



The strategic treasurer: 'how to stay a step ahead'

In today's fast-paced, competitive international business environment, being a strategic treasurer is no longer an aspiration – it's an obligation. The challenge is getting the right tools in place that reduce treasurers' time spent on operational tasks and allow them to focus on delivering strategic insight, when and where it matters most.

Over the past decade, much has been written about treasury's growing strategic role within corporate organisations. Far from being a cliché, the rise of the strategic treasurer is only expected to accelerate over the coming years.

In fact, nearly 90% of treasurers now have a mandate from their CFO to be a strategic partner to the business, according to Deloitte's most recent Global Corporate Treasury Survey¹. This goes hand-in-hand with the treasury function increasingly being redefined as a value-added cost centre.

¹ Source: <https://www2.deloitte.com/content/dam/Deloitte/global/Documents/Risk/gx-risk-2015-global-corporate-treasury-survey.pdf>

Defining 'strategic'

While, pre-crisis, treasurers tended to focus on core responsibilities – typically covering cash and risk management, as well as managing bank relationships, currencies and funding – the strategic treasurer's remit also includes a whole raft of new demands. These range from optimising the control environment by ensuring that the right systems are in place to dealing with increasingly strict and complex regulations.

Spearheading the drive towards centralization, standardization and automation is another task that falls firmly in the realm of strategic treasury, together with improving liquidity and funding, and strengthening risk management.

What's more, treasurers are now expected to act as strategic advisors to the board, helping to provide insight into financial decision-making and drive value creation across the business. As a result, treasury leaders are being asked to provide more frequent, detailed and timely reports for top executives – around where cash is, how it is being put to use, and whether it could be used more effectively.

The right tools

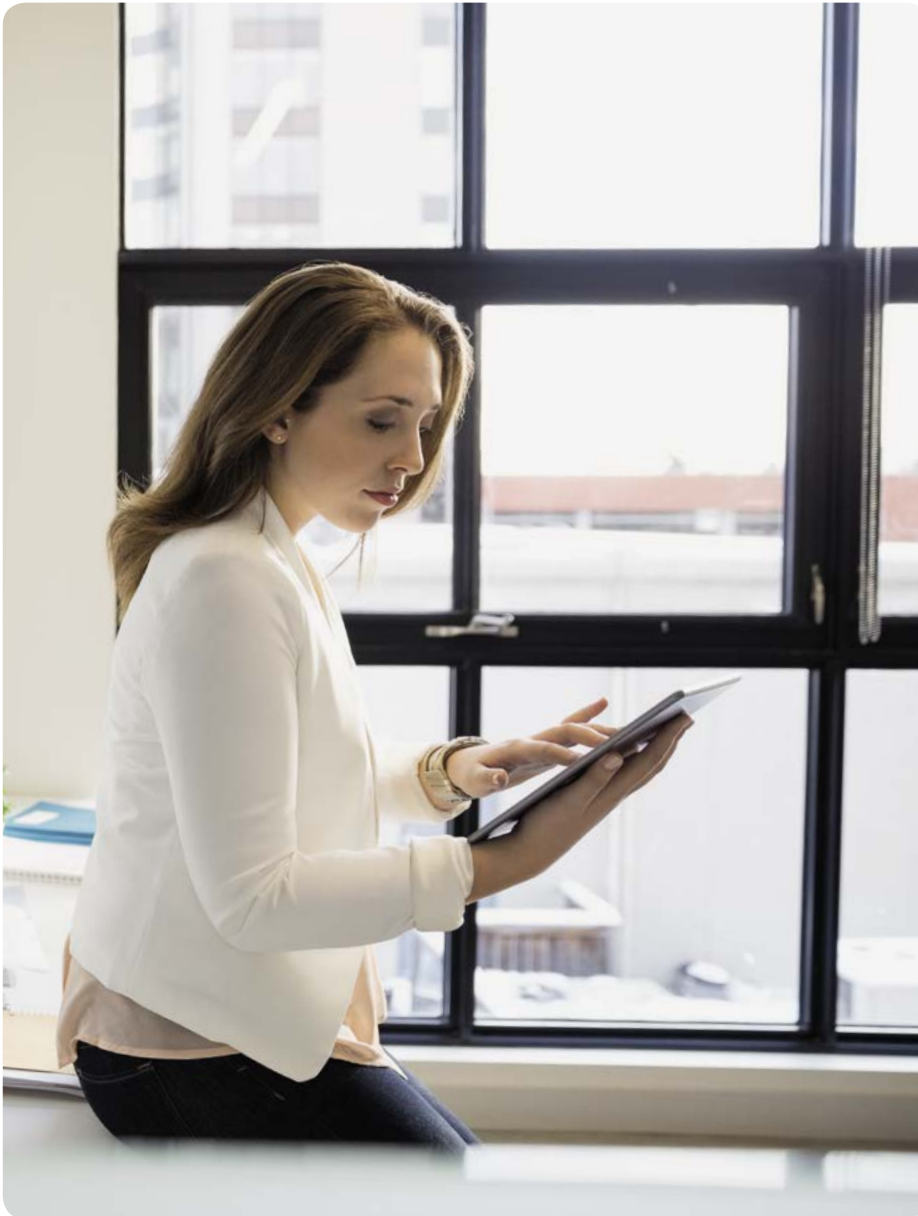
All of this means that treasurers require accurate information at their fingertips. They need near real-time visibility over cash positions and reliable cash flow forecasts. In addition, they want easy-to-use systems that automate processes, improve controls, minimise risks, and

ultimately free-up time for them to add value to the wider organisation.

In the recent past, expensive treasury technology and long-winded centralisation programmes were the main tools for enabling treasurers to meet the demands of their growing strategic role. But the digital revolution in financial services is making it much easier for treasurers to achieve everything that's expected of them strategically, as well as operationally.

Digital developments

Take ING's new Virtual Cash Management solution, which leverages digital advances to combine a cross-border Virtual Bank Account structure with administrative subaccounts, called Virtual Ledger Accounts, to populate a self-service multi-bank reporting dashboard. Not only does it enable treasurers to better manage liquidity risk by centralizing multi-entity cash and improving cash visibility and accessibility, it also takes the hard work out of many manual treasury processes.



For instance, the solution facilitates straight-through reconciliation, since incoming transactions are automatically recognized and allocated to the respective Virtual Ledger Account. Moreover, the solution is self-learning, meaning it can match payments directly to outstanding invoices, even if a customer doesn't provide remittance information.

This level of automation significantly helps reduce days sales outstanding (DSO) and lessens the administrative burden on valuable treasury FTEs, who can then be redeployed to more strategic tasks.,

In control

With Virtual Cash Management, it's also possible to set limits, interest rates, positioning alerts and reporting on each Virtual Ledger Account, so the treasurer can stay up-to-date and in control of the company's cash. As such, the solution has an important role to play as part of a modern and agile treasury control framework – something which undoubtedly falls within the strategic treasurer's remit.

Furthermore, the solution's enhanced analytics and reporting functionalities support timely, informed decision-making. And having the right information, at the right time, is vital for every strategic treasurer.

A better way

Of course, being a strategic treasurer isn't easy, especially at a time when treasury departments are being pushed to do more with less. But part of the DNA of a strategic treasurer is having the natural curiosity to challenge the status quo and look for a better way.

Right now, the digital age is giving treasurers an unmissable chance to 'work smarter' – helping them to stay a step ahead of business challenges, whilst also capturing future strategic opportunities. The question is: what are you waiting for?

This article forms part of a series of insights from ING Wholesale Banking on the latest trends and developments in cash management. Watch out for forthcoming articles on enhancing cross-border cash visibility and accessibility, as well as leveraging digital cash management advances to help improve strategic decision-making. For more information, visit www.ingwb.com/vcm.

