



WHITEPAPER

# Four Things Every CFO Should Know About Treasury

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## ABOUT THIS RESOURCE

For over a decade, TIS has spearheaded a variety of industry surveys and market research initiatives. These studies have helped us collect thousands of data points regarding the practice of treasury management and the use of treasury technology. Over time, this data and research helps us understand how new trends and technologies are impacting treasury's operations. Ultimately, these insights enable TIS to continually improve our software suite and provide educational resources that help treasury and finance groups navigate today's complex payments, cash management, and financial technology landscape.

The purpose of this whitepaper in particular is to highlight how CFOs can use their knowledge of the treasury function to spearhead initiatives that drive higher revenue, better financial decision making, and greater process automation and control. After reviewing how modern treasury groups typically operate, we will analyze the main benefits that a fully-optimized treasury team can provide to the CFO and an organization at large. This examination will focus primarily on real-time liquidity and payments oversight, boosted revenue and cost-savings, and effective risk management via fraud, compliance, and risk mitigation.

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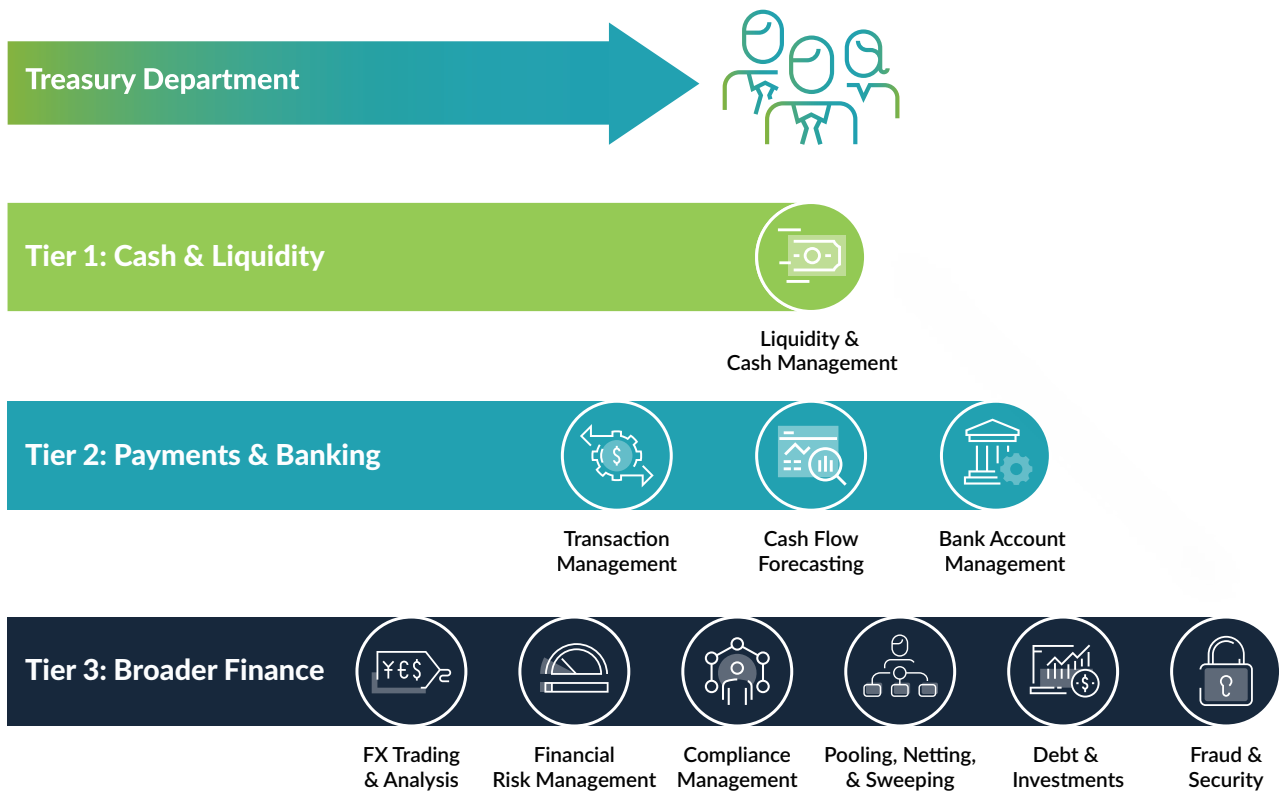
## A CFO'S SUMMARY OF THE TREASURY FUNCTION

Although most CFOs will (or should) have a robust understanding of how the treasury function operates, let's start with a quick synopsis for those who may be newer to the role.

At the highest level, treasury is a subset of the finance department that is responsible for safeguarding their organization's most important asset (cash) as well as providing transparency and control over the day-to-day processes necessary for the company to meet its financial obligations (i.e. payments). This means that at its core, the treasury function most commonly performs:

- 1 Cash and liquidity management
- 2 Payments and bank account management
- 3 Financial Risk, Fraud, & Compliance Management

Of course, certain treasury teams will have additional duties levied onto them depending on the size, complexity, and structure of their organization. For instance, cash flow forecasting, FX trading, debt and investment activity, and cash pooling or netting are all functions that commonly fall under treasury's purview, but it ultimately depends on the specific makeup of their organization.



### TREASURY'S CORE RESPONSIBILITIES:

Although the nature of treasury's exact role within an organization will change depending on their company's unique makeup and structure, the above chart depicts the order of tasks that most commonly fall to corporate treasury teams today.

## A CFO'S SUMMARY OF THE TREASURY FUNCTION

Moving beyond these core roles, however, it's also important to note that treasury groups, even those at multibillion-dollar, multinational companies, often consist of five or fewer individuals. In fact, data from 2023 showcased that the average treasury size for U.S. organizations, regardless of company size or complexity, was just four personnel. Further data from 2023 shows that the majority of these teams are accustomed to working remotely, with team members often located across entirely different regions and time zones.<sup>1</sup>

But while treasury staffing might be kept to a minimum, the best teams still manage to optimize their processes by relying heavily on technology automation instead.

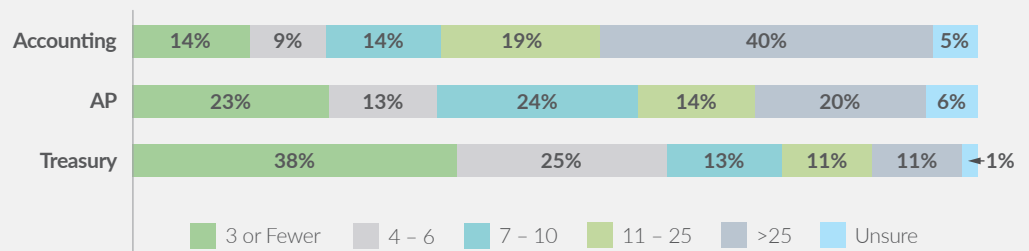
In order to function at the highest level, modern-day treasury teams utilize a variety of digital technologies that range from bank portals and Excel spreadsheets to cloud-based ERPs and TMS platforms, payment hubs, business intelligence solutions, and many other specialty systems. Today, the majority of solutions that treasury teams use are SaaS-based and connect via APIs with other SaaS solutions in their company's environment, including other back-office solutions as well as external partner, vendor, and 3rd party platforms.

Thus, for organizations that are smart about their hiring decisions and that leverage finance and treasury technology in a strategic and efficient manner, even the smallest of treasury teams can excel at their roles and boost financial productivity.

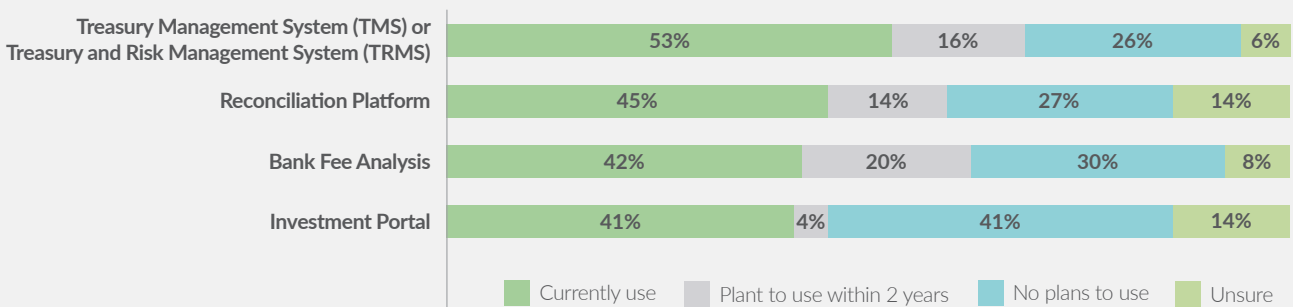
However, on the opposite end, organizations that either ignore or underutilize their treasury group can end up with significant gaps in their financial processes, particularly from a payments, liquidity, and risk management standpoint.

## TREASURY'S TYPICAL STAFFING & TECHNOLOGY STATUS

How many employees do the following departments consist of?<sup>1</sup>



Do you currently use or plan to use the following technologies? (Top 5 categories shown)<sup>1</sup>



## FOUR THINGS EVERY CFO SHOULD KNOW ABOUT TREASURY

Given that it is often the CFO who is charged with oversight and management of the treasury function, it's important that they understand exactly how treasury can benefit them and the broader organization.

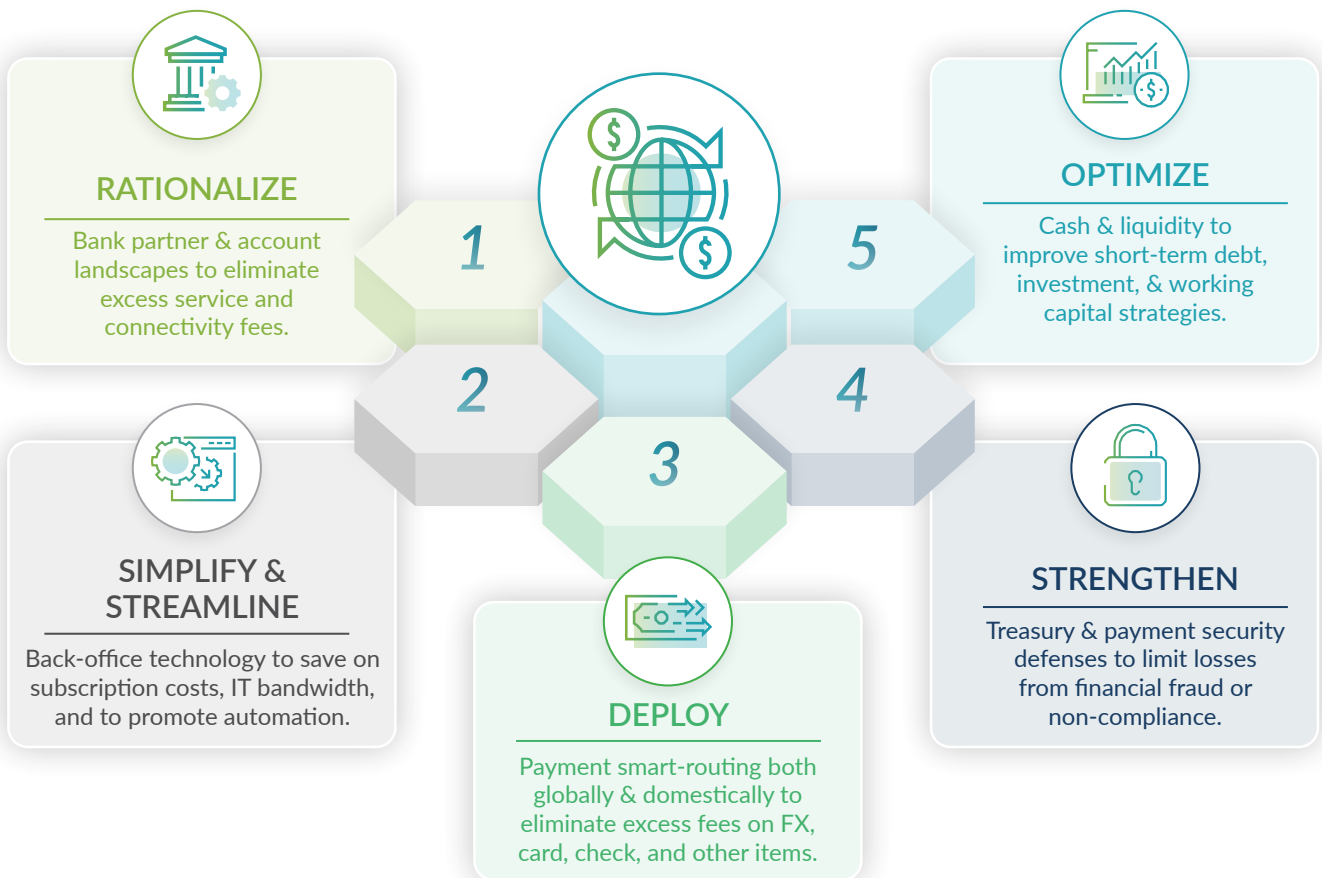
With regards to the relationship between the CFO and their treasury group, the following insights serve as useful guiding points for CFOs as they strive to gain the highest level of productivity and efficiency out of the function.

1

### A FINE-TUNED TREASURY DEPARTMENT CREATES SUBSTANTIAL REVENUE & COST-SAVINGS OPPORTUNITIES.

For treasury groups that are able to maintain a high degree of visibility and control over payments and cash, the end result is usually an increase in revenue and cost-savings opportunities. These benefits are commonly derived through an optimized liquidity structure that enables the company to quickly identify, pool, and invest or repatriate their cash. An example would be allocating enough excess cash from various bank accounts to take advantage of early-pay discounts to suppliers, or repatriating the majority of overseas cash to the U.S. in order to take advantage of tax savings. Enabling treasury to rationalize the company's payment and banking landscape also reduces the costs of executing transactions and managing extraneous accounts. Other cost-savings opportunities arise through the adoption of vendor-hosted cloud platforms that do not require significant internal IT maintenance or upkeep.

## 5 WAYS THAT TREASURY OPERATIONS CAN BOOST REVENUE & SAVE MONEY FOR THE COMPANY

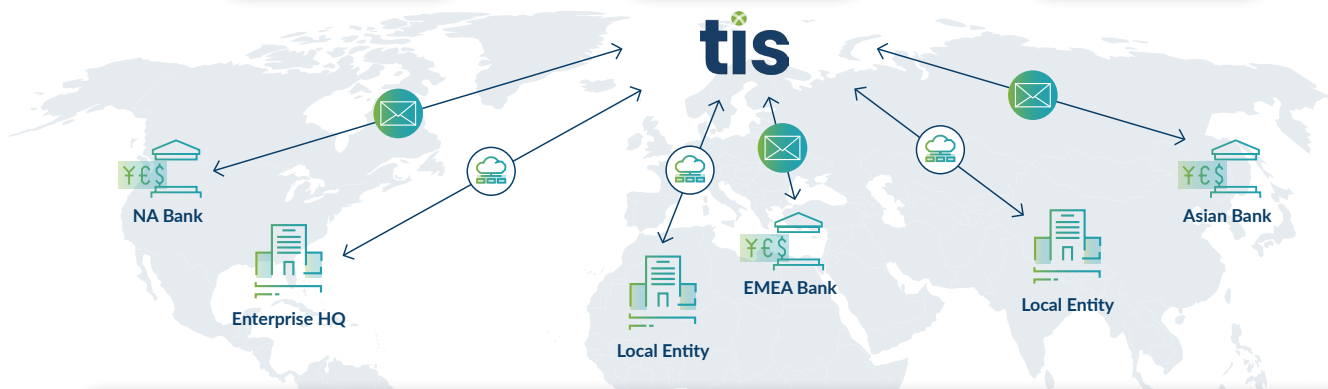
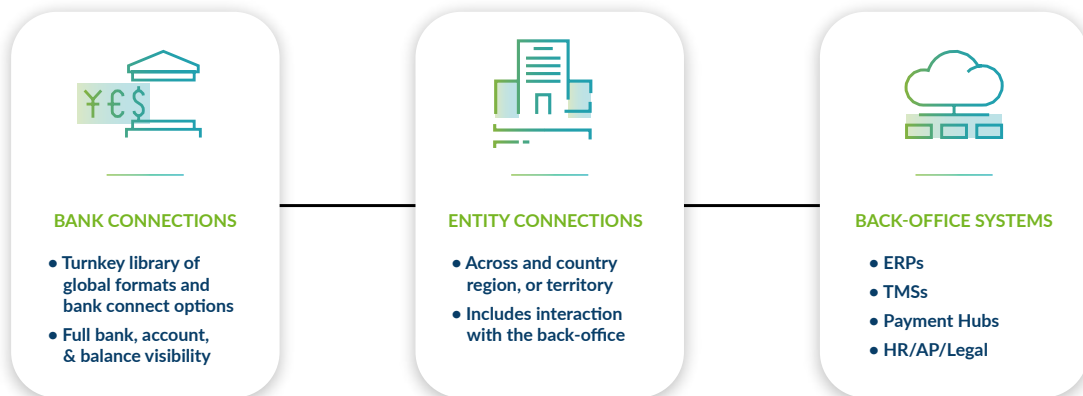


2

TREASURY'S TECHNOLOGY ENVIRONMENT ULTIMATELY DICTATES THEIR LONG-TERM SUCCESS.

Although spreadsheets and bank portals may work fine to start, no treasury group can make it in the long-term without an intelligent, integrated, and highly-automated technology stack. This is especially true as organizations expand into new countries, add new currencies and entities, and ultimately broaden the scope of financial complexity that treasury is tasked with managing. And while the specific solutions and platforms that are leveraged by each organization will vary, every CFO should work to understand how their treasury group is (or should be) applying technology, and the degree to which such technology supports the operational and strategic goals of the organization. This requires a strong understanding of the company's bank landscape, back-office systems environment, and even the software platforms in place at various entities, subsidiaries, and vendors. Because the CFO is often the gatekeeper for budget and approvals of new technology, a strong understanding of banking, treasury, and payments technology is recommended in order to help create an optimal financial technology stack.

TECHNOLOGY INTEGRATION & AUTOMATION IS KEY FOR TREASURY EFFICIENCY



Treasury and finance often face an uphill battle to consolidate and streamline connectivity between all their various back-office, banking, and ERP systems - especially across different entities and business units. Using the specialized integration services of a platform like TIS helps simplify and automate this connectivity on a global scale.

3

TREASURY CAN PROVIDE CRITICAL FINANCIAL DATA TO THE ENTIRE ORGANIZATION IN REAL-TIME.

One of the main benefits of having an optimized treasury function is the ability to ascertain real-time payments, liquidity, and banking data across the entire organization at the touch of a button, with specific cuts also available by bank, country, entity, currency, and other metrics. Although achieving this level of oversight and control requires a strategic approach to bank connectivity and back-office integration, developing a highly-networked treasury technology stack not only aids the CFO in orchestrating their financial strategy but also benefits other departments like accounting, AP, and compliance as they leverage treasury's data to maintain their own finance-related responsibilities. Today, adopting open API back-office environments and selecting payment solutions with multifaceted bank connectivity features (such as H2H, SWIFT, NACHA, etc.) is the best way to ensure this level of data visibility and control is achieved.

4

TREASURY IS ON THE FRONTLINES OF FINANCIAL FRAUD, COMPLIANCE, & RISK MANAGEMENT

Because treasury maintains direct responsibility over payments and banking operations, they are often a primary target by criminals and digital fraudsters. For this reason, the CFO should be particularly attentive of understanding how payment operations are conducted by their treasury team, what specific tools and strategies are being deployed to prevent and detect attacks, and what their specific strengths and weaknesses are. Due to an always-increasing level of digital fraud, equipping treasury with the right training and technology to defend themselves should be a top priority for every CFO. The same is true when it comes to managing financial compliance for items like FBAR, GDPR, OFAC sanctions, and other regulatory elements. For global companies that operate across numerous jurisdictions, failure to manage financial compliance or data storage and privacy mandates can result in significant penalties and even criminal charges, so adequate attention must be given to ensuring all systems and workflows are compliant.

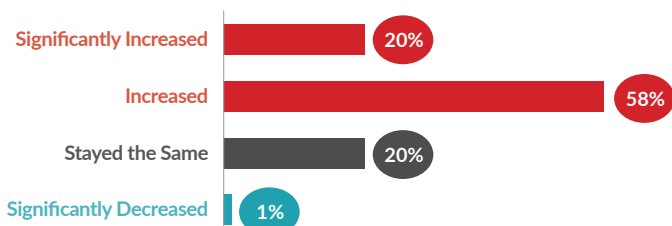
THE THREAT OF FRAUD FACED BY TREASURY CONTINUES TO GROW

TREASURY'S EXPERIENCES WITH FRAUD REMAIN ELEVATED



For several years running, treasury and finance teams continue to indicate that the threat of financial fraud faced by their companies is increasing, as are the number of fraud attempts faced on a year-over-year basis.

In the past year, I think the threat of fraud has:  
(Unsure responses not shown)



In the past twelve months, we have experienced:



## FINAL THOUGHTS AND NEXT STEPS

Although the responsibilities and experiences of treasury groups will always vary by company and there is no single list of criteria for understanding treasury's needs and priorities, the aforementioned points should give CFOs some useful reference points for how they can better understand their treasury team's needs and ultimately help them succeed.

In the coming years, the main priority for many CFOs with regards to the treasury function will likely revolve around technology automation. This is true not just for treasury but for the majority of finance-oriented business departments, as remote work or "hybrid" working structures become more mainstream. As financial employees increasingly work from home or from entirely different cities, countries, and regions, the need for enhanced technology solutions that provide ample automation, connectivity, control, and visibility over these global processes is of paramount importance. And looking further down the road, the need for such technology will only continue to increase.

If you would like more information on any of the above points or on how an upgraded technology stack can help your treasury group optimize their function, please contact our treasury technology and payments experts.

## WORKS CITED

<sup>1</sup> 2023 Strategic Treasurer & TIS Technology Use Survey. [View Resource Here.](#)

<sup>2</sup> 2023 Strategic Treasurer & Bottomline Treasury Fraud & Controls Survey. [View Resource Here.](#)

## FOR FURTHER READING

1



### How CFOs Gain Value from TIS

[Learn More](#)

2



### Introducing TIS as a Company

[Learn More](#)

3



### The TIS Cloud Solution Suite

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4



### TIS Industry Success Stories

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## 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](https://tispayments.com) and begin reimagining your approach to global cash flow, liquidity, and payments.

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