



Uncovering Opportunities In Treasury Management Services

payments fintechs cash management

Summary: Treasury management services are needed by businesses more than ever these days. Are you ensuring that all these opportunities are properly addressed? With 66% of small businesses stating that they face financial challenges, cash management is especially important. Here are three tips to fully support your customers with their treasury management requirements.

Many studies have shown the health benefits of pets. Pet owners have lower cholesterol levels, lower blood pressure, and a lower likelihood of suffering from depression. In one study by the University of California, Riverside, people with a history of heart attacks who got a dog had a 65% decrease in mortality risk compared to those without a dog. Talk about a health boost!

Lately, a different type of boost has come to treasury management services. With cash and cost management on top of mind for many businesses, these services have become more important than ever. Treasury management services help business customers achieve higher profits, greater efficiencies, and better control of their cash flow. This typically includes liquidity control, receivables, payments, and risk management. Community financial institutions (CFIs) should see this as an area of opportunity.

Over the past 2Ys, as with most banking services, digital treasury management services have also gotten a lift. According to [a survey by the Association of Corporate Treasurers](#), treasurers said that technology advances over the next 12 months would take 50% more of their time as compared to the time taken today. They seem to be gearing up for more digital solutions.

While many CFIs currently offer treasury management services, the expectation for digital treasury management may take more concerted efforts. Here are **three tips to help you fully support your customers with their treasury management requirements**, while boosting your bottom line.

Start with current offerings and expertise. Since businesses need ongoing assistance with cash management, reach out to them with your current offerings and guidance. Now is the time to have a deep discussion about their current challenges and how you can help them. According to Semrush, [66% of small businesses face financial challenges, with cash flow being the primary one](#). CFIs that can provide the right treasury services to help them run their businesses more efficiently and profitably will retain more customers, which in turn helps boost revenue for the CFI.

Reassess pricing. According to [recent research from McKinsey Analytics](#), it is common for financial institutions to underprice their treasury services. Many provide discounts in order to provide other services. While there may be times that reduced pricing is appropriate, educating customers on the efficiency, cost control, and time-saving benefits of many treasury management services should seal the deal. That said, if you are providing these services digitally, be sure to review the growing competition of software companies and fintechs before setting your pricing. These competitors are ramping up their efforts too.

Use data analytics. As with other offerings, using data analytics can help pinpoint your customers' needs for treasury management services. McKinsey sees data analytics as a “*must-have capability for growing revenues and expanding margins in treasury management.*” Data analytics allow CFIs to fill in any gaps and complete a customer's full profile, while potentially increasing revenue by 10-15%.

CFIs are looking for approaches to increase their revenue, while businesses need treasury management services to help with their cash flow. Now is a good time to reach out to your customers, evaluate pricing, and tap into data analytics to create a perfect solution for both you and your customers.

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ECONOMY & RATES

Rates As Of: 12/17/2021 11:49AM (GMT-0700)

| Treasury | Yields | MTD Chg | YTD Chg |
|-----------|--------|---------|---------|
| 3M | 0.05 | 0.00 | -0.04 |
| 6M | 0.13 | 0.03 | 0.04 |
| 1Y | 0.28 | 0.02 | 0.16 |
| 2Y | 0.67 | 0.10 | 0.55 |
| 5Y | 1.19 | 0.03 | 0.83 |
| 10Y | 1.41 | -0.04 | 0.49 |
| 30Y | 1.83 | 0.03 | 0.18 |
| FF Market | | FF Disc | IORB |
| 0.08 | | 0.25 | 0.15 |
| SOFR | | Prime | QBFR |
| 0.05 | | 3.25 | 0.07 |

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