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Beyond Headcount: *Measuring Treasury's True Value*

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Anton and Duncan are both members of Citi Services' Client Advisory Group. The group is a treasury practitioner-led team that helps Citi clients progress treasury practices and evolve corporate treasury functions to support enterprise growth and transformation. For more information on consulting with Client Advisory Group, please reach out to your Citi Representative.

For years, corporate treasurers have benchmarked teams by headcount, posing questions about analyst numbers or headcount reductions. However, Citi's latest Treasury Diagnostics data suggests headcount alone can be a misleading success indicator.

The modern treasury has transcended its traditional back-office role, now operating at the nexus of strategy, liquidity, and technology. Amidst heightened volatility, stringent regulatory oversight, and rapid technological advancement, treasury increasingly serves as a critical catalyst for growth and resilience, beyond basic cash stewardship.

Our proprietary Citi Treasury Diagnostics (CTD) and Digital Treasury Index (DTI) assess functional sophistication and digital maturity, providing insights into leading treasury departments. Findings reveal a complex (and at times counterintuitive) relationship between team size, digital maturity, and sophistication. While treasury sophistication correlates with digital maturity (Figure 1), technology deployment with data integration and process interoperability doesn't fully guarantee effective risk management (Figure 2).

Figure 1 and 2: CTD data (last 5 years, n = 370) charting digital maturity against treasury sophistication.

Figure 1

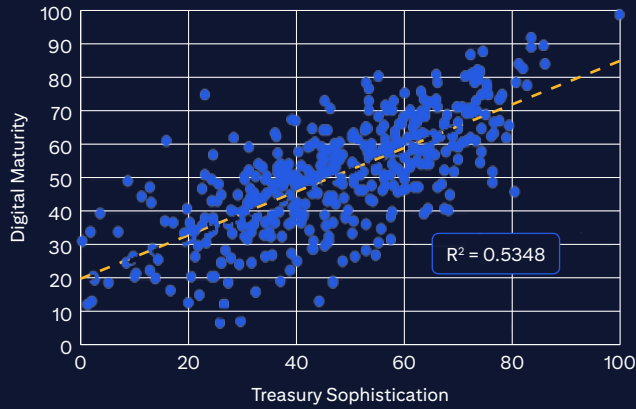
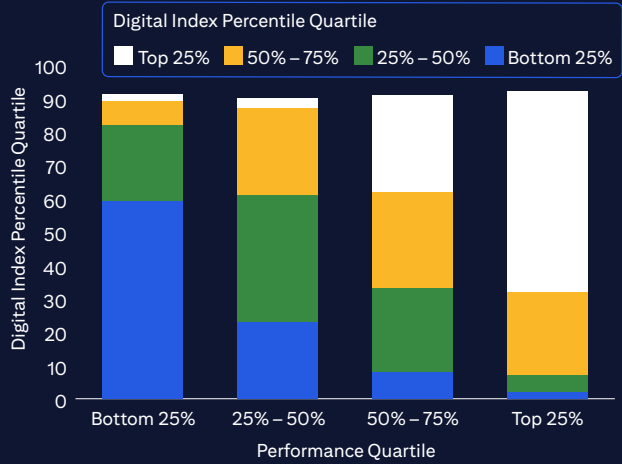


Figure 2

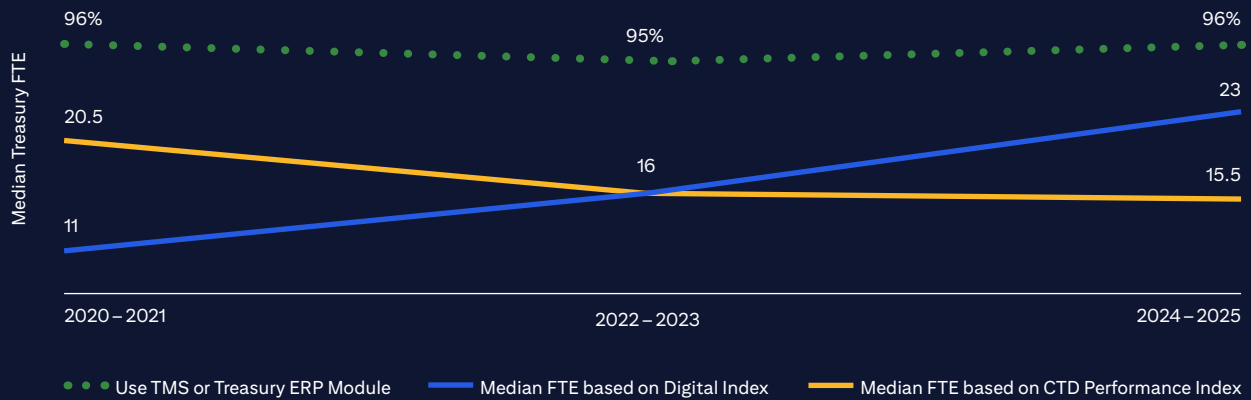


When Sophistication Shrinks the Team

Has the mix of people and machines in Treasury changed? Data initially shows that as high-performing treasuries mature, teams become leaner. For top 25th percentile CTD Index companies, median FTEs declined from roughly 20 in 2020 to 15 by 2025 (Figure 3).

Figure 3: Change in treasury FTE for top performing treasuries as measured by CTD data in the last 5 years (n = 91).

Treasury FTE Analysis based on CTD Performance Index and Digital Treasury Index (Companies at the top 25% of the CTD Index Quartile)



High-performing treasuries continuously review processes to identify rationalizable, unnecessary, and automatable activities via technology. This balance of people, process, and platforms creates capacity, reduces costs, and optimizes operations by repurposing resources for high-impact functions.

This approach adds value, supporting organizational growth.¹ High performance does not necessarily equate to 'less people.' While process automation can reduce headcount through efficiency, digital maturity paradoxically expands teams – as treasuries redefine roles, focusing on data, analytics, insights generation, and technology oversight. Fewer individuals manage traditional processes, but more staff are needed to operate complex systems, provide human-in-the-loop validation, and manage intricate data ecosystems.

The Paradox of More Technology, More People

If sophistication fosters efficiency, digitalization introduces a paradox. While conventional wisdom expects automation to reduce headcount, Citi's analysis shows the opposite. For top Digital Treasury Index companies, median FTEs rose from 11 to 23 between 2020 and 2025 (Figure 3). Digital maturity in treasury now requires more people.

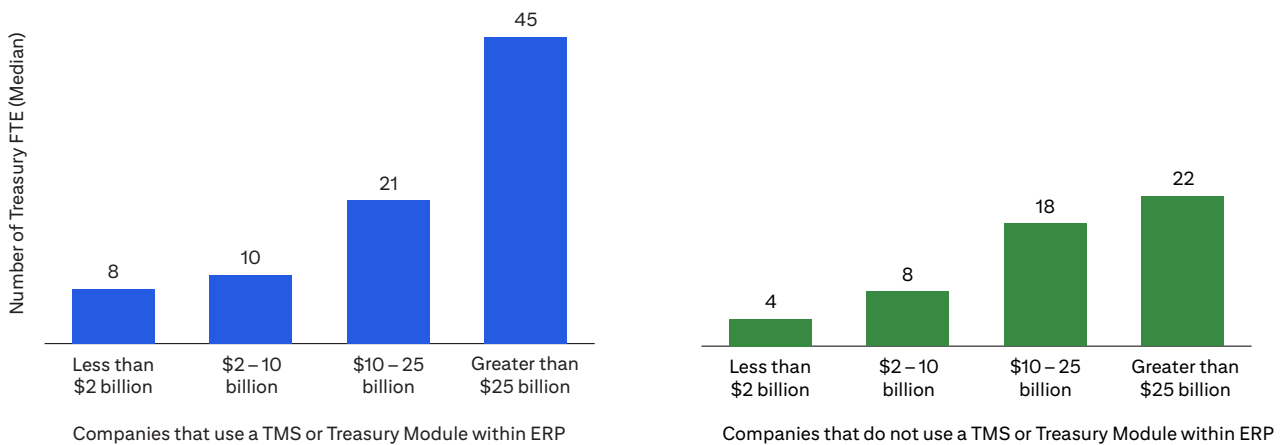
This counterintuitive finding points to a deeper transformation. As treasuries embrace digitalization, they do not simply shrink; they fundamentally evolve. Advanced systems (TMS, ERP treasury modules) automate manual workflows but introduce complexities: system integration, robust data governance, and heightened demand for sophisticated analytics.

Digital treasuries are not replacing people with machines; they are substituting manual processes, necessitating more individuals with technical skills to augment risk management.



Companies implementing a TMS or ERP treasury module report higher median headcounts – 45 versus 22 for large enterprises (Figure 4). Investing in technology to automate workflows, despite not reducing staffing costs, is justified by technology's transformative nature that redefines roles. Automation handles transactional load, redeploying human capital to higher-value activities. This isn't 'fewer people pushing buttons,' but 'pivoting people to analyzing technology-revealed insights,' elevating work caliber and increasing headcount.

Figure 4: CTD data (last 5 years, n = 370,) Treasury Team FTE based on Adoption of TMS or Treasury Module within ERP.



¹ Citi GPS: Treasury 2030: Modernize or Risk Irrelevance (December 2024)



A small, strategically potent treasury can outpace a large, operationally challenged one.

Rethinking Treasury Metrics

If headcount is no longer the benchmark, what metrics can define a modern treasury function? Citi's research identifies four key dimensions:

- **Strategic Impact:** Treasury's attributable contribution to organizational growth, influencing M&A and divestitures or providing acumen on capital allocation.
- **Efficiency & Agility:** The team's speed and precision in adapting to market, regulatory, or liquidity shifts.
- **Skill Set & Expertise:** Treasury's collective capability across analytics, risk management, bank/fintech integration, and regulatory compliance.
- **Technological Leverage:** The degree to which digital tools amplify, rather than replace, human judgment.

Conclusion

When these factors align, team size becomes secondary. A small, strategically potent treasury can outpace a large, operationally challenged one. A 'right-sized' treasury means 'fit for purpose,' executing today's demands while preparing for tomorrow. Sophisticated treasuries become leaner by refining operating models, not cutting corners.

Future high-performing treasuries will share three common traits that go beyond headcount:

- **Human Capital Investment:** Continuous upskilling in data, analytics, fintech, and strategic finance ensures personnel capabilities evolve with technology.

- **Deliberate Digitalization:** Tools like TMS and ERP are employed not merely for automation, but to unlock new insights, enhance decision-making, and drive strategic efficiency.
- **Innovation Mindset:** Effective teams view change as a competitive advantage, proactively adapting structures and roles as new technologies and market dynamics emerge.

Automation, centralization, and enhanced process discipline enable smaller teams to deliver greater strategic impact. Yet, digital maturity often expands headcount, driven not by efficiency alone, but by reinvention.

Ultimately, treasury's impact isn't defined by size, but by its ability to transcend traditional risk management and become a forward-looking strategic partner supporting business growth.

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