



 **GTREASURY**  **PNC BANK**

PRESSURE POINTS, PAYMENTS & PLANS FOR AUTOMATION:

THE ROAD AHEAD FOR CFOs AND TREASURERS

GTreasury and PNC Bank Treasury Survey 2022

WELCOME TO THE **NEXT WAVE** OF AUTOMATION

Where is your organization on its automation journey? Just starting out or well underway? **Regardless of where you are on your automation journey**, it continues to be the driving force behind innovation.

After a tumultuous few years, there's never been a better time to evaluate your company's approach to see where there may be room to improve and mature. To help with this process, PNC Bank and GTreasury teamed up to conduct a survey to gather current insights from finance professionals. **The goal? Helping to educate finance and treasury leaders across the industry and advance finance automation a step further.**

This research was conducted earlier this year with a group of 93 executive-level treasury and finance professionals, representing more than 20 industries. They shared their perspectives on the state of the industry, the challenges they face within their own companies and departments; and how they view digital transformation.



Many companies have not yet started or fully realized the office of CFO digital transformation. **The focus is moving on from ERPs, with than half of these investments in fintech and integrated finance.**

– Terry Beadle, GTreasury, Global Head of Corporate Development

TOP TAKEAWAYS



FUELING GROWTH

CFOs looking to reduce costs and fuel growth are focusing on three important areas: improving risk management, increasing cash visibility, and automating treasury functions.



NAVIGATING UNCERTAINTY

Treasury technology will not only help you navigate through an uncertain market, but also unlock key financial opportunities by enabling treasury functions to add more business value.



ENTERING THE NEXT PHASE OF AUTOMATION

With early efforts toward automation being ERP focused, more organizations are ready to mature their systems and tune in to the needs of today's treasury and finance departments by using technology to be more strategic.

[See Where Other Companies Are Investing and What Next Steps You Can Take for Your Own Transformation in 2022 and Beyond.](#)

**PRESSURE
POINTS,
PAYMENTS &
DIGITIZATION
PLANS
FOR CFOs &
TREASURERS**

1
SECTION

STATE OF TREASURY
DEPARTMENTS
& INDUSTRY OUTLOOK

2
SECTION

THE INTERSECTION OF
CFOs & INNOVATION

3
SECTION

THE PATH TO
TRANSFORMATION
THROUGH AUTOMATION

ONE

**STATE OF TREASURY
DEPARTMENTS &
INDUSTRY OUTLOOK**



DESPITE VOLATILITY, YOUR TREASURY AND FINANCE PEERS ARE **OPTIMISTIC**

Leadership changes, growth strategies, and a flurry of M&A activity is actively evolving the corporate landscape for the better. Plus, the aforementioned volatility is actually opening doors for organizations to realize strategic advantages. Because of these factors, the outlook is optimistic for corporate growth in the next two years. And CFOs and treasurers alike will play a major role in steering this growth.

With small treasury teams and ever-increasing expectations from the office of the CFO, **driving more efficiency is what came up as a top priority in the survey results.**

Let's dig deeper.

36%

OF COMPANIES EXPECT TO COMPLETE A
MERGER AND ACQUISITION IN THE NEAR FUTURE

MOST TREASURY TEAMS ARE SMALL AND MOST MANAGE CASH IN HIGHLY COMPLEX BUSINESSES

Like most treasury teams today, smaller treasury departments are grappling with higher expectations for their work but are juggling considerably more. As such, they will have to be more efficient with how they get important work done, which is a key area that technology can play a role in.

70%

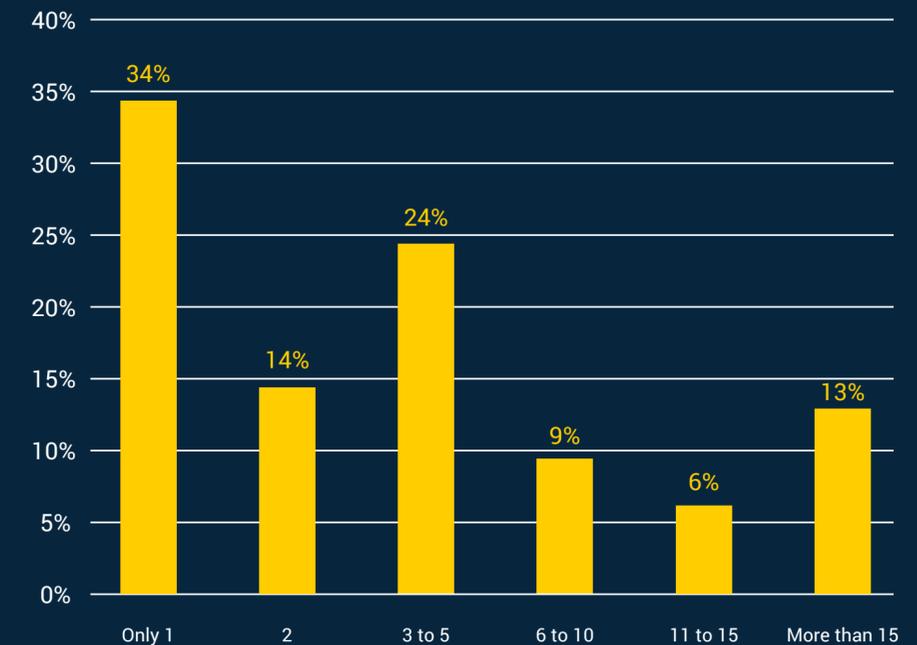
OF TREASURY DEPARTMENTS
HAVE 5 OR LESS TEAM MEMBERS

63%

OF COMPANIES HAVE MORE THAN
5 SUBSIDIARIES...

... WHICH MAKES CASH MANAGEMENT
AND OTHER TREASURY FUNCTIONS
MORE COMPLEX FOR THESE SMALL TEAMS.

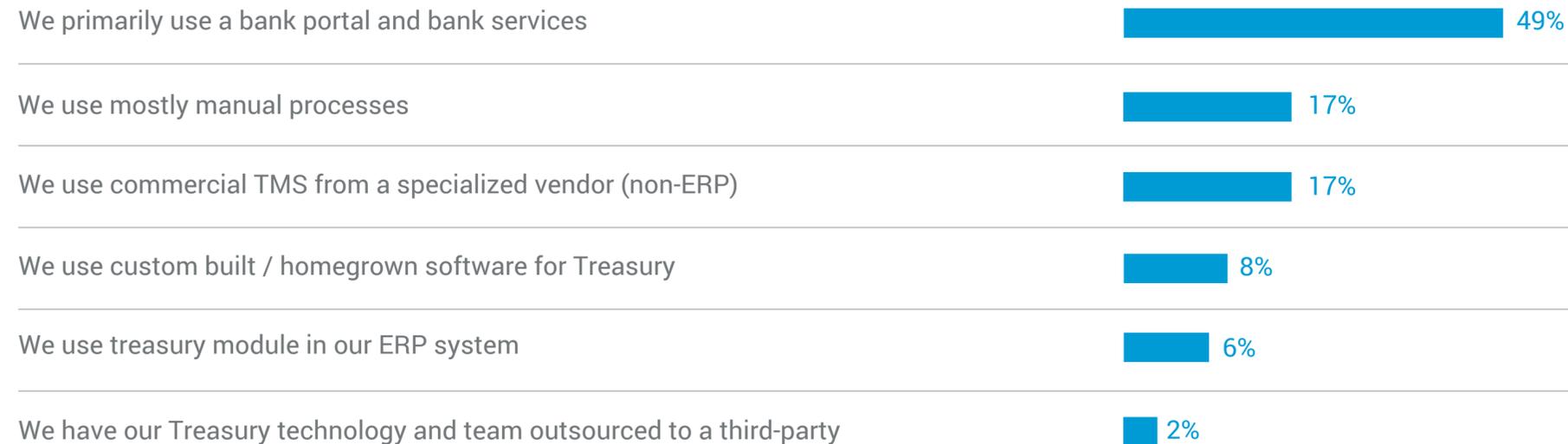
Q: HOW MANY CURRENCIES DO YOU NEED
TO WORK WITH EACH MONTH AS PART OF
YOUR INTERCOMPANY PAYMENTS?



Working with multiple currencies further increases complexity.

BANK PORTALS ARE THE MOST USED SOLUTION FOR CASH MANAGEMENT AND TREASURY FUNCTIONS IN THE U.S.

Q: WHAT KIND OF TECHNOLOGY IS YOUR ORGANIZATION USING TO MANAGE THE TREASURY FUNCTION



AS COMPLEXITY HEIGHTENS FOR TREASURY TEAMS, MANY ARE STARTING TO TURN TO VARIOUS DIGITAL TOOLS FOR HELP – ESPECIALLY WITH CASH MANAGEMENT.

Lets talk more about the role technology and outsourcing...

TREASURY TEAMS ARE TURNING TO OUTSOURCING

Treasury functions like receivables, payables and cash forecasting have the opportunity to be outsourced to bank partners – and this opportunity is trending up.

Smaller treasury teams, bigger workloads, and higher expectations have put outsourcing on the shortlist for teams looking to get more done with less.

Organizations with full in-house treasury teams are not likely to outsource in the near future, but those who already outsource are unlikely to move processes back. In fact, they are highly likely to outsource even more, mostly to existing partners, including banks.

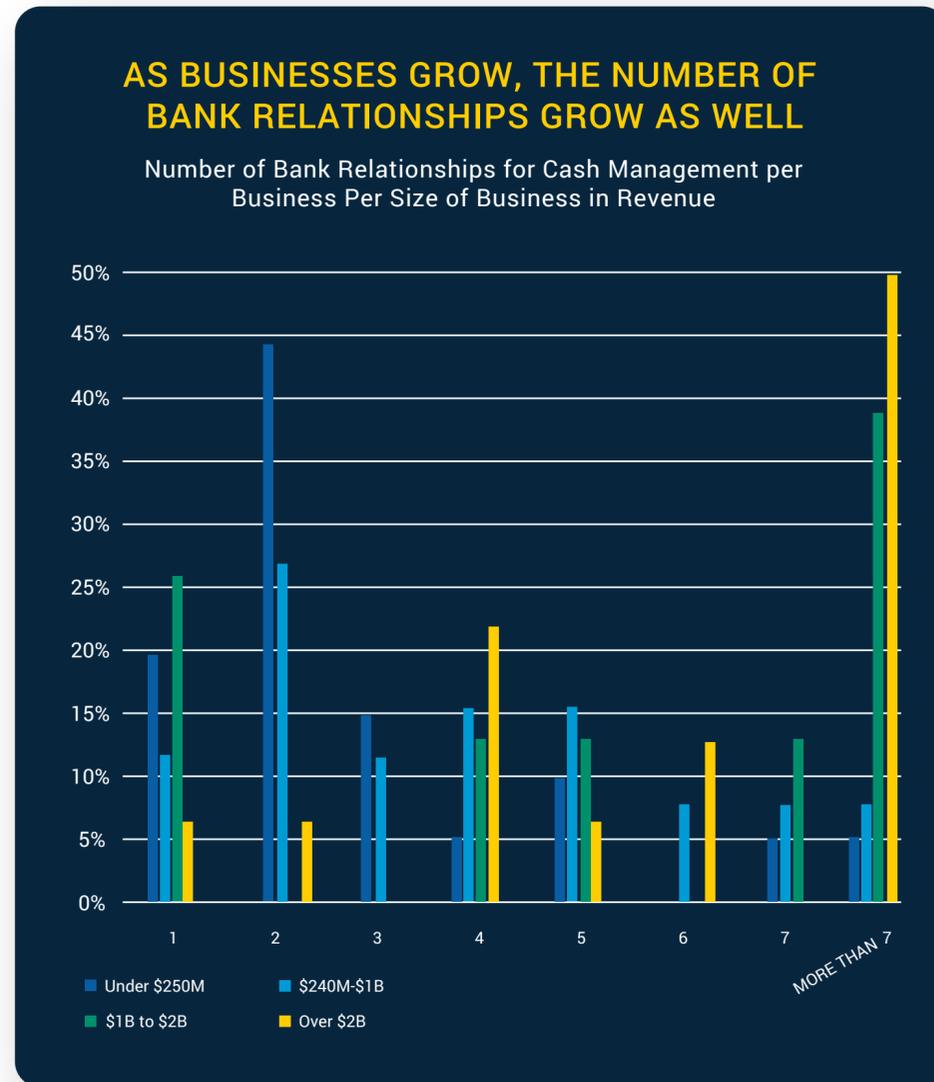
To sum it up: Banks are in a trusted partner position for many organizations and well poised to offer even more to treasury departments and CFOs.

23%

OF COMPANIES OUTSOURCE PORTIONS
OF TREASURY TO PARTNERS – WITH
BANKS GETTING SLIGHTLY MORE THAN 50%
OF THE BUSINESS.

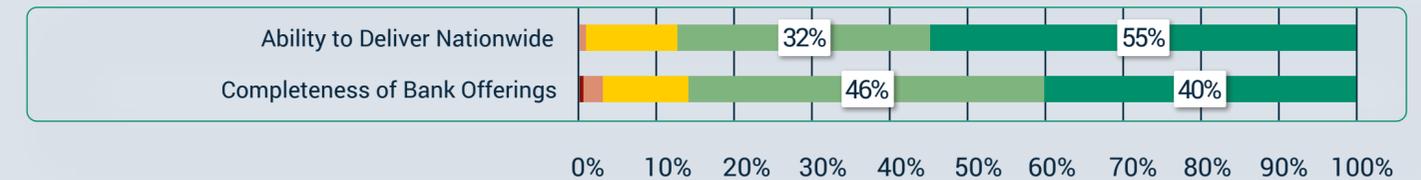
BANKS ARE TRUSTED PARTNERS FOR GROWING COMPANIES

The majority of companies that work with multiple banks do so to take advantage of different services, cover local banking needs, and spread risks.

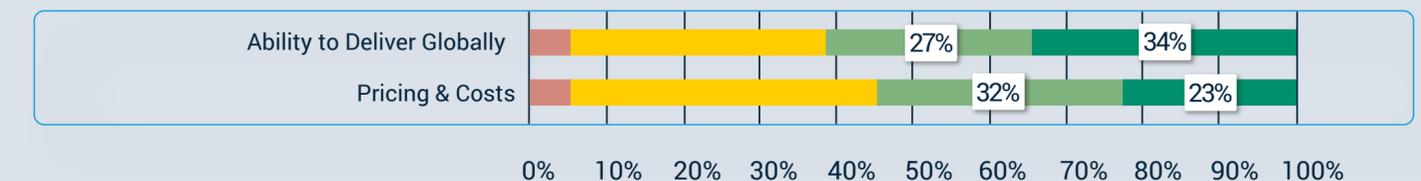


Bank Partner Insights

Companies are very satisfied with their primary bank's ability to deliver complete domestic solutions and offerings...



... but are less satisfied with their primary bank's pricing and ability to deliver globally.



1 - Not at all Satisfied 2 3 4 5 - Extremely Satisfied

TWO

**THE INTERSECTION OF
CFOs & INNOVATION**



58%

DON'T HAVE A FORMALIZED
DIGITAL TRANSFORMATION PLAN

MORE THAN HALF OF RESPONDENTS SAID THEY DON'T HAVE A DIGITAL TRANSFORMATION PLAN

While digital transformation has been a topic of conversation for years, the data shows that the majority of companies have not progressed in making a formalized plan or approach to meet marketplace demands. However, many small- to mid-size (and some large) treasury teams are struggling in today's environment, as they feel the squeeze of juggling multiple priorities among increased demands for more strategic and efficient decision making. This is where technology can help.

The good news is our survey shows an increased interest in companies planning for investments in technology to help them reduce business costs, which is more vital during a volatile market. For those who have waited, now is a perfect time to start your digital transformation.

With an uncertain market, technology can help a company's cash position, such as taking advantage of opportunities to optimize working capital by seeing cash in real time.

Let's take a closer look at what your peers are saying their top strategic initiatives are and how they'll accomplish those through technology investments.





THE SURVEY DATA PROVIDES A GLIMPSE INTO WHAT CFOs SAY ARE THEIR **TOP STRATEGIC PRIORITIES** AND HOW THIS IMPACTS TREASURY TEAMS

CFOs – Finance

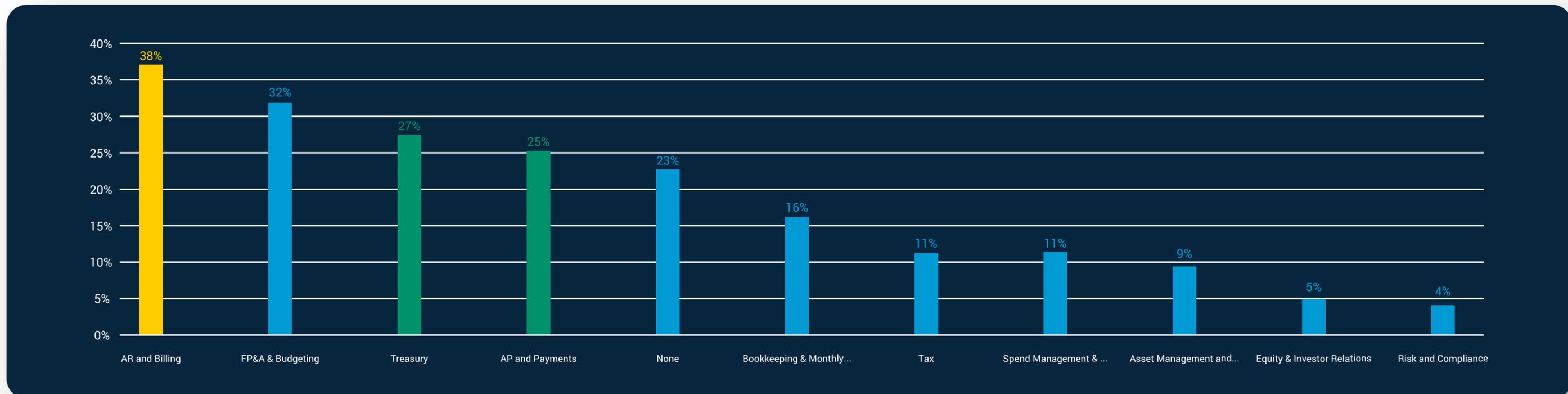
- 1 Ability to reduce overall costs in business (49%)
- 2 Ability to manage company growth (41%)
- 3 Ability to save significant time and effort through reduction of manual effort and errors (27%)
- 4 Ability to standardize common processes (22%)

Treasury Teams - Treasury

- 1 Improving treasury operational efficiency (53%)
- 2 Gaining real time insight in cash positions (26%)
- 3 Evaluating and improving our banking relationships (21%)
- 4 Reducing our cash management costs (21%)
- 5 Improving reporting and compliance (20%)

CFOs ARE FOCUSING MOST ON REDUCING COSTS, WHILE TREASURERS' ARE PRIORITIZING IMPROVING TREASURY OPERATION EFFICIENCY.

A/R AND BILLING SOFTWARE LEADS THE WAY IN SOFTWARE PROJECTS PLANNED



In response to CFOs' and treasurers' top priorities in reducing overall business costs and improving treasury operational efficiency, it makes sense that their top software projects in the coming years would include A/R and Billing, FP&A and budgeting, followed not too far by treasury, AP and Payments.

The software projects named are the ones organizations said would include changing from one program to another or a major new installation.

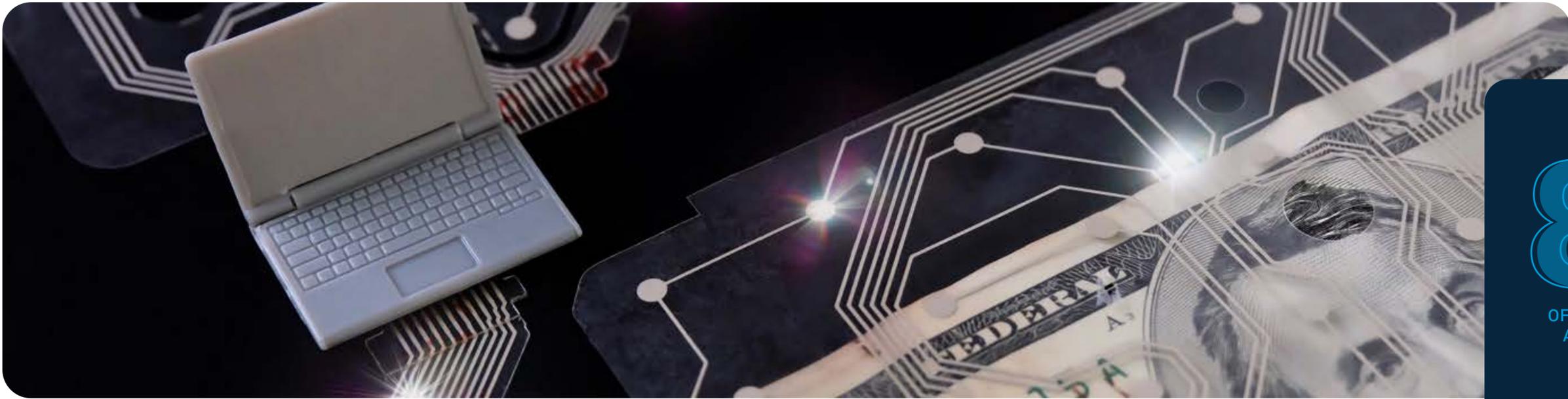
LIKEMINDED CFOs ARE PLANNING FOR MORE DIGITAL PAYMENTS

Less than half of CFOs have a formal and final digital transformation plan, which begs the question: How do they feel about technology and automation of their department's functions?

Productivity and efficiency are, of course, top of mind when it comes to digitization. But research shows payments are another area of high consideration for automation.

Benefits to Payment Automation

- ✓ Higher Staff Productivity
- ✓ More Fraud Protection
- ✓ Process Efficiency
- ✓ Compliance Assurance
- ✓ Improved Cash Visibility
- ✓ Modernized Process To Meet Demands Of Digital Economy



82%

OF COMPANIES DEEMED PAYMENT AUTOMATION CAPABILITIES OF THEIR PRIMARY BANK AS EXTREMELY IMPORTANT

Top 3 Investment Areas

- 1 Electronic Payments
- 2 Transaction Integrations
- 3 Treasury Systems

For those companies actively investigating banks and payment solutions, they said they are looking for ones that offer:

- ✓ Emergency services
- ✓ Intercompany netting
- ✓ Faster processing times
- ✓ Real-time payments

Q. IN THE NEXT 1-2 YEARS, WHICH NEW BANKING INTEGRATIONS OR AUTOMATION DO YOU PLAN TO INVEST IN FOR PAYMENTS PROCESS?

THE CRITICAL ROLE OF INTEGRATION TECHNOLOGY FOR AUTOMATING PAYMENTS

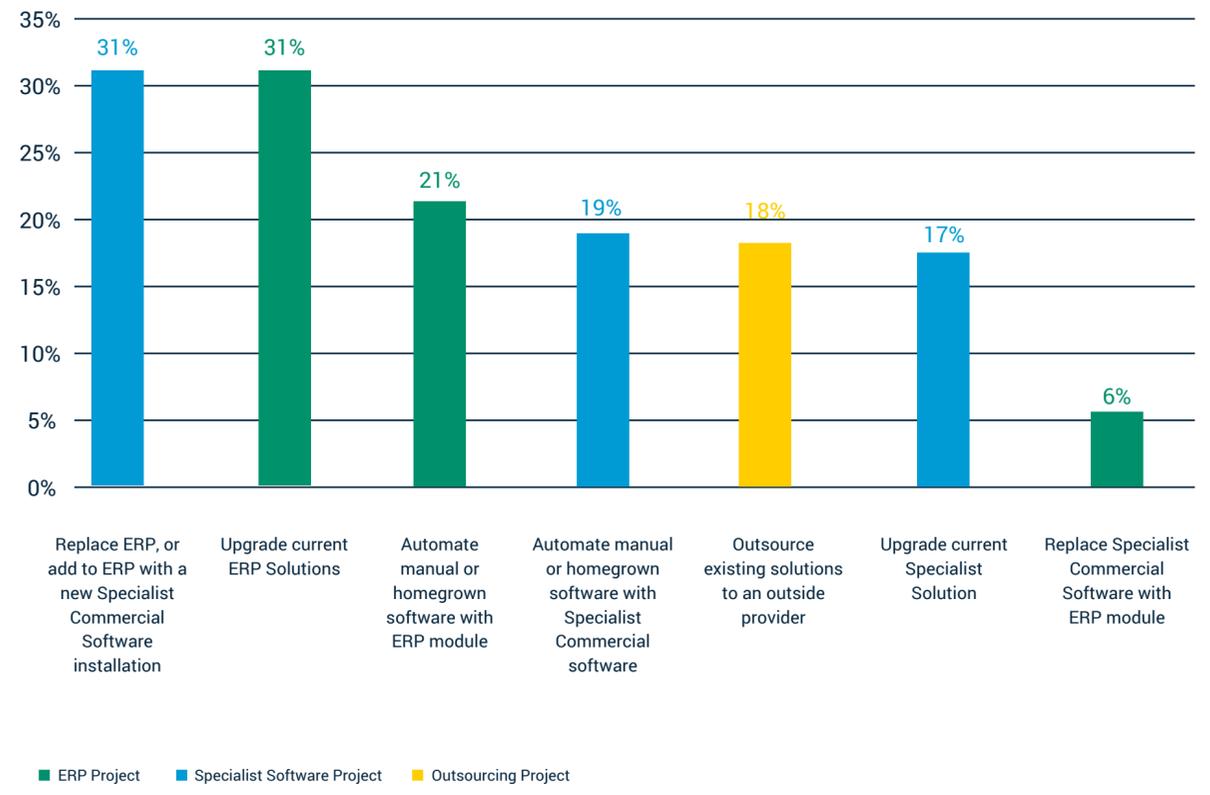
Payments are the lifeblood of your business – and accurate and timely data is essential to the roles of CFOs and treasurers. As over half of companies (56%) prefer cloud-based technology, finding reliable and secure ways to integrate these technologies – and digital data sources – is critical.

THE SURVEY FOUND THAT:

- 82% indicate that payments automation is very or extremely important.
- 71% automate payments streams to banks using integration technology.
- 20% are dissatisfied with current integration capabilities. This dissatisfaction comes mainly from smaller companies, with less than \$1 billion in revenue working with smaller banks.

FUTURE DIGITIZATION PRIORITIES FOR CFOs

Q: FOR IMPACTED AREAS ONLY, WHAT TYPE OF PROJECT INITIATIVE IS LIKELY TO OCCUR?



Integrations are a near-term priority for CFOs seeking the immediate gains of automated payments.

Other top priorities include **improving ERPs** and **adding specialist solutions** to ERPs.

Open API architectures again will be critical to fit these ERPs and specialist solutions into the broader treasury technology ecosystem.

When you're evaluating ERPs – whether new or revisions to it – it's the perfect time to consider a treasury risk management system (TRMS).

THREE

**THE PATH TO TRANSFORMATION
THROUGH AUTOMATION**



ADVICE FOR CFOs ON HOW TO PRIORITIZE AUTOMATION INITIATIVES

When it comes to finding and implementing specialist solutions, there are many activities and functions that need automating. CFOs that want to streamline operations while facilitating growth should start by examining various functions based on the following key questions:



What is the most **time consuming**?



What tools can **fill knowledge or experience gaps** of in-house resources?



What is the most prone to **error, omission, or fraud risk**?

The answers to these questions will help you find a clear path in the next stage of your digital transformation journey.

Keep reading to hear from industry experts and peers on the best next steps to take.

SUPPLEMENT RESOURCE GAPS WITH SPECIALIZED TOOLS

Growing resource pressure and limited expertise (in areas like hedging, cash management, and cash forecasting) have heightened the need for specialized tools to fill in the gap. The path to digital transformation can be charted by examining the information, processes and tools available.



VISIBILITY TO DATA



RESOURCES TO COMPILE AND ANALYZE INFORMATION



EXPERTISE FOR MORE COMPLEX ISSUES

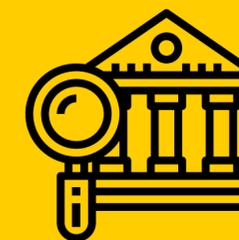


**SMALL TEAMS.
MORE COMPLEXITY.
ANTICIPATED VOLATILITY.**



CONSIDER OUTSOURCING & CONSOLIDATING TREASURY FUNCTIONS

Companies that have considered outsourcing should do so in a compressive fashion, including both their primary and secondary banks. Also, consider consolidating bank account management and payments functions through third parties.



**Look for Bank Partners That
Have Invested in Technology**

SELECT THE **RIGHT BANK PARTNER** FOR GAME CHANGING RESULTS

The relationship between banks and treasury departments cannot be understated. 88% of companies have more than one bank relationship, and companies tend to use multiple banks to diversity services, cover banking needs, and spread risks.

45%

OF COMPANIES HAVE 1 PRIMARY BANK

55%

HAVE MULTIPLE IMPORTANT RELATIONSHIPS

ABOUT PNC BANK

PNC Bank, National Association, is a member of The PNC Financial Services Group, Inc. (NYSE: PNC). PNC is one of the largest diversified financial services institutions in the United States, organized around its customers and communities for strong relationships and local delivery of retail and business banking including a full range of lending products; specialized services for corporations and government entities, including corporate banking, real estate finance and asset-based lending; wealth management and asset management.

PNC's treasury management business, offers a platform of innovative, end-to-end technologies and experienced teams that help clients architect and implement a cohesive cash management system for their business. PNC is committed to investing in leading technology and will continue to support its clients as they work to optimize working capital; achieve faster, more secure transactions; and drive their business forward.

INVEST IN TREASURY AND RISK MANAGEMENT SOLUTIONS FOR STRATEGY SUCCESS

Treasury and risk management solutions (TRMS) – with capabilities for cash forecasting, financial risk management and more – will help companies streamline functions and achieve the growth they seek.



ABOUT GTREASURY

GTreasury is committed to connecting treasury and digital finance operations by providing a world-class SaaS treasury and risk management system and integrated ecosystem where cash, debt, investments and exposures are seamlessly managed within the office of the CFO. GTreasury delivers intelligent insights, while connecting financial value chains and extending workflows to third-party systems, exchanges, portals and services. Headquartered in Chicago, with locations serving EMEA (London) and APAC (Sydney and Manila), GTreasury's global community includes more than 800 customers and 30+ industries reaching 31+ countries worldwide.



SURVEY SUMMARY & METHODOLOGY

The goal of this survey – conducted by Topline Strategy on behalf of GTreasury and PNC Bank – was to provide actionable insights for mid-to-large companies with multinational operations and small treasury teams. We asked questions about top pain points and strategic priorities; the role and importance of banking relationships between treasury/cash management departments and banks; and treasury and banking automation and integration.



MARKET SURVEY

✓ 93 finance and treasury executives



CONCEPT TEST INTERVIEWS

✓ 7 interviews



ROLES

- ✓ CFO (42%)
- ✓ Treasurer (25%)
- ✓ Assistant Treasurer (11%)
- ✓ Other treasury roles (20%)
- ✓ Other finance roles (2%)



INDUSTRIES

- ✓ Retail/wholesale (14%)
- ✓ Manufacturing (21%)
- ✓ Information technology (8%)
- ✓ Real estate (6%)
- ✓ Professional services (6%)
- ✓ Construction/ engineering (6%)
- ✓ Government (4%)
- ✓ Healthcare (3%)

LOOKING FOR MORE INFORMATION?

PNC Bank and GTreasury collaborated to bring these insights and data to the marketplace to inform and advise the companies they work with day-in and day-out.

For more information about the survey findings, participants or to speak to someone at either company please contact:

 **PNC BANK**

Whitney Wilson

Whitney.Wilson@pnc.com

 **GTREASURY**

Travis Arthur

Tarthur@gtreasury.com



 **GTREASURY**  **PNC BANK**