



Is it time to outsource?

Should businesses reconsider the treasury outsourcing model? We explore the processes that can and can't be outsourced and find out what services are on offer.



The Corporate View

Nitin Jain

Head of Treasury and Capital Markets
Agrocorp



Women in Treasury

Angela Cooper

Treasurer
Flying Food Group

Investing

Time for a separately managed account?

Risk Management

ID and authentication management

Back to Basics

The dos and don'ts of bank relationships

Question Answered

Can paper-free trade ever be achieved?



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Testing times

Firstly, let's tackle the Big One. Treasurers across the region will be keeping a close eye on the unfolding events following the outbreak of a novel coronavirus, Covid-19. Its economic impact is already being felt, with countries across the globe downgrading their economic growth forecasts. Supply chains are being disrupted, with factory closures in China affecting companies around the world, whilst diverse sectors are seeing a considerable impact, and many businesses take steps to minimise staff travel.

As they navigate these uncharted waters, treasurers will be working to understand the impact of the outbreak on their own organisations, from supply chain interruptions to the implications for FX risk, liquidity management and cash flow. At the same time, they will of course continue to focus on their existing challenges and responsibilities.

These are challenging times and they demand a sympathetic and intelligent response from everyone. Treasurers are known for their creativity, and with Treasury Today's annual Adam Smith Awards upon us once more (nominations opened on 31st January and close at midnight on 14th April), it seems fitting to look at one of Adam Smith's core economic principles of international trade: that of 'comparative advantage'.

In 'The Wealth of Nations', Adam Smith wrote: "If a foreign country can supply us with a commodity cheaper than we ourselves can make it, better buy it of them with some part of the produce of our own industry, employed in a way in which we have some advantage".

At a corporate level, allowing external specialists to take on 'production' of the elements less well-served by internal resources enables internal skills to focus on what they do best, for the greater good. The notion of comparative advantage thus underpins the value of outsourcing.

Several years ago, treasury outsourcing to a specialist agency – often a dedicated part of a bank – achieved a reasonable level of popularity. In recent times this course of action seems to have been subdued, perhaps at the hands of increasing corporate appetite for centralisation and consolidation.

It's perhaps worth recalling another pearl of wisdom from Adam Smith: "Never complain of that of which it is at all times in your power to rid yourself".

With many treasury functions increasingly overstretched by an ever-expanding remit, escalating demands from senior management to 'do more with less', and even treasury's own push for more strategic involvement, it may be time to reconsider outsourcing.

In this edition, we explore the pros and cons of treasury outsourcing. We look at possible drivers, the latest options, possible outcomes, and how to ensure every agreement continues to align with the strategic needs of the business.

Continuing on the theme of expert guidance from outside the business, we also look at the separately managed accounts (SMAs). With the challenging interest rate environment persisting, we ask if treasurers would be advantaged if, instead of investing in a pooled fund, they took the solo option. Offering flexibility, control and increased yield opportunities, these may be the answer for those seeking a more productive home for their cash.

With a nod to the all-important human element in treasury, we cast a 'back to basics' eye over the way bank relationships are managed, probing the most effective ways to handle one of treasury's most important partners. We ponder too the issues affecting treasurers every time they set up a transaction – identification and authentication, asking how businesses can be kept safe from skilled financial fraudsters.



WOMEN IN TREASURY

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Angela Cooper
Treasurer



Authenticity and hard work are what Angela Cooper, Treasurer at Flying Food Group thinks are key to a successful career.

The return of treasury outsourcing?

While banks may have withdrawn from offering treasury outsourcing some years ago, specialist firms continue to provide a range of outsourcing services. Treasury Today explores what's on offer.

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Making the most of real-time technology

What does treasury need to do to achieve real-time cash visibility, working capital efficiency and more effective multi-bank management? Bottomline explores in depth the notion of the centralised payments hub with real-time payment execution and tracking.



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Payments performance: asking the right questions

In a technological environment that is changing at a rate seen recently in the payments space, what do treasurers need to be asking of their banks and technology providers as they seek to future-proof their offerings?





High-risk occupation

The financial transactions of treasury are extremely valuable, not just for the businesses concerned but for the criminal fraternity too. As a high-risk function in terms of financial crime, what measures can be taken to keep treasury safe?



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Nitin Jain
Head of Treasury and Capital Markets



Technology is the way forward for treasury, according to Nitin Jain, Head of Treasury and Capital Markets at Agrocorp.



The power of a good partner

Bank relationships are an important part of a treasurer's role, so why are so many lacking in this area? We find out the need-to-knows of good and bad bank relationships.

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Treasury transformation: a flying success story

Aviation is a hyper-competitive sector. Today's leading airlines need proactive partners internally and externally. Here's a remarkable account of how Kenya Airlines' treasury transformed itself from a back-office service provider into an in-demand function.





The return of treasury outsourcing?

In these 'do more with less' times, should businesses reconsider the treasury outsourcing model? When can outsourcing be beneficial, and what should or shouldn't be outsourced? Treasury Today explores the benefits of treasury outsourcing and finds out what's on offer.

Treasury outsourcing was a hot topic some years ago, offering companies a way of increasing the efficiency of treasury activities or freeing up time for value-adding tasks. When banks pulled out of the outsourcing market, the topic fell off the radar for some treasurers. But others have continued to take advantage of specialist treasury outsourcing services, and there are a number of factors that may prompt companies with certain requirements to consider this approach.

As in other areas of business, treasury outsourcing can be an effective means of freeing up internal resources, buying in capabilities or making better use of existing staff. "Many treasurers realise that in order to enable their staff to make strategic decisions, they need to focus their staff on strategic activities. By outsourcing tactical treasury functions, a treasurer can better utilise their personnel by focusing them on more added-value activities and projects," says Dan Carmody, Executive Director of treasury consulting, staffing and training firm TreaSolution.

Rather than being a thing of the past, treasury outsourcing could once again be a topic of interest for treasurers looking to do more with less. Indeed, TMS provider BELLIN has recently decided to work with a partner for treasury outsourcing. Beate Haumesser, Presales EMEA, who previously oversaw BELLIN's treasury outsourcing division,

explains that treasury outsourcing can be particularly attractive in the current environment for several reasons.

One is the high workload faced by many treasury teams. "The use of technology is necessary to streamline processes and boost security, but for various reasons not every company wants to acquire a TMS," she says. "Customers can also save time previously dedicated to repetitive work, and can focus on valuable treasury tasks and prepare decisions."

In addition, Haumesser says companies may seek pragmatic support to bridge a period where internal staff is blocked for other projects. Other considerations are that companies can access a service – and benefit from a system provider's expertise – without having to undergo a selection process for a TMS application.

A short history of treasury outsourcing

"Outsourcing of treasury activities was very popular around the turn of this century," says Sander Van Tol, Partner at independent consulting firm Zanders. "Some of the leading international banks and specialised treasury consultancies offered outsourcing services from their Dublin offices."

Van Tol explains that the business rationale for external outsourcing was that external parties were able to provide a

more cost-effective and redundant solution, compared to executing treasury activities in-house. He adds, "The outsourcing services were especially popular with US multinationals outsourcing part of the EMEA treasury activities."

However, Van Tol continues, "in practice these portrayed benefits were not realised due to extensive communication required between the client (corporate treasury function) and outsourcing company. So many multinationals stopped their outsourcing contracts."

And as Pat Leavy, CEO at Dublin-based outsourcing solutions provider FTI Treasury explains, there came a point when banks offering treasury outsourcing services exited the market. "Going back to the late 80s, when the banks first offered treasury outsourcing services, the expectation was that this would be a huge business revenue generating proposition for them," says Leavy. "The combination of these revenue expectations, and the demands of providing highly customised solutions, progressively led to a solution where banks began to exit the market over a period of time."

Rise of the SSC

Van Tol says that with outsourcing falling out of favour for some multinationals, these companies turned to a different form of outsourcing, using shared service centres (SSCs) – "this is the outsourcing of some of the more repetitive, low value-adding treasury activities to an SSC," he notes. Van Tol explains that these SSCs could be either internal, ie company owned, or external SSCs run by some of the larger IT or accounting firms, and are typically located in countries with lower salary levels in order to realise the cost efficiencies associated with outsourcing.

While this approach has served many companies well, the situation continues to evolve. "Due to the more intensive use of technology for repetitive/standardised activities, the financial benefit of outsourcing to low cost countries is diminishing," says Van Tol. More recently, it seems that market noise around outsourcing is growing again, "as corporates look to treasury outsourcing as a way of becoming more compliant, reducing operational risk while remaining lean and cost efficient."

Flavours of outsourcing

Of course, while different trends have gained prominence at different times, treasury outsourcing never actually went away. While bank-run outsourcing services may have fallen by the wayside, specialist treasury outsourcing providers have continued to serve corporate customers – FTI Treasury, for example, has been operating since 1988. And as Leavy explains, outsourcing can take a number of different forms, depending on a company's specific needs. These may include:

- **Setting up an overseas regional treasury centre or finance company.** One common scenario is that of North American companies setting up a regional treasury centre or finance company in Europe for activities such as cash pool administration, managing foreign currency exposures and handling intercompany lending or intercompany netting. "Very often, companies don't want to deploy a new set of resources in Europe, so they look for a third party to help them," Leavy explains.
- **Retaining front office activities while outsourcing the back or middle office.** Another situation that may lend

itself to outsourcing is when a company decides to outsource back office activities (like confirmations, settlement and reconciliation) and treasury accounting processes in order to focus on front office treasury activities such as execution and intercompany loan administration.

- **Harnessing technology for specific activities.** Organisations may be looking for an outsourcing company to provide technology for a particular process, such as intercompany netting, intercompany loan administration or managing a complicated balance sheet.
- **Outsourcing the running of the treasury.** Last but not least, Leavy says some companies may simply be looking for someone to run the treasury on their behalf, including day-to-day cash management, executing transactions and back office processes.

While outsourcing can take many different forms, Leavy says one common feature of all these models is that decision making is ultimately retained by the company itself. "Things are either managed under a mandate or a policy," he says. "In most cases, it's about process – if you think about it, a lot of daily cash management is a process, as is foreign exchange execution and intercompany lending."

Reasons for outsourcing

As these examples illustrate, the motivations for considering treasury outsourcing can vary considerably. Some companies may lack the resources, staff or experience needed to carry out particular activities, while others may be looking to free up staff to focus on more value-adding tasks.

"With the regional treasury centre example, the company may not have resources in Europe and may be looking for a structure that's easy to establish," says Leavy. "But you could have a situation where a company just wants to concentrate on strategic activities without being concerned about the back office resource or accounting resource." In practice, Leavy says, most treasuries spend a disproportionate amount of time managing operations, rather than looking at strategic aspects of treasury management.

In other cases, changes to the business model, such as spinning off part of the business, can result in the need for treasury outsourcing, as the business that has been carved out may need its own treasury very rapidly. "Someone who already has an infrastructure in place can get a treasury operation up and running very quickly," says Leavy. "We've migrated a global corporate within six weeks, including technology and process." More typically, this can take ten-12 weeks – which Leavy says is considerably faster than recruiting a team, building a technology infrastructure and establishing processes.

A newer catalyst is the emergence of high-growth companies becoming internationalised very rapidly, which gives rise to the need for internationally focused treasury management in a short space of time. "In that case, companies may ask whether they can get someone to look after all this for them while they concentrate on the business growth dimensions of the business itself," says Leavy.

And a further catalyst for adopting treasury outsourcing is the need to replace legacy technology which is no longer fit for purpose. "If somebody is already invested in technology,

they're probably less likely to consider outsourcing," Leavy says. "But if they suddenly find themselves in the situation where the technology isn't working and they have to invest heavily in a new technology infrastructure, they might ask whether there's an easier way of doing this. We can find somebody that can deploy a technology platform and integrate that via our customer – what we would call 'client-side technology infrastructure'."

When to outsource

Treasury outsourcing will be more applicable to some types of organisations than others. Zanders' Van Tol says that treasury outsourcing is more common "when organisations aren't quite big enough to have their own treasury department; when the internal treasury teams don't have the time to perform all the treasury management activities, or if they are lacking that core treasury expertise. In such cases, treasury outsourcing could be the perfect option since an external party that specialises in treasury management can bring valuable corporate treasury expertise and knowledge, in addition to the latest treasury technology trends, best practice and procedures."

FTI Treasury's Leavy says that in practice, the companies that lend themselves more easily to outsourcing "are companies that actually make something." He adds, "If you think about it, if you make something in an international context, you tend to have international subsidiaries around the world – and with that comes international cash, foreign currency and intercompany lending. That gives rise to intercompany transactions that might require a netting proposition. A lot of our clients are in that space where they're selling a product, rather than a high-end IT service offering."

That said, Leavy says he also has clients which are domestic companies with complicated balance sheets that may not have the technology or expertise to manage complicated loan structures or capital market structures.

What to outsource

While every company will have its own specific requirements and goals, there are a few rules of thumb that treasurers should bear in mind when considering treasury outsourcing. BELLIN's Haumesser says the activities best suited to an outsourcing arrangement include time-consuming tasks that occur repeatedly, such as data collection and reporting, as well as tasks that need a structured process, such as payment processing and netting – "In general, all tasks which do not need an individual decision/human intervention."

Treasury's Carmody, likewise, notes that in general, "tactical treasury functions that are repetitive are best suited for outsourcing." He adds, "In many instances, if the treasury function can be flowcharted, all or some of the function can be outsourced." However, he also notes that organisations should not fully outsource functions which include critical control security measures, and/or that require strategic decision making.

According to Haumesser, other activities that should not be outsourced may include tasks that require specialist knowledge of the company or its processes, such as liquidity planning. She also notes that outsourcing may not be permitted for some tasks due to compliance, such as "decisions about the investment or refinancing of cash positions."

Outsourcing technology

Van Tol says that in addition to low value treasury activities, "we now see also outsourcing of functional and technical support surrounding treasury technology solutions, like TMSs, payment systems and other specialised treasury technology software."

He notes that despite the importance of a functioning TMS or payment system for a treasury function, such systems do not always get the required support from internal IT departments, which may be looking to standardise and outsource their own activities. "We now see consultancies and IT companies offering Treasury Managed Services as a way to provide a cost-effective solution to alleviate the key man risk to which they are currently exposed with their IT department," he says.

Ingredients of a successful arrangement

When implementing an outsourcing arrangement, it's important to get things right from the outset. As such, treasurers will need to give plenty of consideration to which specific tasks can be outsourced, and which stakeholders will need to be involved in the project. They will also need to ask the outsourcing provider some key questions. Carmody suggests the following as a starting point:

- How long has your company been in business?
- What is the response time if there's a problem with these services?
- Who is the single point of contact in case there are questions/issues?
- How long are you able to provide treasury outsourcing services?

Communication is key in such arrangements, and BELLIN's Haumesser emphasises the importance of initial communications in terms of ensuring all the relevant information has been passed on. As well as providing the necessary information to the service provider, she adds that companies should make sure they have a clear understanding of what the service provider will deliver.

It's also important to understand that a strong relationship is key to any treasury outsourcing arrangement. "Treasury tends to include small numbers of personnel in large organisations," says FTI Treasury's Leavy. "It's not like in the accounting, AP and AR environment where you can have hundreds of people working – you're talking about a small number of people. So the expectation from a company that is considering outsourcing is that the treasury service provider is very integrated, and is part of their treasury organisation."

As such, relationship is an important consideration – as is the ability to be flexible. Leavy also says a good service provider will look to add more value to the service that's being provided by suggesting ways of reducing costs, speeding up processes and minimising risks.

But of course, there are also some pitfalls to avoid when implementing an outsourcing model. Carmody warns companies not to outsource too much too soon, for example. "It's tempting to outsource all tactical functions upon contract signing," he says. "I would suggest that treasurers consider outsourcing treasury functions in phases to ensure that all functions are being implemented and completed in an appropriate and secure manner."

An easier path to digital treasury transformation

The need for real-time cash visibility demands centralised payments hubs, real-time payment execution with tracking and new payment platforms. Real-time working capital efficiency demands all of this, plus more efficient multi-bank management.



Patrick Verspecht

Group Treasurer

Trillium Flow Technologies,
Board Member & Secretary of the
Board at the ATEB



Marcus Hughes

Head of Strategic Business
Development
Bottomline Technologies

In a recent webinar, Marcus Hughes, Head of Strategic Business Development at Bottomline Technologies and Patrick Verspecht, Group Treasurer, Trillium Flow Technologies, Board Member & Secretary of the Board at the ATEB, shared their views on how the latest technology can help towards an easier and faster path to digital transformation.

"For sure, the payments industry is going through a period of unprecedented change. A range of factors are driving this: new regulations, payment instruments, payment schemes and formats, as well as new technology. Increasingly, the treasurer is expected to do more with less, while the size of treasury teams is getting smaller and smaller. So, it's not possible now, in our day-to-day work as treasurers, to cope without technology tools," says Verspecht.

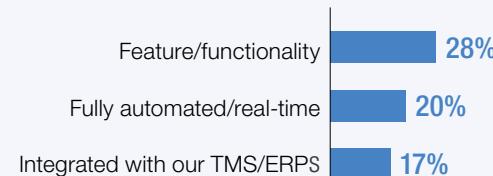
The treasurer is responsible for managing the project, implementation, testing, resources, timelines and then "going live". It's perhaps surprising that today this focus on projects has expanded to become almost 50% of a treasurer's role. Thanks to technology, many operational matters can be automated, meaning the treasury team can focus on more strategic matters.

A customised solution

Instead of joining SWIFT, Trillium Flow Technologies used Bottomline's BIC as a service solution. The Payments and Cash Management (PCM) solution is network agnostic and works with full SWIFT SCORE membership, EBICS, H2H or direct local ACH clearing. The solution's standard environment comes with embedded routing rules and standard formats, like MT940/942; PAIN 002 PSR; MT101; PAIN 001, Standard 18. PCM formats are based on CGI ISO 20022. This means that Bottomline was able to take the company through the various project phases very quickly; from development, QA, UAT and then live.

Now that the company has put in place the cash reporting functionalities, it is planning to implement multi-bank payments, and more features in the future.

What is the SINGLE most important factor in any digital treasury transformation decision?



(The other options; time to implement, cyber-fraud, budget, security and multi-bank solution, each accounted for less than 10% of audience selections.)

Bottomline's approach

The following key factors emerge from the way Bottomline approaches its proposition:

- Mitigation of risks by real time visibility and strict control to avoid fraud.
- Cost efficiency by automation and technology.
- Centralised platform payment and statement hub.
- The benefits of an aggregated infrastructure and connectivity to multiple payment schemes.
- More insight at your fingertips presented in simple but intuitive formats to drive faster and more accurate decision making.

Successful transformation

Hughes closed the session with three top tips for a successful and rapid digital transformation:

Start simple and small. For example, utilise bank statement monitoring tools for enhanced real-time visibility of transactions in your main bank accounts and combine with BIC as a Service to leverage the SWIFT network without the overhead membership.

Then expand and roll out in a controlled way. For example, with a centralised payment and collection hub to view the status of all payments and take the necessary action to ensure seamless execution and reduce the risk of fraud.

Finally, aggregate the status of all payment flows for a complete and real-time view of visibility for more effective cash management and working capital optimisation.

This much I know

Angela Cooper

Treasurer



Tell us about your career path. Why treasury?

I started out in computer engineering, but got involved in accounting as well. I was going to school and at the same time, I had to work because I needed a source of income as a young mother. I got a position at Ernst & Young in their property tax division, where I stayed for about a year before moving to their income tax division. That gave me a start into the finance profession.

From there I moved over to the Flying Food Group in 2005 as an entry-level Treasury Clerk and worked my way up to Treasurer, which took me about ten years.

Why treasury? I like numbers and I'm really good at it. I like the front-end, too. I started out, when I was a Treasury Clerk, in the accounting group. It involved balancing, general and administrative expense allocation transactions, a lot of the back-end. I prefer the front-end because of the interaction with people and physically seeing that I make a difference.

As a corporate treasurer, what is the biggest challenge that you're currently facing?

I would say cyber-fraud and change management. As we get larger, there are more and more attempts to try and infiltrate our organisation.

Our business has also grown exponentially. Getting the culture to be able to accept that change and get onboard is a challenge, because change always encounters some type of resistance. If you don't get the right individuals onboard, it takes longer to fully integrate change.

What's the best piece of advice that you've been given in your career so far?

Do it afraid. Our biggest challenge is 'what if I fail? What if I don't?' You're going to fail. Understand that when you fail, you just have to keep trying and do your best. Come with your best game, come with the best you.

Looking back, is there anything that you wish you'd done differently?

As far as my career path is concerned, I wouldn't change the experiences I've had. I learned from all of them and they helped develop me into the person I am today. I started out in admin – that helped me become organised, gave me the ability to find the tools to get the answers and made me think critically.

Otherwise, I wish I knew some of the things I know now, sooner. I feel like I would be in an even better place now.

What is your motto in life?

Be you, not them. Be you, be yourself.

“I prefer the front-end because of the interaction with people and physically seeing that I make a difference.”

ONLINE

To read all the interviews in this series go to treasurytoday.com/women-in-treasury



Helping others

For Angela, encouraging others has always come naturally. "As a little girl, I was an all-in-one fashionista and hair stylist," she explains. "I would spend lots of time with my friends, customising their natural look, making hair colours in unique ways, and selecting styles that complemented their personalities."

As an adult, Angela has taken these skills and honed them, developing several staff members from entry-level positions to middle-management department heads. "I am really passionate about making a sustainable difference in people's lives in a creative way to reflect their inner beauty and bring out their natural gifts and talent," she adds.

Alongside developing individuals, Angela spends much of her time helping communities – and actively encourages aspiring treasurers to do the same. "If you have very little experience, I would suggest volunteering. I'm part of a non-profit, I was the treasurer for a while, I was the secretary for a while. Whatever skills they needed, I volunteered when I was free, and always free of charge," she explains.

Up until recently, Angela served on Flying Food Group's employee relief programme committee. The programme assists employees in need – for example, if someone needs to travel due to family bereavement. "We have this fund that helps them get the transportation, get over there, deal with the expenses. And it's totally funded by the employees and the company." She adds that she only stepped down from the committee due to time constraints.

Those time constraints haven't stopped her ambition, though. Angela has two next major objectives – both focused on helping those in need. For one, she wants to start her own credit union. "I would like to educate women and other businesses in managing money and understanding how money really works," she explains.

Secondly, Angela and her team are working towards a company goal to provide fully funded medical coverage to all employees (coverage is currently partially funded). "I think my credit union will probably come sooner, but I hope not. I hope the medical coverage comes first," she says.

Education is imperative

Key to Angela's initiatives has been her ability to grow with her company. "I started with Flying Food Group when the company was a start-up, and I feel like because I did, I had so many unique experiences. If you're focusing on trying to get in a big organisation that's well-established, a lot of times those processes and procedures are also already established," she explains. However, she notes that to go down the start-up path, having a mentor is a necessity. "Some things you are just not going to know, and that mentor will help you get those skills and those abilities."

Mentors can be key to a treasurer's education, and with three bachelor's degrees and one master's degree, education is certainly important to Angela. This includes any and all types of learning, from professional qualifications – Angela is a certified treasury professional (CTP) – to personal lessons, such as how to keep a good work-life balance.

A mentor can help with this, too. "Your mentor doesn't necessarily have to be in treasury," she explains. "But they do need those skills to be able to lead. You want to make sure that your leader has developed you to be a leader and you want to pass that on to others to become leaders too." Passing on that skill isn't just a good thing to do, it also helps improve the individual's people skills.

With people skills comes the ability to accept people for who they are, focus on their strengths and realise that not everyone thinks the same way as yourself. "That's one of the things I do when I meet individuals. I try to find that strength that they have, and focus on and develop that," she notes.

To find a mentor, Angela recommends joining networks of like-minded professionals. For example, she is a member of the Association of Financial Professionals (AFP) and attends the Women of Power Summit. "Once you're surrounded by like-minded people, the collaboration will expand," she says.

For women, this collaboration is imperative. Angela has found the main challenge is not only getting a seat at the table, but staying at the table and having a compelling voice. "You definitely need patience," she says. Not all work environments work in such a way that you can simply say 'I'm trying to better women', and so she notes that it sometimes requires a significant amount of strategy to ensure that any policy reaches the company's goal, as well as the goal to better women.



Angela Cooper is a treasurer not only of finances, but of people. She is Treasurer at Flying Food Group, headquartered in Chicago, Illinois, where she has worked for the past 15 years, and was the first African-American woman to hold a senior corporate officer position in the company. She is a key decision maker in the senior leadership team and oversees all aspects of the company treasury and finance functions – including management of financial planning and strategy.

Angela has three Bachelor's degrees: one in Mathematics, one in Accountancy, and one in Computer Engineering, as well as a Master's degree in Accountancy.

She is an entrepreneur financial executive, passionate about helping people develop their full potential. She is also a very active member in a non-profit organisation on both a local and state level, pioneering two annual scholarships in memory of the past president and her mother, with annual donations exceeding US\$10,000 annually.



CYBER-SECURITY: TIME FOR FINTECHS TO STEP UP?

Treasurers have an important role to play in protecting their organisations from cybercrime and payments fraud. But in an increasingly complex payments landscape, are fintechs paying enough attention to the need for robust security?

Recent months have brought no shortage of activity by cyber-criminals, from Tokyo-headquartered Nikkei's £22m loss due to a single Business Email Compromise (BEC) fraud, to a spate of ransomware attacks on cities and school districts in the US.

Treasurers have an important role to play in helping to protect their organisations against payments fraud and cybercrime, although some take the issue more seriously than others. PwC's 2019 Global Treasury Benchmarking Survey, Digital Treasury – It takes two to tango, warns that while public concern has increased, "many treasurers seem to underestimate the risks of payment and cyber fraud and their role in managing it".

Nevertheless, the survey also found that 56% of respondents said the group treasurer is responsible for managing payment fraud risk in their organisations – and the report highlights the importance of best practices such as raising awareness, managing processes and securing technology, as well as "collaborating with IT on minimum security controls around data encryption, authentication, ensuring robust interfacing, regular penetration testing, and adequate network segregation".

Technology can be used effectively as a means of combatting the risk of payment fraud and cyber-attacks. Dedicated treasury management systems, for example, may provide essential controls which can help treasurers identify, such as user access controls, segregation of duties and the ability to monitor transactions for any anomalies.

But as the payments landscape expands to include an increasingly diverse range of fintechs offering innovative services, how much attention are those companies paying to treasurers' need for robust security? Interestingly, Capgemini's 2019 World Fintech Report found that while almost two-thirds of banks cited cyber-security concerns as a challenge for implementing open banking, only 42.5% of the fintechs polled said the same. The report also found that fintech firms are less concerned than banks by data security and customer privacy – "possibly because the stakes for them are not as high."

Joseph Krull, Senior Analyst – Cyber-security at Aite Group, says that while fintechs are very good when it comes to innovation, building digital journeys and supporting frictionless transactions, "fintechs are not really good when it comes to understanding threats and security and internal controls. While some fintechs have marketing materials that talk about security, for the bulk of those I've reviewed it's a secondary or tertiary feature."

At this stage, Krull says, fintechs would rather emphasise their investments in cutting edge artificial intelligence and machine learning. "What I don't hear from fintechs is, 'We put these really great internal controls in the product that keep people from doing things that they shouldn't do.'"

That's not to say there are no opportunities for improvement. Krull argues that fintechs may be well positioned to gain competitive advantage by focusing more squarely on this topic. "If a fintech says one of their competitive advantages is that they put a strong focus on internal controls and auditability, and they do great logging and monitoring, that will give them the ability to talk to the operational risk managers in an organisation," he says.

But in order for this to happen, Krull argues that the organisations that are buying products from fintechs also need to take a proactive approach in telling vendors what they are looking for, thereby prompting fintechs to pay more attention to security as a development priority.

"It's a two-way street, and those organisations need to drive the conversation," he comments. "They need to say, 'That looks fantastic, I can speed up my transactions – but what are you doing in your product to make sure I'm not running with scissors?'"



treasurytoday Adam Smith Awards

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2020 award categories

Treasury Today's Top Treasury Team 2020	Best Fintech Solution
Best Cash Management Solution	Best Cyber-Security Solution
Best WCM, AP/AR Solution	Best in Class Treasury Solution in the Middle East
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Best Trade/Supply Chain Finance Solution	Best in Class Treasury Solution in Latin America/Caribbean
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Individual awards

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Nominations can be made by any corporate, and banks and service providers can assist their clients in completing the nomination form. Banks and service providers are also able to submit nominations on behalf of their corporate clients (with their approval). Nominations close on Tuesday 14th April and the winners will be announced in mid-May. All winners will receive an invitation to the Adam Smith Awards Gala Presentation Lunch on Wednesday 17th June at Plasterers' Hall in the City of London.

For full details on all categories, please visit treasurytoday.com/adam-smith-awards

Save the date

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All award winners attend the Adam Smith Awards Gala Presentation Lunch on Wednesday 17th June at Plasterers' Hall in the City of London to be presented with their awards. Good luck with your submissions and we look forward to welcoming all 2020 award winners!

Should you have any queries please do not hesitate to contact us at awards@treasurytoday.com

All winning solutions are profiled in case studies which appear in our Adam Smith Awards Yearbook. The case studies are based on the winning nominations and are written by our editorial team. The text is submitted to the winners for their approval prior to publication. By submitting a nomination in the Adam Smith Awards you accept that if you win an award, a case study outlining the details of your winning solution will appear in the Adam Smith Awards Yearbook.



Leading the technological charge

Nitin Jain

Head of Treasury and Capital Markets



While treasurers may not always be the first to adopt new technologies, today's technology landscape has plenty of innovation to pique the interest of forward-looking treasury professionals. So with a Bachelor's degree in Engineering and Computer Science, it's no surprise that Nitin Jain, Head of Treasury and Capital Markets at Agrocorp, is working to make sure that his treasury department is up-to-date with the latest developments.

Founded in 1990, and headquartered in Singapore, Agrocorp International is one of the leading integrated agricultural commodity and food solution providers in the world. Nitin Jain, Head of Treasury and Capital Markets and blockchain enthusiast, is responsible for ensuring everything runs smoothly for millions of dollars' worth of transactions every year.

Jain has quite some experience when it comes to digitising manual processes. His first roles were in banks in India which were specifically hiring for someone to streamline paper-based processes within areas including treasury and trade. Following those roles, Jain moved to global conglomerate Cargill as Treasury Manager – the first time that the company had hired a technology expert in treasury.

"The idea was to see how we could deploy systems which would enhance the working capital cycle," says Jain. "Most of

the finance people who work in treasuries look at negotiating interest rates with banks and seeing how cheaply they can access funding. But my focus was on reducing our cycle time by using technology."

Joining Agrocorp

After six years at Cargill, and five years as Treasurer of Xangbo Global Markets, Jain joined Agrocorp last year as Head of

Treasury and Capital Markets – a role in which he has focused closely on optimising working capital.

"If you look at any commodity business, it has three basic pillars: credit, transferring payment, and the logistics business – which basically means supplying goods from one place to another," he explains. "At Agrocorp, we cover 22 countries and shift around 11 million metric tonnes of commodities globally throughout the year, which in value terms is about US\$3-4bn across the continent."

Jain explains that the key challenges in any commodity business include reducing the working capital cycle and the cost of transactions. As such, one of Jain's key focuses has been finding a way to use technology to allow for optimal interactions with banks, clients and shipping companies. "We're trying to unlock the value in the supply chain," explains Jain. He adds that this isn't being achieved by reducing interest rates from banks, or by giving suppliers more credit, but by unlocking the working capital cycle.

The power of DLT

This has been achieved by the adoption of a distributed ledger technology (DLT) platform, developed by Agrocorp in partnership with DBS Bank and blockchain technology provider Distributed Ledger Technologies (DLT.SG) – a solution which was recognised as Best Fintech Solution in the 2019 Adam Smith Awards Asia. Using the solution, Agrocorp enables farmers to receive payments for their goods sooner, with a number of banks providing funding.

"We cater to about 4,000-5,000 farmers in Canada and Australia," explains Jain, noting that individual contracts can range from thousands to millions of dollars. "The idea is that every contract is signed digitally, and that information goes on to the banks, then to the shipping agency, then to the insurer, and so on. Everybody gets the same view of the information, and at any point in time we have a clear view of what the status is."

This platform saves a lot of paperwork – not only on the trade side, but also for interactions with the banks, which are now largely digital. "Most supply chain finance programmes are actually not bank agnostic," comments Jain, adding that under the previous process, the business had not been able to serve smaller customers or high transaction volumes. "When we use technology right, we can now plug in a US\$1,000 farmer financing programme, which was previously impossible," he says.

According to Jain, implementing these processes has enabled the treasury team to reduce working capital by 15-20%. He emphasises that by adopting this solution, Agrocorp hasn't just unlocked working capital, but has also reduced time spent on the physical movement of contracts and sending multiple applications to banks, as well as achieving savings on courier and documentation charges.

Agrocorp's focus on helping the entire supply chain has produced other benefits as well. "We have become the partner of choice to every farmer," explains Jain. "They get to see when they're going to get paid, what is the status of the contacts, where the shipment is happening, whether the request has been sent to the bank or not." In addition, the company is now able to track where goods have come from – and as Jain points out, end users are increasingly willing to pay a premium for being able to identify the origin of goods.

Sustainability at Agrocorp

Agrocorp is a strong believer in sustainability, and the adoption of eco-friendly work practices is central in the execution of all work streams across its business. "The partnership with DLT.SG supports our sustainability initiative, as it allows us to bring the entire supply chain in an ecosystem using a blockchain technology and application programme interfaces (APIs) together, to fill the gap in supply chain networks, eg traceability and transparency," Jain explains.

With the blockchain functionality comes a seamless ability to identify, track and trace movements along the supply chain. At the same time, disclosure of data and information is enhanced. As sustainability becomes an increasingly popular area of interest for end customers, the sourcing of where products originate from has become a priority. This includes who we source from, when we source, and what is actually sourced.

The blockchain platform addresses these concerns and provides visibility on how the end products (from plantation to finished product) to the end customers are actually traceable and proven to be sustainable. Blockchain provides a network for all people involved in the supply chain to be digitally connected.

A smooth-operating treasury

Turning to the evolution of the commodities space, Jain observes that while companies themselves may be growing in size, the number of people trading commodities for those companies is shrinking. "We don't have very big teams in the commodity sector any more – for us, the number of people in the entire process globally is 10-20," Jain points out. "What that means is that you get to be involved in structuring processes and getting processes implemented across various geographies."

But as in other sectors, soft skills are also important for treasury professionals. When it comes to his team, Jain has one specific quality he looks for in employees: empathy. "You are acting like an internal bank to the business providers, and you have to empathise with the business," he explains.

A close second quality is innovation. The leaps and bounds made with technology in just the last decade mean that Jain is on the lookout for people that can offer the freshest ideas. "From a treasury perspective, I look for people who can think outside the box and look for solutions that can provide a competitive edge to the business," he says.

Risk management

Naturally, risk management is a major consideration for treasurers in the commodity space. Agrocorp deals in commodities that are traded on exchanges which have deep liquidity, such as wheat, corn and soya beans, explains Jain. The company also deals in some commodities that do not have any hedging mechanisms, especially pulses, oilseeds and nuts. "The risk management for each set of commodities is very different," he says.

Jain notes that in previous organisations, he encountered the view that the only commodities worth getting into were the ones for which exposures could be hedged on the market. "Some trading companies have strong guidelines on dealing in commodities that only have a hedging mechanism – whereas some other companies look at this as a positive, and

want to work in places which don't have an exchange-driven market," he explains.

Modernising bank relationships

During his career, Jain has noted a significant shift where bank relationships are concerned. In the past, he says, "for every transaction, we used to approach the bank via phone or email." Communications with banks could be difficult, owing to the fact there was no dedicated communication system.

Since implementing the blockchain platform, however, Jain says that the company's bank relationships have become "very contextual". For example, if a transaction involves obtaining a code for a particular letter of credit from 30 banks, it's no longer necessary to write emails to those 30 banks. "Every time I input the details into the system, the entire request for code goes out to all the banks," he explains.

When it comes to competing for transactions, Jain says that when a bank isn't approved, it will receive feedback. "We are making banks compete for every transaction on a real-time basis, and every bank gets to know if they are losing business because they aren't competitive enough," says Jain.

The main benefits of this, according to Jain, are the ability to free up resources and access any number of banks with a single click. All interactions go into one system, stopping the cumbersome need for multiple systems interactions, and that system offers such in-depth information that it can benefit the banks too.

"When banks come for a review, we can tell them, 'these are 50,000 transactions that we have sent to your system – you were able to do this; you took this much time to respond on certain transactions,'" says Jain. "We can also tell a particular bank, 'you are good at handling some of the emerging markets risks, but you're not good in terms of pricing when it comes to developed market bank risks.'" By being able to offer such detailed analysis, Agrocorp is able to eliminate a lot of inefficiencies and effectively handle relationships with multiple banks.

Technological treasury

Given Jain's technology background, it's no surprise that he has a history of embracing opportunities for efficiency whenever they arise. "About three years back, most of our processes were Excel-based. I saw this as an opportunity," says Jain. Learning from his experience in other roles – not least how costly it can be to implement new systems – Jain is now looking to set up a "new-age ERP system" which can offer real-time tracking of every shipment.

"The legacy system can only talk about if an invoice has been created – it won't talk about whether it has been signed by the counterparty, or whether we have taken insurance on that commodity, or what is the status of the goods," he explains. He adds that where commodity trading is concerned, ERPs only handle information once a trade is completed – meaning there is a distinct lack of insight on all the processes in-between.

Agrocorp is currently in the process of implementing a new TMS, and Jain hopes that the new system will be able to extract more information from the DLT platform, as well as providing a more real-time view of the company's cash flows.

Alongside this, Jain notes, the new system will have much more accurate cash flow forecasting. "There is a lot of 'garbage in and garbage out', because treasury takes information from the ERP, which talks about contract dates, but doesn't have visibility over shipments and cannot project the cash flow correctly," he explains. "The system we're trying to implement involves real time tracking on shipments and payment to improve cash flow projection. When the information goes into our TMS, we need to be quite certain that whatever we have projected, we are going to get."

A key question to ask for the success of any ERP or TMS is 'how enriched is your information?', says Jain. "We are spending a lot of time getting the processes right, and trying to loop in all that information from the DLT blockchain platform into our legacy system – from FX, risk, cash flow, and funding standpoints – to get our TMS to give us a holistic picture."

Predicting the future

Looking forward, Jain says that innovation will be key to the future of capital markets. "One of the key things we're looking at for the next couple of years is that once digital bonds and the digital issuance of commercial papers become a reality, we may be able to attract global investors, reduce our cost of capital and have an ordered base of investors."

Where liquidity management is concerned, Jain believes the complexity involved in dealing with multiple banks will be a key challenge to overcome in the future. "When we deal with multiple banks – especially placing surplus funds in fixed deposits – there is no platform from which you can seek information from multiple banks on a real-time basis." He's hoping that either the regulators or a consortium of banks will get together to change this. "I want to see banks able to provide us with a deposit quote or an investment quote, on a platform, so that we can pick and choose."

When it comes to predicting the future for trade finance, Jain believes paperless processes are on the horizon. "A lot of processes have been digitised already, but we haven't seen some of the key players – such as the shipping agencies and the ports – becoming digital," he says. But with pilots currently being conducted in various geographies, he's hoping that it won't be long before the entire industry becomes paperless.

A finance and family man

Away from the office, Jain says he is a blockchain enthusiast who enjoys trading crypto-assets. The crypto-market is 24/7, he explains, and as a result he can always find time to do that as well as spending time with his family.

Achieving the right balance isn't always easy. When Jain's career started taking off, his children were much younger, and he acknowledges that finding a healthy work-life balance was something of a challenge initially. "Not every day is the same – you will always have month-ends, quarter-ends and year-ends, which can mean you are getting home late at night," he remarks.

By having the right processes in place, and by setting up people to be accountable for specific processes, Jain says it is possible to achieve and maintain a better work-life balance. "But it took me many years to get that process right," he concludes.

The role of SMAs in a low interest rate environment

Given that the ‘lower for longer’ rate environment looks set to continue well into 2020, investors seeking optimisation should be taking a dynamic approach. If a bespoke investment policy is desired, how about separately managed accounts? We look at their capacity to deliver the right results for treasurers.

With many more companies today holding significant cash balances, the quest for better yields in this ‘lower for longer’ interest rate environment has given the separately managed account (SMA) a new lease of life. Cerulli Associates research cited by Morgan Stanley showed that between 2010 and 2017, SMA uptake rocketed by 84%.

The key to the success of the SMA is that it takes a bespoke approach to cash investment (hence they are sometimes referred to as bespoke mandates). Unlike with mutual funds (such as money market funds), a SMA portfolio manager buys individual assets for its client’s investment guidelines unlike a pooled vehicle. The investor is thus not buying into a pool of assets, but buying – and owning – the individual assets. These assets may reflect the investor’s liquidity requirements, from the short to the long term, and, crucially, their unique investment guidelines.

SMAs are typically used by institutional investors (and some ultra-high net worth individuals), some of which may prefer direct ownership of the underlying assets rather than being in a pooled vehicle. “It affords them the ability to fine tune the risk and reward of their portfolio,” explains Tony Callcott, Head of Pan-European Liquidity Client Solutions, Aviva Investors.

To be effective as a portfolio, the right scalability of investment is needed. Assets under management for a client portfolio can start at around 200m currency equivalency, with no set ceiling. The bespoke nature of SMAs mean they can be more expensive to manage than pooled funds. Providers argue that the bespoke mandate and the broad segment of cash being invested (from short to long term), means increased scope for yield enhancement.

Ultimately though, says Dennis Gepp, Managing Director and CIO, Cash at Federated Investors (UK), “set-up costs will come down to the amount of hand-holding and personalisation required”. In any case, if the Cerulli Associates figures referred to earlier are accurate, it is seemingly worth the cost for an increasing number of investors.

By customising the portfolio according to individual financial goals, it enables the investor to better meet and manage their own guiding principles (such as risk appetite, need for liquidity or ESG drivers). In essence, says Gepp, SMAs are characterised by “flexibility, control and the transparency of owning selectable individual securities”.

KYC (know your...cash flows)

Treasurers with “significant but relatively well-known cash flows over an extended period” can leverage an SMA most effectively, says Gepp. For a corporate with a substantial purchase scheduled for a more or less predictable future date (an M&A for example) it can be fruitful. Rather than locking-in cash for an extended period and running the risk of not being able to redeem on time (or tolerating very low returns for the duration in the short-term space), he argues that SMAs can help companies maximise returns on their overall cash pot and allow them to unlock it close to the required date.

Aiming that cash at what the client considers is likely to be happening at a future date, and then maximising investment opportunities around that, is what Gepp calls the “focused flexibility” of SMA portfolio management.

This might be easier for some to do than it is for others. Investors with well-defined cash flows have easier and more accurate forecasting at their disposal; this enables their cash to be invested with a higher degree of certainty across a range of tenors. However, for many, such predictability is a challenge, notes Caroline Hedges, CFA, Global Head of Liquidity Portfolio Management, Aviva Investors.

Indeed, investors whose cash flows are largely dependent on price-volatile commodities, such as oil, understand only too well how market movements can affect their performance. “It’s important for all businesses that do not have predictable cash flows to map what proportion of their cash flow is volatile, so they can optimise their portfolio to get the best return,” says Hedges.

For Gepp, this deeper level of understanding enables the treasurer to be in control of their portfolio from the outset. “The aim is never to be in a position of forced sales, because it nearly always takes place at the wrong time,” he warns. “We do not want to be taking unnecessary capital risks for the client so, at all times, the investment manager has to balance likely movements of the client’s cash with the overall look of the portfolio and the desired results.”

Structuring a portfolio always starts with a consideration of the investor’s goals over the longer term (say, five years), taking into account their known and anticipated cash needs within that timeframe. This way, the investment manager should be able to build-in sufficient liquidity, whilst still optimising returns.

Since 2018 (2019 for existing funds) in Europe, this has translated into a regulatory requirement to maintain a daily minimum of 10% overnight liquidity, and a weekly minimum of 30% liquidity (the US has slightly different rules). With an SMA, these liquidity rules (and thus their impact) are not applicable as the investor and provider have pre-agreed the investment guidelines and liquidity requirements for the mandate.

Getting started

An SMA requires administrative work as part of the set-up. This may include the provision of a custody agent (a large treasury may already have one on board) and preparation of legal documentation, for example.

Callcott says Aviva Investors has been an established and diversified asset manager for a number of decades, and has a well-honed set of processes and experiences to deliver the expected outcomes from a bespoke mandate. Gepp similarly says Federated has comparable longevity and experience. Both say they are on hand for the duration to guide clients

through the set-up (Callcott quoting a turnaround of "no more than eight weeks in total", from initial approvals, via establishing guidelines, to taking it to market).

Building a portfolio

When it comes to portfolio building, even within similar industries, investor requirements can differ. Mandates will be driven by the selection of assets defined by investor liquidity needs as much as by cash optimisation. As such, the wholly bespoke nature of SMAs means there is no typical portfolio for a specific investor.

Callcott notes, some will focus on a relatively vanilla product range, whereas others are more prepared to chase yield, perhaps pushing out the duration and maybe looking to some fixed income and derivative assets. The point is that SMAs have the flexibility and optionality, in terms of asset class and duration, to meet most treasury investment criteria.

As such, if a treasurer is going to create a bespoke mandate, they should be seizing the opportunity to run different cash

Set-up process

Natalie Cross, Senior Client Portfolio Manager, Invesco, explains the SMA set-up process and some of its key considerations.

Scale is a key factor and unless it's sufficient to enable the cash to be invested with adequate liquidity and diversification it may prevent a mandate from progressing. Management fees can also be lower compared to a pooled vehicle, especially if the scale of the mandate is significant, although additional fees, including custodian fees, will need to be considered. The timescale for the mandate is typically set for a minimum two- to three-year time period, whereas a pooled vehicle is open-ended and therefore the investment period can be much shorter.

However, the path of a segregated mandate is often a lengthy process as it involves engaging with many parties. This includes legal, custody, trading and operations, IT and compliance, covering aspects such as client onboarding and anti-money laundering (AML) requirements, fund reporting, servicing and billing. The process, depending on the complexity of the investment mandate, can, from start to finish, easily take several months compared to a couple of weeks when investing in a pooled vehicle such as a money market fund.



For illustrative purposes only. Image courtesy of Invesco.

So where do you start?

The process begins with the establishment of the Investment Management Agreement (IMA) which defines the investment objectives and guidelines. Typically, the client will provide their initial draft of the IMA for the investment manager to review.

The portfolio managers, compliance and legal teams will all participate in the review, negotiating the terms with the investor until both parties agree. The investment parameters need to be thoughtfully structured to ensure they are flexible and adaptive enough to cope, not only with changing markets, but also allow for active investment decisions to generate consistent performance in line with the client's desired outcomes.

If guidelines are too detailed, they can often be counter-productive and not only lead to unforeseen increases in risk, but a detrimental impact to performance and limitations to the effectiveness of active investment management.

An equally key step is the appointment of a custodian who primarily will be responsible for safeguarding the assets being held and arranging settlement of any transactions, including the collection of income and payment of expenses.

Once a segregated mandate is established and funded, client reporting forms a large part of the ongoing communications as well as periodic reviews. Unlike with a pooled fund, where reports tend to be standardised, the reporting on segregated mandates is generally more flexible both in terms of format and frequency. An investment manager would work with their clients to understand the reporting needs and requirements in terms of portfolio reviews.

'buckets' within that portfolio, leveraging the ability to access a component of it on a daily basis, and keeping a larger proportion wrapped up in suitable longer-term investments.

Regardless of approach, the use of highly-rated (often AAA), low volatility instruments in SMAs ensures investors are not taking additional credit risk by going down the credit curve, says Hedges. "To get that additional return, we're taking advantage of the term-premium obtainable from investing in highly-rated issuers."

Environmental, social and governance drivers (ESG)

The capacity of treasurers to set their own investment parameters is a good draw for corporate cash. "Clients today are more aware of credit risk, and diversification and concentration risk," notes Hedges. Putting together a detailed investment management agreement for an SMA allows them to exclude certain counterparties or issuers where they have exposures elsewhere in the business and they don't want to increase their concentration with that issuer, or they are driven by certain ESG factors.

Of the latter, investors may believe that the ethical pathway attracts a pricing premium but, states Gepp, "taking ESG and sustainable finance into account does not equate with a reduction in yield". Where Federated takes a proactive ESG stance with target investee companies, he says it is "influencing by engaging" with them.

Helping these companies improve their sustainable finance and ESG deliverables has a positive impact, he claims, noting that "in the equities space, we have found that companies engaging with ESG have increased in value because the market judges them to be better-run businesses".

Aviva Investors has the capacity to integrate ESG into SMA options. Hedges adds that "product sophistication" is now strongly in evidence as part of an ESG-optimisation approach by investors.

Staying ahead

The level of cash forecasting within treasury is more refined than it was just few years ago. Whilst treasury is now well-positioned to manage the requirements of the SMA, these accounts do call for a hands-on approach, says Hedges. "But that one-to-one relationship and the building of a fund to the exact specifications that suit the investor, its risk appetite, and its return objectives, is very much a positive," she comments. It's also a two-way street.

The fund manager should be offering investors regular review meetings and reporting, above and beyond regular investment models. This may include monthly investment commentary and online portfolio updates, as well as face-to-face meetings, as required. As Callcott explains: "we need to develop that working relationship with the investor because with a bespoke mandate, we need to be rather more joined up in our approach."

Due diligence

Few treasurers are in a position to be able to employ teams of credit analysts to manage their cash. By choosing SMAs, a treasurer should expect its provider to use its expertise and

SMAs at-a-glance

Advantages

Customisation: treasurers can select the parameters for their investments and specify a risk-reward profile that suits their requirements.

Potential to earn higher yield: SMAs can enable the generation of improved yields when compared with MMFs or bank deposits.

Flexibility and control: if investment circumstances change, the investment guidelines can be rapidly changed to reflect this and keep in line with the treasurer's goals.

Transparency: assets within the fund are owned directly by the investor, giving full transparency of the assets within the portfolio.

Disadvantages

Set-up: SMAs may require detailed guidelines, documentation and legal agreements, along with the appointment of fund managers and custodians.

Engagement: treasurers may not have the time to be involved in their portfolio's ongoing management.

Understanding: treasurers require a higher level of understanding of the risks and rewards associated with each type of security so that they can agree the investment guidelines for their portfolio.

Minimum investment: a higher minimum investment is typically required compared to MMFs.

Fees: SMAs may attract higher fees than MMFs.

understanding of the markets to maintain portfolio performance. Thus, treasurers should choose managers they believe have good credit processes, sound underlying investment practices and, of course, sufficient demonstrable experience in this space.

Treasurers exploring SMAs for the first time may not know precisely what they want, nor what services may be available. Some may even have forged "unrealistic expectations", notes Hedges. In every case, treasurers should be seeking an explanation from their prospective fund manager as to how their funds will be handled, in terms of investment strategies, portfolio composition and different risk and return profiles. Treasurers may also wish to explore any value-adding services offered, such as collaborative input from in-house credit and liquidity specialists.

Due diligence will help treasurers gain a more accurate idea as to where their comfort levels lie, and how the SMA can deliver the best outcome from their cash investments.

2020 vision: why banks are embracing change

With the payments landscape undergoing rapid technological change, treasurers should be asking how their banks and technology providers are future-proofing their offerings.



Joanne Towers

Managing Director, Europe
Regional Head of Payments
and Cards, Global Liquidity and
Cash Management, HSBC



Michèle Zaquine

Head of Payments Advisory,
Europe, HSBC

The financial services world is changing rapidly, none more so than payments. Every bank in this space should already be responding to the transformational, innovative and fundamental change that open banking and APIs will bring, through groundbreaking solutions such as request-to-pay, the rise of corporate in-house banking, as well as the emergence of 'big tech' players becoming financial service providers.

Managed well, these transformative events, and others that will follow, are an opportunity for all stakeholders. But only those that have the vision to embrace new technologies alongside the imagination to form collaborative relationships will be able to fully meet the needs of ever-more demanding customers.

Open invitation

In terms of major impact, 'open banking' is in the upper reaches, says Joanne Towers, Managing Director, Europe Regional Head of Payments and Cards, Global Liquidity and Cash Management, HSBC.

Derived from CMA rules in the UK and the EU's PSD2, the idea of promoting competition and growth in the payments space through technology took off in 2018. With it now comes a regulatory framework protecting consumers and a whole new opportunity for third parties, including the ability to connect consumer and corporate payments, and payments data, to the individual customer experience through an increasing number

of channels. This, Towers explains, puts the customer in far more control of their transactional data, across all of their accounts; something that would not have been possible just a few years ago.

Although a regulatory play in Europe, open banking in North America and Asia has had a more commercial driving force, notes Towers. 'Big tech' players are increasingly engaging with their markets on the payments front, as they seek to bring about greater ownership of the customer experience.

By steering the development of a payments infrastructure that offers an end-to-end customer journey, where the payments process is but one step in an extended data-driven purchasing 'event', they are indeed taking that ownership to new levels.

But whilst it may look like the payments space is heading for a 'bank versus non-bank' showdown, Towers believes that it really is an opportunity for all stakeholders to collaborate for the greater good.

Guided tour

As an example, she reports that where a corporate is seeking cost efficiencies by adopting an in-house banking and centralised treasury strategy, it will still be looking to its bank as a trusted advisor. "We can guide them through that journey, helping them best understand the changes and the new technologies, such as APIs or virtual accounts that facilitate a move to their new structure," she explains.

In the big tech and retail sectors too, these businesses are still looking to embed banks within their own infrastructures as vital components of their end-customers' payments journey. The banks necessarily bring the expertise and resilience in clearing, for example, because non-FIs are not as well-placed to navigate the increased regulation and risk in this space.

However, when it comes to banks partnering with smaller fintechs, challenges remain, notes Towers. It's right that a bank will seek to leverage the undeniable expertise of the fintech community, but it can be difficult for the individual vendor to demonstrate that it has the necessary resilience and scalability demanded by the bank on behalf of its clients.

To help overcome this, HSBC has invested and worked with a number of select providers, and in doing so, enabled development of both the fintech as a business, and its product-set. HSBC aims to partner with the vendor until such time as they have grown sufficiently to stand on their own two

feet, benefiting both the vendor and the wider market in the process.

It's through this collaborative mindset that the customer will ultimately benefit. Michèle Zaquine, Head of Payments Advisory, Europe, HSBC, observes a number of different market participants – including fintechs, insurers, aggregators, big techs, challenger and virtual banks – which are all busy evolving discrete ecosystems. But driven in part by the wider push for real-time information, many of these players, she notes, are working towards ecosystem interaction – a kind of network of networks – so that not only do they serve their own needs but also, by intersecting at certain points, they serve a wider set of demands.

This spirit of collaboration extends to corporate clients where they seek guidance from banking and technology experts on how best to achieve their strategic goals. "We are seeing some traditional corporates – driven by the demands that PSD2 places on the new digital services they are providing – requiring e-money provider licences," notes Towers. "As a result of these new structures, clients look to us in particular to manage the regulatory requirements around these, and to provide appropriate solutions, across account and liquidity structures within their payments and receivables architecture."

Where the provision of new banking services and technology appears to be pushing the boundaries of the traditional bank-client relationship, it is changing the dynamic of the relationship. "We're very much a partner at the table with them now," she says.

Driving force

Some banks are naturally more open to collaboration than others. The so-called challenger banks on the high street, for example, only know this way of operation. The difference between consumer and corporate banking may seem clear, for now.

Retail banking has to deliver excellent service and an embedded digital offering – consumers demand it – and so it needs total customer awareness and agile development teams. But whilst consumer banking has been driven far harder than its corporate counterpart into the collaborative model, that gap is closing. This is notably so as a seamless digital experience, where APIs and real-time payments begin pushing this model on the corporate side.

Arguably, the translation of consumer attitudes into the corporate world is inescapable. Corporate customers, informed by their own consumer experiences, want to be able to order and pay in real-time. As real-time expectations rise, so more corporates need to be able to accept payments and progress orders accordingly. This effect has been notably gathering momentum in Asia, with big tech providers offering dedicated payment services to retailers.

"Companies need to be able to offer on-demand payment services and be able to reconcile information in the background," says Towers. "Real-time payments has made everyone change their expectations; everything needs to be 'now'."

It's easy to plot its progress. Contactless payments existed for many years before they took off. Now, with mobile options such

as Apple Pay and Google Pay, the move towards electronic payment solutions for e-commerce and collections, is taking a rapid leap forwards in most markets. The next big step, certainly in Europe, is request-to-pay. In the UK, the service is already being driven by industry authorities as part of the New Payments Architecture. Continental Europe, too, has a SEPA-driven variant; a number of hybrid versions are also emerging elsewhere.

"I think it will dramatically change the electronic payments landscape," says Towers. "It won't completely change the card space, for example, because they are embedded into so many markets. But request-to-pay puts people in control of their own transactions; they can even use an instant payment at point-of-sale without a card." Whether it removes cash, cheques or direct debits remains to be seen but, she asserts, request-to-pay is set to be a "transformative offering".

Getting what you want, not what you're given

One challenge with request-to-pay is the current lack of standardisation across solutions and markets. With individual banks and fintechs jockeying for position, the motivation to get it right is in plain sight: if it proves not to be frictionless for customers, it will not be adopted.

The idea that any new technology is fit for purpose pushes treasury involvement to the fore. Banks such as HSBC are working in partnership with treasurers from a wide variety of corporate clients. "We discuss and advise so we can get to the right solution in partnership with them," says Towers. "Gone are the days when bankers told treasurers what they were going to give them. Today, we need to discover what the changes are that the client wants and needs to make as part of their business, and then work to see how we can support them with the right solutions to achieve those changes."

Banks know that no treasurer will implement new technology for the sake of it. Real-time payments and collections may be the hot topic, but it is not needed in every case. It is therefore incumbent upon the bank and client to explore the most appropriate solution.

Although that discussion may be driven from unexpected angles – perhaps better use of working capital can be achieved by using a corporate or purchasing card solution, or maybe treasury prefers the predictability and control offered by direct debits – Towers believes that real-time is coming, simply because end-customers want it.

Zaquine adds that every business receiving funds 24/7 not only needs to think deeply about how to manage its working capital and intra-day liquidity positions, but also to consider the cyber-security and fraud angle.

Indeed, with every stakeholder needing to grasp the realities of new ideas such as open banking and real-time information, the discussion should now focus on how to evolve and grow together. Solution providers – banks and vendors – need to step away from old proprietary solutions which may never be agile enough to allow clients to adopt these new offerings. But, as Towers says, "that's why we're working with treasurers, with fintechs and other FIs, making sure these solutions work for everyone in the best possible way".

Do I know you? Authentication and identification for treasurers

With billions of dollars of transactions passing through the world's corporate treasuries every day, the function is potentially high-risk in terms of financial crime. As fraudsters attempt ever more audacious ways of stealing corporate cash and data, what measures can be taken to keep treasury safe?

Security controls are an everyday fact in all corporate banking activities. Indeed, identification and authentication are now expected components of doing business across all channels of interaction. And yet financial crime still happens.

For Jonathan Williams, Principal of payments, identity and fraud prevention firm, Mk2 Consulting, the simple explanation is that the criminals are very good at looking for loopholes in the way systems are configured, and they understand how to exploit people as the weakest link in the security chain.

e-challenge

The shift to e-commerce and immediate payments systems has increased the strike-power of criminals. Fortunately, the European Union, as part of its PSD2 deliberations in 2012, responded to the need to tighten up security. This aligned with work commencing at roughly the same time in the card space that looked at 3D security for e-commerce. But whereas fraud prevention has improved in this space over the past decade, criminals seeing a more secure card space started shifting their attention elsewhere, says Williams.

The targeting of corporate payments, ERP and TMS systems and even treasury personnel, is now a real threat. Attacks of this nature have grown over the past few years since Condé Nast was defrauded of around US\$8m back in 2010 through social engineering (although this wasn't an authentication failure per se but a failure to identify the supplier, or rather, the fraudster).

Identity and authentication processes try to ascertain who a business is really dealing with. In the treasury space, many treasurers use security devices to log on to each of their banks. Although these have proven fairly secure over the years, they have failed to enhance the user experience; any multi-banking treasurer knows all too well about the desk-full of tokens. It's been a great driver to move to the inherently secure SWIFT network, says Williams, but accepts that not every treasurer has this option.

It is personal

The challenge remains to deliver the best experience for treasurers accessing their accounts, either online or on the

phone. Some systems are secure enough, for now, but the highly motivated criminal makes success a moving feast, says Williams. "Authentication is trying to keep up, and we are seeing more processes geared specifically to the payment-service user," he notes.

In making it personal, the industry is trying to create the same level of trust across electronic channels that existed naturally when people used to present in-the-flesh at the bank to conduct business. To reach that level of trust, authentication is moving towards the combined use of several factors which are demonstrably independent of each other.

These include three primary categories: knowledge factors such as passwords; possession factors such as one-time passwords or authentication tokens; and inference factors such as biometrics. For business transactions in particular, biometrics are increasingly being adopted to authenticate the individual, alongside at least one of the other two factors. This is a notion referred to as multi-factor authentication.

With the advent of more automation in bank/corporate interactions, between ERPs/TMSs and banking systems, authentication of systems rather than individuals becomes essential. Herein lies another challenge, because currently legislation implies someone has to approve an automated transaction unless otherwise exempted.

Biometrics

In changing a bank mandate or adding new signatories, the bank still needs to know it is the corporate treasurer, or other authorised individual, actioning that. Biometrics is currently the best way to provide that confidence. Access to the right knowledge and possession factors do not in themselves offer conclusive identification; these could have been acquired by foul means.

Biometrics as part of multi-factor authentication processes work well. A treasurer using a mobile device to access a payments system may therefore use the device's identity (and its registration to the individual), the fact that the right password or one-time code is being used, and that the individual can offer up a correct biometric identity (a fingerprint, facial recognition, an iris scan or even how the phone is held).

Whilst the combination of these factors can deliver a higher degree of confidence that the individual is the real customer, it becomes more challenging when an extended sign-in process is demanded, such as where multiple signatories are required to make payments over a certain threshold.

Here, the principle underpinning success requires an understanding of who needs to be involved in the transaction, what level of confidence is needed in the identity of each individual to authorise the transaction, and what means each has at their disposal to prove it really is them, notes Williams.

And one caveat for biometrics, he notes, is the quality of the technology used to read biometric data; not all sensors are the same. Technology is progressing rapidly but with every innovation, only when it is deployed to a mass market will it reveal its true strengths and weaknesses. This pressurises the development process.

“Banks are now in a situation where they feel forced to use biometrics – and they do want to use it from a customer experience point of view – but they remain wary of putting all of their security ‘eggs’ in one basket,” he comments.

Instead, they are rightly considering what security factors, including biometrics, best support their own and their customers’ needs. Given that usable provenance only comes from mass-market adoption, banks and other FIs will need to be agile and flexible in their development programmes. They will also need to learn from real-world feedback as quickly as they can, because criminals will constantly be trying to undermine them.

BSI PAS 499: a joined-up approach

The range of different approaches to security suggests a lack of coherence across the financial sector. Understandably, each organisation bases its response on its own risk appetite and assessment of which solutions work best; this is likely to continue. The area where a more standard approach is desirable is around the documentation of authentication processes and procedures.

Launched in July 2019, British Standards Institute (BSI)’s Publicly Available Specification (PAS) 499, Digital Identification & Authentication Code of Practice (of which Williams was one of two authors) builds a risk model around authentication, addressing the elements that should be considered when trying to ascertain identity with the right level of confidence.

In essence, PAS 499 provides standardised recommendations and principles for security in online transactions and services. It covers identity, validation, verification and authentication. “Even where procedures and processes are different in each payment provider, PAS 499 offers a system of documenting them in the same way,” he notes.

Mindful that the same sorts of challenges are being faced by these organisations, and that they are therefore likely to come up with similar, if not the same, solutions, this set of guiding principles around factors such as strong authentication, anti-money laundering and biometrics, means the whole industry can begin moving in the same direction.

If implemented widely, PAS 499 at least gives regulators a level of confidence that participating FIs are taking the same security steps for each customer base, from consumer to corporate. It may even usher in the more collaborative



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Jonathan Williams, Principal, Mk2 Consulting

approach that could ultimately offer multi-banking treasurers an easier time as they access their different platforms.

Not infallible

Whilst there are many steps that can be taken to try to correctly identify an individual, confidence in the systems being used remains a potential issue in that it’s not possible to know with complete certainty that, for example, the mobile being used to transact has not been corrupted in some way.

“What we can aim for is making sure that the confidence of authentication matches the confidence needed for the transaction,” suggests Williams. “Doing so at least enables industry in general to reduce fraud levels. But I don’t think we are ever going to reduce them to zero, or ever know with absolute certainty that every individual is who they say they are.”

Indeed, there is always a theoretical chance that even if ten security factors are used, they have been compromised. Of course, the more factors that are used, the more obstacles are put in the way of the criminals, lowering the risk of fraud. But some of the more advanced technologies available also make it possible to detect fraud and financial crime before they have happened.

Stopping it before it happens

Where customers interact with their financial services providers through a growing number of digital channels, so the means of identification and authentication have necessarily grown in number. Each new access point creates another potential weak point, says Ian Holmes, Global Lead for Enterprise Fraud Solutions at SAS.

Cybercriminals use a moving feast of tools to access financial data. For example, ‘geo-spoofing’ enables criminals to use intermediate computers to hide their IP address and appear in a location that matches the stolen credentials. Hackers are also implementing ‘bots’ that use automated scripts to crack passwords. Social engineering is often used, targeting the weakest link of all, the human, with increasingly clever and convincing tricks that place vital information in the fraudster’s hands.

Proving identity is the critical first step in preventing fraud. But what if access has been gained fraudulently or an insider has criminal intent? Although arguably digitisation has complicated matters with regard to identity and authentication

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The term ‘know your customer’ is no longer good enough, know your transaction’ (KYT) is more appropriate.

Nick Armstrong, CEO, Identitii

management, Holmes believes that it also holds the key to resolving the problem. In particular, he cites AI and advanced analytics as the most effective means of improving security.

Together, he believes that AI and advanced real-time analytics can help organisations pre-emptively detect fraud, rather than them having to deal with the aftermath. AI and advanced analytics, Holmes explains, can be used to spot anomalies – activities that contradict the system’s constantly updating understanding of normal behaviour. With the capacity to do this in real-time, across huge pools of data, certainly far larger than any human could analyse with any degree of accuracy or speed, it means there is no hiding place for criminal activity.

This makes it easier, for example, for banks to stop fraud in the first place, and as the system learns, can reduce the number of false positives (challenges on legitimate transactions) that traditional systems create. This helps to reduce customer frustration and friction whilst maintaining high levels of security.

Despite the obvious advantages, few financial institutions are leveraging advanced AI in this context. Research from advisory firm Aite Group shows that only 10% of organisations are actively using machine learning analytics to orchestrate authentication. Whilst 50% are in the process of implementing these solutions or have them on their road maps, 40% are yet to take a firm stance on the adoption of AI. Clearly, an opportunity exists to improve the way customers access and use banking systems.

Anyone for KYT? Blockchain upholding the rules

For every transaction between bank and client, not only must the right of the individual to make that transaction be ascertained, but also the transaction itself must be shown not to be contravening any regulations, notably know your customer (KYC), anti-money laundering (AML) and sanctions regulations. It’s a serious matter: 58 AML penalties were handed down globally in 2019, totalling US\$8.14bn, double the amount, and nearly double the value, of 2018 penalties.

“The term ‘know your customer’ is no longer good enough,” states Nick Armstrong, CEO of Identitii, an Australia-based firm using blockchain technology to reduce the risk of fraud when data is shared between banks and corporates. Instead, he argues that the term ‘know your transaction’ (KYT) is more appropriate.

“We know traditional KYC is often only done once every few years at best,” explains Armstrong. “For corporates and banks, if the director or ultimate beneficial owner changes in the meantime, and this is not acknowledged, either party could be unknowingly allowing money to flow to terrorists or be used for money laundering.”

As a more rigorous and timely version of identity checking for financial crime management, KYT’s aim is to create a deeper real-time record and audit trail of KYC information, relating to

both the sender and the beneficiary of a payment. Identitii uses KYT in its Overlay+ platform. Monitoring is already a requirement under Financial Action Task Force (FATF) recommendation 16. Using KYT in Overlay+ KYT allows for details of the underlying purpose of the transaction to be appended, applying blockchain security to the entire process in real-time, to ensure correct screening at a corporate level, across every transaction.

Most of the rails that move money around limit the amount of information that can be included with the payment, Armstrong explains, and these limits are so low that it is rarely enough to allow corporates and their banks to describe what their transactions are for. “KYT aims to link rich information to every transfer to address this problem; banks using this system will no longer have to call their corporate clients to request information that wasn’t able to fit into the original transaction.” This is one of the main pain points of KYC.

Identitii was a winner of SWIFT’s Innovate Challenge on Compliance competition in 2016 and worked with seven large correspondent banks for a PoC that followed. Initially, it focused on reducing the risk of fines being imposed on banks for inadvertently allowing funds to flow to sanctioned beneficiaries. But with far-reaching consequences for KYC and AML regulation infringement (possible fines, sanctions, and reputational damage), corporates, too, have cause to check their counterparties.

But with many having spent large sums connecting to their banks, any solution has to be able to integrate with legacy technologies and existing payments rails. Armstrong says Identitii’s Overlay+ solution achieves this goal, adding that HSBC has already adopted it across five of its key markets, predominantly in Asia.

As a real-time overlay system, it allows AML, KYC and sanctions screening to be carried out prior to the payment being sent. As data is entered to set up a payment, it can be checked, the system effectively pre-validating that information before releasing that payment.

As part of its data verifying mechanism, the system leverages blockchain technology to create a fully audited record of information exchange that fraudsters will find impossible to circumvent. If any data (such as a bank account number) is altered for the purpose of invoice fraud, for example, blockchain, having applied a hash (or digital signature) to the underlying invoice, will immediately flag it up. It can do so in real-time at any stage in the payments process. Once alerted, the bank can suspend release of the payment, pending enquiry.

The whole notion of real-time processing in the fight against financial crime is an active area of investigation for many financial technologists. SWIFT, for example, currently has a team developing KYC, AML transaction monitoring and analysis, and fraud-prevention solutions as part of its wider Payment Controls programme. It aims to combine real-time monitoring, alerting and blocking of sent payments.

Just the ticket: Kenya Airways' treasury on going digital

Evolving from a passive back office focused function into a proactive leading-edge business partner, Kenya Airways' treasury explains how it is leveraging digitisation to meet the changing needs of this innovative carrier.



Geoffrey Langat
Head of Treasury & Corporate Finance



Benson Muhoro
Treasury Manager



Geoffrey Gursel
Treasury and Trade Solutions Head for Zambia and Sub-Saharan Africa Sales



When an airline is seen as being at the forefront of connecting Africa to the world, and the world to Africa, it had better make sure that its treasury operations can keep up. So it is that Kenya Airways (KQ), which for over 40 years has been the flag carrier airline of Kenya, has a financial function characterised by its progressive approach to digitisation.

Carrying over four million passengers every year to 54 destinations worldwide, 41 of which are in Africa, demands a nimble multi-banking operation. Notably in October 2018, Kenya Airways made history as the first African carrier to initiate non-stop flights between Nairobi, Kenya and New York. Given the expectations of its customers, many of whom want a fully digital booking experience, its treasury has been moving away from its traditional service role towards that of a "strategic player in the business", explains Geoffrey Langat, Head of Treasury & Corporate Finance, KQ.

Improving the efficiency of treasury, strengthening its internal controls, and bringing about closer integration with the rest of the business, has been a long-term project, adds Benson Muhoro, Treasury Manager, KQ.

Driven by the desire to improve the customer experience, and thus the airline's corporate image, he says the aim has always been to secure near real-time information sharing, enhancing treasury's internal and external business partnerships and, of course, supporting revenue growth opportunities for the airline.

Langat explains that the 'big picture' view fully emerged once provisional 'needs analysis' had established a hierarchy of priorities. A dedicated project team, drawn from treasury and its various internal customers, set a project scope spanning areas such as automated shared services in Nairobi, multi-bank account visibility, and, more recently, online and mobile ticketing. For each core component, he says the team issued RFPs.

Key partner

One of the most important 'quick wins' was driven by the airline's expansion into several new territories across Africa, and its subsequent additional banking requirements. With online access necessary for each relationship, payments presented a challenge, recalls Langat.

"We needed a solution with a simple login, that could issue payment instructions across all our banking partners and, on the same login, retrieve daily statements from these banks," he says. For this, KQ selected Citi's InfoPool, helping treasury make faster, more accurate cash management decisions, and CitiDirect BE®, enabling multi-banking transaction initiation.

In fact, with KQ having worked with Citi for many years, the evolution of the airline's treasury into one of the more sophisticated players in the region, has seen the bank play a big part in delivering balance and value-creation across KQ's ecosystem.

"The requirements of their evolving business tests treasury's capacity to manage its traditional responsibilities with new technologies and market intermediaries," notes Geoffrey Gursel, Treasury and Trade Solutions Head for Zambia and Sub-Saharan Africa Sales, Citi. "Our partnership continues to be about implementing products to help manage treasury-related risks and ensuring the traditional areas are as efficient as possible, but it's also about facilitating KQ's revenue growth through digitisation."

For Gursel, the application of technologies such as AI and machine learning allows clients such as KQ to better analyse its data and offer more bespoke products to its customers. With KQ "at a critical moment in taking its next leap forwards", he says Citi is offering its continuing support.

Having helped tackle payments and collections, Muhoro says that the next stage with Citi required host-to-host connectivity with KQ's ERP system. This was completed in 2018. Currently, he says, the focus is on fine-tuning the passengers' online ticket purchasing experience, again in partnership with Citi, enabling customers to pay using mobile wallets such as M-Pesa. A confirmations tool is also set to be implemented, commencing end February 2020, adds Langat. This, he notes, will deploy AI, automating a hitherto entirely manual reconciliations process.

Expectations

The outlook for this ongoing programme of digitisation at KQ is that the airline will benefit from improved efficiencies and cost reductions across all its operations, in treasury and beyond, says Muhoro. But he is also anticipating a stronger control environment to be achieved through real-time risk management, with treasury acquiring increasingly accurate and timely financial data. "And with our customer-centric approach, the customer experience will continue improving too," he adds.

With KQ set to continue meeting passenger expectations, Gursel comments that "it's our increasing aim at Citi to help our clients become their industry first-choice by providing data-driven insights to essentially help them better connect them with their end-consumers".



The power of a good partner

Having good banking relationships is a fundamental part of maintaining a working treasury – but some relationships are more effective than others when it comes to meeting the company's needs. We went back to basics to discover what constitutes a good bank relationship, and what can be done about bad ones.

A less-than-solid bank relationship is risky for both the corporate and the bank. For the bank, a poor relationship not only risks loss of immediate business, but also reputational damage – which can cause loss of future business too. For the corporate, a weak relationship could mean that when the corporate needs it the most, the bank may be less of a resource than expected.

In an ideal world, treasury-bank relationships would be equal. Unfortunately, this isn't an ideal world and so that's not always the case. Further, some companies have more negotiating power than others: a corporate with a large cash surplus may have more freedom when choosing banking partners, whereas a small corporate that has no surplus cash may be at something of a disadvantage.

It's a treasurer's responsibility to ensure that the banking needs of the business are being met, and that operations run

as smoothly as possible. However, this can become particularly difficult when companies have a presence in multiple regulatory geographies, resulting in numerous banking partners and decentralised treasury structures.

Good communications

For Setareh Golchin, Senior Treasury Projects and Bank Relationship at Total Oil and Gas, bank relationships should always be tailored to the corporate. "Each has a unique desire. For a bank, it's about strengthening loyalty to your client, getting to know your client's particular situation and needs, and adopting to changes in their financial and business needs," she says.

Golchin says banks should be focused on deepening and growing relationships with their corporate clients. Key to this, she says, is a good relationship manager "who should be

familiar with the bank's products and services in order to be able to introduce the appropriate products to the corporate."

Etosha Thurman, Head of Sales and Client Engagement at Capital One Treasury Management, believes that communication is key. "An ideal banking relationship involves openness and a willingness to partner together to drive efficiency and transparency in cash and risk management processes, with the goal of supporting business growth and profitability." Clear and meaningful communication with the right banking partner make this achievable, she says.

Two-way communication is imperative for a good bank relationship. But according to Golchin, the bank should be actively pursuing the corporate, keeping up-to-date with their enquiries and, more importantly, acknowledging questions when they are raised. "It doesn't add much when you send a query to the bank and it's not even acknowledged," she notes. "A corporate can only do so much on their side to try and maintain a good relationship with their bank, but the bank should also be keen on maintaining it."

Know the strengths and weaknesses

Understanding what a bank can offer a business is imperative to a good relationship. For example, a bank that is excellent for trade may not have the same strengths when it comes to cash management. PwC's 2019 Global Treasury Benchmarking Survey found that 'bank capabilities' was the most cited criteria for selecting a banking partner, with approximately 76% of respondents choosing it. This is quite a significant jump from the 2017 survey whereby it was approximately 37% and only the sixth most selected option.

"On a basic level, treasurers should look for a bank that will give them access to capital necessary to support their liquidity needs," says Thurman. However, she adds, treasurers also need to consider the bank's ability to help drive them towards best in class cash and risk management processes.

Treasurers should therefore be asking themselves, "Does the bank have a roadmap for driving future cash management technologies?" and "Is the bank making meaningful investments in digital treasury solutions that meet current needs and anticipated future expectations?", in order to choose the right partner.

Expand your options

For Golchin, the best way to choose the right banking partner is to go through a request for proposal (RFP) process. Through the various RFP decision and implementation stages – project planning, informing RFP participants, pilot phase testing, documentation, account opening and pooling, transfer of services – a corporate can learn and establish which bank is the right one for them to have a relationship with.

"I think one important aspect is the pricing that comes into it, and what pricing the banks can offer," she says. "This could be a huge competition in most banks and corporates are always looking to save costs." Golchin continues: "Also very important during an RFP process is that banks should deliver what they promise, and the focus should not just be on winning the RFP as a competition."

To get a feeling for whether a bank is looking to just win the competition, Golchin says having face-to-face meetings during

the process is the best way forward. "You can analyse and judge based on the information you have received – but when you're in a meeting you can tell if a bank is just in it for the competition to win, or if they're genuine with their responses."

Reviewing your bank relationships regularly is necessary to ensure that they are still meeting your needs. However, PwC's survey found that 48% of respondents reviewed their core bank relationships annually, whilst 27% reviewed them 'ad-hoc'. When it comes to secondary banks, only 30% reviewed them annually and 47% on an ad-hoc basis.

The survey recommends that "treasurers should conduct systematic, regularly scheduled reviews of their bank relationships," and that these reviews "should emphasise quantitative elements (eg the estimated wallet shared compared to the financing support received, and the investment made into new technology solutions), and qualitative elements like the level of day-to-day service."

Automation of processes

A fair question to ask about banking relationships could be 'why do they matter when everything is automated these days?'. And indeed, technology has taken on a significant role in all aspects of treasury. But human relationships do still matter. "Good relationships and automation are two different topics," argues Golchin. "Corporate clients, firstly, rely on the knowledge, expertise and experience of the relationship manager prior to automating any service."

Even when some aspects are automated, Golchin notes that human contact is still needed initially. "As much as we're trying to step away from paper, we still have to fill in forms and file documents. We've always had to complete a set of documents and be in touch in person before automating any service," she explains. For example, any documentation that needs completing and approval cannot easily be done with an automated system. "If everything has to be automated, it loses that human contact, which is just so important," she adds.

Thurman agrees. "While the industry is moving towards fully automated solutions, the reality is that we are not there yet," she says. Thurman notes that fintechs are "reigniting innovation" in the treasury and B2B payments space, but she also believes that banks are still leading the race in many areas. "Banks are driving towards comprehensive, optimised treasury management processes that are being built from dialogue and interaction with companies," she explains. Having a poor banking relationship leaves the corporate at risk of missing out on insight and innovation that banks offer, particularly in an omni-channel, multi-modal environment, she adds.

Hurdles to overcome

In Thurman's experience, the thing that affects a treasurer's relationship with a bank the most is technological sophistication and the ability to provide insight. "A treasurer should be cognisant of their bank's technological sophistication," she says. "A top bank will provide outstanding service to companies at various stages in their treasury technology journey, and assist them in that digital transformation if necessary." She adds, "While any reputable bank can provide data and services, the right bank will help you glean actionable outcomes from this information."

Indeed, a recent survey by The Association of Corporate Treasurers (ACT), The Business of Treasury 2019, found that technology providers were sixth in the list of external organisations that treasurers engaged with, while financial institutions stayed resoundingly at the top. The report questions whether the latter suggests that treasurers are relying on banks to provide their tech needs, or if they're simply focused on their day-to-day banking relationships.

For Golchin, it all comes back to communication. "I think banks should always be proactive in exceeding expectations. Failure to notify the client prior to establishing the issue does happen sometimes, and relationships have failed because the corporate has managed to establish what the issue is and let the bank know before the bank has even reached out itself," she explains.

Some communication issues, such as not responding to emails promptly, or at all, may seem small – but they can soon add up and lead to doubts about the capability of the bank, and how well equipped it is to meet the service demands of the corporate.

Jumping ship

If a relationship with a bank isn't working out, the logical thing to do would be to leave the partnership and find a new one. But this is easier said than done. In Golchin's experience, corporates, and especially medium-large corporates, often have hundreds of accounts, and the process of opening

accounts and going through know your customer (KYC) and due diligence checks can take months.

"The transitional period could take anywhere from three to six months, and if it's a bigger project with a high number of accounts, this could potentially last up to over a year," she explains. Rather than go through with the lengthy, and sometimes costly, process, she has found that some corporates occasionally just tolerate the bad relationship with the existing bank instead.

This isn't the norm, of course; nor should it be. "Switching should be easy," says Thurman. She suggests that if a treasurer believes that a bank cannot meet the company's needs, they should initiate a conversation with the bank to first see if there is anything additional that could be done. "If you remain unsatisfied, your bank should make it easy to move somewhere else," she says. "Banks are not interested in hindering their clients' progress or in penalising them for finding the right solution for their business," she adds.

Golchin agrees that switching should be easier, noting in particular that the process should not be long-winded. "Account opening processes should be reduced. I think in this day and age, documentation needs to be reduced, the processes need to be improved to at least reducing account opening from, say, a month, down to a week or two weeks," she explains. Strong relationships are important for both corporates and banks, so it makes sense that both parties should work together to make them as successful as possible.

The art of communicating

Communication, by definition, is a two-way process, with every message requiring a sender and receiver. Being a skilled communicator is not natural; it comes with practice. For many treasurers, the extension of the role into the wider business – and the inclusion as a strategic partner – means sharper communication skills are essential.

We've all had the experience of getting it wrong, so how can communication be improved? According to web resources such as Mindtools, Entrepreneur Europe and Lifehacker, there are several quite simple steps we can all take to improve our chances of getting our message across in a positive way.

- **Assertiveness not aggression** – assertiveness means having the confidence to say 'no' when necessary, yet still helping to maintain relationships on an even keel. Assertiveness, as with all communication skills, comes with practice. Begin by confronting mildly tense situations where you perceive the threat as minimal yet worth tackling. Learn to set reasonable limits and how to say 'no'. Respect yourself and let go of the guilt of saying no.
- **Tackling difficult conversations head-on** – avoiding an issue can allow it to take on a life of its own. When communicating a difficult issue, such as when dealing with a problematic relationship, using a tool such as the Situation – Behaviour – Impact (SBI) model can help focus the conversation and give it a positive direction.
- **Face-to-face matters** – written communication channels can fail to soften the blow of difficult messages because they cannot carry non-verbal cues, such as body language or tone of voice, that in-person communication offers.
- **Preparation is key** – any communication that is intended to have an impact should be subject to proper planning and preparation. Communicators should plan what they are going to say and how they are going to say it. We can't all be great orators or writers, but we can all take the time to prepare a credible, intelligent, and hopefully compelling message.
- **Everyone is different** – bear in mind that in a globalised business, cross-border trade can mean cross-cultural communication. Don't make assumptions; learn about your audience. An understanding of the people with whom you wish to communicate may suggest a rethink of your message, tone and approach, timing and even expectations, to avoid mis-communication.
- **Learn to listen** – the key to successful listening is to tune into the speaker's motivators, values and beliefs. Conversations should be used to learn from others, not as a platform to demonstrate your own intellect.

Paper-free trade

“ Despite much talk of AI and blockchain, many people still argue that it is not possible to have paper-free trade documentation. Are they right? ”



Daniel Cotti
MD Centre of Excellence
Banking & Trade
Marco Polo Network

For hundreds of years, trade finance has been essential for both domestic and cross-border trade flows. Currently, these transactions are responsible for a significant portion of global trade – 80-90% of global trade relies on some type of trade finance. In essence, every time goods or services are exchanged and sold across the border, there is some form of trade finance involved.

One of the critical problems in trade finance is the sheer volume of paper-based documents on which the information flow is based on. Many forms of trade finance such as letters of credit have not gone paperless and still rely on semi-automated and antiquated processes that are based around the physicality of the written word. Besides, these paper-based documents are prone to fraud because of the number of parties involved and the complexity in trade finance transactions.

More recently, service providers, financial institutions and their corporate clients are seeking to streamline processes, reduce transaction time and cost, as well as mitigate fraud risk by replacing the flow of paper with digital data flows and leveraging various technologies. Digitisation is driving down the cost of trade finance transactions and increasing the transparency for all parties involved. This can result in reduced credit risk, enhanced cash flow forecasting, and better allocation of working capital. By providing a global electronic counterpart made up of many interconnecting and intelligent networks, the trade finance market can become digital. By doing so, digital trade finance has the potential to be offered by a larger funding pool and to a much broader market, including SMEs.

However, the shift to digital has been very slow. The reason for the limited adoption is evident: trade finance transactions involve multiple parties, trading parties, financial institutions, credit insurers, shipping companies, customs and other services providers, all located in various jurisdictions and all of whom must adopt digital trade finance solutions.

The good news is that with the introduction of new technology such as blockchain and APIs, we can now more easily link digital processes across the different parties involved in trade. Applying new technologies in trade finance is not new, however, the pace of innovation in this area during the last year is something which has never been seen before.

Technologies such as blockchain have the ability to streamline the trade finance process and increase the speed and adoption of digitising trade finance. With blockchain, trade participants can create a digital ledger of transactions that is distributed amongst a digital network. On the network, each permissioned member can securely amend the digital ledger. The blockchain embodies all the necessary information in one digital document, which is updated and viewable by all participants on the network almost instantly.

Today, blockchain is already being used to simplify trade practices and replace manual and paper-intensive processes in trade finance. One example is Marco Polo, one of the largest trade finance networks with over 30 financial institutions, and tested by over 20 leading corporates including Daimler and MAN. The global network focuses on open account financing offered through a distributed trade finance platform. By connecting a critical mass of numerous parties in the trade ecosystem, it gives the much needed digitisation of trade finance a real possibility. In the coming years, we will see how the journey towards machine-to-machine trade finance is evolving and how many corporates, banks and third-party service providers are catching up and moving to mass adoption in one of the largest global financial markets.



Marie-Laure Gastellu
Deputy Head of Trade Services
Societe Generale

Many have blamed paper for the time-consuming and costly nature of trade. With such a bad reputation, it is no surprise that many hope new technologies will liberate us from the constraints of paper. Yet, the prospect of a fully paperless trade value chain within the next five years seems unrealistic.

Though there have been commendable initiatives designed to encourage standardisation – the International Chamber of Commerce and the Bankers Association for Finance and Trade are notable examples – we have a long way to go. Our industry involves many stakeholders who share few common standards, therefore paper is often unavoidable. Between the placing of an order and its delivery, manufacturers, shipping companies, port authorities and banks must reconcile the information they share in their own standards, sometimes varying from country to country. Despite its limitations, paper continues to help enable this.

One must also consider the problem of admissibility. The ambition to have paper-free trade can already be met with today's – and even yesterday's – technology. We could just stop printing the required forms and share them digitally, something for which AI and blockchain are not even necessary.

But the lack of shared admissibility rules within our industry makes this impossible.

Reducing the use of paper should not be pursued as an end in itself. Limiting paper use, and, where necessary, making use of AI and blockchain, is only worth it if it makes trade and supply chain processes more time and cost efficient. Paper should be regarded as what it is: a vehicle for information. The ability to decipher and share this information quickly and to a high standard is what differentiates best in class service from time-consuming, inefficient processes. It allows payments to be made quickly and prevents ships being stuck at port.

Societe Generale ensures efficiency in this area through membership of joint initiatives like we.trade, the first blockchain-based trade finance platform live in production. We also continue to develop AI-based tools that use optical recognition and machine learning to automate compliance and documents checks. In these technologies, it is not required to make paper disappear. However, where paper is used, it is used more efficiently, and human intervention is devoted to added-value interactions.

Paper will still have a future in the trade industry for years to come, despite much talk of AI and blockchain. As a very first step, these technologies are used to improve our operational efficiency to the benefit of our clients, in terms of speed, cost efficiency and security. And they are also the basis for a paper free trade industry one day.



Gert Sylvest
Co-Founder
Tradeshift and GM Tradeshift
Frontiers

The concept of 'going paperless' goes back at least 30 years to early iterations of the internet and desktop computing. Given the enormous technological leaps we have made during that time, I find it incredible that we are still having this debate at all.

Technologies like blockchain and artificial intelligence have undoubtedly potential to revolutionise key aspects of the treasury function, from greater efficiencies, through to enhanced KYC and innovative new financing options. To begin any discussion at this point, however, is to ignore a fundamental step in the journey, without which any benefits of emerging technologies are entirely irrelevant. So let's walk before we run.

The way businesses trade together has not really evolved much in the past 40 years. Digitisation within large enterprises is actually at a pretty advanced stage, and yet globally just 8% of trade transactions are digital.

The missing piece in the puzzle is digitisation between business partners across the broader supply chain

ecosystem. You can have the greatest level of digitisation internally, but if the partners you are dealing with – banks, suppliers, buyers, logistics handlers – are not digital, then the whole process reverts to the lowest common denominator.

Take a step back and compare this to the way you live your life outside of work. How many of us still receive a paper copy of our bank statement every month? How much more convenient is it to download a mobile copy of our boarding pass when we arrive at an airport, as opposed to having to remember to print these documents off at home?

Why do our expectations shift as soon as we go to work?

Firstly, most business software is simply not up to the job. Rather than making it easy for businesses to connect with one another, most business software is designed in islands. True digitisation is just not possible within this framework. The best you can hope for is the equivalent of a telephone that only makes calls to people who use the same telco provider.

Secondly, your business might be committed to digitising its operations and eliminating paper-heavy processes, but if the external partners you deal with are not on board, the system begins to break down. Most supplier onboarding initiatives involve a lengthy to-do list with no real upside for the supplier. That feels like a pretty one-sided deal, and no great motivator.

So what's the answer? The ubiquity of mobile, internet and social media mean that our personal lives are increasingly governed by a series of digital relationships. If businesses are to get rid of paper then the industry would do well to take inspiration from sites like LinkedIn, which foster a digitally connective ecosystem that makes it very easy to connect and share information.

Consumer technology also teaches us that if you want to influence behaviours, then carrots are far more effective than sticks. If your objective is to eliminate paper-heavy processes, you need to incentivise businesses to make the change as well.

To come back to the original question, technologies like blockchain and AI offer us a glimpse of an exciting future. They also open up the door for a range of innovations that will help suppliers see immediate benefits from going digital, from faster approvals through to enhanced supply chain financing options.

But before we can really say goodbye to the past, we need to get the basics right. The software exists to achieve full digitisation at scale, but the benefits this technology provides have always focused on the buyer. New technology is one thing, but if paperless is ever going to become the norm, then new perspectives and new business models will be required that offer benefits to the whole ecosystem of digitised business relationships.

Next question:

"What are the benefits of taking professional treasury exams?"

Please send your comments and responses to qa@treasurytoday.com

Will investors continue to choose US over Europe?

An ultra-left-wing Democratic presidential candidate – by American standards – who has the wind in his sails, European industry that is dealt blow after blow and a virus triggering global unrest. These are just a few developments that could give rise to pessimism about the global economic outlook.

However, investors in the US and Europe don't seem to be concerned at the time of writing. US shares have been performing significantly better than European shares. Furthermore, EUR/USD reflects higher investor confidence in the US economy versus the European economy. Do political developments suggest persistent higher confidence in the US financial markets this year?

Europe is faced with the following obstacles to a substantial improvement in economic growth.

Germany – which is widely regarded as the continent's leader – is struggling with internal political problems, as Chancellor Angela Merkel's intended successor stepped aside following a series of setbacks. The last straw was Annegret Kramp-Karrenbauer's (AKK) role in the uproar surrounding the election of Thuringia's state premier, where the regional branch of Merkel's and AKK's CDU, together with the Alternative für Deutschland (AfD), helped a liberal politician win the vote. This sent shockwaves across Germany, as it was considered to legitimise and endorse collaboration with the AfD – which is regarded as extreme right. AKK seemed to have lost control once again, with Merkel being forced to put things right. Elections are not scheduled until the autumn of 2021, but speculation on a premature end to Merkel's final term is rife now. Political instability in Germany will make it more difficult to steer a clear and dynamic European course.

Meanwhile, French President Macron tries to seize his chance to leave his mark on Europe. Macron is seeking to position France as Europe's geopolitical leader, and he wants to keep involving Britain – probably because Britain and France are the only European nuclear powers and the only countries that are able to flex military muscle. In addition, by keeping the UK closely involved in European matters, Macron wants to ensure that Germany does not run the show alone.

Macron basically only tries to achieve what his predecessors wanted to achieve: using Europe as a vehicle to boost France's international position. France does not primarily regard itself as a player that strengthens Europe; it regards Europe as an entity that supports its global ambitions.

New European power structures will crystallise in the coming years, as Britain has turned away from Europe, the giant economic gap between France and Germany continues to widen, and Germany will slowly but surely play the political cards where it was previously reluctant to do so in view of its history. In addition, the Eastern countries – led by Poland – are increasingly making their voices heard.

Europe may not be rudderless, but it lacks a clear course. On the upside, Europe was (fairly) united in the Brexit negotiations, policy in respect of Russia has, surprisingly enough, proved fairly consistent and coherent in recent years,

and Brussels continues to conclude free trade agreements. On the other hand, Europe is at risk of gradually being driven apart by China and Russia, support for NATO is plummeting and European refugee/migration policy is embarrassing.

The latter could cause European tensions to flare up this year. Western Africa is faced with a growing number of extremist attacks, violence is flaring up and national governments seem unable to curb it and, in some cases, make it worse. Furthermore, the civil war in Libya and the escalation in Syria between Turkey and troops of Syrian dictator Assad (supported by Russia) create an increasing risk of massive refugee flows to Europe.

In addition to the issues mentioned earlier, Europe – as the world's largest trading bloc with a fairly open economy – is still very vulnerable to protectionist trends and a further spread of the new coronavirus (officially referred to as COVID-19). The combined damage of an escalating trade war and the impact of the coronavirus may push Europe over the edge into a recession – also because recent economic data hasn't been very upbeat.

Policymakers and the ECB will have to absorb the impact if Europe is unexpectedly hit hard. However, they lack the resources to absorb such shocks, partly because the ECB's interest rates are at negative levels, and total debt positions in Europe are exceedingly high. In addition, many policymakers are wary of raising deficits. If a crisis situation arises, financial markets are likely to doubt, once again, whether the monetary union will be able to survive.

However, we suspect that Trump will put his animosity towards Europe on hold, as he does not want to break the economic momentum he has achieved in the run-up to the November elections. Incidentally, this momentum is fairly relative. US growth has fallen back to just above 2% – while Trump promised a growth rate of 3% or higher – and many Americans have only enjoyed little improvement in their situation in recent years. Yet 59% of Americans say that they are in better economic shape than a year ago and three-quarters believe that their situation will have improved in a year from now.

We believe a second term for Trump is the most likely scenario at this point. The stock markets will receive an additional boost as Trump's chances increase. It is only in the

longer term that the markets will be preoccupied with the structural damage that Trump is inflicting on the US economy – by inflating budget deficits to far higher levels, by undermining productivity – due to limited focus on, and funds for, training and education – and by continuing to erode international economic organisations and cooperation. In the shorter term, investors will mainly relish the prospect of more tax cuts, further deregulation and the further unleashing of so-called animal spirits in the US economy.

All this means that, from a political perspective, this year will see investors leaning more towards the US than towards Europe – even though US shares and the dollar seem to be overvalued. Europe is faced with too much political uncertainty and it makes too little progress. If Europe wants to be able to compete against giant companies in the US and China, it should not fight internally about a few billion euros more or less for the European budget.

In addition, we believe the immediate external threats for Europe are greater and more urgent than those for the US. We have discussed the pressure on European borders from North Africa and the Middle East. Moreover, Europe is more vulnerable to a decline in global trade than the US. Finally, whichever way you look at it, the EU has been weakened considerably – militarily, politically and economically – by the departure of Britain. The EU has lost the second largest economy and one eighth of its population. One could argue that the EU is able to move ahead now because the obstructionist UK will no longer be able to block policies, but this remains to be seen.

From a political point of view, European shares are therefore less likely to outperform US shares this year. In addition, the euro is unlikely to have a great deal of upside potential against the dollar. However, our technical analysts suspect that European shares could perform slightly better than US shares, based on the current unprecedented outperformance of US shares versus European shares.

In the longer term, the US will certainly be affected by Trump's actions. Investor confidence is bound to be damaged by Trump's policy of blocking competition, inflating deficits, alienating allies, undermining the Fed's independence and neglecting education, and so on. The dollar is likely to become a very weak currency by that time.

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TRADE

Connecting with the world

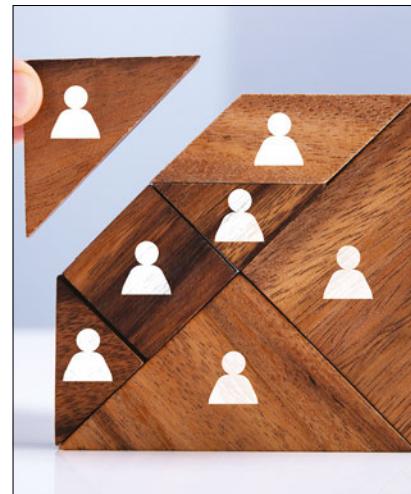
Trade growth is all about making strong connections, and yet the paper trail that follows cross-border commerce stubbornly remains the weakest link. We explore how digitisation can improve connectivity, paving the way for better business and stronger growth.



INSIGHT AND ANALYSIS

Sustaining the difference

It's everywhere you look but what does sustainability really mean for treasurers and their organisations, and how can individual functional and corporate activities really make a difference? We put sustainability under the microscope and seek some answers.



TREASURY PRACTICE

Working for the greater good

Every treasurer knows that they have more to offer the business but sometimes it can be difficult to find out how best to meet the needs of colleagues in other functions. In this feature we uncover how treasury can support business units effectively and make the most of these relationships.

We always speak to a number of industry figures for background research on our articles. Among them this issue:

Dan Carmody, Executive Director, TreaSolution; Beate Haumesser, Presales EMEA, BELLIN; Sander Van Tol, Partner, Zanders; Pat Leavy, CEO, FTI Treasury; Marcus Hughes, Head of Strategic Business Development, Bottomline Technologies; Patrick Verspecht, Group Treasurer, Trillium Flow Technologies; Tony Callcott, Head of Pan-European Liquidity Client Solutions, Aviva Investors; Caroline Hedges, CFA, Global Head of Liquidity Portfolio Management, Aviva Investors; Dennis Gepp, Managing Director and CIO, Cash at Federated Investors (UK); Natalie Cross, Senior Client Portfolio Manager, Invesco; Jonathan Williams, Principal, MK2 Consulting; Ian Holmes, Global Lead for Enterprise Fraud Solutions, SAS; Nick Armstrong, CEO, Identiti; Angela Cooper, Treasurer, Flying Food Group; Joanne Towers, Managing Director, Europe Regional Head of Payments and Cards, Global Liquidity and Cash Management, HSBC; Michèle Zaquine, Head of Payments Advisory, Europe, HSBC; Geoffrey Langat, Head of Treasury, Corporate Finance, Kenya Airways; Benson Muhoro, Treasury Manager, Kenya Airways; Geoffrey Gursel, Treasury and Trade Solutions Head for Zambia and Sub-Saharan Africa Sales, Citi; Daniel Cotti, MD Centre of Excellence Banking & Trade, Marco Polo Network; Marie-Laure Gastellu, Deputy Head of Trade Services, Societe Generale; Gert Sylvest, Co-Founder, Tradeshift, and GM Tradeshift Frontiers; Setareh Golchin, Senior Treasury Projects and Bank Relationship, Total Oil and Gas; Etosha Thurman, Head of Sales and Client Engagement, Capital One Treasury Management; Nitin Jain, Head of Treasury and Capital Markets, Agrocorp International Pte Ltd.



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