Citi Services | Client Advisory Group

Top Treasury Priorities 2025: It's the Data

The Future of Treasury Innovation Starts with Access to the Right Information

2025 Top Priorities

1. Data
2. Treasury Fundamentals
3. Real-time Treasury
4. Digital Assets as a Tool

As we look ahead to the treasury priorities for the year, we consider several key ideas: the rise of real-time treasury, continued focus on treasury fundamentals of cash flow forecasting and an efficient automated liquidity structure, and treating digital assets as a tool instead of a new "asset class." All these priorities hinge on one thing – data. So, in a slight departure from our normal format, we are devoting this entire article to the data that underpins everything treasury does and without which risks irrelevance.

In 1992, a political strategist famously attributed the economy as the overriding issue of the day for the US presidential candidates. The same biting wit could be applied when describing the importance of data to the success of the treasury function in the weeks, months, and years ahead. Let's face it - "it really is the data, stupid!" After all, data is the keystone to everything treasury needs and wants to accomplish. And yet, many organizations find themselves mired in "bad" data that is insufficient to support the ambitions of a modern, evolving treasury function.

Admittedly, treasury teams already have plenty to think about these days. Global uncertainty continues to abound. Stating the obvious, the simple truth is no one knows exactly what a new US presidential administration has in store for global economics. And for global businesses, that makes it difficult to make decisions on how to prepare for any big changes. But one trend that doesn't take Nostradamus to foresee – 24/7 always-on treasury modernization will continue gathering momentum. At the very heart of this transformation wave is data.

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That said, understanding the power of data is one thing. Extracting it and putting it to good use is another entirely. The sad reality is, we can put a science experiment-packed autonomous rover on the surface of Mars, but we cannot cash flow forecast to save our souls.

Let's acknowledge that perfection in data architecture is unattainable. Treasury teams need to set expectations accordingly. They should develop a long-term data strategy that focuses on addressing data challenges over the next three to five years.

While data is the keystone, it is not the end goal. Without the right data, treasury can't have cash flow forecasting, working capital efficiency, and everything else that helps drive business decisions. The absence of a data strategy can become the root cause of digitalization adoption delays, transformation project failures, and costly overruns. In short, it all comes down to data.[1]

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Why data, systems, and connectivity matter: The big picture

Clean, usable data is the lifeblood of treasury operations. It empowers decision making and can be leveraged to achieve the Holy Grail of straight-through processing and greater automation. If data were akin to a family relative, it would be your favorite uncle when you were a kid – the one who drove the coolest car, had box seats to your favorite events, and was always the life of the party. In other words, full of promise, but simply not around enough to rock your world.

For treasury, data holds tremendous potential to power almost everything. But, maddeningly, it isn't always easily accessible. That brings us to the second point about the systems used to process data. Data and systems are often inextricably linked together as a seamless whole. For instance, payment processing platforms generate tons of valuable data. Unfortunately, some of that data resides with a credit card processor or a bank, and since few companies sync that with treasury management tools, it's effectively inaccessible. Meanwhile, treasury management systems (TMSs) used by most companies are hardly paragons of open access to the data within. That makes the job of leveraging that data far more challenging. For this reason, treasury needs to begin looking at systems and data separately. It is becoming increasingly important to ensure that the data stored within these systems can be accessed when and how treasury needs them, and without delay or negotiation.

The third piece of this puzzle is connectivity. This involves how treasury is connected to all of the various service providers, allowing it to access the data. How the internal connectivity infrastructure is designed determines how effectively data is shared. For some this involves daily downloads of batch files using host-to-host connectivity and SWIFT, while others have taken the next step forward leveraging the real-time transmission of data through application programming interfaces (APIs). As treasury

Data Challenges

1. Data inaccessibility
2. System incongruence
3. Connectivity infrastructure

[1] TREASURY LEADERSHIP: Does It Matter? (Chapter 3, Digital Adoption)

begins to re-engineer systems and takes advantage of next-gen enterprise resource planning (ERP) technology, they can begin to utilize real-time data to drive greater efficiency. An example of how this transformation is already taking place is in the widespread implementation of SAP S/4HANA. It is one catalyst for moving the industry in the direction of operating in real-time. Meanwhile, APIs hold the promise of allowing for seamless access to data between treasury management tools and banking portals and third-party cloud-based platforms. Data, systems, and connectivity must first be considered individually, and then in how they can be brought together effectively to achieve a fully integrated treasury strategy.

Connectivity will be particularly important as real-time treasury comes to the fore. These innovations hold the promise of radically enhanced efficiency, affecting a shift from "value-dating" to "value-timing." For this reason, treasury should put a premium on evaluating its connectivity strategy.

Three Layers of Data Strategy

1. Connectivity: Pipes & standards
2. Systems: Processing
3. Data: Storage, usability & accessibility

The importance of being demanding: Corporate treasury's proactive role

Being proactive is essential when treasury deals with banks and technology providers. Treasury needs to adopt a "demanding" mindset focused on data first, and looking at how it is used and how it can be accessed most effectively for the organization. Otherwise, the business will end up with siloed data that will not support truly modernized treasury aspirations.

Largely, the only thing treasury "takes" from its banks each day is data. Banks provide many services to clients, make loans, and trade with them. Short of those who take cash from their banks, everything else is a ledger entry and companies are only exchanging bits and bytes with their banks. The same is true with technology providers; all they have is data and workflows. Corporate treasury has to begin to get its data house in order by thinking about standards, and how they can work with banking and tech providers to leverage more of the data it needs in a form it can use.

Even with advanced real-time connectivity through APIs, which, as treasuries often painfully realize, are currently non-standardized, treasury could end up connecting to twenty banking providers – all using different standards. That doesn't exactly sound like a formula for efficiency. The call-to-action for treasury is to proactively work with banking and technology providers to find solutions to this dilemma of non-standard and fragmented data. What is needed is standardized, usable, accessible, and permissioned data available across the entire treasury ecosphere.

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Moving beyond being risk & liquidity managers to deliver true business value-add

Treasury must aspire to more than being risk and liquidity managers, and strive to offer the business true value-add, creating partnership for growth. Attaining this lofty goal will take more than wishful thinking or a satchel full of magic beans. Four guiding principles are needed to support this north star.[2]

The first is for treasury to position itself as a center of excellence for all financial transactions. This means treasury must govern all transactions with financial impact or implication for the business. In doing so, treasury takes the lead on all aspects of financial risk. Next, treasury will want to look at deploying AI and ML, automating manual tasks such as cash flow forecasting, bank reconciliation, and audit confirmations. This allows personnel to be freed up to take on the role of managing the AI.

The third principle is embracing the treasurer's position as chief returns and risk officer. In this role, they bring together a firm-wide understanding of all aspects of core risks. This allows for horizontal collaboration to ensure top line growth, returns, and risks are considered in whole. The fourth is for treasury to become an evangelist for a real-time mindset. This will mean fundamental re-engineering of processes and how treasury consumes and harnesses data.

[2] TREASURY 2030: Modernize or Risk Irrelevance (Chapter 1, The North Star)

Taken together, this is a significant repositioning of treasury towards a strategic business partner. Ultimately, the most important catalyst to getting there will be the appetite of treasurers to make the tough choices needed to drive change. Equally, the most important enabler will be data, as all of this is predicated on having access to the right data. It is important to put a data strategy in place that focuses on what data is needed, where it comes from, which format it is available in, and who owns it. Such a strategy is needed to build an effective framework around corporate data, which is essential to advancing the treasury modernization journey.

Get data right and everyone comes away a winner

As treasurers develop effective data strategies, they must start by asking themselves: what do we want to do with all of this information and how will it all work together? In the year ahead, the key will be to think about how data, systems and connectivity apply to the business. The goal should be to fully understand how data is captured and how it can be made usable across all relevant tools and applications that treasury uses.

A common argument is that fixing data takes too long and is a costly investment, thus "just get on with it" and run treasury with what you have. But, as treasurers look at their colleagues in the business, it's clear there is already acceptance of the high value of good data. The upside more than justifies the expense.

The promise of improved technology further highlights why the data dilemma must be solved. The same can be said for the advent of a resilient, real-time treasury that relies on API-native applications. Broad-based changes will be needed to achieve the vision for a modern treasury function.

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Data is the answer to all our aspirations to make treasury more impactful, more automated, and more effective. But change requires that treasury be much more proactive and take leadership in working with banking and technology providers and with corporate information technology (IT). Change will not come until treasurers bring stakeholders together to influence industry standards and how data is accessed.

At the risk of seeming an afterthought - and by no means is it so - treasury fundamentals are always critical and where Citi's Client Advisory Group spends a large part of its time. They are a given. They include cash flow forecasting, and visibility into transactions and balances. They include bank account administration and infrastructure, and its cousin bank account rationalization that are the backbone of efficient liquidity structures that can be fully automated. A strong and well-developed intercompany lending structure that supports in-house banking is another fundamental built on bank account structures. And all of this is done with an eye on meeting the business revenue opportunities, becoming more efficient, and managing risk. It's self-evident that all are predicated on data.

In summary, data is an enabler of virtually everything that you do. It is also urgent for treasury to make data strategy a priority, at this time of unpredictability and change in the world. It's time to get smarter about data. There's absolutely nothing stupid about it.

Client Advisory Group

Primary Author:

Joseph Vasen,
Managing Director

With contributions from:

Ron Chakravarti,
Managing Director

Dr. Duncan Cole,
Director

Anton Abraham,
Director

Sofia Putri,
Vice President

Ashley McDonough,
Vice President

Britt Jensen,
Director

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