INDUSTRY GUIDE

How Treasury Can Drive Collaboration Across the Office of the CFO & Beyond

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TREASURY'S INTERNAL RELATIONSHIPS ARE IMPACTED BY EVOLVING WORKPLACES & TECHNOLOGIES

While the ability for treasury teams to communicate effectively with different departments and stakeholders has always been an important component of their role, the technologies and workflows used to facilitate this communication have evolved quite rapidly within a short period of time.

In recent years, continued innovation in cloud services, SaaS applications, and mobile phones - as well as more recent breakthroughs in artificial intelligence (AI) and machine learning (ML) - have all propelled major shifts in the technology habits and standards through which corporate communication is conducted. At the same time, a new-age workforce consisting largely of remote and "hybrid" staff members is driving adoption of a whole new suite of collaborative tools and solutions.

Data highlighting the suddenness of this digital shift (particularly during the Covid era) was evidenced by 4,700% growth in monthly active Zoom video users between 2019 and 2020[1], as well as triple-digit growth in active Microsoft Teams users during Q1-Q2 2020[2]. The adoption of core Fintech and treasury technology like TMSs and payment hubs was exceptionally high during this period as well. And now in 2023-2024, industry insights continue to highlight that treasury's ability to coordinate with colleagues across the Office of the CFO and within IT, Legal, and HR is not only instrumental to their overall success, but also depends heavily on the efficacy of their digital architecture.

WHY DOES THIS MATTER?

For high-level treasury and finance executives, it is easy for a lack of communication and visibility across various field offices, entities, and departments to cause problems. For instance, if financial data from these offices takes days or weeks to reach company HQ - or regular communication between these offices is consistently obstructed - the impact on cashflow operations, payment processing, and fraud or compliance resolutions can be extreme. Cash forecasts become less accurate, working capital becomes harder to manage, AP fraud becomes harder to spot, and many of the company's broader financial strategies take a hit. And in a world where access to real-time insights and information have increasingly become the norm, treasury and finance leaders can no longer afford to let inefficient collaboration or communication workflows go unaddressed.

Ultimately, this means that in order for modern treasury teams to effectively perform their role as the steward of payments and cashflows, prioritizing the establishment of clear communication channels with the company's global offices, subsidiaries, and related departments is a must. This is true both with regards to the data channels used to transmit funds and information (TMSs, ERPs, bank portals, etc.), as well as the direct communication channels through which team leaders, managers, and other personnel interact (Zoom, Teams, Slack, etc.). It may also require treasury to prioritize developing skillsets that will help them become better communicators, both within the data / analytics and verbal / social realms.

Let's explore further.

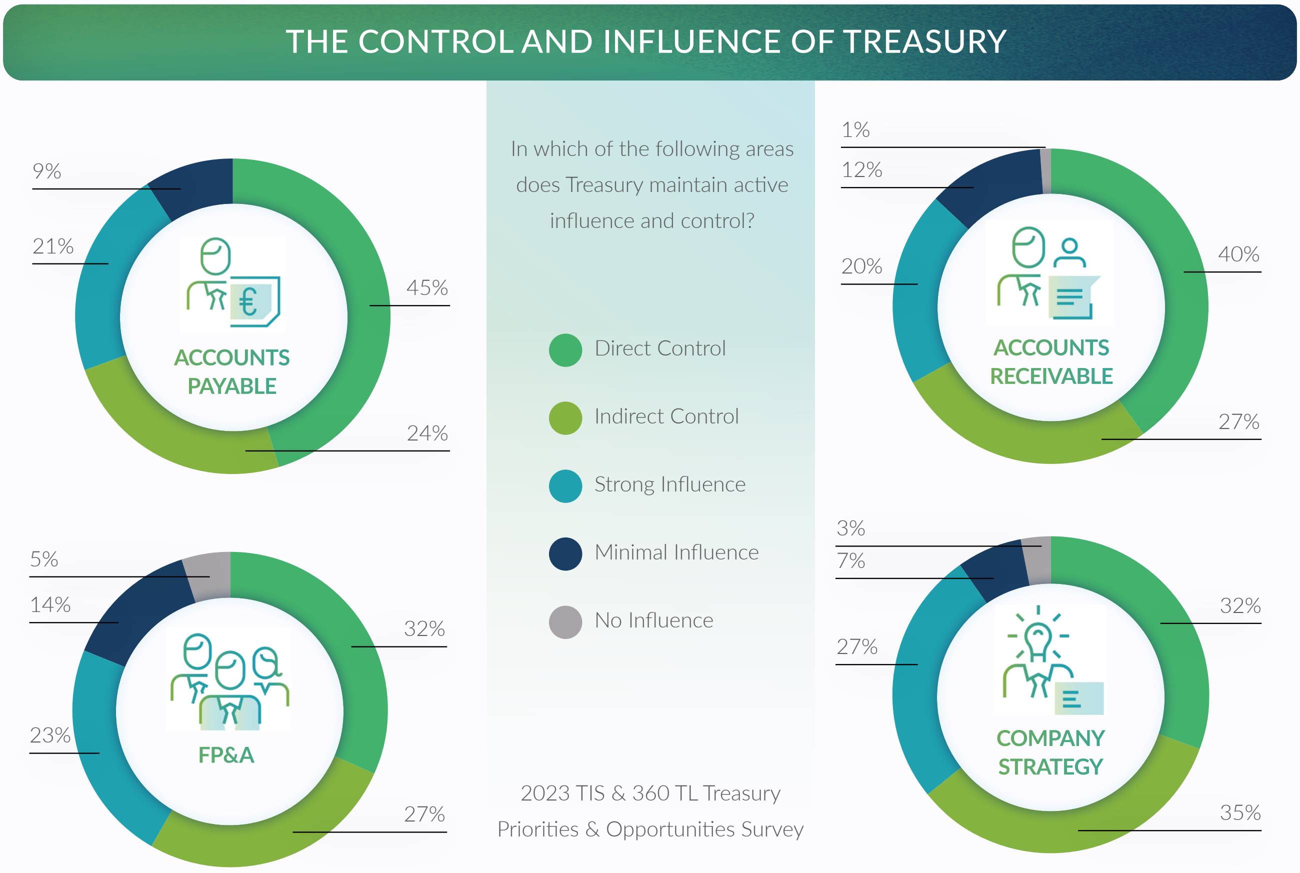
HOW HAVE TREASURY'S COMMUNICATION CHALLENGES EVOLVED IN RECENT YEARS?

For modern treasury professionals, critical functions surrounding cash flow orchestration, data management, financial reporting, payments execution, and regulatory compliance all require constant communication with a myriad of different groups.

In 2022, an AFP study of more than 300 treasury professionals found that leadership and communication skills ranked 3rd and 4th out of 14 skills that were increasingly being applied by practitioners to support their organization. In addition, between 35-43% of practitioners noted a consistent increase in communication between treasury and the CFO, as well as AP, AR, and legal teams in the past 24 months[3].

Most recently, a 2023 TIS survey with 250+ respondents highlighted that nearly 50% of practitioners have become strategic partners with the CFO, while 69%, 67%, and 59% of treasury teams hold influence over their company's respective AP, AR, and FP&A operations[4].

Although there are a variety of different factors influencing these collaborative trends, the following five are those that seem to be having the largest impact at this point in time.



5 TRENDS ACTIVELY SHAPING TREASURY'S COMMUNICATION PROTOCOLS WITH OTHER TEAMS

1

Growing Complexity of Global Financial Operations

The financial landscape has become more complex with globalization, evolving regulatory requirements, and advanced financial instruments. This complexity necessitates close collaboration between treasury and other stakeholders to ensure effective risk management, optimal cash flow, and informed financial decisions. As a whole, cross-functional partnerships enable a more holistic approach to financial operations, as the unique insights and expertise held by specific departments can all be combined to better address the challenges posed by increasing complexity.

2

Elevated Role of Treasury in Strategic Decision-Making

In recent years, numerous industry studies have highlighted the extent to which treasury has evolved from a mostly transactional role into a more strategic partner internally. In a 2023 survey, 57% of practitioners indicated that the strategic value of their function had increased from the previous year, with 25% indicating they were now a key adviser to the CFO on strategic matters[5]. In large part, Treasury professionals now hold a prominent position in high-level decision-making, capital allocation, and financial planning. As a result, they have a greater need to communicate with finance teams, controllers, and senior executives to share reports, data, and insights for strategic decision-making. This collaboration ensures that treasury's perspectives on everything from cash flow and payments to security and risk are considered in the overall financial strategy of the organization.

3

Integrated Back-Office FinTech Environments

In today's business environment, financial management is no longer limited to individual silos within the organization. Instead, performing even the most basic tasks requires coordination across different functions, entities, and business units. Similarly, the digital evolution of finance has impacted treasury operations significantly as new cloud technologies, data analytics tools, APIs, and advanced Artificial Intelligence (AI) and Machine Learning (ML) tools have streamlined processes and enhanced efficiency. However, given the number of different solutions that comprise a corporate's back-office and the myriad of integrations and workflows covered by these tools, collaboration across teams is essential to ensure successful technology integration, data transmission, and overall unification of the underlying financial workflows and platform architectures.

4

Stringent Risk Management Standards

Given their position at the helm of company bank accounts, payment processes, and cash flow insights, the modern treasurer plays a crucial role in identifying, assessing, and managing financial risks. Because these risks can have enterprise-wide implications, evaluating and assessing them requires collaboration with stakeholders across the Office of the CFO. For example, managing liquidity risk involves close coordination with cash management teams, as well as AP and AR staff. On the other hand, analyzing the risk posed by unstandardized banking processes and siloed payment workflows would require input from legal and compliance teams, as well as IT from a technology perspective.

5

Evolving Regulatory Landscape

Compliance with financial regulations and standards is of paramount importance for organizations, and treasury specifically. Because of the broad number of payments and banking regulations that exist globally, as well as numerous data privacy, network security, and financial management standards that impact practitioners, establishing and maintaining robust internal controls is a massive undertaking that requires a group effort. For this reason, partnering with HR, legal, and compliance teams closely to evaluate these regulatory parameters helps treasury address compliance requirements and ensures consistency in implementing regulatory practices across the organization.

WHAT ARE THE MAIN DEPARTMENTS TREASURY COLLABORATES WITH & WHY?

When we examine the internal groups that treasury frequently collaborates with, several departments are usually top of the list. Within the Office of the CFO, these groups include Accounting, Accounts Payable and Receivable (AP / AR), and the Financial Planning and Analysis (FP&A) team. This is in addition to constant communication with the CFO directly as well.

Outside of these teams, additional groups that treasury often partners with include Information Technology (IT), Legal, and Human Resources (HR). To better understand the primary drivers behind these each area of communication, the below lists provide additional insight.

Increase In Treasury Interaction With Other Departments In Past Two Years (% of Organizations)

	All	Senior Treasury Professionals	Core Treasury Professionals
C-suite/CFO	43%	49%	34%
Accounts Payable	43%	38%	48%
Legal	38%	37%	39%
Accounts Receivable	35%	30%	42%
Tax	32%	34%	31%

Source: 2022 AFP Strategic Role of Treasury Survey

CHIEF FINANCIAL OFFICER (CFO) / C-SUITE

In 2023, industry data saw 25% of treasury groups playing a direct role in discussing strategic matters with the CFO, while another 37% were key contributors of data and information to fuel strategic decision making[6]. In either case, practically all treasurers report either directly or indirectly to the CFO, who will regularly rely on the treasury group to provide them with insights on a broad variety of financial matters, including the following:

1. Financial Reporting & Strategic Planning:

As shown above, recent data has highlighted that treasury is increasingly relied upon to inform the CFO on strategic financial planning initiatives. By providing accurate and timely data on cash flows, liquidity positions, capital allocation, and risk metrics, treasury contributes to the development of financial strategies and long-term strategic planning. Collaboration in this regard often involves discussions on financial goals and KPIs, assessing investment opportunities, and aligning treasury's cash flow and payments activity with the overall financial strategy of the organization. Treasury may also help spearhead new financial initiatives borne out of this analysis, such as for supply chain financing, bank fee rationalization, or new debt and investment allocations.

2. Funding & Capital Structure

Treasury and the CFO may need to routinely discuss funding and capital structure decisions. The collaborative element in this scenario would focus on evaluating different financing options, such as debt issuance, equity offerings, or capital investments. Treasury's role would be to provide analysis on liquidity needs, interest rate considerations, and credit requirements, while the CFO would oversee the broader financial implications and ultimately determine the optimal capital structure. The goal of this communication is to ensure alignment between treasury's funding and liquidity requirements and the CFO's strategic objectives.

3. Merger & Acquisition (M&A) Activities

For organizations with recurring M&A activity, treasury and the CFO must work together to assess each potential acquisition or divestiture, evaluate financial implications, and manage cash flow during the transition and transaction processes. Treasury may also provide analysis on funding requirements, financial due diligence, and integration planning. This integration component – both from a workflow and technology perspective – is crucial, as failing to cover this element often results in overly siloed operations across each entity which significantly hinders group-wide financial performance over time. For this reason, treasury must work to understand how the workflows of new M&A targets identified by the CFO would be best incorporated to the existing structure of their company, and also determine how any new banks and back-office systems will be integrated or eliminated over time.

4. Investor Relations

While investor relations may not be a huge priority for treasury, they are certainly a top priority for the CFO. For this reason, treasury may be relied upon to help communicate the organization's financial performance, strategies, and growth prospects to shareholders, analysts, donors, and investors. To achieve this, treasury will be asked to provide financial reports, cash flow projections, and insights into capital market trends, while the CFO guides the messaging and strategy for investor communications. Collaboration also often involves preparing financial presentations, participating in investor meetings, and aligning financial messaging with corporate objectives on an ongoing basis.

5. Risk Management

Although day-to-day risk management is less of a concern for the CFO, minimizing the overarching financial risks faced by the company will be of paramount importance. And given treasury's purview over company cash flows, payment statuses, and liquidity positions, the CFO will rely on practitioners to deliver many of the insights they need to understand and manage risk. For instance, treasury is often the internal stakeholder with the greatest visibility to foreign exchange risk, interest rate risk, credit risk, and liquidity risk. As such, they are relied upon to provide risk analysis and help implement risk mitigation strategies, while the CFO ensures that risk management activities align with the organization's risk appetite and overall financial objectives. Collaboration involves regular risk discussions, scenario analysis, and implementing risk management frameworks.

ACCOUNTING

In many ways, treasury and accounting comprise the "front-end" and "back-end" of financial processes. That is, while treasury is actively managing payments and cash positions, accounting is following up to develop reports on financial activity, reconcile the records, and ensure consistency and alignment with key financial figures. For this reason, accounting will rely on treasury to deliver accurate financial data and insights, which is particularly important when it comes to reporting and reconciliation, as well as technology integrations and cash forecasting. More detail on these elements is provided below:

1. Financial Reporting & Audits

Treasury and accounting collaborate closely to ensure accurate and timely financial reporting. To this end, it's treasury's responsibility to collect information on cash positions, debt and investment activity, and foreign currency transactions, while accounting ensures proper accounting treatment and compliance of these reports with relevant regulatory standards. In large part, treasury is tasked with executing financial decisions and then collecting and aggregating data for accounting, who then focuses on validating, summarizing, and reporting on it. By working together, the teams can more effectively reconcile data, identify and address financial discrepancies, and produce accurate financial statements for the C-Suite, board members, and shareholders that reflect the organization's position.

2. Bank Statement Reconciliation

Treasury and accounting must work cross-functionally on bank reconciliations to ensure accurate and up-to-date bank balances. While it's treasury's job to collect bank statements and transaction data, accounting verifies and reconciles the data with internal records. Through this process, they can quickly identify and resolve discrepancies, investigate any unusual transactions, and maintain accurate bank reconciliations. This process may also help uncover excessive bank fees or costs through one partner or region that can be adjusted. In the modern era, bank reconciliation workflows are typically automated through the use of an ERP system, or by connecting accounting's ERP(s) with treasury's TMS or bank portals for automated transmission of bank statements and core financial data between the two teams.

3. Financial Technology Implementations

Because Treasury and accounting often use their own set of software systems or modules, they must collaborate closely during the implementation or upgrade of these financial systems to ensure adequate integration and workflow automation. Typically, accounting will leverage an enterprise resource planning (ERP) system, and treasury will use a dedicated treasury management system (TMS) or other specialized platform. By working with each other and with IT to jointly define system requirements, evaluate vendors, and contribute to the design and configuration of the systems, they can ensure that their back-office architecture addresses both treasury and accounting needs, enables efficient data flows, and facilitates seamless integration between each's respective functions.

4. Cash Flow Forecasting

One primary area of focus for both treasury and accounting revolves around developing accurate and comprehensive cash flow forecasts. To create and produce forecasts, treasury will prepare information on expected cash inflows and outflows and leads with the creation of the core forecast. Accounting's involvement focuses on contributing insights into historical cash flows, revenue recognition, and expense patterns, and they may also help run variance analysis on treasury's forecasts to compare the projections with reality. These efforts help to ensure alignment on financial data, validate treasury's forecast assumptions, and create reliable cash flow projections to support financial decision-making over time.

5. Intercompany Transactions

Collaboration between treasury and accounting is crucial for managing intercompany transactions effectively. For companies that have established an in-house bank or that regularly execute intercompany loans and payments, constant communication becomes essential. Although Treasury may oversee intercompany loans, cash pooling, or transfer pricing arrangements, it will be accounting that ensures appropriate recording, elimination of intercompany balances, and compliance with intercompany policies. These tasks are hugely important for companies operating in regions with strict regulatory standards that govern intercompany activity. By working together, treasury and accounting can quickly reconcile intercompany balances, address any mismatches, and maintain accurate intercompany accounting to comply with these standards.

ACCOUNTS PAYABLE & ACCOUNTS RECEIVABLE

In a 2023 survey, 45% of treasurers indicated they played a direct role in helping steward AP operations, with another 40% playing a direct role in managing AR workflows[7]. A large majority of other respondents indicated that they played indirect roles in each process. Given the extent to which treasury and AP / AR operations overlap, it's no surprise that there are a multitude of areas where collaboration between the groups is key. Below are a couple of the most prominent examples:

1. Cash Flow Forecasting

Treasury regularly works with AP and AR personnel to enhance cash forecasting and budgeting processes. If these teams are able to share accurate and timely data on payables and receivables in a consistent manner, treasury can achieve significant efficiency in the accuracy and reliability of their cash flow projections. Depending on the level of technology development that is present, this process may involve manually sharing invoicing and collection data via email and Excel, or working to integrate various software platforms together to automate this workflow. Collaboration will likely also involve regular meetings to discuss cash flow forecasts, identify potential discrepancies, and align budgeting assumptions based on payable and receivable trends.

2. Working Capital Management

Treasury and AP / AR will often collaborate to effectively manage working capital by optimizing payment cycles, analyzing payment behavior, streamlining invoice processing, and improving collection processes. There may also be a supplier or trade financing component attached to these efforts, especially for companies with a large vendor and supplier base. Collaboration can involve creating shared KPIs and analyzing working capital metrics, identifying bottlenecks to managing liquidity and receiving payments, and implementing initiatives to improve the cash conversion cycle.

3. Vendor & Credit Management Programs

Vendor management programs are a subject of shared interest for treasury and AP, who work cross-functionally to identify key vendors, negotiate payment terms, and establish relationships. Some common elements of these programs include early payment discounts or supplier financing options, which work to improve cash flow and promote cost savings. Similarly, Treasury can partner with AR on credit management initiatives by jointly assessing customer creditworthiness, setting credit limits, and monitoring payment patterns. These efforts serve to mitigate credit risk and minimize bad debt losses, and include sharing information on customer payment behavior, conducting credit risk analysis, and establishing policies and procedures for credit evaluations and collections.

4. Eliminating Invoicing, AP, & Vendor Fraud Schemes

In recent years, a dramatic rise in AP-related fraud has led treasury to work with AP and AR teams to better monitor their vendor master records, invoicing workflows, and payment processes. The efforts led by treasury usually focus on implementing controls to detect suspicious invoice activity, beneficiary information, and payment requests. Because AP teams are often on the frontlines of processing invoices and making vendor payments, many of the payments and data security policies overseen by treasury extend to AP, which makes communication between the two groups critical. This is especially important for large enterprises who deal with thousands of suppliers and potentially tens or hundreds of thousands of invoices on a regular basis, as identifying fraudulent behavior becomes much more complex with these volumes.

5. Process Improvement & Automation

As the business world continues to shift towards digital processes, Treasury and AP / AR can collaborate on process improvement and automation initiatives. While paper-based processes are still a pain point for some companies, the strain caused by poorly integrated technology or outdated platforms can be just as obstructive. By identifying inefficiencies, streamlining workflows, and leveraging modern technology solutions, these groups can work to enhance operational efficiency and accuracy. Collaboration can involve joint process mapping, evaluation of technology tools, and implementing automation solutions to optimize cash management processes.

FINANCIAL PLANNING & ANALYSIS (FP&A)

Because FP&A teams are responsible for developing many of the cash flow, revenue, and budgeting projections for an organization, they often rely heavily on data provided by treasury to influence and refine their models. Following are several of the key areas where these data and information sharing efforts are most important:

1. Cash Flow Forecasting

Same as with many other departments, Treasury can collaborate with the FP&A group on cash flow forecasting initiatives. By combining treasury's data on payments, cash flows, and financial projections with FP&As budgetary and CapEx information, they can enhance the accuracy and reliability of long-term cash forecasts. Collaboration to this end involves aligning assumptions, discussing cash flow drivers, and incorporating treasury's insights into the FP&A group's long-term models.

2. Capital Expenditure (Capex) Planning

Treasury and FP&A often work cross-functionally on CapEx initiatives, with treasury contributing insights into the cash flow impact of proposed capital projects, funding requirements, and optimal financing options. By working together, they can assess the financial viability of proposed capital projects, evaluate their impact on liquidity, and incorporate treasury's recommendations into the overall capital expenditure planning process.

3. Risk Assessment & Management

Treasury and FP&A often partner on risk assessments because treasury possesses crucial insights into interest rate risk, foreign exchange risk, and liquidity risk. On the other hand, the FP&A group can analyze the potential financial impact of these risks on the organization's performance, including revenue and budget. Collaboration involves discussing risk factors, quantifying potential exposures, and incorporating risk considerations into financial models and projections.

4. Scenario Analysis & Stress Testing

Scenario analysis and stress testing exercises are important to both treasury and the FP&A group. With treasury providing input on changes in interest rates, currency fluctuations, or credit market disruptions, the FP&A group can analyze the financial impact of these scenarios on the organization's revenues, budget, and overall performance. Other partnership efforts in this regard involve jointly assessing different scenarios, analyzing potential outcomes, and incorporating the results into broader financial planning and decision-making processes.

5. Key Performance Indicators (KPIs) & Metrics

Defining and monitoring key performance indicators (KPIs) and financial metrics as they relate to payments, cash flows, liquidity, and working capital is a priority for both treasury and FP&A. By working together, they can establish relevant metrics for DPO, DSO, interest rates, FX rates, and more, while also tracking performance against targets and using the data to develop financial reports for the rest of the organization.

INFORMATION TECHNOLOGY (IT)

In large part, the partnership efforts between treasury and IT teams relate almost exclusively to technology implementations, integrations, and enhancements. For this reason, most projects undertaken between the two groups involve ERP and TMS solutions, or bank connectivity projects. However, there are various elements of data security and privacy, as well as over technology security and compliance components, that are relevant too. The following underscores some of the key contributions from each group in this regard:

1. Technology Infrastructure

Corporate treasury teams heavily rely on various technology systems and infrastructure to manage financial transactions, cash flows, risk management, and reporting. Today, these systems most often include ERPs, TMSs, and bank portals, along with various specialty cash, payments, investment, and compliance platforms. Treasury will also rely on various communication systems and data management software from IT. In order to ensure that these systems are all configured properly and integrated effectively with one another, the IT department will be treasury's go-to source internally for validating that their hardware, software, and network infrastructure can sufficiently support operations.

2. System Integrations

Integration of treasury systems with other enterprise-wide systems, such as accounting, ERP (Enterprise Resource Planning), and banking systems is essential for seamless information flow and process automation. The IT department plays a key role in developing and maintaining these integrations, enabling real-time data exchange and accurate financial reporting. During system implementations or upgrades, treasury must often rely on IT to spearhead discussions with vendor, banking, and consultant teams to work through technical elements associated with the project. Today, for instance, IT teams may be needed to help integrate API or SFTP connectivity between treasury's bank partners and their TMS, and then subsequently from the TMS to an ERP.

3. Security & Data Protection

Corporate treasury teams routinely deal with sensitive financial information, including bank account details, payment instructions, and customer data. Collaborating with the IT department helps implement robust security measures, such as firewalls, encryption, access controls, and intrusion detection systems to protect against cyber threats and ensure data privacy. These efforts are usually multifaceted and include installing tools on TMS and ERP systems, as well as on laptops and mobile devices, communication systems like Outlook, online network settings, and via physical tokens or hardware security tools.

4. Software Development & Customization

Treasury departments often require specialized software solutions tailored to their unique needs. Although some fintech vendors may be able to provide this level of customization to their corporate clients directly, other times, internal IT will be relied upon to deliver the refinement. In these cases, treasury professionals must work closely with their system vendors and IT developers to define requirements, design custom applications or modules, and enhance existing systems in a manner that promotes automation and visibility without sacrificing security or compliance standards.

5. System Upgrades & Maintenance

Technology is continuously evolving, and software systems require regular updates, patches, and maintenance to address security vulnerabilities, bug fixes, and accommodate new capabilities. As treasurers likely know from experience, not all of their vendors will handle these upgrades for them, and as such, partnering with the IT department ensures timely upgrades, system monitoring, and proactive support in these cases.

LEGAL & COMPLIANCE

Collaboration between corporate treasury and their respective legal teams is crucial for several reasons. One on hand, it helps ensure compliance with financial regulations and reduces legal risks. And additionally, it promotes effective cash management and responsible stewardship of the company's financial assets. Here are five common ways these teams collaborate in the modern corporate environment:

1. Regulatory Compliance

The regulatory landscape for financial institutions and corporations is complex and constantly evolving. Legal teams play a vital role in understanding and interpreting these regulations, As such, they work closely with treasury professionals to ensure adherence to financial reporting requirements, anti-money laundering laws, sanctions screening mandates, payment compliance standards, know-your-customer (KYC) regulations, and other relevant statutes like Foreign Bank Account Reporting (FBAR) in the USA. By collaborating, treasury can sstay updated on regulatory changes and implement necessary controls.

2. Financial Risk Management

Effective risk management is a cornerstone of corporate financial stability. Both treasury and legal teams contribute to identifying, assessing, and managing financial risks. Treasury professionals analyze and monitor risks such as liquidity risk, currency risk, or interest rate risk. Legal experts can rely on their acumen to help identify potential legal implications or compliance restrictions related to these activities and provide guidance on risk mitigation strategies. Together, they can develop comprehensive risk management frameworks and policies to safeguard the company's financial well-being.

3 Contract Review & Negotiation

Financial contracts are a crucial aspect of corporate treasury operations, particularly surrounding the use of financial technology such as ERPs and TMSs, as well as contracts with banks, money market managers, and a host of other entities, consultants, and vendors. Legal teams possess expertise in reviewing, negotiating, and drafting these contracts, and help ensure that financial agreements, such as loan agreements, derivatives contracts, or investment agreements, are legally sound, minimize risks, and align with the company's objectives. As a result, treasury professionals collaborate closely with legal teams during the contract review process, seeking their guidance on potential legal implications and ensuring that favorable terms are secured in each case.

4. Internal Controls & Policies

Strong internal controls and policies are vital for maintaining financial integrity and minimizing the risk of fraud or misconduct. Treasury and legal teams work collaboratively to establish and enforce robust control frameworks, especially as they relate to payment processes, bank account management controls, cash management policies, and various ethical standards. For instance, legal may help ensure that appropriate segregation of duties exists within the payment process, or that multiple signers are required to approve transfers from certain bank accounts. By working together, these teams create an environment that promotes transparency, accountability, and ethical conduct while also minimizing the risk of security breaches or fraud exposures.

5. Litigation & Dispute Resolution

In the unfortunate event of legal disputes or litigation involving financial matters, the collaboration between treasury and legal teams becomes especially crucial. Treasury professionals possess valuable financial data and insights that can be instrumental in such situations. Legal teams rely on treasury's expertise to gather relevant financial information, provide necessary documentation, and develop strategies for resolution. This collaboration ultimately strengthens the company's position during legal proceedings and helps achieve favorable outcomes.

7 WAYS THAT TREASURY CAN MAXIMIZE THE IMPACT OF THEIR CROSS-FUNCTIONAL PARTNERSHIPS

In order to effectively manage collaboration with a diverse range of internal stakeholders while also maintaining a grip on their core operations and responsibilities, it's important for treasury to simplify and streamline interdepartmental communication as much as possible. To help practitioners accomplish this, the below tips can serve as a helpful guide.

1. Leverage Executive (CFO) Sponsorships
2. Develop Mutually Beneficial KPIs
3. Establish Cross-Functional Teams (i.e. Working Capital Councils)
4. Amplify & Promote Joint Successes
5. Hold Focused Training on Communication
6. Be Ready to Identify & Resolve Sources of Conflict
7. Utilize Technology to Communicate More Effectively

1. Leverage Executive (CFO) Sponsorships

As often as possible, treasury should seek support and sponsorship from the CFO or other senior executives to promote collaboration and drive cross-functional initiatives forward. When senior leaders actively encourage collaboration and allocate resources for collaborative efforts, it sets a strong tone and emphasizes the importance of working together for all departments. This sponsorship can help overcome any potential barriers or resistance and create a collaborative culture within the office of the CFO. And because the CFO is usually a crucial gatekeeper for securing budget and granting approvals for new projects, having their sponsorship is often a green light to expedite and streamline efforts on shared initiatives.

2. Develop Mutually Beneficial KPIs

Treasury should actively seek opportunities to create KPIs with other departments that drive mutual benefits and advantages. For example, treasurers can work with AP and AR teams to create joint working capital, invoicing, and collection KPIs. With accounting, these KPIs could center more around the accuracy and timeliness of reconciliations and financial reporting. And finally, IT and treasury can ensure that the configuration of relevant financial systems is accomplished in a complete and timely fashion. In the long run, this level of cooperation goes a long way in developing cohesive strategies that ensure a more unified approach to financial management.

3. Establish Cross-Functional Teams (i.e. Working Capital Councils)

Establish cross-functional teams comprising of representatives from different departments to address specific challenges and strategic initiatives. These teams can include individuals from treasury, finance, accounting, and other relevant areas. A good example that many organizations have already adopted is the working capital council, which consists of members from treasury, finance, AP, AR, procurement, and accounting. Other examples include tech-focused groups that consist of members from IT, Treasury, Accounting, and Legal to audit the company's financial technology stack. Similar working groups exist between Treasury, HR, and Legal for compliance purposes, as well as across the Office of the CFO for supply chain finance and other initiatives. Although it can sometimes be difficult to align these groups on a central set of goals, taking the time to develop shared strategies will be instrumental to long-term optimization and success.

4. Amplify & Promote Joint Successes

To encourage other groups to take cross-functional collaboration more seriously, treasury should regularly promote the successes they achieve with other teams in optimizing various functions and workflows. For instance, highlighting the ROI achieved from a recent technology implementation with IT, the cost-savings from a bank fee rationalization project with Accounting, or the revenue earned from an AP-sponsored supplier financing program will demonstrate to the rest of the organization that partnering with treasury is a worthwhile endeavor. This will not only serve to promote treasury's status and reputation internally, but it will also incentivize future collaboration as the benefits of doing so become clear.

5. Hold Focused Training on Communication

Treasurers should educate themselves on the best ways to align with other groups and share their knowledge with other stakeholders. It is equally important to understand ways to encourage other teams to share their insights as well. For instance, identifying the best ways to share data with other teams is just as important as understanding how to verbally communicate with them. In a recent TIS survey, treasury practitioners ranked data management as their top skill to improve during 2023. In large part, the hope is that these skills can also help facilitate more effective reporting and data insights for other groups by extension, and not just treasury[8]. To ensure this transmission of information occurs, treasury can attend regular training sessions, workshops, or presentations on how to handle workplace communication in all its forms. They should also ask their colleagues directly what their preferred form of communication is for various business scenarios and functions.

6. Be Ready to Identify & Resolve Sources of Conflict

Even if there are plentiful opportunities for treasury teams to partner with other groups, it will likely require buy-in from the whole group – including entry-level personnel as well as business leaders – before real progress occurs. Even with support from the CFO, it's easy for conflicts or a general lack of enthusiasm over roles, responsibilities, and deadlines amongst the broader workforce to sideline joint initiatives and prevent them from succeeding. And if multiple team members have bad experiences with these projects or develop a negative outlook on their value, it will be difficult to sustain an environment of open communication. This is why it's important for treasury leaders to quickly identify and resolve sources of conflict across their interdepartmental teams and ensure each contributor is being adequately utilized and included in the project.

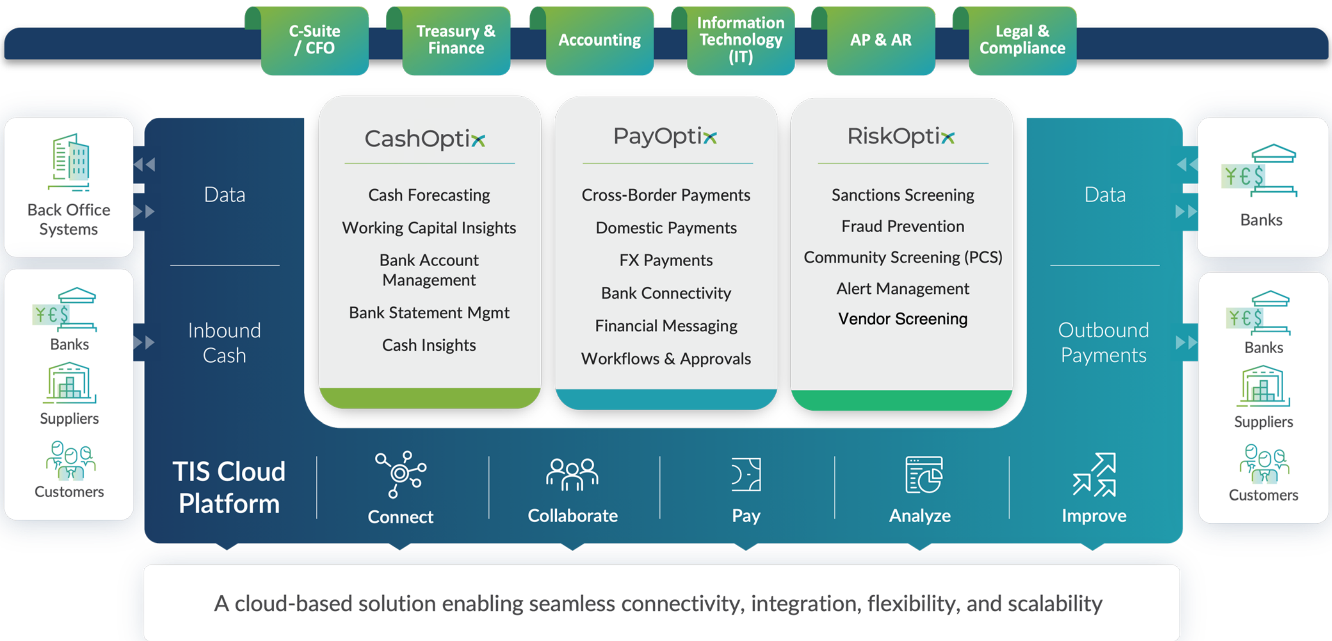
7. Utilize Technology to Communicate More Effectively

In today's digitally-oriented business environment, knowing how to leverage both financial technology systems such as ERPs and TMSs as well as communication tools such as Outlook, Teams, and Slack to facilitate collaboration is paramount to success. Of course, there are a broad range of technology solutions that treasury could pursue, including automating the process of transmitting data between their TMS, ERP, and banking systems, as well as optimizing their use of instant messaging platforms to simplify discussions with other teams. But regardless of which technology stack is developed and maintained by a company, it's important for treasury professionals to stay updated on the leading practices for leveraging the tools at their disposal, especially as it relates to enhancing their ability to share data, information, and insights with other stakeholders.

HOW TIS ENABLES GLOBAL VISIBILITY & CONTROL FOR EACH STAKEHOLDER

For treasury groups that recognize the need to collaborate more effectively with their peers in other departments, we would strongly encourage you to evaluate how the TIS cloud platform can help.

Today, TIS provides critical financial, operational, and technological benefits for all an organization's key internal stakeholders. As a result of our seamless connectivity, exemplary support staff, and multifaceted software capabilities, users from Accounting and AP to Treasury, HR, and up to the C-Suite can achieve substantial and long-lasting value.



TREASURY & FINANCE

TIS BENEFITS

With TIS, treasury and finance staff always have a near real-time view of their global cash positions and account balances. This data is provided through robust analytics and reporting capabilities and supplemented with our working capital and forecasting tools to provide end-to-end control over cash and liquidity. In addition, Treasurers can leverage our solution to manage outbound payments and connectivity across their global network of banks, vendors, entities, and partners. Our cloud platform supports virtually all payments and reporting formats, offers connectivity options to 11,000+ banks, and easily integrates with your back-office ERPs, TMSs, and financial systems. Domestic smart-routing and FX payment services are also integrated within our solution to offer the most cost-effective option for executing transactions in any market or network. And finally, our suite of compliance and security tools ensures that no matter where you do business, your payments, cash, and financial data are optimally protected.

CHIEF FINANCIAL OFFICER (CFO)

TIS BENEFITS

TIS' suite of reporting capabilities enable executives to maintain real-time visibility over their organization's global cash positions, liquidity statuses, and payments activity. This includes analysis across different entities, bank networks, and countries, as well as different ERPs and back-office platforms. Executives can use the TIS platform directly to create and view financial reports, or rely on our robust integration with other back-office systems to transmit data into their platform of choice. Reports can also be easily generated and exported in simple formats like Excel and PDF. The interfaces provided by TIS include drill-down optionality to examine data across virtually any metric and also enable users to develop custom reporting workflows. The result is that executives always have real-time access to the entire suite of financial information they need, whenever they need it.

ACCOUNTING

TIS BENEFITS

Accounting teams that leverage an ERP or similar software to manage their company's financial reporting workflows benefit from TIS' seamless platform integration and bank connectivity capabilities. Because TIS manages connectivity to all an enterprise's banks and can integrate with any ERP or back-office system, accounting teams can receive bank statements, cash reports, and payment statuses in real-time from all entities and accounts globally. This eliminates the headache of having to manage bank connections directly within the ERP and also enables a fast and effective reporting and reconciliation process as statements flow automatically into accounting's associated software platforms. The result is that accounting teams always have fast and easy access to all the financial information they need to perform their core responsibilities, provided directly within the platform of their choice.

ACCOUNTS PAYABLE & RECEIVABLE (AP / AR)

TIS BENEFITS

AP teams can achieve global visibility to supplier and vendor payment statuses by using TIS. This includes having a centralized view of all bank confirmations, rejections, and fraud or compliance alerts, which is a critical benefit when dealing with hundreds or thousands of vendors. AP can also integrate their ERP module or standalone solution with TIS to have supplier payments pass through TIS for automated transmission to and from the bank. By streamlining the process of paying vendors and achieving greater visibility to the status of outstanding transactions, AP teams can better manage vendor relationships and maintain greater control over outstanding payment requests. TIS also provides enhanced visibility to liquidity and working capital, which aids in the facilitation of supply chain finance programs. And finally, practitioners that participate in TIS' payment modality service can earn a rebate on in-network supplier payments, which can provide significant cost-savings.

INFORMATION TECHNOLOGY (IT)

TIS BENEFITS

Enterprise IT teams are largely freed from their responsibility with implementations and ongoing system maintenance with TIS. Because our SaaS platform is fully cloud-based and most onboarding tasks are managed by our expert team, IT staff spend only a fraction of the time they'd traditionally dedicate to financial technology projects. In addition, TIS manages connectivity with ERPs and back-office systems - as well as banks - on our clients' behalf, which further reduces the workload for IT. Combined with 99.95%+ annual uptime, 45+ new releases per year, and continuous updates to our extensive payment format library, TIS provides the continuity needed to maintain business processes 24/7. In the background, our fully-managed hosting and data storage services ensure information is always kept safe, secure, and compliant, both when at rest and in transit.

LEGAL & HUMAN RESOURCES (HR)

TIS BENEFITS

Legal teams benefit from TIS through our platform's provision of automated and controlled workflows for managing bank account operations, payment processes, and account signer lists. TIS also provides a comprehensive approach to payment compliance with 24/7 global sanctions and vendor screening, as well as streamlined workflows for handling various regulatory reporting processes. In addition, our platform ensures complete security and control for personnel when managing sensitive payment files or beneficiary and client data, with robust controls for enforcing segregation of duties and restricting access to only authorized employees. Finally, TIS enables HR teams to easily manage payroll from an ERP or HR platform and harmonize payment processing in an automated fashion to reduce the risk of errors. HR teams can also quickly and efficiently update user privileges within the platform and delegate new authority over various financial tasks as employee turnover or reassignment dictates.

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- 3: 2022 AFP Strategic Role of Treasury Survey. 2022 AFP Strategic Role of Treasury Survey (afponline.org)
- 4-8: 2023 TIS & 360 TL Treasury Priorities & Opportunities Survey. 2023 Treasury Priorities & Opportunities Survey Results - tispayments.com

ABOUT TIS

TIS helps CFOs, Treasurers, and Finance teams transform their global cash flow, liquidity, and payment functions. Since 2010, our award-winning cloud platform and best-in-class service model have empowered the entire office of the CFO to collaborate more effectively and attain maximum efficiency, automation, and control. By streamlining connectivity between our customers' back-office systems and their worldwide banks, vendors, and business partners, TIS enables users to achieve superior performance in key areas surrounding cash forecasting, working capital, outbound payments, financial messaging, fraud prevention, payment compliance, and more.

With over 11,000 banking options, $80 billion in daily cash managed, and $2.5 trillion in annual transaction volume, TIS has a proven track record of combining our unparalleled market expertise with tailored client and community feedback to drive digital transformation for companies of all sizes and industries. As a result, hundreds of organizations and thousands of practitioners rely on TIS daily to gain strategic advantage, monetize data, improve operational efficiency, and better manage risk.

For more information, visit **tispayments.com** and begin reimagining your approach to global cash flow, liquidity, and payments.

Cash Flow, Liquidity & Payments.

Learn more at tispayments.com »

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