Amid Negative Rates and Bank Turmoil, Cash Management is Key Challenge for European Companies

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Executive Summary:

Negative interest rates and upheaval among providers of essential cash management systems have propelled cash and liquidity management to top priority for large European companies.

The European Central Bank and other national central banks are entering 2016 with negative interest-rate policies that seem certain to persist for the foreseeable future and possibly become even more aggressive.

Consequently, 37% of large European companies participating in Greenwich Associates most recent European Large Corporate Banking and Cash Management studies name cash and liquidity management/allocation, forecasting as a top priority for their finance departments in the coming year, making this function the foremost concern among companies in the study.

Methodology:

Greenwich Associates conducted 2,585 interviews with financial officers (e.g., CFOs, finance directors and treasurers) at corporations and financial institutions with sales in excess of €500 million, including 1,122 with sales of at least €2 billion.

Interviews were conducted throughout Austria, Belgium, Denmark, Finland, France, Germany, Italy, Luxembourg, the Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, and the United Kingdom.

Interviews took place from August through November 2015. Subjects covered included bank credit capabilities, domestic and cross-border advisory capabilities and equity underwriting capabilities. Cash management and debt capital markets capabilities were examined in separate interviews with corporate treasurers.

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