TREASURY 360° NORDIC

Includes agenda for 9 June 2022 **20–24** Starts on centrefold

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€16 bn. Tim issued 37 green bonds – in one year **4**

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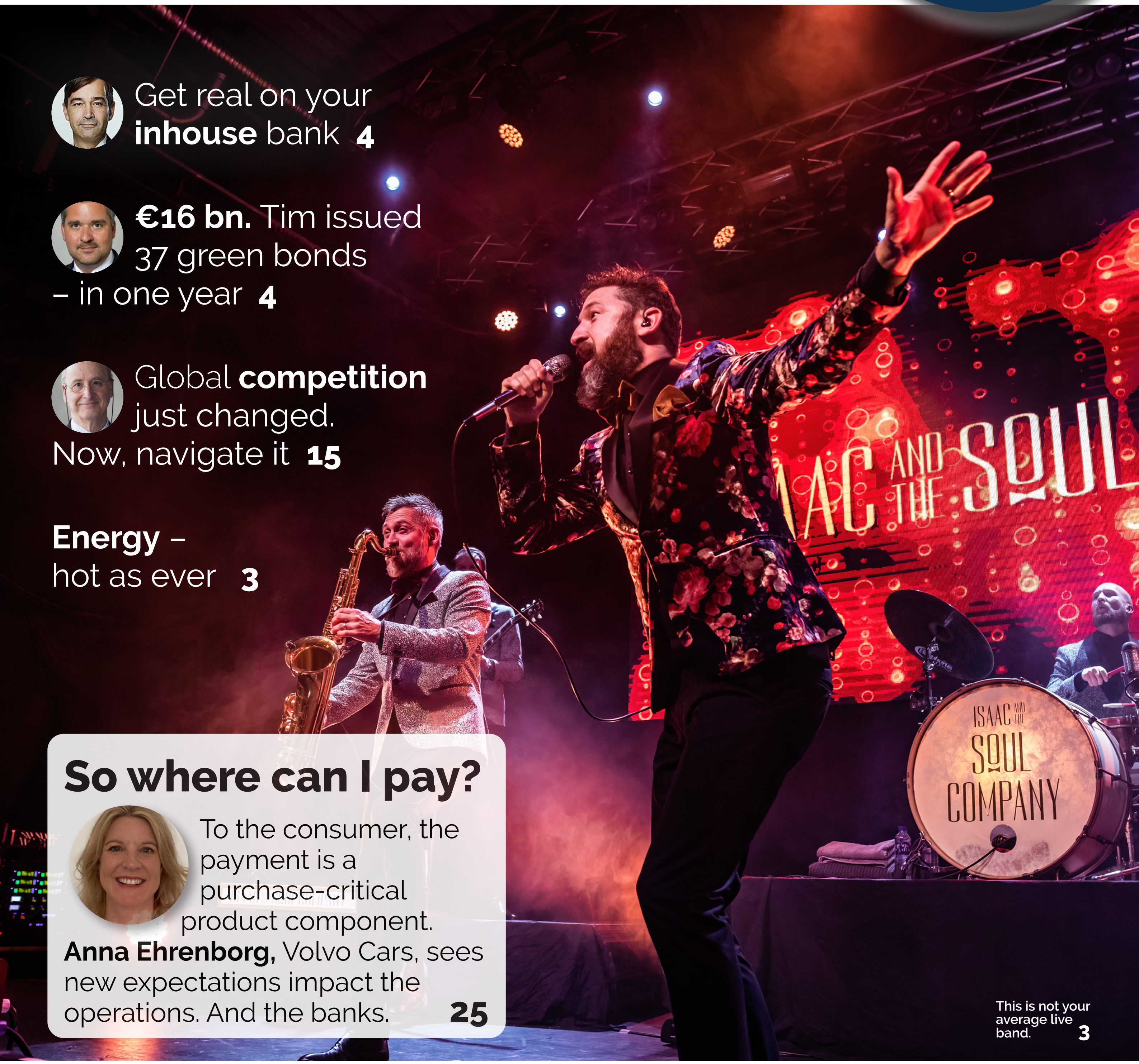

This is not your average live band. **3**

So where can I pay?

To the consumer, the payment is a purchase-critical product component. **Anna Ehrenborg,** Volvo Cars, sees new expectations impact the operations. And the banks. **25**

We bet on you, the Nordic treasurer for tomorrow. And we are winning

Last autumn, we were being told that this couldn't be done, and that is when I took the decision. That's when we booked the 50 hotel rooms for our give-away packages, the Clarion dinner for 250 guests, Sweden's best live band and possibly the world's top speaker on global competitiveness. And then we asked ourselves: who are the treasurers ready to share the absolute best stories and deepest insights. Today, you know who are here.

As of writing with two weeks to go before the event, we count 30+ speakers for sessions of otherworldly quality, 260 delegates registered to be on site in Copenhagen, and a promising uptick of signups on our digital platform. We've got the coolest magician, DJ and 6-peice soul band ready to go on stage. Now, Treasury 360° Nordic at Copenhagen Airport looks set to host the highest number of Nordic treasurers under the same roof since EuroFinance last ran its Nordic venture about a decade ago. (Yes, EuroFinance 2019 in Copenhagen was larger in all, but hosted fewer Nordic treasurers.) So let us brace for success – and zoom in on the hero of this story.

Find the 9 June agenda on pages 20–24 ▶

Yes, we know what treasurers value more than anything else: meeting the colleagues they know closely. As we have previously run events per country in Finland, Denmark, Norway and Sweden, local interest has been good but cross-border attendance small. So, a pan-Nordic event just wouldn't be the way to get you back, right? And yes, we can admit that two years of coronavirus limitations made it challenging to be a conference organizer in the space in the first place. And treasurers don't really dance, do they?

More than anything, our bet on Treasury 360° Nordic is a bet on a renewed idea of who you, the Nordic treasurer, are. We know you want to socialize with your colleagues, including from your own country – that is why we make it so easy to fly in, you can all do it here. But we refused to believe that your interest would stop at your border. We know you love to nail the nitty operational detail of that daily process – but we also see your other eye staying focused on the strategic horizon, the business purpose, and we see your role becoming increasingly strategic to the agility of your group's business.

Tomorrow's treasurer has an international mindset and will naturally gravitate towards the top colleagues and best practices across the whole region and continent. We decided to design an event to thrill those who take this broader view. And who like to dance. An event for you. By you.

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Touch the **energy**, with these four speakers

To businesses, energy this year is a cost shock, a geopolitical trap, a short-fused cash flow bomb … but could it also be a chance for your corporation to upgrade its strategic position? With Europe's gas prices soaring under the conflict with Russia, energy is in every corporation's focus. So why not find our paths forward, together!

Among our 30+ speakers on the day, these four will be able to share their inside view from energy businesses:

- **Kasper Kiim Jensen,** Group Treasurer, of Denmark's **Ørsted** – takes part in the 12:05 panel "The case for using sustainable finance from an issuer and investors perspective".
- **Stian Salomonsen,** Vice President, Head of Cash Management, at Norway's **Statkraft** – will share his case of how his group's cash management (involving an inhouse bank setup) supports the business growth strategy, in a parallel track at 12:05.
- **Lena Myklebust,** Head of Cash Management Infrastructure at Norway's **Equinor**, speaks on the 14:30 panel on "Cash, risk, and tech, tech, tech".
- **Per Hjorth Poulsen,** VP, Head of Group Treasury & Insurance, of Danish power windmill **giant Vestas**, is on the 15:45 plenary panel on the art of partnering between the finance & treasury function and the stakeholders around it.

Dance to this stunning soul band with your colleagues

After a thoughtful conference day, let us all all travel to a completely different planet – dancing our heads and butts off in a burst of energetic soul euphoria. And let's do it together with Stockholm-based 6-piece outfit Isaac And The Soul Company.

Those who experience this band never forget it, and you are set to meet them after the Treasury 360° Nordic dinner on 9 June – actually with some bits already during the dinner! This will be just six nights after the band play their own concert at Stockholm's Circus arena.

Hear this CFO's take on "**partnering** 2.0"

Nikolaj Enevoldsen is not only a highly inspiring speaker whom you will meet in morning block on 9 June. He is also the CFO of the North Asian activities of Hempel A/S – a global Denmark-based supplier of coatings and coating services.

The finance function was always a provider of numbers – often important ones for prioritising investment areas across the corporation and underpinning strategic decisions. Even so, many corporations are seeing finance ever more closely involved with the overall direction of their groups, with both CFOs and treasurers taking on increasingly strategic roles.

HEMPEL

Nikolaj Enevoldsen

As regional CFO of North Asia for Hempel, Nikolaj Enevoldsen is experiencing the trend firsthand. In this session, enjoy his inspiring report and analysis. What is your own experience?

10:15. KEYNOTE: Business partnering … 2.0
Nikolaj Enevoldsen, *Regional CFO, North Asia, Hempel*

Get real on your **inhouse** bank with Statkraft's Stian Salomonsen

For many corporates, full global cash visibility and payments-on-behalf ("Pobo") capacities are dreams. With the inhouse bank setup at Norway's Statkraft, they have been turned into reality. On 9 June, meet VP Head of Cash Management Stian Salomonsen.

"How cash management supports the growth strategy at Statkraft," is the title of Stian Salomonsen's half-hour session, towards lunch. It is part of a three-hour break-out track fully devoted to technology-driven transformation at the treasury.

At Statkraft, top level currency exposure control is today in place, and so is a cost-efficient system for internal short-term funding of business units across the group. Internal group payments and account reconciliation go via a shared payment and accounting service for all business units, using the group's ERP system, and a common bank interface simplifies the process of setting up new banking partners when expanding to new countries.

ILLUSTRATION: MEGAN REXAZIN / PIXABAY

Stian Salomonsen, Statkraft.

Let Stian Salomonsen offer a detailed look into how it has been achieved, how it unleashes new capabilities and strategies on the corporate level … and what further improvements will be the next to address.

12:05, track B. CASE STUDY: How cash management supports the growth strategy at Statkraft
Stian Salomonsen, *Vice President, Head of Cash Management, Statkraft*

Meet one of the **world's largest** non-sovereign bond issuers

Germany's development bank KfW is a giant, having raised 83 billion euro in international debt capital markets in 2021 alone to support its mandate to promote the transformation to a climate-friendly economy and society. On 9 June, meet Group Treasurer Tim Armbruster for a rare look into his operations.

In the year, no less than 16 billion euro came from 37 issues under its "Green Bonds – Made by KfW" framework, including a record-breaking 4-billion-euro green bond maturing in 2029.

11:30, track A. CASE STUDY: Meet one of the world's largest non-sovereign bond issuers
Tim Armbruster, *Senior Vice President & Treasurer, KfW*

PHOTO: KFW

Tim Armbruster

EURONEXT SECURITIES

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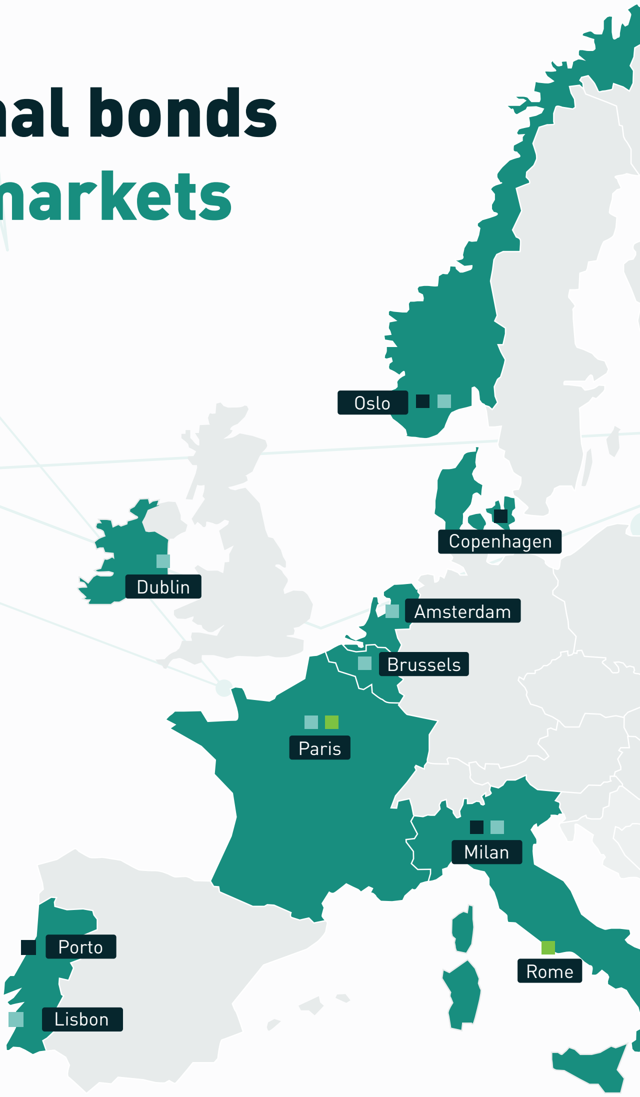

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Learn about Gerd's European-**champion** project on stage

After lunch on 9 June, we are proud to host the reigning champion of the prestigious EACT Award: the "Digital Treasury" initiative at German railway group Deutsche Bahn. The project story will be told by treasury operations head Gerd Berghold.

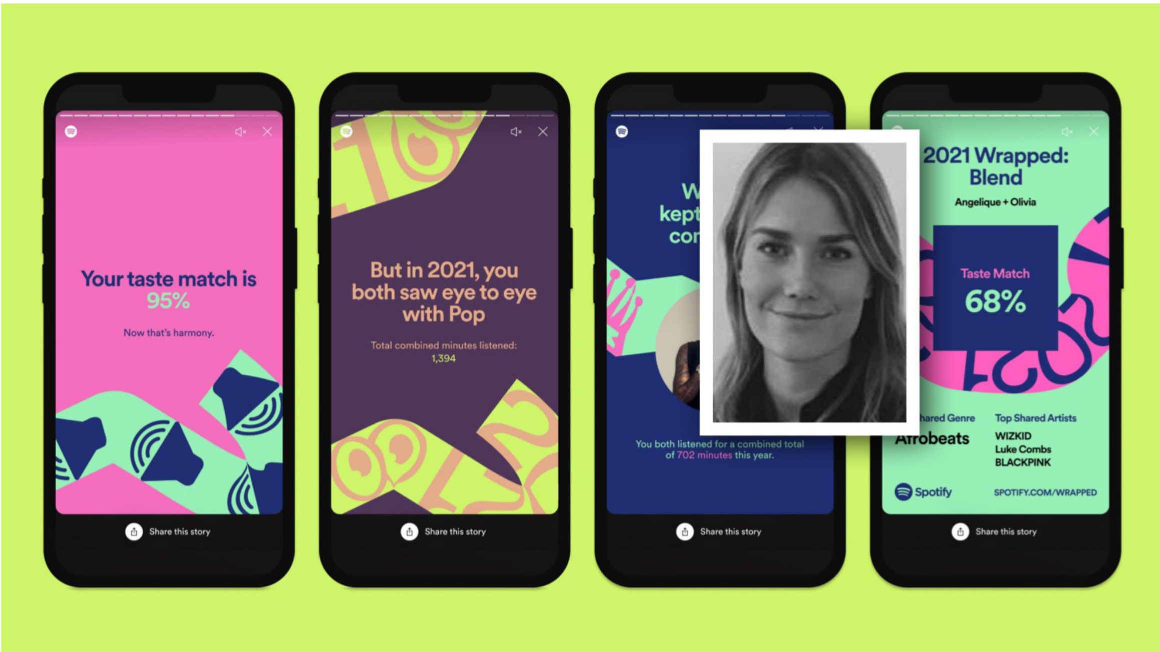
PHOTO: DB AG / JOHANNES KROEMER

Gerd Berghold

In-house teams at the treasury rather than consultants, and standard or open-source software, are both central components of the broad automation makeover at the group's treasury. Robotic process automation, electronic signatures, new analytic technologies, text mining and dashboards are just some of the many new tools put into use. In this session, meet Gerd, who led the implementation.

In tough competition, Deutsche Bahn's "Digital Treasury" was appointed best project 2021 by peer organization EACT, the European Association of Corporate Treasurers. The selection process sees Europe's national associations of corporate treasurers each nominate a single candidate to battle it out for the single all-European prize. Winner criteria include the degrees of innovation, reach, ESG impact, perfection ambition … and wow factor.

14:00 CASE STUDY: Digital Treasury at Deutsche Bahn – Appointed best project 2021 by Europe's treasurers
***Gerd Berghold,** Head of Treasury Operations and Digital Treasury, Deutsche Bahn AG*



14:00, track C. CASE STUDY: How Spotify's treasury team gets its cash investments right
***Mikaela Rumenius,** Head of Financial Markets Activities, Spotify Treasury*

3 billion euro in **cash** – this is where Spotify **streams** it

Holding €3 bn in cash and equivalents, the treasury team of less than 10 people at Swedish music-streaming unicorn Spotify has had good reason to think through its investment setup properly. Meet Mikaela Rumenius, Head of Financial Markets Activities.

Ultra-short liquidity is managed in-house, while the handling of its more strategic cash is outsourced to allow for the risk-monitoring needed for positive returns in the low-interest environment of recent years.

The outsourcing leaves room for some focus on process improvements, such as through robotic process automation.

The session takes place in one of the three parallel tracks that make up the middle section of the day – the track called "Boost the process", focusing on operational perfection across our core activities.

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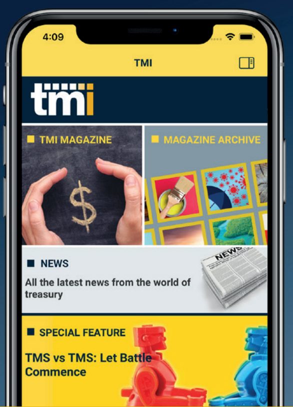

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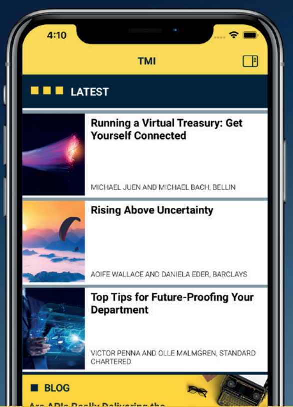

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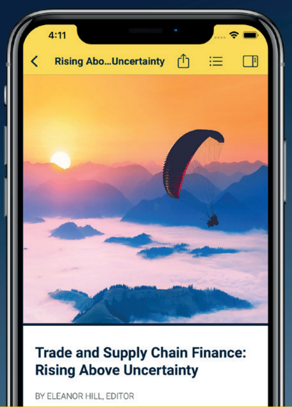


All the latest TMI news, blogs, videos and podcasts

How treasurers can help save the world – and the bottom line

In recent years, ESG – environmental, social and governance — has taken on new importance for corporates as both policymakers and customers have heightened their scrutiny of how businesses affect the world around them.

Contributed by C2FO

"If you're not taking ESG seriously, capital will become more difficult and expensive to secure," said Matt McQuillan, C2FO's managing director for the UK, Ireland, Denmark and Norway. "Banks, investors, insurers and ratings agencies are all going to judge you by your ESG performance."

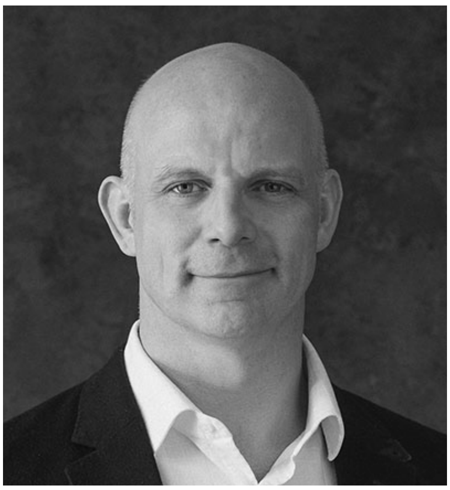
According to a recent survey by Herbert Smith Freehills, more than 70% of surveyed UK corporates said they plan to seek some kind of ESG-related financing, whether that was loans or bonds with associated ESG-based KPIs or "green" bonds that would be used to fund sustainability projects.

At C2FO, McQuillan works with CFOs, Treasurers and CPOs at Global 1000 companies to optimise their supply chains, using C2FO's working capital platform as an enabler. In this Q&A, he explains why Treasury has a central role to play in ESG strategy and how your team specifically can make a difference.

What are treasurers saying about ESG today?

It's a hot topic for treasurers. I regularly speak with Treasury teams at the world's largest corporations, and almost every conversation about corporate debt finance includes discussion about ESG.

Today, treasurers can qualify for the financing they want simply by having a sustainability framework in place, but that's changing. Lenders and investors are increasing their level of scrutiny. Going forward, companies will have to show tangible results from their ESG efforts, or access to capital will start drying up. Nobody wants to be accused of greenwashing, which is when a company purports to be environmentally conscious for marketing purposes but actually isn't making any notable sustainability efforts.



Matt McQuillan

Most treasurers understand this. They also realize that, to be effective, ESG has to be supported by an organisation as a whole. Unfortunately, it's not always obvious how the Treasury team can directly influence ESG performance outside its department.

It turns out Treasury has a significant role to play in the form of supplier financing. Take something like Scope 3 emissions — corporates need their suppliers to adopt new sustainability measures, but those suppliers may lack the funds. This is a perfect opportunity for Treasury to provide a solution.

What are Scope 3 emissions?

For most corporates, the greatest impact they have on emissions and society is not from their own sites, logistics and operations but instead from those of their suppliers — their Scope 3 emissions. As McKinsey & Co. notes, more than 80% of a corporation's carbon footprint is typically from their supply chain.

The Treasury team can have a far greater impact here than you might expect. In fact, you'll be saving the day for your colleagues in Procurement.

Many Procurement teams have suddenly found themselves on the hook for tracking the Scope 3 emissions of every

one of their suppliers. That's a lot to take on when standards are so complex and suppliers are so varied, for example, how do you measure the carbon footprint of a consultancy versus a clothing manufacturer?

They're also expected to compel their suppliers to follow those standards by investing in clean energy, shifting to sustainable packaging, paying a fair wage, or any of the other changes suppliers may be required to make. But these are investments that some suppliers are struggling to make, especially in a high-inflation environment like today.

In many cases, all Procurement can do is use the real or implied threat that it will stop working with suppliers that don't comply. That's a pretty severe stick to wield, and the cost and disruption of actually changing suppliers can be significant.

So how can Treasury help in a situation like this?

Treasury can empower ESG programmes by providing suppliers with an attractive financial incentive to make improvements.

Perhaps your company agrees to pay your invoices significantly earlier at a preferred rate for suppliers who reach required emissions targets. I've also seen companies provide financing at extremely low rates for a defined period of time to suppliers who use those funds to make specific improvements, like re-tooling to use plastic instead of paper packaging.

Incentives are a very effective way to encourage compliance. It shifts the tone of the relationship to one of collaboration and respect versus opposition and threat, strengthening ties for the long term.

And even better, it actually leads to action that benefits the environment. When you provide financial support for sustainability efforts, your suppliers actually have the resources to make those changes.

Which companies are doing a good job of executing on ESG?

A great example of a company that has evolved their approach is Philips, who are rightly winning awards for their innovative approach and have moved from being the ESG Police to ESG Doctors. During the pandemic, Philips used C2FO's platform to provide rapid access to working capital to manufacturers of critical components used in their medical equipment, such as ventilators, that were in very high demand.

You've mostly talked about the E in ESG. What about the S — social impact?

An uncomfortable truth is that even in this day and age women- or minority-owned businesses, especially small businesses, find it far harder to access liquidity than their peers. According to research from Bank of America, 60% of women business owners say they lack the same access to capital as their male counterparts. Almost 25% believe women will never have equal access to capital.

Treasurers can help here, too, simply by providing equal access to liquidity at preferred terms. C2FO regularly creates such programmes for our customers to help their suppliers survive and thrive, and the data we see is fascinating. For example, women-owned SMEs use the platform to access liquidity 2.5 times more than their comparable male-owned peers.

Are these programmes expensive to run?

Quite the opposite. With the right platform in place, these programmes actually create savings for the customer because, in order to receive early payment, most suppliers give a small discount. That's true whether the customer is making early payments to suppliers using short-term cash or whether they have their preferred banks pay early on their behalf. It works because enabling customers and their suppliers to collaborate more directly and digitally eliminates much of the financial cost leakage in today's supply chain relationships.

Ultimately, ESG fits neatly with Treasury's traditional responsibilities to protect the organisation's overall financial position as well as benefitting the bottom line. ■

So **how long** is a stretch of **hedge**?

Financing with extension options is becoming popular with many corporations. But can the interest rate risk be properly covered? Join **Alwin de Haas** for a closer look.

Contributed by Alwin de Haas, Orchard Finance

Alwin de Haas

Today, many of our clients take out financing with "extension options". The customer often has the option of asking the bank(s) twice to extend the term of the financing by one year. For example, if it concerns a 3-year financing that can be extended twice by 1 year up to a maximum of 5 years, we also speak of a "3+1+1" financing. When it comes to a 5-year financing that can be extended to a maximum of 7 years, we speak of "5+1+1" financing.

In the previous paragraph we deliberately speak of "asking the bank(s)" because such an extension is always subject to approval by the bank. However, if there are no special and/or negative developments in terms of creditworthiness with the customer, this approval is usually given. In other words, with a 3+1+1 financing, both parties (customer and bank) usually intend to enter into a relationship for 5 years. The same applies to a 5+1+1 financing. There the intention is to enter into a relationship for 7 years. The main reason that companies use financing with extension options is the maximum term that is common in the market. Banks go for a maximum of 3 or 5 years for certain sectors, but are almost always willing to add extension options. In that case, this supplement is a "free option" for the company to spread the upfront costs and time effort of arranging financing over a longer term.

Interest risk

It is of course nice to have extension options to create flexibility in terms of financing. In this way, it is easy to respond to the development of the company's financing needs. However, the interest to be paid on a financing is usually linked to a variable benchmark (usually €STR or EURIBOR). So therefore, the question then arises how we can hedge the interest rate risk when the tenor of the financing is uncertain? Is the company willing and able to also hedge the period of the extension options? And is it all that easy with the bank? For the sake of simplicity, let's assume a 3+1+1 financing and a company that is looking for security in terms of interest charges and would like to conclude a fixed-floating interest rate swap (the analysis is not fundamentally different with an interest rate cap, by the way).

Interest rate risk on renewal

The most logical choice seems to be to hedge the interest rate risk for 3 years. After all, in principle, the loan only runs for 3 years. But what if we now know that the company plans to exercise the extension options and it is also expected that the bank will go along with it? As of today, the company is therefore exposed to the risk that the variable interest rate rises in the 4th and 5th year. Unfortunately, we don't have a crystal ball, but we can imagine that entrepreneurs like to have certainty about the variable interest in those last years.

Then why don't you just hedge for 4 or 5 years, we hear you think. But that turns out not to be so easy. Due to the duty of care responsibilities, a demonstrable 1-to-1 link between the financing and the interest rate swap is important for banks and supervisors. This means for example that the nominal value of the swap may not exceed the size of the (outstanding) loan. In addition, it also underlies the principle that a bank does not want to have an interest rate swap on its books with a customer with whom there is no (longer) financing relationship. This principle is strictly enforced by most banks. So, in case the financing is not extended and therefore expires after 3 years, while at the same time a 4 or 5 year interest rate swap has been concluded, this principle would be breached. This would lead to a "loose swap" in banking parlance.

The possibilities of hedging the interest rate risk in the years 4 and 5 with products in the"option sphere" such as interest rate caps, swaptions or extendable swaps often prove to be undesirable. They require payment of an upfront (option) premium. Here too, the banks remain critical of the lack of the link between the derivative and the loans in the event that they are not extended.

A solution

One possibility to solve this issue, which we have recently applied in the market, is the following. The customer concludes an interest rate swap with the bank(s) for 5 years. This mitigates the risk of rising interest rates over the entire 3+1+1 period. We then agree with the banks that we will include an "early termination" option in the confirmation of the interest rate swap. Both parties, the company and the bank, are free to exercise this option. The settlement dates of this option are fully aligned with the option to extend the financing by a 4th and 5th year of your choice. In this way we guarantee that there is always a perfect match between the financing and the interest rate swap.

What does this mean in practice? If the financing is not extended by 2 years (+1+1), but expires after 3 or 4 years, the market value of the interest rate swap will be settled between the company and the bank when the financing expires. This can result in a negative or positive cash flow for the company, depending on the interest rate development. However, this is not the base scenario. The base scenario is of course that the financing is extended to 5 years and the swap also runs for 5 years. The key point of the early termination option is that the bank has 100% comfort that no "separate swaps"can arise as a result of not extending the financing.

The development of this solution must be done in close contact with the relevant experts of the bank (credit specialists, lawyers, etc.) to ensure that the financing and the hedge match perfectly. Another point is that when the company uses hedge accounting, its own accountant must also be involved in time to guarantee its continued application.

Are there any drawbacks to this solution at all? Actually, hardly. What may of course happen is that the interest rate swap has to be settled early after 3 or 4 years in case the financing is unexpectedly not extended. The market value must then be settled. If the interest in the 4th or 5th year is actually lower than what is now priced in in the 5-year swap, this market value settlement will be negative. Meaning, it leads to a payment by the company to the bank. In view of the currently still relatively low interest rates, this seems to be a fairly manageable risk for a company that in principle wants to enter into financing for 5 years.

We would be happy to discuss your company's interest rate risk and the options available to manage this risk. ■

***Alwin de Haas** is a partner at Orchard Finance and a specialist in the fields of debt advisory and corporate risk management.*

SHUTTERSTOCK

Are you ready for the new reference rates?

For more than 40 years Interbank Offered Rates (IBOR) have been part of the daily life for treasures and CFO's. Especially London Interbank Offered Rate (LIBOR) has been one of the most important reference rates worldwide.

A lot of scandals during the financial crisis, including market manipulation, caused the market to lose confidence in IBOR. This applies in particular to LIBOR and EURIBOR.

stacc escali

Contributed by Albert H. Vedeler, Stacc

Today, a small volume of unsecured loans between banks, has become a major problem in most countries. Especially those with the longest and shortest maturities.

Many countries' IBORs are generally based on estimates from the banks and not actual trades. Therefore, it was recommended to reform the current reference rates and find close to risk-free rates.

In this article you will find a summary of which alternative reference rates are being established and when the current reference rates disappears.

A summary of alternative reference rates

All the new reference rates have 1-day maturity. The alternative reference rates have no credit- or liquidity premiums, unlike IBOR. This means that the margin against ARR will be higher than on similar loans and hedges against IBOR.

Country	IBOR	Alternative Reference rate (ARR)	Duration	Secured / Unsecured
USA	USD LIBOR	SOFR – Secured Overnight Financing Rate	Overnight	Secured
United Kingdom	GBP LIBOR	SONIA – Reformed Sterling Overnight Index Average	Overnight	Unsecured
The EURO area	EURIBOR	ESTER – Euro short-term rate	Overnight	Unsecured
Norway	NIBOR	NOWA – Reformed Norwegian Overnight Weighted Average	Overnight	Unsecured
Sweden	STIBOR	SWESTR – Swedish Krona Short Term Rate	Overnight	Unsecured
Denmark	CIBOR	DESTR – Denmark Short-Term Rate	Overnight	Unsecured

Albert H. Vedeler

Conventions for loans and interest swaps

Loans, bonds, and interest rate swaps with Alternative Reference Rates will have daily interest fixing. The interest rate calculation will be retrospective, but in countries with a liquid futures market, it may be forward-looking. Both SOFR and NOWA is retrospective, so you will not know what the interest amount will be until the end of the term. The interest calculation method will probably be Actual / 365 for all interest-bearing instruments with Alternative Reference Rates (ARR).

LIBOR

LIBOR (The London Interbank Offered Rate) was terminated December 31st, 2021. That means that both GBP LIBOR, CHF LIBOR and JPY LIBOR do not exist. USD LIBOR will still exist for some lenders until June 2023, but the shortest maturities has already been replaced by SOFR.

GBP LIBOR

SONIA, Sterling Overnight Financing Rate, has already been an established alternative to GBP LIBOR since 1997. It was reformed in 2018, a few years after Bank of England took over the management of SONIA. Several borrowers have used SONIA as a reference rate on loans and interest swaps for several years. SONIA has no credit or liquidity premiums, unlike GBP LIBOR. There is already an established market for futures.
Souce: Bank of England

USD LIBOR

Initially diappeared on January 1st, 2022, but will continue to be used as a reference rate for some counterparties and maturities until June 2023. USD Libor 1 week and USD LIBOR 2 months disappeared completely on January 1st. It will be replaced by Secured Overnight Financing Rate (SOFR). The Administrator of SOFR is the Federal Reserve Board.
Source: PWC/Finanstilsynet

EURIBOR

EURIBOR will continue to exist as a reference rates. It has been thoroughly reformed. The European Central Bank is working to establish ESTR as an alternative to EURIBOR.
Source: European Central Bank

NIBOR

NIBOR has been reformed. If the reformed NOWA is well received in the market, it is not certain that the banks will benefit from continuing with the NIBOR panel. Interest rates for reformed NOWA have been available since January 1st, 2020. NOWA is already in use. It is probably only a matter of time before NIBOR will be phased out. NIBOR and NOWA will exist side-by-side until further notice.
Source: PWC/The Central Bank of Norway

STIBOR

Riksbanken (The Central Bank of Sweden) will still manage STIBOR and it will remain. STIBOR overnight will probably be replaced by SWESTR. From October 1st, 2021, Riksbanken has published daily SWESTR-rates.
Source: Riksbanken

CIBOR

The Copenhagen Stock Exchange have not managed CIBOR since October 1st, 2019. Finans Danmark took over the responsibility. CIBOR will continue to exist. Finans Danmark and The Money Market Committee are working with an introduction of a new transaction-based reference rate, DESTR.
Kilde: Nationalbanken

Recommendations

Many agreements today are linked to IBOR interest rates. Many of these have or will disappear. You should therefore start to convert intercompany loans, external loan agreements, bonds, interest rate swaps and leases. Especially if you are exposed to LIBOR. Make sure your internal IT systems handle this transition. Do they handle daily interest fixing? Do they handle the new alternative reference rates? ■

***Albert H. Vedeler**, has worked with Treasury related issues for 22 years in Stacc Escali. Stacc Escali is a supplier of Treasury Management Systems.*
escali.org

Three ways to bulletproof treasury in 2022

Navigating the pandemic was one of the most significant challenges for treasury departments in recent history. Market fluctuations as well as economic and political uncertainty are continuing challenges for treasurers.

PIXABAY

Contributed by FIS

How can treasury departments bulletproof their treasury operations in 2022 and beyond to manage current and future challenges? Technological modernization in the areas of risk management, payments, and cloud enablement can help.

Risk management

For treasury leaders, one of the primary concerns emerging in 2022 relates to protecting the organization from various types of risk including foreign exchange, interest rate, market, political and economic risk which continues to heighten.

Accessing sophisticated risk management technology and techniques can be challenging but is key to effectively mitigating risk. Companies often lack visibility to global risk exposures, market data, as well as access to quantitative skills to act on that data. Utilizing a robust treasury management system with embedded risk management capabilities allows treasury departments to better centralize risk management exposure and activities, while accelerating and improving decision-making ability.

Cloud migration

Cloud technology proved to be a game-changer for treasury teams during the pandemic, allowing for fully virtual treasury management, while also helping to navigate market volatility and cybersecurity risk.

Treasurers have begun to better understand the importance of harnessing the latest in cloud-based technology. Adopting cloud-based treasury systems helps:

1. Lower total cost of ownership
2. Remain on the latest version of the software at no additional effort or cost
3. Eliminates technological maintenance and support requirements

Cost is an increasingly important consideration for treasurers. A sophisticated cloud-based treasury management system can offer a significantly lower total cost of ownership (TCO) compared to an on-premise solution, or an antiquated cloud-based system.

Corporates can also achieve ROI across numerous other areas, including cyber-risk mitigation, operational efficiencies, and performance enhancements.

Increases in fraud and cyber risk, high global transaction processing costs, and disparate payment systems are among the many challenges corporates are facing

Cloud-based systems provide faster access to functional enhancements which help treasury departments navigate market changes, such as the IBOR transition.

Not all cloud-based treasury management systems are created equal. Vendors can differ significantly in everything from security credentials to service levels. It is important to thoroughly vet cloud providers of treasury technology during any selection process, considering organizational experience, stability, and investment more seriously than ever because of continued global economic and political uncertainty.

Payment modernization

Though a clear trend towards optimizing payments existed well before the pandemic, the past two years have accelerated payments projects. . By modernizing with a global payment hub, corporates can centralize payments processes, putting greater automation and standardized, secure workflows in place to help reduce costs, fraud and improve controls. Global bank connectivity capabilities eliminate the need to manage connections individually, meaning corporates can connect to global payment providers in a more simple, standardized way. Additionally, payment hubs can help corporates make the most of new technologies like APIs and SWIFT gpi.

As we continue through another tumultuous year, treasurers should remain focused on how they can bulletproof their treasury operations to not only protect their businesses and help navigate continued uncertainty, but to prepare their organizations for future growth. ■

Economist profile Stéphane Garelli will hold the opening keynote on 9 June, with an outlook on what makes us competitive on the global stage. The recent earthquake to the world economy makes his contribution more timely than could ever have been foreseen.

"Globalisation may have become too risky"

INTERVIEW | With 3,000 billion dollars of investment at stake in countries that have become reputational and economic risks, companies are now systematically reviewing the ownership of the physical assets they own worldwide – whether they are factories, offices or distribution systems. At Treasury 360° Nordic on 9 June, economist **Stéphane Garelli** will open by giving the big picture. And a recommendation – to be bold.

By Alexander Kristofersson, Treasury 360°

"The mindset of people outside and inside companies is changing," says Stéphane Garelli, pointing to the formidable challenges of today's geopolitical issues and consequences such as sanctions or the technology revolution that breaks down entry barriers.

"In this environment, companies need to be more aware of the impact of the global environment on their strategy."

Stéphane Garelli's CV is rich, with positions including the role as managing director of the World Economic Forum and of the Davos annual meetings. His professional and academic focus is on competitiveness, of nations and companies: what factors influence that competitiveness, and how it is built and managed. He is a founder of the World Competitiveness Center at Swiss business school IMD, and publisher of the annual World Competitiveness Yearbook.

Suddenly – a complete shift

"We see the end of globalization as we have known it for the past 40 years. The world economy has gone through three stages. The first, 'low-cost globalization,' was characterized by cost efficiency and just-in-time production. After the Covid crisis, the second favored the decoupling of economies and the duplication of technologies. The objective was to reduce dependency and supply breakdowns. After the events in Ukraine, the third stage is one of a fractured global economy," he says, rating the current shift as "the most fundamental strategic reassessment in 40 years".

"Globalisation may have become too risky," says Stéphane Garelli.

"How to be successful in such an environment? Indeed, it is time to be bold." ■

09:45 KEYNOTE: Time to be bold
***Stéphane Garelli**, Professor Emeritus of world competitiveness, IMD*

The critical importance of KYC for compliant sanctions screening

"The faster you can collect KYC information, the faster you get the overview of your exposure and risk."

Anders Meinert Jørgensen looks at the structure that companies need in place, to deal with the KYC information from anyone they work with.

AVALLONE

Contributed by Anders Meinert Jørgensen, Avallone

The Ukraine war is not merely unexpected and unfortunate. It's catastrophic for global stability – with many, many unforeseen and severe consequences. The repercussion with the biggest impact? Sanctions. A significantly more complex sanctions regime – especially related to Eastern Europe – that's been globally and decisively implemented at an unprecedented velocity.

And even before the Ukraine war, Treasury, Legal and Compliance teams already had overwhelming amounts of work in finding and sharing KYC information with banks as well as collecting basic KYC information from customers and other counterparties.

The consequences of not being accurately transparent to your banks when sharing KYC as well as not collecting sufficient KYC from customers and counterparties, and thereby not conducting compliant sanctions screening, are significant.

The question is, what do you need to take action on – to avoid the serious penalties from sanctions breaches?

First of all, it's important to understand that sanctions compliance has several aspects – all of which are interconnected. There is obviously the major concern of avoiding non-compliant actions that are in clear breach with sanctions. On top of this, comes reputational risk, which can impact a company – regardless of being in compliance with sanctions or not. And finally, there's the increased scrutiny from banks and other third parties – who are concerned with your company's sanctions compliance – as it impacts their own reputation risk.

What do you need to take action on to avoid the serious penalties from sanctions breaches?

For the sanctions compliance, companies today need to understand that this goes beyond "just" screening the legal entity name of a customer or a vendor. You need to fully understand the ownership structure of the company and the various implicit country exposures. This means you need to understand who is the ultimate beneficial owner to make sure you are not effectively dealing with a sanctioned person – or even with a person that has a background you would not be able to accept if it hit the front pages of the news.

It is also crucial to understand that with sanctions screening, you get what you screen on. To be even more precise, this means that if your KYC data is inaccurate or incomplete – for example, if you're missing ultimate beneficial ownership (UBO) information – your chances of sanctions compliance are significantly hindered.

What companies need is a structured

approach to collecting KYC from customers, vendors, investors – anyone you work with. Structure and speed. The faster you can collect KYC information, the faster you get the overview of your exposure and risk. Then you can use this insight to take mitigating actions. For example, you may end the relationship or stop operating in certain business areas.

> **One less obvious but important factor is the customer experience – in how they can provide KYC answers.**

Your collected KYC data and the company's own risk assessment of each customer will also be very helpful – especially when your bank starts to ask questions related to a specific transaction – as they also need to be satisfied with their risk with you as a company – as well as the risk of the customers you have.

Finally, one less obvious but strikingly important factor is the customer experience. That is, the experience that the recipient of your KYC request has with providing you with the answers and information that you need. Whether that recipient is a customer, supplier or other, their experience with your KYC request needs to be easy, user-friendly and includes the capability for you to reuse that collected data in your own KYC responses to banks or third parties. To enable this, technology and digitization plays an important role – ensuring your compliance as well as securing satisfaction with your customers, suppliers and more.

Anders Meinert Jørgensen

As a leader in your team, you can drive transparency in sharing KYC with banks and securing funding stability as well as be proactive with collecting KYC from customers and the crucial sanctions compliance. And here, Avallone can help – with our KYC platform that helps companies both respond to KYC requests from banks and other third parties as well collect KYC from customers and other counterparties.■

Anders Meinert Jørgensen *has been in corporate banking and leading compliance divisions for +20 years for the largest Nordic banks. Currently, he's the CEO/Co-founder of Avallone.*

"Paying in local currency could save importers plenty of money"

You would think European importers make good money bringing in Brazilian mangos or Colombian roses. Yet, according to Laurens Maartens of StoneX, money is often unnecessarily wasted along the way.

StoneX Global Payments

Contributed by Laurens Maartens, StoneX

PIXABAY

"European importers often can't pay in local currencies. They have absolutely no idea what exchange rate the banks will charge. So, they're at the complete mercy of those local banks. Importers often don't know it, but they could save a huge amount of money," Laurens says.

StoneX specializes in cross-border payments to less common currencies. It wants to provide its clients with an ever-broader range of services. So, the company set up offices in Brazil. Now, it can facilitate both incoming and outgoing payments for businesses. And it takes care of all the associated paperwork. The financial services provider has branches in São Paulo, Campinas, and Porto Alegre. This year, it has gotten the go-ahead to set up in Colombia too.

"It seems simple. But, these kinds of local payments are difficult, if not impossible. It's a headache for many business controllers. Those payments have to go through a local entity. Most parties in the market don't even have one of those. We were one of the first foreign companies to receive a license from the Brazilian bank."

"That was in 2018. That allows us to facilitate both incoming and outgoing payments locally. As a result, we can now make payments in Brazilian reals for our clients. The license we recently obtained in Colombia means we can now do the same in pesos," says Laurens.

"We take care of all the paperwork too. We have a local presence all over, so the information flow is significantly smoother. Also, we can support companies that have production facilities in those countries. We can make local currency payments for things like wages."

"Here, too, there's a vast amount of money to be saved. We work entirely transparently. We provide clients with an exchange rate. They, thus, know in advance how many euros or dollars they'll need to meet their obligation. We add no fees, commissions, or other costs to the transactions," adds Laurens.

"Our local presence is extremely attractive to European importers. There are hundreds of these companies. Both Brazil and Colombia are booming asproduction and export countries. ■

StoneX®

(FORMERLY KNOWN AS INTL FCSTONE)

CROSS-BORDER COMMERCE FOR THE 21ST CENTURY

When assessing its cross-border payment needs, the average organisation assesses 3 main points:

1. How can I make payments with any certainty (as to the final amount delivered and delivery date) without having an account in the payment currency?

2. How much will it cost? Am I sure there are no hidden or extra costs?

3. Is the proposed solution easy to use?

Each organisation will give different weighting to different factors, depending on which is the most important to them, but in each case they will ultimately need to have an answer to all 3 of these issues. Here at StoneX we have approached these questions in turn, as we attempt to remove the headaches of cross-border payments from Corporate Treasury teams across the world. We also throw one more question into the mix for the reader to consider: does your provider have the sufficient currency reach to meet your transfer needs?

To provide our perspective: we have been a specialist provider of cross-border payments since 1986. In that time we have built up an impressive customer base that now includes many of the world's leading transaction banks, who use our expertise in the developing world to complement their own coverage in more developed markets. With the globalisation of trade, we are witnessing explosive growth in the number of payments from the developed world to emerging markets. At the same time, governments, regulators and commercial actors increasingly favour payments being executed in local currency and discourage the use of Dollars to settle local obligations (in non-Dollar countries).

So how can we help address these various challenges? Well firstly, unlike many other providers in the cross-border space, we run our own network of local correspondent banks across the world. Instead of relying on one or two global banks, we actually transact in the local target market of the intended payment, engaging local banks, a specialist in that market, in order to secure a fixed, low cost – as all payments travel across local clearing mechanisms, rather than arriving at cross-border guaranteed delivery times. It is also true that having a local partner in the target market reduces the complexity and layers of any investigation into failed payments, significantly reducing investigation timelines. Our team quotes an upfront, fixed cost (in the form of an FX rate, with an agreed spread) for the transaction at hand, guaranteeing both that the payment will arrive whole with no charges or lifting fees deducted, and the delivery date of the local funds. By interacting solely with local banks, we are able to ensure highly competitive exchange rates.

All of this is supplied upfront in a transparent manner, putting the ordering customer in control of its costs and helping avoid the problem of payments arriving to the beneficiary with a shortfall, requiring complicated reconciliations and resending of funds. Further, this enables suppliers to bill in their home currency, removing the need for the conversion-risk premium so often inherent in USD billing and allowing for more transparent cross-border pricing of goods and services.

Due to the large numbers of transactions that StoneX handles on behalf of the global banks, we have achieved economies of scale in many of the developing markets that is hard to replicate. This helps explain why many of the world's largest banks have concluded that it is preferable to use our payments services for the developing world, as opposed to running a higher cost service themselves.

Further, after a significant investment in technology, our team is able to offer a highly simplified process to companies, offering auto-pricing of FX transactions, validation of payment instructions and straight-through-processing at the click of a button in 140 currencies.

As a case study, we work with a leading global insurance group that needs to make multiple local currency payments all over the world. This company makes over 3000 cross-border payments in 52 currency pairs on a monthly basis to locations where they do not hold a local currency account themselves. They are able to upload these payments in one file directly into our pricing and payments system, FXecute®. The system auto-prices the FX deals, validates the instructions and notifies the ordering customer once when the transaction settles. Our software receives the instruction and makes the payment directly to the ultimate beneficiary, saving the ordering customer the time and expense of running their own local currency accounts in developing markets, without suffering any loss of certainty or transparency in the process.

With access to this technology, coupled with an extensive network of over 300+ local banks across the world, companies are able to engage in cross-border business to anywhere in the world, making local currency payments almost as simply as domestic payments in their own markets, for a known, guaranteed cost. Global commerce has never been so easy. All you need to do now is decide where you want to do business next!

FOR MORE INFORMATION, CONTACT US AT:

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www.stonex.com

Treasury 360° Nordic takes place at Clarion Hotel Copenhagen Airport on 9 June

NORDIC CHOICE HOTELS

Action! Here is your day of insights, networking and fun

08:00 Networking breakfast

09:40 Chairman's Opening Remarks

Simon Hesse Hoffmann, Investor | Board

09:45 OPENING KEYNOTE: Time to be bold

Economic cycles used to hit us all but lately they have become selective. Will your company be a winner or a zombie when the new "K" type of recession strikes … while governments grow their market interventions and businesses turn from "just-in-time" to "just-in-case"? Stéphane Garelli is not just a world-class business profile, having held positions like managing director of the World Economic Forum. He is also a master at slicing the ever-more-complex world economy down to the pieces that make it all look so simple under his guidance – having been, for example, the opening keynote speaker of EuroFinance 2018. Breakneck-speed delivery, big laughs and actionable insights are guaranteed.

Stéphane Garelli, Professor Emeritus of World Competitiveness, IMD Business School

10:15 KEYNOTE: Business partnering … 2.0

The finance function was always a provider of numbers - often important ones for prioritising investment areas across the corporation and underpinning strategic decisions. Even so, many corporations are seeing finance ever more closely involved with the overall direction of their groups, with both CFOs and treasurers taking on increasingly strategic roles. As regional CFO of North Asia for the Denmark-based Hempel group, Nikolaj Enevoldsen is experiencing the trend first hand. In this session, enjoy his inspiring report and analysis. What is your own experience?

Nikolaj Enevoldsen, Regional CFO, North Asia, Hempel A/S

Our question to you

Poll time

Using our phones as a polling tool, we will all be meeting quick questions throughout the day (through QR codes). Then in the final session, at 16:15, we will come back with an overview of our views on the day's topics, with reflections by a senior panel. **menti.com, code 3256 7861**

10:45 Networking break

Continues in tracks A–C ›

Tickets and general event info: treasury360nordic.confetti.events

Digital conference, free for treasurers: hopin.com/events/treasury-360-nordic

	TRACK A Nailing the deal	TRACK B: Technology-driven transformation at the treasury	TRACK C Boost the process
11:25	**Track introductions – with poll questions**		
	Our question to you This track looks at corporate funding initiatives and discusses what we can learn. It will feature cases as well as a discussion panel. Experiences from different Nordic countries will be discussed. (Along its history of Nordic stops, Treasury 360° has presented interesting funding projects steadily. Many are featured in articles or even full-session videos such as in these cases from Finland's UPM and Citycon, Norway's Yara, Denmark's Stark Group and Lundbeck, Iceland's Landsvirkjun and Britain's award-winning Oxford University treasury.) Track moderator: **Sander Van Tol**, Partner, Zanders. To get to the poll question, scan the QR above or go to: **menti.com, code 8177 6118**	**Our question to you** From advanced cash management systems to artificial intelligence, robotic processing and cybersecurity … We have heard all the terms but how do we manage our innovation to make sure new solutions support, rather than disrupt, our operations? This track will feature both a case and discussion. Experiences from different Nordic countries will be discussed. Track moderator: **Lone Kejser**, Partner and Board leader, Infiniance. To get to the poll question, scan the QR above or go to: **menti.com, code 8289 7838**	Most of us have our core processes and systems reasonably well under control (or let's hope so). So today, where are the best opportunities to do things even more efficiently? Through cases and talks, and lunch, let us connect with the colleagues who share our craving to improve – or have experiences we can learn from. The sessions will feature poll questions. Track moderator: **Nicolas Christiaen**, CEO & Co-founder, Cashforce
11:30	**CASE STUDY: Meet one of the world's largest non-sovereign bond issuers** Germany's development bank KfW is a giant, having raised 83 billion euro in international debt capital markets in 2021 alone to support its mandate to promote the transformation to a climate-friendly economy and society. Meet Group Treasurer Tim Armbruster for a rare look into his operations. In the year, no less than 16 billion euro came from 37 issues under its "Green Bonds – Made by KfW" framework, including the largest-ever USD green bond maturing 2026. **Tim Armbruster**, Senior Vice President & Treasurer, KfW	**PANEL DEBATE: How payments are eating the world – Making sense of the digital revolution** Over just a decade, the time it takes to make an urgent international payment has gone from possibly hours to seconds – and still, the digital transformation of the payments landscape has only begun! This session makes use of J.P. Morgan's "POWER+" framework to identify the limited number of actual driving forces, so we can more effectively prepare for the future. Moderator: **Johan Fagerström**, Head of Payments Nordics, J.P.Morgan Panellists: **Anna Ehrenborg**, Senior Cash Manager, Consumer Payments, Volvo Cars **Abraham Geldenhuys**, Vice President Group Treasury, Kongsberg Automotive	**CASE STUDY: Trends in cash management and forecasting – The case of Suitsupply** **Our question to you** Leading a project to put an automated and improved group-wide process in place for cash visibility and forecasting, Suitsupply's Michel van der Lingen sought to cut down on his team's daily manual struggles.This session looks at his case, but also at how the field is evolving and what risk/benefit tradeoffs the corporate decision maker has to take into account. Digitisation, artificial intelligence and learnings from Covid will be among the many factors in play as we design tomorrow's cash setup. **Michel van der Lingen**, Finance Director, Suitsupply. To get to the poll question, scan the QR above or go to: **menti.com, code 5271 2099**
12:00	*This five-minute buffer at 12:00 enables you to shift tracks if you would like. Don't think of it as a break.*		

Continues in tracks

	TRACK A Nailing the deal	TRACK B: Technology-driven transformation at the treasury	TRACK C Boost the process
12:05	**PANEL DEBATE: The case for using sustainable finance from an issuer and investors perspective** The world's transition towards a sustainable future is an imperative undertaking that has just begun – and a massive opportunity for corporates and investors in the years ahead. What do we need to have in place, as corporates, to be eligible for the financial benefits that the emerging sustainability frameworks are offering us in our funding and what other benefits does doing sustainable finance bring? And, conversely, what operational realities and challenges will be most important to help investors understand and to address as part of this process? Moderator: **Carla La Tona**, ESG Advisory, Deutsche Bank Panellists: **Amer Demo**, Head of Funding & Markets, A.P. Møller - Mærsk **Kasper Kiim Jensen**, Group Treasurer, Ørsted **Tobias Engl**, CFA, European High Yield Portfolio Manager, ESG EUR HY Specialist, DWS	**CASE STUDY: How cash management supports the growth strategy at Statkraft** For many corporates, full global cash visibility and payments-on-behalf ("Pobo") capacities are dreams. With the inhouse bank setup at Norway's Statkraft, they have been turned into reality. Top level currency exposure control is in place, and so is a cost-efficient system for internal short-term funding of business units across the group. Internal group payments and account reconciliation go via a shared payment and accounting service for all business units, using the group's ERP system, and a common bank interface simplifies the process of setting up new banking partners when expanding to new countries. Meet Stian Salomonsen, VP Head of Cash Management, for a detailed look into how it has been achieved, how it unleashes new capabilities and strategies on the corporate level … and what further improvements will be the next to address. Moderator: **Jan Dirk van Beusekom**, Head of Strategic Marketing for Cash Management, Trade Solutions & Factoring, BNP Paribas **Stian Salomonsen**, Vice President, Head of Cash Management, Statkraft	**CASE STUDY: Building an agile Treasury organisation for a unicorn** **Our question to you** Founded in 2008 in Vilnius, Lithuania, Vinted is now the largest online international consumer-to-consumer marketplace in Europe dedicated to second-hand fashion, with a growing member base of 50 million members. The company experienced strong growth and international expansion in recent years. Vinted's online business model combined with a high growth ambition requires a Treasury department that is value adding to the business. Agne Masiulyte, Senior Director of Treasury at Vinted, will give insight into the Treasury journey from the foundation of Vinted in 2008 until where the company is now and how the Treasury function has developed along the way. She will provide insight into the challenges and the decisions that were taken during the journey. Moderator: **Esther Goemans-Verkleij**, Partner Treasury, Orchard Finance **Agne Masiulyte**, Senior Director Treasury, Vinted To get to the poll question, scan the QR above or go to: **menti.com, code 2826 5951**
12:35	**LUNCH.** For each delegate we host for lunch, we will also donate a food package for a refugee through UNHCR.		

	TRACK A Nailing the deal	TRACK B: Technology-driven transformation at the treasury	TRACK C Boost the process
14:00	**CASE STUDY: New metrics – new role** At Dutch supermarket giant Ahold Delhaize, tying the interest rate of a 1-billion euro revolving credit facility to the group's sustainability metrics will give a lower cost if the group scores well – or punish it if it does bad! A part of the day-to-day runnings is to monitor ten core key performance indicators covering food waste, company decarbonization, plastics, inclusion, human rights and more. In fact, the move actuates a new overall idea of what a corporate treasury does … and is. Ahold Delhaize's sustainability-linked RCF was elected winner of the prestigious ACT Deals of the Year Awards for 2020. Hear the real story behind it. **Miguel Silva Gonzalez**, Senior Vice President & Treasurer, Ahold Delhaize	**CASE STUDY: Digital Treasury at Deutsche Bahn – Appointed best project 2021 by Europe's treasurers** In-house teams at the treasury rather than consultants, and standard or open-source software … These are central components of the broad automation makeover at the treasury of German railway group Deutsche Bahn. Robotic process automation, electronic signatures, new analytic technologies, text mining and dashboards are just some of the many new tools put into use. In this session, meet Gerd Berghold, who led the implementation. His project won the prestigious EACT Award – where Europe's national treasurer associations each nominate a candidate to battle for the all-European prize. Winner criteria include innovation, reach, ESG impact, perfection ambition … and wow factor. **Gerd Berghold**, Head of Treasury Operations and Digital Treasury, Deutsche Bahn AG	**CASE STUDY: How Spotify's treasury team gets its cash investments right** Our question to you Holding €3 bn in cash and equivalents, the treasury team of less than 10 people at Swedish music-streaming unicorn Spotify has had good reason to think through its investment setup properly. Ultra-short liquidity is managed in-house, while the handling of its more strategic cash is outsourced to allow for the risk-monitoring needed for positive returns in the low-interest environment of recent years. The outsourcing leaves time for process improvements, such as through robotic process automation. **Mikaela Rumenius**, Head of Financial Markets Activities, Spotify Treasury To get to the poll question, scan the QR above or go to: **menti.com, code 83 35 88 4**
14:30	**CASE STUDY: The first ever digital bond on a public blockchain – and what's in it for your future** As the European Investment Bank (EIB) issued a 100-million-euro two-year bond to key market investors a year ago, it represented the market's first multi dealer led, primary issuance of digitally native tokens using public blockchain technology. Meet EIB's Olivier Chapiteau and explore how this could pave the way for new capabilities in your corporate issuance. While it uses radically new technologies, the issuer's process is not necessarily all that unfamiliar. Goldman Sachs, Santander and Societe Generale were joint lead managers, while Banque de France contributed its pioneering central bank digital currency (CBDC) capability. **Olivier Chapiteau**, Capital Markets, New Products & Special Transactions, European Investment Bank	**PANEL: Cash, risk, and tech, tech, tech** Moderator: **Michael Bach**, Senior Manager, Risk Advisory, Deloitte Panellists: **Lena Myklebust**, Head of Cash Management Infrastructure, Equinor **Magnus Attoff**, Head of Digital Transformation & Financial Risk Management, Telefonaktiebolaget LM Ericsson **Mervi Piirainen**, Director, Head of Treasury Operations, Stora Enso	**KEYNOTE: Treasury and investor relations – in the digital-media age** Our question to you The narcissism, truth distortion and unpredictable viral spreads on social media can make it a scary place for those of us who prefer to just focus on the facts. But to frown at the new platforms is to miss the point. Instead, digital channels can improve our relevance and responsiveness towards our investor communities and let us gain their deeper trust. Learn how the finance function can approach these spaces – with a view to "democratising" not just the communication but even investing overall. **Tue Østergaard**, Founder & CEO, HC Andersen Capital. To get to the poll question, scan the QR above or go to: **menti.com, code 3012 8623**
15:00	**Afternoon network break – 45 min**		

Continues in plenary

15:45 Business partnering – The panel

This panel of highly senior treasurers will zoom in on the important relation between the finance & treasury function and the stakeholders around it. It will also explore how the treasury's role has evolved, where it is going next, and what it will mean for you and your team. Perspectives from different Nordic countries will be represented.
Moderator: **Simon Hesse Hoffmann**, Investor I Board
Panellists:
Elisabeth Mosseen, Group Treasurer, SKF Group
Per Hjorth Poulsen, VP, Head of Group Treasury & Insurance, Vestas

16:15 CLOSING SUMMARY – prepared by you!

Let us present the results of the day's delegate poll! This content will have been produced by you, all the delegates, by voting on questions you have been asked throughout the day. In turn, this outcome will be discussed by a panel of experienced treasurers, to help us all leave the conference with a plan of action.
Moderator: **Matt McQuillan**, Managing Director, Business Development, C2FO
Panellists:
Abraham Geldenhuys, Vice President Group Treasury, Kongsberg Automotive
Sirkku Markula, Senior Vice President, Corporate Treasurer, KONE Corporation
Åsa Skogsfors, Vice President, Head of Treasury, Viaplay Group

17:00 Chairman's Closing Remarks

Simon Hesse Hoffmann, Investor I Board

17:05 Just add magic!

Henrik Svanekiær is the Danish magician who has done 6 shows for the Danish royal family, 60 appearances with Danish television and more than 4.000 shows in 19 countries. Treasury tip of the evening: hold your wallet tight.

17:30 Aperitivo and lounge music

In recent years, **Martin Baltzer** has been one of the most popular commercial DJ's in Denmark. His list of shows goes from corporate jobs for the biggest corporates, to festivals, private jobs in Europe and finally the role as official match DJ for the Danish football side during their home matches at Parken.
His unique mainstream style combined with the technique from the nightclubs has made him one of the nation's most demanded DJ's.

19:15 Dinner and entertainment

For each dinner guest served, Treasury 360° Nordic donates a food package for a refugee through UNHCR.

KEVIN SCHMID / PIXABAY

For Volvo Cars' customers, the payment is an **experience**

As today's consumers make buying decisions, they see their preferred payment option as an important feature of the product – even when they buy a car. Treasury 360° spoke with Volvo Cars' **Anna Ehrenborg** about the growing need for alignment between treasury and business, all to support the consumer experience. On 9 June, meet Anna in the mid-day tech track.

By Alexander Kristofersson, Treasury 360°

"As a merchant, you may want to look for a global provider of consumer payments services, to keep the number of suppliers down. But the customers will demand that you are locally relevant, offering the methods that they are accustomed to. It is a challenge to identify the suppliers who can provide what is required," says Anna Ehrenborg, senior cash manager for consumer payments at Volvo Cars.

"And the further down the generations you get, the more they go 'this is how I always pay'." And it must be smooth. If you have a cumbersome process, you lose the customer at the payment stage.

CAR IMAGE: VOLVO CARS

Anna Ehrenborg is senior cash manager for consumer payments at Volvo Cars.

Getting closer to the consumer

On Thursday 9 June, Anna Ehrenborg will be one of over 30 speakers at the Treasury 360° Nordic conference at Copenhagen Airport. She takes part in a panel about the rapid changes on many fronts in the global payments landscape.

On her area, consumer payments, the emergence of subscription models such as "Care by Volvo" to replace the traditional one-off car purchase, is only one example of how the line between corporate cash management and product development is blurred.

Volvo Cars is currently on a journey towards more direct sales to consumers, and that is where Anna Ehrenborg has her professional focus.

"Treasury's responsibility is not the consumer experience as such, but we are involved with the setup behind it and which payment methods people want in different countries. Which providers should we have, and what agreements should we have with them? Then of course how fast we receive the money and what we do with it next, and the different risks along the way, such as chargebacks or cancellations."

Reflects back on organisation

With payments becoming faster and more flexible, Anna Ehrenborg senses that corporations also approach them in increasingly agile ways.

"Many corporations have a rather large, dedicated payments department, well experienced in working towards consumers. Companies which have started their end-consumer sales more recently, though, may tend to go for something of a hybrid treasury and digital finance office, working more closely also with the digital function that builds the consumer front end," says Anna Ehrenborg.

Banks adapt, too

She sees this merging of finance and consumer perspectives reflected also in how financial services providers work these days.

"Increasingly, you see the traditional banks add on a consumer-facing 'fintech' leg. It used to be more separate, with banks doing the FX and cash pools, while the fintechs would deal with the consumer payments. But now, with changes like the open banking directive, big banks are seeing that they need to grow in this area. As these areas grow into each other, it is important that the treasury is involved."■

11:30, track B. *PANEL DEBATE: How payments are eating the world – Making sense of the digital revolution*

Buy now, pay better

The case for clicking the button on P27

The upcoming pan-Nordic payments platform P27 will enable corporates to handle real-time multicurrency and multi-country payments easily. The project to get ready could initially feel like a burden – but it will pay off, and prioritizing it now will help you get through the transition smoothly.

NOMENTIA

Contributed by Nomentia

Change can be challenging as the new always represents the unknown. Who would have thought a couple of decades ago that we would be able to communicate in real-time with people on the other side of the world? In the early days of the Internet, many were skeptical. Today, we can't imagine a world without it. After all, change is necessary for innovation and development and it is constantly happening in business. Financial and treasury departments often face change, and new innovative solutions have been revolutionizing the way we pay and forecast future cash flows.

Not long ago, businesses had to implement the Payment Services Directive (PSD2) to improve payments security on the consumer side. Now, the business-to-business payment market is also facing transformational times with P27 Nordic Payments, and all businesses handling payments will be affected in a positive way in the Nordics.

What does P27 mean for Nordic corporations?

P27 is shaping the way payments will be executed in the Nordics. Corporates will be able to handle real-time multicurrency and multi-country payments in the Nordics through a modern, versatile, and secure platform. Traditional clearinghouses like Bankgirot will become obsolete, and companies will communicate directly with the banks. Country-specific legacy file formats will be replaced with the ISO20022 XML standard format.

P27 will form enterprise payment processing completely by simplifying and standardizing communication with the banks. While the project to get ready for P27 may feel like a burden at this point, P27 will have several benefits in the long run. Payments processing will be simplified, file formats will be harmonized and standardized, payment processes will be more efficient, and the transparency and security of executing payments will advance. P27 will refine payment processes

> **"The secret of change is to focus all of your energy, not on fighting the old, but on building the new."**
>
> *Socrates*

both locally and internationally and future payments between the Nordic countries will be just as easy to handle as domestic payments.

Communicate with any banks directly

Perhaps, the most important step to becoming P27 compliant is establishing bank connections and ensuring that all financial systems and ERPs support communication in ISO XML 20022 file format and can reconcile account statements and reference materials. In cases when it is not possible to connect to specific banks through the existing systems in place, there are solution providers that can help with connecting banks directly or via the SWIFT network and support you with the file format conversions.

P27 will further strengthen collaboration between Finance, Treasury, and IT

Getting ready for P27 requires collaboration between treasury, finance, and IT. The lack of collaboration between these different functions within the organization is often an obstacle to creating efficient cash and treasury management processes that are strategically important for corporations as they need to optimize cash flows. Treasurers prefer flexible solutions to integrate with the existing financial systems. To achieve seamless communication between systems and banks they rely heavily on the IT department to do the job and maintain the connections. For implementing the best solutions to meet the strategic objectives of the Finance and Treasury departments, liaising with IT is unavoidable, but in the long run it will create an even stronger partnership between the stakeholders.

Building the new

We tend to fear the unknown and get uneasy about changes, but this quote from Socrates also applies in this case, “The secret of change is to focus all of your energy, not on fighting the old, but on building the new.”

Prioritizing the P27 project now will help you to get through the transition smoothly. If you haven’t started yet, now is the time to create a plan with your internal stakeholders: what needs to be done and whether you can handle it internally or need external help. Ensuring P27 compliance today will improve your payment automation, reconciliation, and bank connectivity capabilities and get you one step ahead for future changes that can once again improve how we do payments in the Nordics. ■

Are you prepared for P27? A quick checklist:

- Can your ERP(s) and financial systems handle outgoing payments with the ISO 20022 XML format? How about Pain.001?
- Can your reconciliation interpret account statements and reference materials in ISO 20022 XML format? And Camt052/053/054?
- Can you communicate directly with all the Nordic banks you are using?

Nomentia provides treasury and cash management solutions for close to 2,000 clients in over 80 countries.

Three **challenges shared** by banks and corporate customers

As technology continues to advance and the FinTech industry continues to gain trust and support from corporate customers, it's becoming more and more essential for banking networks to embrace these new features in order to improve their processes and customer satisfaction.

BuyingTeams

Contributed by BuyingTeams

An article in Forbes from 2020 concluded that 84% of companies focused on improving customer experience report increased revenue, and that customer centric organizations are 60% more profitable than non-customer centric organizations. This is not surprising, but it clearly confirms the need for relevant, representative, timely and actionable customer feedback data, to form the basis for the right focus and decisions for Banks & Corporate Customers.

That's why emerging FinTech companies like BuyingTeams are in demand to enhance the feedback and collaboration between banks and their Corporate customers. Here are three ways the newly launched BuyingTeams Collaboration tool is solving challenges currently shared by banks and their corporate customers:

✔ Customer experience

Most banks still send out annual customer satisfaction surveys for the corporate customers to provide their honest feedback, or they conduct phone interviews once a year (mostly through third party suppliers).

Recent studies show, that B2B relationships benefit from multiple feedback loops per year, and as well that multiple contacts on the customer side should provide feedback, in order for the selling side to increase business retention rates.

Through BuyingTeams' Collaboration tool, banks can now offer corporate customers digital surveys through a free digital platform (web and mobile) that allows corporate customers to provide direct feedback across different product areas and countries. As often as they wish, with as many people in the organization as they wish. Through this platform, they can rank their customer experience and offer critical insights into how the bank can improve its operations. The corporate can include all relevant people in the organization working with banks, and use the platform for all their banking partners, - on a global scale.

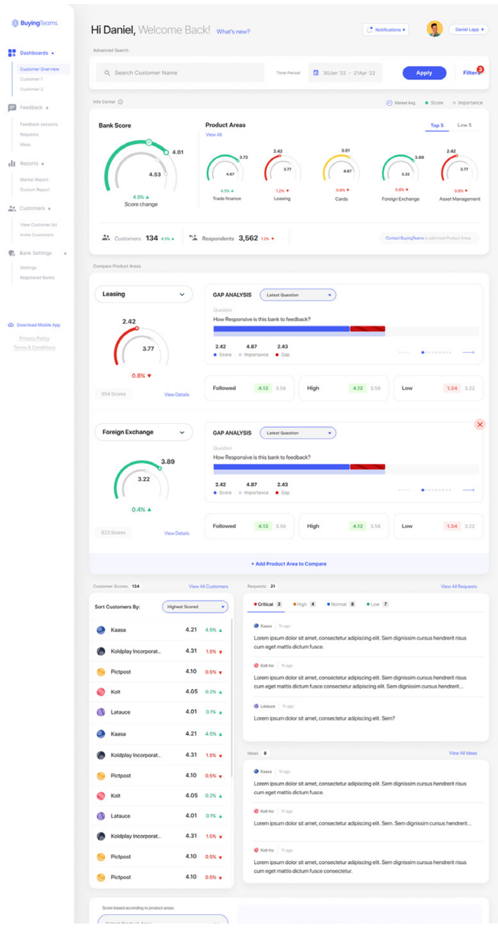
✔ Lack of technology to gather feedback and customer data

With the present non-digital ways of collecting feedback from corporate customers, many banks are left with low response rates and an increasing "customer fatigue" with respect to responding to these surveys as this provides little or no value to the corporate customers. Often, the survey samples are low, and thus the validity of data open for discussion.

Most banks also experience a lack of real-time analytics that they can use to continuously improve, as they don't have the technology, or the real-time data, to create analytics that provides actionable insights and can help them to focus where it matters the most.

BuyingTeams is solving this problem by offering banks real-time access to detailed insights into their corporate customers' perception of their banks' capabilities and performance.

This is done through a professional infrastructure (with API and full customer support) that uses machine learning to help banks digitize their collaboration and feedback processes and improve their



business intelligence on corporate customers. As the process is digital, the bank can invite all their corporate customers to provide feedback in one efficient process.

✔ Visibility across banks in multiple countries

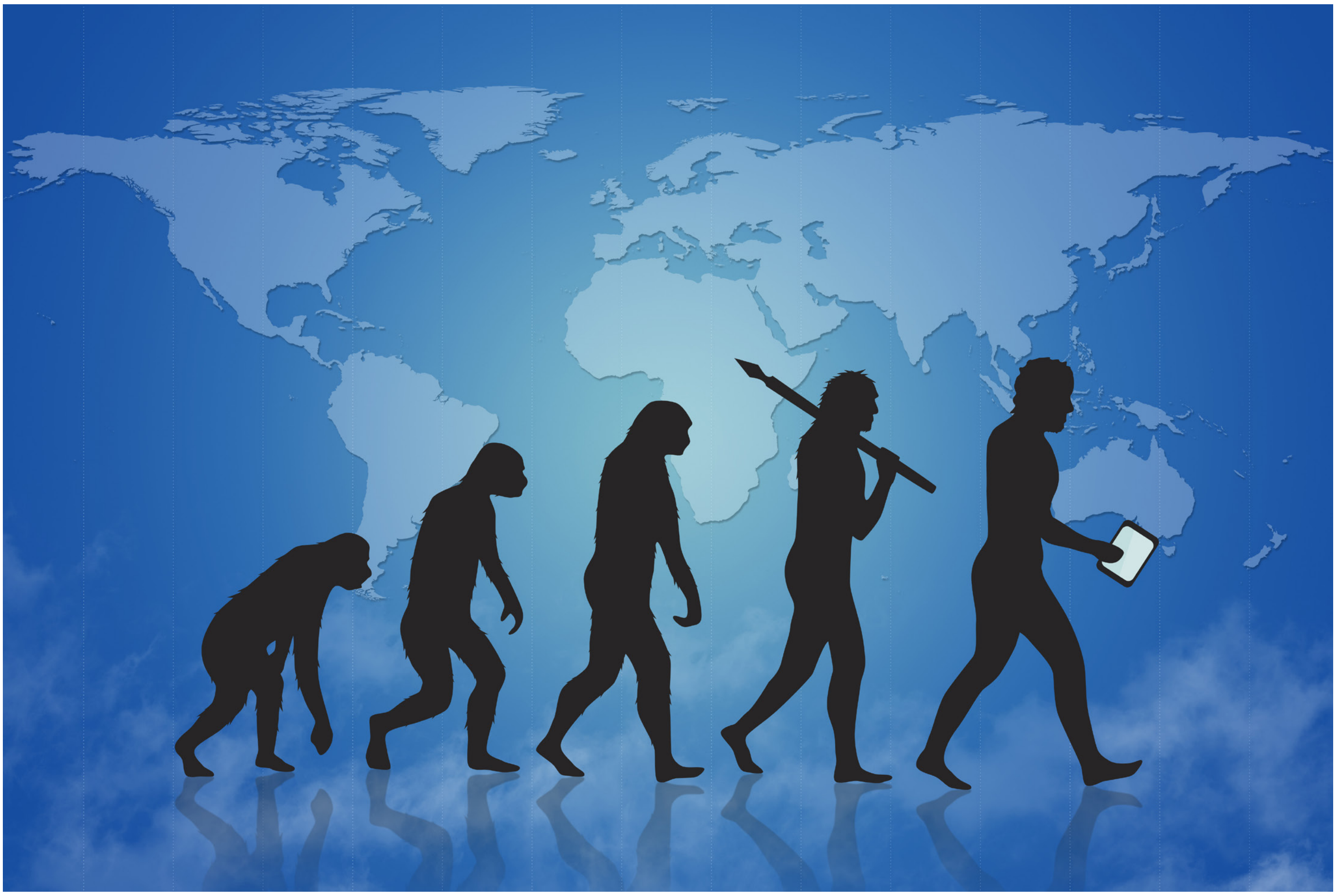
One of the biggest challenges for all banks, especially those that have corporate customers in many different countries, is that it can become increasingly difficult to gauge how corporate customers are being handled in each separate country and/or in separate business areas of the bank. Currently, many different processes are in place in an international bank, to gather data for the various countries or product areas in the bank. With different processes it is quite difficult to create valuable, or indeed meaningful, insights across countries and to manage data across processes.

Through the BuyingTeams Collaboration Tool, banks will have access to their own Business Insights platform, globally uniform, where they can see and dive into important data in a real-time Dashboard that allows them to follow the development in all countries of the bank, capabilities and service levels over time – in fact their corporate customers' perception of this.

All colleagues within a corporate organization can be included and offer valuable and actionable insights into the banks' performance. Front office in Treasury (as well as the bank), then have a very detailed basis for future banking discussions and will experience a strong foundation for more focused dialogue on various, important issues in their business relationship.

Final thoughts

To meet the needs of their corporate customers today, it's becoming imperative for banks to integrate with rising FinTech solutions to help consolidate their operations and keep their customers happy as the road leads to a digital future. The BuyingTeams Collaboration tool offers the best of both worlds as its not only valuable for banks but offers real-time analytics to the corporate front-office staff as well. More data and actionable data for both parties, to take collaboration to a new level. ■



SHUTTERSTOCK

Welcome to Digital Darwinism

Treasury Technology has been changing and developing quicker than ever before. This rise of emerging technologies is applied in increasingly familiar guises, like artificial intelligence, API, blockchain and machine learning. However, these can only be successfully deployed when implemented by people who understand the power of technology and are open to change their routines and processes.

ZANDERS
TREASURY ▪ RISK ▪ FINANCE

Contributed by Zanders

Applying technology is all about the combination of digital acumen and a change mindset. What does that mean specifically for treasury technology? It is time to explore the more human aspects in successfully deploying treasury technology.

In his Evolution theory, Darwin stated that all species on earth share a common ancestor. During millions of years, these species have changed over time and given rise to new species. The mechanism that Darwin proposed for evolution is natural selection. Life is about the survival of the fittest. To survive, according to Darwin, we need to constantly adapt ourselves to the ever-changing world.

This concept of 'Darwinism' can be applied to the treasury function and the treasury professionals too. So, for treasury to survive as a specialist & expertise function in the broader finance, control & accounting organization, it becomes crucial to deliver on the potential added value of treasury. If treasury remains too focused on the operational aspect of the activities, a large part of the treasury function can be amalgamated into shared service centers (SSCs) which are much better equipped when it comes to 'in the box' efficiency. With 'in the box' efficiency we mean process efficiency in a standardized, controlled environment and automated manner. So, is the deployment of more technology the way to show the added value of the treasury function?

From the corona pandemic and the current war in Ukraine we have learned that we still need real people to help in case of less automated situations and uncertain settings.

When the work-from-home era started, tech-savvy people could do everything online and all worked fine. This did not only apply for their professional lives, in which Teams / Zoom meetings took over the normal physical meetings, but also in their private lives like ordering groceries online, virtual house viewings with your real estate agent, on-line escape rooms with your friends. However, unfortunately there is also a large group of people who are not that tech-savvy and still rely for example in both their business as well as private life on support from call centers or physical offices for assistance.

We see this kind of bifurcation in tech awareness in the treasury function too. Specific parts of the treasury function are now fully standardized and automated. In other parts, however, we are still struggling to use technology and as a result we lose efficiency. It is like the 80/20 rule; the 20% which is not automated will take 80% of our time!

From the corona pandemic and the current war in Ukraine we have learned that we still need real people to help in case of less automated situations and uncertain settings.

In Darwin's theory, the smallest steps in evolution took generations or even centuries. In the digital era, the changes are more like a revolution, the Digital Darwinism. The different current generations in the workforce illustrate the pace of Digital Darwinism. The so-called baby boomers, who were born (roughly) between 1945 and 1955, have been educated or trained with very limited use of technology. Generation X, born between 1965 and 1980, have witnessed the use of PC's and mobile phones at first hand during their youth. Generation X is followed by the next demographic cohort, the Generation Y, born between the early 1980s and the late 1990s. These Millennials are tech-savvy young people who had their first internet experiences as a primary or secondary school student.

The next generation entering the workplace is Generation Z, born around the turn of the century. This is a generation who rarely know what a French franc, a German mark or a Dutch guilder is, and who look bewildered when a form states to provide a fax number. So, next to having the skillset to understand technology, we also needed the mindset to change our 'modus operandi'.

In the past two years, all these generations had to deal with another revolutionary change when COVID-19 entered our world. We have learned some lessons to add to our (r)evolution thinking; in order to really change our behavior we need an external trigger. According to a survey by Twillio , a cloud communications platform, COVID-19 accelerated companies' digital communications strategy by six years.

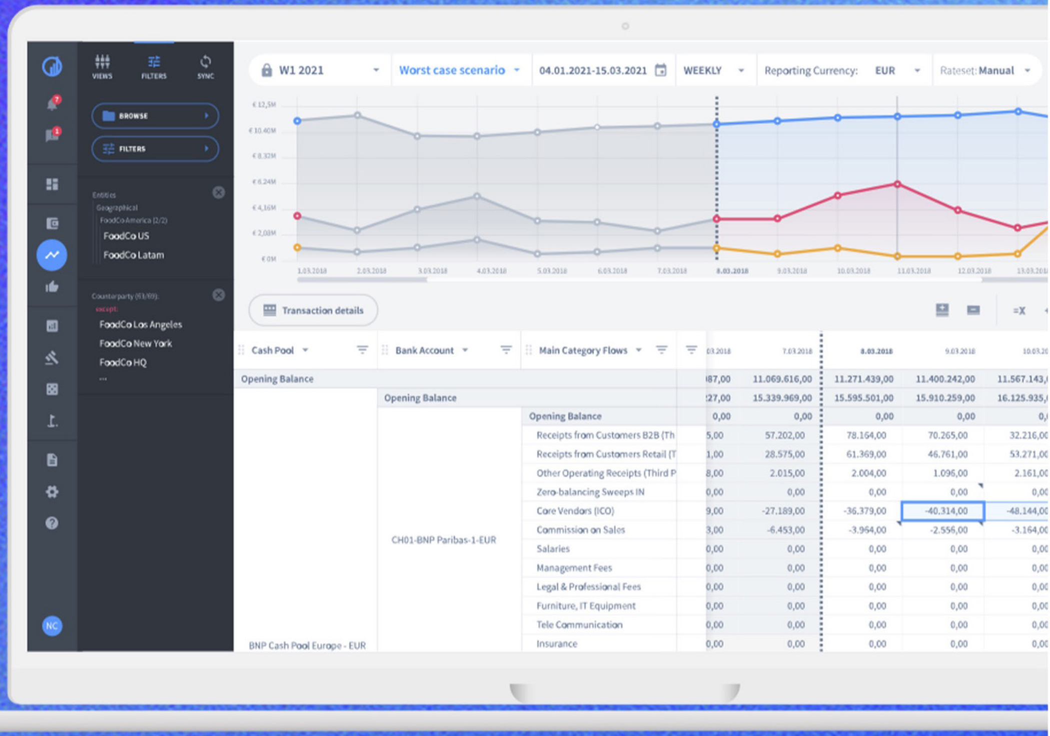
The article stated that "over the last few months, we've seen years-long digital transformation roadmaps compressed into days and weeks in order to adapt to the new normal as a result of COVID-19." Of course, in the era before the pandemic Zanders had developed treasury technology roadmaps for its clients in which we listed and prioritized treasury projects to further automate treasury operations and capture the added value of the treasury function. But maybe our efforts were a bit lukewarm in this respect. The pandemic has taught us that if there is urgent need to transform we are able to raise the bar in terms of speed of implementation and adoption of new technology. To survive Digital Darwinism, treasurers must embark on a real journey of treasury transformation. To thrive in the ever-changing landscape in which treasury operates, they must embrace new technology within their overall transformation strategy in combination with selecting the right digital-savvy team to implement the strategy. If you do not invest in both the technology and the digital acumen of your people, your treasury transformation roadmap is a one-way ticket to Jurassic Park (for all Millennials reading this article, Jurassic Park is a movie released in 1993, the year that the Treaty of Maastricht was signed, and Bill Clinton was inaugurated as the 42nd President of the USA). ■

We have learned some lessons to add to our (r)evolution thinking; in order to really change our behavior we need an external trigger.

When cash is key ...

Cashforce

Cash Flow Forecasting Working Capital Insights



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James Kelly
Group Treasurer, Pearson

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"Cashforce was one of the pillars of our working capital project to turn Dawn Foods into a more cash orientated company. It has made finance a better business partner, improving cross-departmental cooperation. Since its setup, it has led to millions of dollars in savings."

Bart Messing
European Treasury Manager, Dawn Foods

95%

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Vincent Almering
Group Treasurer, Interfood

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Working Capital savings

... through deep insights into working capital drivers & improvement areas outside of the treasury department.

Key features

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- Working Capital insights
- Out-of-the-box ERP connectivity
- Leverage AI & machine learning
- Collaborative workflows
- Roll-up from local to global level
- Smart forecast modeling
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From prediction – to **action**

How AI is changing treasury

The sheer quantity of data now available means that it is too much for the human brain to analyze. At the same time, the need for such analysis to be done at high speed has never been greater. Artificial intelligence (AI) can improve the ability to forecast future liquidity, but a more important development will be the ability of AI to support confident decision-making using the output from those predictions. **Jean-Baptiste Gaudemet**, SVP Data & Analytics at Kyriba, explains how AI is improving liquidity planning for corporates.

kyriba®

Contributed by Jean-Baptiste Gaudemet, SVP Data & Analytics

90% of Excel spreadsheets contain errors, but over 90% of users are convinced that their spreadsheets are error-free!

Artificial Intelligence (AI) has two rather different applications in the treasury world: machine learning to improve the prediction of future liquidity, and optimization of the actions arising. There has been – quite rightly – a lot of focus on the former, but in our view the latter is where the long-term benefits of AI for treasurers will really lie.

"Prediction" means the ability of a treasury team to forecast future cash-flows over time with the help of statistical machine-learning algorithms. That timeframe can be short term (less than one month) or long term (typically one to three years ahead). Such prediction is important because successful forecasting enables treasurers to minimise their excess liquidity and then make best use of that surplus in a variety of ways.

However, currently prediction beyond the short term is possible for only a tiny minority of companies. According to research by consultancy IDC, less than 5% of corporates can forecast cash reliably beyond three months, and less than 20% can forecast liquidity beyond one month[1]. That is a particular problem when CFOs are under pressure to increase access to liquidity but have reached the limits of manual cash forecasting and intuitive, human decision making.

Furthermore, those current, limited forecasts are often inaccurate. According to the Association of Chartered Certified Accountants, 90% of Excel spreadsheets contain errors, but over 90% of users are convinced that their spreadsheets are error-free![2] What's more, when the owner of the spreadsheet leaves his or her job it is often hard (even impossible) to maintain that spreadsheet. In November 2021, a record 4.5 million workers left their jobs in the US, according to the US Labor Department's latest Job Openings and Labor[3].

The global economy has also entered a period of price inflation. The all-items index rose 7% for the 12 months ending December 2021, the largest 12-month increase since the period ending June 1982, according to US Bureau of Labor statis-


PIXABAY

tics[4]. This situation will inevitably force central banks to restrict access to liquidity, making this resource even more strategic for companies. In this context the ability of CFOs to make the most of their data to optimize liquidity is becoming a major competitive advantage.

The only solution to scale accurate performance is to rely on assistance from AI and to leverage the exponential volume of data accessible to compagnies. IDC forecasts that by 2025 the global datasphere will grow to 163 zettabytes (that is a trillion gigabytes). That's ten times the 16.1ZB of data generated in 2016[5]. To understand the contribution that AI can bring to prediction there is a useful comparison with weather forecasting. Meteorology has developed from saying whether it is going to rain (or not) on a given day to forecasting the probability of rain at a given time of the day. In a similar way, thanks to AI, treasurers are increasingly able to forecast their group's liquidity at a particular moment in time based on the probability of the various cashflows throughout the business. Using output from the company's TMS and ERP systems, AI can analyse historic cashflows train the algorithm and measure the confidence level of the output predictions.

So far so good. But prediction is only half the story. Once a treasurer has more confidence in the team's forecasting capability, she can predict how solvent the business will be, then decide how to invest any excess liquidity, whether in traditional Money Market funds or in alternative products such as dynamic discounting (etc). She can also accurately decide the best facility drawdown to finance a cash shortage and optimize payment runs. These decisions have huge potential impact on the company's P&L as well as its ability to manage risk efficiently, plan its debt issuance programme and allocate to short-term investments

Our internal studies show that with a Liquidity Optimization tool a CFO can save up to 50bp of financial cost without compromising access to liquidity. That saving comes from a lower loss-of-opportunity cost on cash deposits; a higher return on financial investments; and a reduction of fees and financial costs on debt facilities. Obviously, the actual gain will vary customer by customer, but there is also a more general benefit. By using AI to solve problems like liquidity forecasting, the treasury team can free up much more time to spend on the business, As AI takes over a lot of routine tasks, treasury professionals can focus on higher value-add and frankly more rewarding tasks! ■

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1 *Kyriba Enterprise Liquidity Management Survey, IDC, July, 2021*

2 *https://www.accaglobal.com/an/en/student/sa/features/talking-technology---spreadsheet-solutions.html*

3 *https://www.bls.gov/news.release/jolts.nr0.htm*

4 *https://www.bls.gov/news.release/cpi.nr0.htm*

5 *https://www.import.io/wp-content/uploads/2017/04/Seagate-WP-DataAge2025-March-2017.pdf*

Co-creating practical treasury solutions

Treasurers are rightly wary of hype around innovation and new technologies, particularly 'solutions looking for problems'. Co-creation between corporates and banks can help to avoid this pitfall by enabling treasurers to address real pain points with their banking partners. **Pierre Fersztand**, Global Head of Cash Management, Payments, Trade Finance and Factoring, explains the BNP Paribas approach to co-creation.

BNP PARIBAS

Contributed by BNP Paribas

What would you say co-creation actually is in BNP Paribas' view? How would you define it?

Pierre Fersztand (PF): Co-creation has become a priority within our innovation strategy, and is part of BNP Paribas' DNA. It revolves around the concept of designing and constructing the future of treasury together with our corporate clients.

There is an awful lot that technology can achieve, but we have to be careful

A top priority today is fraud prevention and cybersecurity management and we are developing even better tools in this area.

that we leverage it to respond directly to clients' needs. Honestly, I see too many innovations that are technology-driven only, rather than addressing a pain point or corporate requirement. What we are doing through co-creation is truly listening to clients and identifying the most important challenges that we can solve together. With this approach, technology is at the service of clients' needs, rather than being a self-driven programme.

How do you co-create with clients on solutions? Are there any success stories you could share with us?

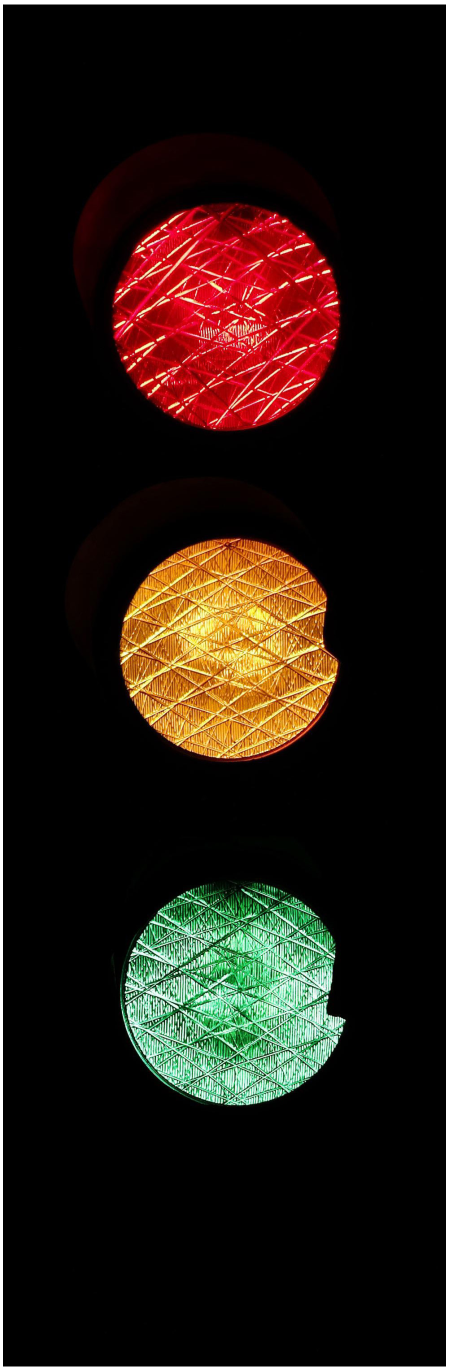
PF: We run an ideation session with selected clients, called Treasury Board, twice a year, during which we define the priorities of co-creation.

The idea is to create a community where we can discuss the changes that we can make together to improve our corporate clients' business processes. From the BNP Paribas side, the concept is based on four pillars: listen to our clients; give them the opportunity to influence our strategy; build our offering for tomorrow – together; and integrate innovation.

Our philosophy is not that we necessarily use new technologies, but that we create new solutions and new value at every Treasury Board meeting. As a result, each year we co-create innovations that can be directly used by our clients.

There are three ways of approaching the co-creation itself:

1. From scratch – starting from a client's pain point to design a new solution;
2. Influencing or adapting our existing product roadmap;
3. Building new solutions based on innovations and market trends.



THOMAS B/PIXABAY

Are there any Treasury Board success stories you could share with us?

PF: A good example of a solution co-created with our Treasury Board is BENEtracker. This is a solution based on SWIFT gpi, which offers payments tracking to corporates and banks. We co-created on this by asking our clients how they wanted to use it – did they want the reporting in a digital tool, did they want a file, did they want us to call if we saw something was late? It was all about understanding how they wanted to manage it.

It quickly became clear that our clients did not want to manage it at all. They wanted their own suppliers to stop calling them to chase payments because they would then have to call the bank themselves to enquire about the payment status. While we understood this need, the challenge was that we did not have a relationship with our clients' suppliers. Collectively, we came up with the idea that we should be able to give payment information to the suppliers without their having to go through a special security programme to see the payment status.

One of the members of the Treasury Board pointed out that when they are waiting for a courier delivery, they can simply go to the courier's website and enter their parcel's tracking number to find out where it is. We came up with the idea of building a digital tool to enable a supplier to track its payment in the same way. There is no risk of fraud because the only information given is the progress status of the payment. That's what we built – and it was delivered in six months. The solution is a success because it saves a lot of work, not only for us but for our clients, and it gives our clients' suppliers significant control.

BENEtracker is just one example. Other co-creation projects include Payment Watch, where a corporate asked if we could look at personalised alerts regarding potential fraud. Based on some rules and an alerting system, this provides the treasurer with certainty that they are paying the right amount to the right beneficiary. Another idea came from a treasurer who wanted to simply press a button to open accounts, without using paper. To address this, we co-created the Seamless Treasury

Journey, which covers the end-to-end digitisalisation from opening an account to making sure the account is operational.

A final example is Treasury Dashboard – this arose from a treasurer asking us to provide a global view of their data. Now, with one click, this treasurer can have visibility over their accounts, liquidity structures, payments and connectivity set up with BNP Paribas. These examples underline how, with every co-creation, we are looking to solve practical pain points that treasurers face.

Looking ahead, what is your innovation strategy within BNP Paribas, and how does co-creation fit within that larger strategy?

PF: At BNP Paribas, we put a lot of thought into innovation, and we are guided by the priorities of our clients regarding co-creation. A top priority today is fraud prevention and cybersecurity management and we are developing even better tools in this area. We already have a good level of security, but we always strive to keep improving. For example, we have implemented an artificial intelligence (AI) programme to detect fraud as soon as possible on any payment, and this works well.

Then we asked our clients how we could improve on co-creation around fraud. The clients told us: "You have our payments data, you have the systems, but we have the knowledge of what payments we would generally make. Why can't we combine those to rule out anomalies?" For instance, if a treasurer knows their company never makes any payments to Eastern Europe, in addition to the data analysis we perform, we can be instructed to put a stop on any payments to Eastern Europe. But if our client ever has a new supplier or business partner in the region, they can just let us know. That's how we built the solution – our AI is linked interactively to what our clients are doing.

Corporates have also told us that challenges arise when a supplier tells them they have changed IBAN [International Bank Account Number] and requests money to be sent to the new IBAN. Clearly, this could be a fraudulent situation. We decided to see what we could do and, as a result, we invested as a shareholder in a small start-up, called Sis ID. The aim of Sis ID is to verify the IBAN of the corporation, wherever it is in the world, and to indicate via a traffic-light system whether or not a payment should be sent to a supplier. This is a great improvement and another example of how co-creation is part of our overall approach to innovation.

We see many business-to-business corporate clients, driven by the Covid-19 crisis and global trends, now selling through e-commerce.

Are there any other specific treasury challenges or trends that you expect to tackle through co-creation in the next 12 to 24 months?

PF: There are a number of treasury challenges to be addressed, from cybersecurity and API [application programming interface] management through to cloud-based treasury as a service and green investment tools, and more. Of course, I cannot predict where our clients' needs will take us next. But there are three specific trends I would draw attention to.

We are working on new ways of payment initiation and also following the development of real-time payments. In addition, our clients are always exploring questions around cost reduction and optimisation. I think robotic process automation [RPA] will have a part to play here and that is something we are also working on.

Elsewhere, digitisation is a major trend in the client-corporate bank relationship. We already have Welcome, a digital tool for know your customer [KYC] and onboarding – which means that, today, onboarding is fully digital within BNP Paribas. To make further progress in this area, we have committed to report back to our clients about SWIFT's KYC Registry and outline how we can work with them on further reducing the burden of KYC documentation.

A final trend to mention, particularly after the past year, is e-commerce. We see many B2B [business-to-business] corporate clients, driven by the Covid-19 crisis and global trends, now selling through e-commerce. Treasurers who have not had direct experience in the e-commerce environment before now want to understand how to manage digital sales in terms of treasury, knowing what is being sold and to whom, improving security, and automating reconciliation. This is a strong trend and an area that corporates and banks can certainly work on together to improve. ■

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15 countries
European teams presence

6,200+
Active institutional investors

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