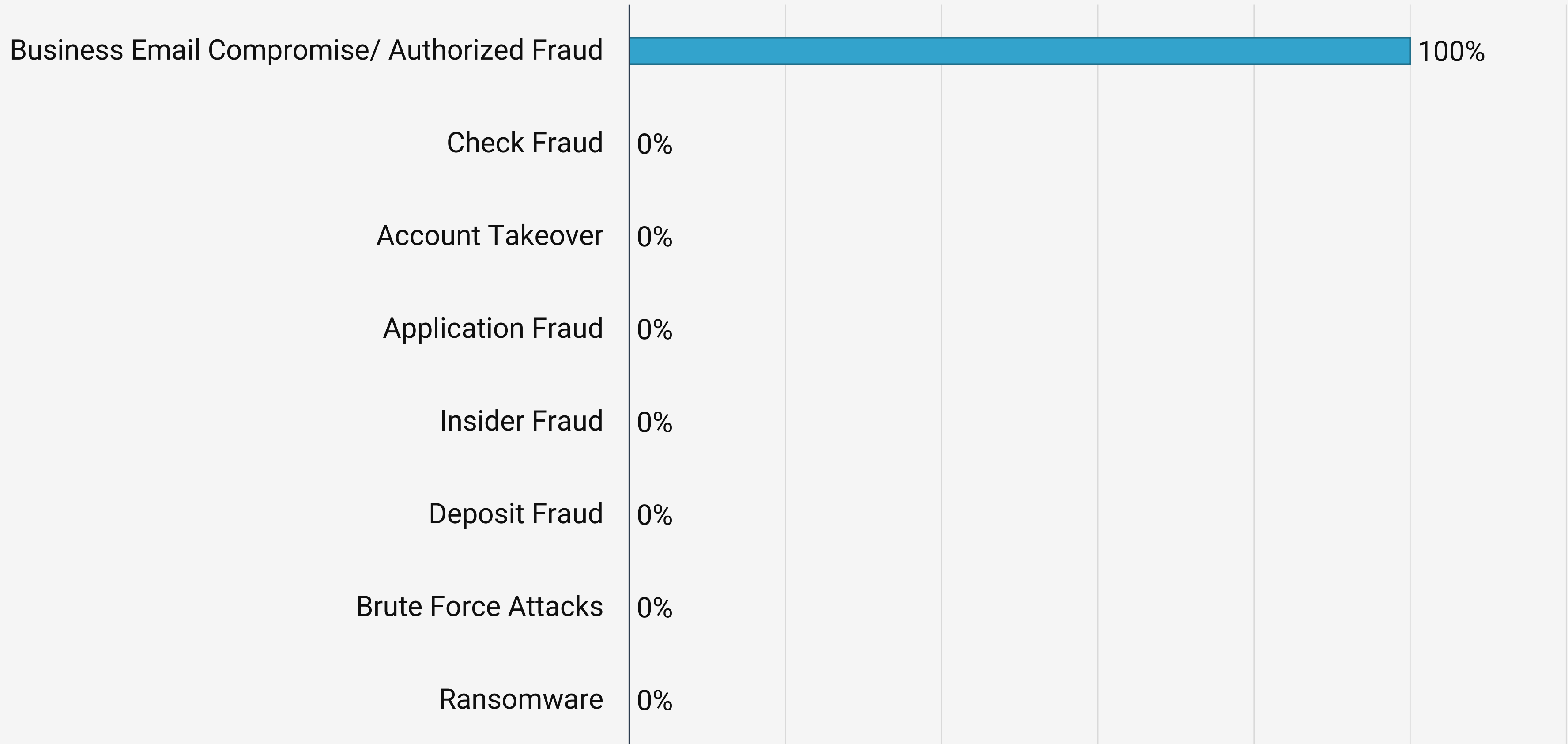




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FORECASTING

POLL QUESTION

What do you perceive as your greatest fraud risk over the coming 12 - 24 months?

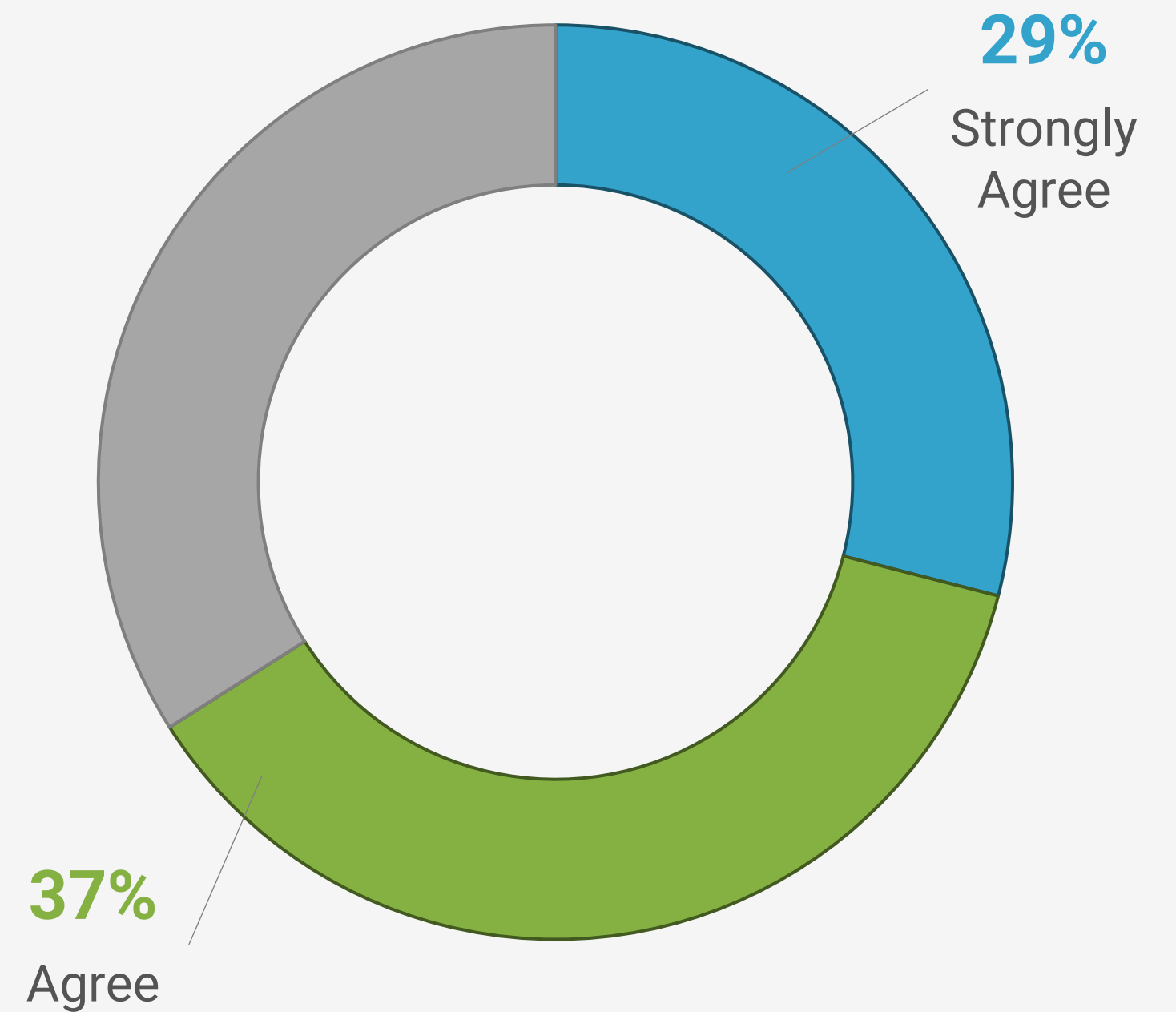
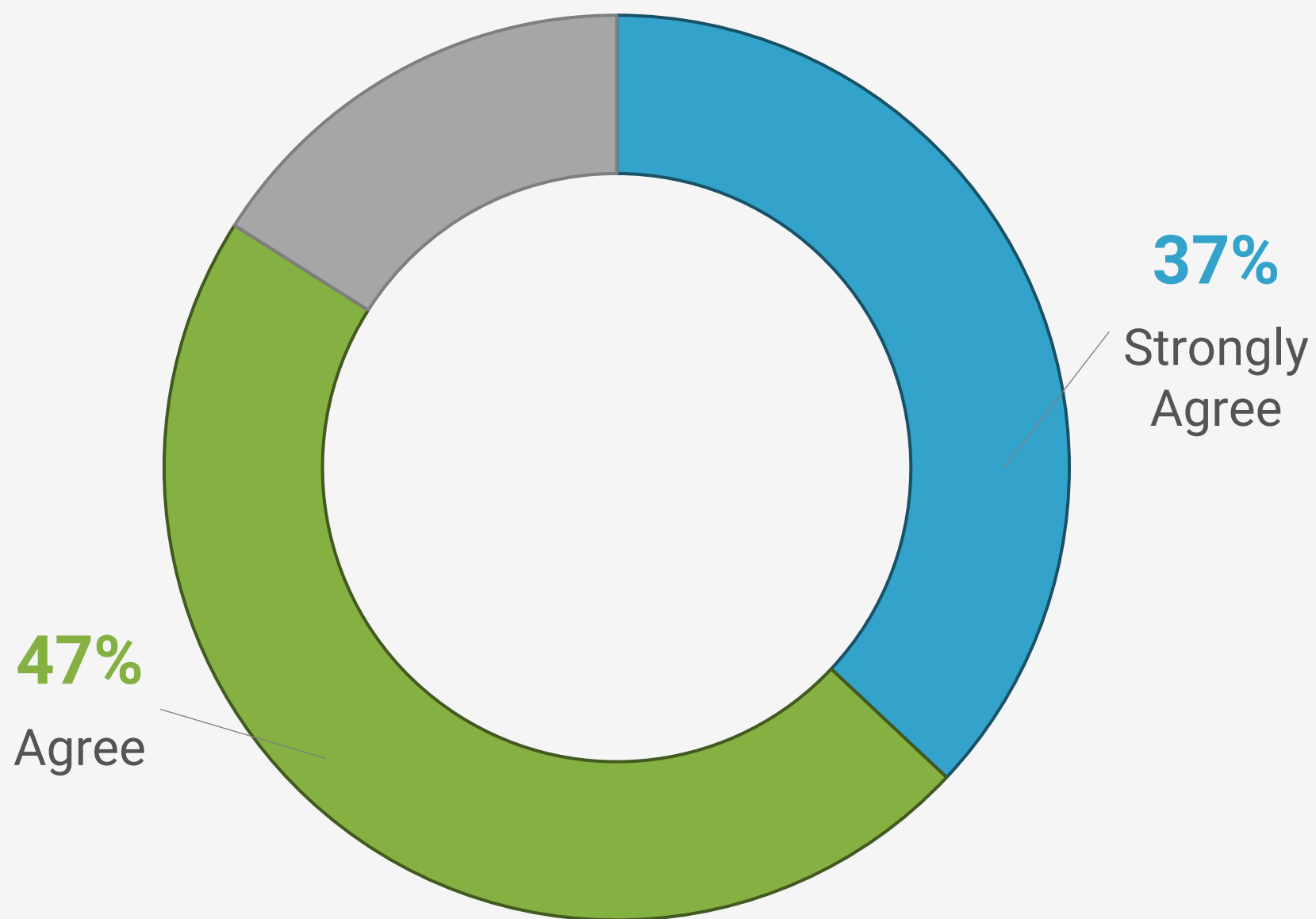


FORECASTING IS IMPORTANT

AND INCREASING IN IMPORTANCE

84% indicate forecasting is very important to Treasury

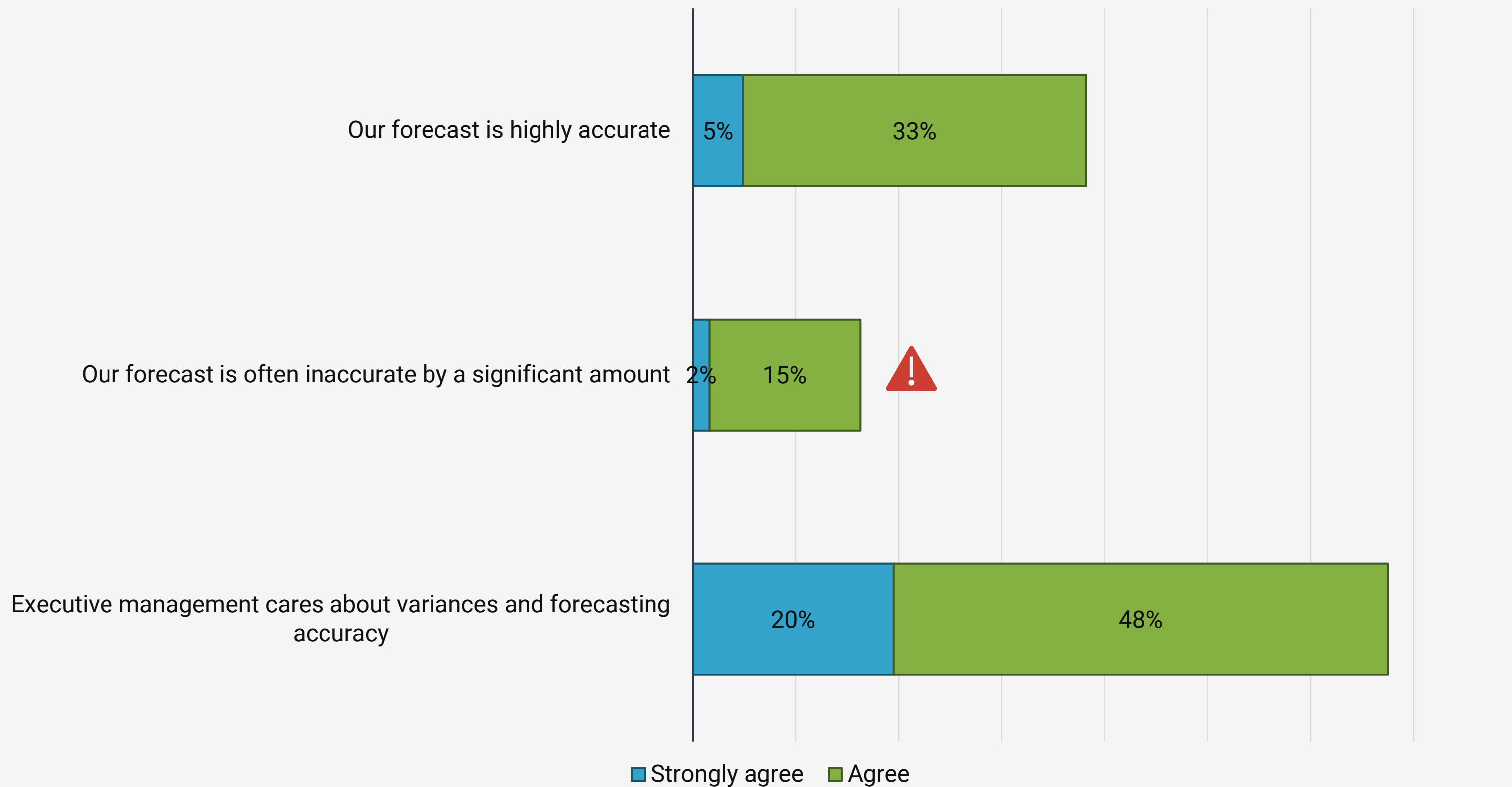
66% report forecasting has increased in importance over the past 12 months



FORECASTING ACCURACY

ROOM FOR IMPROVEMENT

Organizations are not achieving high rates of accuracy with their forecasting, even after spending significant time on it.





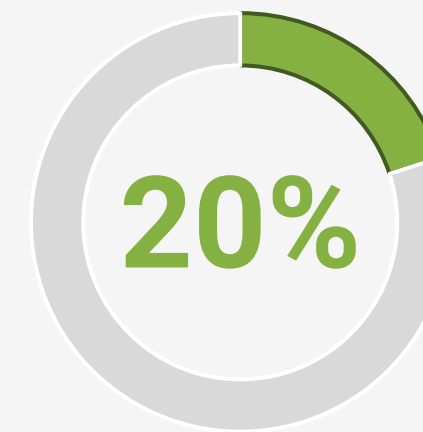
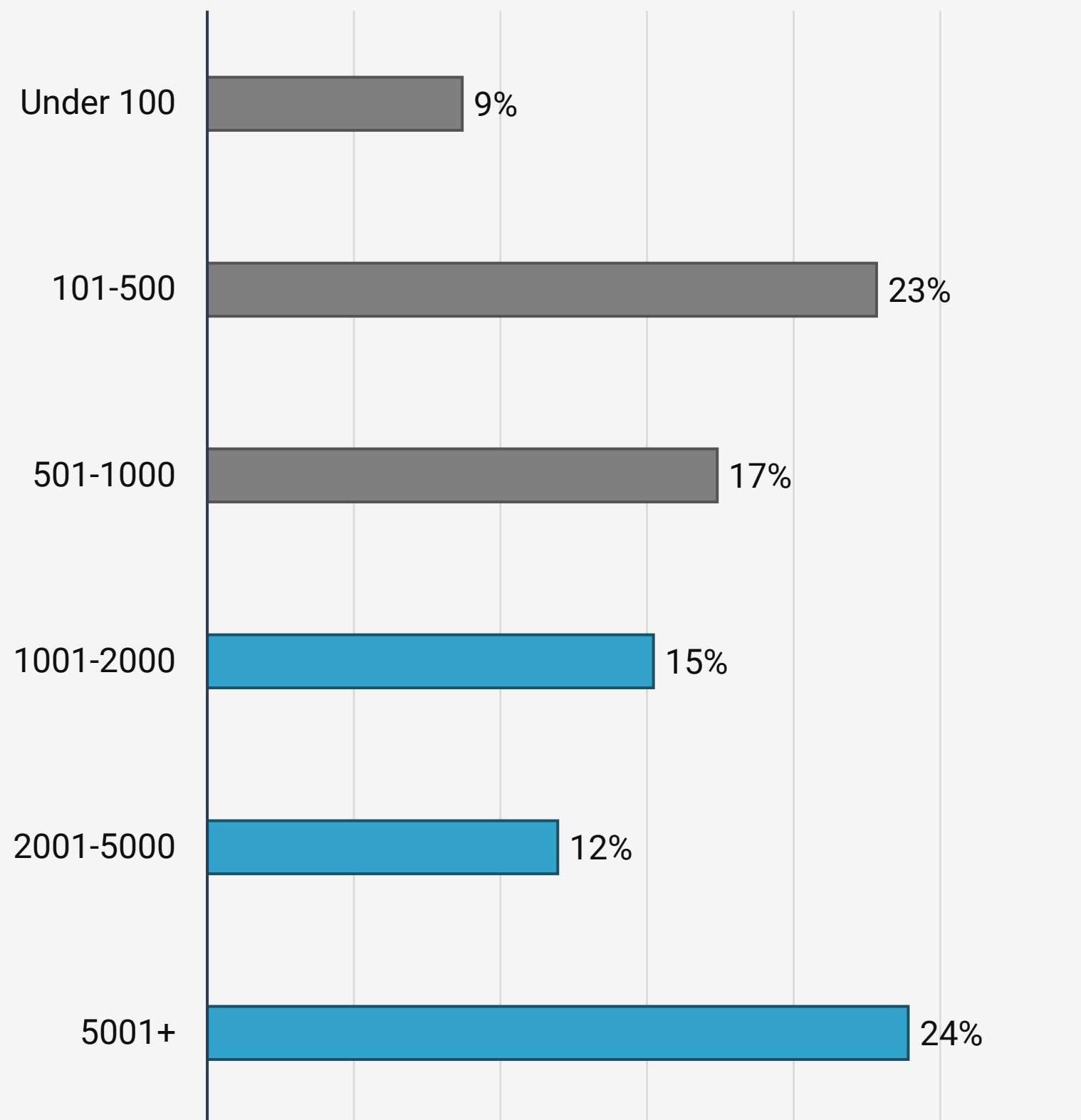
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PAYMENTS

MOSTLY MANUAL

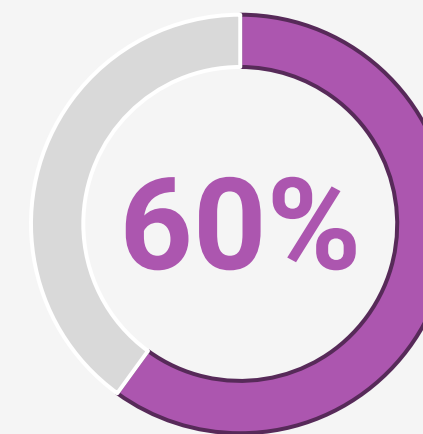
THE PAYMENTS ARE MANY

Monthly payment transactions vary greatly by organization, with over half of corporate respondents making over 1,000 payments a month.

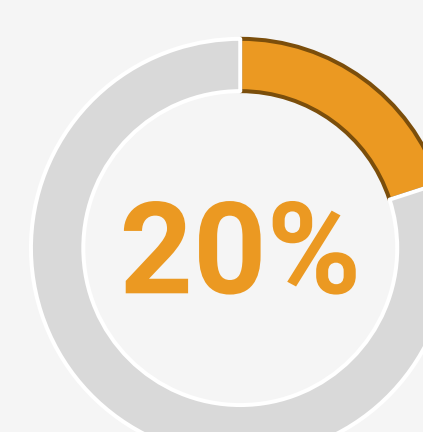
Still, few are highly automated. "Mixed" manual & automated has not changed percentage over the past year of the survey.



Manual or Predominantly Manual



Mixed. Manual & Automated

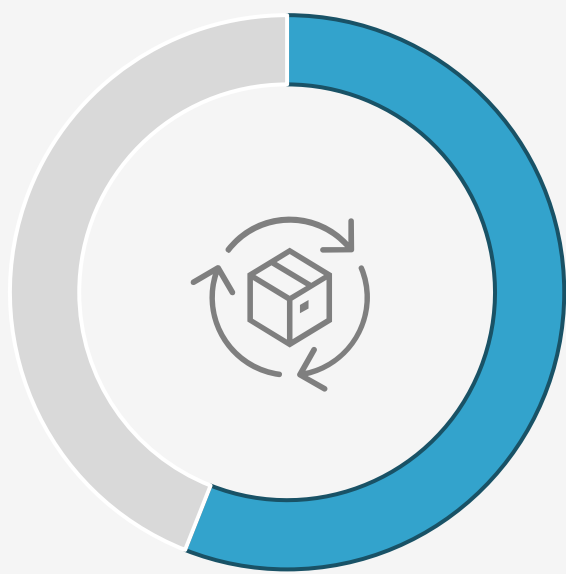


Highly Automated

FULLY ELECTRONIC IS SO IMPORTANT

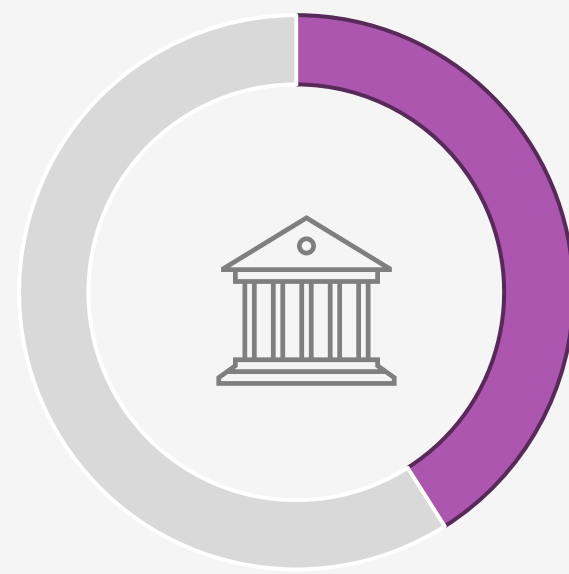
MANY ARE WILLING TO OUTSOURCE, AUTOMATE OR MOVE

» *Moving to full-electronic processing is important enough for us to:*



56%

**Outsource
or automate
more
processes**



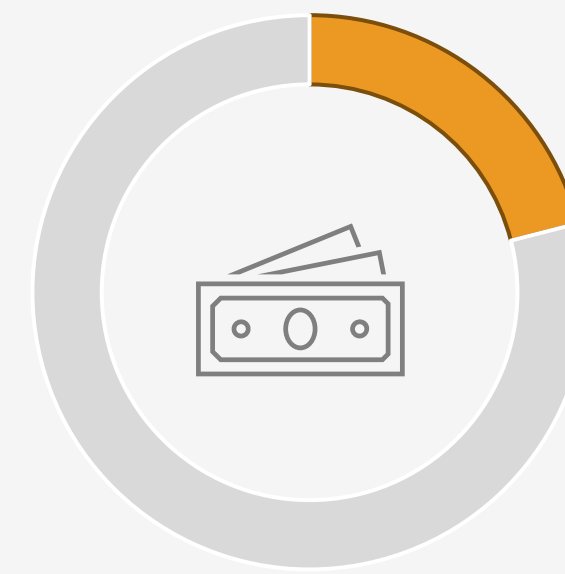
41%

**Move
activity to
another
bank in our
credit
facility**



28%

**Move
activity to
non-credit
bank**



21%

**Pay more
for outside
services if
we reduce
internal
costs by the
same
amount**



21%

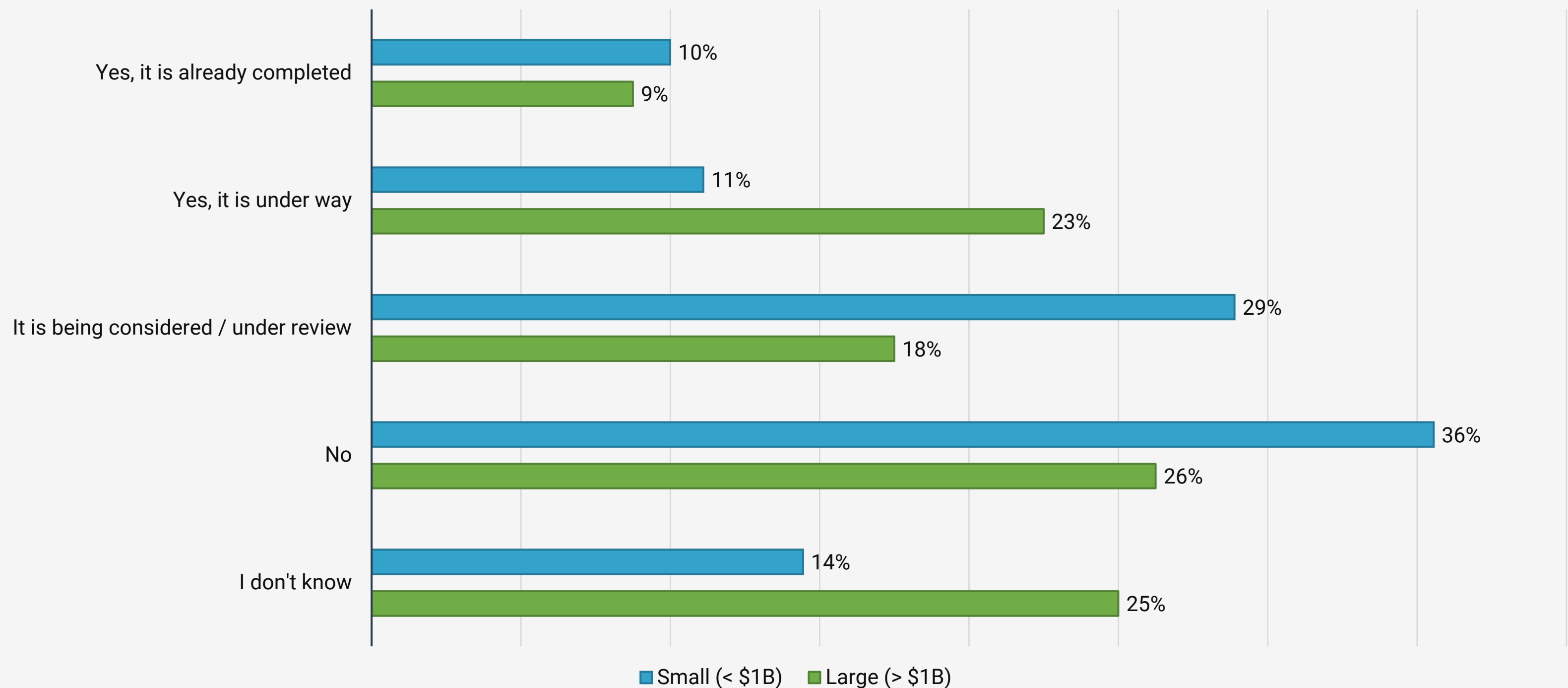
**Pay more
for outside
services to
reduce
internal
complexity
whether it
costs the
same or
slightly
more**

PAYMENTS MODERNIZATION

LARGE IS LEADING THE WAY

Modernization often translates to speed (faster) and new formats/methods (better) for making payments. Interdiction of payment anomalies is a critical defensive measure that follows the “Speed Matters” security principle.

» Corporate: Do you have a Payments Modernization program?



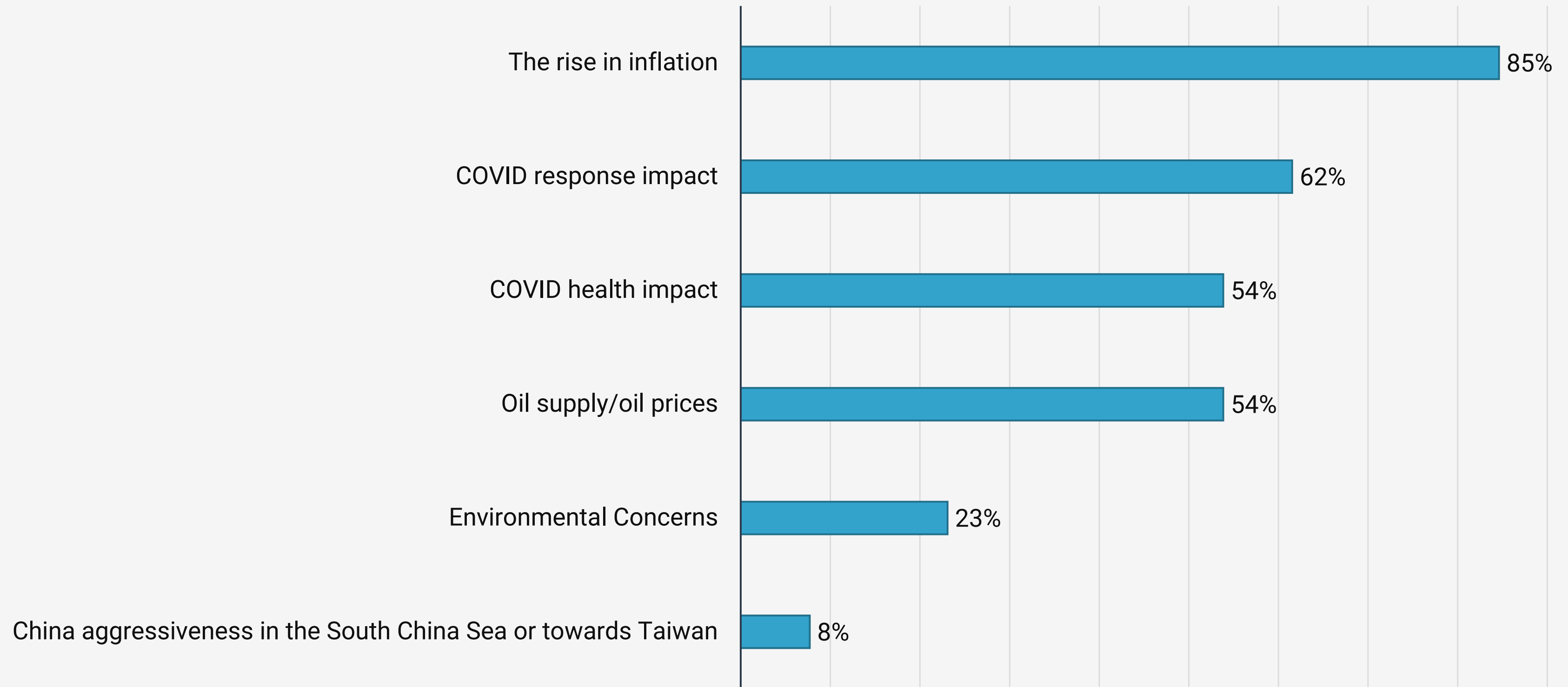


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PANDEMIC IMPACT

POLL QUESTION

Which of the following are moderate to significant concerns you have today?
(Select all that apply)



TOP CONCERNS

MEASURED DURING THE PANDEMIC

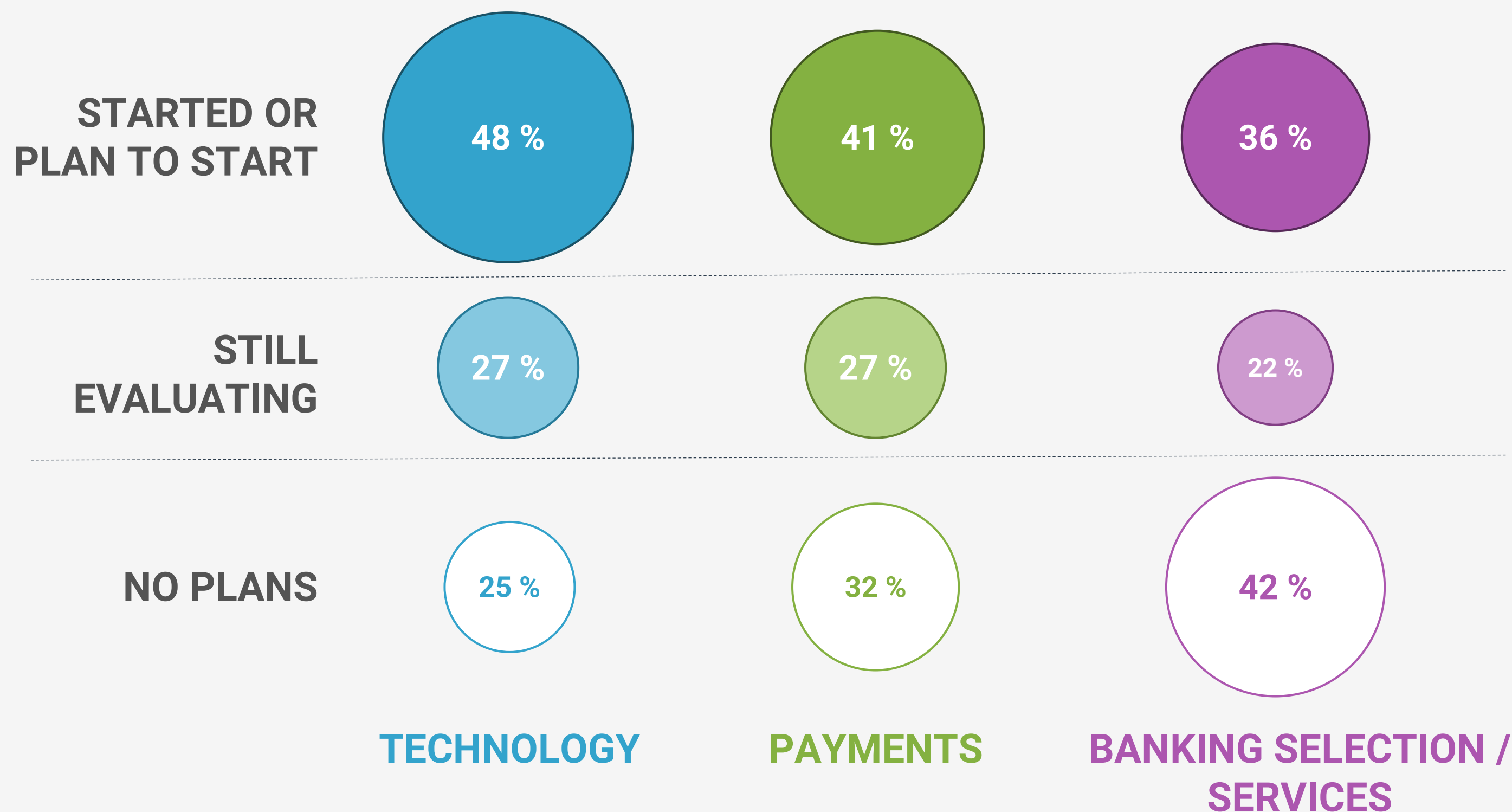
Most periods we have asked respondents to rank seven areas. Since we measure this over time, the gauges below show how the industry as a whole is adapting to changes on the ground and how that is alleviating or increasing their concerns relative to the other categories.

| Areas of Inquiry | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | |
|---|-----------|-----------|-----------|-----------|-----|-----------|-----------|-----|-----------|-----|-----|-----|-----------|-----------|-----|-----------|-----|-----------|-----|-----|
| Business Continuity Plan Completeness | 1st | 2nd (tie) | Not Asked | 3rd | 4th | 4th | 4th (tie) | 5th | 6th | 6th | 6th | 6th | 6th | 7th | 6th | 6th | 6th | 6th | 6th | |
| Staff Safety Protocols | 3rd | 4th | | 6th | 6th | 5th (tie) | 6th | 7th | 2nd | 4th | 4th | 3rd | 1st (tie) | 2nd | 1st | 4th | 1st | 4th (tie) | 5th | |
| Staff Awareness of Plans | 6th (tie) | 5th | | 7th | 7th | 7th | 7th | 6th | 7th | 7th | 7th | 7th | 7th | 7th | 6th | 7th | 7th | 7th | 7th | 7th |
| Country Preparedness | 6th (tie) | 6th | | 5th | 5th | 5th (tie) | 4th (tie) | 4th | 5th | 5th | 5th | 5th | 5th | 5th | 4th | 2nd (tie) | 3rd | 4th | 3rd | 2nd |
| Direct Financial Impact to the Business | 2nd | 1st | | 1st (tie) | 1st | 1st | 1st | 1st | 1st | 1st | 1st | 2nd | 1st | 1st (tie) | 1st | 2nd (tie) | 1st | 1st | 1st | 1st |
| Access to Adequate Liquidity | 4th | 2nd (tie) | | 1st (tie) | 2nd | 2nd | 2nd | 3rd | 3rd (tie) | 2nd | 1st | 4th | 3rd | 3rd | 4th | 5th | 1st | 4th (tie) | 3rd | |
| Recession in the Regions We Operate In | 5th | 7th | | 4th | 3rd | 3rd | 3rd | 2nd | 3rd (tie) | 3rd | 3rd | 2nd | 4th | 5th | 5th | 2nd | 4th | 2nd | 4th | |

PROJECTS IN 2021

STARTED OR PLAN TO START TREASURY/FINANCE PROJECTS?

Projects are back on the table for many organizations. This is welcome news for the banks and vendors who provide these services to see ongoing strength through 2021. At the same time, approximately one quarter of firms appear to be cautious in that they are still evaluating projects in these three areas.



Source: Global Recovery Monitor Survey. Period 19. Percentages omit "unsure" responses.

TAKE-AWAYS

IDEAS AND POINTS TO BRING BACK TO THE OFFICE



EVERYONE IS A TARGET

- Stay current on the methods and techniques used by criminals
- Train and test staff on threats – too easy to forgo in the WFH environment



EVALUATE WFH RISKS

- Time to do a one-year review
- Identify exposures from workarounds that were “temporarily” adopted



DETERMINE AREAS TO IMPROVE YOUR TECHNOLOGY

- Payments
- Replacement
- Security
- Process Support



BENCHMARK AGAINST OTHERS

- Know what the industry is thinking
- Identify categories of obstacles
- Reexamine every 12-24 months

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.



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