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TREASURY

CENTRALIZING TREASURY STRATEGY, BENEFITS & BEST PRACTICES

A Practical Guide for North American CFOs and Treasury Leaders



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EXECUTIVE SUMMARY

The Strategic Case for Treasury Centralization in North America

North American CFOs and Treasurers are managing more complexity with fewer resources than at any point in recent memory. Expanded mandates, acquisition-driven entity proliferation, fragmented cash data, and constrained headcount have created a treasury function that is running at capacity – and one that is increasingly unable to provide the financial visibility, execution discipline, and risk management that the current operating environment demands.

This guide makes the case that treasury centralization is not a discretionary improvement. It is a strategic operating model shift whose time has come – and whose deferral carries compounding cost.

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The companies that manage treasury well in volatile environments are not those with the largest teams. They are those with the clearest visibility, the most disciplined processes, and the most scalable operating model.

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The Core Problem

Three converging pressures define the North American treasury challenge today. First, treasury capacity has not kept pace with mandate growth: teams are executing more complex operations across more entities with essentially the same headcount. Second, cash visibility remains fragmented in most mid-market and enterprise organizations, degrading the quality of liquidity decisions, forecasting accuracy, and capital allocation. Third, M&A activity, the defining growth strategy for many North American companies, systematically adds treasury complexity that decentralized operating models cannot absorb efficiently.

Left unaddressed, these pressures do not stabilize. They compound. Each year of inaction adds entities, banking relationships, and process inconsistency that makes eventual centralization more difficult and more expensive.

What Centralization Delivers

A centralized treasury operating model addresses these pressures with measurable financial outcomes: real-time cash visibility that improves capital allocation decisions; optimized liquidity deployment that reduces unnecessary external borrowing; centralized FX management that eliminates the over-hedging and pricing inefficiency of decentralized execution; intercompany governance that reduces transfer pricing risk and streamlines settlement; and a scalable operating structure that absorbs growth and acquisition without proportionate increases in complexity or cost.

For organizations at sufficient scale and maturity, centralization creates the conditions for In-House Banking – the advanced operating structure in which the group treasury functions as an internal bank for its subsidiaries, delivering the full benefit of centralization within a single, integrated framework.

The Strategic Choice: Build, Partner, or Both

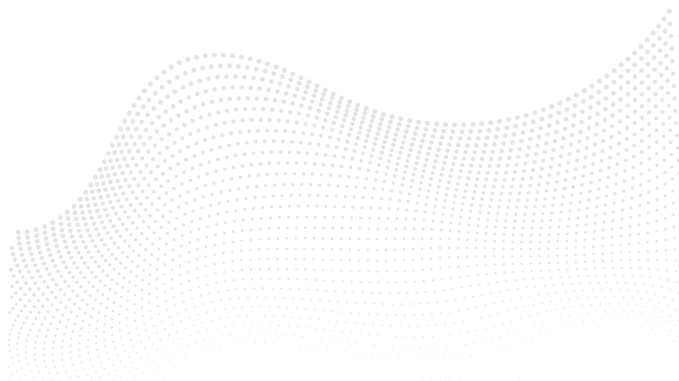
For many North American companies, the binding constraint on centralization is not strategic intent – it is internal capacity. The same team needed to lead the centralization program is the team managing day-to-day treasury operations. Treasury as a Managed Service resolves this constraint: it provides the operational capacity, specialist expertise, and execution infrastructure required to centralize at speed, within a governance model that preserves the company's strategic control.

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How to Use the Guide

Section	What You Will Learn
Introduction	Why treasury centralization is back at the top of the CFO agenda and why the operating environment makes deferral increasingly costly
Part I: The North American Reality	The three structural pressures, capacity constraints, visibility gaps, and post-M&A fragmentation, that are driving the centralization imperative
Part II: What Centralization Means	A precise definition of centralization across governance, process, and control and the full spectrum of strategic and financial benefits it delivers
Part III: Execution Blueprint	How to assess readiness, design the target operating model, enable it with technology, and accelerate the journey through a managed service partnership
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Part IV: Operational Complexity	The FX management and intercompany administration disciplines where centralization delivers its most direct and measurable financial benefit

Section	What You Will Learn
Part V: In-House Banking	The advanced centralization structure its prerequisites, business case, and implementation discipline positioned as an outcome, not a starting point
Part VI: Lessons from the Field	The six failure patterns most likely to derail a centralization program, and the case patterns most relevant to North American organizations
Part VII: The Roadmap	A practical 12–24 month phased roadmap and the build-vs.-partner decision framework that defines the most effective delivery model
Conclusion & Appendices	The strategic argument for acting now – and how FTI Treasury's Operating Model Diagnostic provides the structured starting point



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FTI Treasury has been building its global reputation in treasury consulting, advisory, and managed services since 1988. Our team brings deep, practical expertise across the full range of corporate treasury disciplines from day-to-day cash management and operational execution to complex In-House Banking design and implementation across major global markets.

Our Services

- **In-House Banking:** Design, implementation, and managed operation of In-House Bank structures for multinational corporate groups
- **Treasury Outsourcing:** Full-scope treasury outsourcing and targeted operational support across cash management, payments, FX, accounting, and reporting
- **FX and Risk Management:** FX risk management, interest rate risk, and derivatives portfolio management
- **Intercompany Administration:** Intercompany loan administration, netting programs, and internal funding framework design
- **Treasury Technology:** TMS selection, implementation support, and optimization across all major platforms
- **Corporate Services:** Entity formation, bank account management, and regulatory compliance support across 40 countries



Contact FTI Treasury

Website: ftitreasury.com

North America microsite:
ftitreasury.com/solutions/treasury-operations-transformation/

FTI Treasury, International House, 3 Harbourmaster Place, IFSC, Dublin 1, D01K8F1, Ireland

Telephone: +353 1 636 0000

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