

CORPORATE & INSTITUTIONAL



# The value of discovery

How Lloyds can help optimise  
your treasury function



**LLOYDS**

## At a glance

Global geopolitical and economic events over the past 15 years have had some surprising implications for businesses, creating new opportunities as firms need to be more agile in responding to significant and rapid changes.

This new world has driven the role of the treasurer to evolve markedly. This is due to the renewed expectation that treasury and finance teams adopt an even more strategic and commercial outlook in managing cash flow and working capital, be a centre of excellence around payments technology, and use data insights that power and shape the business.

With their broader remit and perspective, expectations of treasurers as drivers of value-adding initiatives have also increased in tandem. While they have a broader range of tools at their disposal – both technological and financial – they are being tasked with doing more with less.

Ultimately, treasurers can always benefit from an external perspective and, importantly, practical help. As an operational bank, we work alongside our clients to help them discover areas for enhancement rather than focusing on specific products.

A discovery-style session is a practical way to help identify opportunities to augment and enhance the business. In this session, we not only bring together industry themes and best practices, but also spend time understanding the nuances of your treasury function and broader commercial business.

Based on our experience working across an extensive range of sectors and industries, we find this conversational approach is an optimal way to source tried-and-tested, sector-relevant solutions to assist treasurers with operational and commercial optimisation.

# The need for better conversations

The past two decades have witnessed a transformational shift in the role of the corporate treasurer. From the financial volatility that defined the 2010s to the unprecedented events of the early 2020s, treasurers have been required to navigate a labyrinthine set of new challenges, in turn increasing both the expectations of them, and the responsibilities placed upon their shoulders.

More recently, the aftershocks of the 2008 financial crisis marked this latest shift in mindset. Business leaders recognised the need for people with rich expertise in understanding, measuring and mitigating financial risk exposure, and treasurers were already central to this role. Renewed focus on financial prudence and governance intertwined liquidity and risk with strategy – resulting in investment in new assets and market expansions. As a result, corporate treasurers across the globe were asked to add a new strategic layer to expand their existing operational responsibilities.

## **The interconnected treasurer**

Treasurers were suddenly seen as much more than custodians of cash, instead starting to work more collaboratively across the business. They were increasingly required to partake in deeper and broader conversations with other departments – sales, marketing, operations, procurement, sustainability, HR, IT, health and safety, and others. This dialogue also brought new opportunities; affording more time to explore cash and working capital implications within each of these other departments. For example, the capacity to look at the supply chain as a whole, and the ability to holistically incorporate elements such as payment terms, sustainability, foreign exchange (FX), vendor management, regulation, reputational risk, and commodity risk. In turn, this provides the opportunity to optimise each business area from an operational, commercial and financial point of view.

To do this effectively, treasury and finance teams increasingly need banking partners that can think this way – beyond banking products. While treasurers have many new technological, functional and financial tools at their disposal, there is one fundamental question when working with operational banking partners: which configuration of solutions is optimal to bring the most impact in terms of commercial outcomes for the company – for their customers, suppliers and shareholders?

Corporate treasurers across the globe were asked to add a new strategic layer to expand their existing operational responsibilities.

# Identifying opportunities for performance enhancement

## Prepared for all eventualities

Whereas the previous decade required treasurers to become more strategic, geopolitical and geoeconomic events since 2020 have meant that treasurers have needed to adopt a more commercial mindset.

This, in part, has been triggered by a pivot towards resilience on behalf of many businesses operating in international supply chains – switching from a ‘just-in-time’ approach to inventory management to ‘just-in-case’ set-ups. This shift was initiated by logistical issues experienced during the Covid-19 pandemic and exacerbated by the effects of both climate change<sup>1</sup> and conflict. It is estimated that the attacks on container ships in the Red Sea, for example, of which there have been 190 between November 2023 and June 2024, have meant that container ship capacity in the Red Sea was 60% lower than expected<sup>2</sup> in June 2024 (compared to 2017-2019 levels). This has affected the trade activity of 65 states and significantly contributed to a shift in how businesses approach their inventory.

Although increasing levels of inventory can help to prepare for uncertainty and mitigate the impact of unexpected events, it also requires treasurers to change the way they approach the management of working capital. Treasurers are now required to think in an agile, commercial manner in order to optimise working capital and keep the business running.

“ Treasurers are being asked to reduce cost, use data, and enhance their processes. They naturally seek expertise on what will be most impactful in gaining efficiencies and solving their specific business challenges. This is where the power of quality conversations comes in. ”



**Tim Pycroft**  
Head of Sales  
Global Transaction Solutions  
Lloyds Bank

## Adopting a commercial mindset

Aside from the logistical challenges, recent years have spawned numerous financial challenges for the treasurer to navigate. Although inflation has slowed in recent months and, in August 2024 business confidence measured at the joint highest level since November 2015<sup>3</sup>, the surge in inflation throughout 2022 and 2023 had implications for treasurers. Inflationary pressures mean that not only has the cost of borrowing increased, but so too has the cost of holding cash.

In turn, the treasurer has been required to think commercially in terms of how to make the business leaner and more efficient. Bankers have also needed to evolve in order to better facilitate these types of conversations with their clients.

## Weathering the storm

The change in approach to the management of working capital, combined with the turbulent financial landscape, have contributed to an environment in which the treasurer is expected to adopt a more commercial mindset and, in effect, do more with less. Forecasting, visibility and analytics now play a more important role than ever in this process, which is reflected in the priorities of treasurers. The 2023 edition of the PwC Global Treasury Survey<sup>4</sup> found that the top challenges facing corporate treasurers include inaccurate forecasting and visibility (43%), greater operational scale and complexity (36%), the management of working capital (28%), access to data (22%) and the lack of technology (17%).

The EuroFinance Treasury Report 2021<sup>5</sup> revealed that three quarters of treasurers increased their focus on cash flow forecasting during the pandemic, and 54% intend to prioritise forecasting moving forward. In other words, corporate treasurers are increasingly in need of better transparency, more efficient solutions, and the ability to know not only where to leverage the technology at their disposal, but also how to do so to its full potential. The question therefore turns to where this expertise can be sought.

1. [www.theguardian.com/environment/2023/dec/22/changing-climate-casts-a-shadow-over-the-future-of-the-panama-canal-and-global-trade](https://www.theguardian.com/environment/2023/dec/22/changing-climate-casts-a-shadow-over-the-future-of-the-panama-canal-and-global-trade)
2. [commonslibrary.parliament.uk/research-briefings/cbp-9930/](https://commonslibrary.parliament.uk/research-briefings/cbp-9930/)
3. [www.lloydsbank.com/assets/assets-business-banking/pdfs/business-barometer.pdf](https://www.lloydsbank.com/assets/assets-business-banking/pdfs/business-barometer.pdf)
4. [www.pwc.be/en/news-publications/2023/global-treasury-survey-2023](https://www.pwc.be/en/news-publications/2023/global-treasury-survey-2023)
5. [eurofinance.com/wp-content/uploads/EF-Treasury-Report.pdf](https://eurofinance.com/wp-content/uploads/EF-Treasury-Report.pdf)

# Facilitating discovery to unlock the full potential

Businesses often find an external perspective helpful in enabling the treasury to probe areas that could contain opportunities for improvement, efficiency and performance enhancement. At Lloyds Bank, we feel it is important to be sitting beside our clients and doing the practical work together to explore and shape the optimal set-up for treasurers, helping them to deliver on their strategic and commercial responsibilities.

## A discovery-led approach

“The first step of the process with our clients is discovery and consultation from a commercial standpoint,” said Tim Pyecroft, Head of Sales, Global Transaction Solutions, Lloyds Bank. “In that sense, as bankers, we try to adopt the role of product-agnostic ‘General Practitioners’ – taking the time to understand our clients’ businesses before recommending solutions that could unleash new potential within the treasury.”

This approach is possible because we’ve connected our key products, meaning that our experts have access to all of our knowledgeable product specialists. As a result, our clients only need to explore the challenges they face with us; from this conversation, we’ll be able to devise a suitable and effective solution based on the issues raised during the discovery process with them.

“Our experts have access to specialist insights across cash management, payments, transactional FX, data, commercial cards, and trade finance. Businesses will – more often than not – consume a combination of these services when servicing their clients’ payment requirements,” explained Matt Burns, Managing Director, Global Transaction Solutions, Lloyds Bank. “By connecting these solutions, we’re ensuring that as a bank, we can be an asset to the treasury. Using our consultative approach, we can closely examine the functioning of the business and offer suggestions for performance enhancement across the broad spectrum of transaction solutions.”

“The role of the treasurer has evolved, and they’ve now got a more commercial expectation on them from the rest of the firm,” said Pyecroft. “We can help translate those commercial goals then unpack the right tools to bring efficiencies they may not have seen before. The best part is that we’re doing this all the time with other clients so we can share those success stories from other companies trying to solve the same problems and apply relevant insights and solutions to their situation.”

## Offering optimisation and insight

At Lloyds Bank, we understand that treasurers are now facing into a new and evolving world with more responsibility placed on their shoulders than ever before. Our approach means that we can be an ally for treasurers, working alongside them to identify opportunities for optimisation and implementing the most suitable financial solutions to deliver maximum effect. “We feel it is important to be sitting beside our clients and doing the practical work together, not just advising from afar or in abstract” said Pyecroft. “You learn a lot from better conversations – including how clients intend to use the solutions – to shape and advise more specifically along the way to ensure the right outcomes.”

As bankers, we try to adopt the role of product-agnostic ‘General Practitioners’ – taking the time to understand our clients’ businesses before recommending solutions that could unleash new potential within the treasury.

# Taking the time to understand your business

Our experts will work with you to gain a full picture of your business operations, before looking into a specific matrix of solutions that when used in either individually or in combination, can enhance and augment your treasury operations.

Let's talk through your challenges, and we'll devise a solution based on our spectrum of products, including:

## Cash management and payments

Our future-proofed cash management and payments platform, Lloyds Bank Gem®, combines cloud computing with data-led solutions to provide clients with the control and flexibility to conduct their cash management activities. The benefits include:

- **Omnichannel convenience** giving you one consistent view of information whether you connect via the online portal, host-to-host, API or Swift.
- **Flexible liquidity** providing an efficient overlay structure with direct membership of the GBP and EUR clearing systems complimented with live FX rates across 39 currencies via API. Create Single- and Multi-currency notional pools, manage inter-company loans, and optimise your structure with a full range of automated sweeps.
- **Self-serve account structures** meaning that you can open and close accounts in 33 currencies and manage automated sweeps yourself. With virtual accounts, you can streamline your account structure while improving visibility and gaining data that helps to automate reconciliation.
- **Seamless payments and receipts** with preferences including limits and authorisations. You can even redirect incoming payments that are consistently wrong, so they go to the correct account and fix common errors like weekend value dates.
- **Comprehensive visibility** ensuring that as well as a single source of data for your Lloyds Bank accounts, you can also view all your accounts with other banks with multi-bank reporting, giving you a single accurate and consistent treasury dashboard.
- **Actionable business insight** allowing you to carry out analytics on your accounts and transactions. Make the most of ready-made reports and upload third-party data for effective cash forecasting, identifying opportunities for improvement and informing business decisions.
- **Future-proof technology** given that Lloyds Bank Gem is underpinned by ISO 20022 messaging standards. The industry-wide migration to ISO 20022 will improve the speed, immediacy and efficiency of cross-border payments.
- **Built-in APIs** to support your cash management needs with more immediacy. We have developed a suite of APIs, included in the Lloyds Bank Gem functionality, providing greater choice, more efficiency and new propositions.

“ We’ve redefined the relationship that a business can have with its bank. At Lloyds Bank, our focus is being a partner to our clients, offering them consultation and discovery to find the right approach. By doing this, we’re ensuring that the solutions that we ultimately provide are intelligently tailored to maximise the potential of each business. ”



**Matt Burns**  
Managing Director  
Global Transaction Solutions  
Lloyds Bank

## Transactional Foreign Exchange (FX)

Our Transactional FX solutions can help to ensure that using multiple currencies is straight forward, efficient and transparent. By working with Lloyds Bank, you can gain clarity and control over your FX margin when paying in, and receiving, different currencies, assisting your global operations while making the customer experience feel local.

## Lloyds Bank Market Intelligence

Lloyds Bank Market Intelligence can help you pinpoint and understand emerging consumer trends and contribute to making informed, impactful business decisions. We have access to one of the largest and most detailed datasets in the UK and we can use this aggregated and anonymised data to provide businesses with an insightful snapshot of consumer behaviour, whether that’s from abroad, top-level perspective, or through a granular and more specific lens.

## Corporate cards

From making and receiving card payments to finding an effective way to reduce costs and cut down on time-intensive paperwork, we can help. Our Corporate Cards can give you greater control over business expenses, save time and money on administration, increase convenience for your cardholders and provide crucial information on what has been spent, where and by whom.

## Trade solutions

As experts in trade finance, Lloyds Bank has an extensive collection of solutions, ranging from mitigating the risks associated with trading with counterparties in new jurisdictions, through to finance options that can address working capital requirements. We have delivered a number of world-firsts connected to digitalising trade documents – including being the first bank to complete a transaction<sup>6</sup> under the new Electronic Trade Documents Act. We are committed to supporting businesses in their ambitions to trade in new markets in a simple, sustainable and successful way.

For more information on how Lloyds Bank can support your transactional requirements, [speak to one of our experts today<sup>7</sup>](#).

6. [www.lloydsbankinggroup.com/media/press-releases/2023/lloyds-bank-2023/lloyds-bank-completes-first-digital-trade-transaction-under-new-](https://www.lloydsbankinggroup.com/media/press-releases/2023/lloyds-bank-2023/lloyds-bank-completes-first-digital-trade-transaction-under-new-)

7. [www.lloydsbank.com/business/corporate-banking/home](https://www.lloydsbank.com/business/corporate-banking/home)

## Our service promise

Please let us know if you have a problem – we're here to help. See our complaints process on our 'Help & Support' page at: [lloydsbank.com/business/complaint](https://lloydsbank.com/business/complaint)



Go online:  
[lloydsbank.com/business/corporate-banking/payments](https://lloydsbank.com/business/corporate-banking/payments)



Speak to your Relationship Manager

**Please contact us if you would like this information in an alternative format such as Braille, large print or audio.**

## Important information

Lloyds Bank Gem® is a registered trademark of Lloyds Bank Plc.

Lloyds and Lloyds Bank are trading names of Lloyds Bank Plc. Registered Office: 25 Gresham Street, London EC2V 7HN. Registered in England & Wales no. 2065. Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority under Registration Number 119278.

Lloyds Banking Group is a financial services group that incorporates a number of brands, including Lloyds Bank. More information on Lloyds Banking Group can be found at [lloydsbanking.com](https://lloydsbanking.com)

Document Owner: CIB. September 2024 – 0193

