

MAR 25-31  
2020

# Global Crisis Monitor

An Immediate & Ongoing Survey of **COVID-19** Impact & Response

**Weekly Status Update**

April 2, 2020

TreasuryCoalition.com



**TREASURY**  
COALITION

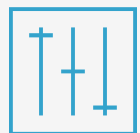


# LEVERAGE THIS REPORT

THROUGHOUT THE DISRUPTION CAUSED BY COVID-19  
A WEEKLY SURVEY AND REPORT WILL BE RELEASED

Here is the 2nd week of the Global Crisis Monitor (GCM). This survey is brought to you by the Treasury Coalition (TC) and the nearly 300 companies from around the world who have participated in this survey series. Please read more about the GCM and the TC below and join your treasury colleagues in adding your voice and insights into the broader community to help each of us succeed.

Notable Changes: We added two time domains for economic outlook to further calibrate the recovery outlook based upon the combined view of treasury professionals. Enjoy.



## Treasury Vitals Measurements

You'll want to monitor the key 'vitals' (measurements) of attitudes, situation and responses of organizations, banks and government across multiple dimensions including: liquidity, employee care, customer status. As we move through successive time blocks we'll be able to track positive and negative movements in both results and attitudes.



## Relevant and Timely Advice

Instead of waiting until the end of the disruptive situation (health and economic impact in this case) we want to capture and share what techniques and actions of others knowing that you may be able to benefit from a larger pool of experience.



## Three Important Actions

We ask that you give 5 minutes each week and get twice as much as you give:

1. **Take the new surveys** launched Wednesday mornings.
2. **Listen to the new podcasts** released Thursdays at noon (EST).
3. **Read the new reports** released Fridays to the public (Thursdays to survey participants).



Stay safe, steady, and be thoughtful,

Craig Jeffery

*Managing Partner of Strategic Treasurer for the Treasury Coalition and the Treasury Profession*

[treasurycoalition.com](https://treasurycoalition.com)



**TAKE SURVEYS** » *Wednesdays*



**LISTEN TO PODCASTS** » *Thursdays*



**READ REPORTS** » *Fridays*

# GLOBAL CRISIS MONITOR

## IMMEDIATE AND ONGOING SURVEY OF THE IMPACT OF AND RESPONSE TO SIGNIFICANT GLOBALLY DISRUPTIVE EVENTS

Everyone loves dissecting an event after the fact. Seeing the start and then escalation of an event, watching awareness grow, seeing responses and reaching the inflection point. Then noting how the economy, company or global business environment recovers to a state of normalcy and then perhaps to accelerate out of the crisis or problem.

The finance profession generally and treasury specifically is a reasoning, pragmatic and unemotional bunch. They like to know facts, understand risks and communicate clearly. They are not distracted too easily by loud noises or major shifts. Nonetheless, from time to time there are events or disruptions that leave the profession wanting more information and seeing insights from a large number of their peers. And, they want those insights and data quickly.

Hindsight is often closer to 20/20 but it arrives too late like the response of 'watch your head' after you have bumped on the overhead bin. We think that it would be far more helpful to see what others are doing, learning and thinking more rapidly. Closer to real-time when mid-course adjustments are in order. Or, simply to know that you are following what many leaders are doing for good reason.

The intent of this treasury coalition survey, the Global Crisis Monitor is to provide rapid exploration and responsive reporting on major factors impacting the profession in collaboration with other leading treasury organizations. The coalition aspect is designed to find common points of concern that multiple leading treasury organizations will leverage their networks to ensure the most rapid and comprehensive results for the good of the profession.

We believe that having information and insights sooner is better than later. And, as we gain insights over multiple events we may, as an industry gain better leading indicators that let us know when to expect the inflection point and a return to normalcy.

Our thanks to you the reader and the respondent to these frequent mini-surveys which allows us to together monitor the situation and respond in a more prepared manner. You help yourself, your company and the industry. We appreciate the teamwork.

*Organizational survey response details remain strictly confidential and are not shared or used for any other purpose than the survey itself.*

**The pessimist complains  
about the wind;  
the optimist expects  
it to change;  
the realist adjusts  
the sails.**



- William Arthur Ward

# TREASURY COALITION EXPANSION

COLLECTIVE EFFORT AIMED TO BENEFIT THE GREATER TREASURY INDUSTRY  
FROM LEADING SOLUTION PROVIDERS

When a global challenge or crisis confronts us or our profession we want to push back and join forces. The Treasury coalition is a group of treasury organizations who want to assist the industry in understanding what is going on, how others are viewing the situation.

We want to help find ways of gathering data and sharing insights that help our companies, our profession and the economic environment rebound effectively.

As the COVID-19 virus continued to spread and impact more countries with greater severity Strategic Treasurer, a treasury consulting and research firm, decided to form the Treasury Coalition by inviting other treasury-focused organizations to join them.

Even in the midst of responding to rapidly changing events two organizations joined within 24 hours of being invited. Others follow suit over the next few days. More have been added during the second week of the survey.

The intent is to share several things together, namely:

- Distribute the offer to take the survey broadly across all geographies by leveraging our client networks.
- Share the insights to the industry at large and to particular groups.

As always, we welcome your ideas.





# HOW HAS COVID-19 IMPACTED TREASURY?

## SEVEN MONTHS OF WINTER LEFT. RESPONDENTS SEE SIGNIFICANT CHALLENGES ABATING BEFORE YEAR-END

Actions by central banks have again improved liquidity views while concerns about Accounts Receivable have registered highly negative again.

The focus on liquidity is a top concern for both actions and monitoring work. Last week many were still getting remote employees functioning. This week the focus has grown with cross-training activities.



### VIRUS INFLECTION POINT SITS AT 1 MONTH+

A slight reduction in the median time respondents estimated the infection levels to turn. This was the sole improvement of the 3 core elements.



### CASH IS KING IN AT LEAST TWO WAYS

Securing extra liquidity by drawing on credit lines, padding balances and securing s/t loans. Emphasis on forecasting and monitoring of liquidity is absorbing time.



### HEALTH AND ECONOMIC RECOVERY ADD A MONTH

The time to reach the point where health impact is minimal and we reach financial normalcy both added about one month since last week's survey. Financial normalcy is 7+ months out.



### CENTRAL BANK: GOOD; FISCAL POLICY: BAD

The outlook change in fiscal policy actions was added to the Monitor this week and it began with a negative outlook (-1.5X). This compared with a positive outlook of (3.0X) for actions by central banks.



### Nearly 300 GLOBAL RESPONDENTS

During the first two weeks nearly 300 different organizations have participated from every continent that isn't a frozen block of ice.



### CENTRAL BANK LIQUIDITY – POSITIVE AGAIN

Central bank support for liquidity was viewed 3X more positive than negative. Beating last week's numbers.



### CROSS-TRAINING IS THE NEW RAGE

Cross-training to mitigate worker impacts from COVID-19 were frequently identified as a top action this week (write-in) vs. adjusting to WFH



### MOST NEGATIVE TWO-PEAT – A/R ALARM

Again by a factor 5X+, organizations reported a negative outlook for liquidity on receivables.

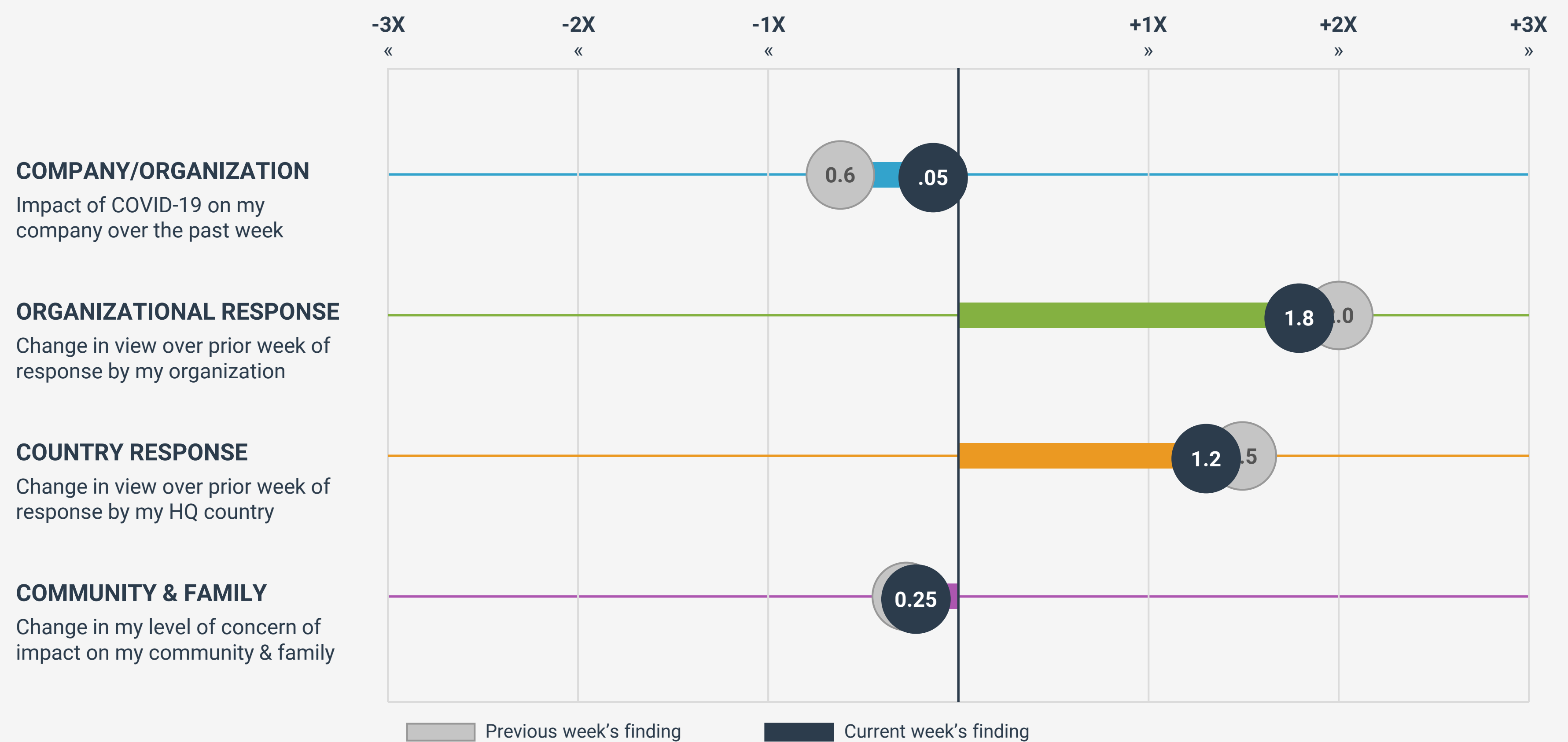
# PERSPECTIVES

## WHAT CHANGED IN SENTIMENT THIS WEEK?

Vital signs give us a quick indication of what is happening. This chart measures several vital signs in the form of changing perspectives. The responses of the respondent's company and HQ country indicate significant improvements in view for two weeks in a row.

The perceived impact on the respondent's company and community/family both moved closer to neutral over the past week. On the positive side both the organizational response and country level responses both showed strong improvements as more countries are moving into the thick of the virus impacts.

If the bar extends to the left side it indicates a deterioration in the respondent's view over the past week of the various items identified on the y-axis. This uses the mean score. A -1X indicates a mean of 4 indicating a deterioration over the past of a full point on the 1-9 scale. A +2 indicates a mean of 7 indicating a very significant improvement in the perspective.



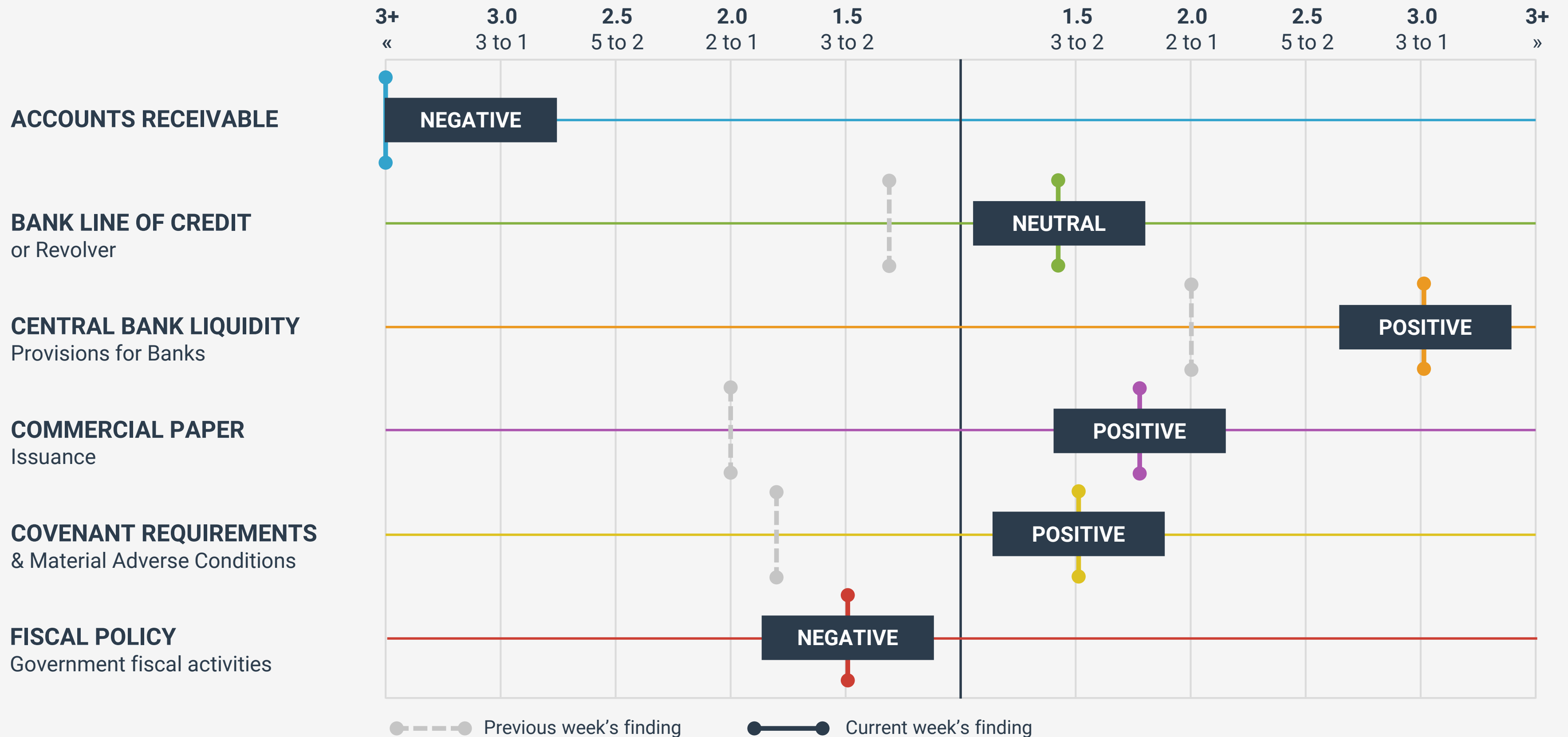
# DEBT & LIQUIDITY

## WHAT ACCESS DOES TREASURY HAVE?

Cash is king is true and easy to repeat. In times of disruption and crisis much attention is paid to the king. This graphic measures a handful of elements that add to or detract from an organizations liquidity.

Accounts Receivable remains pinned on the negative border again about -6X as a repeat most changed to the negative. Moves by central banks to provide liquidity provided an even higher positive than in the prior week. And, CP and Lines of Credit were repolarized to the positive side this week.

Understanding the chart. The vertical barbells represent the ratio of more-concerned vs less-concerned. Lighter bars indicate historical positioning. Please note that the chart is bounded at <3 and >3.



# TIMING ESTIMATES

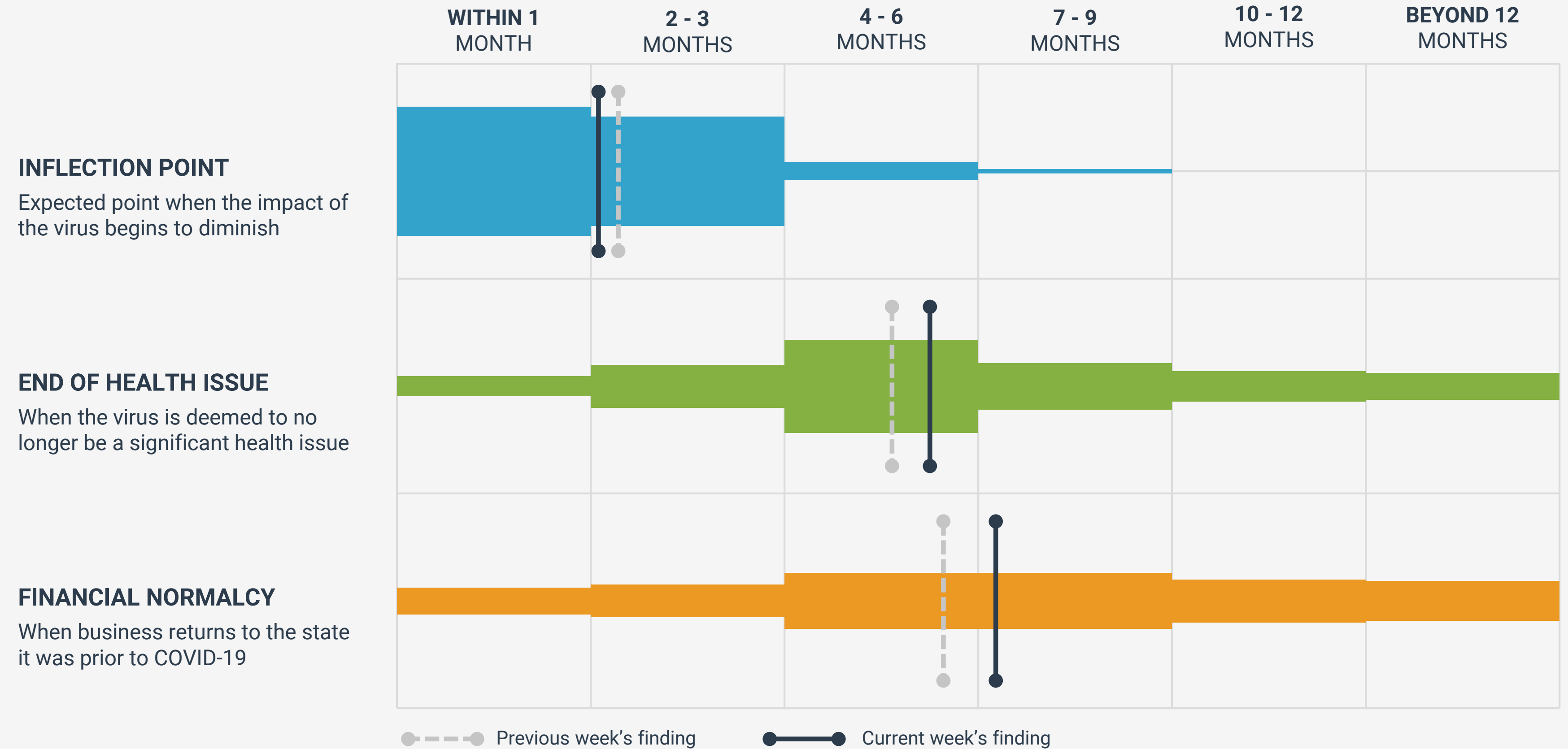
## WHEN DOES TREASURY EXPECT A CHANGE?

These three graphics represent key milestones in the recovery and return to normal times medically and financially. We believe it useful to see how others expectations on the timing of these milestone events for the current disruption. And, we expect this may help gauge the level of

pessimism or optimism of treasury/finance professionals and assist us even more with future events as we understand any collective bias.

Understanding the rectangles and the barbells. The rectangles represent the proportionate amount of respondents in each time domain. The bars represent the median response from all respondents.

The views for the last two categories added about one month to the expected length of the COVID-19 winter. The lighter the bar the earlier the measurement. Over time the bars should move to the left as we move forward in time.





# ECONOMIC VIEWS

## WHEN DOES ECONOMIC RECOVERY OCCUR?

This graphic shows the perspectives of the overall economic across two time domains: 3 and 12 months. There are three separate rectangles from top to bottom showing positive, neutral and negative economic outlook.

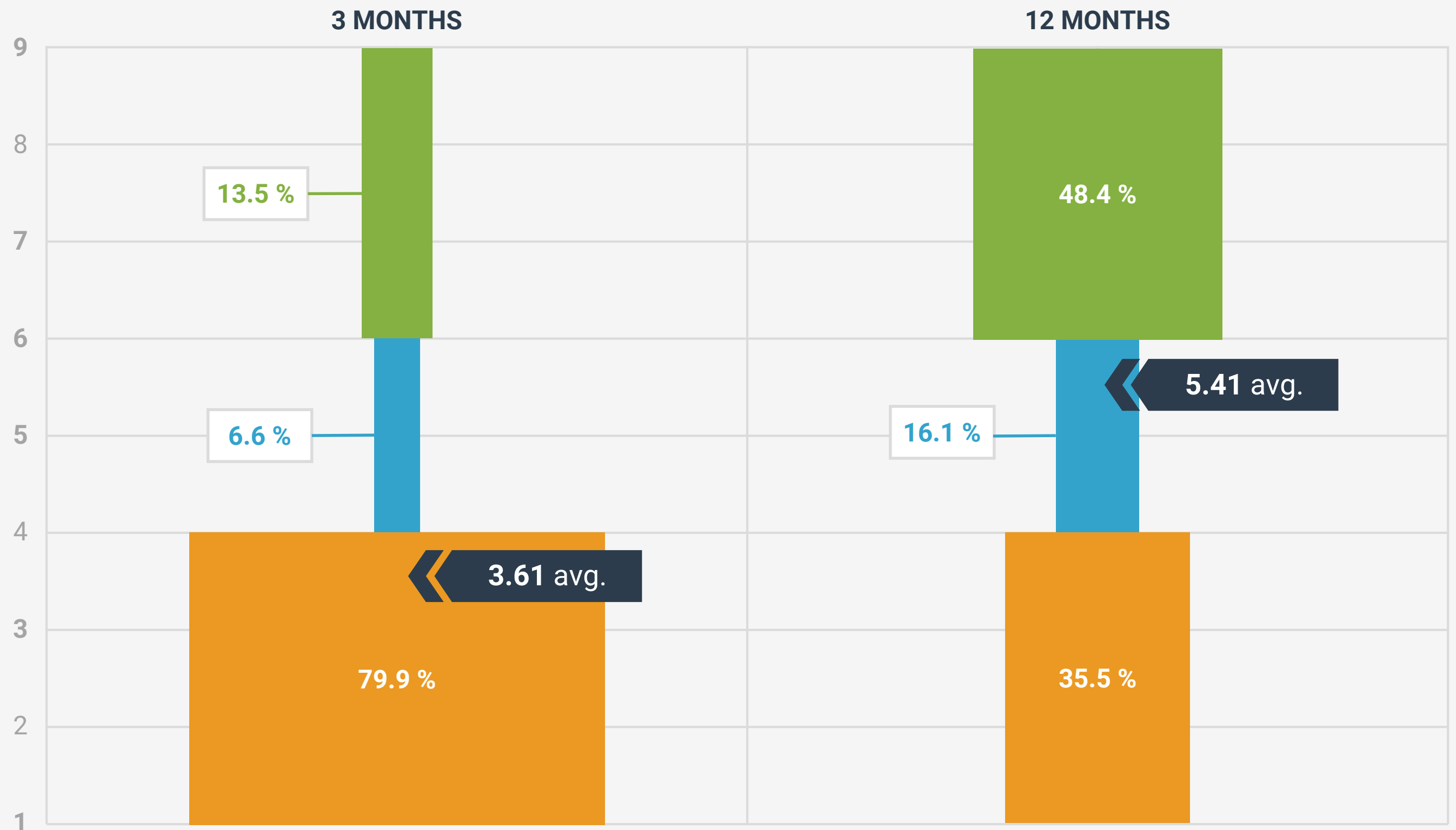
The numbers in the middle of the chart show the average selection. A 5 represents neutral view. Below 5 is pessimistic and numbers above 5 show optimism.

The rectangles represent the outlook on the economy and their size and number reflect the proportion of the views for each time domain. The green is the optimistic viewpoint (6-9 from the survey). Orange are pessimistic viewpoints (options 1-4) and the blue show the neutral. The dark arrow blocks show the median response from all respondents.

### ECONOMIC TURNING POINT

The inflection point from negative to positives for the combined set of responses sits at about 7 months or early November.

The three-month outlook is substantially negative while the one year view shows a major shift over time into the nicely positive range.



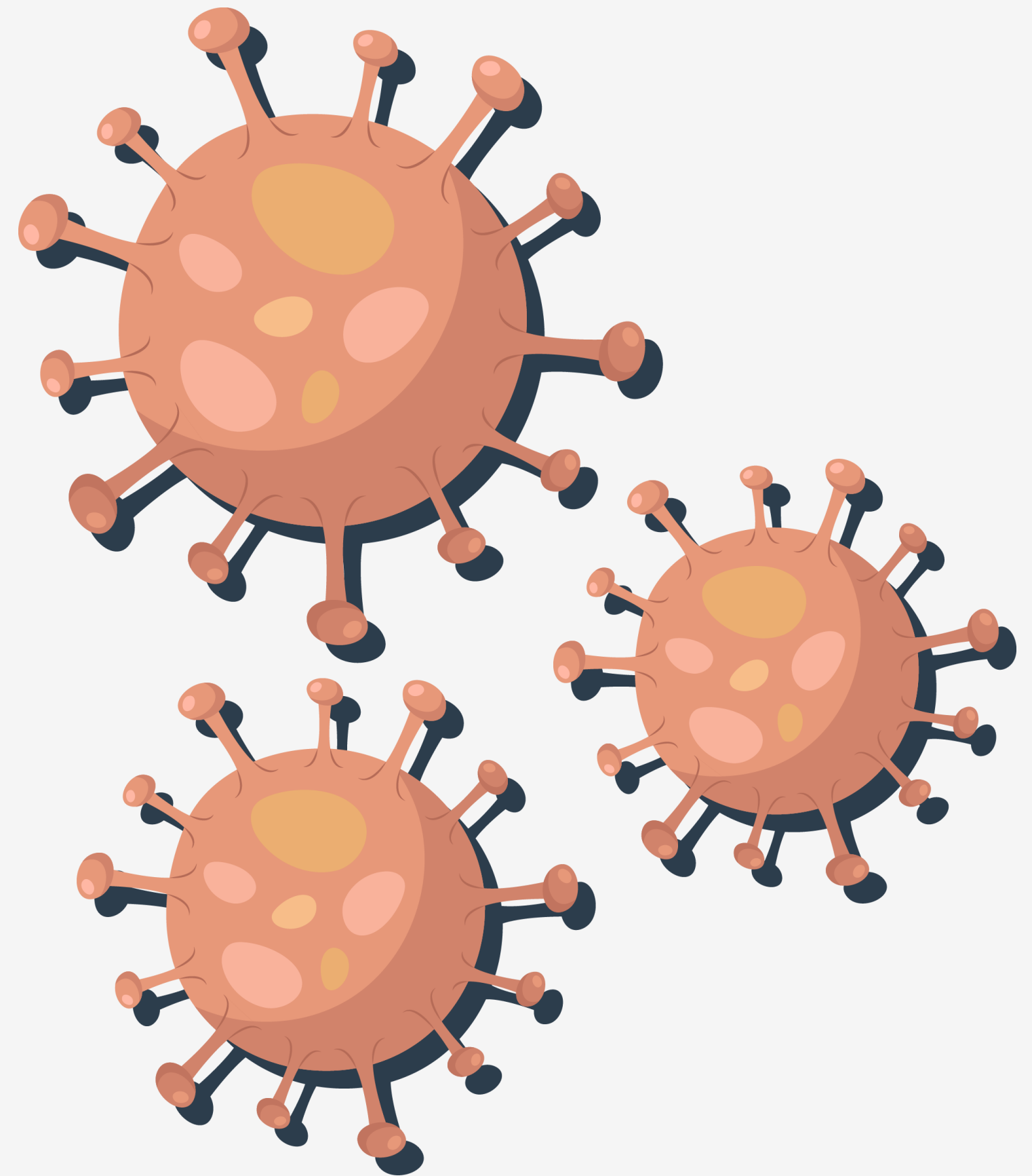
# TOP LEVELS OF CONCERN

## WHAT ISSUES ARE MOST TROUBLING DURING THIS STAGE OF THE CRISIS?

Results from this week's monitor showed that the trifecta of top level concerns center on the human, BCP and financial aspects. The two in the position of lowest level of concern were: Staff awareness of BCP Plans and Country Level Preparedness

- 1. Staff Safety Protocols [last week 1].** Ensuring that their staff were safe and following safety protocols topped the list of concerns for the 2nd week in a row.
- 2. Access to Adequate Liquidity [last week 3].** This moved up a position over last week. Ongoing concerns about the impact to Accounts Receivable is likely the key factor in this category being a concern..
- 3. Direct Financial Impact to the Business [last week 4].** Attention is shifting away from BCP completeness given most companies have had significant numbers of staff working remotely for at least two weeks at this point. Financial health of the business is now in focus.

We'll continue to pay attention to movements in these rankings through the crisis. As we suspected, BCP completeness was addressed and moved down in the rankings hard. We also thought staff safety protocols would become sufficiently routine and while the gap with number two has almost closed it still holds that top spot.



# ONE THING WE ARE DOING

WHAT IS ONE THING YOU HAVE DONE THAT IS HELPING YOUR DEPARTMENT OR ORGANIZATION?



## MORE CASH AND MORE VISIBILITY TO CASH

- Expansion of short-term loans
- Drawing down credit lines; converting other holdings to cash in bank accounts
- Reforecasting cash flows; additional forecasts
- More monitoring of cash flows and the cash conversion cycle.



## REMOTE & COMMUNICATION FOCUS

- Working from home (80% more companies have more people working from home over last week)
- Frequent communication and Check-in Calls
- Proactive, intentional communication with customers and banks.
- More conversations on financial matters with senior management.



## DIGITAL SIGNING

- The prior week highlighted vulnerabilities to the payment process due to limited plans that adapted payment approval activities given the WFH phenomena.
- This week we saw the use of digital signing show up on the free-form query. We think this must have been triggered by paper workflows and payment approval documentation processes that could no longer be used given the spatial separation of WFH.



## CROSS TRAINING

- WFH. During the first week of the Monitor, numerous companies were still getting their employees to work through some of the issues with work from home (WFH).
- XTFH. This second week we saw multiple firms identifying a strong focus on cross training employees –cross train from home (XTFH). Preparation if current coverage is compromised due to illness.





## IMPORTANT WEEKLY ACTIONS



TAKE THE SURVEYS



LISTEN TO PODCASTS



READ THE REPORTS

## THANKS TO OUR PARTNERS



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