

EXECUTIVE SUMMARY

Future Treasury

**Ambitions versus actions:
something needs to change**



Nordea

A glimpse of the future: Will the treasury be relevant in 2025?

Corporate treasuries are facing an uncertain future. Digitalisation is transforming business models in every industry. The payments landscape is changing dramatically. There's cybercrime, political conflicts and market volatility to contend with. To find out what this all means for Treasury 2025, we surveyed treasury and finance professionals from 131 large corporates in the Nordic region. We found that while treasurers are generally optimistic about the future, they may not be doing enough to ensure their longevity. In this executive summary we share our key findings.

20%

of treasurers believe no major change is needed to ensure their future strategic relevance. Our findings suggest otherwise.



Treasuries have strategic ambitions

Only 1% say the treasury won't be a strategic function by 2025. Treasuries expect to be doing more of everything—managing working capital, entering new markets, driving sales and procurement, and supporting business development. Treasuries also expect to be far more engaged with the business in supporting digitalisation.

Support digitalisation

Strategic partner for management

Managing corporate working capital

By 2025

treasuries expect to be engaging more in these areas



Automation will free them up

How will they have time for these extra responsibilities? Treasuries expect to be doing a lot less back-office work—it's expected to fall by 24 percentage points by 2025. That's likely to be facilitated by greater automation of routine tasks. From accounting and netting, to reporting and structured trade finance, the treasury expects automation to increase significantly by 2025.



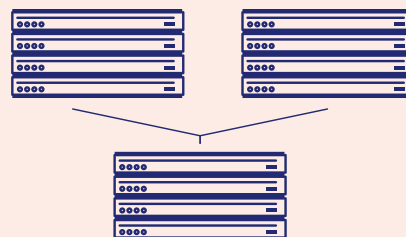
24% pts

Back-office work is expected to fall by 24 percentage points



The road won't be easy

Treasuries aren't under any illusion that it will be an easy ride. Many are worried they're lacking the right competencies—so they're looking for new employees with skills in technology and IT, fraud prevention and compliance. They're also streamlining their systems. Of the treasuries that have more than one ERP, over 61% plan to rationalise and reduce the number of systems they're operating. But are they doing enough?



61%

plan to reduce their number of ERPs



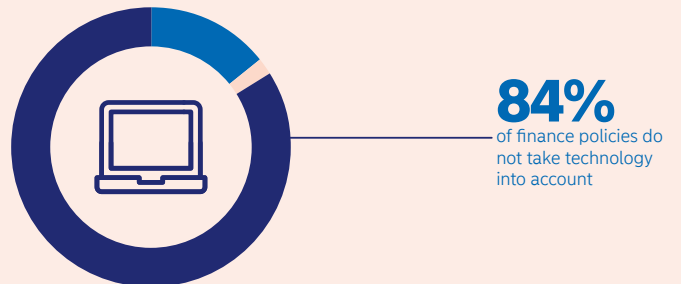
They're not future-proof yet

With their strategic ambitions, you might expect treasuries to be urgently future-proofing their management systems. However, more than half (51%) say their management systems aren't future-proof. Three-quarters (76%) of those say their systems need a major upgrade. Surprisingly, 13% of those that say their systems aren't future-proof have no plans to upgrade them.



They're not taking technology seriously

While 98% of treasuries have a finance policy, only 14% of finance policies take technology into account. That suggests that even if they have a separate technology policy, it's not integrated with finance objectives. That's surprising, given that 26% of treasuries say the early adoption of tech like AI and robotics will be key to ensuring their future relevance.



The business doesn't see them as a partner

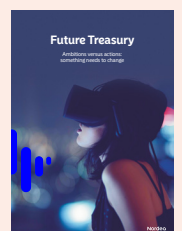
While the treasury hopes to drive digitalisation, the rest of the business doesn't see it that way. Only the CFO currently sees the treasury as a digitalisation partner. In fact, when it comes to the CEO and Board of Directors, less than a third see it as a digitalisation partner. This suggests that the treasury is still isolated from the wider business, and it's not a proactive or leading voice.



Next steps

There's a lot of work to do by 2025. Treasuries need to start thinking long-term. They should be collaborating with IT to implement new technologies and actively engaging with the C-Suite on digitalisation. Or it could be more than just admin tasks that become automated—and the 1% that say the treasury won't be a strategic function that are proved right.

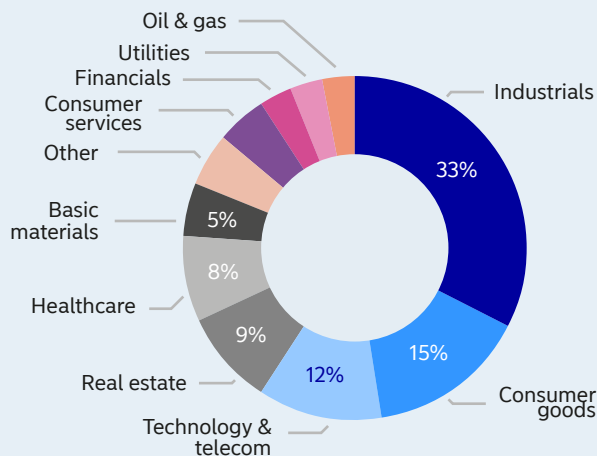
To find out more about the issues facing the treasury, download the full Future Treasury Report 2018 from Nordea Insights, insights.nordea.com/futuretreasury



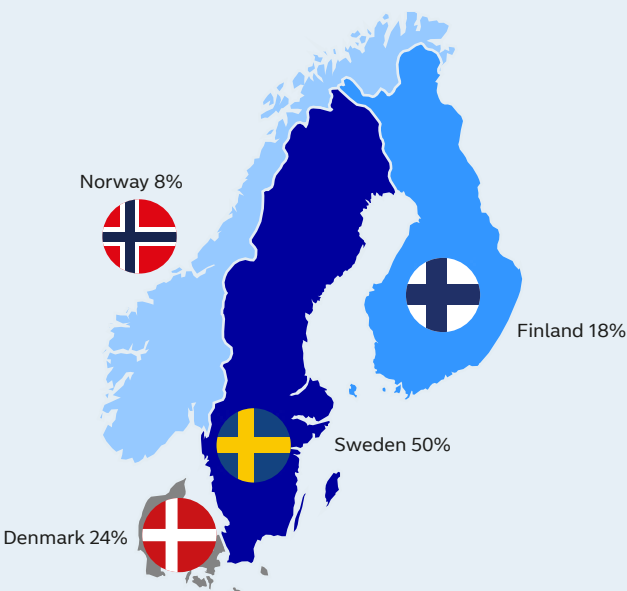
About this survey

The Nordea Future Treasury survey was conducted in the first half of 2018. We received responses from 131 large corporates in the Nordic region.

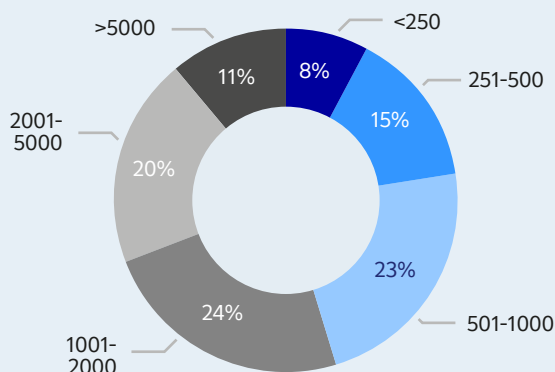
Industry



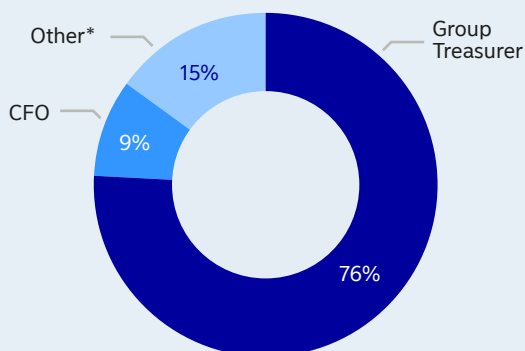
Country



Revenue EURm



Survey respondents



Other respondents:
~7pp relating to treasury (Treasury Manager, Treasury Director)
~6pp relating to finance (VP Group Finance, Finance Manager, etc)
~2pp group controlling and accounts management.

Contributors



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Johan is responsible for Nordea Research's Thematics unit at Nordea Markets, having spent the five years prior to this developing thematic research in Nordea Corporate & Investment Banking. His involvement with large corporate customers includes 20 years as a Nordic and European Capital Goods analyst in equity research at investment banks in Stockholm and London, including Goldman Sachs, UBS, Deutsche Bank and Alfred Berg.



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Hemming is an analyst at Nordea Research. He joined the Thematics unit after a stint in Strategy & Quant, during which he also worked with company-specific equity research. Having joined Nordea after graduating with a BSc in Business and Economics from the Stockholm School of Economics,