Treasury Trends

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Turning transition into tran$ition

The May edition of Treasury Trends - *Climate - Related Disclosures: Transition Planning* served to encourage a lot of discussion with us, together with our strategic partner in the sustainability area, Tadpole. This time around we are focusing specifically on the phrase Transition Planning as this extends across all areas of banking and treasury – some feeding in with various climate or wider ESG requirements, some not.

Addressing change

First, we have to deal with fear or concerns around change or transition. This is particularly relevant for those in corporate treasury, a function that traditionally prioritises stability, compliance, and risk mitigation, so requires a thoughtful, strategic approach. On the positive side, treasurers are typically interested in the wider business they work in displaying natural curiosity – and are therefore interested to explore opportunities that improve or enhance what is done now.

Without a clear transition plan the common fears will mount:

- Loss of control: New systems/processes may feel less reliable.
- Job security: Automation or restructuring may lead to redundancy concerns.
- Compliance failures: Regulatory breaches due to unfamiliar systems.
- Learning curve: Concerns about adapting to new tech or processes.

With organisation objectives to manage costs, and often to keep up with competitors/technology/fashion, it is likely the case that standing still is going backwards. There is nothing necessarily wrong with "*We've always done it this way because it works.*" But, maybe a new mindset along the lines of "*We're evolving because the market, technology, and risk landscape are changing—and we need to stay ahead*" will encourage more open minded conversations.

You need curiosity

Whilst legislative or accounting standards might force change, a lot of other areas within treasury can benefit from review as time, resource and interest (curiosity) allow.

Key Points

- Encourage curiosity in treasury, and across your organisation
- If there is interest in change, plan for it – a business case should be documented
- Know what success looks like ahead of time
- Transition is ongoing

Some prompts for review include:

- Has the treasury function become more complex in recent times warranting the introduction of some, or more, technology? Are you aware of what solutions are available?
- If you have a fully operational treasury management system ("TMS"), are you maximising its functionality? Or have you not allocated development time to it since it was first implemented?
- If you are in a high volume, low value consumer business with a material spend on bank and merchant fees, do you know your total cost – and its breakdown? Are you up to date with understanding the rapidly changing landscape in the world of payment and receipting channels?
- Are you ready for Open Banking and the opportunities it will bring for low-cost 'account to account' transactions? How could this be incorporated into your shopping cost/payment gateway/recurring payment model?
- If your business has undergone structural change in terms of acquisitions and/or divestments, or a change in wider strategy, has this impacted on your banking and treasury needs? Is your treasury policy still fit for purpose? When was it last reviewed? By whom?
- If you have a new member of the senior management team and/or director on the Board, is there merit in offering a treasury briefing to ensure the right information is being reported, in a timely and accurate manner?
- Remaining on the training theme, would the wider team enjoy a summary workshop on why it is important to see treasury as a key business partner? Such forums will likely enhance the standing of

treasury and afford the opportunity to explain why it is important to communicate, for example, changes to import or export plans or to construction or development funding timelines including delays, and so on.

Find the dollars

Whilst governance reviews are crucial for compliance and control, stakeholders—especially in the C-suite—often tune in when there's a tangible financial upside. To ensure financial success from such reviews, the key is strategic scoping that ties governance to measurable business outcomes.

Prioritise areas where governance lapses directly affect the P&L or working capital. Examples include:

Area	Governance Concern	Potential $ Impact
Liquidity management	Idle balances, poor cash flow forecasting	Optimise working capital, reduce borrowing
FX risk management	Policy not aligned with business exposure	Reduce hedging costs or volatility
Payment governance	Decentralised or manual processes	Prevent fraud, reduce payment errors
Banking landscape	Too many bank accounts, poor visibility	Reduce fees, improve yield on cash
Treasury tech stack	Redundant systems, limited integration	Eliminate licensing waste, improve STP

Know what will count as a win

We often see examples where organisations undertake some high level review where savings are identified but still choose the status quo. The reasons for this are sometimes hard to fathom but we appreciate challenges of resourcing or conflicts on timing with other initiatives so it is important to plan carefully – to the end. The end being a successful transition, the securing of meaningful change. Materiality is often key and what one organisation thinks would make the review worthwhile may not meet the 'interested' threshold for others.

Even some in the Private Equity space (which used to ignore bank fee reductions of a million dollars a year) now apply the multiple measure to all opportunities for cost management – and are keen to discuss smaller wins!

The reality

Of course, not all corporate treasury transitions deliver immediate cost savings, but they are still essential for long-term value. Many initiatives focus on strengthening risk management, compliance, operational efficiency, or future scalability. For example, implementing centralised FX risk platforms or global cash forecasting tools may not save money upfront but will offer greater control, visibility, and decision-making support. Upgrading systems or connectivity often ensures regulatory compliance or reduces fraud risk, helping avoid future penalties or disruptions. Other transitions, such as consolidating treasury systems, enable an organisation to scale efficiently and handle increased complexity over time.

Regardless of the type of transition, success depends on having a clear plan. Each initiative should have a well-defined business case, an executive sponsor to provide strategic support, and a change management approach to engage stakeholders and facilitate adoption. Strong governance is also key, with clear oversight and accountability throughout the project.

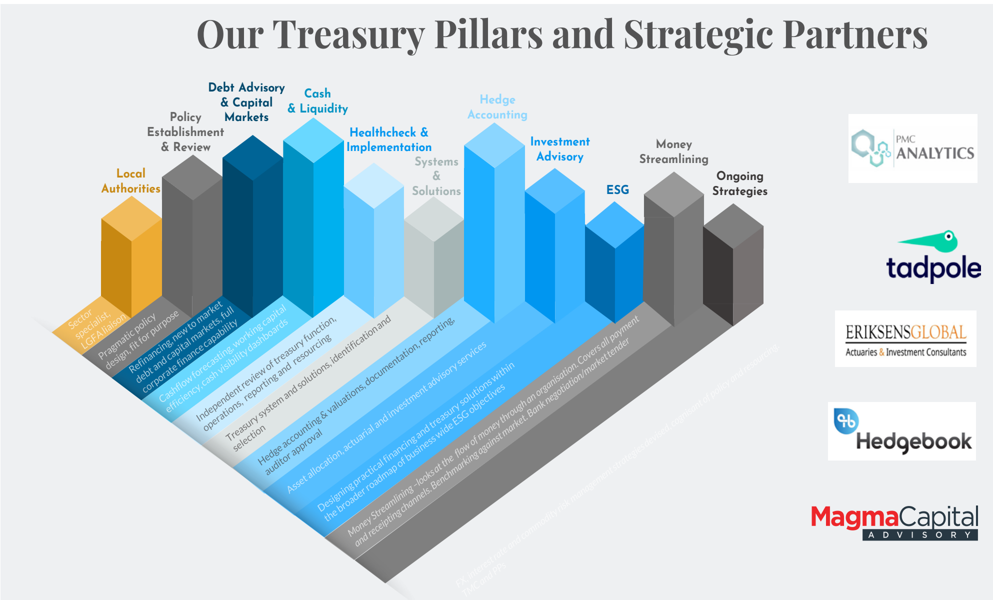
Creating effective treasury

Even when financial ROI isn't immediate, these transitions lay the foundation for a more resilient and effective treasury function. A post-implementation review should be conducted to evaluate outcomes and identify areas for improvement.

Ultimately, these strategic transitions are investments in stability, insight, and long-term efficiency. Over time, these factors tend to translate into measurable dollar impacts—whether through avoided costs, improved cash flow, or strategic agility—making the initial investment well worth it.

All up, there is no reason to fear change provided it is planned change.

WHAT WE DO



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