



# THE DIGITAL CORPORATE BANK

Land and Expand Strategies Easing the Corporate Experience: *Land*

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Co-Presented By:





# About the Presenters



*Today's Co-Presenter:*  
**Craig Jeffery**  
**Strategic Treasurer**



*Today's Co-Presenter:*  
**Donald Gradwell**  
**Hilton**



*Today's Co-Presenter:*  
**Elliott Limb**  
**Misys**



# Overview



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Context.

- Corporate Customers In Transition – Increased Expectation

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Increased Expectations on Corporate Banking

- Resourcing: Staff and Technology Plans
- Increased Expectations of Corporate Banking

3

Corporate Banking Positions and Perspectives

- Progression from fragmented sign-ons to connected digital experience
- Perspectives on Banking Drivers
- Challenge. What do banks need to do to accomplish this?

4

Concluding Thoughts

# CONTEXT

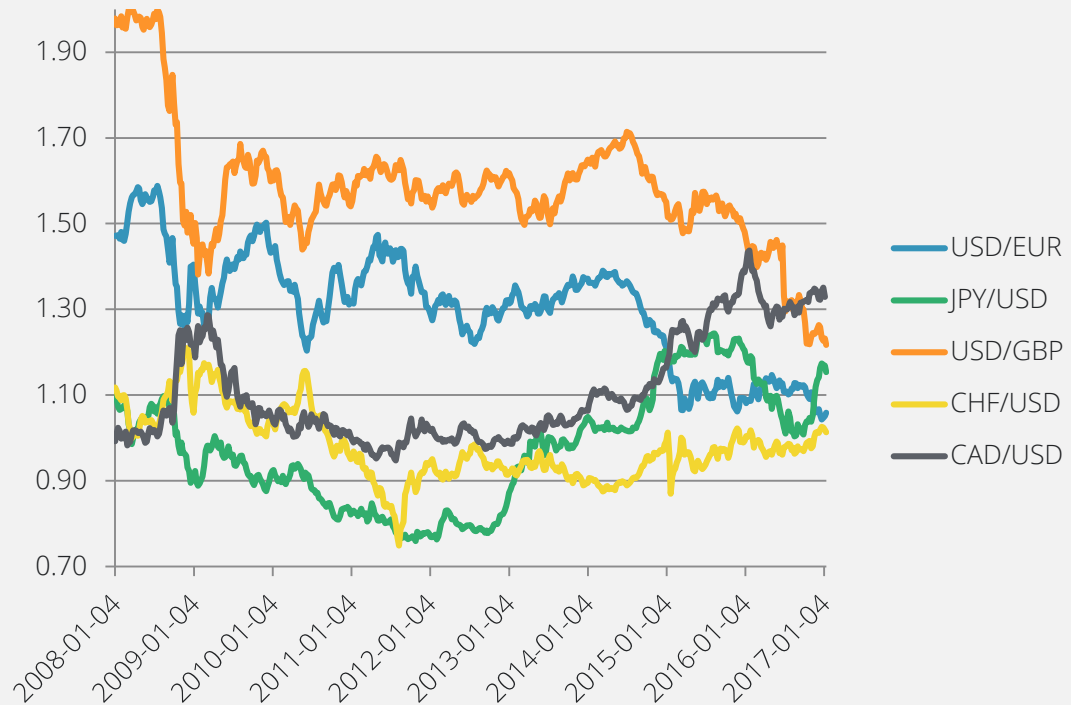
## Corporate Customers in Transition



# Increased Expectations

**FX/Currency  
Commodity  
Country  
Counterparty**

High demands are placed on treasurers as risk increases with global volatility and ever changing regulations.



Increased recognition of the level of financial volatility

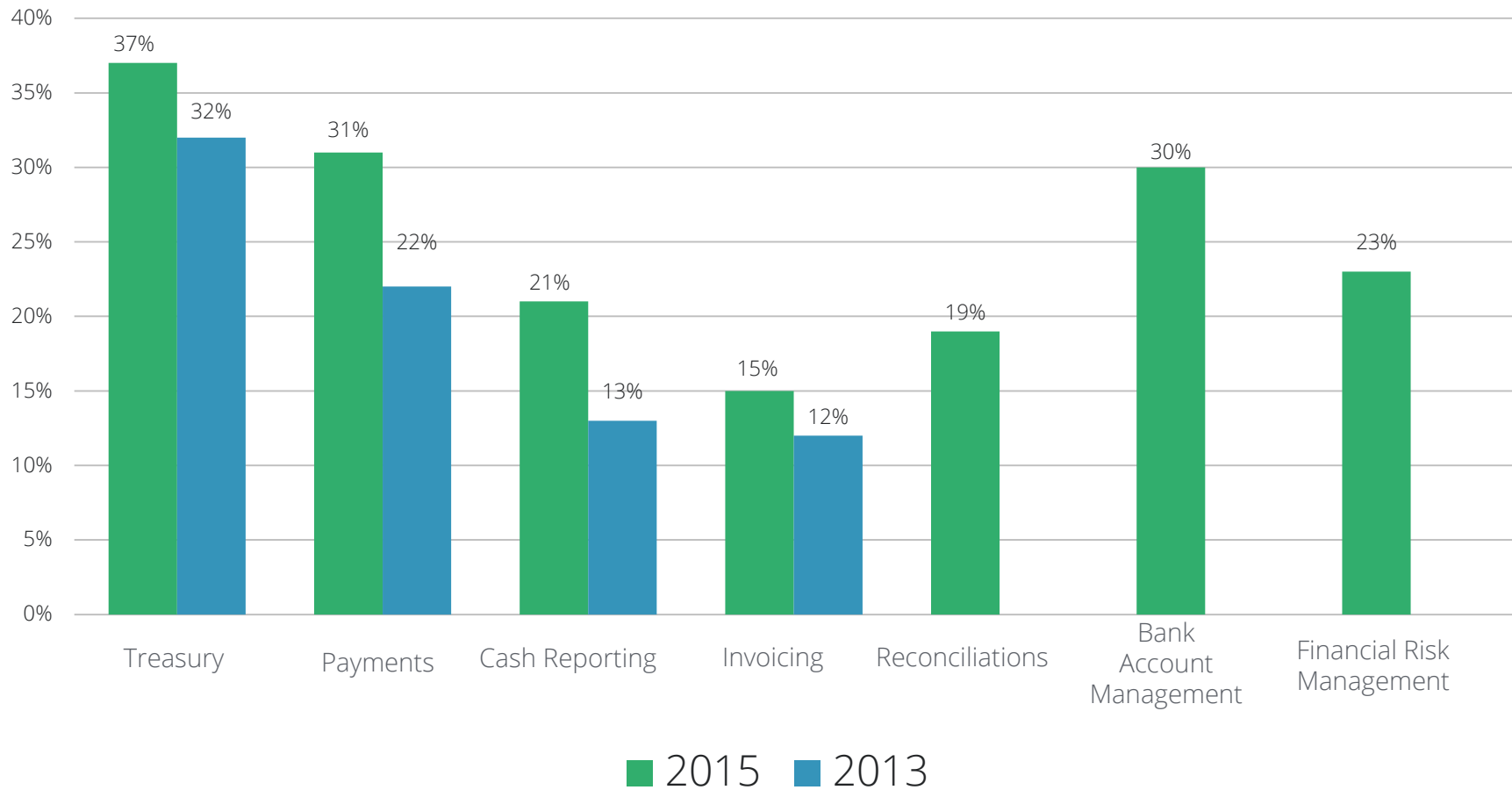
Corresponding increase in expectations



# Technology Investment



We Intend to Make Significant Information Technology Investments in the Next Year in the Following Areas: (Check All That Apply)



Data based upon 2013 & 2015 Strategic Treasurer & Bottomline Technologies Cash Forecasting & Visibility Surveys



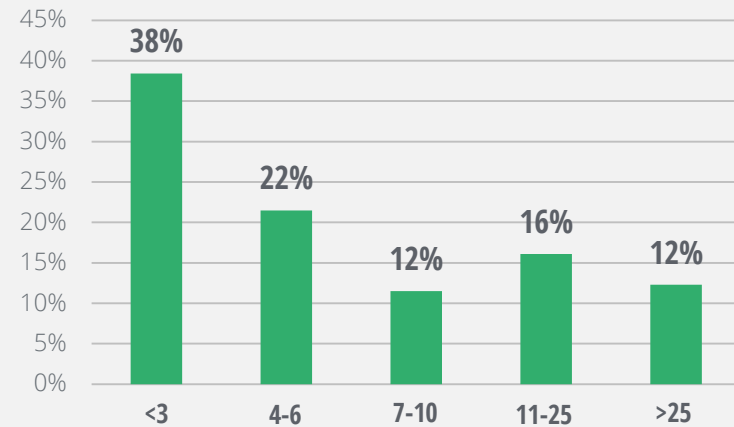
# Complexity of Treasury

## While growing slightly, treasury is still thinly staffed.

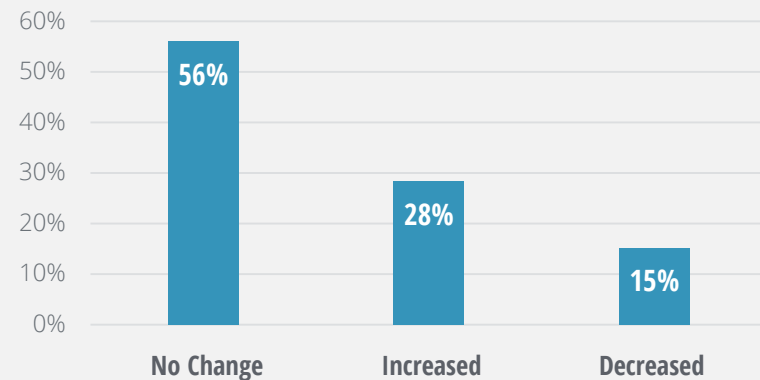
- More centralized = increase in size of corporate treasury departments
- 60% of treasury teams are comprised of under 6 people and 70% of treasury departments are either static or decreasing in size.
- Organizations are realizing the importance of a well-structured treasury department and are understanding the benefits associated with adopting a centralized structure, versus a regional or segmented structure. In addition, the increase in the size of treasury departments shows that a greater emphasis is being placed on treasury as a whole, especially as globalization increases and the complexity and risk experienced by corporates with regards to regulatory restrictions, security and market volatility grows.

Source: 2016 Liquidity Risk Survey

How large is your global treasury organization, including analysts?



How has staffing in your treasury department changed over the past two years?





## Polling Question

**Do you feel that expectations of treasury at your company have:**

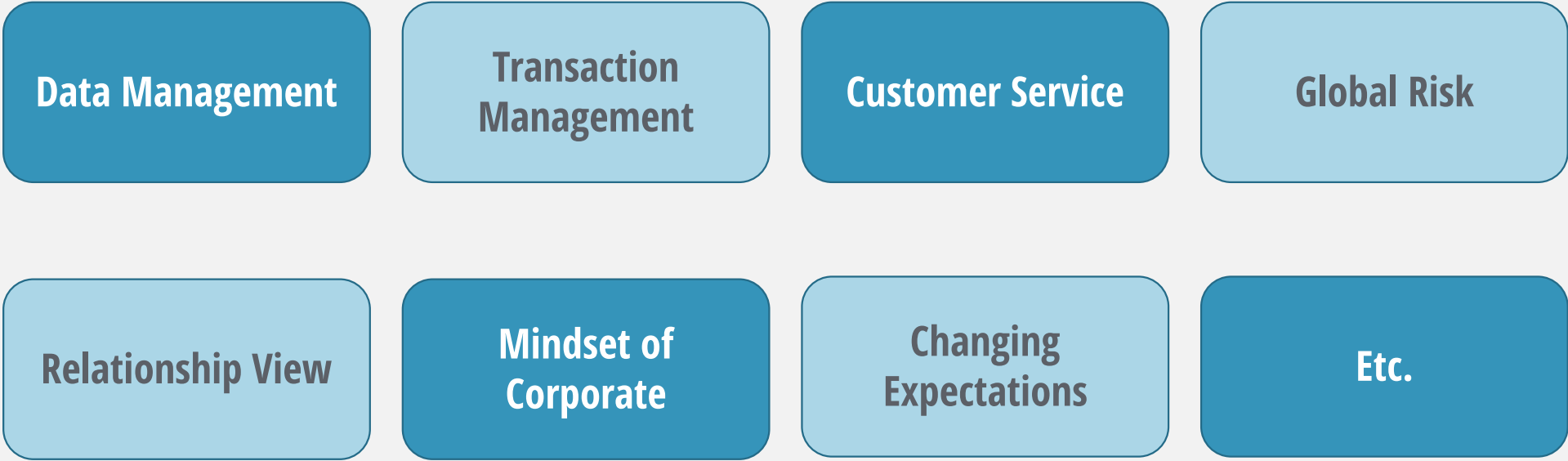
- Significantly Increased
- Somewhat Increased
- Stayed the Same
- Somewhat Decreased
- Significantly Decreased



INCREASED

Expectations of Corporate Banking

# Expectations: Corporate Banking





## Polling Question

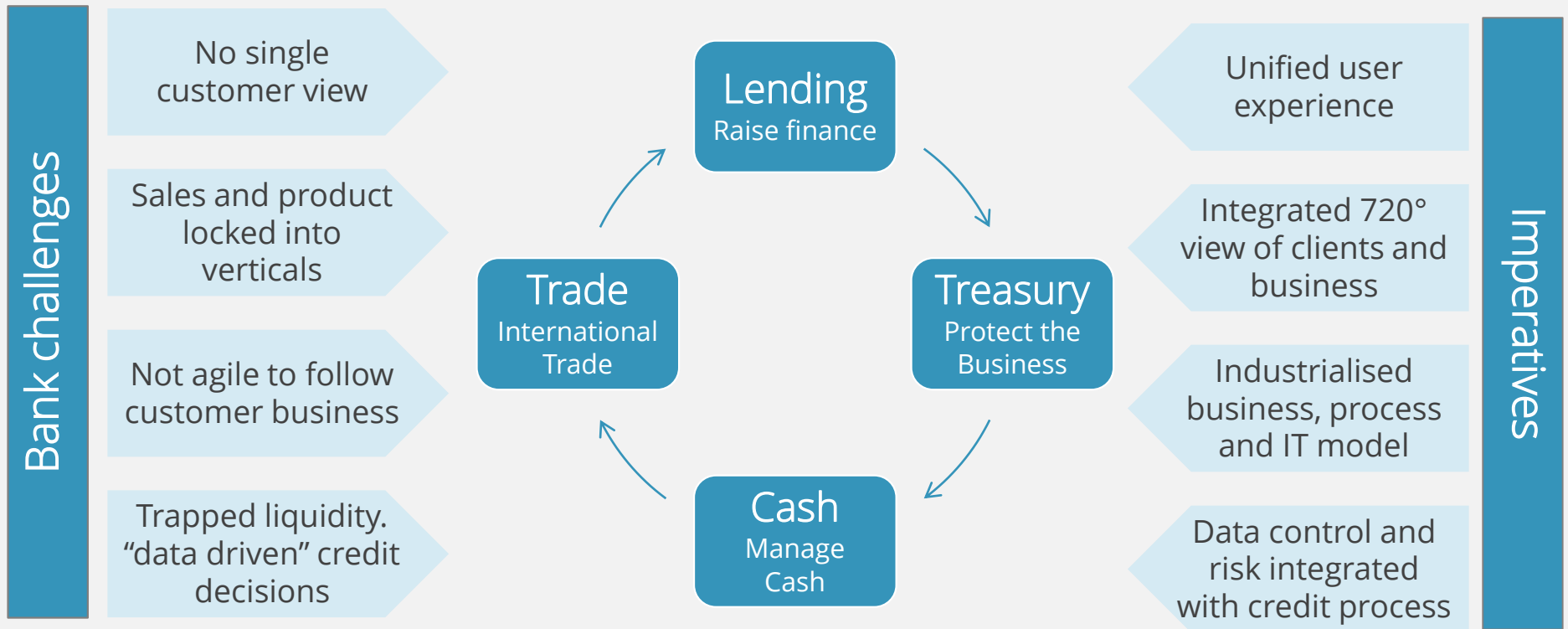


**Do your banks understand your needs?**

No

Yes

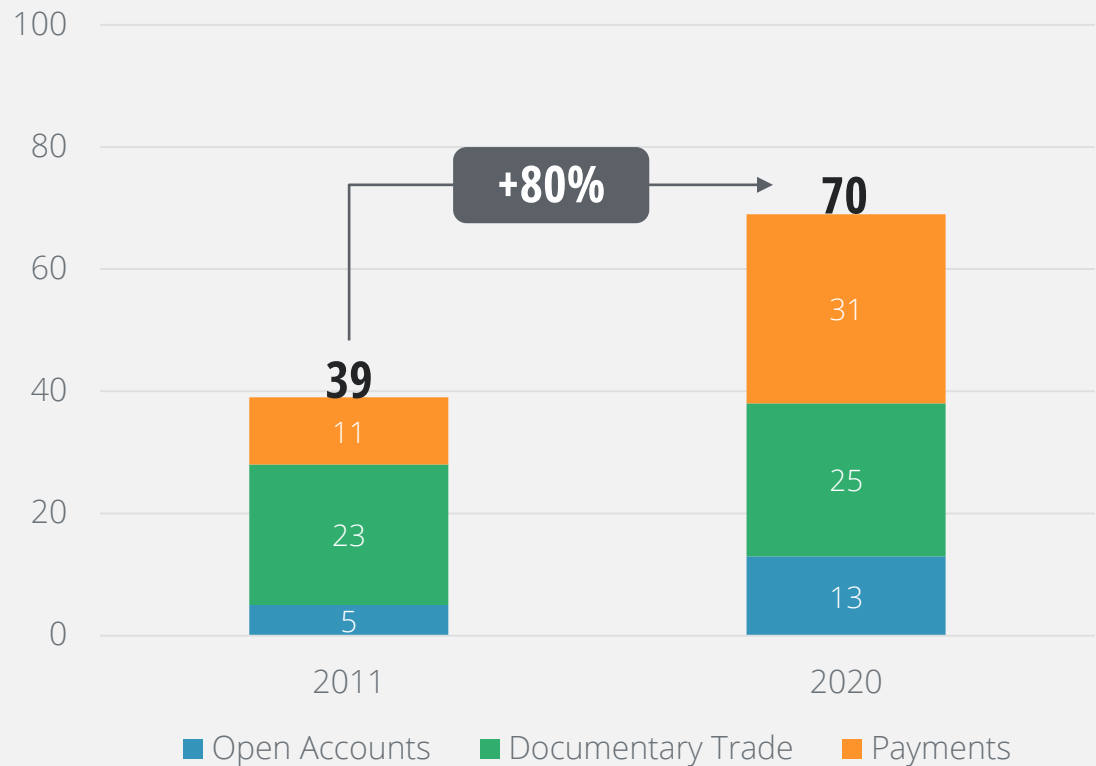
## Imperatives for Change: Driven by Customer Needs



## Growth Opportunity

**80% growth**  
in revenue 2020  
driven by global  
trade

### Revenue Pools (Bn USD)



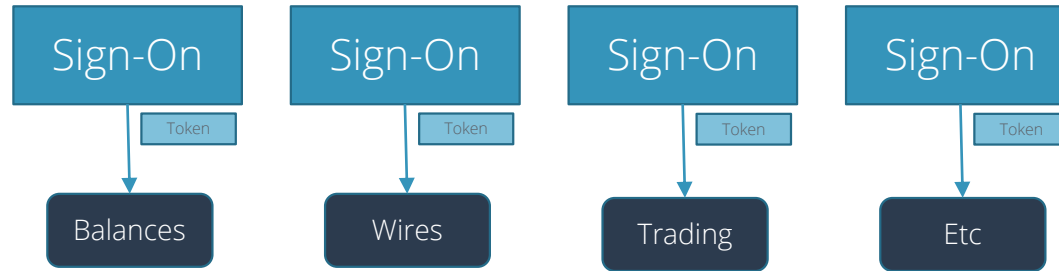
Source: BCG



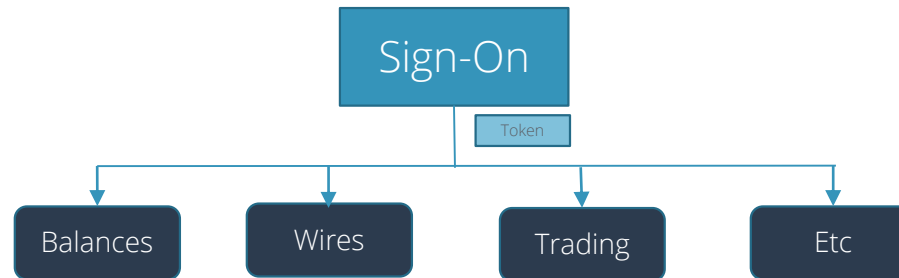
# From Fragmented Sign-Ons to a Connected Digital Experience



## Fragmented Sign-On



## Single Sign-On



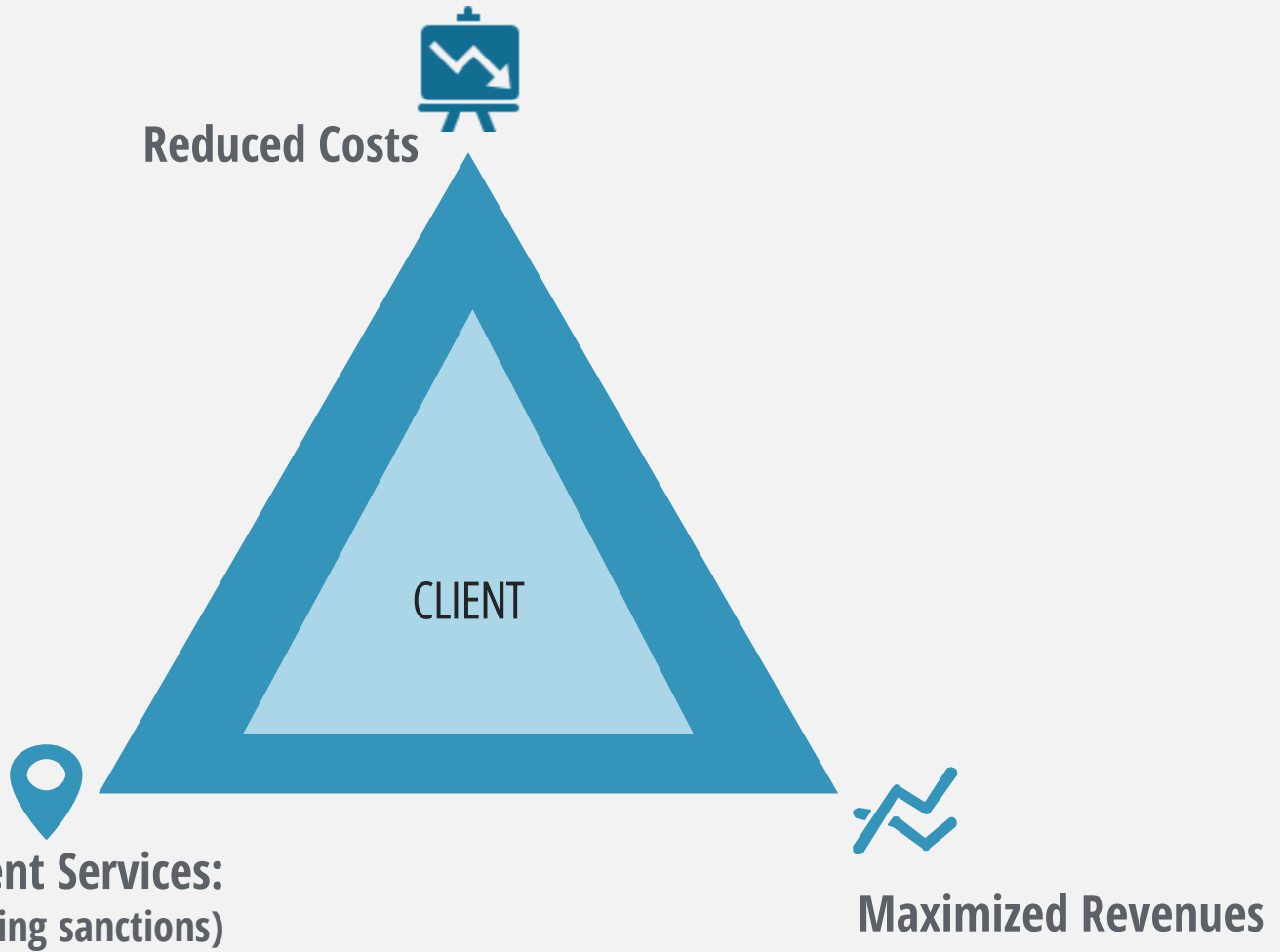
## Connected Digital Sign-On



# CORPORATE BANKING

## Positions and Perspectives

# Banking Drivers







# What is required from Corporate Banks to seize the Growth Opportunity



## 4 Dynamics



Tighter regulation



Client needs



Digitalisation



Globalisation

## 5 Strategies



Define market strategy/specialism



Elevate digital: x-business not line of business



Think agile: products & pricing



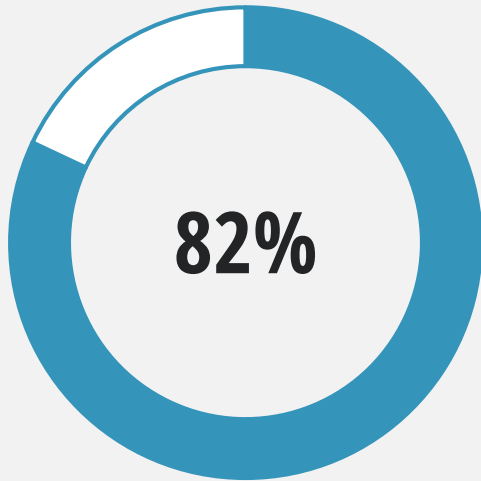
Drive to operational excellence & real-time



API strategy that connects the ecosystem

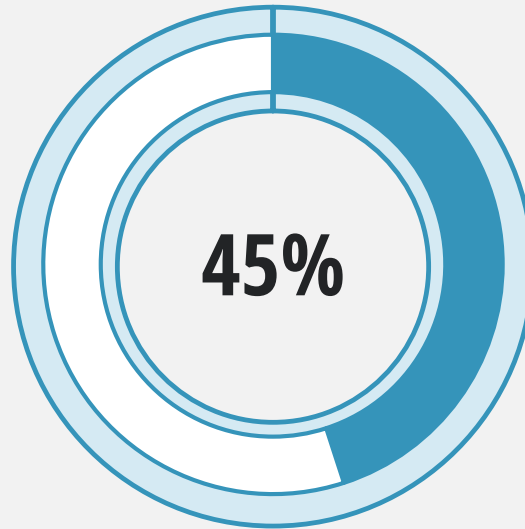


# What Are Banks Doing?



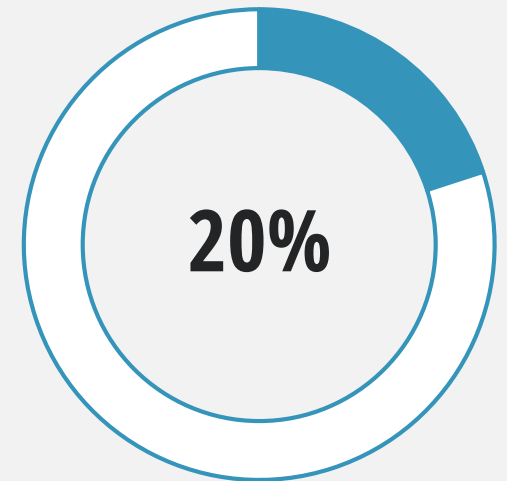
**Say complexity of systems and operational silos is the biggest challenge**

*Misys Connect Forum, Sept 2016*



**100% say operating excellence is "critical" but only 45% have a vision**

*BCG Corporate Banking Survey*

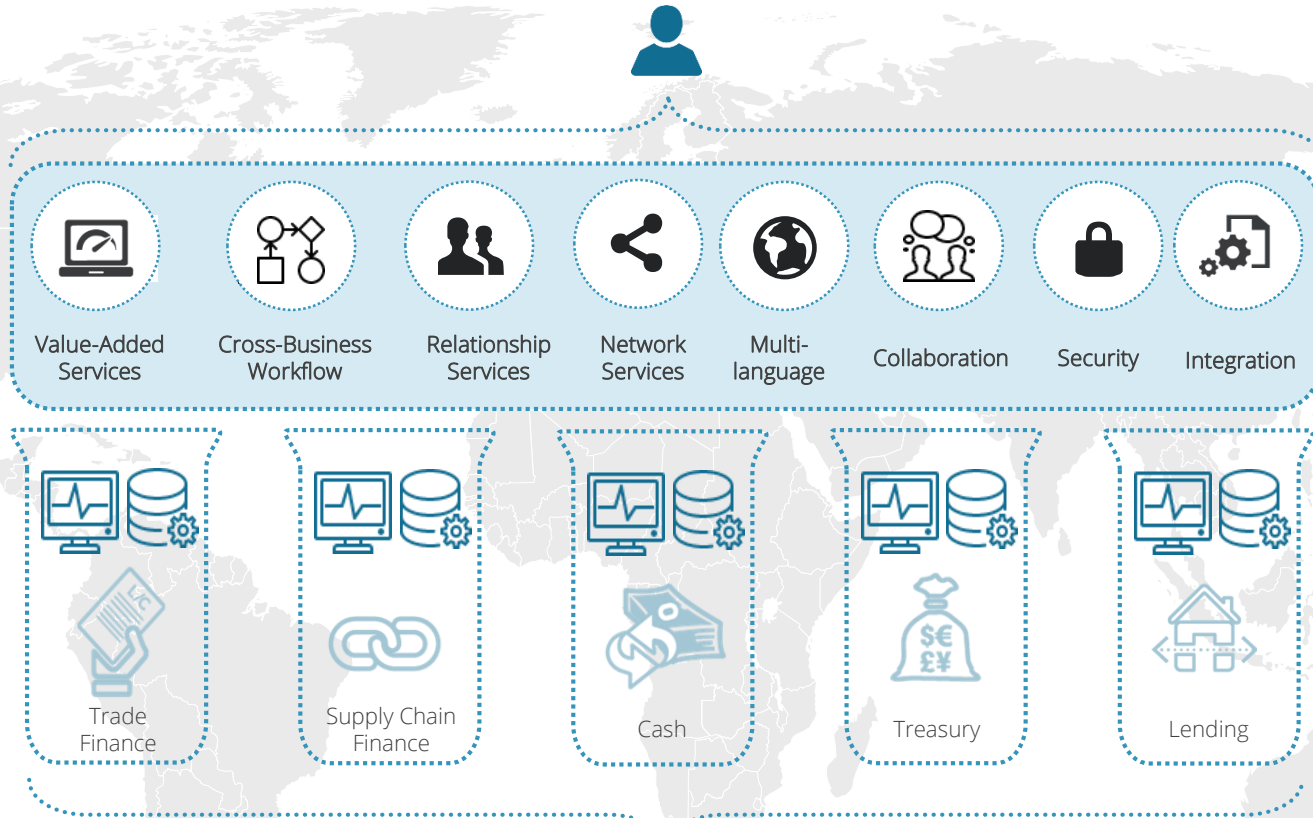


**Have a digital strategy in corporate banking**

*McKinsey*

## Banks Now Looking at One Platform

Unify service, data, and processes



Out of the box, integration to back-office platforms



## Polling Question



**Where are you on the journey to a connected corporate digital banking experience?**

We have achieved an ideal level

Little to no progress, hope remains for a fully connected experience

Tired of waiting on our banks - moving forward on our own in some ways

I don't know

N/A



## Polling Question

### Finish this sentence

**For corporate treasurers, the *most* important reason banks need to be more digital is to...**

- Deliver 'one-stop shop' access and view across treasury and transaction services
- Provide quicker turnaround of financial services products (e.g. trade finance, credit facilities etc)
- Incorporate fintech solutions
- Enable more cross-border international transaction services e.g. payments, trade and FX
- Stop me going to an alternative finance provider



## Polling Question



***For the banks, do you have plans to add digital banking capabilities for corporate banking in 2017?***

Already completed

Plan in progress

Budgeted but not started

No plans

# CONCLUDING THOUGHTS

For Banks and Corporates



# Contact Information



**Craig Jeffery**

*Managing Partner*

**Email:** [craig@strategictreasurer.com](mailto:craig@strategictreasurer.com)

**Direct:** +1 678.466-2222



**Donald Gradwell**

*Senior Director, Treasury*

**Email:** [Donald.gradwell@Hilton.com](mailto:Donald.gradwell@Hilton.com)



**Elliott Limb**

*Head of Global Transaction Banking*

**Email:** [Elliott.limb@misys.com](mailto:Elliott.limb@misys.com)



**@StratTreasurer**



**@elliottlimb**

**@misysfs**

