

# TREASURY PERSPECTIVES SURVEY RESULTS



## CRAIG JEFFERY

Founder & Managing Partner  
Strategic Treasurer



## WHAT

Evaluating survey results and discussing implications for organizations in 2022 and beyond



## WHEN

Thursday, March 17, 2022  
2:00 - 3:00 PM EDT



## WHERE

Live Online Presentation  
at Utah AFP March 2022 Meeting



Certified Corporate  
Financial Planning &  
Analysis Professional



This presentation is provided by Strategic Treasurer for AFP of Utah

# ABOUT THE SPEAKER

GET TO KNOW TODAY'S SUBJECT MATTER EXPERT



## CRAIG JEFFERY

Craig Jeffery has 30+ years of financial and treasury experience as a practitioner and as a consultant. This has uniquely qualified him to found and lead Strategic Treasurer, a research-based consultancy serving the treasury industry by assisting clients and informing the industry.

As Managing Partner, Craig oversees Strategic Treasurer's operations in both arenas: advising and assisting clients on major projects and through outsourced services, and informing the industry through educational webinars, informational publications, and survey data.



### ADVISE

- Global & Domestic Treasury
- Connectivity & Onboarding
- Working Capital Optimization



### RESEARCH

- Industry Surveys
- Benchmarking
- Data Subscription



### ASSIST

- Treasury & Risk Technology
- Bank Fee Management
- Temporary Treasury Staffing



### INFORM

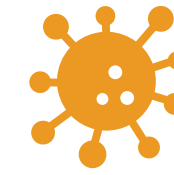
- Webinars
- Podcasts
- Analyst Reports, eBooks & Executive Summaries

# TOPICS OF DISCUSSION

KEY AREAS OF FOCUS &  
ANALYSIS



**ABOUT THE SURVEY**  
SURVEY & FIRMOGRAPHICS



**COVID IMPACT**  
AND OUTLOOK



**TECH USE**  
AND RESPONSES TO NEW  
TECH



**LIQUIDITY**  
AND BORROWING



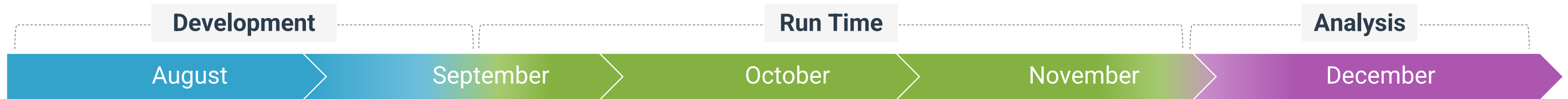
**PAYMENT SECURITY**  
TRAINING



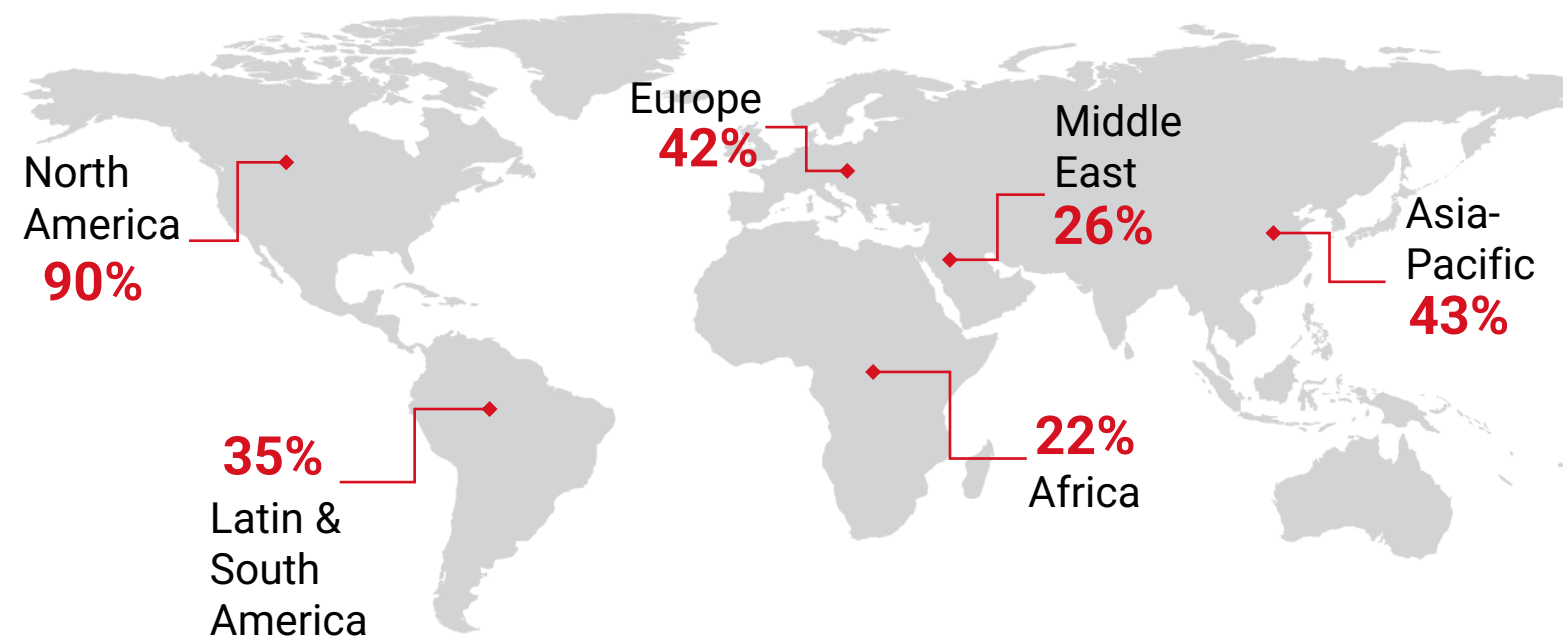
**KEY TAKEAWAYS**  
FROM THE RESEARCH

# SURVEY QUICK STATS

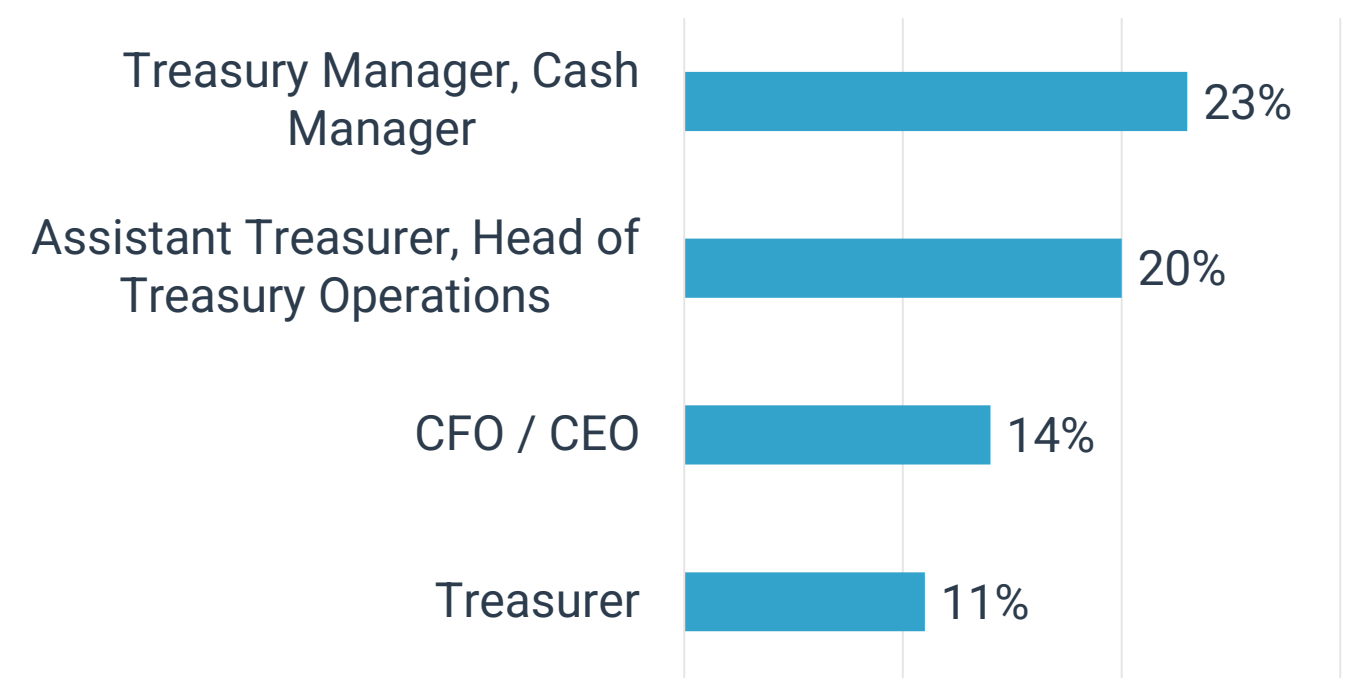
2021 Treasury Perspectives



## Regions of Operations



## Top Respondent Roles



# COVID IMPACTS

## PERMANENT CORPORATE CHANGES

**AP**

**AR**

**TREASURY**

Increased adoption of Electronic Funds Transfer (EFT) and reduced use of checks  
**48%**

**43%**

**42%**

**6%**

**13%**

**48%**

Enduring changes to work-from-home policies  
**48%**

Security and control procedures  
**40%**

Willingness to accept additional payment types (e.g., Purchasing Card (P-card), ACH)  
**31%**

Enhanced auto-posting of cash  
**20%**

Changes to banking provider(s)  
**6%**

Change or planned change of system/platform  
**11%**

**56%**

**56%**

**38%**

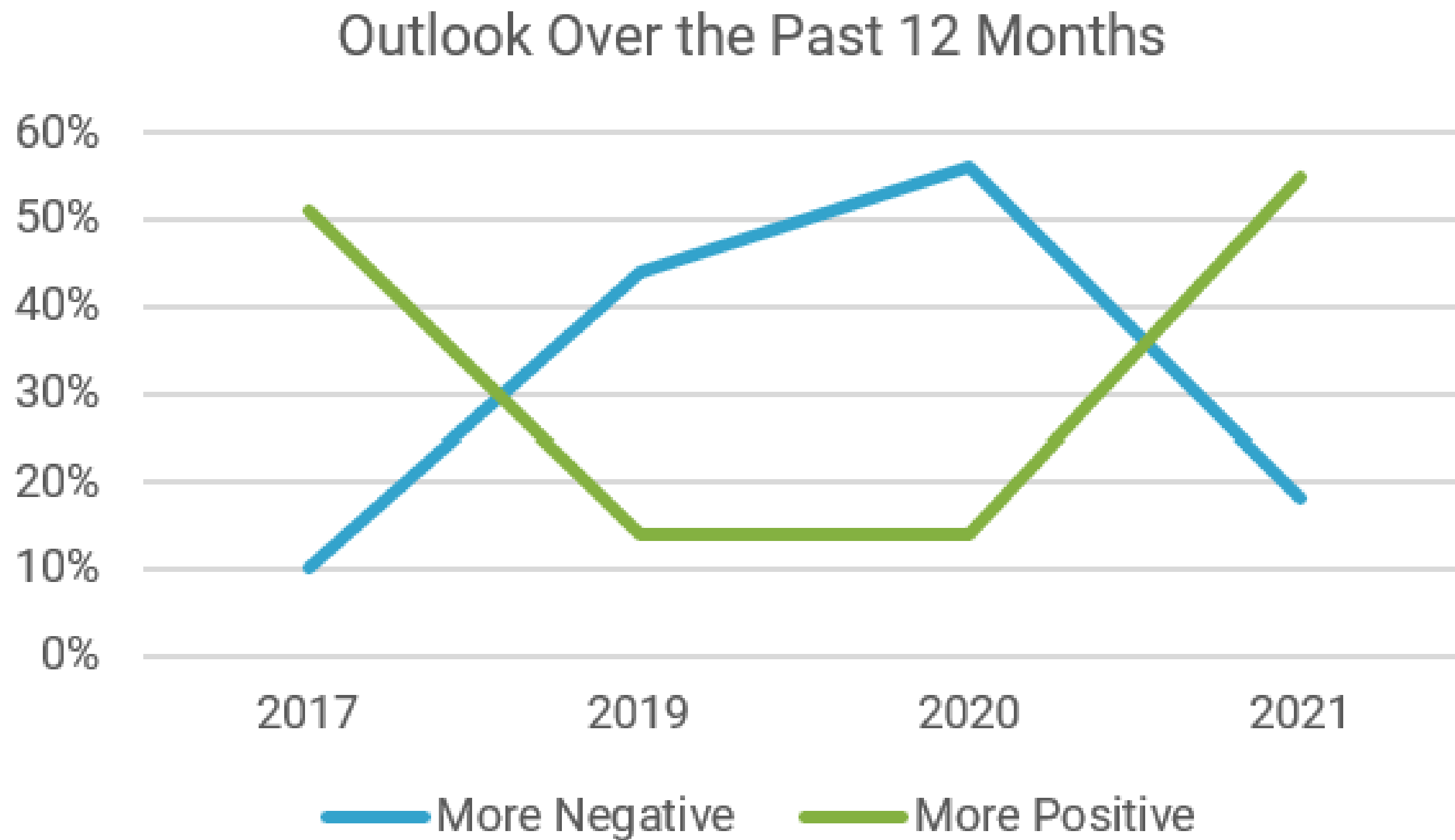
Cash flow forecasting  
**38%**

**38%**

**4%**

**16%**

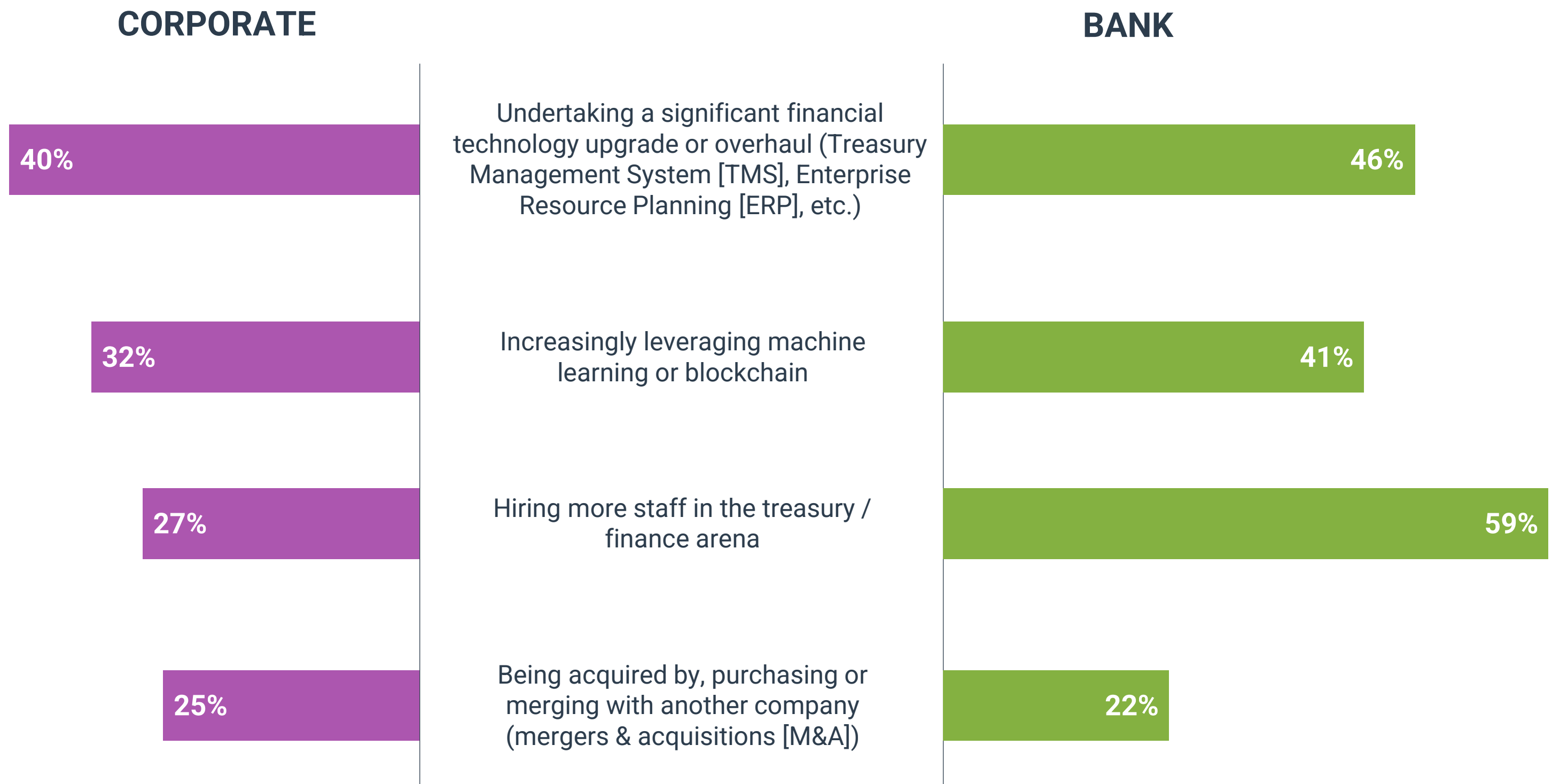
# ORGANIZATIONAL OUTLOOK



# TWO-YEAR OUTLOOK

## OPPORTUNITIES AND THREATS

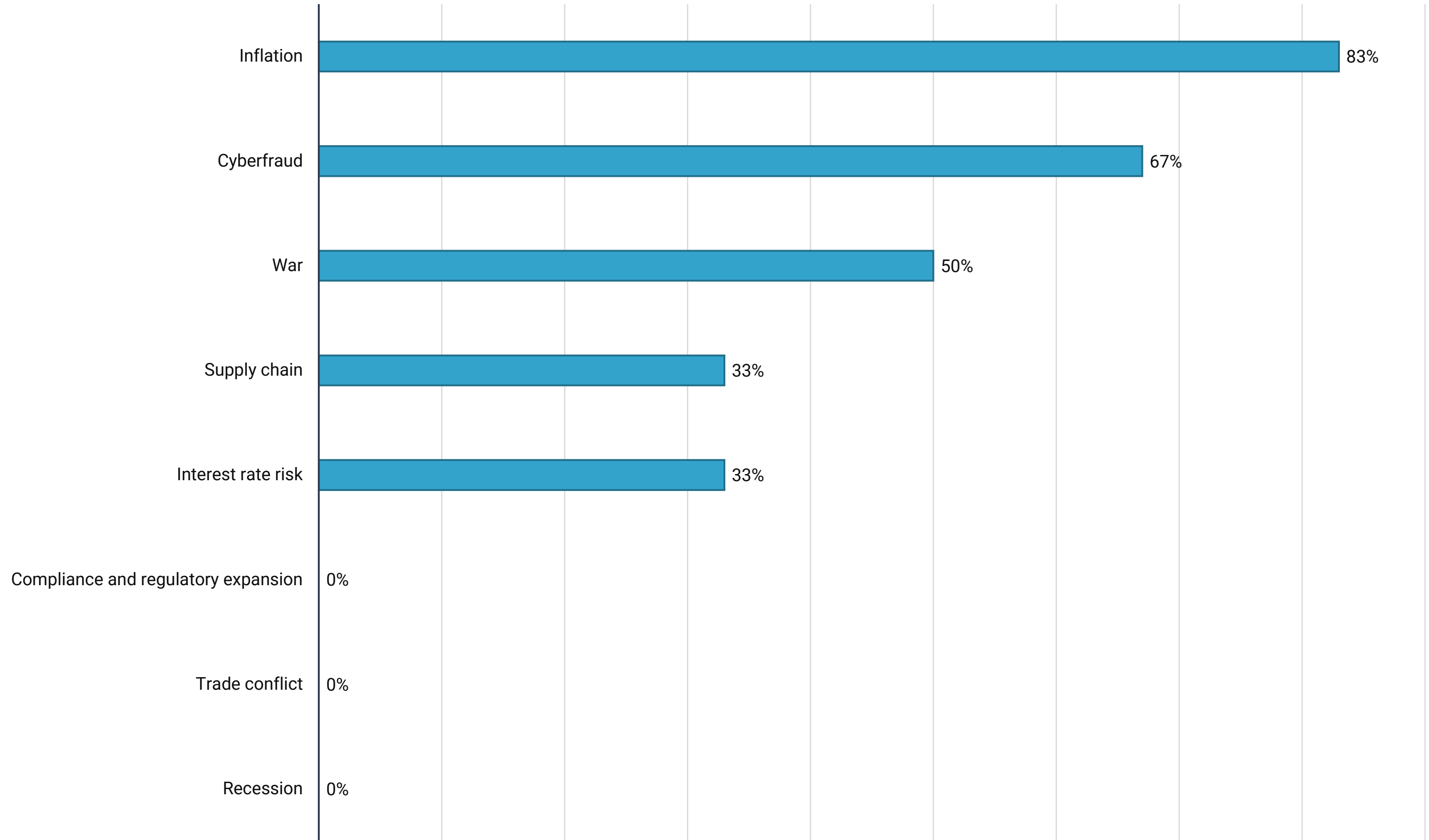
*Please indicate your company's expected activity or interest in the following areas over the course of the next two (2) years:*



\* Not all responses displayed.

# POLL QUESTION

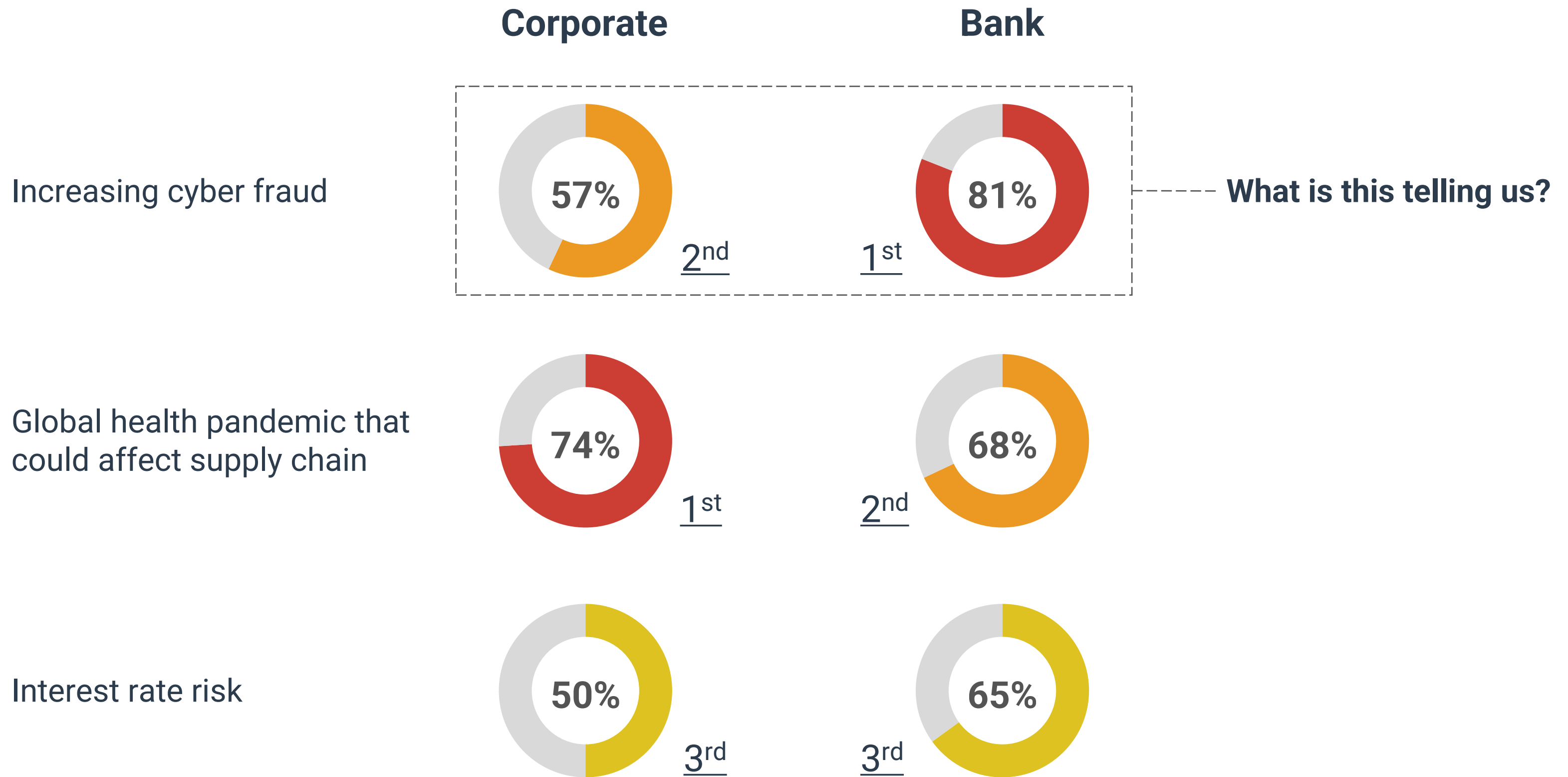
The following are significant concerns for us in 2022:





# TOP THREE CONCERNS

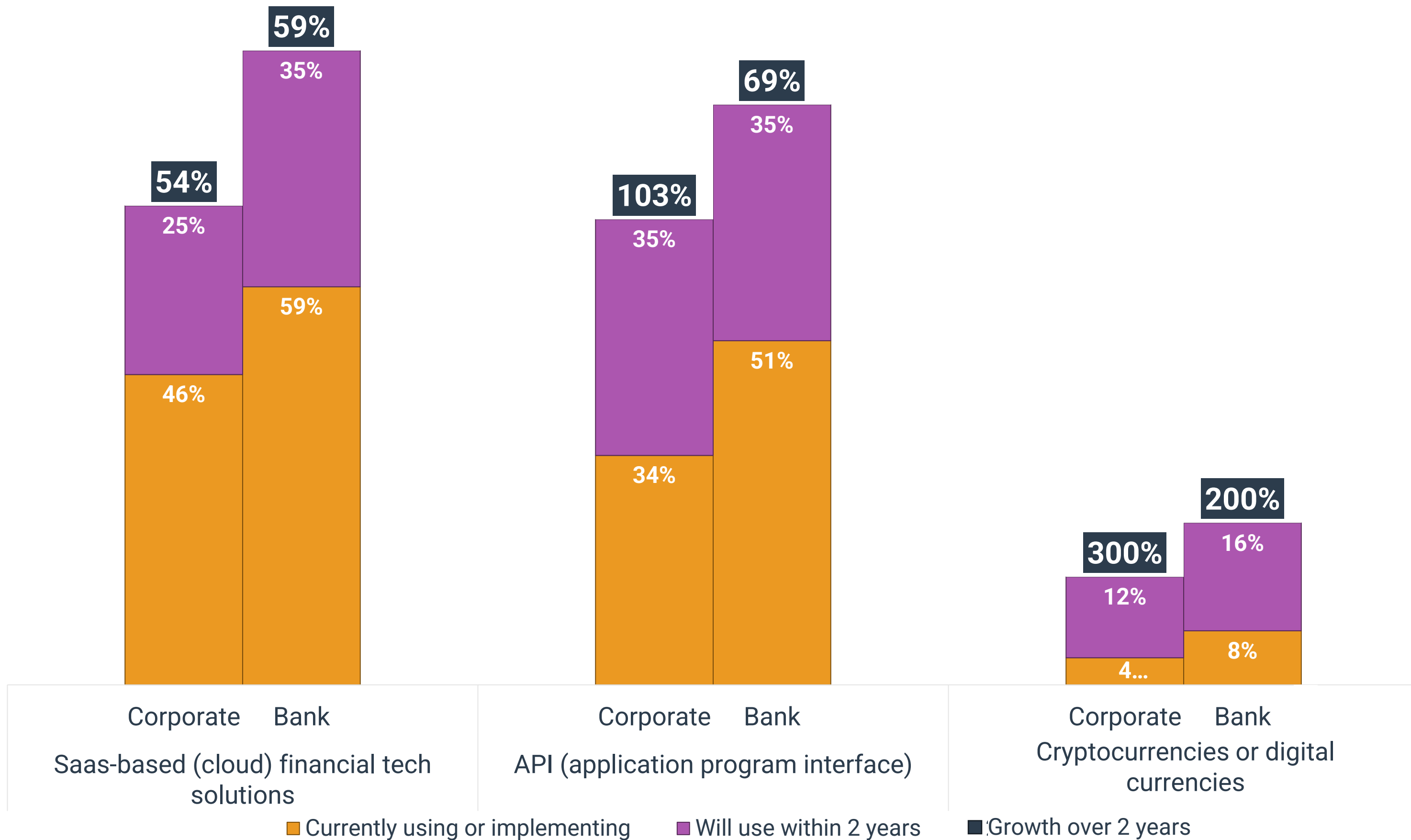
## GLOBAL ECONOMIC AND OPERATIONAL RISKS



# TECH USE

**Corporate:** Which of the following technologies are you using / interested in using in treasury?

**Bank:** Overall, which of the following technologies are the majority of your clients using / interested in using for treasury?

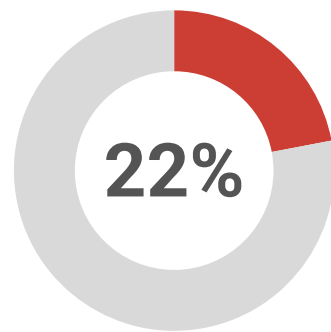


# TECH-RELATED VIEW

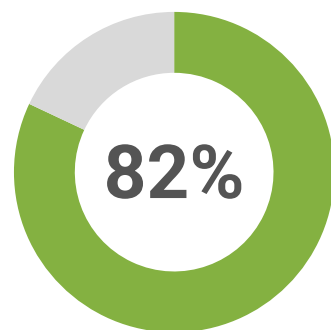
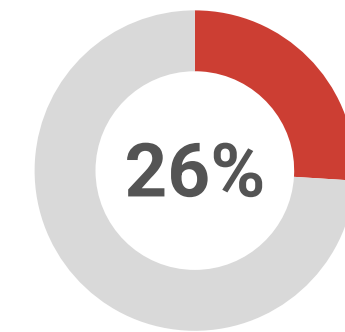
*Strongly agrees/agrees with each of the following statements.*

Corporate

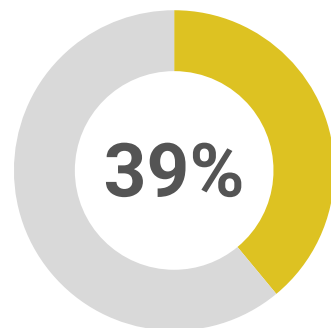
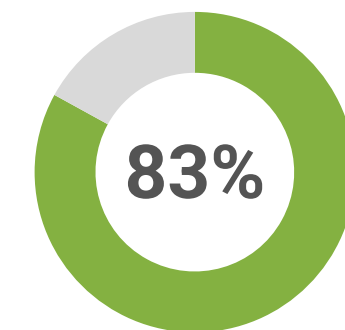
Bank



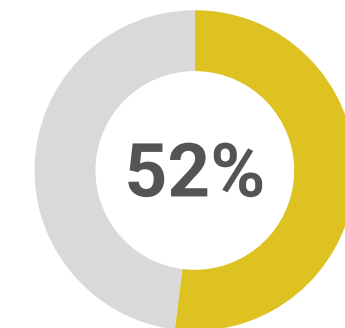
**I am nervous about innovations in Artificial Intelligence /  
Machine Learning / Robotic Process Automation.**



**I am excited about the development of new technologies.**



**I am concerned our staff is not upskilling with new  
technology quickly enough.**



# PREPARING FOR DISRUPTION

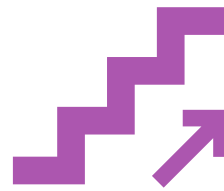
## CORPORATE

*How are you preparing for disruption in the treasury management industry?*



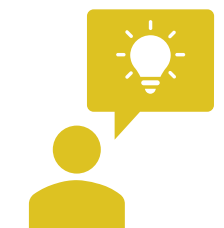
Keeping informed of developments and waiting to see where the industry heads

**50%**



Upskilling through investment in employee training

**28%**



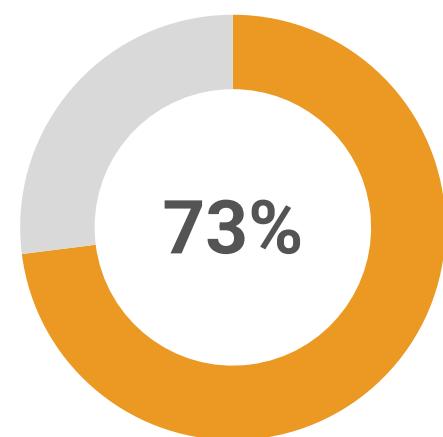
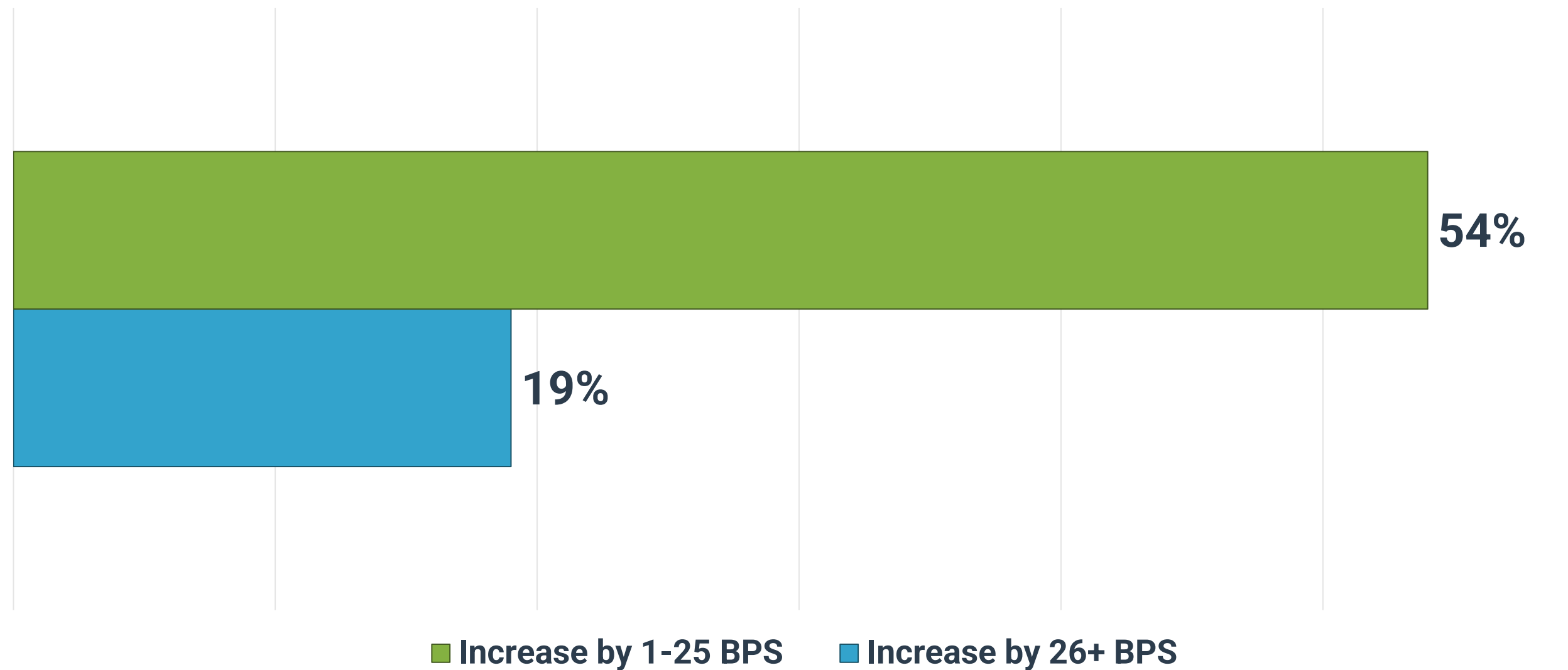
Hiring more tech-savvy employees to keep up with trends and emerging developments

**25%**

# BORROWING

## CORPORATE INTEREST RATE EXPECTATION FOR 2022

*In the upcoming year, we expect the U.S. Federal Reserve interest rates to:*



**Almost 3/4ths of corporates expect the Fed to raise interest rates in 2022.**

# BORROWING

## IMPACT OF FED RATE CHANGES OVER NEXT 12 MONTHS

### CORPORATE VIEW OF THEMSELVES

Fed rate changes will impact how much **we** \_\_\_\_\_ over the next 12 months.



Borrow

47%



Invest

44%

Borrowing will be impacted by:

- Increasing the diversity of our debt/capital structure **37%**
- Extending the duration of our borrowing **31%**
- Renewing credit facilities earlier **28%**
- Renewing credit facilities earlier (net) **13%**
- Leveraging our financial supply chain more vigorously (net) **23%**

### BANK VIEW OF CORPORATE

Fed rate changes will impact how much **our clients** \_\_\_\_\_ over the next 12 months.



Borrow

84%



Invest

81%

The majority of **our clients'** borrowing activity will be impacted by:

- Increasing the diversity of their debt/capital structure **53%**
- Extending the duration of their borrowing **38%**
- Renewing credit facilities earlier **34%**
- Renewing credit facilities earlier (net) **15%**
- Leveraging their financial supply chain more vigorously (net) **47%**

# REVERSION TO THE MEAN

## LOAN BALANCE OF POWER

We expect loans over the next year to favor:

		Lenders	=	Borrowers	Favors
<b>Corporate</b>	Now	30%	35%	34%	<b>=</b>
	Last year	23%	30%	47%	
<b>Bank</b>	Now	20%	46%	35%	<b>Borrowers</b>
	Last year	11%	32%	57%	

∴ Corporates see a balance of power, banks still see borrower holding more control.

We expect \_\_\_\_\_ banks to be interested in lending to us than at our last credit negotiation / renegotiation.

		Less	Same	More	Implication
<b>Corporate</b>	Now	8%	49%	43%	<b>++</b>
	Last year	13%	58%	30%	

∴ Greater expectation of available credit.

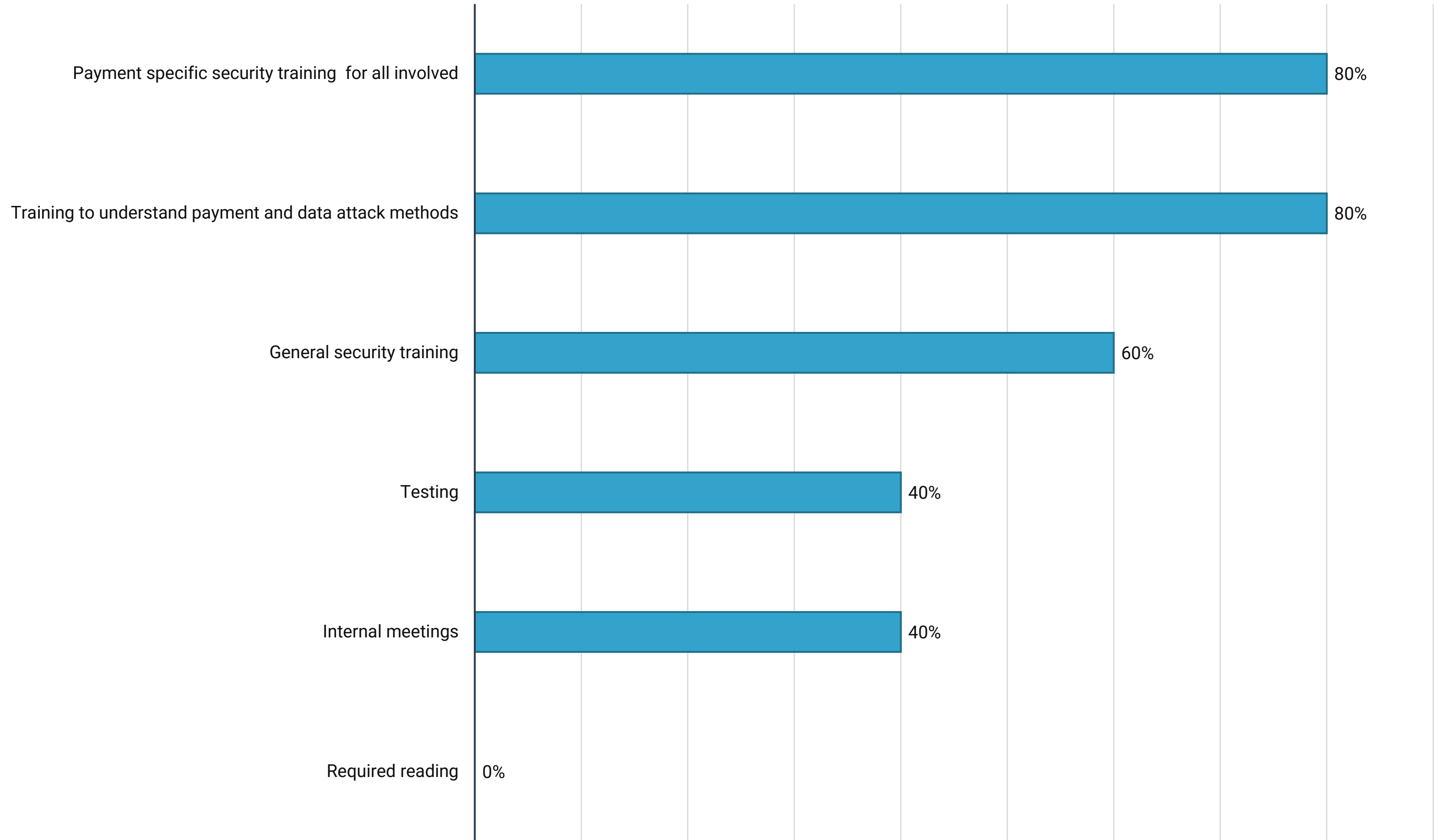
We expect loan covenants and restrictions will become:

		More restrictive	Same	Less restrictive	Implication
<b>Corporate</b>	Now	28%	57%	15%	<b>++</b>
	Last year	45%	43%	12%	
<b>Bank</b>	Now	26%	69%	6%	<b>--</b>
	Last year	87%	11%	3%	

∴ More restrictive loan covenants.

# POLL QUESTION

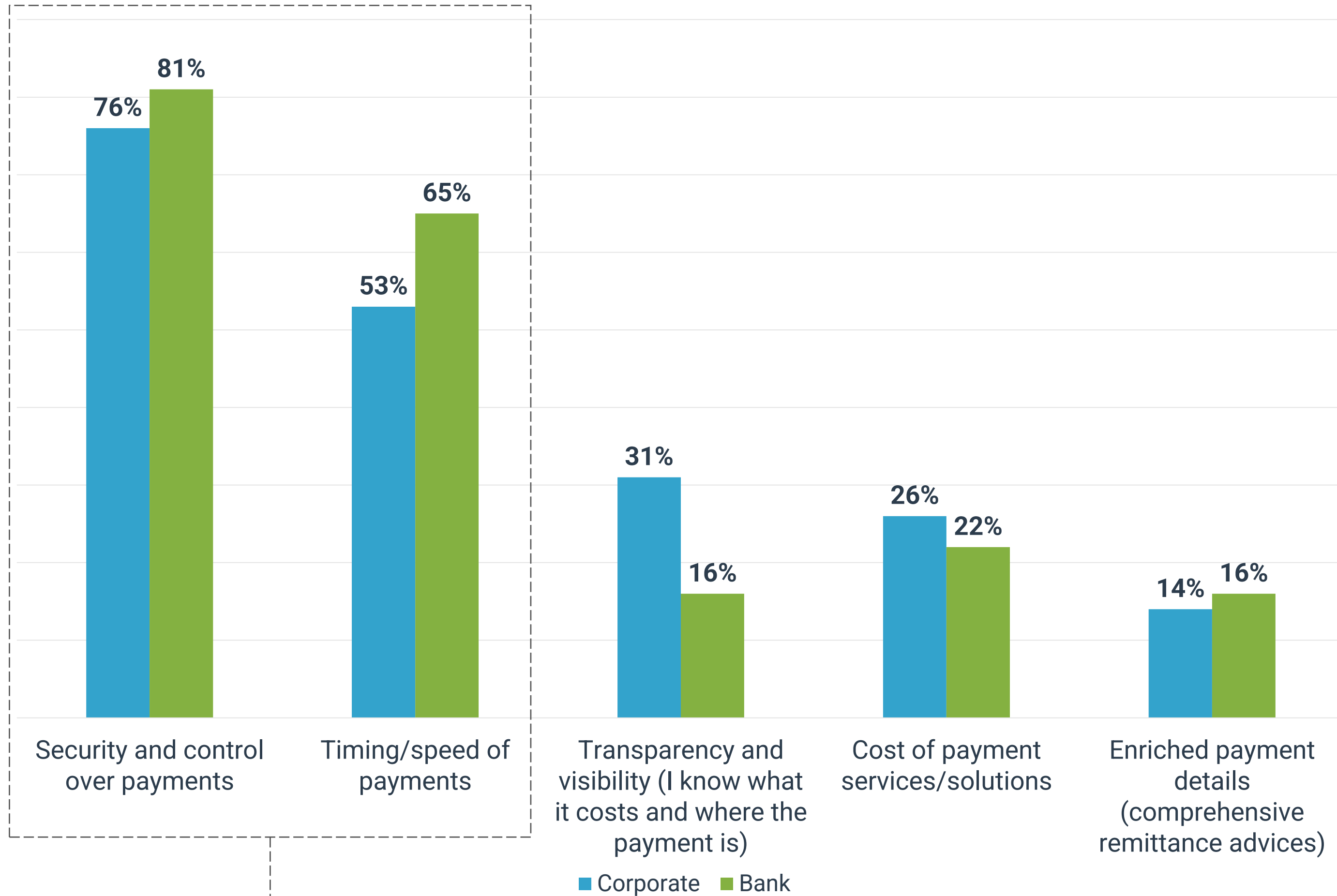
We have the following in place for security training:





# PAYMENT SECURITY

## TOP TWO MOST IMPORTANT PAYMENT FEATURES

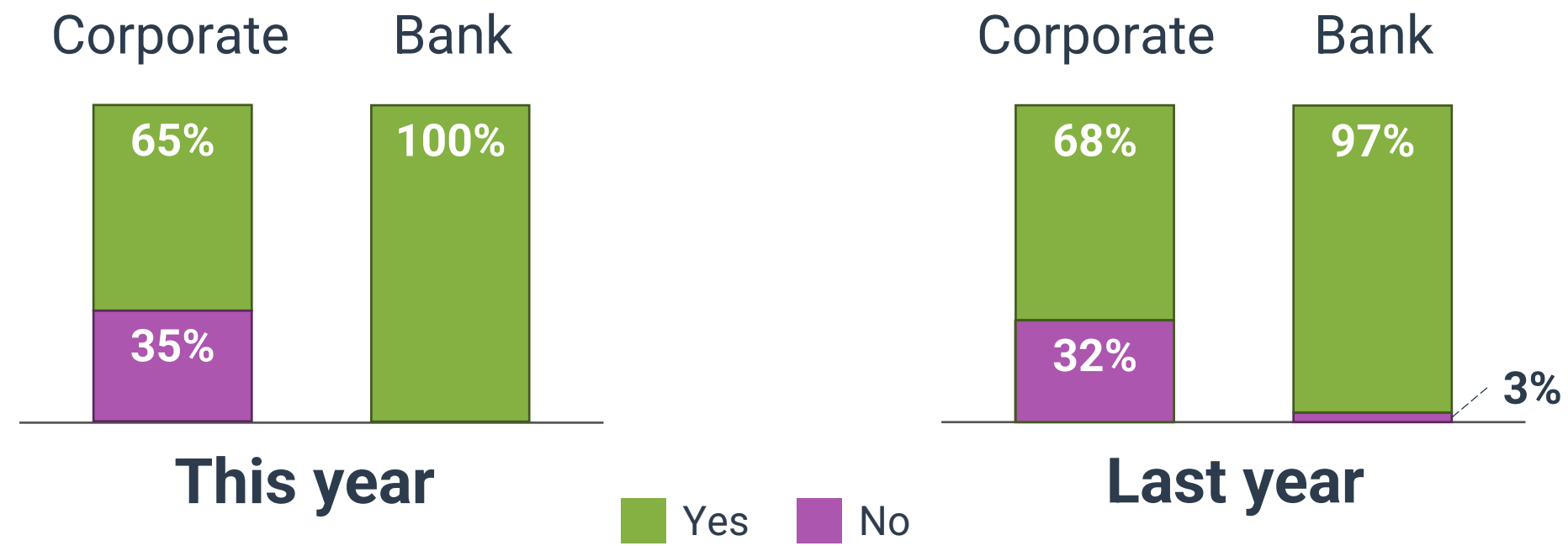


What is this telling us?

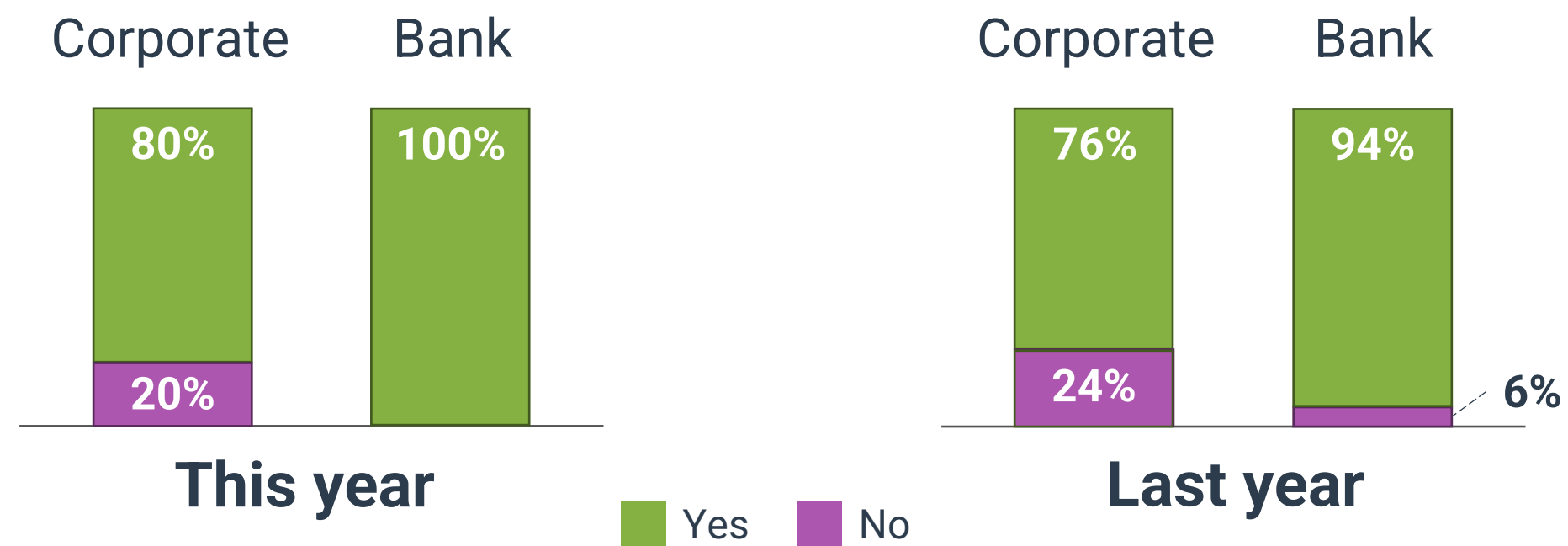
■ Corporate ■ Bank

# PAYMENT SECURITY

*Do you require employees involved in payments to take security training each year?*



*Does this training have a reported testing/knowledge assessment component?*

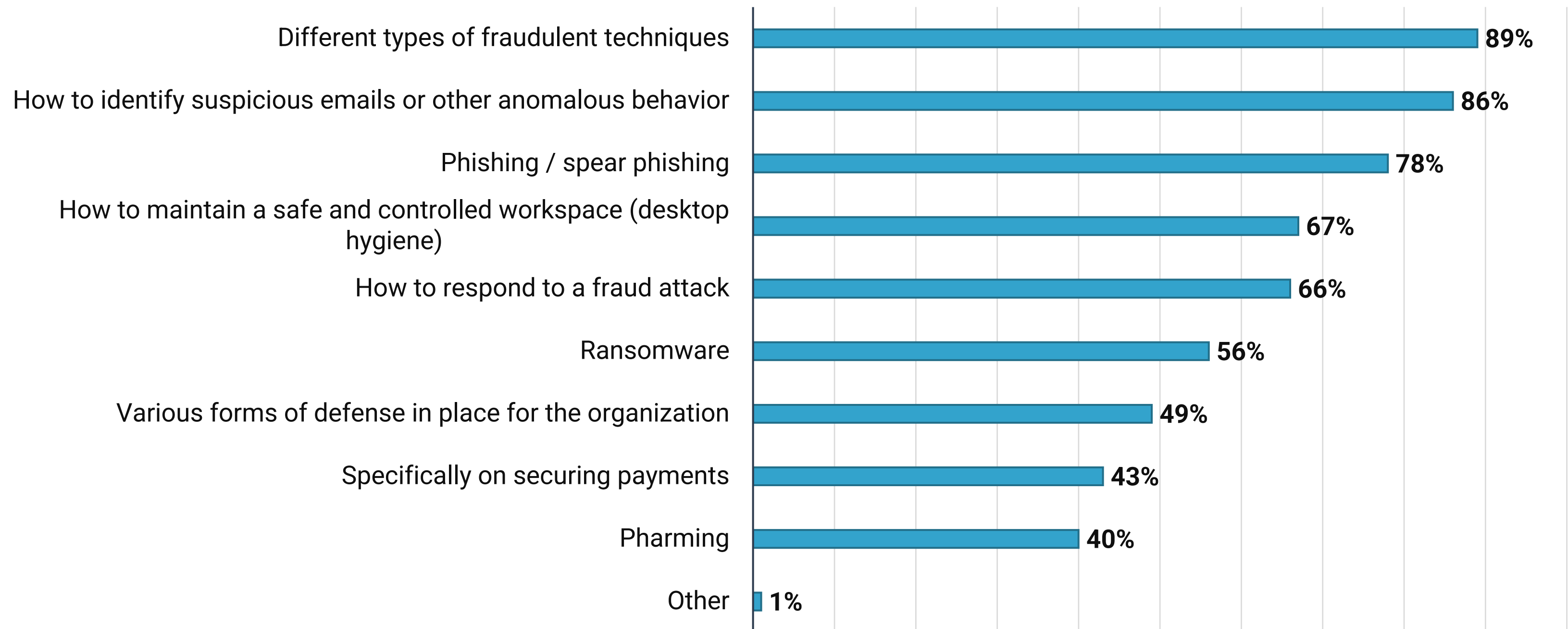


**47% of corporates and 57% of banks have increased the frequency of employee fraud training in the last year.**

# PAYMENT SECURITY

## CORPORATE

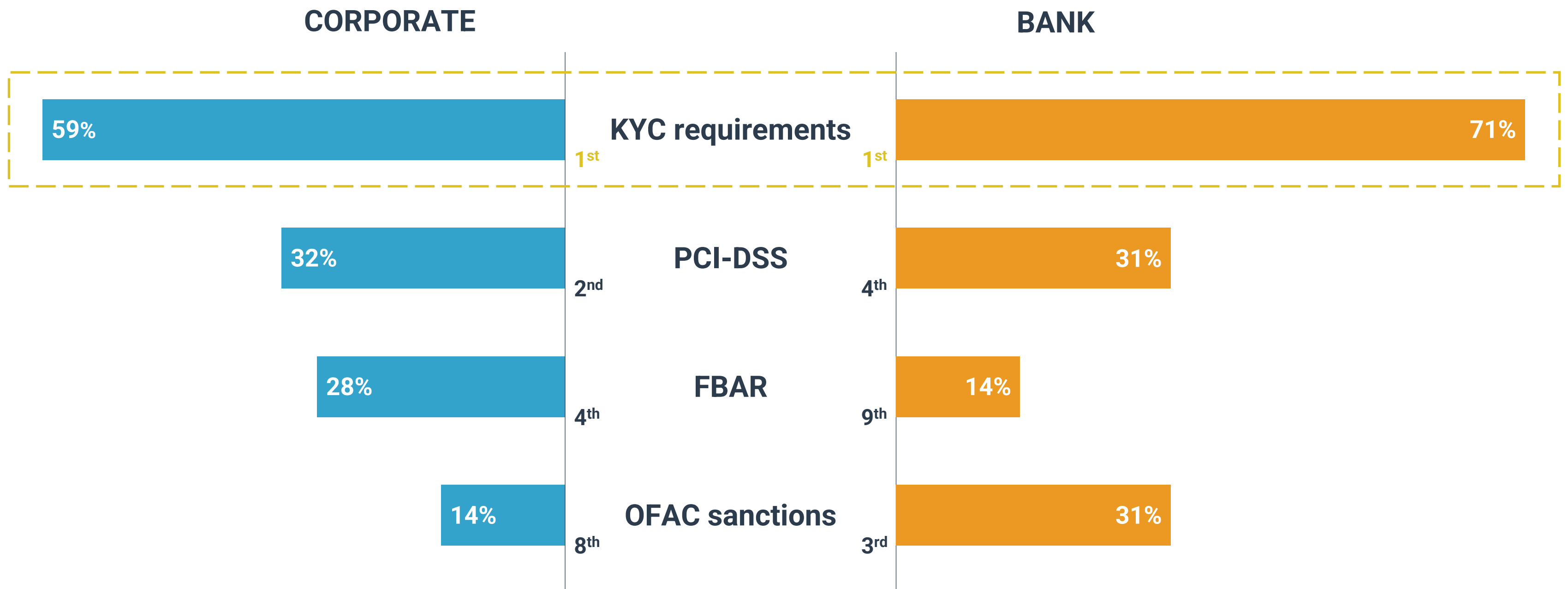
*Our training includes content on:*



# REGULATIONS

## SIGNIFICANT IMPACT

Select the three regulations or security/compliance components that you feel will have the most significant impact on your (corporate) finance/treasury operations / (bank) operations over the next 1-3 years:



**66% of corporates and 72% of banks expect an increase in regulations over the next 1-2 years.**

# FORECASTING IN CONTEXT

## CORPORATE

*Considering all of your operations, what three (3) areas do you spend the most of your time working on?*



46% of respondents have responsibilities they don't have time to perform.

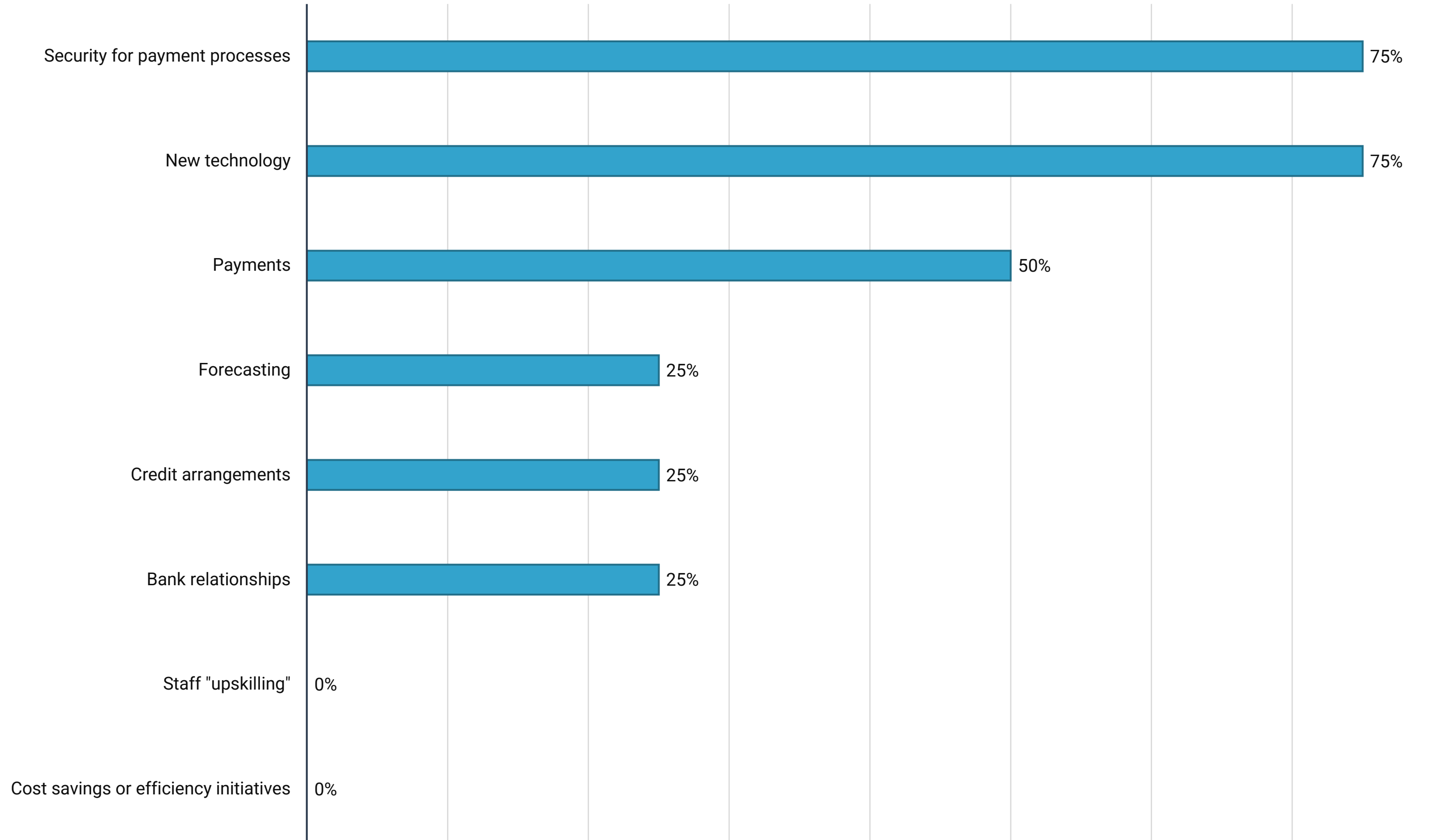
*What are these responsibilities?*



#1

# POLL QUESTION

## Security for payment processes



# TAKEAWAYS

IDEAS AND POINTS TO BRING BACK TO THE OFFICE



## OUTLOOK

- Return to pre-COVID
- Worst is behind us
- Sentiment is optimistic



## WORKING CAPITAL

- Use tools
- Free up time
- More forecasting



## SECURITY

- Good progress
- Not done; don't let up
- Get specialized training



## DISRUPTION

- Real concerns
- Huge opportunity
- People-focused



# 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.

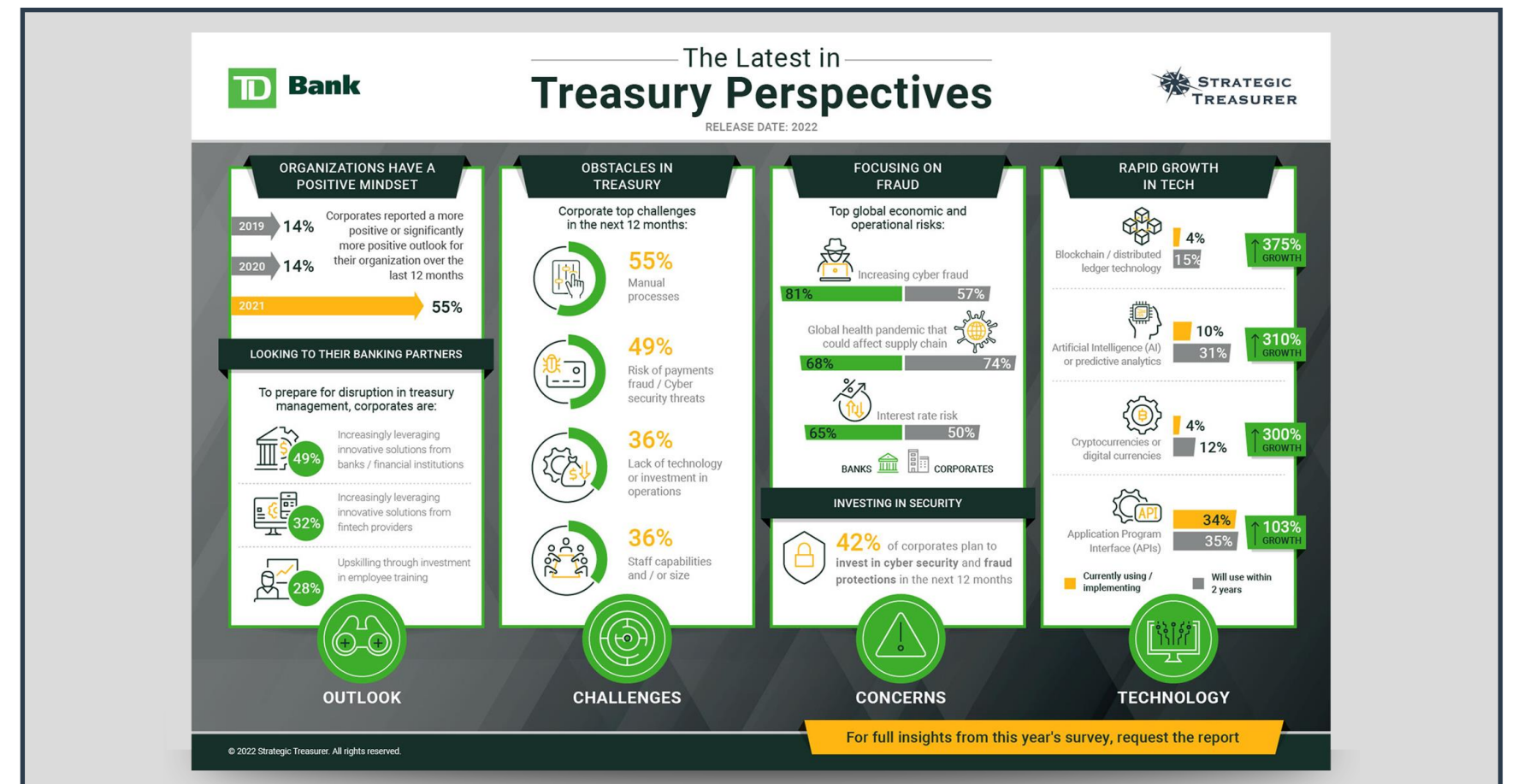


## STRATEGIC TREASURER

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Download the infographic & report: <https://bit.ly/3ht4j5g>

