

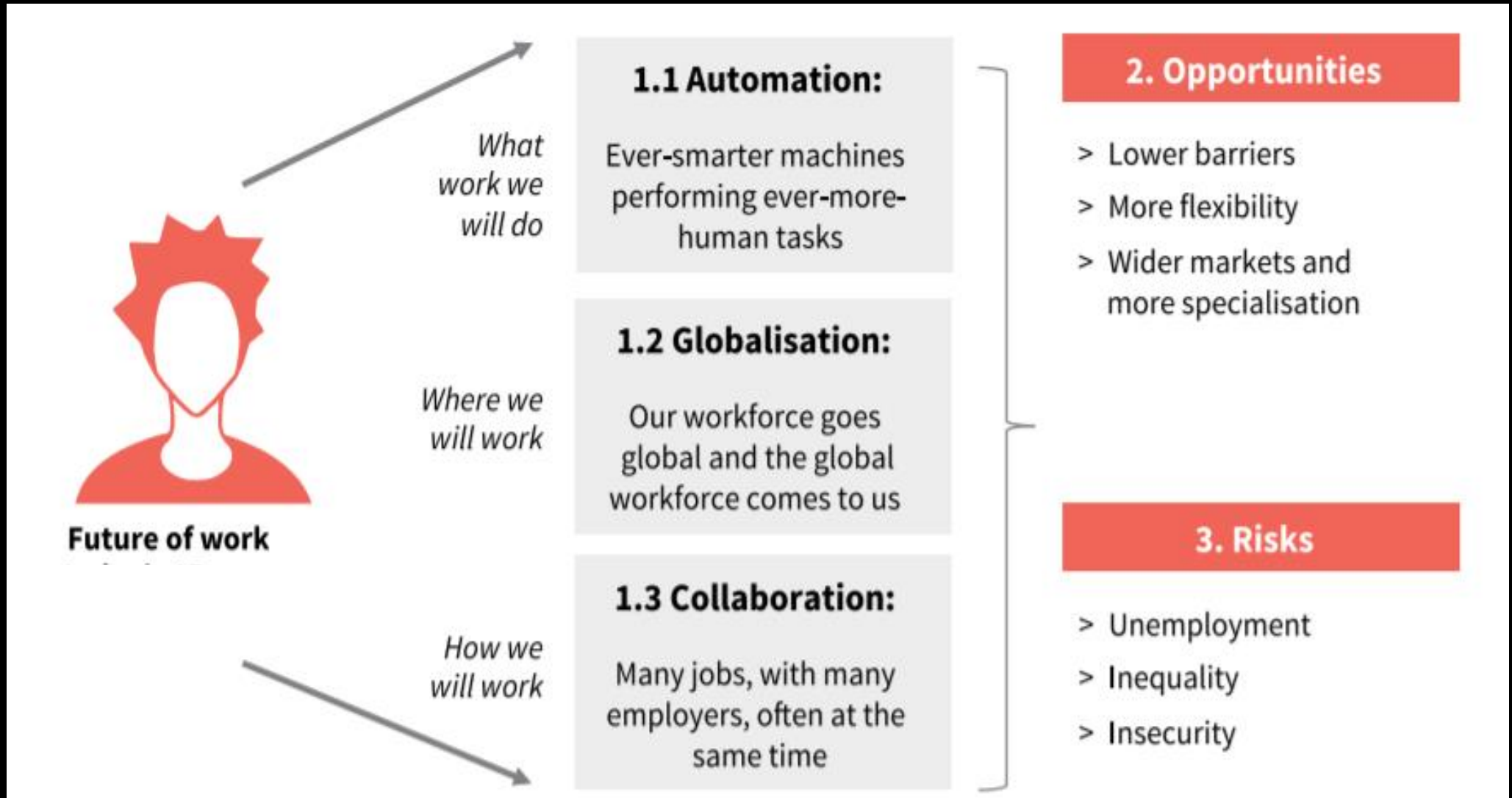


RETHINKING THE LEADERSHIP ROLE OF THE TREASURY FUNCTION

Opportunities for the future and beyond

Penelope Twemlow

MACROECONOMIC VIEW



84%

Financial professionals report the treasury function is playing a more strategic role

83%

Survey respondents anticipate a further growth in Treasury's expanded role over the next five years

69%

Financial professionals attribute Treasury's enhanced role to a greater emphasis on cash management and liquidity

46%

The percentage of treasury departments that act as internal consultants to other departments or business units

37%

Treasurers are members of their organization's Executive Committee/C-Suite

74%

Survey respondents rate their access to executive management strong or excellent

37%

Treasury leaders spend more than 25 percent of their workweek managing/leading their teams

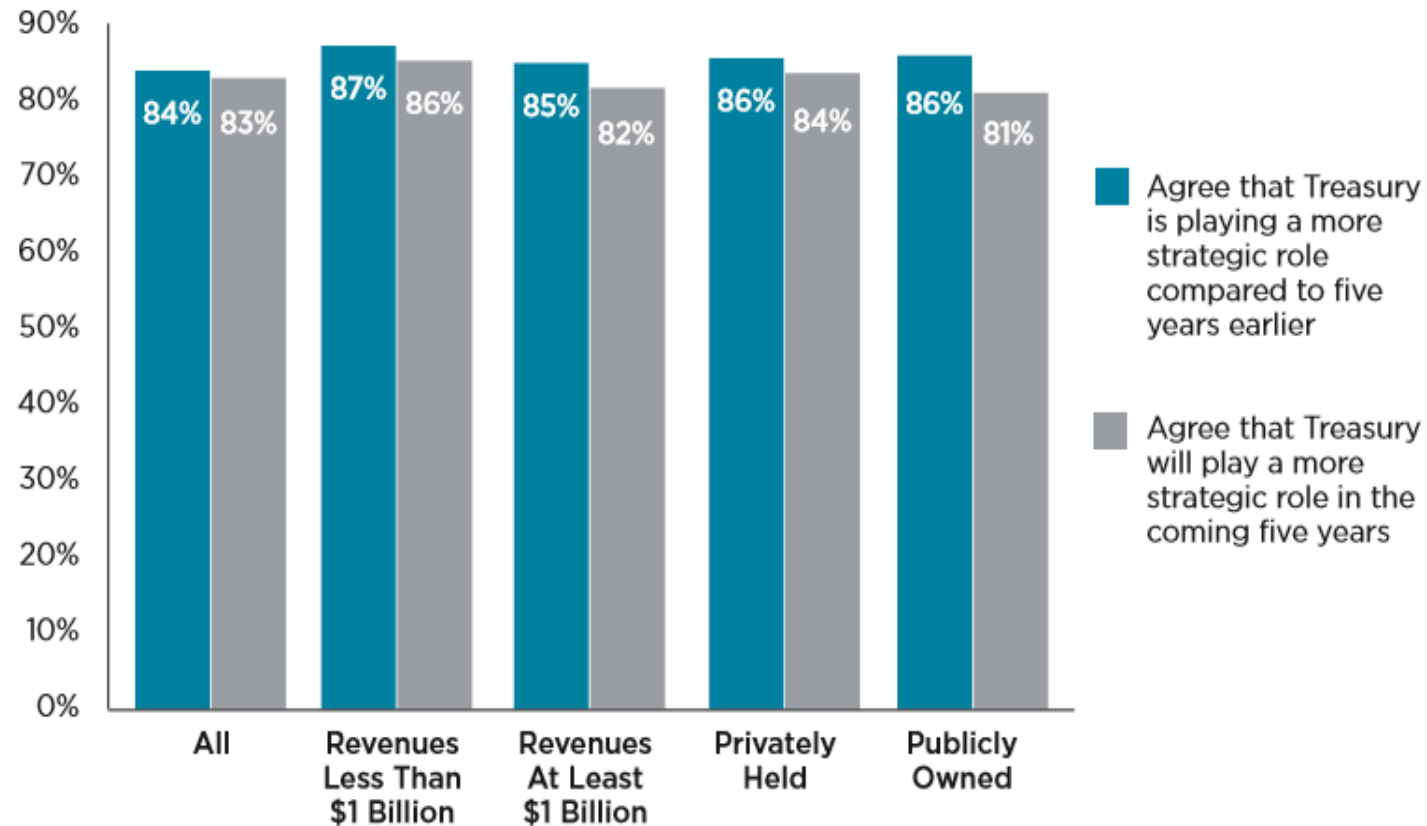
45%

Survey respondents believe their organizations should take greater advantage of Treasury's skills, talent and experience to optimize financial performance

WHAT IS THE FUTURE ROLE OF TREASURY?

STRATEGY

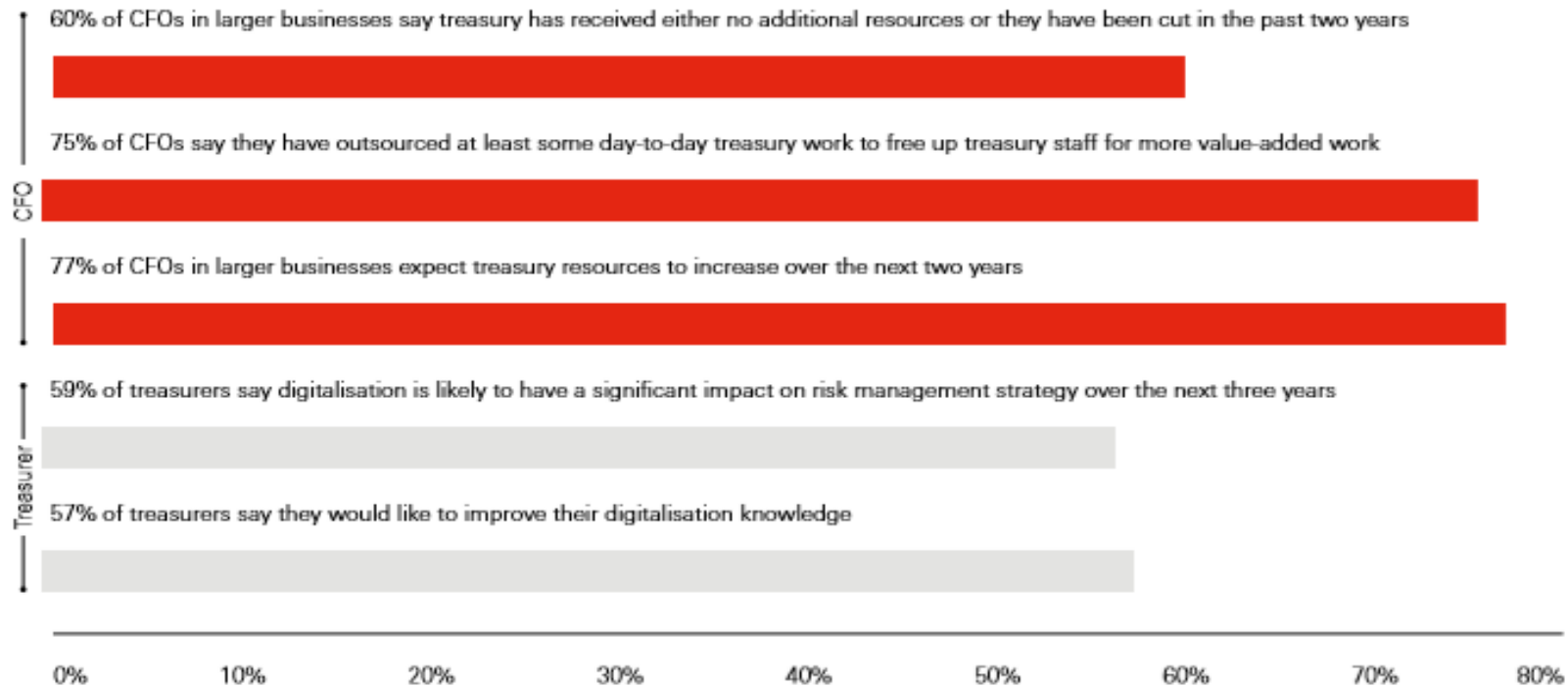
The Greater Strategic Role Played by Treasury
(Percent of Respondents)



TECHNOLOGY

Risk management in focus

Treasurers are under pressure to do more with limited resources, but digital technologies will play an increasingly important role in treasury, bridging the gap between resources and expectations.



Risk management in focus

CFOs and treasurers agree that risk management needs improvement, with FX risk the most significant area of concern.

■ CFO ■ Treasurers

58% of CFOs in larger businesses say that FX risk management is one of the two risks that currently occupy the largest proportion of their time

58%

72% of treasurers say FX risk management is one of the most important aspects of their job

72%

51% of CFOs say that FX is a risk their organisation is least well-placed to deal with

51%

57% of treasurers say risk management is an area in which they would like to develop further expertise

57%

70% of CFOs say they experienced lower earnings due to significant unhedged FX risk in the past two years, which their treasuries could (or should) have been able to avoid

70%

53% of treasurers expect changes in FX regimes and regulations to materially impact their risk management strategy in the next three years

53%

RISK MANAGEMENT

- No longer 'traditional Treasury risks'
- Build and manage a 'risk-centric culture'
- React to more risks in a faster and more efficient way
- Become a more important business partner

Source: 2018 HSBC and FT Risk Management Survey – Rethinking Treasury Paper

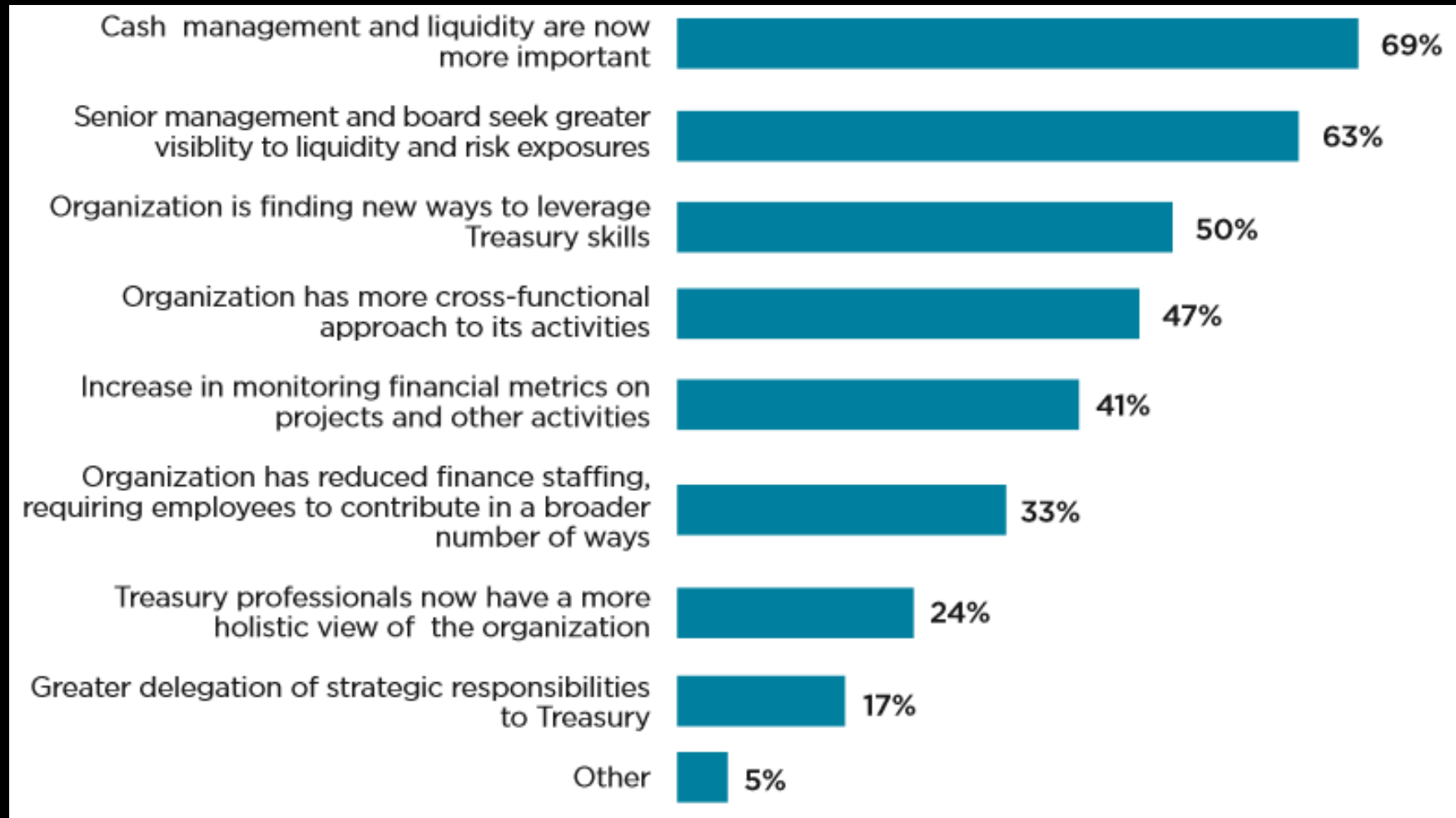
RESOURCE CHALLENGE

- Lack of necessary skills in finance teams
- Lean staffing structure vs significantly increased role scope
- Plan for tomorrow's critical talent
- Lead and manage effectively to ensure peak performance
- EXPERTS? OR Jack of all Trades?

DIVERSITY & CHANGE

- Diversity is not about overriding the principle of merit for the sake of balanced numbers
- Right people, right role, right time - measure on individual merits, not gender
- Business priority – benefits to be had
- Diversity reform allows agility and attitude changes
- Leadership and communication VITAL for driving change

REASONS FOR GROWTH

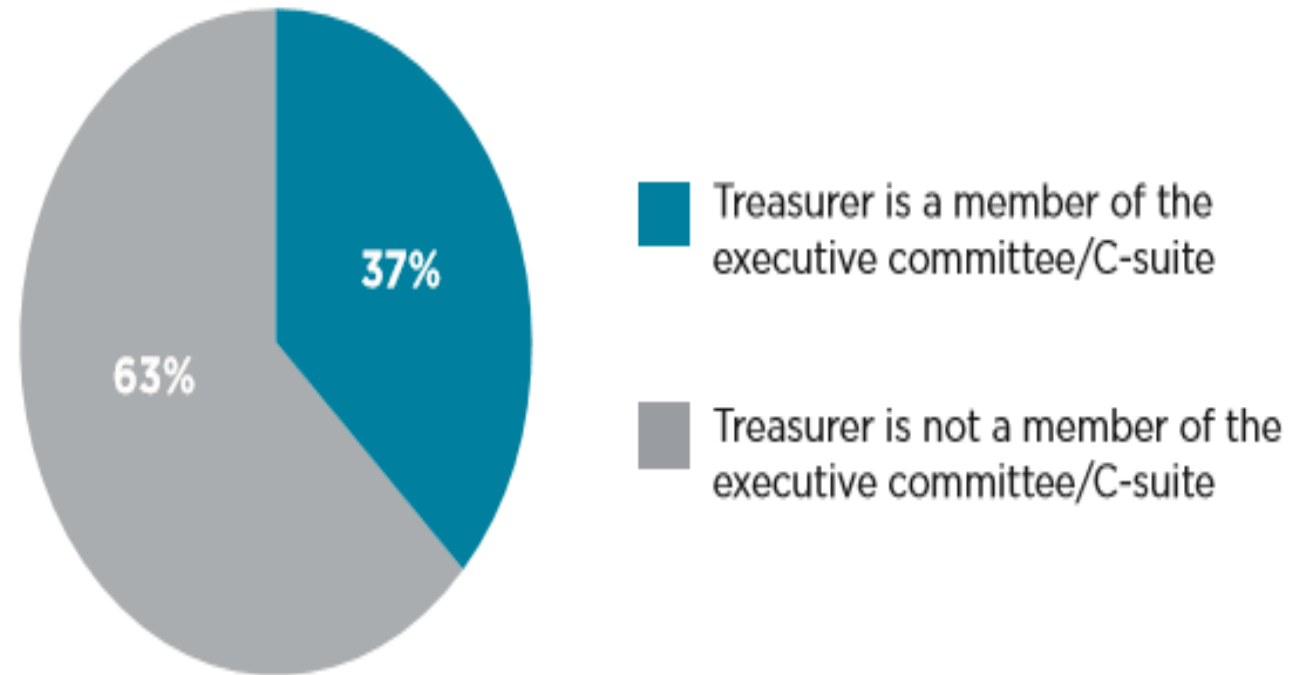


Source: 2014 AFP Strategic Role of Treasury Survey

EXECUTIVE COMMITTEE & C-SUITE

- No longer *just* an 'internal advisory and consultant'
- More accountable to an organisation's executive management and Board

Treasurer is a Member of the Executive Committee/C-Suite
(Percentage Distribution)



Source: 2014 AFP Strategic Role of Treasury Survey

CRITICAL SKILLS OF THE FUTURE

Enterprise skills

are **transferable skills** required in many jobs. They include:



Problem solving



Communications



Financial literacy



Critical thinking



Creativity



Teamwork



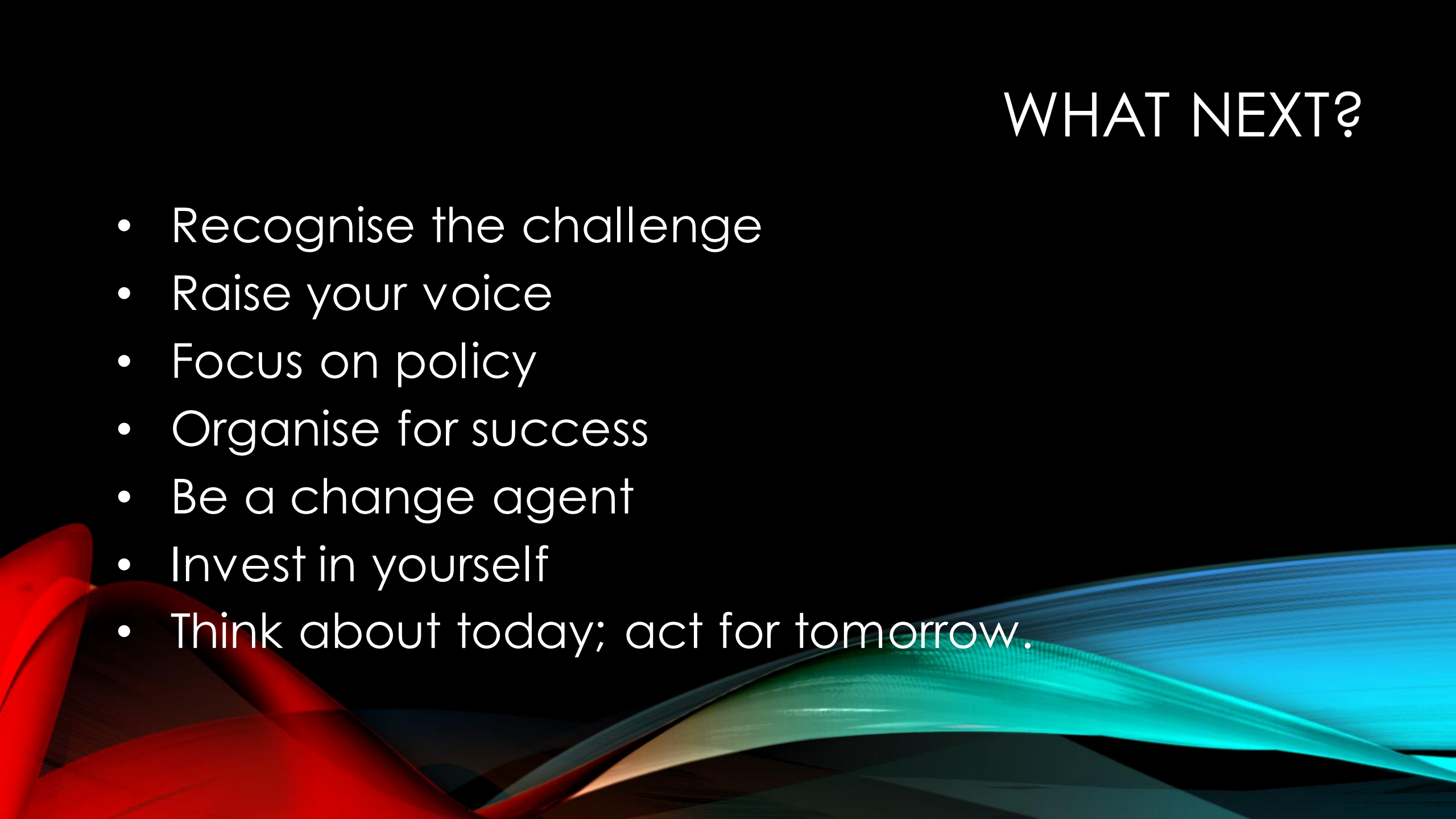
Digital literacy



Presentation skills

Source: Foundation for Young Australians – *The New Basics Report*

WHAT NEXT?

- Recognise the challenge
 - Raise your voice
 - Focus on policy
 - Organise for success
 - Be a change agent
 - Invest in yourself
 - Think about today; act for tomorrow.
- 
- The background features abstract, flowing waves in shades of red and blue, creating a dynamic and modern aesthetic.



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