

Quarterly Insights

Q4 2020



J.P.Morgan

Business is complex. To better understand the challenges your organization is facing—and to improve your experience with us—J.P. Morgan conducts regular, in-depth interviews with our clients. Here are the latest themes and pain points affecting you and your peers.

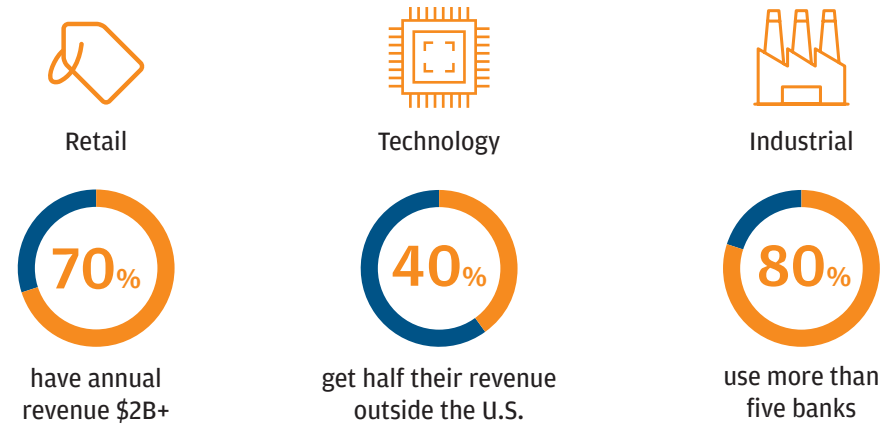
Our Approach

Deep-Dive Interviews

We conduct interviews with you and your peers in technology, retail and other industrial sectors to identify top challenges, priorities and critical themes that face business leaders today. Your participation helps us design the best solutions, improve our onboarding practices and enhance our overall service.

The Companies

Complex Structure, Global Scale



A Closer Look

J.P. Morgan serves global companies in four major categories—from emerging multinationals to the largest global firms. Here are profiles and strategic priorities for each:

Emerging Multinationals:

Global operations: ~5 countries

Typical revenue: \$300M to \$2B

Treasury structure: Primarily centralized

Strategic priorities: Expand international footprint, including conducting transactions in more currencies, and scale through organic growth and acquisitions

Steady Giants:

Global operations: 10 to 20 countries

Typical revenue: \$2B to \$10B

Treasury structure: Centralized/decentralized

Strategic priorities: Monitor operating financials, especially profit margins and working capital, and pursue acquisition opportunities as appropriate

Leading Edge:

Global operations: 10 to 20 countries

Typical revenue: \$10B to \$25B

Treasury structure: Primarily centralized

Strategic priorities: Focus on digital client experience (such as digital wallets); grow through quickly integrated acquisitions.

Mega Global:

Global operations: 20+ countries

Typical revenue: \$25B+

Treasury structure: Centralized

Strategic priorities: Drive efficiency and consistency of global treasury processes and integrate new acquisitions quickly

Key Treasury Topics and Themes

Through our client interviews, we identified the following topics as critically important to companies today:

Determining and optimizing the right treasury structure

- ✓ Identify the right treasury structure
- ✓ Optimizing treasury structure
- ✓ Learn about pre- and post-acquisition solutions and international expansion

Improving operational efficiency

- ✓ When to leverage a shared service center (SSC)
- ✓ Manage document processes with banking partners
- ✓ Increase implementation transparency
- ✓ Update entitlements and signers efficiently

Increasing financial visibility and managing liquidity

- ✓ Enable global, multi-bank cash visibility and forecasting
- ✓ Benchmark and optimize working capital
- ✓ Initiate and track payments efficiently
- ✓ Drive insights from billing statements

Optimizing technology and mitigating risks

- ✓ Develop a strong business case for treasury investment
- ✓ Manage technology transformation initiatives/ implement a treasury management system (TMS)
- ✓ Leverage your TMS capabilities fully
- ✓ Manage tokens across multiple banking partners
- ✓ Manage cyber and fraud risk

Top Treasury Challenges

Inefficient Processes, Limited Visibility

Cash visibility and forecasting:

Many peers are still using Excel processes for daily reports and short-term forecasts, while some are looking into solutions like treasury modules, treasury management systems (TMS) or internally built dashboards.

88% use manual cash forecasting or lack full cash visibility

Leveraging full TMS capabilities:

Clients rarely use a TMS fully. Some have developed a proprietary setup as a workaround, but most use select modules from TMS providers or their ERP, or no TMS at all.

92% do not have fully functional TMS

Working capital tracking and management:

In lower-margin industries especially, there's a lack of data infrastructure and analytics to effectively benchmark and optimize working capital.

74% want to better track working capital

Frustration with external bank inefficiencies:

Clients cited cumbersome secure email features, limited transparency into the implementation process and a lack of clarity on billing statements.

94% say entitlements are a major pain point

Lack of internal IT support:

A company's IT resources generally aren't dedicated to treasury—and often require a strong ROI for allocation—which presents a major roadblock to implementing new technology.

Resources

Our team of researchers and industry experts are constantly looking for ways to advise clients and provide them with relevant resources. J.P. Morgan industry experts and researchers work to deliver new ways to advise clients and provide relevant resources for your business.

Visit the Quarterly Insights page for articles and key information on treasury management and transformation topics.

[Click here for more resources](#)

Top Priorities

Important strategies clients are considering now include:

Lean Structures, Efficient Operations

Treasury centralization:

With the trend toward a central team making decisions, many treasurers don't see their lean teams growing any larger.

70% have fewer than five people on core U.S. team

Account restructuring:

Many clients cited plans to close or consolidate accounts to reduce fees, respond to tax law changes and simplify structures overall.

Acquisition and expansion planning:

Clients said they'd like guidance from their banks on pre- and post-acquisition needs, including help integrating teams and diagnostics on efficiencies.

63% see acquisitions as a key driver of growth

Shared service center (SSC) migration:

For high-volume billing and invoicing activities in particular, clients are turning to SSCs to contain costs and increase efficiency.

~50% use shared SSCs

Tech-powered operations:

Due to small teams, clients are looking to TMS and ERP tools to automate and streamline processes, improve accuracy and free up resources for more strategic treasury activities.

20% are consolidating ERPs

Cyber and fraud risk mitigation:

Clients are seeking tools and trainings from their banks, suppliers and other third parties to manage cybersecurity threats.

We Want Your Feedback

We value your participation in our research and events. Your engagement helps us find better ways to meet your needs. Specifically, we want to know more about how we can:



Solutions

Designing the best solutions to support your needs



Onboarding

Do a better job of getting you up and running with new products and services



Exceptional service

Better manage your accounts and constantly offer new ideas to boost your KPIs

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