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|| 2021 General Report ||

TREASURY TECHNOLOGY

Survey Report



System Plans, Use, Awareness
and Perspectives

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|| SURVEY CONTACTS ||

CRAIG JEFFERY, FLMI, CCM

Founder & Managing Partner

craig@strategictreasurer.com

BRIAN COCHRUM

Director of Marketing

brian@strategictreasurer.com

KYLENE CASANOVA

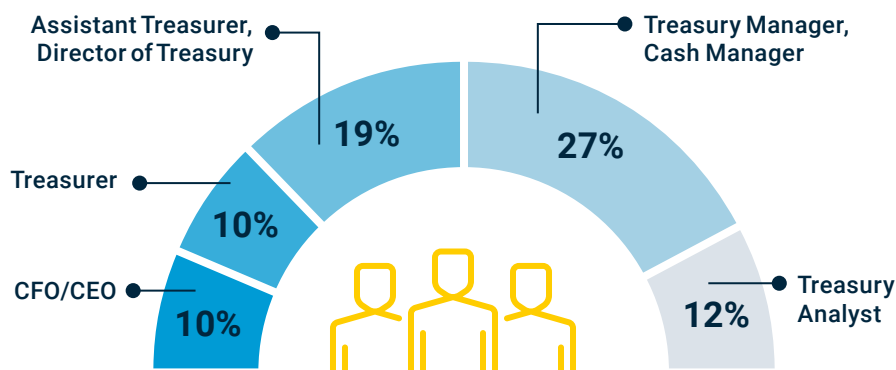
Marketing Manager

ky@strategictreasurer.com

|| 2021 ||

TREASURY TECHNOLOGY Survey Report

TOP CORPORATE RESPONDENT ROLES



ABOUT THE SURVEY



50+
questions



5-week
survey runtime



250+
respondents

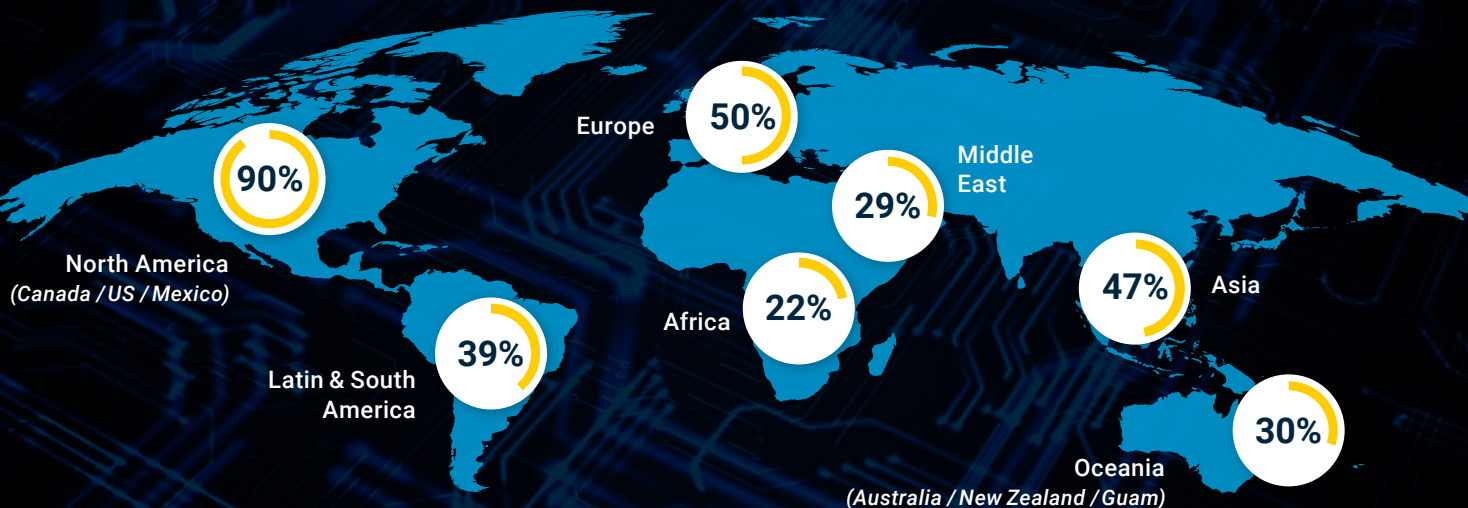


83%
corporate



17%
banks

RESPONDENT REGIONS OF OPERATION



Executive Summary

Over 250+ corporate respondents took the Treasury Technology Survey from March 4, 2021 to April 12, 2021. The survey was underwritten by GTreasury with research powered by Strategic Treasurer, and the 2021 version of the survey represented the third cycle of this research. All treasury practitioners and technologists who support finance will want to look through the findings and implications.

This was a lengthy survey that shed light on a number of different areas: technology adoption trends and rates; rapid acceptance of technology and surprising reluctance to adopt certain other technologies; emphasis on the power of a network/ecosystem; and additional insight as to why forecasting is so important. This survey report contains a few sections to speed you to the information or learning that you seek:

- **Survey & Firmographic Information.** On the previous page, you will find information on the makeup and key statistics of the survey respondents in an aggregated manner.
- **Key Findings.** We controlled ourselves and culled out 10 of the top findings from this year's research. You can find these top findings placed on just a few pages for a more rapid consumption of this headline leading material.
- **Detailed Reporting.** There were many questions and responses. You will find numerous charts with some minimal commentary or explanation where warranted.

As you examine the key findings and pore through the larger set of survey responses and various cuts of data, you will undoubtedly think of additional areas of inquiry. Do these answers differ by size of company or geography? How has this changed over time—is it accelerating or slowing? We invite you to submit your questions or additional areas you'd like to know about. We will either provide a response or feed this into our 2022 research plans.



PETE SREJOVIC
*Chief Technology Officer
GTreasury*



CRAIG JEFFERY,
FLMI, CCM
*Founder & Managing Partner
Strategic Treasurer*

THE KEY FINDINGS FOLLOW CLOSELY, BUT HERE IS THE MORE ABBREVIATED, EXECUTIVE STYLE SUMMARY:



Technology Growth. The rate of adoption of multiple treasury technologies, not just treasury management systems (TMS), continues at a high level. Steady growth is coming from traditional sources and now even more heavily from increasingly smaller companies.



New Tech Focus. The use of and focus on APIs and machine learning (ML) is exploding. Leveraging bots to assist with various processes is also in focus.



Resistance to Formats. Comparing legacy formats to the newer and more enriched formats (think XML), respondents showed surprisingly high levels of resistance to adoption.



Ecosystem Matters. Buyers care about the size and functionality that comes with an ecosystem. This tops the list of 'extremely important' factors for those buying new finance systems.

For those who took the survey—thank you. As with all of our surveys, your responses remain confidential, and those who took the survey receive a more comprehensive report as a reward for making an investment of your time. Thank you to GTreasury for their ongoing support of the industry through the underwriting of this vital research. Their input in updating and improving your survey experience to be even more responsive and interesting is also appreciated.

Read and enjoy.



Additional resources related to this survey:

■ [Infographic](#)

■ [Webinar replay](#)

Key Finding Analysis

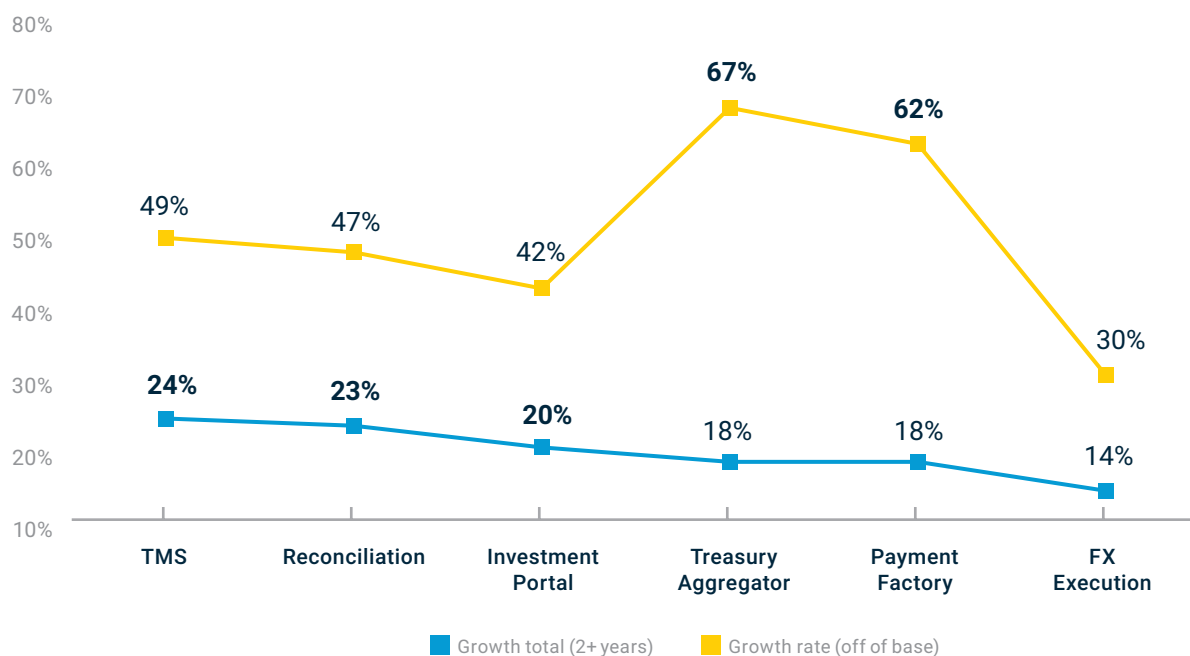
The survey results had numerous interesting data points and trends over time. The following is a selection of ten items that help us understand how our profession is viewing treasury technology and how that influences where we are heading.

Adoption & Growth

1. Technology Growth

Strong growth is expected to continue or increase across a number of solution sets. Moving down-market means even greater levels of expected growth.

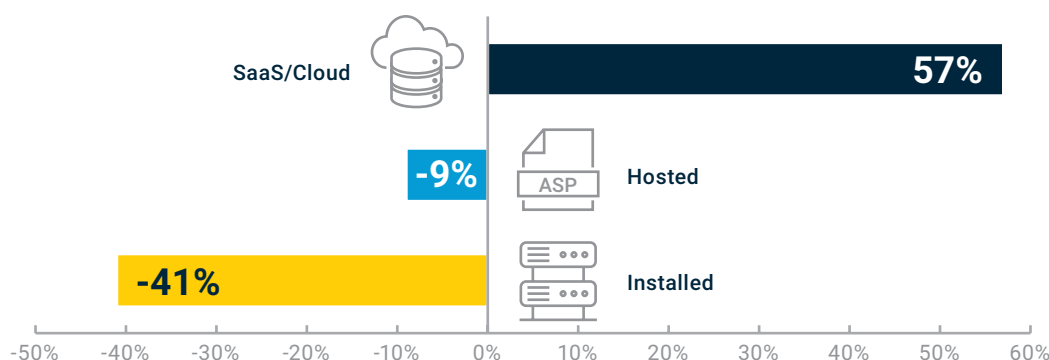
- The following represent percentages of companies that expect to adopt this technology over the next 2+ years. Note that this does not count replacement activity (a solution operating on a legacy platform being replaced by a newer system).
- The expected growth rate over the existing base shows four categories >45%. Three indicate overall market penetration reaching or exceeding 20% (excluding replacement activity).



The blue squares represent the expected growth as a percentage of the market based upon survey respondents' plans. The yellow squares represent the growth rate calculated off the existing user base. The larger the existing user base, the less of an impact the expected adoption (blue) will have when calculated as growth off the base (yellow). If technology was in use by 50% of the market and was expected to grow to 70%, the growth total (blue) would show 20%. The growth rate (yellow) would be 40%: 20% growth over 50% existing market penetration equaling 40%.

2. Cloud/SaaS

The dominance of cloud and SaaS solutions continues in adoption. SaaS/cloud-delivered technologies are seen as 'increasing in value,' while installed solutions are viewed as 'decreasing in value.' SaaS/cloud-delivered technologies have been dominating the landscape for more than a decade at this point. Why? The perception of value is highly divergent between the platform options. On a NET basis (the percentage of respondents indicating the 'increasing in value' less those responding 'decreasing in value'), the results are massively divergent, with +57% for SaaS/cloud and -41% for installed. N.B. Between 27% and 30% of respondents answered unsure or no perspective.

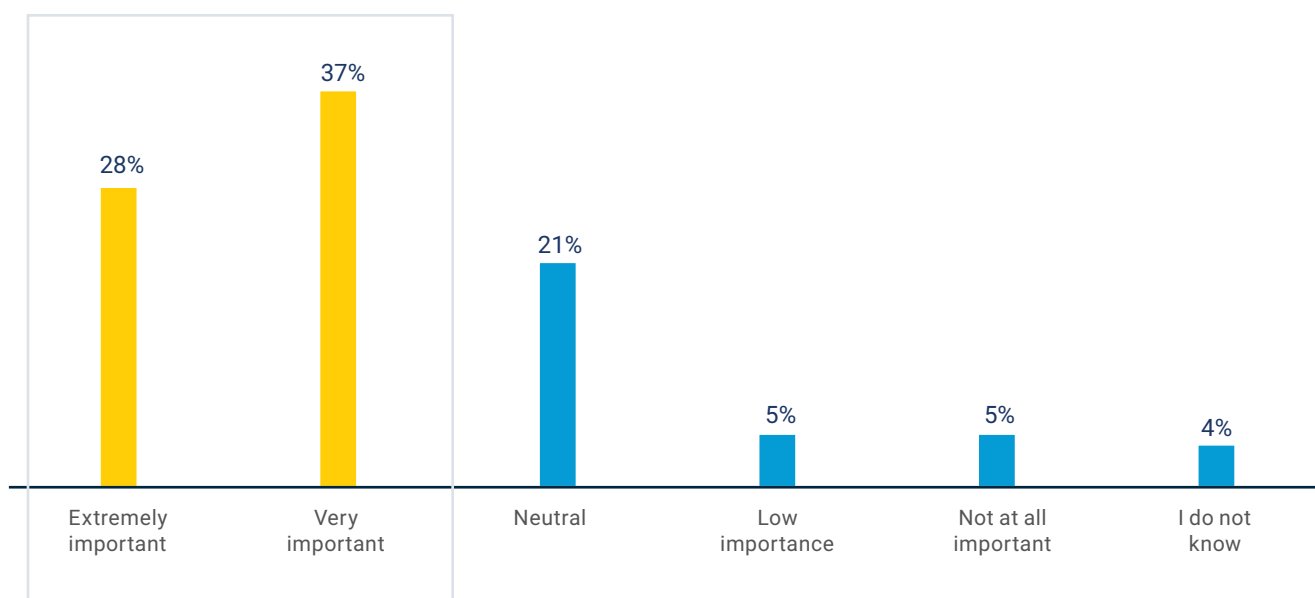


3. Network Power Matters

Payment messaging networks are very important to mid-size and large firms, but not so with small companies. Two-thirds (65%) of all companies view payment networks as either extremely important (28%) or very important (37%). For large companies, however, 36% view it as extremely important, while only 14% of small firms do.



I think that leveraging information and payment messaging networks (e.g., SWIFT, EBICS) is _____ to our efficiency and control.

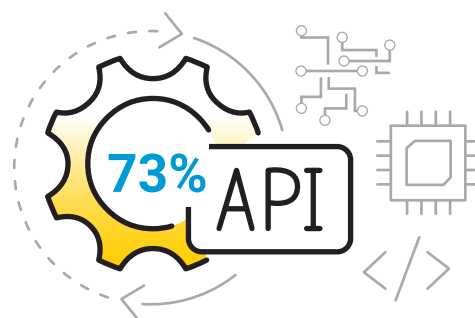


Heavy Focus on New Technologies with Pockets of Resistance

4. APIs Are Highly Important

There is a heavy focus on new technologies on the part of buyers, with the use of APIs and machine learning most significant. Having bots assist in processes is another area of focus among practitioners.

- Seventy-three percent view APIs as highly important to corporate treasury groups. This varies little by company size. Thirty-three percent of respondents indicated they are extremely important, and 40% answered very important, leading to the total of 73%.



5. 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.)

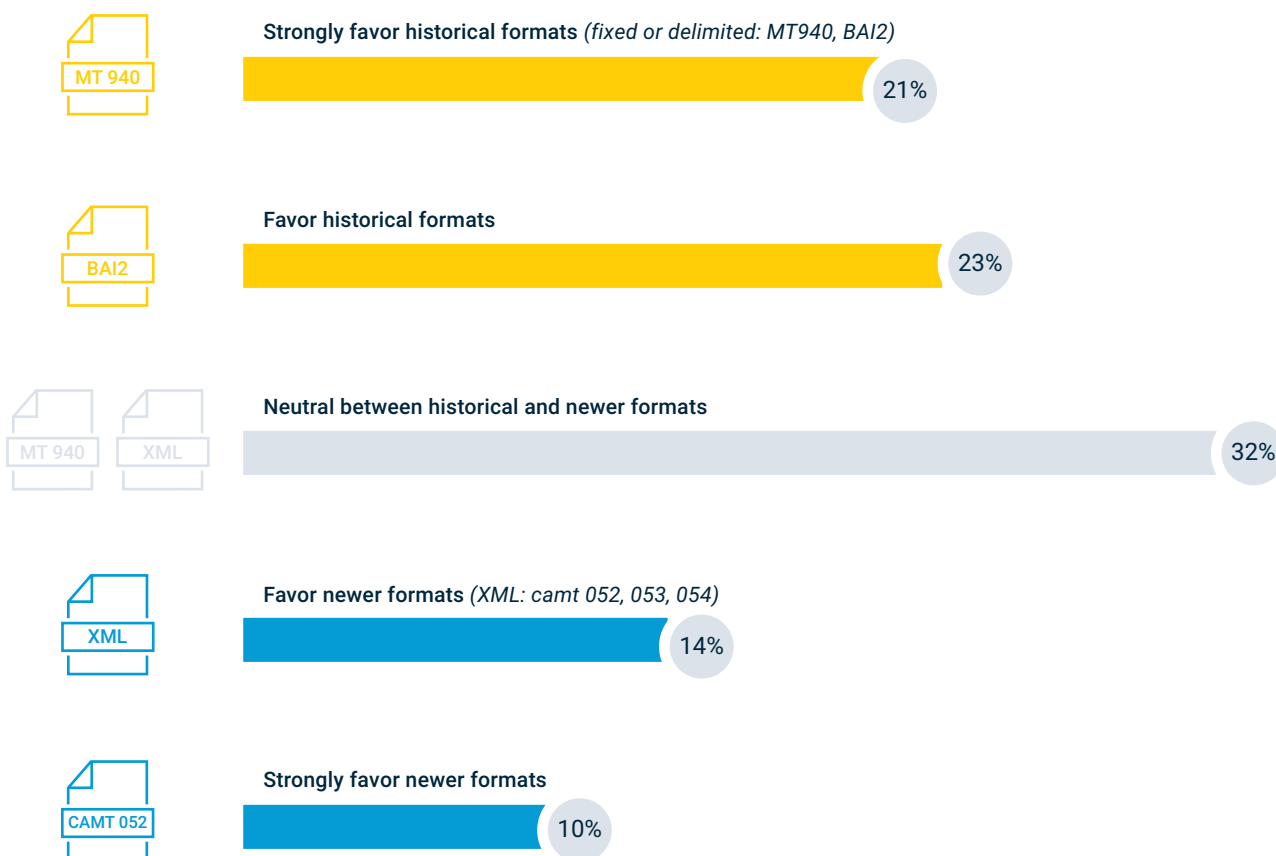
6. Pockets of Resistance—Formats

Contrary to the dominating interest in new technology overall, there appears to be a desire to hold onto older formats rather than adopting newer, enriched ones that use XML.

- By a 20% net margin, respondents favor historical formats like MT940/BAI2 (44%). The newer formats such as CAMT/XML are favored by only 24%. This gap remains when segmenting respondents by company size.



When setting up new banks for information reporting we:



Product Development & Buying Signals

7. Corporates Indicate Top Product Development Priorities

Out of a list of functionalities that are important to respondents in product development, AI/ML took both 1st and 4th place: 1st for use against fraud and 4th for forecasting. The ability to benchmark against other companies or peer sets was ranked 2nd, with robotic process automation (RPA) for common tasks in 3rd place.

- Fraud prevention is a top focus in product development for the application of newer technology to thorny challenges faced by companies. It is also a top item on the mission-critical priorities for automation.



#1 AI/ML— AGAINST FRAUD



#2 BENCHMARKING



#3 RPA (BOTS)



#4 AI/ML— FOR FORECASTING

8. Forecasting Matters Greatly to Many Companies



FORECASTING IS VERY IMPORTANT AND HAS INCREASED IN IMPORTANCE.

- 84%** Very important to treasury.
- 73%** Forecasting accurately is very important to the company.
- 68%** Executive management cares about variances and forecasting accuracy.
- 66%** Forecasting has increased in importance in the past year.



BUT IT ISN'T HIGHLY ACCURATE.

- 38%** Our forecast is highly accurate.



IT TAKES A LOT OF TIME, AND WE COULD SPEND EVEN MORE TIME ON IT.

- 67%** Forecasting takes significant time.
- 56%** We would spend more time on forecasting if we had it.



IT IS A MODULE WE HAVE BUT FREQUENTLY DON'T USE.

- Have and don't use? Cash forecasting. **37%**

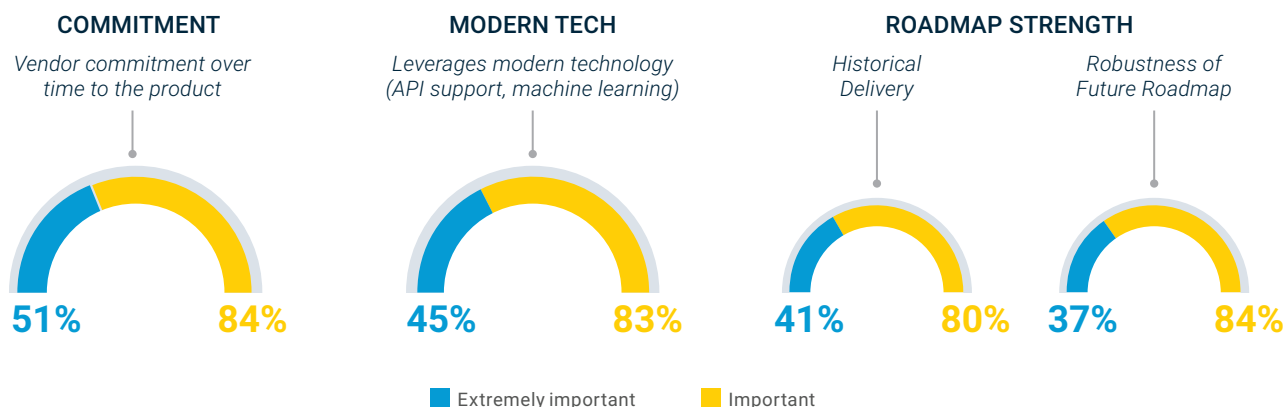


WE WANT VENDORS TO DEVELOP AI/ML TO HELP US SOLVE OUR FORECASTING PROBLEM.

- 4th highest** product development priority.

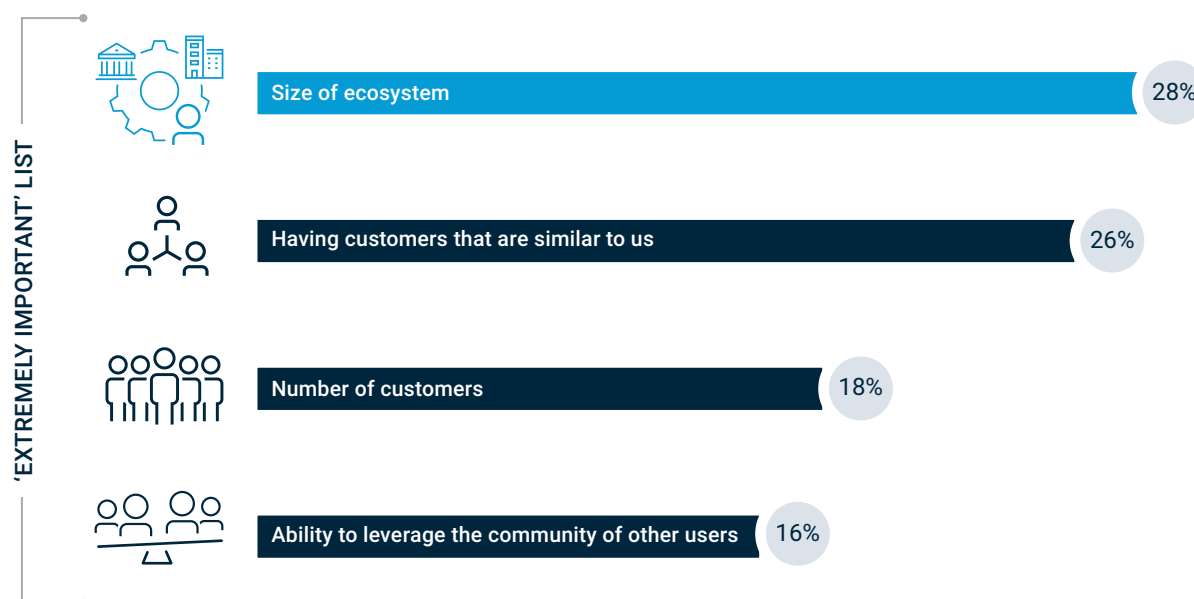
9. Buying Decision Drivers: Commitment, Technology and Roadmap

Commitment, technology and roadmap are consistently at the top of the list when corporate treasury groups are making their partnering decisions. Proven product plans matter more than money. For buyers, there is more concern with the vendor commitment to the product as shown by the robustness of their product roadmap and delivering on their roadmap over time. This matters more than total revenue or even profitability. This is not to say that revenue and profitability are unimportant. They are important, just less important—at least for now.



10. Buying Decision Influencers

Multiple categories are important in the technology buying decisions of corporate respondents, with the 'size of the ecosystem' leading the 'extremely important' list.



Final Thoughts and Action Items

Data has its use. Information is helpful. Insights are valuable. The thoughtful application of these insights in your organization is essential. This list of action items is provided as a way to stimulate your thinking as you synthesize what you have learned through this research with your particular situation. Use what is helpful and ignore what doesn't apply. Please view this as a starting point and not the destination.



ADOPTION AND UNDERSTANDING.

Identify Your Personal and Organizational Position on New Technology

Are you currently an early adopter, fast follower, early or late majority or among those lagging behind? Where do you want to be with adoption of technology? Whatever the timeframe of your adoption, what position do you seek in your understanding of newer technology? It is one thing to be a late majority adopter or laggard adopter when it is part of your plan. It is another to let your team lag in understanding the technology and the application to treasury and finance.



NEW TECHNOLOGY STRATEGY.

Hot new technology is great

Here are some questions to ask your team. If the responses are consistent and thoughtful across your team, you are in good shape. If that isn't the case, it is time to divide up the research responsibilities so that your organization is alert:

- What is the potential value of using robotic process automation (RPA) in our treasury group? How much time would we save? What is the value that can be realized from that return of time?
- What are we doing and planning with regard to APIs? Will we leverage these with our tech partners? Directly? Will this allow us to replace existing H2H or file transfers?
- Is there something we can do now to better understand machine learning and gain facility with the tools? What is our company doing? What do our vendors offer? Pattern identification and anomaly detection can offer massive value. What can we do now to make sure we can realize this value over the next few years?



PRODUCT DEVELOPMENT ROADMAP

Whether you are researching new technology or managing your technology relationships, understanding their product development roadmap is essential. How have your tech partners delivered on their product roadmap historically? What are their plans for the future? How wide and deep are those plans? The roadmap needs to include the ecosystem and technology plans as well as service enhancements and added functionality. If you want a product/solution that increases in value, make sure you have a partner that is driving that value.



ECOSYSTEM AND OPEN TREASURY

The power of a network centers on several key factors: size (how does scale help your company, how is it growing), functionality (what can be done on it), focus and applicability to your business. The power of a network is driven in part by the formal ecosystem and the overall openness of the platform. These help your platform partners to grow efficiently and allow you to realize ongoing increases in value.



FORECASTING

You are in good company, or at least part of a large crowd, if your forecast isn't as accurate as you need, takes too much time, and you wish there were better ways of solving this problem. If your forecast is important and needs improvement, identify your gaps (data, automation level, ability to learn from variances) and then develop your strategy to address these gaps.



ACCOUNTING

The ability to create accounting entries from rules-based logic offers one of the best ROI activities from a time savings standpoint. Your peers indicate it is one of the most used and valued functions of a TMS. This is also the 3rd highest priority position for 'desires to automate.' Accordingly, if you haven't automated this process well, it is time to put some attention toward solving this challenge.



FRAUD AND SECURITY

Your technology, structures, processes and mindset need to contemplate controls and security. Fraud attacks are automated, persistent and sophisticated. How can we best battle these types of sophisticated attacks? A comprehensive security approach will necessarily include leveraging technology. Your peers seek improved automation for fraud prevention/detection more than for any other area besides cash management. Ask your technology providers, advisors and bankers how their technology can help your organization become more secure and defensible.



Have a concern
or need the
answer to a
question?

Contact an expert.

GTreasury
info@GTreasury.com

Strategic Treasurer
info@strategictreasurer.com

About the Firms

GTreasury

CHICAGO / LONDON / SYDNEY

GTreasury is a leading innovator of integrated SaaS treasury and risk management solutions for the corporate treasurer. We offer any combination of cash management, payments, financial instruments, risk management, accounting, banking and hedge accounting solutions, all seamlessly integrated, on-demand worldwide and fully secured. Headquartered in Chicago, with offices serving EMEA (London) and APAC (Sydney), our global community includes more than 800 customers and 30+ industries in 160 countries worldwide.



GTREASURY

+1.847.847.3706
GTreasury.com
info@GTreasury.com



Strategic Treasurer

ATLANTA / DETROIT / CLEVELAND

Strategic Treasurer was founded in 2004 by Craig Jeffery, a financial expert and trusted advisor to executive treasury teams since the early 1990s. Partners and associates of Strategic Treasurer span the US, the UK and continental Europe.

This team of experienced treasury specialists are widely recognized and respected leaders in treasury. Known for their expertise in treasury technology, risk management and working capital as well as other cash management and banking operations, they efficiently identify issues, creatively explore ideas and options and provide effective solutions and implementations for their valued clients.



**STRATEGIC
TREASURER**

+1 678.466.2220
strategictreasurer.com
info@strategictreasurer.com





GTreasury.com



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strategictreasurer.com