



2017 Cash Forecasting & Visibility

Survey Results

September 2017

Co-Presented By:



About the Speakers



Craig Jeffery, CCM, FLMI
Founder & Managing Partner
Strategic Treasurer

Strategic Treasurer is a consulting firm advising on treasury, financial risk and risk technology issues. Their seasoned treasury consultants efficiently work alongside financial executives in treasury, finance, and other related areas within corporate, government, education, and not-for-profit entities.



David Levine
Director of Product Marketing
Bottomline Technologies

Bottomline Technologies (NASDAQ: EPAY) helps businesses pay and get paid. Businesses and banks rely on Bottomline for domestic and international payments, effective cash management tools, automated workflows for payment processing and bill review and state of the art fraud detection, behavioral analytics and regulatory compliance.

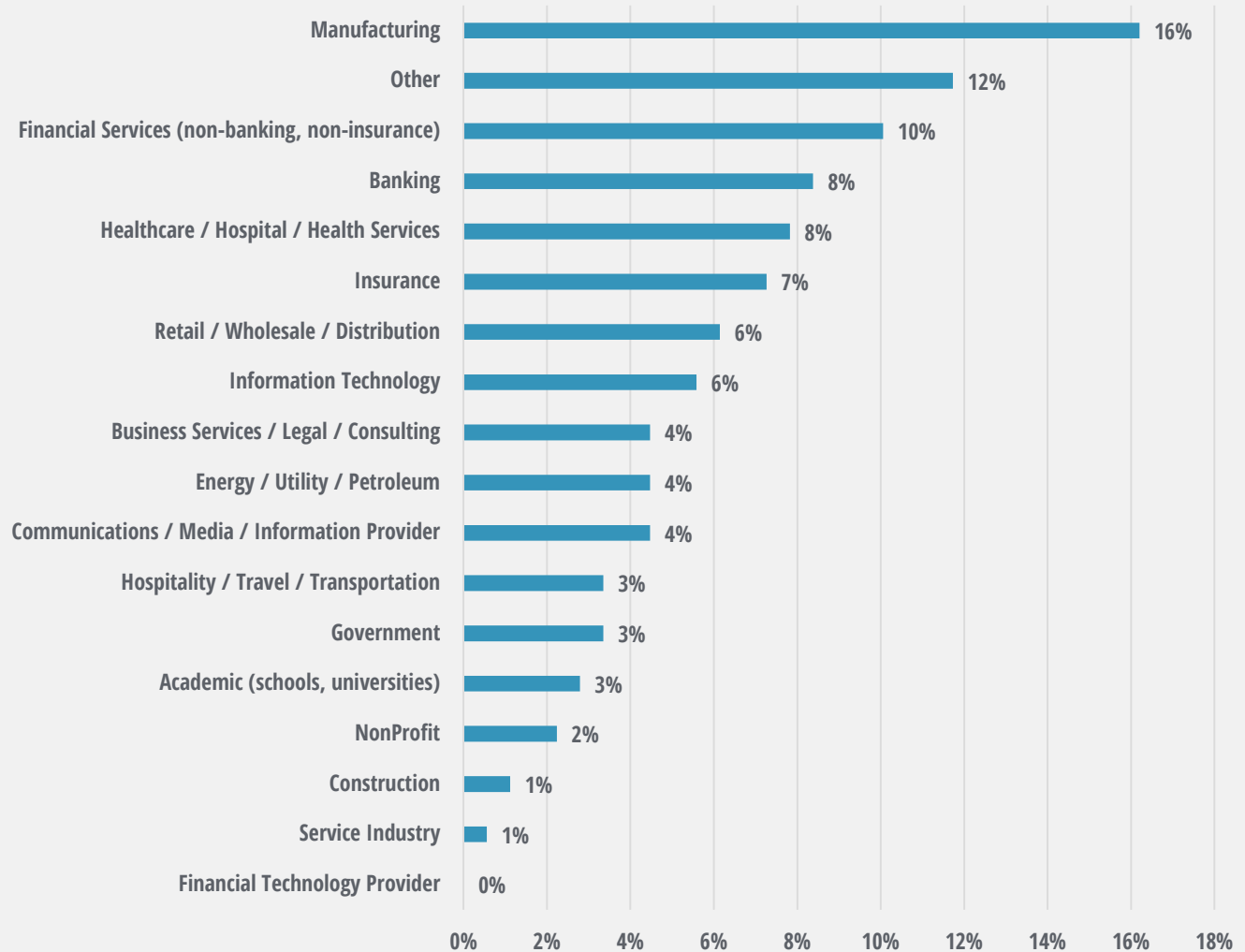
Topics of Discussion

-  Survey Background
-  Overview of Top Survey Takeaways
-  Analysis of Key Points
-  Final Thoughts

Survey Background

- **8th** annual survey
(since 2010)
- **179** respondents
- **Added some sections**
including some
SECURITY elements

What is your organization's industry?



Top Survey Takeaways

- **A significant majority of firms are focused on:**
 - **Forecasting Length and Frequency**
 - Forecast 2 months or longer (37% six months or longer)
 - Forecast on a daily or weekly basis (46% daily)
 - **Cash Visibility.** 79% want Daily or Real-Time but only 62% are achieving it
 - **Variance Analysis.** Perform variance analysis on a monthly or more frequent basis
 - **Security.** Say enterprise security is more or significantly more important than last year (65%). 35% indicated a comparable importance. 0% said less or significantly less
- **More!**
 - **Bank Accounts.** While total bank usage was flat, there was a net 9% of firms who added bank accounts
- **Plans**
 - **Significant Tech spend:** BAM (28%), Security, Reconciliation (both at 22%)

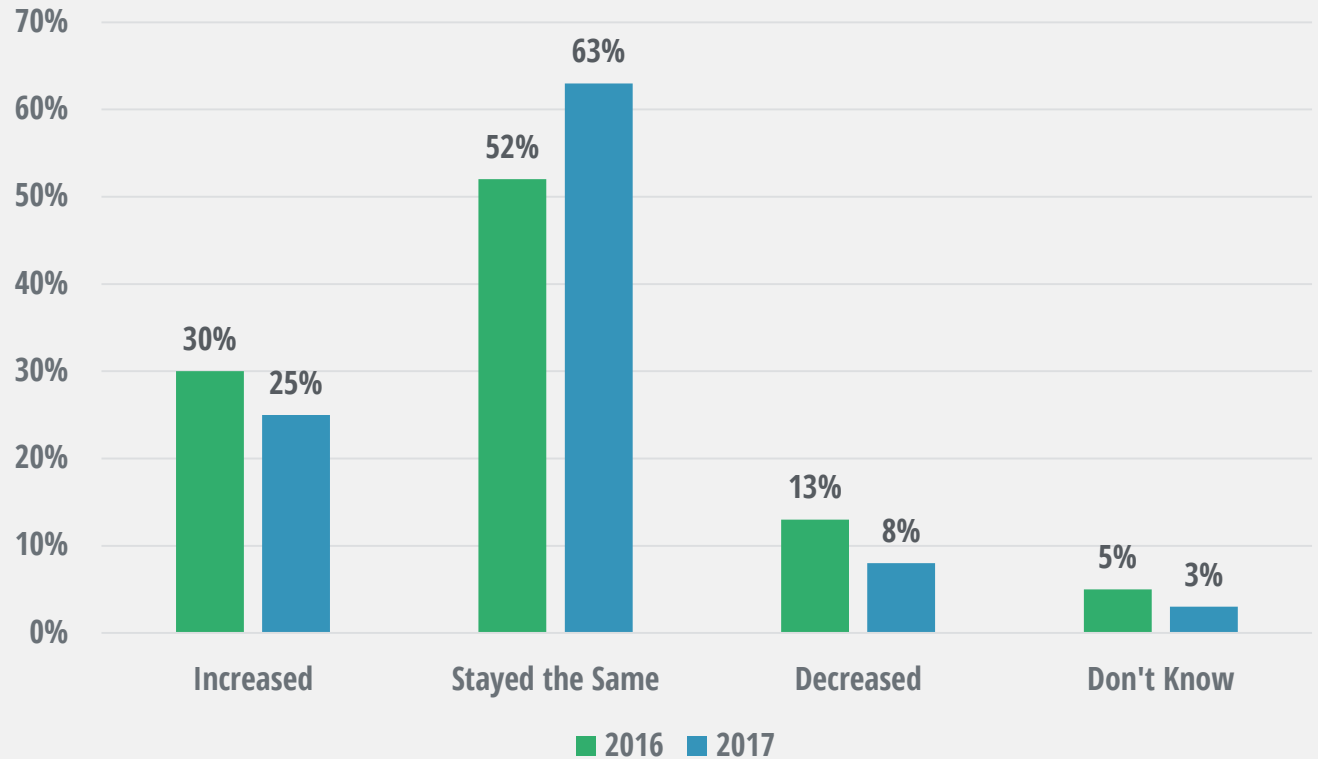
Staffing Changes

While continuing to be thinly staffed we continue to see a multi-year trend of increases.

A net 17% of firms experienced an increase

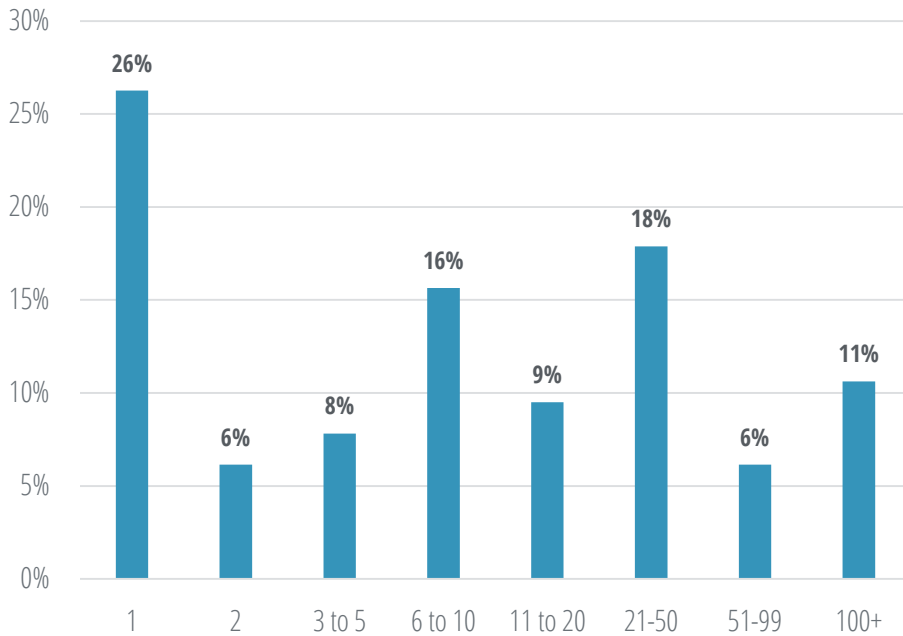
Expectations and requirements on treasury drive this trend.

In the past year has treasury staff:

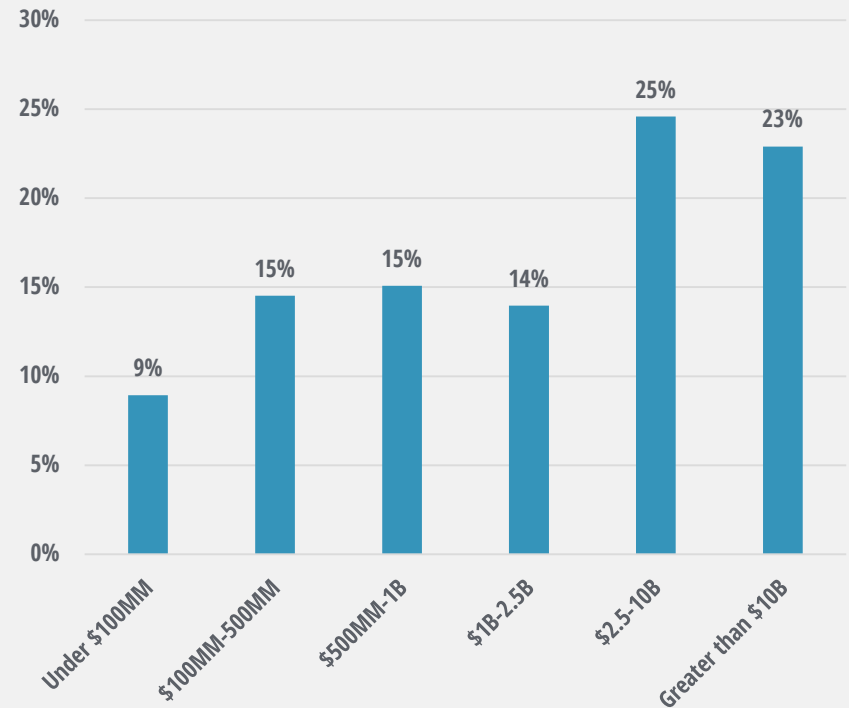


Demographics

Our business operates in this many countries
(enter a number).



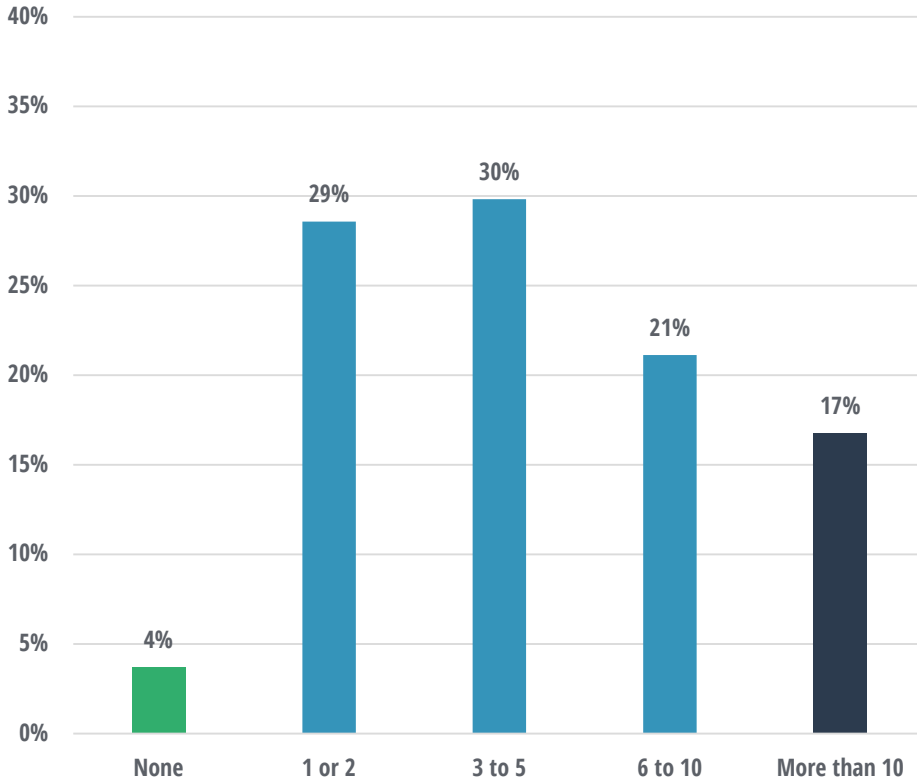
What is your company's annual revenue?



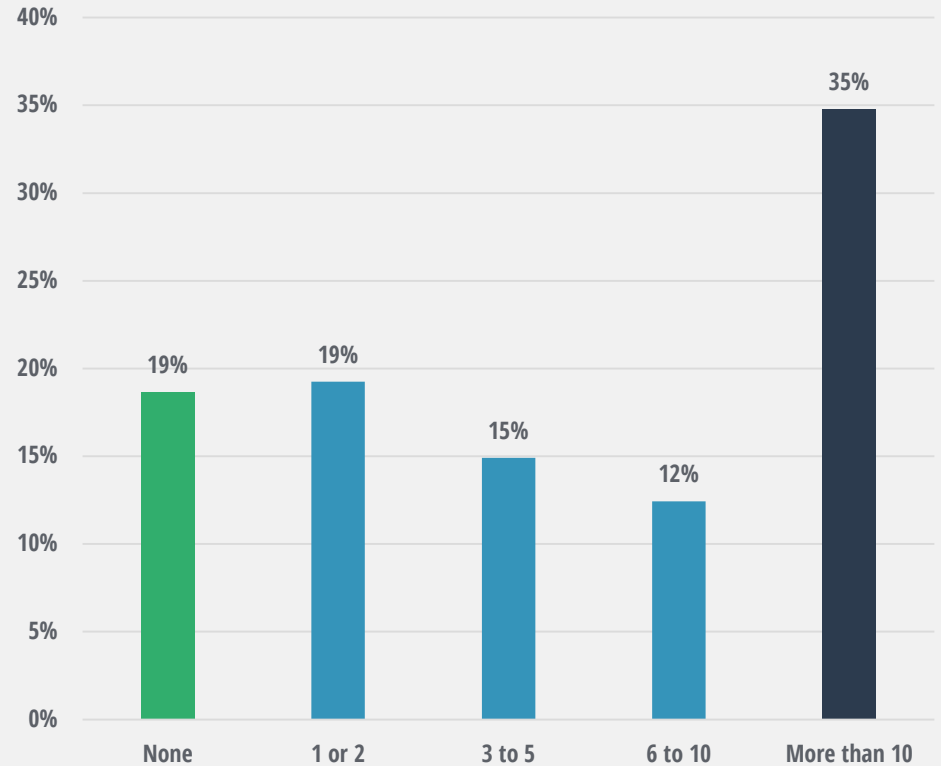
Global Nature: 35% of firms operate in 21+ countries
Size: 48% of respondents had revenues >2.5B USD

Bank Use

How many banks do you use in the US?



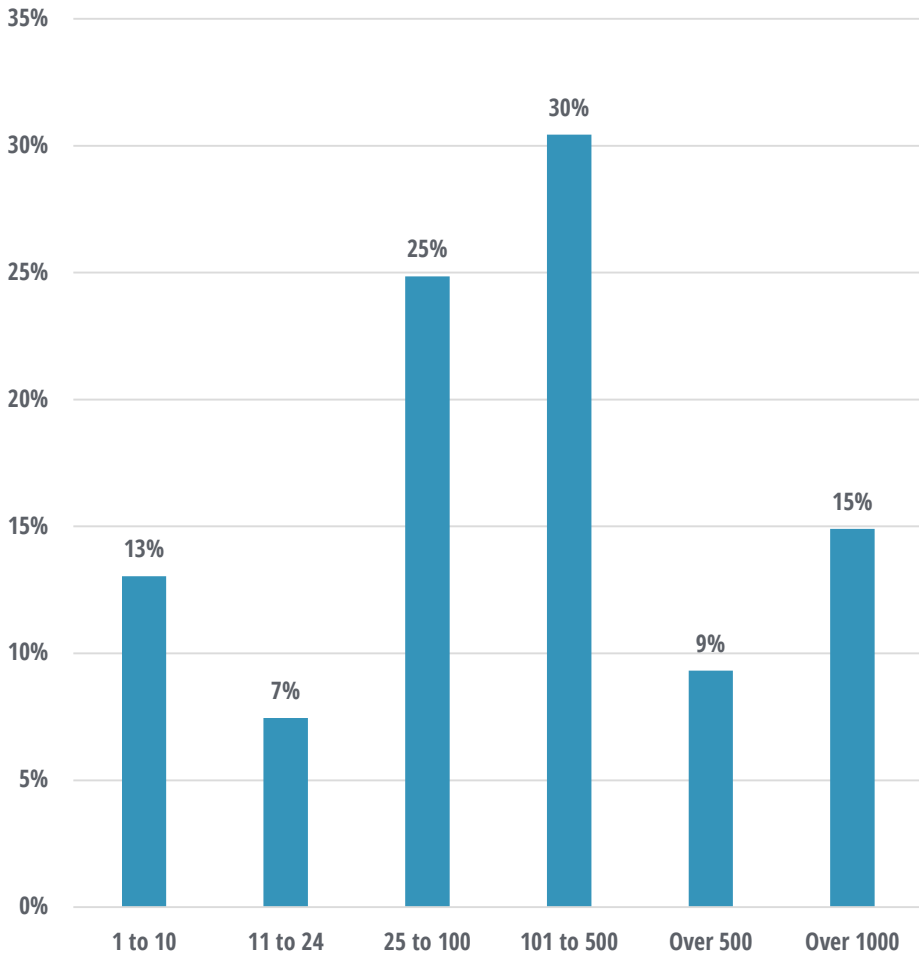
How many banks do you use internationally?



In the past year, 53% of respondents kept the same number of banks while an almost equivalent amount of firms added or decreased the number of banks used.

Bank Account Usage

How many bank accounts do you have?



On average, **32%** said the number of bank accounts they used had **increased**

42% kept a consistent number of bank accounts

23% **decreased** their number of bank accounts



Bank Account Discovery & Significant Spend

Bank Accounts Found

26%
of firms have discovered at least one new bank account in the past two years



23%
of those discovered **5+** bank accounts

43%
Treasury

28%
Bank Acct Mgmt

30%
Payments

22%
Enterprise Security

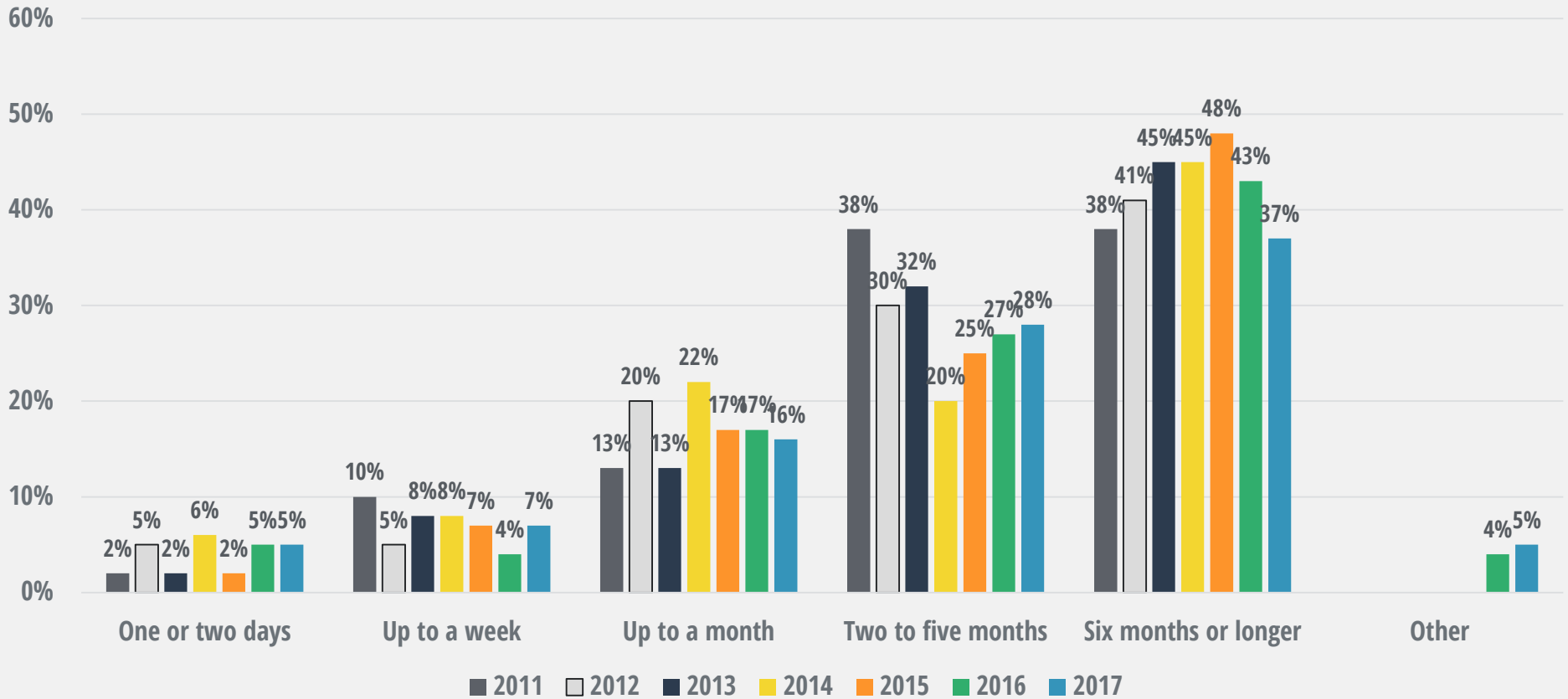
Significant Spend

Survey Details

Cash Forecasting

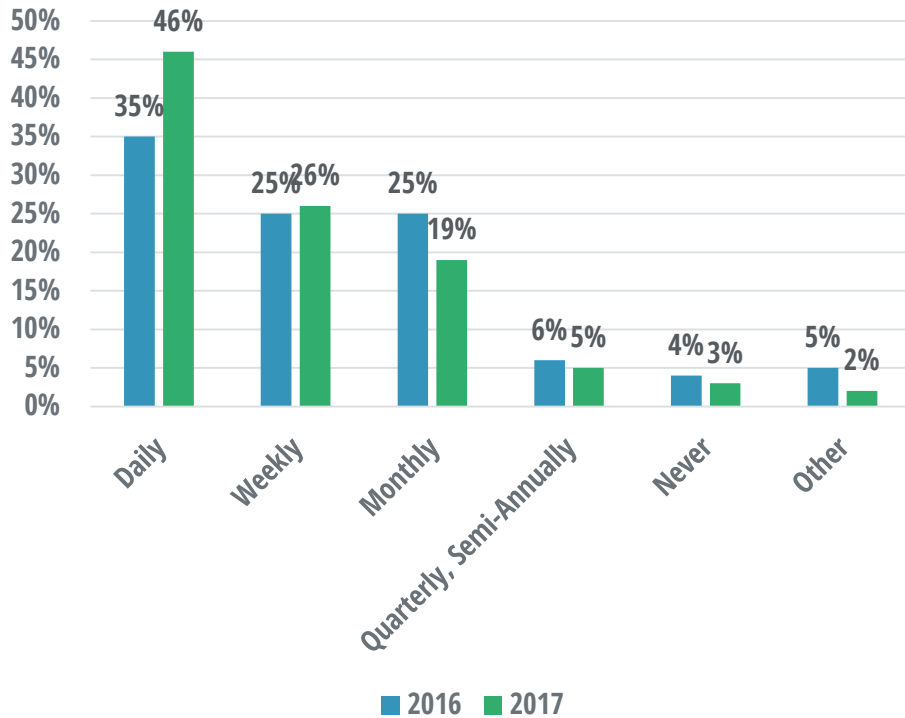


How far into the future do you forecast cash?

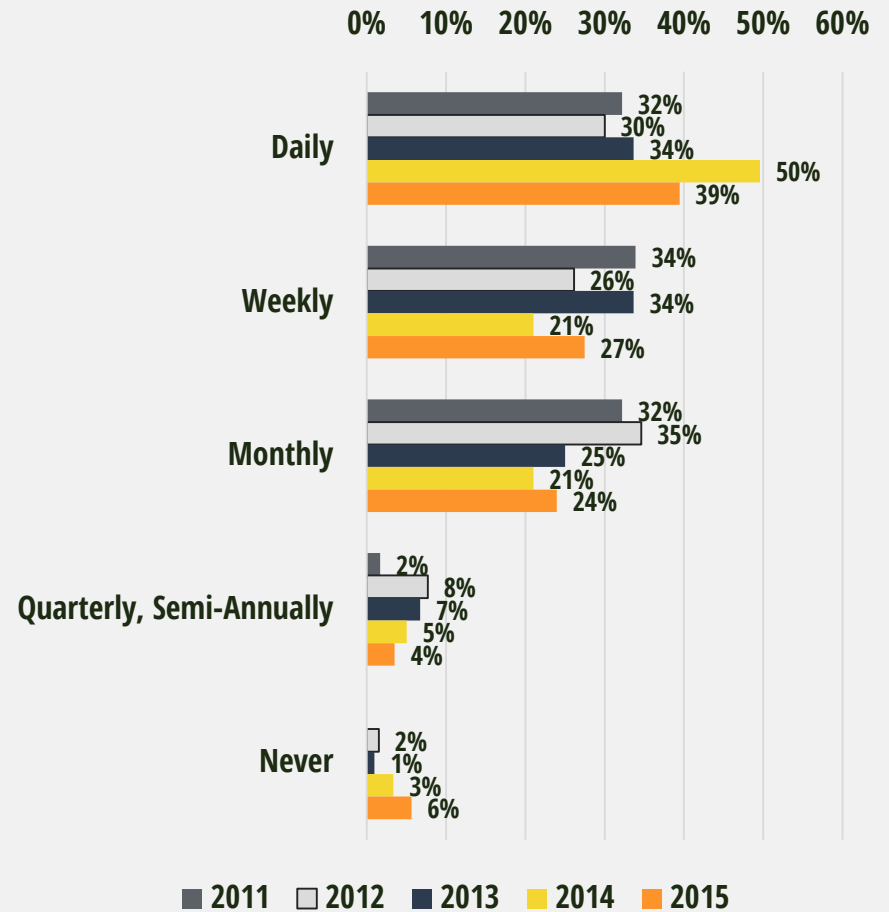


Cash Forecasting

How often do you do cash forecasting?



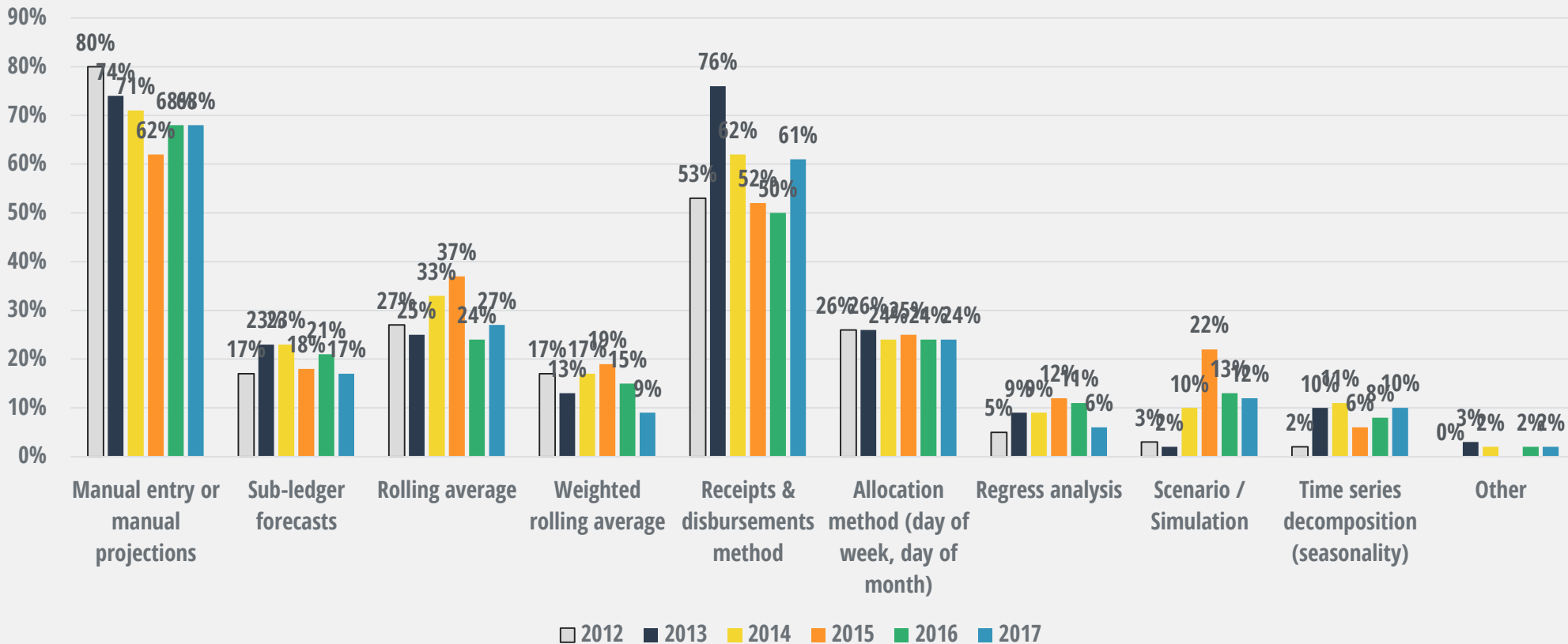
Frequency of Cash Forecasting 2011-2015



Cash Forecasting - Methods



What methods of forecasting does your company use? (Select all that apply)

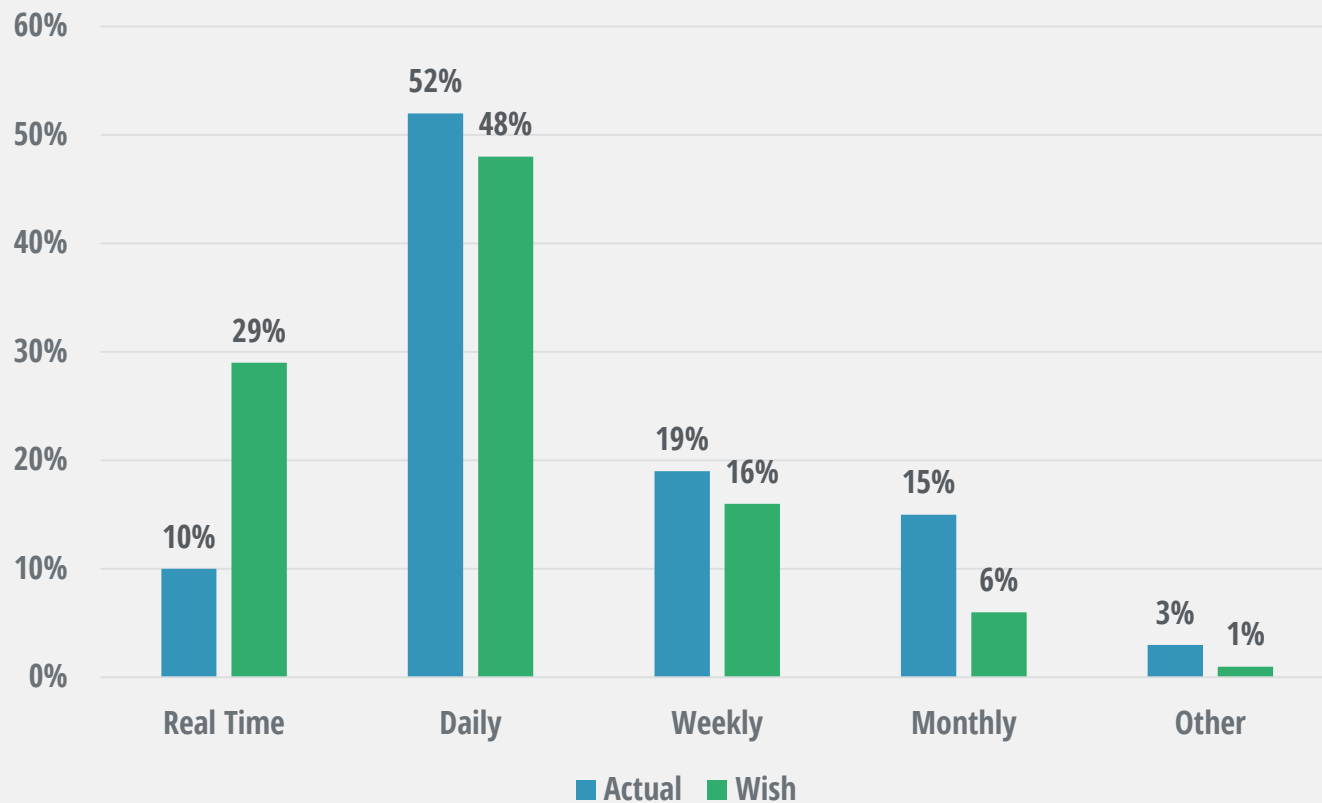


Updated Global Cash Position

As expected, a majority of respondents want their global cash position updated in real time or daily.

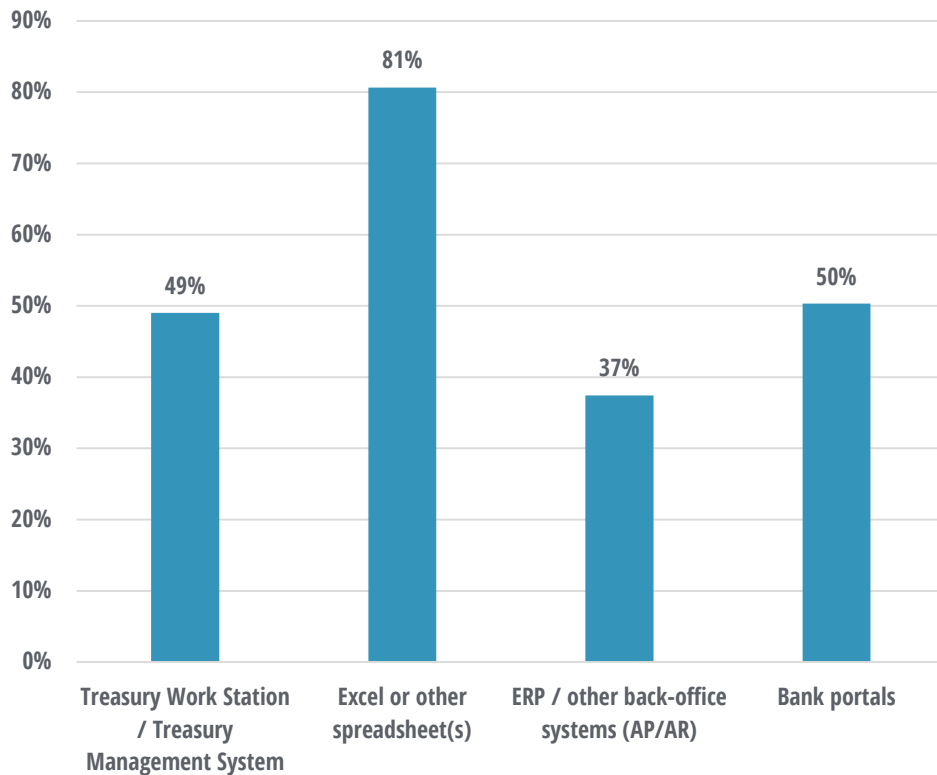
However, more of these align more than anticipated.

Frequency that Global Cash Position is Updated



Cash Reporting

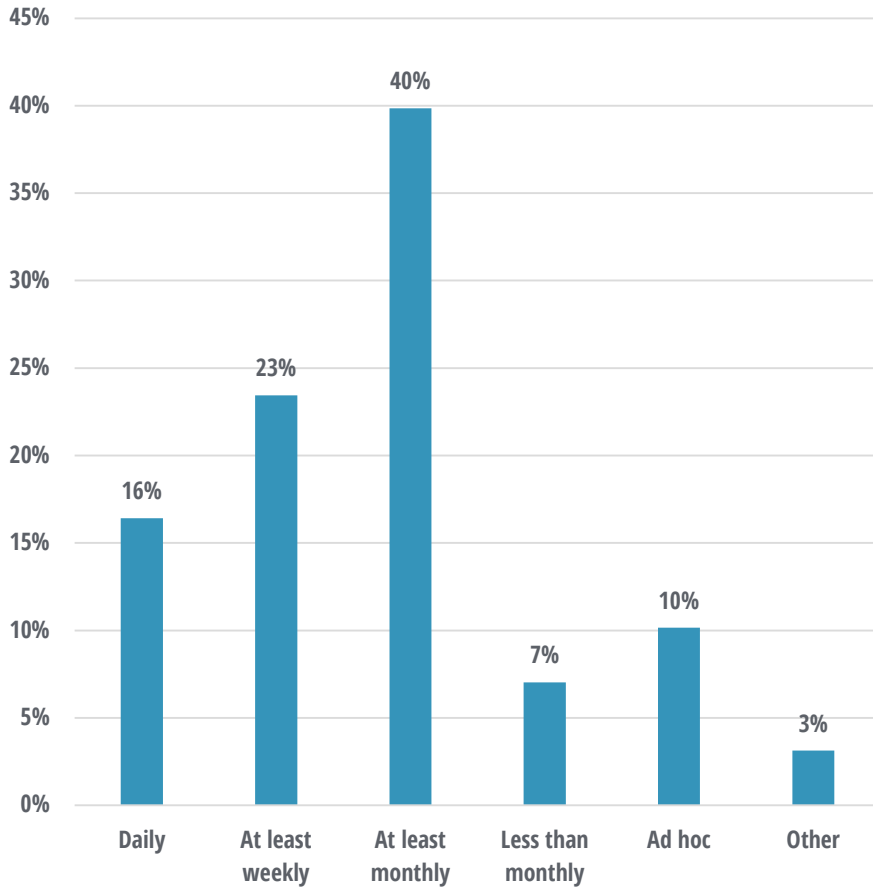
Which tools are you currently using for cash reporting? (Select all that apply)



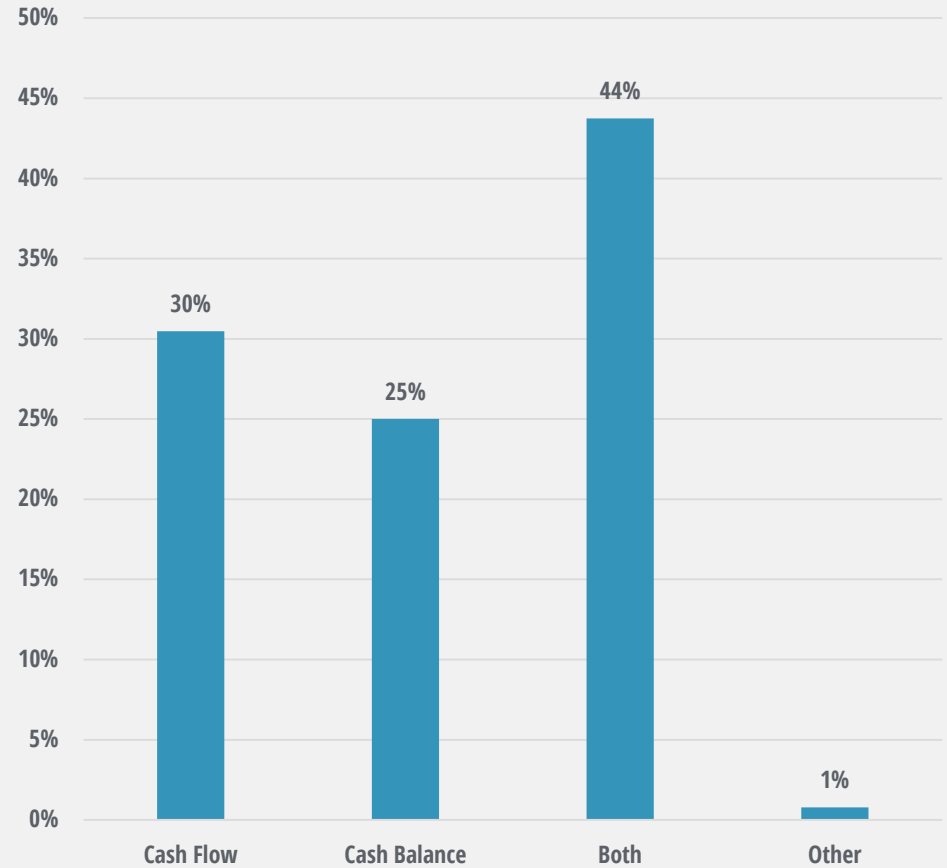
Cash reporting continues to see **TMS** increase its penetration in the marketplace while **portals**, with larger firms, slowly declines.

Variance Analysis

How often does your organization perform variance analysis on your forecast to actual?



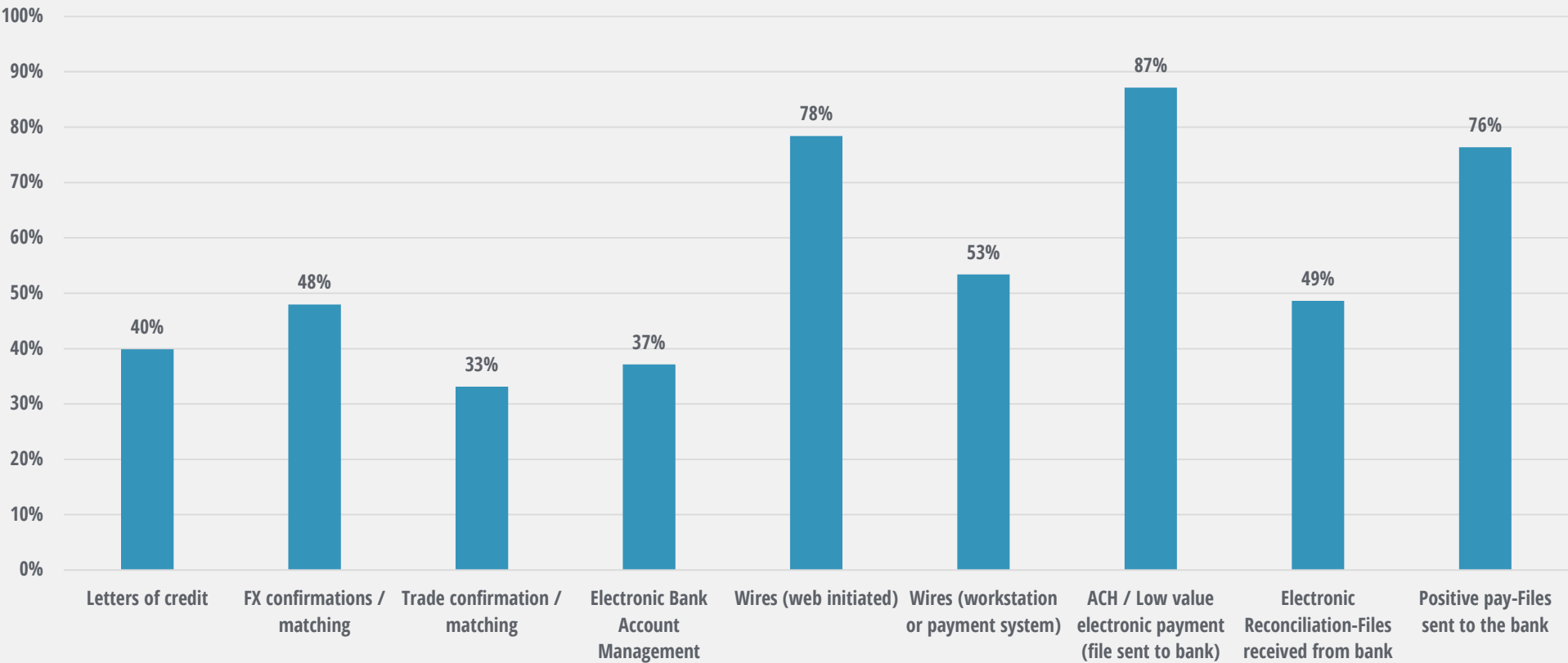
What do you measure your variance analysis on?



Electronic Bank Services

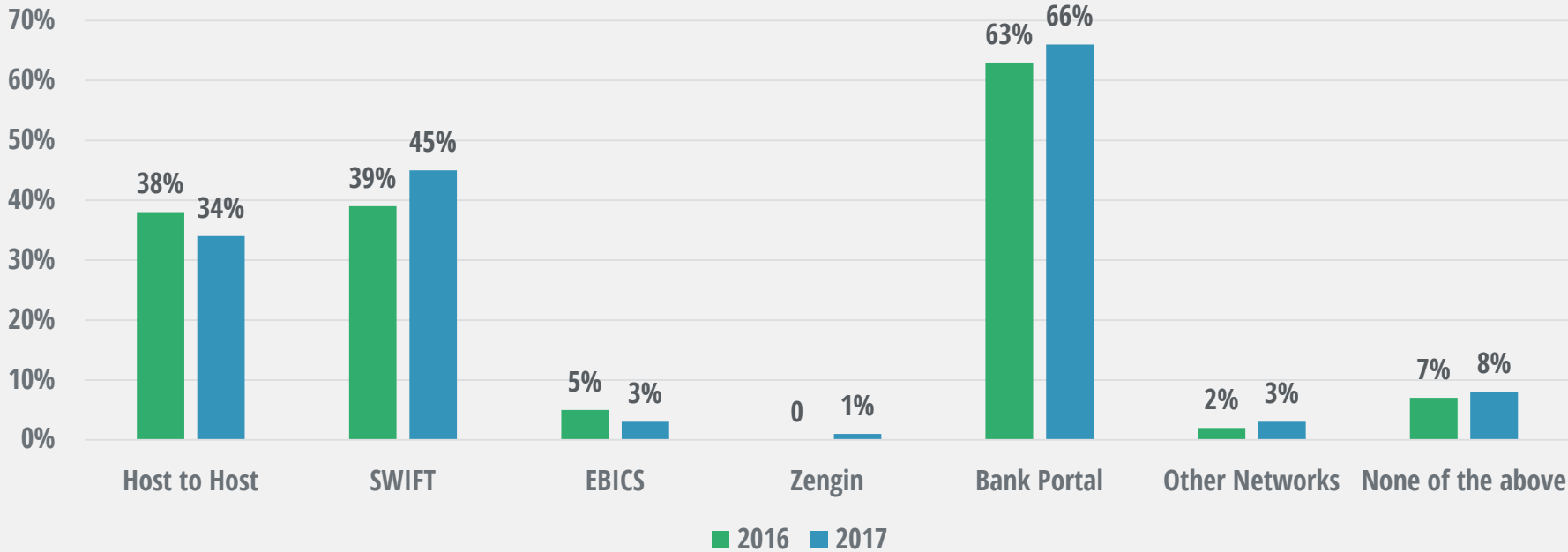


What kind of electronic bank services are you using? (Select all that apply)



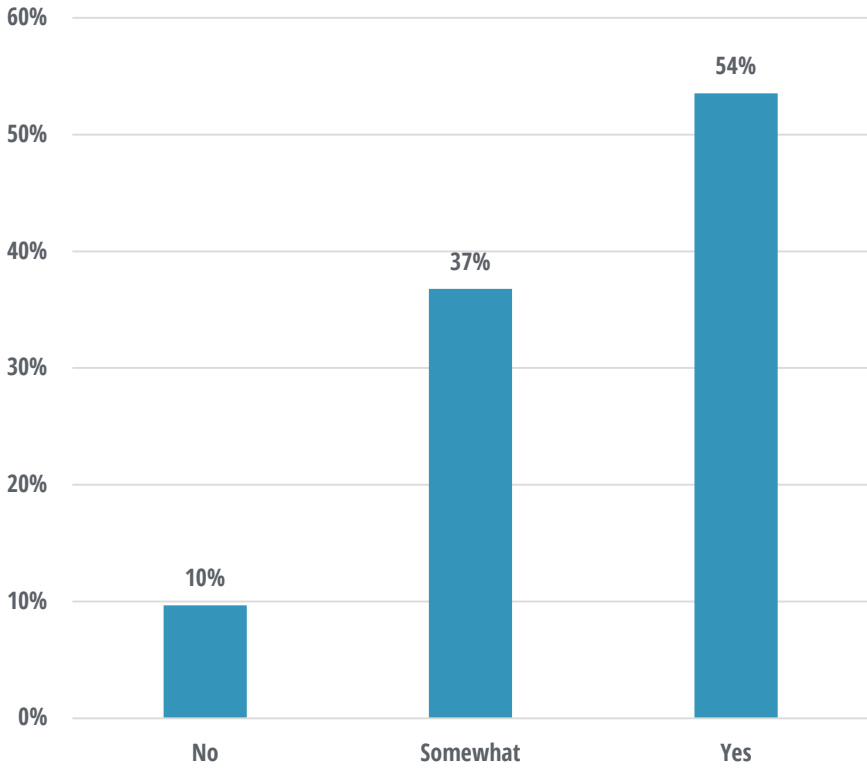
Connection Methods

What connection methods are you using or will you be using within 2 years for cash management and bank information reporting? (Select all that apply)

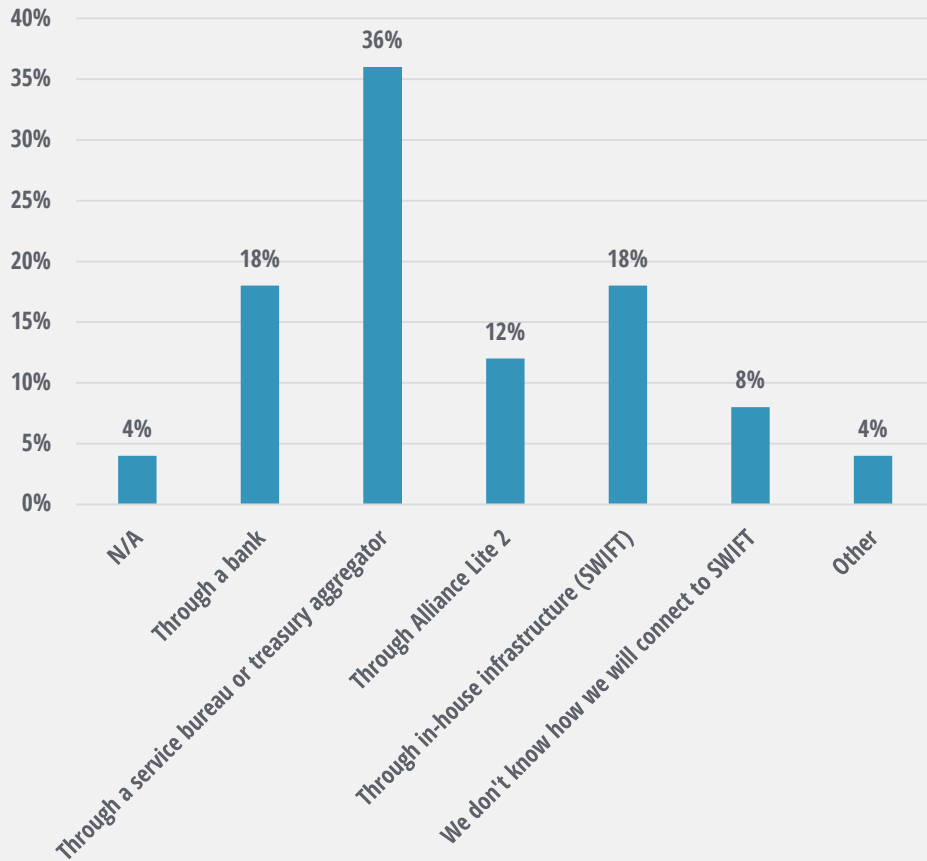


SWIFT

Are you aware of SWIFT and the services it provides?

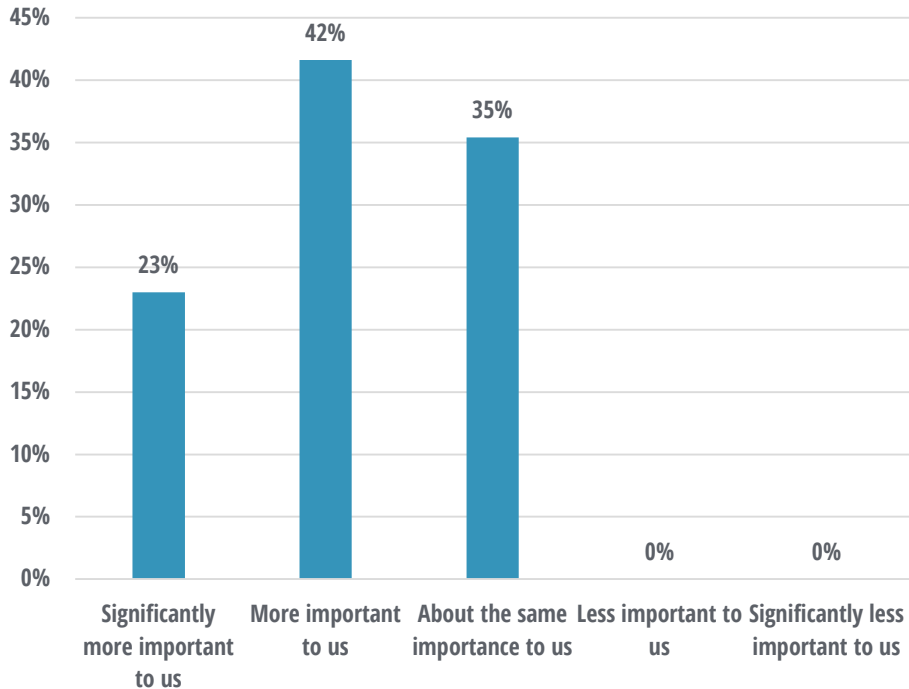


How do you or will you connect to SWIFT?



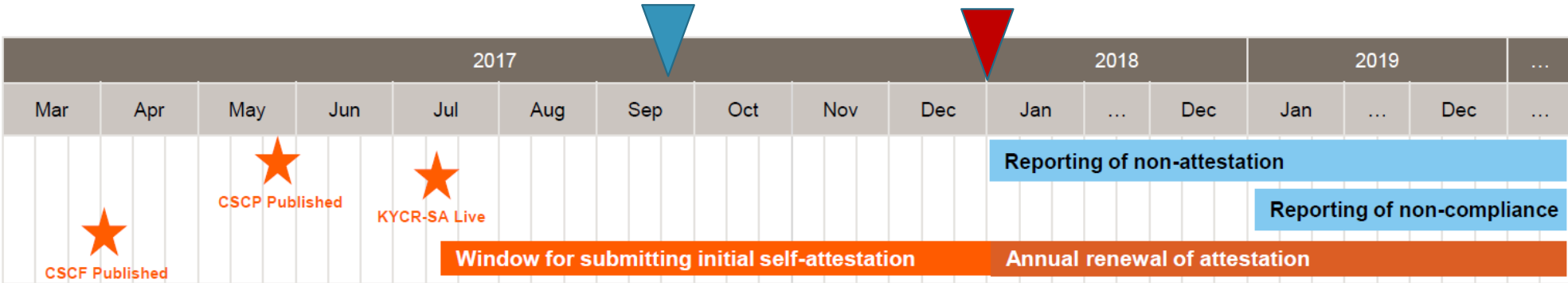
Security

In looking ahead to next year, enterprise security will be:



Despite multiple years of increasing fraud and fraud awareness, the **impact of losses** continues to **elevate the importance of security.**

SWIFT CSP Timeline







- 31st March, 2017: Publication of SWIFT Customer Security Controls Framework
- 22nd May, 2017: Publication of SWIFT Customer Security Controls Policy
- July 2017, KYC Registry Security Attestation application available for data submission and consumption
- As of December 2017, all users must have submitted their self-attestation
- As of January, 2018: SWIFT reserves the right to report users that have not submitted a self-attestation
- As of January, 2019: SWIFT reserves the right to report non-attested users and non-compliance

 Poll Question



Final Thoughts – What Your Peers Are Focusing On

-  **Forecasting.** The value in accurate forecasting is proven as it grows in importance and variance analysis increases in frequency.
-  **Visibility.** The desire to have daily or real-time visibility exceeds the actual results. The standard is to have 100% daily visibility.
-  **Security.** Vast increase in importance. This necessarily impacts the value of cash positioning, cash forecasting and cash visibility
-  **Bank Account Management.** 28% of firms plan to spend significantly on bank account management. Failure to control bank accounts is not just a point of cost but a massive point of exposure. Driven by compliance (i.e. FBAR) and fraud.



What's Happening

STRATEGIC TREASURER
WEBINAR
SWIFT
OCT 3
11:00 AM (EST)
1.2 Credits
FP&A
Certified Treasury Professional
Craig Jeffery
Managing Partner
Strategic Treasurer
Pat Antonacci
Head of Customer and 3rd Party Engagement - Customer Security Programme
SWIFT

STRATEGIC TREASURER
Consultants in Treasury
LinkedIn

SWIFT Security: The What and Why of the Customer Security Programme

Treasury

Treasury Payments

Treasury Compliance

STRATEGIC TREASURER
WEBINAR
Bottomline Technologies
OCT 10
11:00 AM (EST)
1.2 CTP Credits
Certified Treasury Professional
Craig Jeffery
Managing Partner
Strategic Treasurer
James Richardson
Head of Market Development, Risk & Fraud
Bottomline Technologies

Making Payment Controls Work: Limiting Access, Detecting & Responding) [Part 2]



Craig Jeffery

*Managing Partner
Strategic Treasurer*

Email: craig@strategictreasurer.com

Direct: +1 678.466-2220

Website: strategictreasurer.com



David Levine

*Director of Product Marketing
Bottomline Technologies*

Email: dlevine@bottomline.com

Direct: +1 603.501.5402

Website: bottomline.com