Treasury: The First 100 Days

Advice from Treasurers on what they did, what they wish they had done, and what they recommend you do in your early days as a new Treasurer

Treasury Strategies
A Division of
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INTRODUCTION

Treasury: The First 100 Days

Congratulations — You're now the Treasurer!

This is not like any other position you've ever held. The responsibilities are immense. Your impact on the firm is immediate and direct.

You are the guardian of the firm's access to capital, both short- and long-term. Without short-term liquidity, your company would cease to function. Without long-term capital, you could not grow.

You may have operations, customers and suppliers in every region of the world. You may even have treasury employees around the globe. Your team manages the bank accounts, oversees the investment portfolio and borrowing, manages covenants, hedges business and financial risks, complies with regulations and perhaps oversees the insurance and pension programs. Your team runs the technology that holds it all together, and integrates that technology with the firm's accounting and enterprise systems.

You're also the mouthpiece. The responsibility falls to you to report to the C-suite and Board on the firm's financial resources. You provide critical financial details to the banks. Your presentations to rating agencies help determine your cost of capital. You prepare investor presentations. And of increasing importance, you report on certain activities to regulators around the world.

Yes, you run the financial nerve center of your company.

So where do you begin? This book will help you answer that question and get you started on your path to success.

Treasury Strategies has worked with corporate Treasurers for more than 30 years. We've been in hundreds of treasury departments; we've seen them evolve from quasi-accounting functions to financial nerve centers. We've learned a few things about treasury jobs and the people who do them.

Recently, we posed a series of questions to our Treasurer clients. We wanted their thoughts about what led to their success. They told us that what they did early in their tenure set the foundation. That's when we decided to systematically examine Treasury: The First 100 Days.[1]

[1] This term was coined in a 1933 radio address by President Franklin D. Roosevelt. Although he was referring to the 100-day session of the 73rd U.S. Congress, the term now popularly conveys what someone accomplishes in their first months in a new, senior position. The time frame can as easily be 4 or 6 months as 100 days.

"The First 100 Days" phrase has come to imply a special period of time during which a person gets the lay of the land in a new position, looks at things with fresh eyes, has not yet moved into a business-as-usual mode, and plans strategy before beginning to execute it.

We've talked to and solicited feedback from over 100 Treasurers about their first 100 days and advice they have for others who may be in this situation now. They have some very good insights and strong recommendations.

These Treasurers differ on where they were prior to taking the new Treasurer position: outside the company, inside the company within finance, or elsewhere inside the company. And some brave souls assumed a Treasurer slot having not been in a treasury or finance function previously. Regardless of their heritage, their advice is remarkably consistent, with a few interesting variations.

Their comments are serious, amusing, practical, and challenging.[2]

> *The two fundamentals are (1) keep the company's cash safe and (2) don't run out of money.*
>
> *Train everyone to have a sensitive BS detector. 90% of what you are pitched is garbage. You have to be very skeptical and slightly grumpy.*
>
> *Treasury is extremely different from most financial functions. You have to spend a lot of time creating meaning from financial statements. Accounting is not designed to answer treasury-type questions. Sorting through cash flows and liquidity takes a lot of work.*
>
> *This is the best job in the world, make the most of it.*

Enjoy the following chapters, which are full of first-hand advice from fellow Treasurers, along with our own observations about what makes a Treasurer a successful contributor to their company — things you want to consider as you assume a new position.

Plan your agenda as you navigate your first 100 days. Then call us as a sounding board and an ongoing resource to secure the success that you and your company deserve. We'd be honored to help you. Let's talk and share some ideas.

Congratulations!

Treasury Strategies

[2] Throughout this book, Treasurers' verbatim comments are shown in italics.

I. How to Most Impact Your Long-Term Success

With a chance to talk to experienced Treasurers about their first few months on the job, we naturally wanted to know what they did that really set them up for success. So that's exactly what we asked them. "What were 2 or 3 things you did during your first 100 days that had the greatest impact on your success?"

Given the nature of this exploration, we did not use a strict quantitative process to gather input. Yet, some themes were strongly apparent, simply owing to the number of people who said the same things.

We grouped responses according to theme and discuss them below in an order that represents response frequency. This tells us what Treasurers think is most important to attend to in a new position. *Throughout this book, Treasurers' verbatim comments are shown in italics.*

1. Build Internal Relationships

One of the most frequent advice topics is not about treasury itself but about establishing your internal network beyond treasury. This is all about laying the groundwork for future cooperation, learning from the network how the company works, and hearing the perceptions and needs of non-treasury stakeholders. It can be a chance to refine and share your vision for treasury. If you need a little help with networking, here are some ideas.

Develop a simple roadmap of the people you want to build relationships with.

> Most new Treasurers easily see the logic in getting to know their controller/accounting peers, the finance team, and the tax team. You and your staff will have frequent reasons to collaborate with them and seek their input.
>
> But possibilities go well beyond this. Experienced Treasurers suggest you should network with the CIO, the budget chief, sales, sourcing, business unit management, all senior department heads, global finance heads, global finance and accounting managers, and board members.
>
> Ask yourself: Who do our business processes touch? Who do we rely on for informed input or data? Who in the company are engaged in quasi-treasury or banking activities? Who will be asking us questions during times of market upheaval? These people should be on our networking map.

If possible, find people who can introduce you and give you background on your roadmap people.

You don't really need an invitation to meet anyone on your roadmap, as long as you have a meaningful treasury-driven agenda to cover.

However, it's always helpful to get the lowdown on someone first: time in position, where else they've been, if they're known for certain positions or issues.

It's likely that in your "natural" finance network, someone will know everyone on your roadmap. Talk to your boss, the CEO, the controller, the head of tax, the head of corporate finance. If you want to meet a person that none of these folks knows, that in itself tells you something interesting.

Remember: if you have a treasury agenda to discuss with someone, you have a reason to meet them. It won't be a waste of their time.

Give your networking some structure.

Besides cultivating your listening skills, which many treasurers mentioned, here are a couple of good ideas for structuring these conversations.

- *Talk to the key internal partners about how they work with treasury; listen for what's working and not working, strengths and weaknesses.*
- *Meet everyone in related parts of the organization and ask the same key questions.*
- *Use part of your network as allies to teach you how the company works, what the revenue and bottom-line drivers are, and industry-specific nuance.*

Recognize the sales component of your job.

Eventually, you'll start to build and prioritize your agenda for change. You may not think of the Treasurer's job as a sales position, but in this respect, it is.

You'll need people to buy into whatever it is you want them to do. Your own team will be easier to command than colleagues in the wider network. Why should they alter their practices, provide the data, support your recommendations? Consider how to convince them they should. What benefit is in it for them?

Treasurers made some good suggestions for places to do networking, besides meeting in the office or conference room. The broader idea is that networking doesn't need to be a daunting, defined activity. It can become part of your daily rhythm.

- Personal or social interaction as well as formal meetings and work relationships
- Attending board presentations and C-suite meetings to learn the power structure
- Visits to all operating facilities
- Lunch with others; never eat lunch alone

2. Understand the Company Business, Structure, and Cash Flows

Another frequently mentioned success factor, and also one that is not about treasury itself, has to do with developing your understanding of your company's cash flows. To do this fully, you have to learn about its operating business structure and business models.

Treasury deals with cash flows in the aggregate (for cash and short-term liquidity management), and at more granular levels (for risk management and forecasting). It may be involved with payments, credit, and supplier financing. It follows that having a solid contextual understanding of the company's various businesses, and their payment and cash flow nuances, is essential to understanding the direction and adequacy of treasury activities.

If you're a new Treasurer, and your background is accounting, you need a different way of thinking. Basically, you need to "unwind" all the accounting non-cash adjustments to see the real flows. Treasurers who have walked in these shoes say it can be a challenge for former accountants to think this way.

<u>Monitoring</u> cash flows is a regular ongoing treasury activity. <u>Learning the nature of cash flows</u> is a one-time thing that many Treasurers say is important to success, and is worth taking the time to do early in your tenure.

Treasurers recommend doing this in a variety of ways:

> *Understand the business model and drivers of the company; understand the corporate strategy and business structure.*
>
> *Understand your organization's cash needs and business economics to avoid a potential liquidity event; find out the working capital patterns of the business; determine where you're generating or using cash; understand the "cash conversion cycle."*
>
> *Develop a cash forecast that is routinely updated.*

Understand the revenue and expense trends of the organization; know your sources and uses of cash.

Develop process maps of high-level funding and cash flows that will later support efforts to drive efficiencies.

Develop a suite of reports to monitor liquidity and funding risk.

Liquidity and cash flow forecasting are essential to success. Cash is king.

3. Evaluate Your Staff

Naturally, you need to get to know the team you inherit when you assume the Treasurer job, to understand their roles and responsibilities, and to take their measure. Many Treasurers rank this as one of the most important early-days' activities. It is implicit in their comments that if reassignments, reorgs and new hires are called for, it is best to determine that sooner rather than later. (At the same time, many caution against precipitous changes — see Chapter IV).

Establish credibility and rapport with your staff — I held individual one-on-ones with my direct reports to build rapport and familiarity, then held a group teleconference as an intro.

Get to know the team, their functions and processes; spend considerable time understanding processes and pain points.

Make sure you're comfortable with the team and processes. Ask lots of questions and spend time with them. Trust your gut.

Don't wait too long to make changes. Not right away, but in the first 3 months.

Sit with each staff member, understand their roles and tasks, ask for their recommendations.

Redefine roles if needed to add clarity or better organize work flow.

Support the team with what it needs to succeed; delegate, train and cross-train.

Organize functions consistent with how the company does business; in our case, that meant centralizing.

4. Evaluate Treasury Processes

Assessing and getting to know your team will build your understanding of the company's way of "doing" treasury. This is necessary but not sufficient in the minds of Treasurers. They say it's also important to methodically evaluate the treasury processes separate and apart from the people.

Processes may have room to be improved or automated. While assessing those possibilities, you must also quickly determine if any ticking time bombs exist that could bite you in the future.

The process evaluation exercise is robust and encompasses much more than daily and recurring processes. This is the time to become acquainted with the company's treasury policies, its banking structure, how it centralizes and deploys internal cash, short-term investing and debt practices, and financial risk management activities.

In discussing treasury processes, Treasurers call out areas to which they paid special attention: controls, technology, and reporting.

- Controls are essential to one of Treasury's two fundamental missions: keeping the firm's money safe.
- It's important to determine early on if the technology isn't working well, or isn't sufficient. One Treasurer lamented accepting the technology he encountered as a given, rather than changing it straightaway.
- Reporting is key for you in managing the treasury function and supporting other stakeholders. Address this now, if it is insufficient.

Their comments in this area suggest a number of things to look at as you review processes. As your assessment progresses, build your list of things to consider as process improvements. However, as discussed in Chapter IV, it may be wise to hold this close to the vest until you thoroughly understand the context in which this particular treasury department established these particular processes, and what the ramifications of change may be.

Conduct end-to-end process reviews. Review and assess each key function.

Look for control deficiencies; confirm that your internal controls are solid. Ensure checks and balances. Otherwise, money can walk out the door.

Understand the legal entity and banking structure; fully review bank account signatories.

Review treasury policies.

Develop a treasury "roadmap" with all strengths, weaknesses, opportunities, threats, resources, risks, systems, and mandates.

Review all treasury-related agreements and contractual obligations.

Gain good awareness of everything owned by treasury — debt instruments, investment accounts, bank accounts, etc.

Assess what treasury activities are being done in different parts of the company.

Understand the functions of every system in your network, how they are connected, whether any system has issues, and what is required to fix them.

If existing reporting doesn't work for you, dig into the data yourself to know where you stand, and where to find what you need.

Ensure your source data is accurate: for example, currency, commodity and interest rate exposures that feed the hedging program. This data may be on spreadsheets and is not always reliable or validated. Inaccuracies can lead to large hedging errors.

Review and improve specific structures or functions: for example, bank structure, the cash forecast, bank portal access, investment process, pooling structure, technology integration, risk management/FX hedging, intercompany loan structure, FX trading, derivative accounting, FAS 133, interest rate hedging strategy, cash flow forecasting.

5. Get Aligned with Senior Management

CFO and CEO are common treasury shorthand for "the people I answer to." As you settle into your position, it's important that your expectations and outlooks are synchronized with theirs. Certainly you laid some of that groundwork as part of interviewing for the job. But once you're actually in the saddle, reconfirmation or deeper discussions can only help.

Such discussions can produce ancillary benefits. They may well cause ideas to surface for tactical ways to keep your bosses informed of your progress. One Treasurer suggested a second and very important benefit: these conversations can be the start of educating senior management about the contribution and value they can expect from the treasury area.

Meet with senior execs to understand what they want/need from treasury.

Set specific goals and attain early goals to set the standard.

Find out the CFO's main treasury concerns and focus there.

Establish clear lines of authority with the CFO and delineate 12-month expectations.

Review the function and the data, then talk to the CFO to confirm size and impact of issues and begin to work on the most important ones.

Implement a new dashboard for regular reporting to the CFO/CEO; improve investment and bank reporting for senior management.

Begin the long process of educating and "managing" senior management about how treasury should work.

Provide economic updates if the situation warrants (i.e., Fed moves). It shows someone in the company is monitoring financial markets, gives confidence you know what a Treasurer should do, and that you are the right person to do it.

6. Handle the Credit Situation

Recall the two fundamentals of the treasury function: ensuring the company has adequate liquidity, and keeping the company's money safe.

Relative to the first fundamental, many Treasurers reflecting back on their first months in the job say it is vital to do an early review, assessment and modification (if needed) of the company's bank credit or underwriting situation. Whether or not you start day one with a good understanding of the credit health, Treasurers believe this area should be addressed straightaway, without hesitation.

In some cases, there is immediate work to be done: renegotiating terms that better suit the company's situation, putting a difficult relationship on a new footing, arranging additional financing, etc.

> *Renegotiate the loans. Set up a new funding facility. Arrange private placement financing. Establish a suitable bank group.*

> *Develop detailed capitalization and funding plans to avoid surprises and ensure liquidity.*

> *Pool and allocate the cash surplus to reduce debt burden.*

In other cases, it may be a matter of meeting the bankers, learning their capabilities and reaffirming their willingness to lend if called upon. And in all cases, it is essential to understand the terms of the credit.

> *Talk to all the banks to discuss what does or doesn't work for the company, areas of their concern, and what they'd like to focus on.*

> *Get to know your bankers and how they view the credit. Are they happy or not? If something happens, will they step up?*

> *Establish credibility with the bond underwriters, bond counsel, bankers.*

> *Invite bank partners in to discuss their capabilities.*

> *Get to know all the details of current financing; read all credit agreements and securitization documents, etc. Do a deep dive on credit and bond indentures. Learn about the required financial disclosures, covenants, and how the agreements work.*

II. Looking Back — What I Wish I Would Have Done

We began our discussion asking what about a Treasurer's first 100 days provided vital long-term success. We than also asked what they wished they had done early on, that they would have benefited from.

Unsurprisingly, suggestions here are similar to those from the previous question. So, Treasurers who didn't initially do the high-payback items on the first list concur with them by saying they wish they had.

However, a few more nuanced recommendations surface in the "I wish I would have" discussion. These might not have risen to the level of "most important" at the time, but we can surmise that in retrospect, they would have been useful, so they're worth considering.

1. Understand the Culture, Organization, and Business

Treasurers' comments in this area reflect a desire to have done more, or put more focus on cultural/organizational exploration. This probably underscores the fact that such things are vitally important, yet hard to really grasp in a short period of time. Some of the learning simply comes with immersion.

Get a better understanding of the company culture and how to influence it.

Learn the organizational politics.

Take time for the basics — learn the informal organization.

Which meetings are important? Which committees are important?

Network more.

Better understand the subsidiaries' cash flows, and the influence of FX.

Know the industry better.

Gain a better understanding of the business.

Wish I had traveled more and engaged more.

2. Build Internal Relationships

For many Treasurers, building internal relationships was a key success factor. A few Treasurers wish they had invested more energy doing this in their first several months.

> *I wish I would have scheduled 3 lunch meetings every week with senior colleagues, and gotten to know all parts of the organization, not just finance.*
>
> *Network more with internal clients and partners.*
>
> *Develop relationships with the CAO and CIO to build more of a team approach in corporate finance.*
>
> *Have each other's backs. Avoid the surprises that can develop when you are too siloed.*
>
> *Should have taken more time with other senior leaders to learn their needs and goals; should have realized the strategy designed by senior management.*

3. Questioning and Taking Action

While providing cautions to understand corporate context and rationale for doing things a certain way before making changes (Chapter IV), several Treasurers wish they had questioned more and acted sooner on things that did not seem good. Some regretted not doing enough "internal selling" of treasury and not adequately socializing the changes they needed to make.

> *Importantly, I regret not questioning certain initiatives.*
>
> *Should have trusted my instincts and raised issues.*
>
> *I wish I had been less accepting of the status quo and less accepting of projects in flight.*
>
> *I regret not pushing strategic ideas to the executive team earlier in my tenure.*
>
> *I should have interacted more with the CFO, and learned more about why my predecessor left.*
>
> *Budget and management support was always an issue.*
>
> *Should have discussed the implications of business changes with the executive team.*
>
> *Generated more support for using derivatives to manage exposure.*
>
> *Needed an appropriately broad mandate.*

4. Specific Treasury Activities

These can be classified as tactical regrets. While there are company-specific aspects to most of these, they offer good lessons about what could have been done better, sooner.

In the treasury technology area, many Treasurers expressed regret at not having taken action more promptly. It is not hard to imagine why this might have been postponed; after all, choosing, replacing or modifying the technology platform can be a major undertaking. Yet in hindsight, Treasurers say they should have:

Paid more attention to technology and taken more control of IT-related decisions.

Implemented a treasury management system (TMS) earlier.

Invested much earlier in treasury systems.

Assessed and redesigned our treasury system.

Changed out the existing software platform first; it needed to be revamped.

Automated more processes.

Other fairly specific items received mention as things that would have been good to do early in the new Treasurer's tenure:

Should have commissioned an audit of our treasury.

Needed to initialize all the processes to ensure all were in accord with good practices.

Should have set up strong banking controls with strong internal control guidelines.

Needed to assess the banks earlier, confirm their strengths and weaknesses, and determine which provide added value.

Should have set aside rainy day cash — in the event of a catastrophe or unseen event.

Needed to get an account analysis from all banks on all accounts.

Needed to address earlier: FX hedging program, interest rate swaps, risk management, credit and collections, business continuity, process documentation, portfolio attributes.

5. Investment in Staff

"Should haves" regarding the treasury team cover the gamut. From waiting too long to make changes, to investing too little time getting to know roles and people, to needing more teamwork, these comments represent good suggestions. They also underscore the difficulty of getting this very critical aspect of treasury "right."

Need to staff for change/transformation early on.

Wish we had removed/added to the organization earlier.

Should have moved faster to hire key leadership roles; much of this work fell to me and was distracting.

Should have hired more resources; should have pushed harder to retain support staff during cutbacks — now left with little support and no real back-up.

Should get to know the family and personal background of treasury team members.

Should have paid closer attention to talent management.

Should have had brief daily meetings with my team to share progress and issues.

Spend more time understanding each person's role in the finance team and their interaction with treasury.

III. Today's Important Issues

We asked Treasurers to share two or three key issues they face today. Unsurprisingly, there is significant constancy in the issues they mention. While each company is unique, the treasury function from firm to firm faces predictable challenges arising from regulatory change, world events, macroeconomic trends, and accounting and tax requirements.

The most common issue is the constant regulatory change that firms have to react to or comply with directly. This is complicated and time-consuming. The Treasurer first needs to learn about which regulations may affect treasury activities or trickle down from banks to treasury activities; then determine if and how much their firm will be impacted; evaluate possible responses; recommend a response strategy; and finally, execute the strategy.

Some regulations, while annoying, hit treasury in a fairly straightforward way, and without creating great risk. The new money fund regulations are an example. To keep using VNAV money funds may require investment policy and accounting changes. These may not be trivial, but are certainly not complex.

On the other end of the spectrum, if changes to Rule 385 encompass intercompany lending, in-house banking, netting, pooling and zero-balance concentration activities, the process and documentation compliance changes may be extremely onerous, and the risk of imperfect compliance may be tremendous.

With new regulations coming into play all the time, dealing with them is becoming a constant (vs. occasional) treasury topic.

Geopolitical uncertainty and its consequent market volatility is a second focus for many Treasurers. The implications of this ripple into widely shared tactical issues:

- Maintaining adequate liquidity at reasonable cost
- Raising longer-term capital
- Low or negative interest rates, the rate environment, and investment opportunities
- FX volatility and risk

Low interest rates initially allowed many firms to shore up their short- and long-term funding positions. Prolonged low rates, negative rates and high central bank liquidity are now creating concern about the long-term outlook for money markets.

There has been no shortage of world events feeding a cloud of FX concerns. Grexit, Brexit, bank crises, China's slowdown, Zika, coups, Crimea, Venezuela seizures, and a host of others have given rise to a near-constant need for Treasurers to know their FX positions at a moment's notice and be ready to discuss risks that a few years ago would have been the stuff of novels.

Finally, a number of treasury challenges are more inward-facing than outward-determined. Treasurers say they continue to deal with issues in these areas:

- Working capital management
- Cash forecasting
- The pace of M & A integration
- Technology changes
- Cyber security
- Controls
- Process automation

IV. What Not to Do

We most definitely learn from what Treasurers say helped them succeed, and we benefit from hearing what they wished they had done sooner. But there's additional value in hearing, "Whatever you do, DON'T do this." This is an almost humorous line of inquiry, because we can imagine ourselves making some of these mistakes. While we didn't ask and few admitted it, we assume some of these comments come from the school of hard knocks.

One good thing about the prominent messages in this section: they are all easy for any new Treasurer to benefit from, so forewarned is forearmed!

1. Don't Change Without Understanding

Most new Treasurers expect they will make changes in their treasury functions, but struggle with the timing. How soon is too soon? If waiting awhile is good, how long is too long? Does the window for change close if you don't do it fast enough?

No one offered specific time frames that are guaranteed to work. Instead, they talk about the key precursors to change. Once the precursors are met, change can proceed on solid ground. The important precursors include:

- Understanding why things are the way they are
- Not assuming your previous treasury group had all the answers
- Considering the ramifications of change

Needed changes may seem as plain as day to you. After all, you were hired because of your expertise. But you should still take the time to understand why your new treasury does things the way they do, and to consider possible ramifications of change. The last thing you want is to touch an invisible "third rail," or to generate unintended consequences.

> *There is a reason why people do things the way they do at your new company...find out before judging the process.*
>
> *Don't start aggressively making changes before doing due diligence to make sure you understand the issues…actively solicit internal partner questions and concerns to tap existing knowledge and wisdom, since you don't know what you don't know.*

Do not draw any conclusions before the "vested interests and alliances" are in full view.

Don't make immediate changes to processes or procedures; there may be unintended consequences.

Don't look to make changes without first understanding the culture.

Don't make too many changes until processes and impact on finance department/others can be adequately assessed.

As the "new kid on the block," Treasurers say it may be a good move to downplay your preconceptions. Yes, you probably have strong opinions about how treasury should operate and be structured — just keep them to yourself, initially. And, referencing how you did things at your old firm will likely be heard as "We did it better," no matter how innocently you intend it.

Don't assume your old answers work in your new situation. (Unless someone asks) don't come in and say, "Back at X company, we did it this way..."

Don't tell people where things are going wrong and what you will do to put it right.

Do not try to impose your views, methods, etc. onto the firm but instead recognize its idiosyncrasies and find the right balance with your previous experience in order to add value.

On the other hand, you should not be afraid of change. It's expected when there's someone new at the helm. And no treasury should think it runs perfectly.

Don't believe that we do the job by the best way. Always we can improve.

Do not come into something and keep the status quo. Even if people and processes are working well, there is likely something new you can introduce or streamline.

Don't wait too long to fire someone — staffer or outside vendor. I waited six years before I moved away from active pension managers, maybe because I was new, not confident, and the CFO had been a big advocate of picking managers. Ever since, we performed top quartile.

2. Don’t Hesitate to Verify

This seems to go without saying, because in treasury, we deal in facts. It’s a good reminder, though, that your first few months are the best time to dig into everything without giving the appearance of questioning people’s integrity or attention to detail. After the first few months, it will be YOUR treasury, so it’s best to uncover all the soft spots early.

> *Do not take anything for granted; find out the facts yourself. The old saying of trust the dealer and cut the cards applies.*

> *You need to develop trust in your staff but you also need to know what the facts really are.*

> *Don’t strongly criticize long-held ways of working without data as back-up.*

3. Don’t Be Afraid to Be Contrary

One responder described a Treasurer as the person who’s paid to be a contrarian. In his view, a good Treasurer is extremely skeptical, and trains everyone on the treasury team in skepticism, because the skeptical mind serves them well in keeping the company’s money safe.

This applies to internal activities as well. With a mandate to safeguard the company’s cash, treasury must always be alert for ways to improve controls, and look out for changes that will degrade them. The Treasurer must be willing to go against the flow.

> *Don't accept the current situation without study first.*

> *Do not take past practices as the best practices.*

> *Do not be influenced by others. We are handling a big risk and responsibility. We need to be firm and decisive with our actions. A cartoon character once said, "With great power comes great responsibility."*

> *Don't be a part of crowd. Develop you views independently; share them with decision makers.*

> *Don't rely on one or two sources of expertise. Every source has an agenda and perhaps a conflict of interest. Be a skeptic.*

> *If you believe something is too good, highlight your concerns.*

> *Don't let the CFO control the treasury.*

4. Other "Don'ts"

Do not base too much of your hiring decisions on technical skills — people and leadership skills matter more and more today, especially as organizations make cultural changes to build higher-performing teams.

Don't believe that controls are secondary.

Do not communicate solely via email. It is very impersonal without prior verbal communication.

Do not trust banks too much — they make mistakes.

Don't fail to confirm.

Do not focus only on immediate internal matters close at hand. A modern Treasurer should look outside of his/her world.

Don't hide the bad news — it can sink your career and the company.

Don't stray from your mandate, keep focus on treasury.

Do not stay in your ivory tower. Go out there and speak with different teams and heads to get to know the firm better.

V. Final Advice

Despite often being the contrarian of the company, and despite needing a rarefied financial mindset that diverges from accounting, Treasurers enjoy their jobs and want to encourage others to do so as well! These encouragements may be sort of formulaic, yet they may encourage you on a difficult early day, or with a challenging staff situation, or as you try to navigate a complex culture.

Attitude and Demeanor

- *Enjoy your job, and show it.*
- *Keep cool — treasury should offer a port in the storm and should be the go-to team when things get volatile.*
- *Always be loyal to your organization. Perform assigned tasks with zeal and dedication.*
- *Relax; nobody knows better than you.*
- *Check out why your predecessors left.*
- *Be open, listen a lot, work hard and deliver what is asked and more since there's only one Treasurer in a firm who knows what is best for the organization.*

Seek Advice

- *Ask for help, you won't know everything.*
- *Get a mentor! Where you can, be an apprentice.*
- *"Two ears, one mouth — provided to be used in exact proportions."*
- *Find a well-established mentor outside your company to confide in and ask advice.*
- *Connect and network as much as possible.*
- *Hire Treasury Strategies.*

Give Advice

- *Be a mentor.*
- *Teach the children well.*

Be Open-Minded and Keep Learning

- *Keep updating your knowledge and skills.*
- *Be proactive and think out of the box.*
- *Always update yourself with the current treasury dynamics.*
- *Fail and learn.*

Be Prepared

- *Ensure your policies are up to date. Always have a plan for what can go wrong. Maintain ample liquidity; be conservative. No one will thank you for risk-taking when things go wrong.*
- *Redundancy: multiple people, multiple locations. Trade that off with control.*
- *Always understand where the actual cash is.*
- *Cyber issues are evolving across all silos of management; keep an open mind and be part of the solution.*
- *Controls must always be a priority and present concern.*

Stay Connected

- *Meet your banks and bankers. Ask what they consider to be a great customer and what they hope to do with your firm in the next 2 years.*
- *Do not get isolated from the rest of the company and peers in a very technical and niche domain.*
- *"Be the balance sheet." Get tight with the accounting environment quickly.*
- *Keep your CFO informed and stay close to the senior management team.*
- *Stay close to the business unit finance directors.*
- *Be plugged in to what is going on in corporate tax and accounting.*
- *Offer to help outside of your treasury duties. Let others know you're versatile and not in a silo.*

Think Strategically

- *Be a visionary. You need some knowledge of everything, but you can hire subject matter experts.*
- *Remember that Treasurers are recruited with a broader view to assume more strategic roles. They are expected to not just manage working capital but to be increasingly involved in day-to-day activities, working together with the company's senior management to manage risk and boost the bottom-line revenues.*
- *Don't feel you must live with the way things have always been; be the source of a fresh view and energy for change.*
- *Maintain a total enterprise view and don't feel you need to limit your problem-solving efforts strictly to your functional responsibilities.*
- *Treasury offers critical info and options to the leadership. Think like an engineer — treasury must build strong procedures and processes. Think holistically — who is impacted by treasury issues: payments, collections, borrowing, investing, understanding financial risk?*
- *Enjoy being at the center of your business model! You are the key element that makes everything else work. You are a steward of capital, which is a critical role.*

New Treasurers who came to the job from outside treasury have a perspective formed from diving into the pool and learning to swim — fast. Because of that, their advice has an element of the essential — what is really required to survive and succeed as a newcomer.

- *Go slow and build your pace as you understand the industry.*
- *Liquidity is more important than returns!*
- *Keep absolutely calm…always!*
- *Keep an open mind to your surroundings, other companies, markets, trends. Try not to be too inwardly-focused.*
- *Do not be afraid to be as truthful and transparent as possible!*
- *Always stick to procedures approved by the board of directors and the regulators.*
- *Seek allies to support your initiatives within the business.*
- *Tackle the mountain one step at a time, not all at once.*
- *Take some courses on fraud management. Fraud is rampant today.*

CLOSING

Treasury: The First 100 Days

Congratulations again on your new position!

We hope you found some useful and encouraging suggestions for your own first 100 days in these pages.

We are excited to network with you about treasury and your new situation. We've worked with so many treasury groups over the years and have seen practically everything. We can help with whatever questions or issues you have. Here's how to contact us:

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Also, take advantage of the many resources available to Treasury Strategies' friends listed on the next page.

Treasury Strategies Resources

Treasury Strategies' LinkedIn networking communities facilitate communication and innovation in the treasury and finance industry. Feel free to join any or all of the groups listed on this page to network with your colleagues.

Treasury Management, Treasury Technology and Financial Risk Management are three "must join" groups for every Treasurer:

Treasury Management — linkedin.com/groups/50323
Treasury Technology — linkedin.com/groups/50293
Financial Risk Management — linkedin.com/groups/50425

In addition, many of our clients find these groups helpful:

Card Services — linkedin.com/groups/1799644
Cash Forecasting — linkedin.com/groups/50492
Financial Services Regulation — linkedin.com/groups/1799642
FinTech 2020 — linkedin.com/groups/50424
FX Risk Management — linkedin.com/groups/50476
Liquidity Management — linkedin.com/groups/50287
Managing Operational Risk — linkedin.com/groups/1821856
Treasury 3.0® the Financial Nerve Center — linkedin.com/groups/55629

We also regularly publish videos on our **YouTube Channel** youtube.com/c/treasurystrategiesincconsulting that cover a variety of topics and current financial events.

Our **website** www.TreasuryStrategies.com contains a wealth of industry insights.

Of course, the only phone number you'll need as you transition into your new role is our Chicago office: **+1 312.443.0840**

Other Resource Suggestions

1. Outside Advice

Although a Treasurer is one of a kind inside the company, you definitely are not alone. Experienced Treasurers suggested a number of resources with whom to consult as you get settled in your new position. Most are people who can help you over the course of a career, not just at the outset. It will be worth the effort to cultivate meaningful relationships for the long-term.

Colleagues in Other Organizations

- Other Treasurers in the local market (banks are always happy to make introductions)
- Colleagues from prior jobs — independent and experienced
- Former university professors of investment and finance

External Treasury Consultants

- Good treasury consultants available in all market segments; they can give agnostic advice on treasury systems and organization of treasury departments
- Advisory firms such as Treasury Strategies; it's important to have close contact. For projects, such dedicated firms are more reliable and customer-centric
- Various large consulting houses from public accounting firms to investment advisors

Commercial Bankers and Other Advisors

- Past and current bankers
- A lender that has been with several institutions and seen various financial structures
- Derivative experts who are impartial and FCA registered
- Auditors
- The CFO, CEO, and Chairman of the company

2. Organizations to Join

Numerous associations cater to Treasurers. National groups tend to convene less often than regional or local ones. Several Treasurers suggest becoming part of a local roundtable of Treasurers. They say having a small group of local Treasurers to discuss issues with informally is very valuable.

Industry-Specific Groups (may or may not have a treasury subgroup)

- Manufacturers Alliance for Productivity & Innovation (MAPI)
- Treasury Institute of Higher Education
- Construction Financial Management Association (CFMA)
- Securities Industry and Financial Markets Association (SIFMA)

National Groups

- National Association of Corporate Treasurers (NACT)
- Association for Financial Professionals (AFP) and their Treasurer's Council
- Corporate Treasurers Council (CTC)
- Financial Executives Institute (FEI)
- Financial Executives Networking Group (FENG)
- Association of Corporate Treasurers (ACT), a London-headquartered organization
- Corporate Executive Board

Other Groups

- Organized city groups of local Treasurers
- Local treasury management associations
- Many useful treasury groups on LinkedIn — including the Treasury Strategies' groups
- Bank customer boards (these meet once or twice per year and may require invitation)

3. Conferences

Several organizations mentioned above have conferences that are cited as worthwhile. The National Association of Corporate Treasurers (NACT) and Association for Financial Professionals (AFP) are the most frequent conference recommendations. Many Treasurers suggest attending local treasury association conferences. Bank-sponsored conferences are seen as useful, whether related to treasury, debt, capital markets, or investment banking.

Additional conferences include the Association of Corporate Treasurers (ACT), Corporate Treasurers Council (CTC), Global Corporate Treasurer's Forum, Treasury Institute of Higher Education, FEI conferences, and the Manufacturers Alliance for Productivity & Innovation (MAPI) Treasurer's Council.

More than one Treasurer suggested staying focused internally during the first few months, learning the ropes on the job, and not going to conferences initially.

Other Conference Suggestions

- P&I conferences
- Dimensional Defined Contribution Conference
- CFO Magazine Conference
- EuroFinance
- Euromoney
- AICPA or state CPA conferences
- Chicago Fed Conference
- Money20/20
- Thomson Reuters Loan Conference
- Healthcare Treasurer's Roundtable

4. Reading List

Treasurers are full of suggestions for treasury materials, periodicals and books to read. Although one said a person new to the role will not find time to read, others enthusiastically offer their preferred sources. The list, which is in no particular order, includes something in virtually every medium.

Topical Treasury Sources

- Topical LinkedIn groups and finance blogs
- GTNews
- Treasury Strategies' webinars and white papers
- AFP and ACT materials
- Proformative
- Bloomberg News
- Treasurer's Magazine
- Treasury & Risk Management
- Corporate Treasurer
- Treasury Today

Bank/Corporate Material

- Bank, central bank and investment bank economic reports and newsletters
- S&P series of primers — syndicated loans, etc.
- Bank and service provider webinars
- Papers, commentaries and policy statements on new regulations
- Reliable real-time reports from independent international analysts
- Industry publications such as CFMA (construction industry)
- Company financials, filings, and strategic plans
- Corporate treasury, financial, tax policies
- Debt and banking agreements
- Most current audit reports, internal and external

Periodicals

- The Wall Street Journal
- Financial Times
- Forbes
- Fortune
- The Economist
- Institutional Investor
- American Banker
- Journal of Accountancy
- Pension and Investments

Books

- You're in Charge — Now What? — Thomas Neff and James Citrin
- The Smartest Guys in the Room — Bethany McLean and Peter Elkind
- When Genius Failed — Roger Lowenstein
- The Big Short and Liar’s Poker — Michael Lewis
- Disrupted — Dan Lyons
- Lunchmeat and Life Lessons — Mary Lucas
- Losing the Signal — Jacquie McNish and Sean Silcoff
- Right from the Start — Dan Ciampa and Michael Watkins
- The First 90 Days — Michael Watkins
- Fooled by Randomness — Nassim Nicholas Taleb
- Random Walk Down Wall Street — Burton Malkiel
- The Wisdom of Pharoh Khufu — Naguib Mahfouz
- Business Model Generation — Alexander Osterwalder and Yves Pigneur
- Influence — Robert Cialdini
- Corporate Cash Management: A Treasurer's Guide — Steven Bragg
- Monkey with a Pin — Pete Comley
- Money Markets — Marcia Stigum
- How to Win Friends and Influence People — Dale Carnegie
- Essentials of Treasury Management — Mark Webster
- Project Management Body of Knowledge (PMBOK Guide) — Project Management Institute
- Books by Drucker, Buffet, Soros, Schumpeter
- Harvard, Wharton and Stanford MBA book suggestions

Treasury Strategies

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Treasury Strategies, a division of Novantas, Inc., is the leading treasury consulting firm. Armed with decades of experience, we've developed solutions and delivered insights on leading practices, treasury operations, technology, and risk management for hundreds of companies around the globe. We serve corporate Treasurers, their financial services providers and technology providers for the complete 360° view of treasury.

www.TreasuryStrategies.com

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