2017 Treasury Technology Use

Survey Results Webinar

September 2017

STRATEGIC TREASURER
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⚙ About the Presenters

Today's Co-Presenter:

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.

Today's Co-Presenter:

Thomas Leitch
VP, Business Development
TreasuryXpress

TreasuryXpress is a treasury software firm headquartered in Paris, France. Treasuryxpress offers a range of treasury solutions to clients, including their TMS C2Treasury for payments, cash management, cash forecasting, liquidity management, and bank connectivity, as well as on-demand treasury functionality services.

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Topics of Discussion

▶ **Survey Overview/Demographics**

▶ **Treasury Technology Use:**

  • **Type of System Used; Functionality Needed and Desired**

▶ **Market Awareness of individual TMS providers and solutions**

▶ **On-Demand TMS Functionality**

▶ **TMS Implementation Experiences**

  ▶ • **Implementation Timeframe: Expectation vs Reality**

  • **Top Implementation Challenges: Expectation vs Reality**
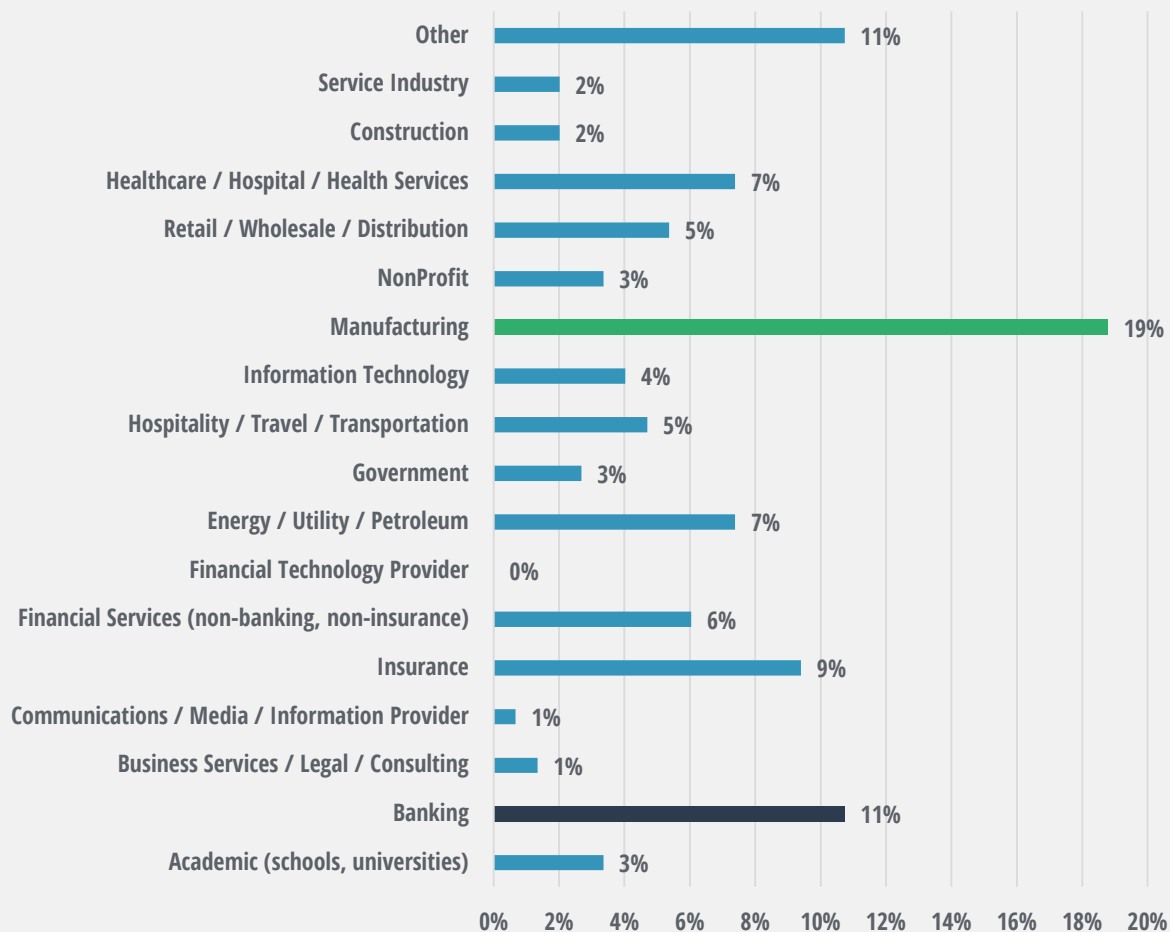
▶ **Awareness, Use & Satisfaction**

▶ **Key Takeaways**

Survey Overview & Demographics

⚙️ Survey Background

- **4th** annual survey

- **Rapid Research**

- **149** respondents

- **Added questions on**
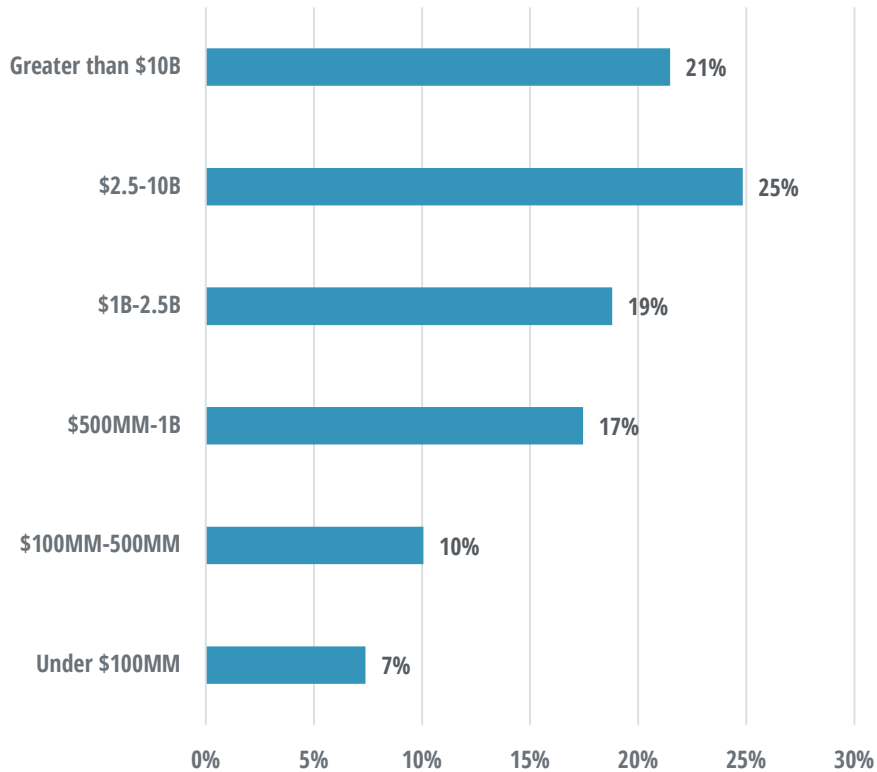
  SATISFACTION and **ON-**

  DEMAND attitudes

What is your organization's industry?

Industry	Percentage
Other	11%
Service Industry	2%
Construction	2%
Healthcare / Hospital / Health Services	7%
Retail / Wholesale / Distribution	5%
NonProfit	3%
Manufacturing	19%
Information Technology	4%
Hospitality / Travel / Transportation	5%
Government	3%
Energy / Utility / Petroleum	7%
Financial Technology Provider	0%
Financial Services (non-banking, non-insurance)	6%
Insurance	9%
Communications / Media / Information Provider	1%
Business Services / Legal / Consulting	1%
Banking	11%
Academic (schools, universities)	3%

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⚙️ **Complexity**

What is your company's annual revenue?

Revenue	Percentage
Greater than $10B	21%
$2.5-10B	25%
$1B-2.5B	19%
$500MM-1B	17%
$100MM-500MM	10%
Under $100MM	7%

Our business operates in this many countries (enter a number).
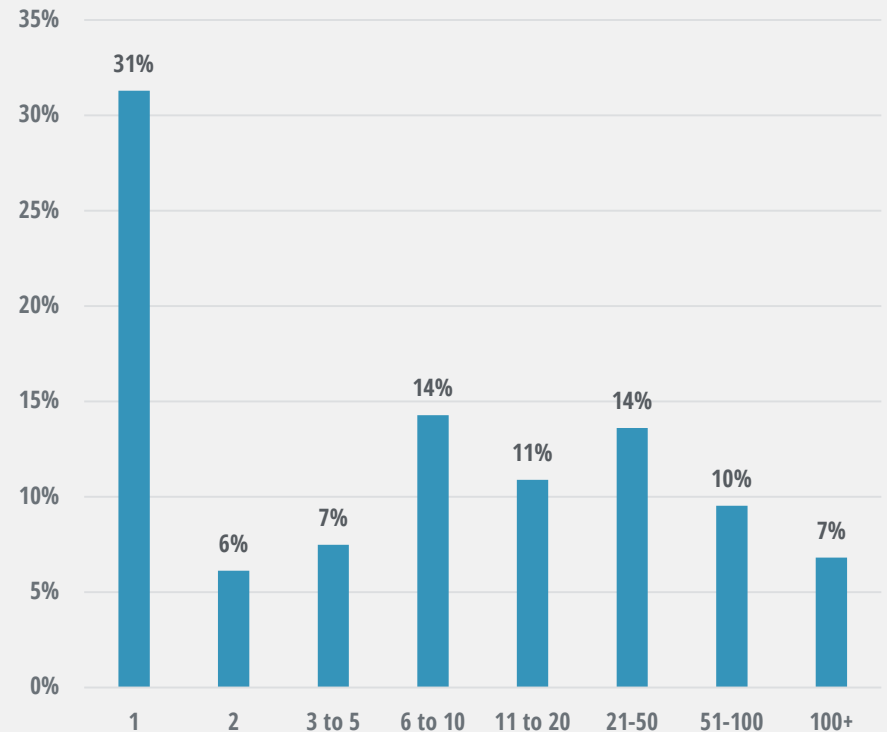
Countries	Percentage
1	31%
2	6%
3 to 5	7%
6 to 10	14%
11 to 20	11%
21-50	14%
51-100	10%
100+	7%

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Survey Details

⚙ Treasury Technology Use

Do you have a treasury system besides Excel?
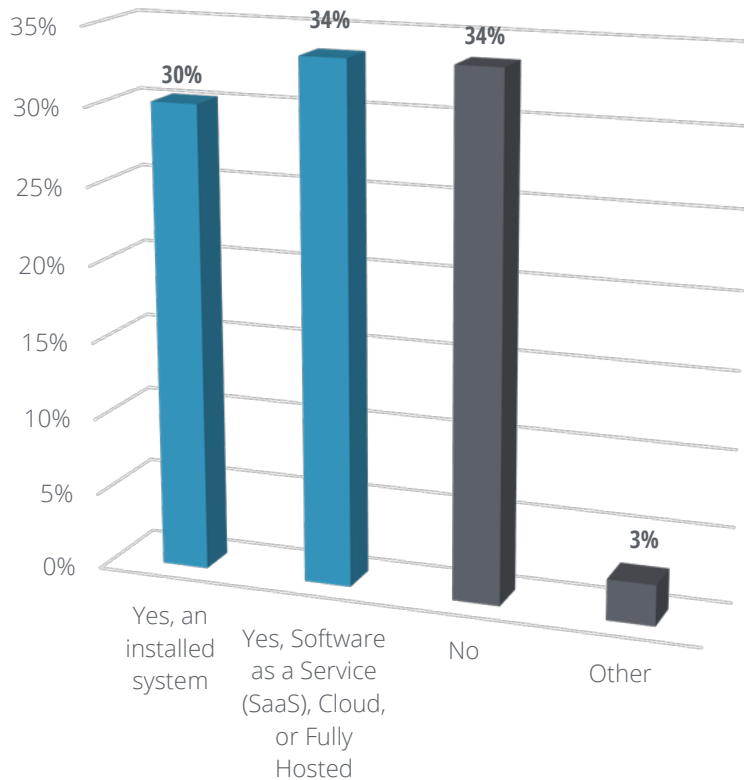
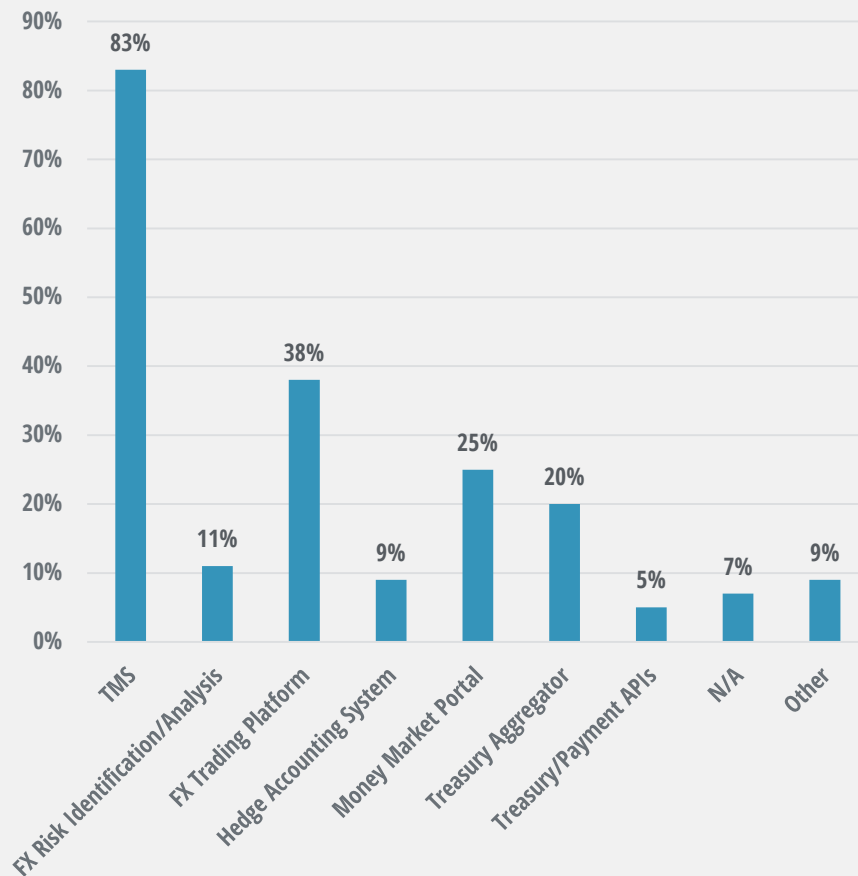
- **Approximately two-thirds of organizations were using a treasury system other than Excel.**

- **Use of these systems was evenly divided between installed solutions and SaaS-based offerings.**

- **The vast majority of NEW system sales and implementations have been of SaaS-based software.**

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Treasury Technology Use

- **By far the most frequently used treasury solution in place was a dedicated TMS**

- **However, a secondary treasury solution, such as a treasury aggregator or Money Market Portal, was often used alongside a TMS**

- **This data points to the reality that many organizations need connectivity/integration with external applications/solutions.**

What treasury systems do you currently use? (Select all that apply)

Category	Percentage
TMS	83%
FX Risk Identification/Analysis	11%
FX Trading Platform	38%
Hedge Accounting System	9%
Money Market Portal	25%
Treasury Aggregator	20%
Treasury/Payment APIs	5%
N/A	7%
Other	9%

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Treasury Technology Use

What functions do you use or need in treasury?

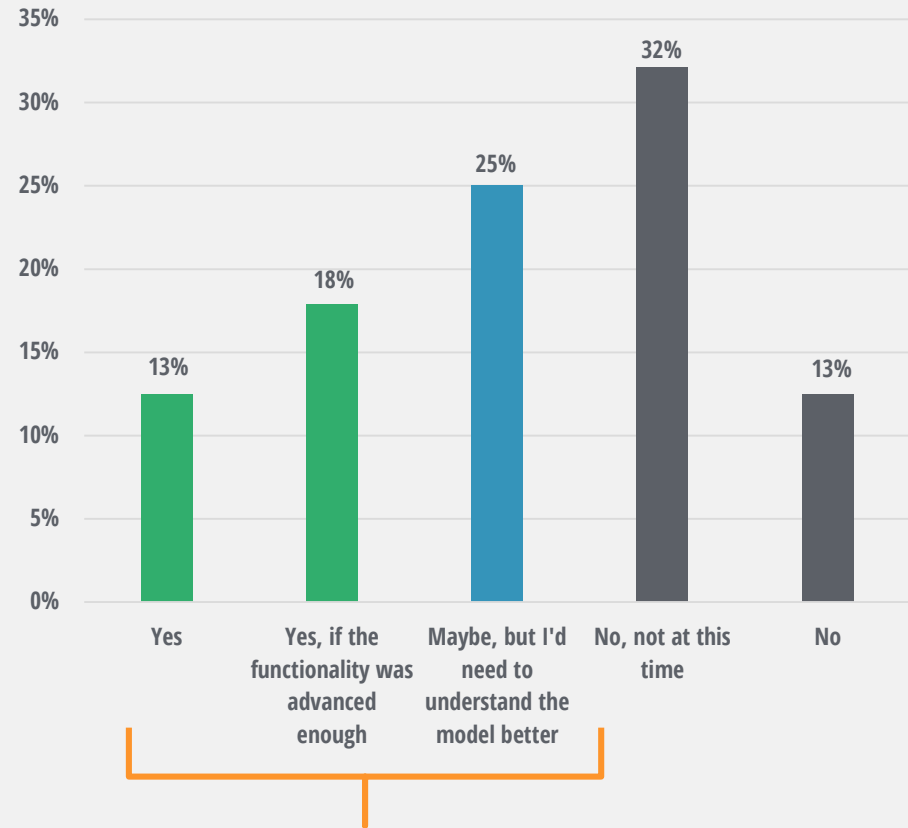| Function	%
Risk Management - PreTrade	17%
Payment Factory	29%
Risk Management - Hedge	34%
Netting	39%
In-House Banking	43%
Investment Management	50%
Liquidity Management	53%
Forecasting Variance Analysis	53%
Reconciliation	57%
FX Trading	59%
Funds Transfer - ACH/Low Value	61%
Accounting	61%
Debt Management	61%
Analysis	62%
Bank Account Management / eBAM	70%
Funds Transfer - Wires	71%
Cash Forecasting	79%
Cash Positioning	86%

- **There were 13 individual areas of functionalities needed by more than half of respondents.**

- **Sophisticated risk mgmt. features were in less demand; mostly large multinational companies that required risk tools.**

- **Cash Management functions such as forecasting and positioning were notably the most in-demand treasury functionalities.**

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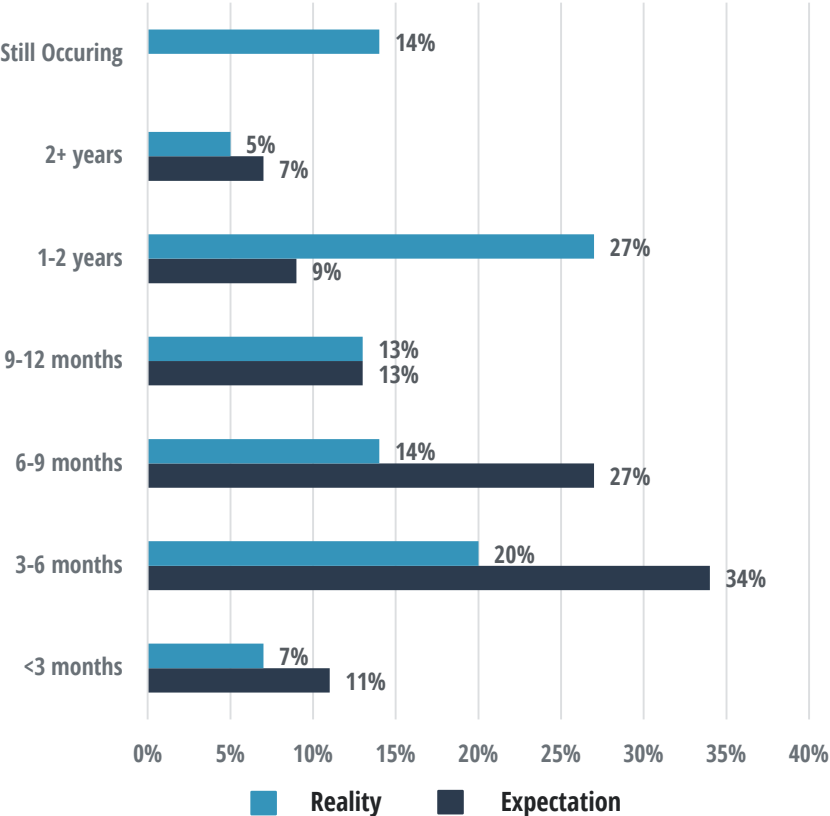
10

⚙️ On-Demand Functionality

- **On-demand is new to this space and the majority of organizations are skeptical regarding the use of on-demand TMS functionality**

- **The use of on-demand services should reduce the incidence of unused or unnecessary functionality.**

- **Currently, 45% of organizations wouldn't consider the use of an on-demand TMS.** *Acceptance appears to be growing faster than SaaS in treasury.*

Would you consider a self-service or on-demand TMS?

Category	Value
Yes	13%
Yes, if the functionality was advanced enough	18%
Maybe, but I'd need to understand the model better	25%
No, not at this time	32%
No	13%

56%

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TMS Implementation: Timeframe

How long did the implementation process take?
(expectation vs reality)

Timeframe	Reality	Expectation
Still Occuring	14%	
2+ years	5%	7%
1-2 years	27%	9%
9-12 months	13%	13%
6-9 months	14%	27%
3-6 months	20%	34%
<3 months	7%	11%

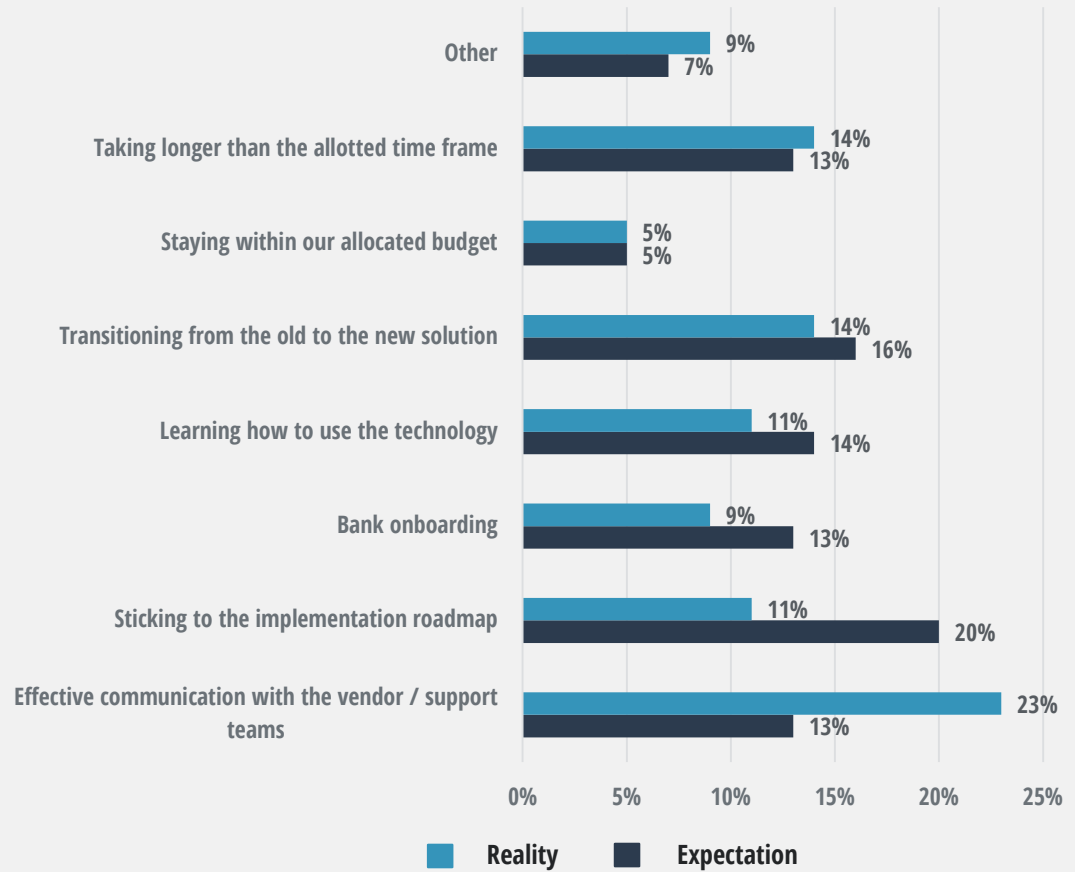■ **Reality**   ■ **Expectation**

- **For those implementations still occurring, half of them had already in progress for more than 1 year.**

- **72% of organizations expected their implementation to take 9 months or less.**

- **In reality, only 41% of implementations took less than 9 months.**

- **TMS implementation timeframes are frequently underestimated**

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⚙ TMS Implementation: Challenges

- **Communicating effectively with the vendor during an implementation was both the largest challenge, and the most highly underestimated challenge when comparing reality with expectations.**

- **Sticking to the implementation roadmap was not as large of a challenge as originally anticipated**

What was the biggest challenge associated with your implementation? (expectation vs reality)

Challenge	Reality	Expectation
Other	9%	7%
Taking longer than the allotted time frame	14%	13%
Staying within our allocated budget	5%	5%
Transitioning from the old to the new solution	14%	16%
Learning how to use the technology	11%	14%
Bank onboarding	9%	13%
Sticking to the implementation roadmap	11%	20%
Effective communication with the vendor / support teams	23%	13%

■ Reality ■ Expectation

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Survey Details:
Awareness, Use & Satisfaction

⚙ TMS Awareness

? **25 out of 41 vendors were not recognized by 50% or more of survey respondents**

💡 **Only 5 out of 41 vendors were recognized by 80% or more of respondents**

⚒ **Only 12 out of 41 vendors were included in 10% or more of respondents' RFPs and Selection Projects**

- **A significant awareness gap still exists in the TMS landscape**

- **The majority of TMS providers and solutions are not recognized within the industry**

- **Points to the need for greater penetration of the market by vendors and availability of TMS resources for the market.**

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⚙ Unused TMS Functionality

How much of the available TMS functionality that you purchased are you using?

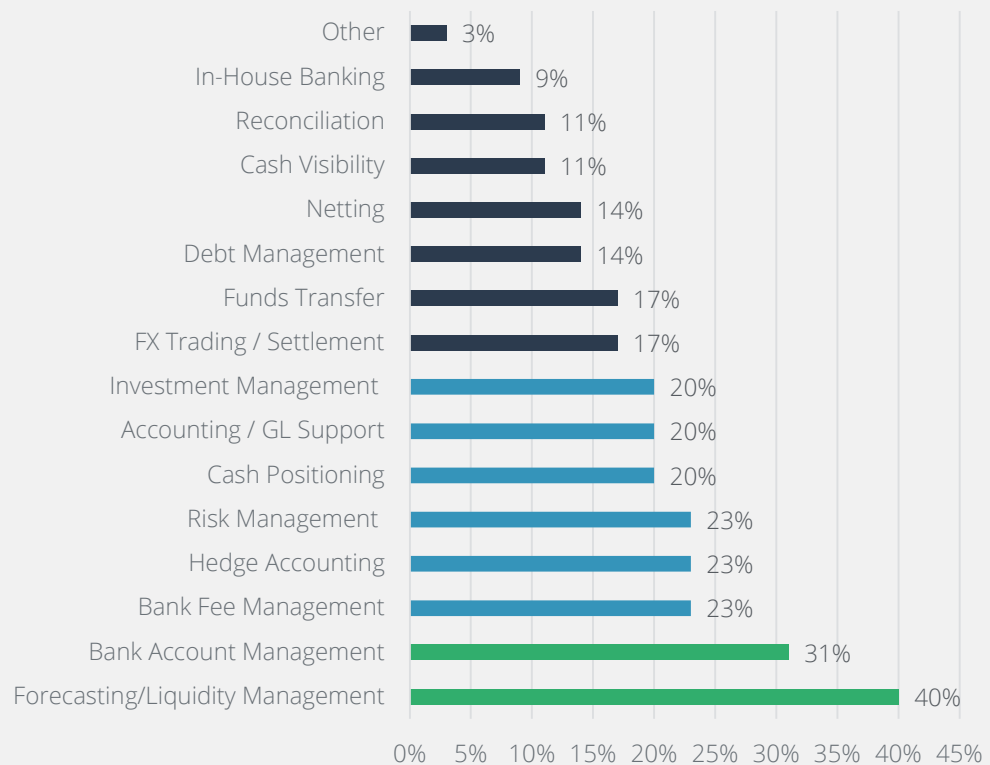|	
81-100%	40%
61-80%	22%
41-60%	19%
21-40%	9%
<20%	9%
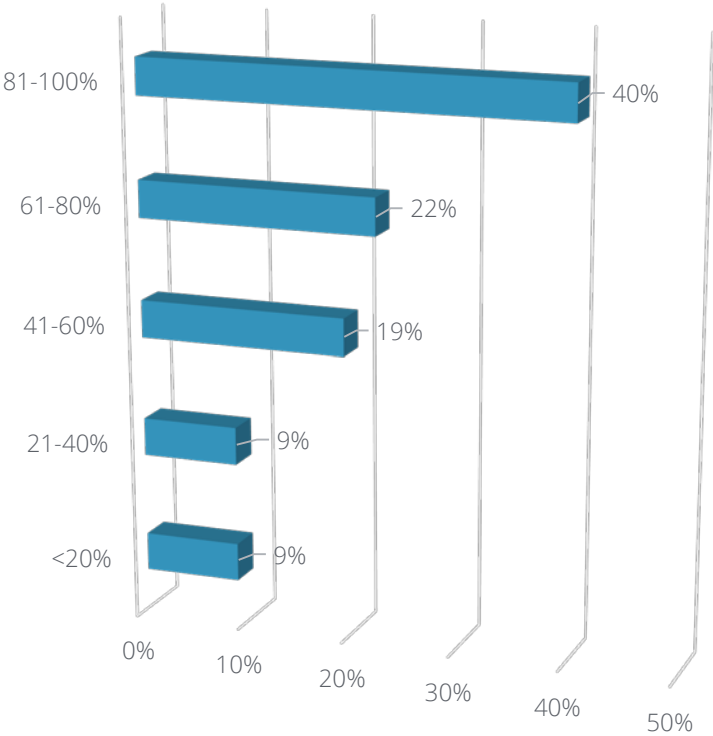
- **Only 40% of respondents with a TMS were using 80% or more of the functionality they purchased.**

- **More than 1/3rd of organizations were using less than 60% of the functionality they purchased**

- **This points to a severe lack of TMS preparation, testing, and training.**

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Inefficient TMS Functionality

- **Approximately half (52%) of all respondents indicated they had stopped using individual modules or services due to their ineffectiveness**

- **Of these 52%, the areas of functionality most frequently found to be ineffective are forecasting and bank account management.**
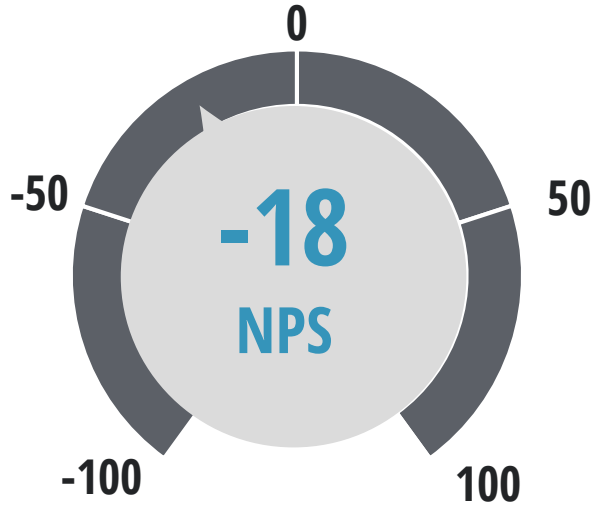
What TMS modules or services that you purchased are you not using because they are not working properly or are ineffective? (Select all that apply)

Module / Service	Percentage
Other	3%
In-House Banking	9%
Reconciliation	11%
Cash Visibility	11%
Netting	14%
Debt Management	14%
Funds Transfer	17%
FX Trading / Settlement	17%
Investment Management	20%
Accounting / GL Support	20%
Cash Positioning	20%
Risk Management	23%
Hedge Accounting	23%
Bank Fee Management	23%
Bank Account Management	31%
Forecasting/Liquidity Management	40%

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⚙️ Industry: Net Promotor Score

0

-50   **50**

-18
NPS

-100   **100**

- **Slightly Negative** NPS shows general unhappiness (-18)

- **Only 28% Passive**

45%	28%	27%
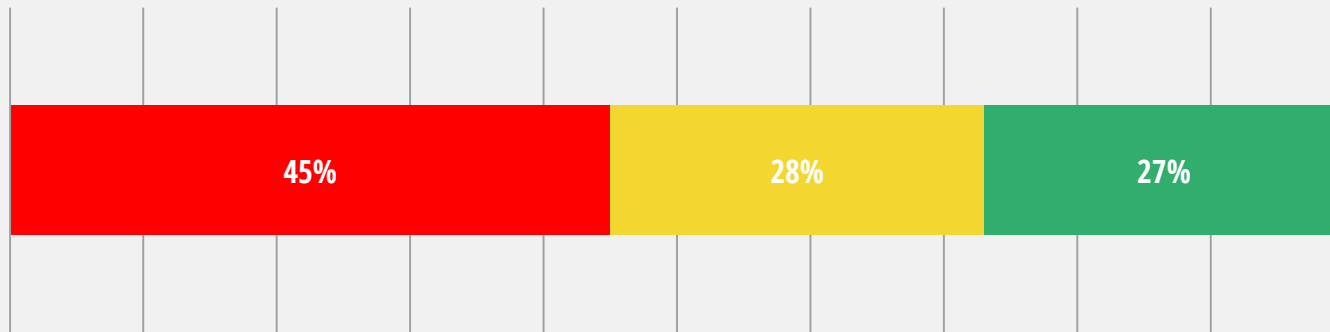
🟥 **Detractors**   🟨 **Passives**   🟩 **Promoters**

18

Top Non-Functional Drivers For TMS Selection

Percentage of Top 2 Choices (of 6)
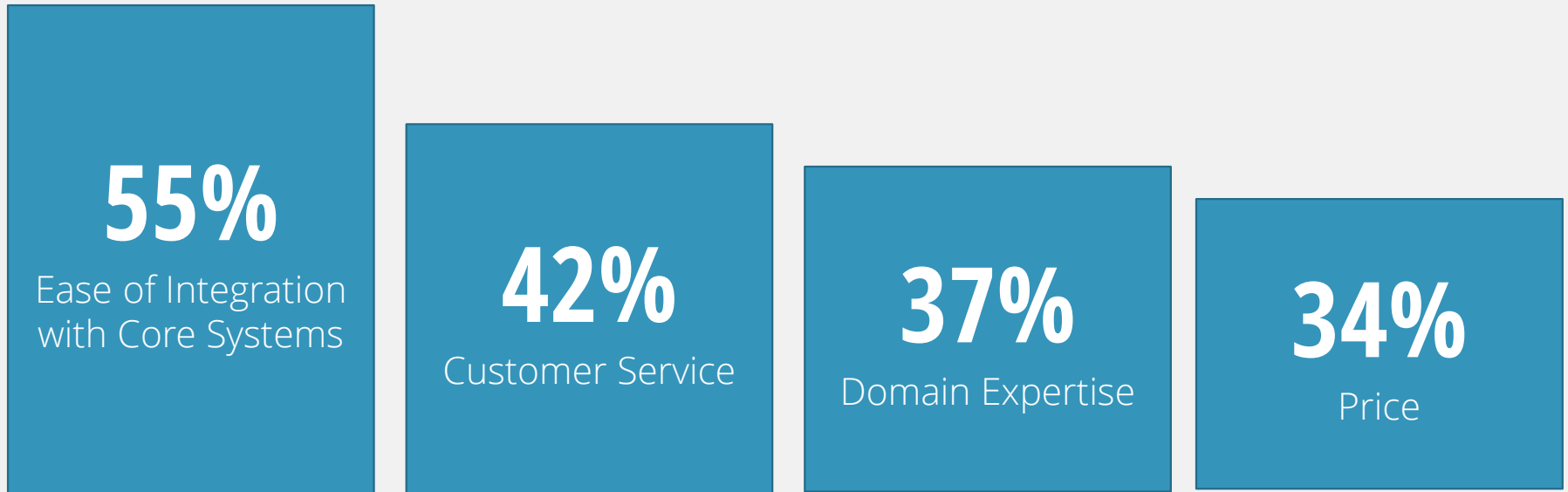
55%
Ease of Integration with Core Systems

42%
Customer Service

37%
Domain Expertise

34%
Price

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Key Takeaways

Treasury Technology Use: Key Takeaways

- ❑ **Treasury technology use continues to increase over the use of excel and bank portals.**

- ❑ **Many TMS vendors struggle to gain market awareness; currently, a select few vendors dominate the market.**

- ❑ **Companies must be more thorough with their research and testing to ensure they purchase the right amount of functionality and that the components they purchase are functioning properly.**

- ❑ **The time it takes to complete a TMS implementation is frequently underestimated.**

- ❑ **Communicating effectively with the TMS vendor during an implementation is an overlooked problem that frequently arises.**

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