



TREASURY
COALITION

FROM CRISIS TO RECOVERY

Treasury's Response to COVID-19



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Managing Partner, Strategic Treasurer

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KEITH RAYMOND

VP of Sales, BELLIN



WHAT.

A review of findings from the latest Global Recovery Monitor survey



WHEN.

Tuesday, September 15, 2020
11:00 AM – 12:00 PM EDT



WHERE.

Live Online Presentation
Replays at StrategicTreasurer.com



FP&A

Certified Corporate
Financial Planning &
Analysis Professional



Presented by members of the Treasury Coalition



SPEAKERS

GET TO KNOW TODAY'S SUBJECT MATTER EXPERTS



CRAIG JEFFERY

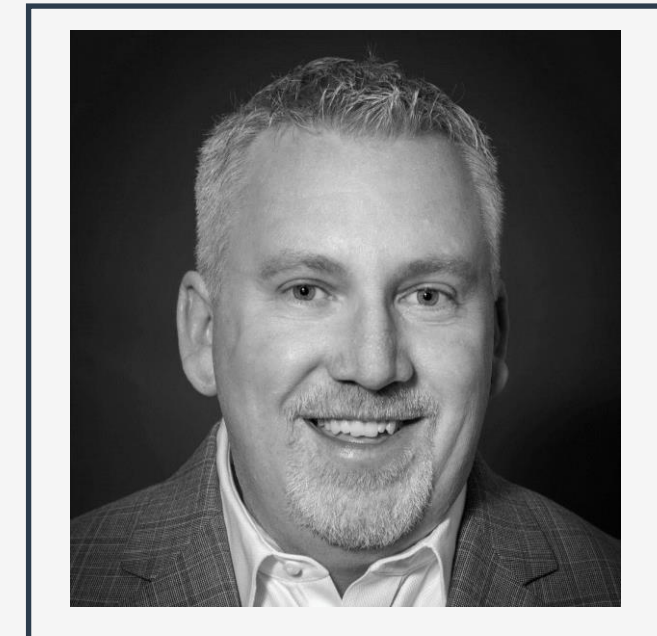
Craig Jeffery formed Strategic Treasurer LLC in 2004 to provide corporate, educational and government entities direct access to comprehensive and current assistance with their treasury and financial process needs.

His 30+ years of financial and treasury experience as a practitioner and as a consultant have uniquely qualified him to help organizations craft realistic goals and achieve significant benefits quickly.



JON PAQUETTE

Jon Paquette is a Senior Finance Expert with TIS. In his role, he assists clients and prospective clients in finding the best use of the technology that TIS offers to solve their organizational challenges. Prior to joining TIS, Jon held various Finance and Treasury positions in U.S. based organizations. Most recently, Jon held the role of Senior Director, Treasury for a large health care organization. Jon holds a BA in Economics from Merrimack College and an MBA from the Carroll School of Management at Boston College.



KEITH RAYMOND

Keith Raymond is VP of Sales for North America for BELLIN, a Coupa Company, and is based out of St. Johns, FL. He has 30+ years of treasury experience, managing diverse treasury functions and groups, as well as leading expansions for numerous TMS providers. Keith has held key roles in his diverse career that span from marketing to product and sales, and chartered 3 new treasury organizations in different cities in the US, helping foster treasury best practices to his peers. He has an MBA from the University of Maryland, UC.

MEET THE TREASURY COALITION MEMBERS

COLLABORATIVE EFFORT FOR THE BENEFIT OF THE TREASURY INDUSTRY
FROM LEADING TREASURY 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 and how others are viewing the situation.

We want to help find ways of gathering data and sharing insights that aid our companies, our profession and the economic environment in rebounding 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 followed suit over the next few days. More have been added in subsequent weeks. If you are a solution provider and want to join forces, please let us know.

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.



GLOBAL RECOVERY 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 we note 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 are 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, to get 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 Recovery 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, with multiple leading treasury organizations leveraging 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. 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 allow us to monitor the situation together 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.

“Sailors, with their built-in sense of order, service and discipline, should really be running the world.”

- Nicholas Monsarrat



A GLOBAL RESPONSE

A UNIQUE PULSE ON THE PANDEMIC OVER THE 13 PERIODS OF RESPONSES

Without a doubt, this pandemic has touched all corners of the globe and spared no industry. GCM/GRM respondents are a diverse group of corporate and financial industry professionals from medium to large firms in every category of business. On behalf of Treasury Coalition members and all who have benefited from the data of this

survey, thank you to the respondents for taking the time to share your 1,600+ insights so the profession can take positive and knowledgeable steps forward.



1,600+

Responses



56%

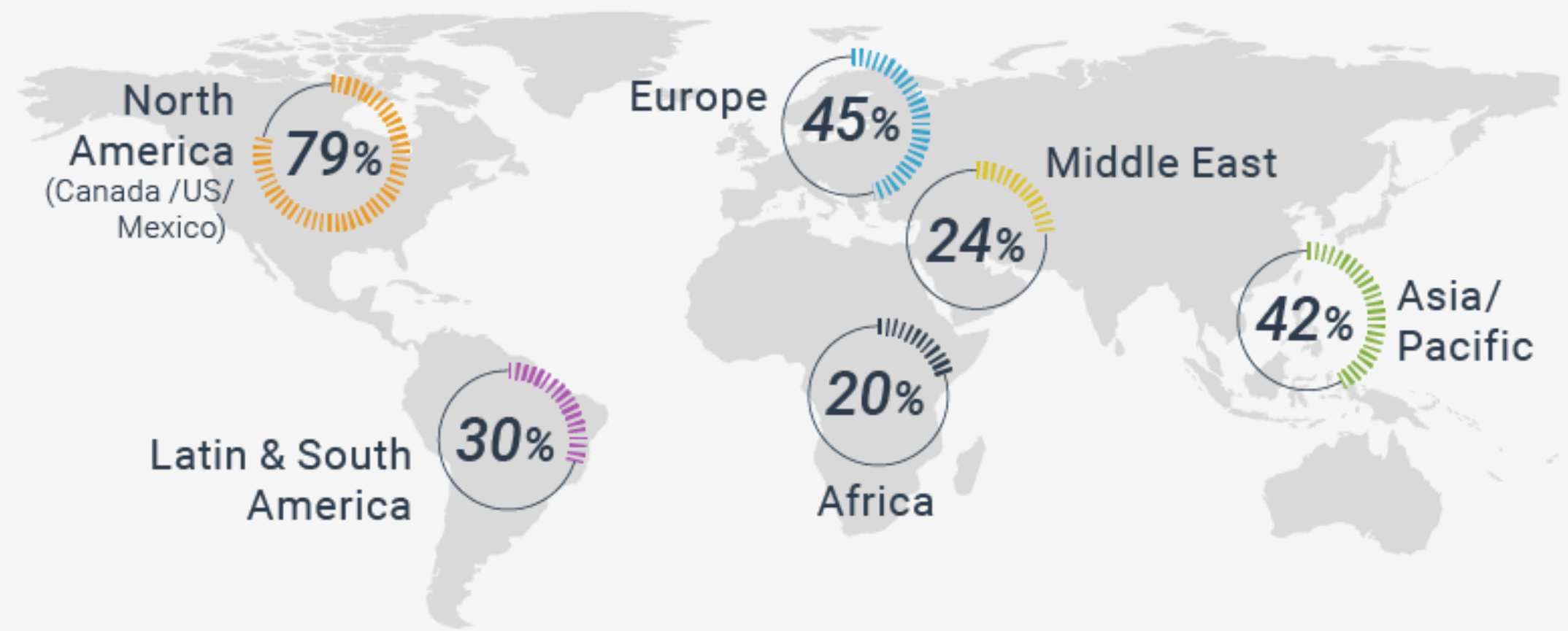
From Companies with Annual Revenue of \$500MM or More



50+

Industries Represented

Regions of Operation



HOW HAS COVID-19 IMPACTED TREASURY?

BACK ON THE PATH TOWARDS POSITIVE

Company outlook on liquidity position and three of the four major sentiment factors accelerated their positive ways this period. Accounts Receivable negativity lessened dramatically and almost reached neutrality. The company-specific financial return to normalcy stayed at 11 months, and the broader economic outlook's equilibrium improved to 6 months. Monitored sentiment across multiple economic measurements indicates continued cross-currents, with more elements returning to a positive trend. A notable exception is the continued deterioration of industry Q4 revenue.



INFLECTION POINT STILL PESSIMISTIC

This period continued a pessimistic view of when we would reach the inflection point, improving slightly to 4+ months from 5, despite four weeks elapsing since the prior Monitor.



HEALTH SERIOUSNESS STABLE; PEAK DEATHS AT 2+ MONTHS

The timeframe where the 'median' respondent believes COVID-19 will stop being a *serious* health concern remained at 11 months. Peak death estimations began this period and sit at 2+ months.



LIQUIDITY BACK IN THE HOUSE

Company-specific liquidity positivity ended an eight-period positive streak last period and rebounded during period 14 (34% positive, 13% negative, leaving a net 20% of respondents indicating positive liquidity).



PROJECTS STARTING!

We reran the question from period six gauging project activity. Fewer projects have been paused and more new projects have started up (9% to 25% of respondents).



FOUR-WEEK CYCLE TAKE 2

The Monitor finished its second four-week cycle and 24 weeks of monitoring. The monitoring periods were weekly for 8 weeks, bi-weekly for 8 more weeks and now monthly (8 weeks so far). Please take it monthly.



TOP RISK CONCERNS: COUNTERPARTY & FRAUD

Counterparty risk (customer) was the top concern, mirroring what we have seen with AR negativity. The 2nd and 3rd positions were cyberfraud-related (data, payments). The 4th position was counterparty concerns over suppliers.



FORCED RANK CONCERNS – RETURN TO FIRST

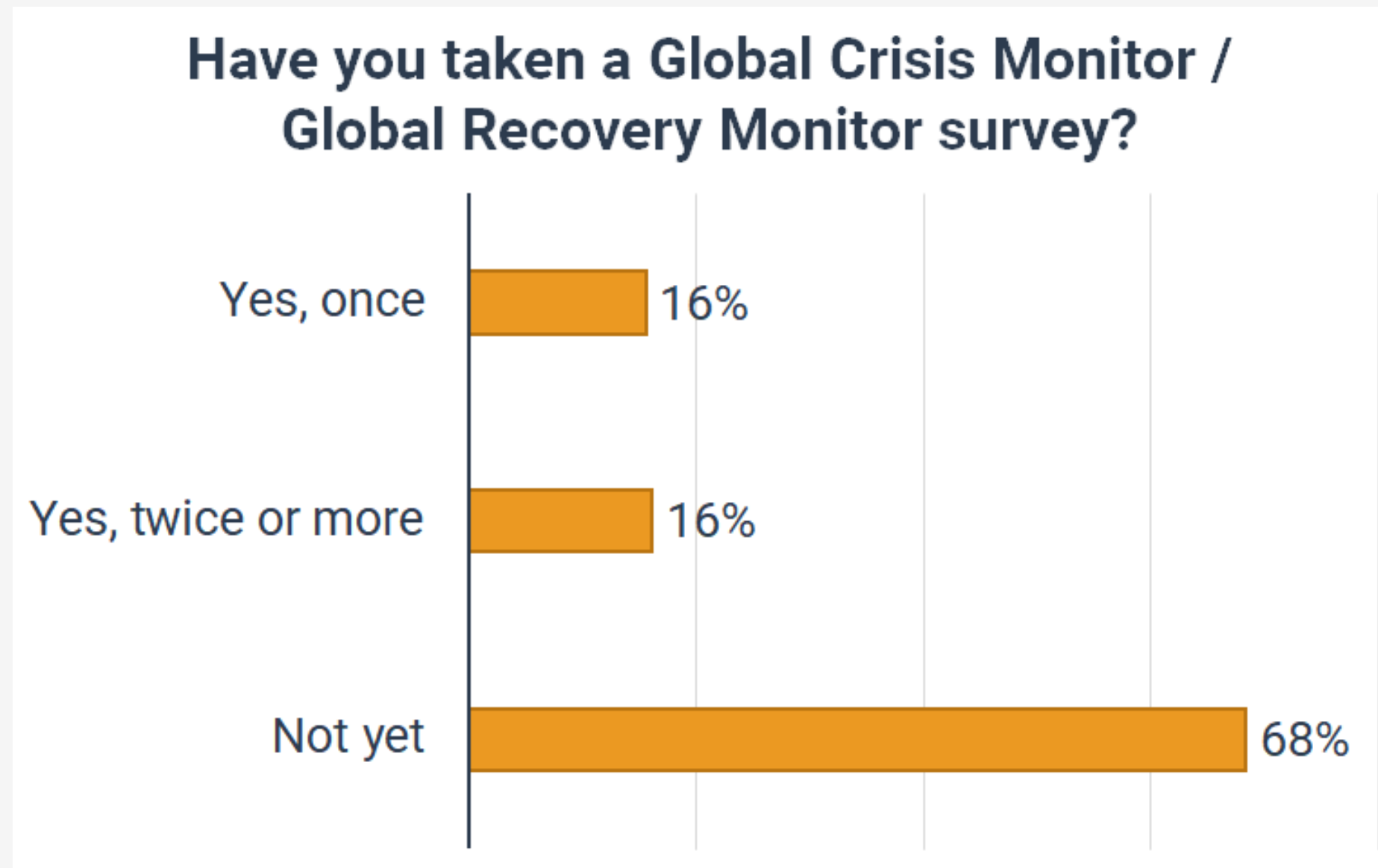
'Direct Financial Impact to the Business' returned to sole possession of the top spot.



DRAMATIC AR CHANGE TO ALMOST NEUTRAL

The prior period indicated hyper-negativity around AR. Period 14 saw the net responses sit just inside negative territory. This represents the zenith during nearly a half-year of tracking.

POLL QUESTIONS



*Poll data is combined from the 11AM webinar and the 2PM webinar

TOP CONCERNS

FORCE RANKING SEVEN AREAS

Most periods we have asked respondents to rank seven areas. Since we measure this over time, the gauges below show how the industry as a whole is adapting to changes on the ground and how that is alleviating

or increasing their concerns relative to the other categories. Survey questions are cycled in and out in order to keep the total questions of the Monitor low enough to be completed in 5 minutes.

Areas of Inquiry	Week 1	Week 2	Week 3	Week 4	Week 5	Week 6	Week 7	Week 8	Period 9	Period 10	Period 11	Period 12	Period 13	Period 14	
Business Continuity Plan Completeness	1st	2nd (tie)	Not Asked	3rd	4th	4th	4th (tie)	5th	6th	6th	6th	6th	6th	7th	
Staff Safety Protocols	3rd	4th		6th	6th	5th (tie)	6th	7th	2nd	4th	4th	3rd	1st (tie)	2nd	
Staff Awareness of Plans	6th (tie)	5th		7th	7th	7th	7th	6th	7th	7th	7th	7th	7th	7th	6th
Country Preparedness	6th (tie)	6th		5th	5th	5th (tie)	4th (tie)	4th	5th	5th	5th	5th	5th	5th	4th
Direct Financial Impact to the Business	2nd	1st		1st (tie)	1st	1st	1st	1st	1st	1st	1st	2nd	1st	1st (tie)	1st
Access to Adequate Liquidity	4th	2nd (tie)		1st (tie)	2nd	2nd	2nd	3rd	3rd (tie)	2nd	1st	4th	3rd	3rd	3rd
Recession in the Regions We Operate In	5th	7th		4th	3rd	3rd	3rd	2nd	3rd (tie)	3rd	3rd	2nd	4th	5th	5th

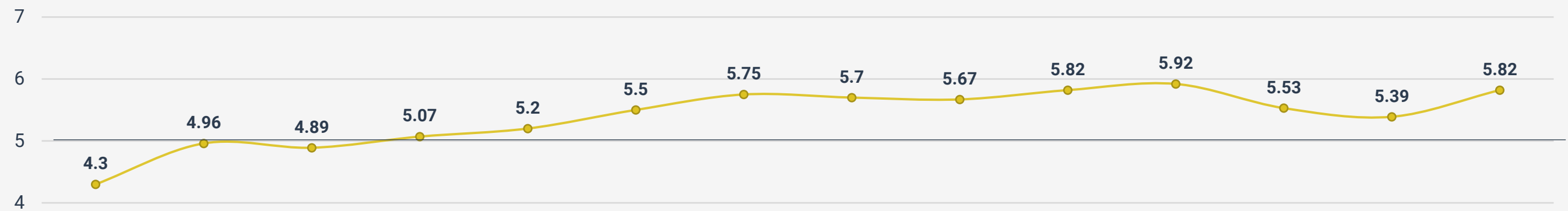
PERSPECTIVES

WHAT CHANGED IN SENTIMENT OVER THE PERIODS?

Vital signs give us a quick indication of what is happening. This chart measures several vital signs in the form of changing perspectives. The perception of responses by organizations and HQ Country have an unblemished track record of consistent improvements over the prior week/period. The line at 5 represents an unchanged view from the prior period. Below the mid-point indicates a deterioration since the prior period. These scores are the average of all respondents on a 1-9 scale.

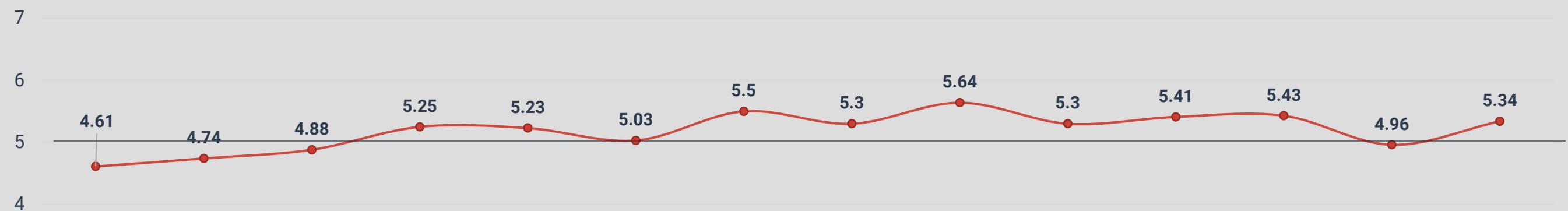
COMPANY/ORGANIZATION

Impact of COVID-19 on my company over the past week



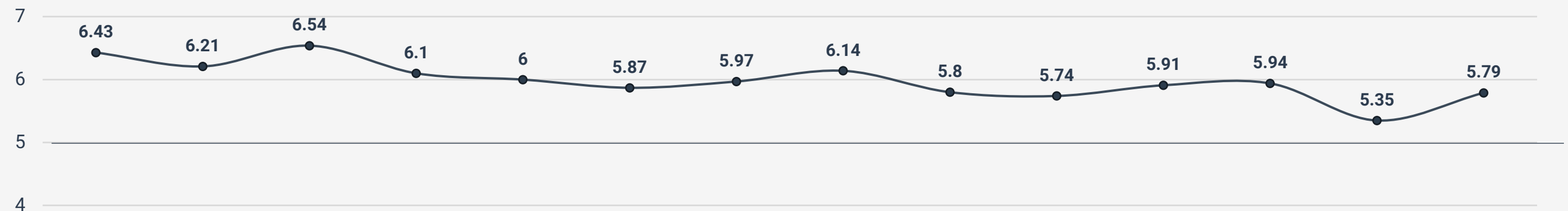
COMMUNITY & FAMILY

Change in my level of concern over impact on my community & family



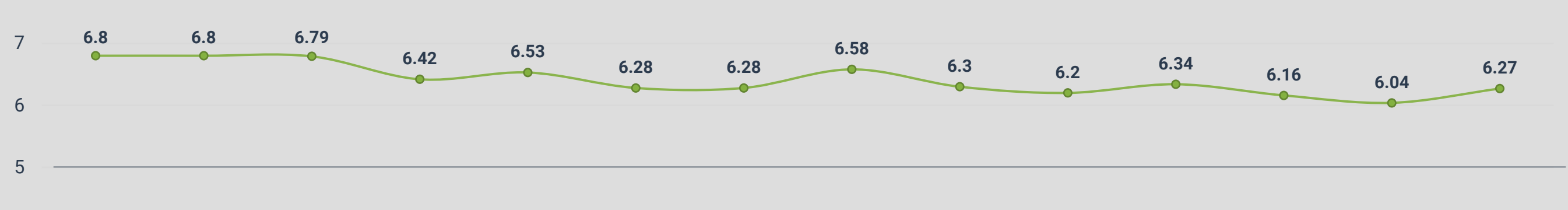
COUNTRY RESPONSE

Change in view over prior week of response by my HQ country



COMPANY RESPONSE

Change in view over prior week of response by my company



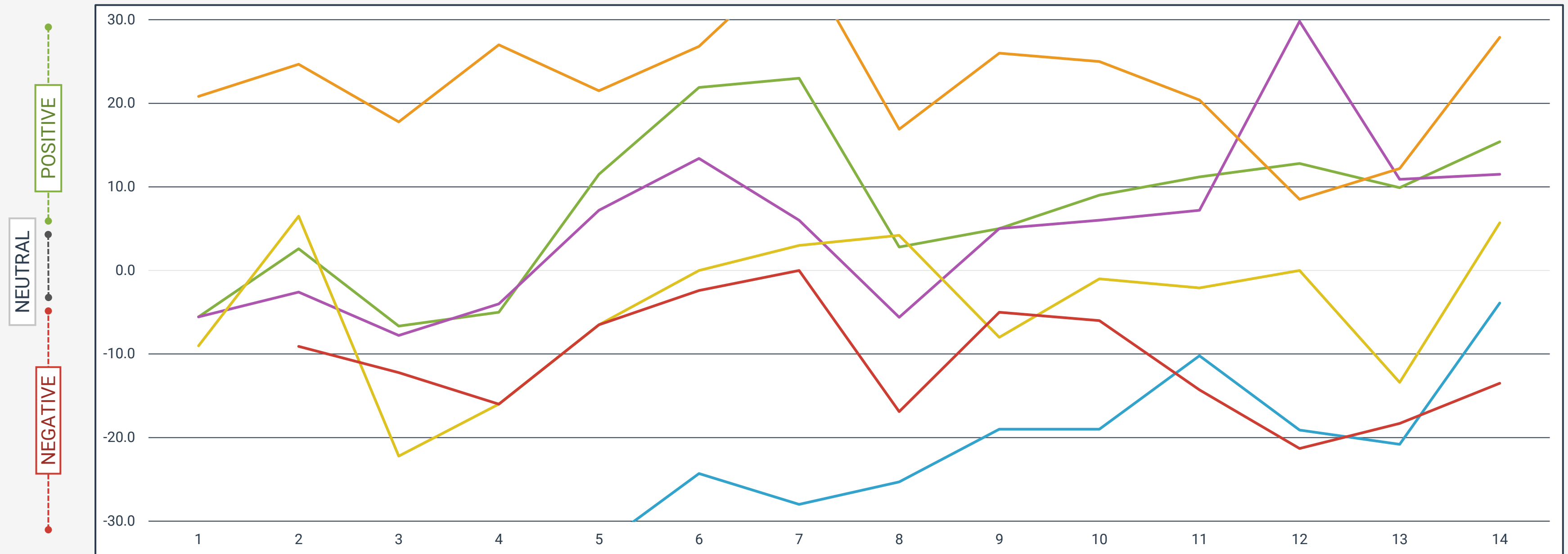


DEBT & LIQUIDITY

WHAT ACCESS DOES TREASURY HAVE?

Liquidity is vital and cash is the king. In times of disruption and crisis, much attention is paid to the royals. This graphic measures a select handful of elements that add to or detract from an organization's liquidity. We monitor this on a period-over-period basis.

Upcoming change to the chart: Given an increasing number of stable responses over the life of the Monitor we need to shift to a different style chart. The new chart will show the NET positive or negative, which will eliminate the trough between +/- 1 and enable us to see the relative volatility shifts too.



ACCOUNTS RECEIVABLE

CENTRAL BANK LIQUIDITY

COMMERCIAL PAPER

BANK LINE OF CREDIT
or Revolver

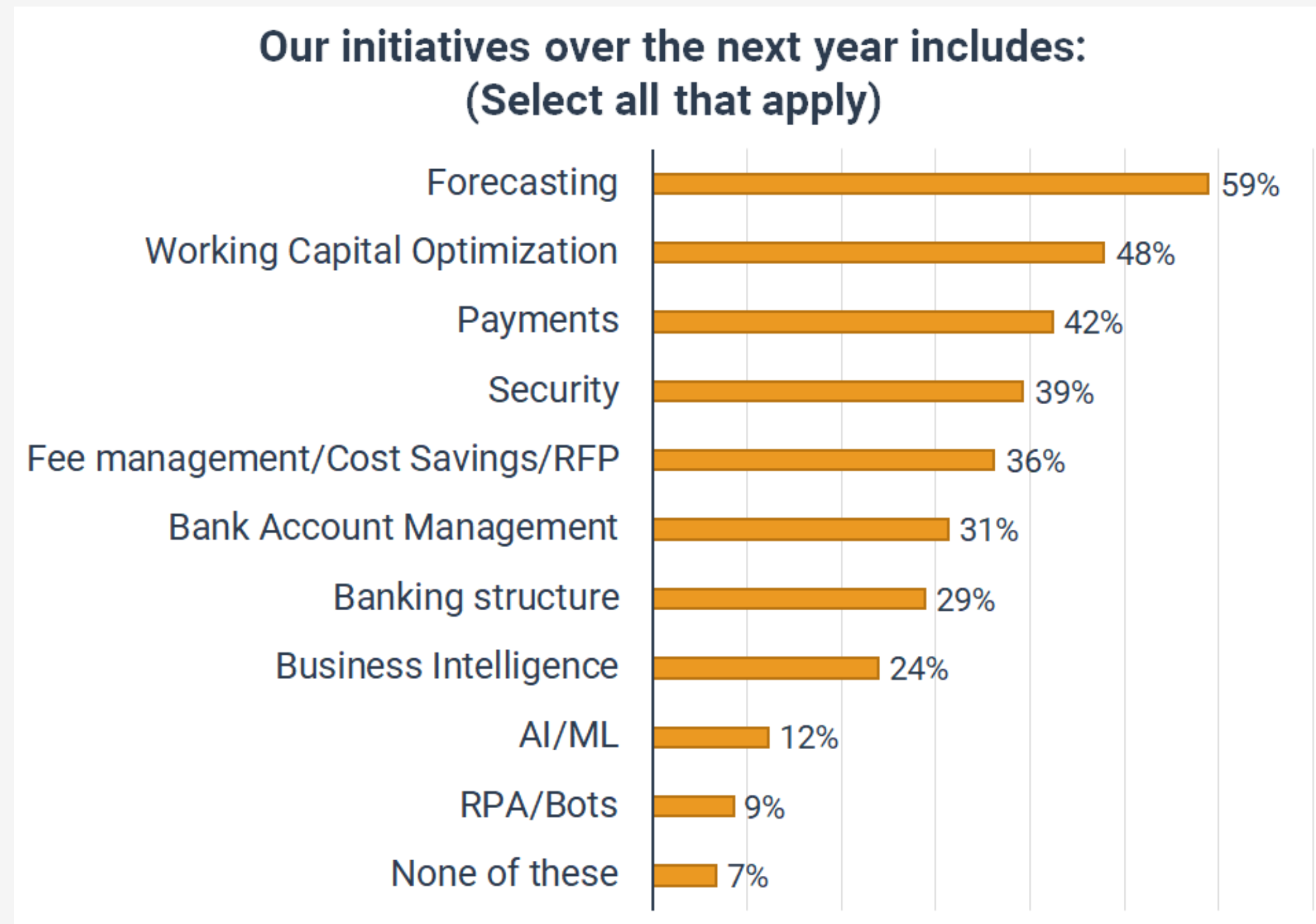
COVENANT REQUIREMENTS
& Material Adverse Conditions

FISCAL POLICY
Government fiscal activities

Provisions for Banks

Issuance

POLL QUESTION



*Poll data is combined from the 11AM webinar and the 2PM webinar

TIMING ESTIMATES

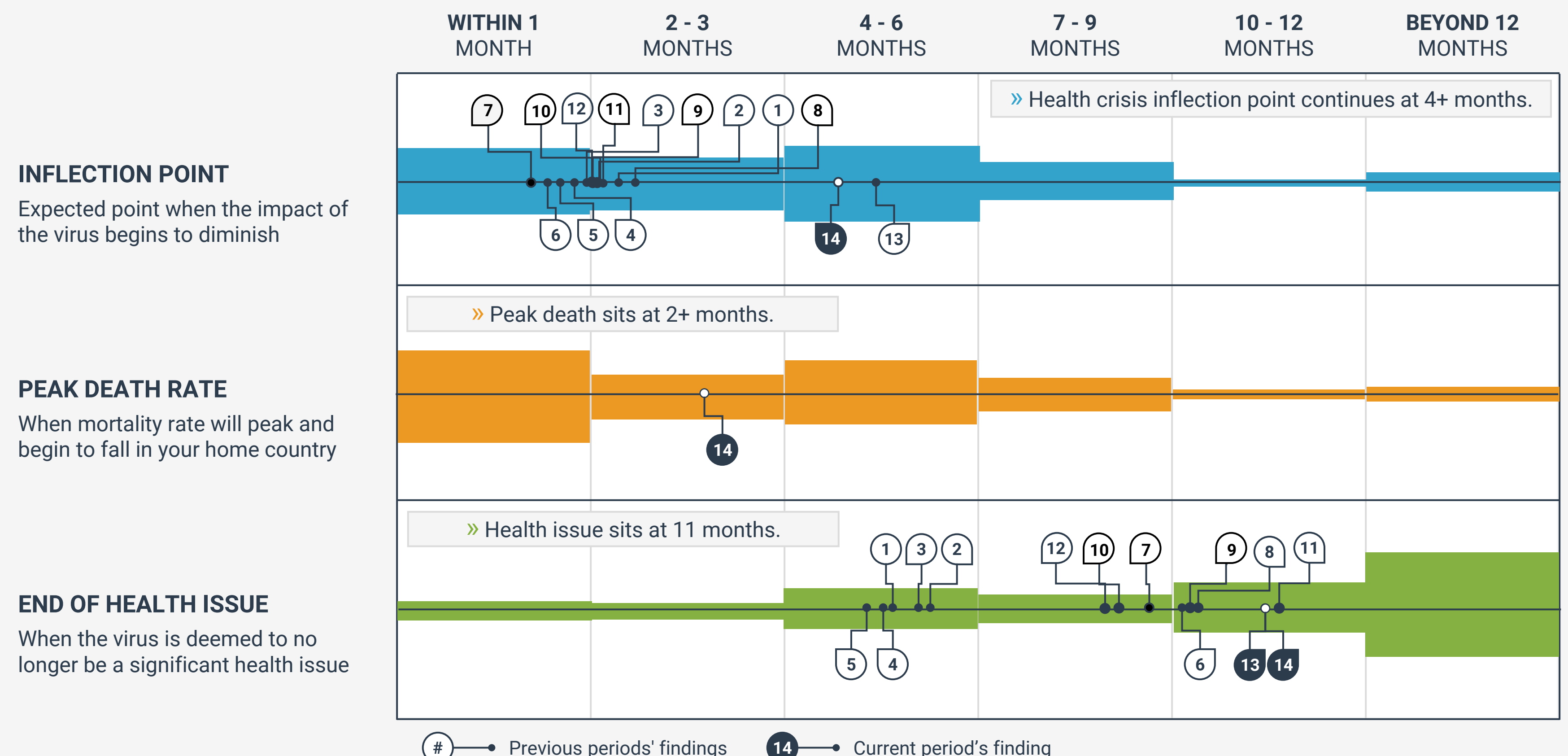
MEDICAL AND MORTALITY MATTERS

These three graphics represent key milestones in the recovery and return to normal times medically. We believe it useful to see others' expectations on the timing of these milestone events for the current disruption. We also 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.

The inflection point retreated slightly from its peak last period. The peak death rate is new this period and started off at 2+ months. COVID-19 remaining as a significant health issue sat at 11 months.

The rectangles below represent the proportionate amount of responses in each time domain. The tear drops represent the median response from all respondents. The numbers indicate the period of the Monitor.



Previous periods' findings 14 Current period's finding

ECONOMIC VIEWS

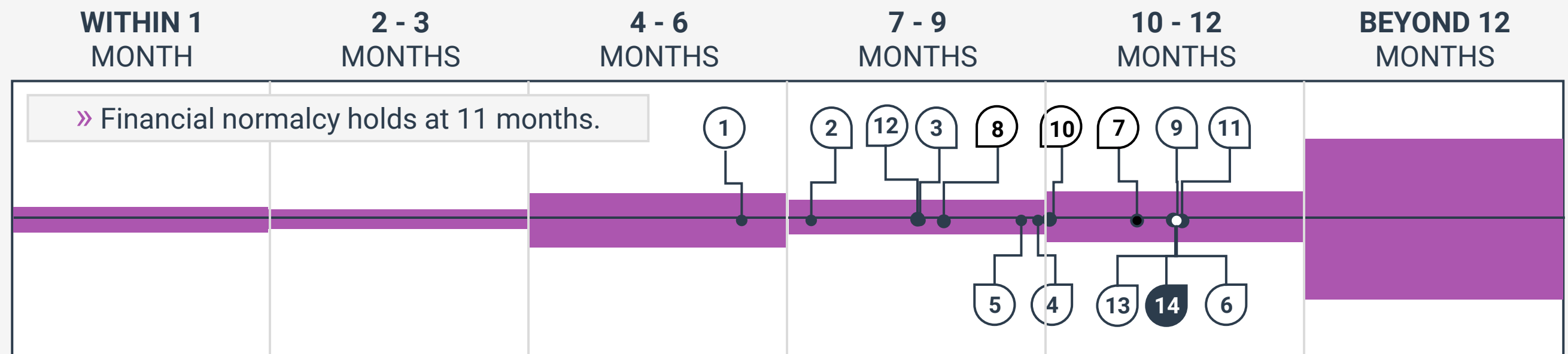
ECONOMIC EQUILIBRIUM: 6 & 11 MONTHS

The top graphic shows the perspectives on the individual respondent's organization (where normalcy sits at 11 months). The bottom graphic shows the overall economy across two time domains: 3 and 12 months. A '5' represents a neutral view. Below 5 is pessimistic.

The blue in the bottom graphic indicates the 12-month outlook, while the orange shows the view out 3 months.

FINANCIAL NORMALCY

When business returns to the state it was prior to COVID-19.



ECONOMIC TURNING POINT PUSHED BACK

The outlooks for economic status in the 3-month and 12-month time domains reversed direction and reverted towards positivity this period.

Extrapolating from these numbers, we see the expectation that the economy achieves 'normal' status sitting at about six months from now. This indicates an expectation of equilibrium during late 1st Quarter 2021.

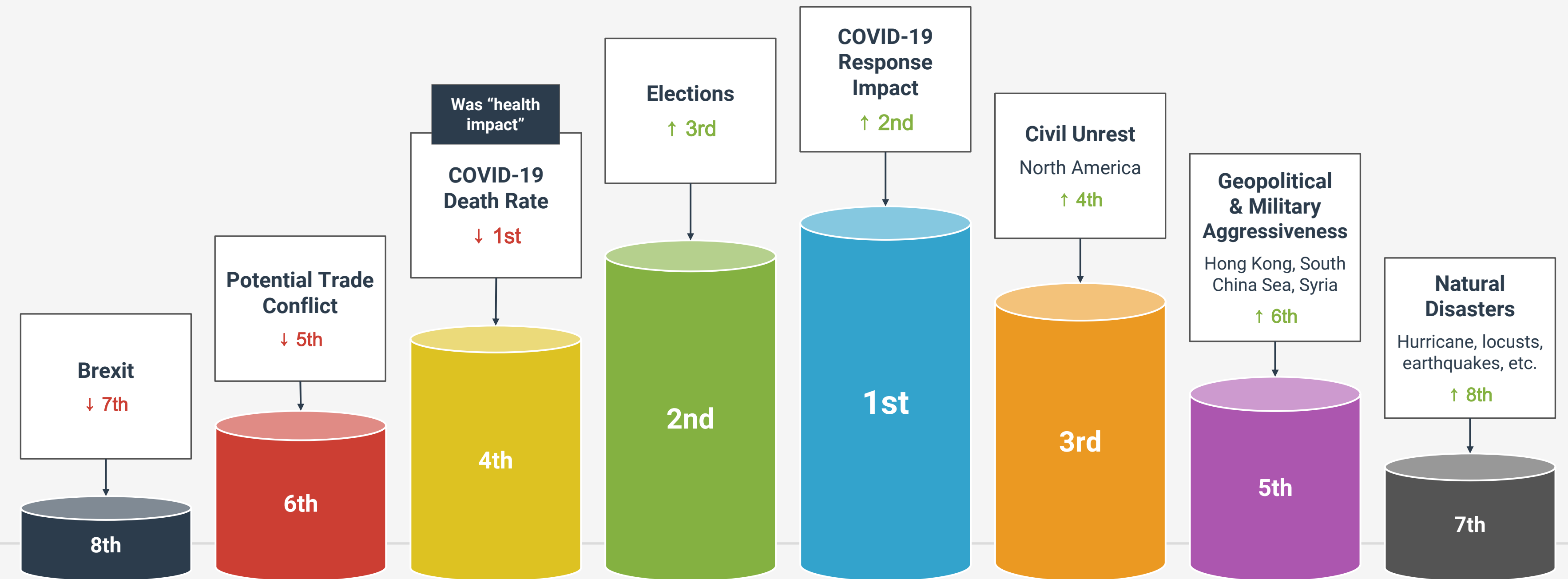


TOP CONCERNS

FORCE RANKING EIGHT AREAS

The popularity of the forced ranking question led us to add a second forced ranking chart during the 11th period and continue it in subsequent cycles. COVID-19 health and response impacts maintained their grip on the top two spots on the ‘concern podium’ for three periods.

In period 14 (the 4th period of this question) we modified the ‘COVID-19 Health Impact’ to ‘COVID-19 Death Rate.’ The COVID-19 Response Impact moved up a spot, as did Elections and Civil Unrest in North America. Brexit has taken over last place, swapping with Natural Disasters.





POLL QUESTION



1st - Economy

2nd - Liquidity
- Health

4th - Civil Unrest

5th - Business
- COVID-19

*Poll data is combined from the 11AM webinar and the 2PM webinar

GREATEST CONCERN

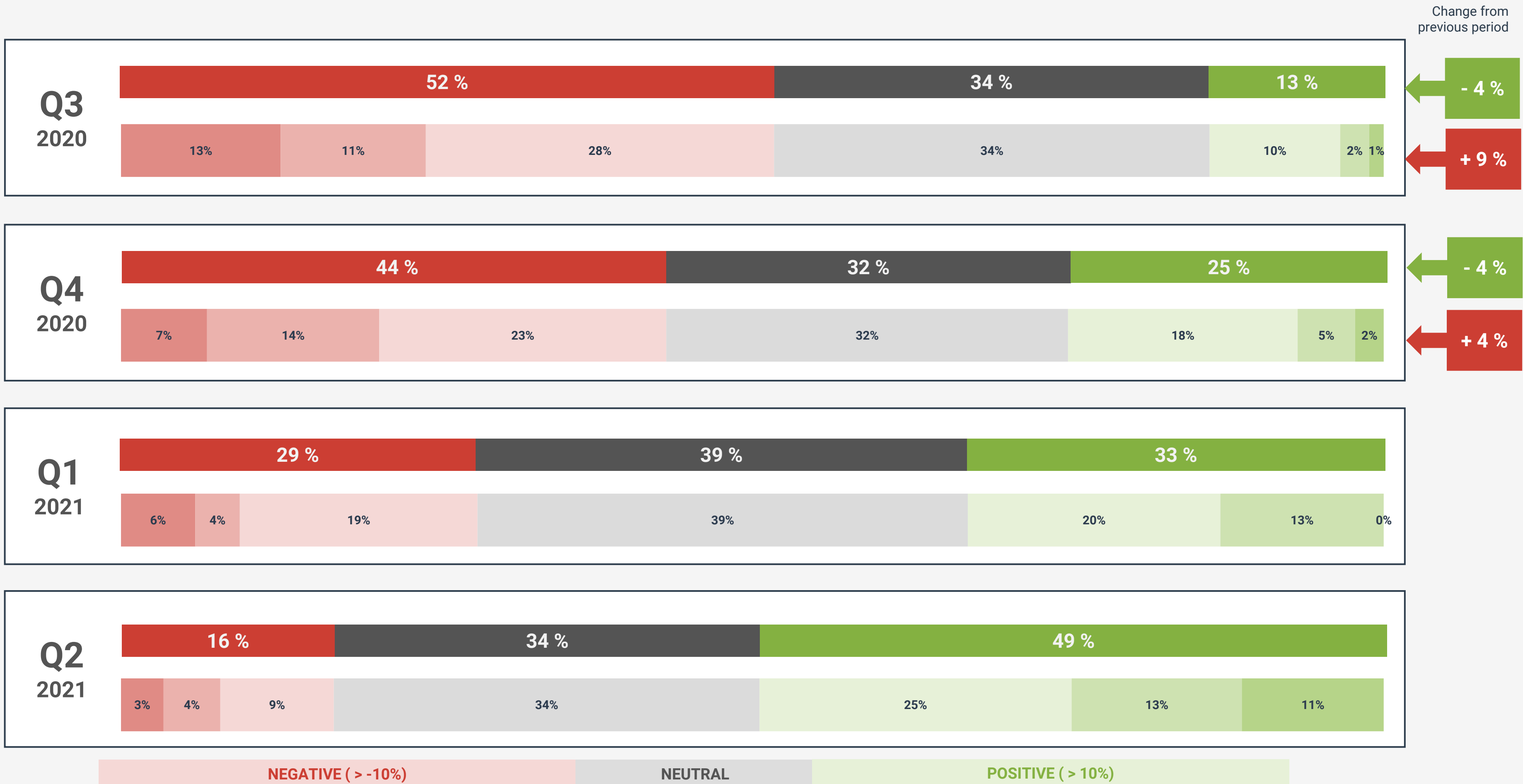
IN YOUR OWN WORDS



REVENUE LEVEL DIP

ESTIMATED LEVELS IN "YOUR INDUSTRY"

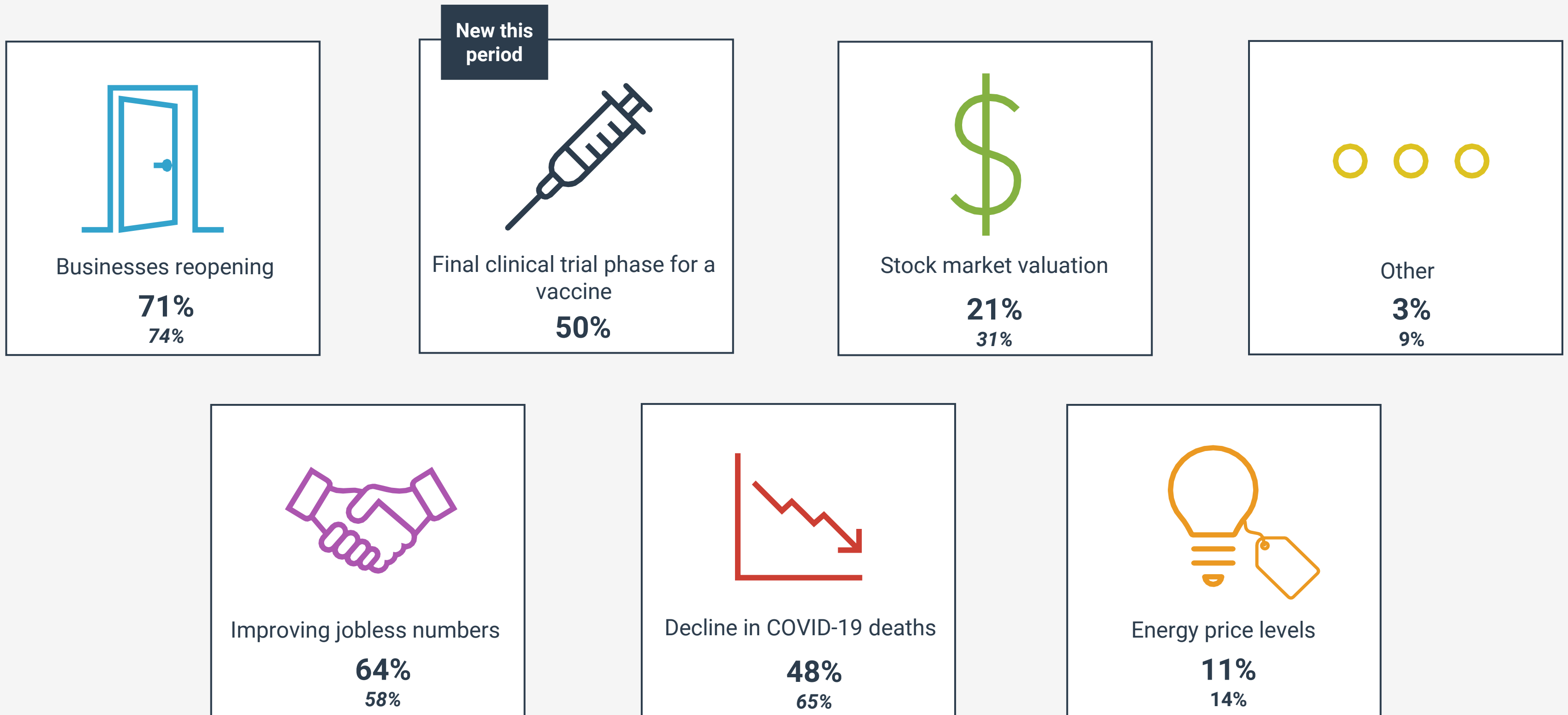
The industry-level outlook for revenue has moved steadily more pessimistic for Q4 2020. The outlook for the first quarter of 2021 is marginally positive, with optimism for Q2 2021 in 'breakout' mode.



ENCOURAGING DATA POINTS

PICK THREE OF THE MOST ENCOURAGING DATA POINTS

Two economy-related items and one health-related item were seen by the majority of respondents as reason for encouragement. Businesses reopening (71%) from the lockdown topped the list, and the increasing employment numbers (improving jobless 64%) was second. The 3rd most encouraging data point was a new entrant, 'Final clinical trial phase for a vaccine,' which at 50% narrowly edged out the decline in COVID-19 deaths (with 48% identifying this as one of their top three).



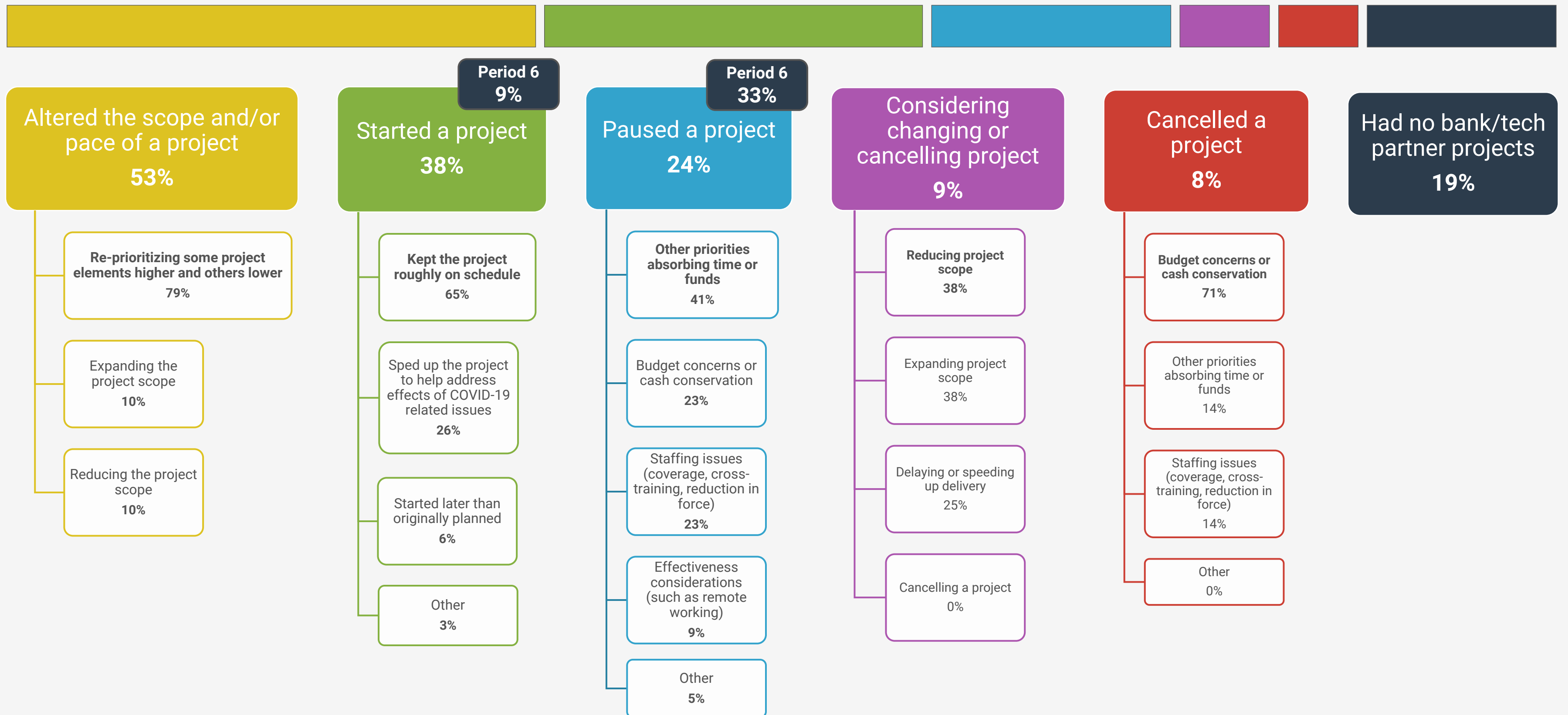
New this period

PROJECT ACTIVITY

DELAYED? SPED UP? PROJECTS STARTED!

For projects that involve banks and technology partners, since the scaling up of the COVID-19 responses, we: (Select all that apply)

This question was last asked during period six. The two notable changes are both positive. Those pausing a project went from 33% to 24%, and those starting a project went from about 9% to 38%.

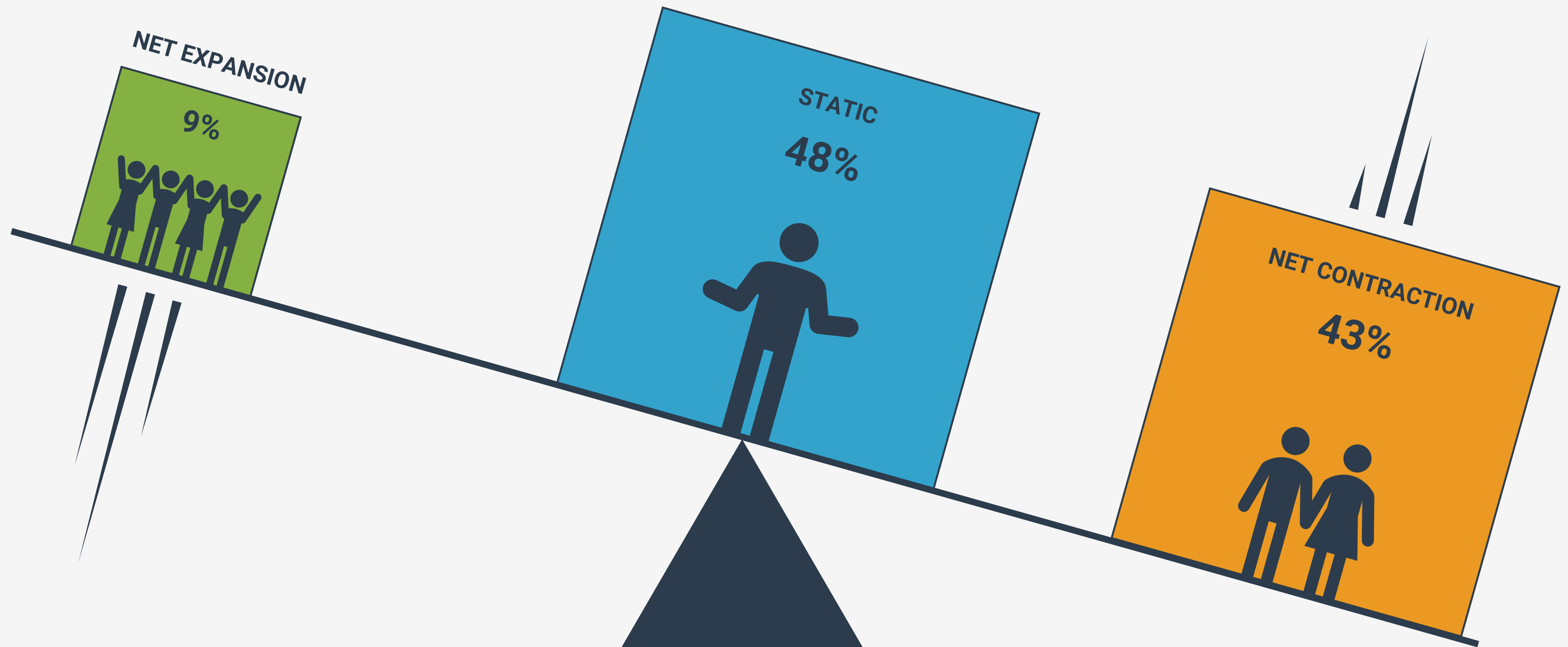


STAFFING DROP IN 2020

ESTIMATED CHANGES IN “YOUR INDUSTRY”

Do you anticipate net expansion/contraction of staffing in your industry by the end of this year?

The ‘Industry’ expectation on staffing expansion or contraction is clearly on the contraction side of the equation. The net of expansion and contraction responses is fully one-third of respondents.

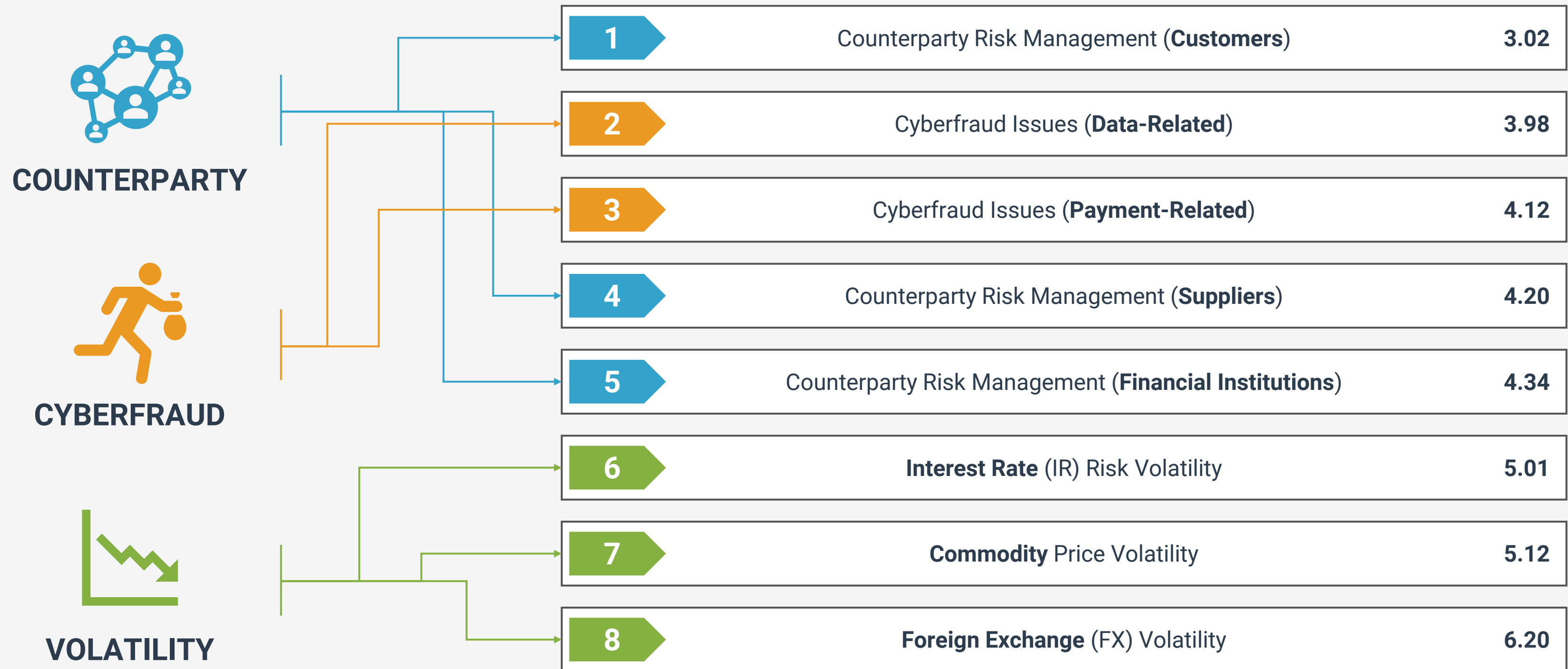


TOP RISKS

COUNTERPARTY AND CYBERFRAUD CONCERNS

Please rank the following in order of highest to lowest operational financial risk. (Drag and drop your answers in order with 1 being the highest risk, 8 being the lowest.)

Counterparty risk (customer) was the top concern, mirroring what we have seen with AR negativity. The 2nd and 3rd positions were cyberfraud-related (covering both data and payments). The 4th and 5th positions covered additional counterparties.





KEY TAKEAWAYS



**LIQUIDITY
MANAGEMENT
FOCUS**

- Better Security Processes
- Adaptation as an Intentional Activity
- Benchmark Your Payment Security Processes



**EMPLOYEE
CARE**

- Intentionally Reach out to Your Team
- Find Ways to Help
- Don't Be Afraid to Ask Someone for Help



**REPORTING ON
KEY STATS**

- Establish Counterparty Risk Reporting
- Update Your Cashflow Models
- Invest 5 Minutes Once a Month in the Global Recovery Monitor



**INTENTIONAL
ENGAGEMENT
WITH EMPLOYEES**

- Take Responsibility for Your Health
- Impact to the Business
- Recession Signals

LEVERAGE THIS RESEARCH

KEEP A PULSE ON THE DISRUPTION CAUSED BY COVID-19 WITH THE MOST UP-TO-DATE INFORMATION AVAILABLE TO THE INDUSTRY.

Read more about the GCM/GRM and the Treasury Coalition below and join your treasury colleagues in adding your voice and insights into the broader community to help each of us succeed.



Treasury Vitals Measurements

We monitor the key 'vitals' (measurements) of attitudes, situation and responses of organizations, banks and government across multiple dimensions, including liquidity, employee care and 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 the techniques and actions of others so that you may be able to benefit from a larger pool of experience.



Three Important Actions

We ask that you give 5 minutes once a month and get twice as much as you give:

1. **Take the new surveys** launched every four weeks.
2. **Listen to the new podcasts** released Thursdays after survey closing.
3. **Read the new reports** released Fridays to the public (Thursdays to survey participants).



Give 5 minutes once a month and help your company and fellow treasury professionals. To download past reports, please visit: treasurycoalition.com



TAKE SURVEYS



LISTEN TO PODCASTS



READ REPORTS

IMPORTANT MONTHLY ACTIONS



TAKE THE SURVEYS



LISTEN TO PODCASTS



READ THE REPORTS

THANKS TO OUR PARTNERS



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