



Live more,
Bank less

2020

DBS DIGITAL TREASURER SURVEY

APAC, UK AND US

Executive Summary

In the space of just 12 months, the coronavirus pandemic has forced companies and businesses in APAC to rethink their digital strategy. Companies that didn't have a strategy in place 12 months ago are now scrambling to get off the starting blocks.

Many businesses that were already well advanced in their preparations for a digital future, are now reaping the rewards in terms of reduced costs and greater efficiencies. For the first time this year, an increasing number of businesses also cited a much-improved user experience as an additional benefit of going digital. Customers, competitors and markets are putting pressure on businesses across the region to take the user experience to the next level. The ease of use and seamless digital experience many are used to in their consumer lives, is now expected in their business interactions as well. The good news is that the pace of digitalisation is accelerating in Asia-Pacific (APAC).

According to DBS's 2020 Digital Treasurer Survey, one in four of 1,700 companies surveyed have already started their digital transformation. The number of companies saying they had no digital strategy fell from 25% in 2019's survey to 19% this year. Businesses in Singapore (45%), Hong Kong (44%) and Japan (41%) are the most digitally advanced, while the Philippines (10%) and Vietnam (8%) were the least digitally-ready.

Similar to last year's findings, the Top 100 revenue ranked companies in APAC were more likely to have a digital strategy than mid-market enterprises. This year, we compared the level of digitalisation of companies in APAC with the US and the UK. A larger proportion of US and UK businesses had a well-defined strategy, and they were typically further along their digital transformation journey than their peers in Asia-Pacific.

Treasurers and CFOs are increasingly important stakeholders in helping steer an organisation's digital transformation, but significant obstacles remain with the speed of change, execution complexity and the lack of digital talent cited by many businesses as significant stumbling blocks.

However, with the use of APIs rising rapidly across the region, and a significant shift to cloud computing expected in the next two-to-three years, there has never been a better time for companies of any size in APAC to start their digital transformation.



Improved Customer Experience

seen as greatest ROI from digitalisation



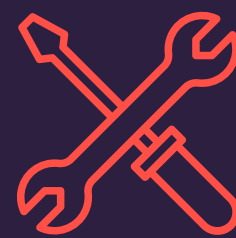
1 in 4 treasurers in Asia

have started their digital transformation journey



Trade, Supply Chain Financing and Cash Management

represent the two biggest areas of investment for treasuries in APAC



Top 3 risks highlighted by treasurers and CFOs in APAC

Speed of change
Execution complexity
Lack of digital talent



Banks remain the most popular channel for businesses in APAC

to keep abreast with fintech innovations and identify the right solutions, cited by 7 in 10 companies on average.

About the DBS Digital Treasurer Survey (2020 vs 2019)

For the second year running, DBS Bank has partnered with East & Partners to determine where companies and treasuries in APAC are in their digitalisation journey and the impact this is having on their operations. Two years of data gives us key insights into the general direction of travel for companies and treasuries in the region.

Objectives

- 1. To determine the digital readiness of CFOs and treasurers across Asia Pacific, UK and US
- 2. To understand the top challenges and opportunities CFOs and treasurers face in digitalisation
- 3. To evaluate the impact of treasury leadership and other influences on the digitalisation journey

Research Details

1,686
Interviewees

826
Top 100
(US\$1Bn+)

860
Mid-Market
(US\$100Mn-1Bn)

Country Coverage

Australia	China	Vietnam
India	Indonesia	Taiwan
Japan	Hong Kong	Thailand
Malaysia	Philippines	UK
Singapore	South Korea	US

Interviewee Distribution

Treasurer	98.2%
CFO	1.2%
CEO	0.1%
Other	0.5%

Industry Sectors of Interviewees

Wholesale/Distribution	21.9%
Manufacturing	20.0%
Retail	11.6%
Transport & Freight	7.7%
Information Technology & Telecommunications	5.1%
NBFIs	4.4%
Professional, Scientific & Technical Services	4.4%
Real Estate, Construction & Related Services	4.3%
Health Care & Community Services	4.0%
Personal Services	3.7%
Hospitality, Accommodation, Food Services	3.1%
Agriculture, Fisheries	2.6%
Education & Training	2.1%
Administrative & Support Services	1.9%
Arts & Recreation	1.1%
Other	2.1%

REGIONAL HIGHLIGHTS



01

Digital Readiness of CFOs and Treasurers in Asia Pacific

Treasuries **Making Significant Strides** in Their Digitalisation Journey

CFOs and treasurers across APAC are making significant strides in their digital transformation journey, with Singapore leading the way when it comes to the number of companies that are digitally ready.

Almost half (45%) of Singapore's corporates surveyed in DBS's second annual Digital Treasury Survey had a well-defined digital strategy in place — the highest proportion across the APAC region, overtaking Japan's pole position in the bank's 2019 survey. In second place was Hong Kong with 44% and in third Japan, with 41%.

Encouragingly, one in four of the 1,700 companies surveyed this year are starting to embark on their digital transformation, up from 21% nine months ago. More companies in this year's survey were also more comfortable saying they had a clearly defined digital strategy in place — 26% compared to 25% nine months ago.

"Having a strategy is crucial," says Daniel Flatt of East & Partners, which conducted the survey of CFOs and Treasurers. "Without a plan, the digitisation journey will be a slow and fragmented one."

We have what we think is now a great road map for our digitisation efforts; taken some time to pull it together but everyone's bought into it.

Group Treasurer,
Australian Energy Group

We are finally about to start building our digital strategy in a formal way; been talking about it for a long time but it's now time to get on with it.

Treasurer,
Indonesian Resources Company

A centralised vision with a clear mandate and budget in place is a big step and the findings this year are broadly positive." While digitisation is on the rise in APAC, the region as a whole still lags the US and the UK where a larger proportion of businesses have a clearly defined strategy — 40% and 45% respectively, compared to a regional average of 23%.

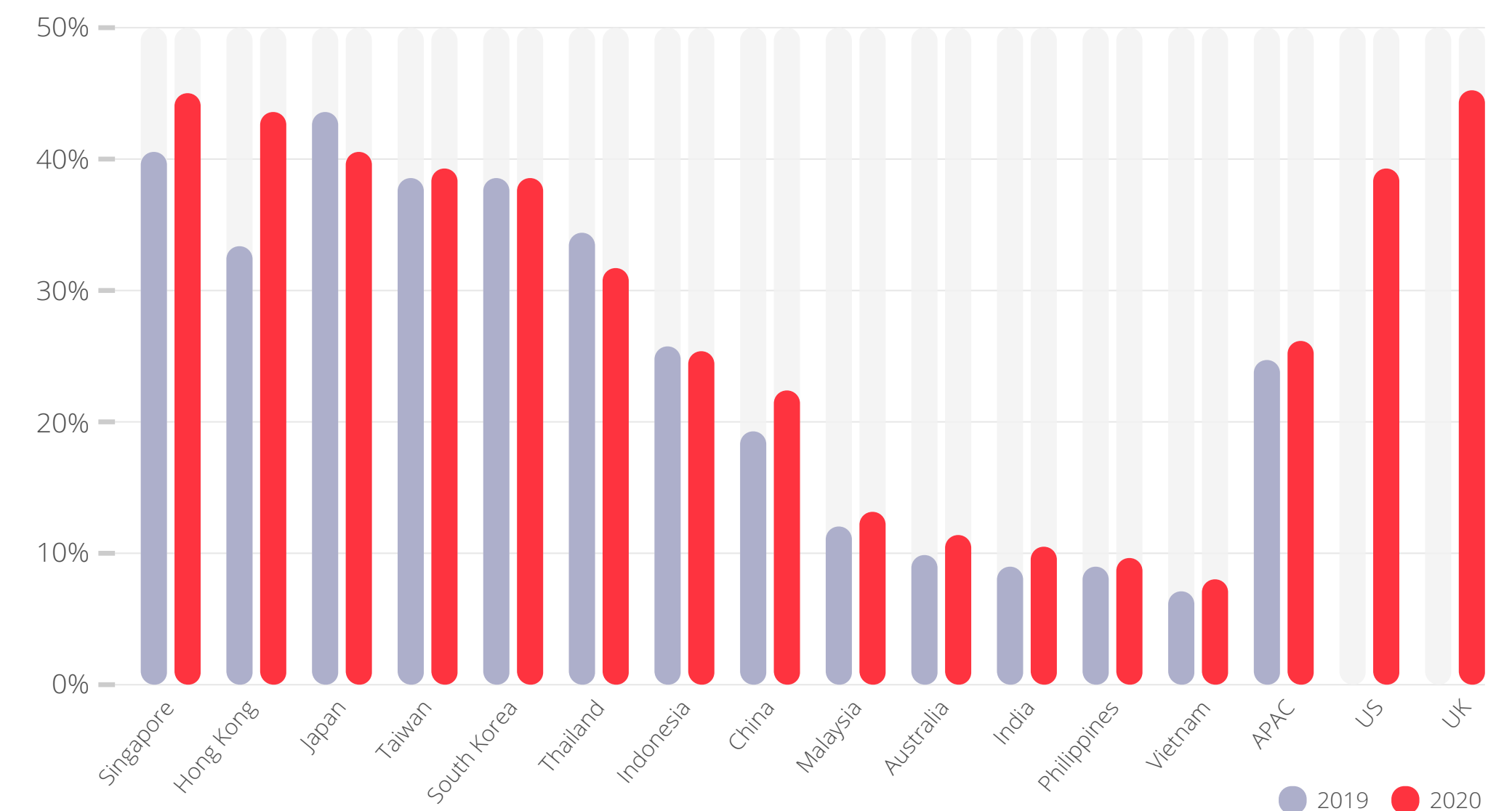
Similar to last year's results, the Top 100 revenue ranked companies across APAC are more likely to have a digital strategy in place than their mid-market counterparts, and businesses from developed markets (Singapore, Hong Kong, Japan) are more likely to have a well thought out strategy than those from emerging or less developed countries (Indonesia, Philippines, Vietnam). Businesses in the Philippines (10%) and Vietnam (8%) were the least digitally-ready.

But even in those countries with low levels of readiness, there is a growing recognition that they can no longer afford to put off their companies' digital transformation. In the Philippines, for example, 28% of companies said they were about to embark on their digital journey, a seven percentage point increase compared to 2019's survey findings.

Does Your Organisation Have a Digital Strategy?

Stage of digital journey	2020	2019
Clearly defined strategy	26%	25%
About to embark on digital development	24%	21%
Underdeveloped strategy	31%	29%
No strategy	19%	25%

Proportion of Businesses with a Clearly Defined Digital Strategy



02 Treasurers Continue to Play an Active Role in Driving Digitalisation

The move to digital is no longer just the preserve of the CTO's office. All members of the C-suite are actively driving digitalisation within their organisations. In some instances, the pressure to automate comes from the very top of an organisation.



Our CEO is a real advocate for digital across the business and heads our internal development Executive Committee – this is what's driving our traction.

Corporate Treasurer,
Hong Kong Trading Group



Having board involvement can make a huge difference in terms of getting things done, but typically multiple stakeholders are involved in driving the digitalisation agenda forward. Increasingly, treasurers, who are there to protect the corporate wallet, are taking their rightful place at the vanguard of their companies' digital transformation. During times of economic uncertainty, cash is king and as the second wave of the Covid-19 pandemic places additional strains on company's revenues, the ability to constantly change and adapt to new circumstances is much easier when you have a digital strategy that gives you greater visibility of your cash and liquidity.

Within APAC, treasurers leading their organisation's digital journey increased from 20% in 2019's survey to 24% this year. Fewer treasurers in 2020 (27%, compared to 36% in 2019) were struggling to keep up and deliver digital solutions. But when compared to their US and UK counterparts, there is room for improvement. In the UK for example, 31% of treasurers championed their company's digital transformation.



Treasury is well ahead of the digital curve within the business. We're running monthly workshops with our business units talking about and exploring things that make sense doing.

Treasurer,
South Korean Manufacturer



John Laurens, group head of Global Transaction Services at DBS, sees a mix of approaches within companies to digitalisation. "In some, the digital agenda is being driven by CFOs and treasurers, who are developing policy frameworks to cover opportunities and risks," he explains. "In others, business unit heads are leading the charge to create new business opportunities made possible by digital adoption, with treasury teams trying to play catch-up. There is no common approach to digital strategy development."

Asian treasuries are playing an active role in driving **digital transformation across the broader business**



Treasurers are driving their company's digital journey



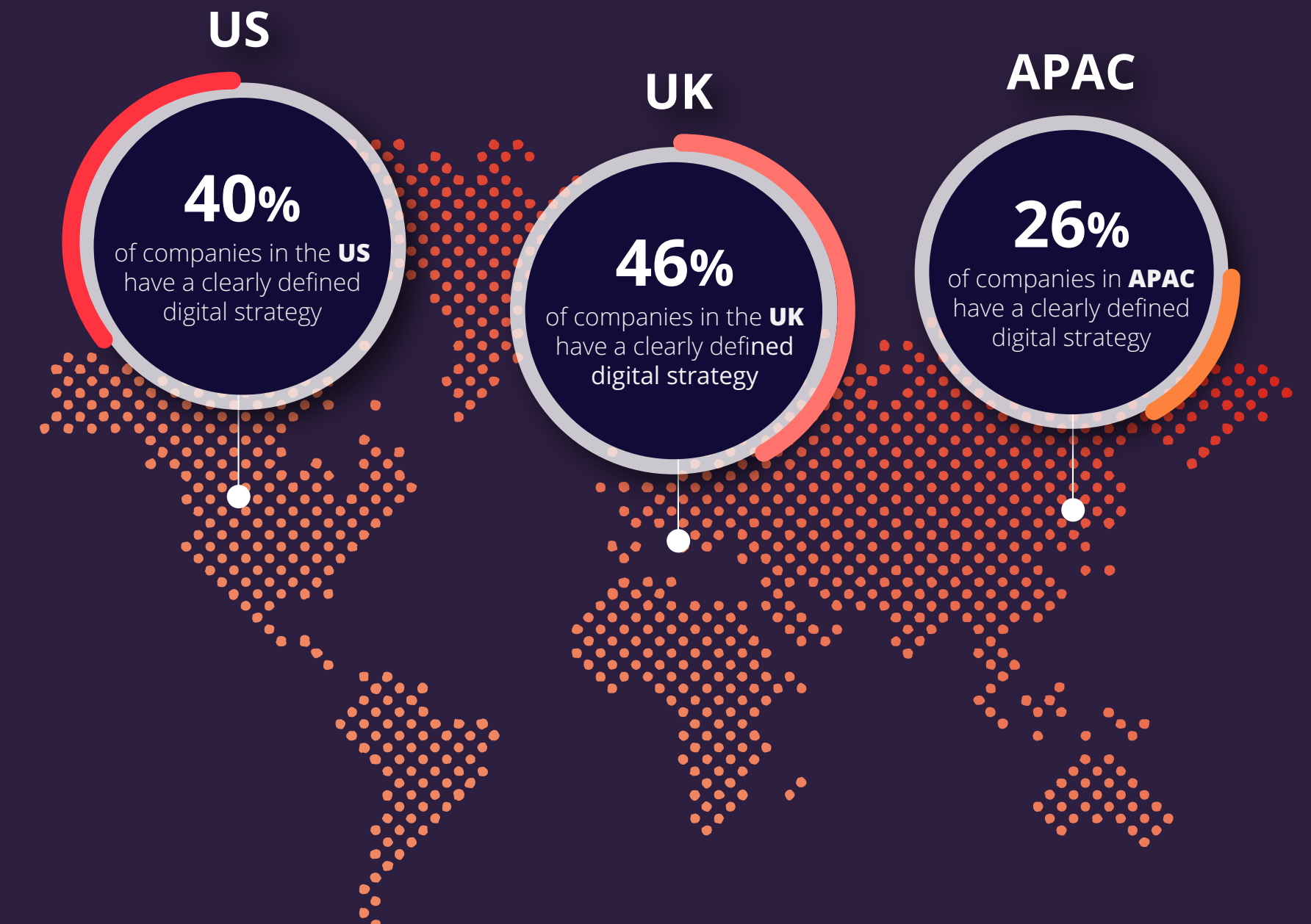
Running alongside other stakeholders

1 in 4

Struggling to keep up with digital transformation



Average digital readiness is **behind UK/US businesses**



03 Top Risks Keeping Business Digitalisation on its Toes

Despite the accelerating pace of digitalisation within the APAC region and the growing external pressures on businesses to automate more aspects of their business, many challenges still remain for companies as they drive towards a digital future. In line with last year's survey findings, the top three challenges highlighted by treasurers and CFOs in APAC were the speed of change (80%), execution complexity (75%) and lack of digital talent (64%). In the US and the UK, nine out of 10 businesses said their biggest challenge was keeping pace with the regulatory environment.

There were also significant regional disparities when it came to businesses' attitudes towards cybersecurity risks. Almost 90% of UK companies and 69% of US firms cited cybersecurity as their top risks to going digital. Yet only half of APAC companies highlighted it as a major concern. As US and UK businesses are much further along their digital transformation journey than APAC companies, they are increasingly susceptible to cyber attacks.

We're very conscious of potential cybersecurity risks in all our digital development work. The business has experienced 'events' and we have a joint Exco committee between Treasury and IT to manage these issues.

Group Treasurer,
China Building Supply Manufacturer

But as digital adoption across the region rises, cybersecurity should rise up the corporate agenda. In China, for example, where digitalisation levels are high, cybersecurity risks are already a top priority for treasurers and CFOs.

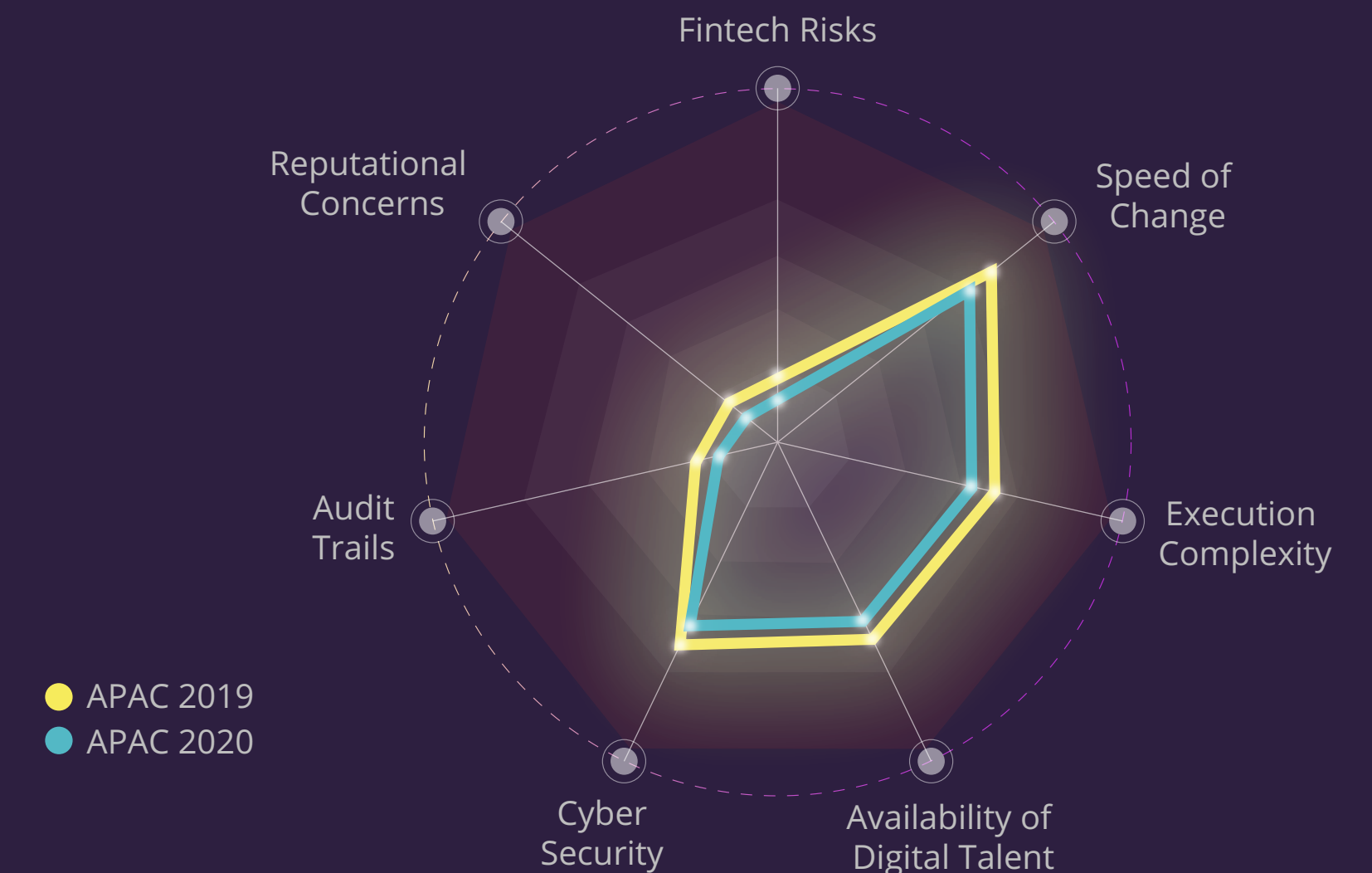
Interestingly, few companies (less than 23%) across APAC, the US or the UK, were concerned about the impact the rush to digital could have on their reputation if it ended up presenting a less "human face" to their customers. Even fewer companies were concerned about the counterparty risks associated with working with third parties and fintechs in order to realise their digital ambitions.

While banks, which are highly regulated, have to carefully navigate the fintech and third-party landscape, this is less of an issue for mainstream businesses, which often rely on their banking partners to help them make sense of the digital technologies on offer.

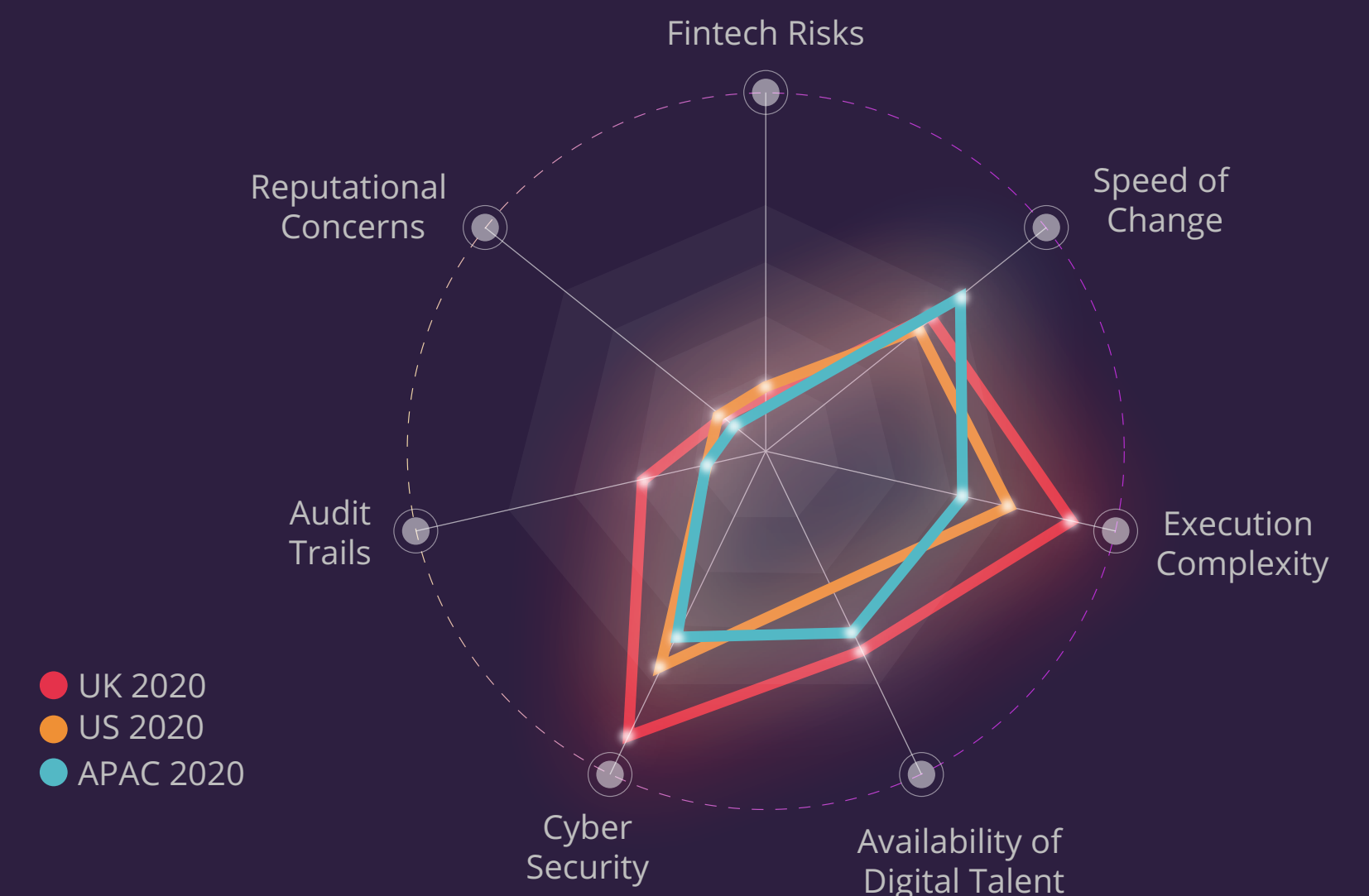
Lack of digital talent internally is a major barrier for us. We use a panel of five external consultants to fill this gap which actually works well once they have come to grips with the detail of our business style and needs.

Treasurer,
US\$1.0Bn Singaporean Light Manufacturer

Asian treasurers are worrying less about **challenges associated with digitalisation** year on year



And they are **less concerned by cybersecurity and execution complexity** than their US & UK counterparts



04 Businesses Still Rely on Their Banks to Navigate Fintech Solutions

The majority of businesses in APAC continue to rely on their banking partners to help them identify the right fintech solutions and keep abreast of innovations. Using their banks to help them narrow down the field of digital solutions was cited by seven in 10 APAC businesses. This trend was particularly relevant in markets like Indonesia (84%), Malaysia (80%), South Korea (76%), Thailand (82%) and Vietnam (90%).

“Customers seek our help in navigating changes in their landscape caused by digital adoption,” says Laurens of DBS. “They’re looking to understand how to better grasp opportunities and see banks as their partners.” In the UK, the need for bank guidance (69%) was similar to that for APAC (70%) as a whole.

Many treasurers want integrated, rather than piecemeal or stand-alone solutions and rely on their home banks to deliver partnered solutions to meet their banking and treasury needs. In some instances, banks are introducing companies to third parties or fintechs that can help them solve specific challenges in their business. For example, supply chain financing is a hot topic for many companies looking to strengthen their supply chain in response to the Covid-19 pandemic.

“

We’ve just had an introduction from our bank to a specialist fintech they work with which has supply chain funding solutions.

Corporate Treasurer,
Singaporean Importer / Exporter

”

The need to connect with banks to make sense of the digital landscape was less prevalent in more mature markets like the US (47%), where most businesses (89%) engage directly with fintechs. Businesses in developed APAC markets like Singapore (80%), Hong Kong (73%) and China (69%) were also less reliant on banks and more likely to approach third-party technology providers directly.

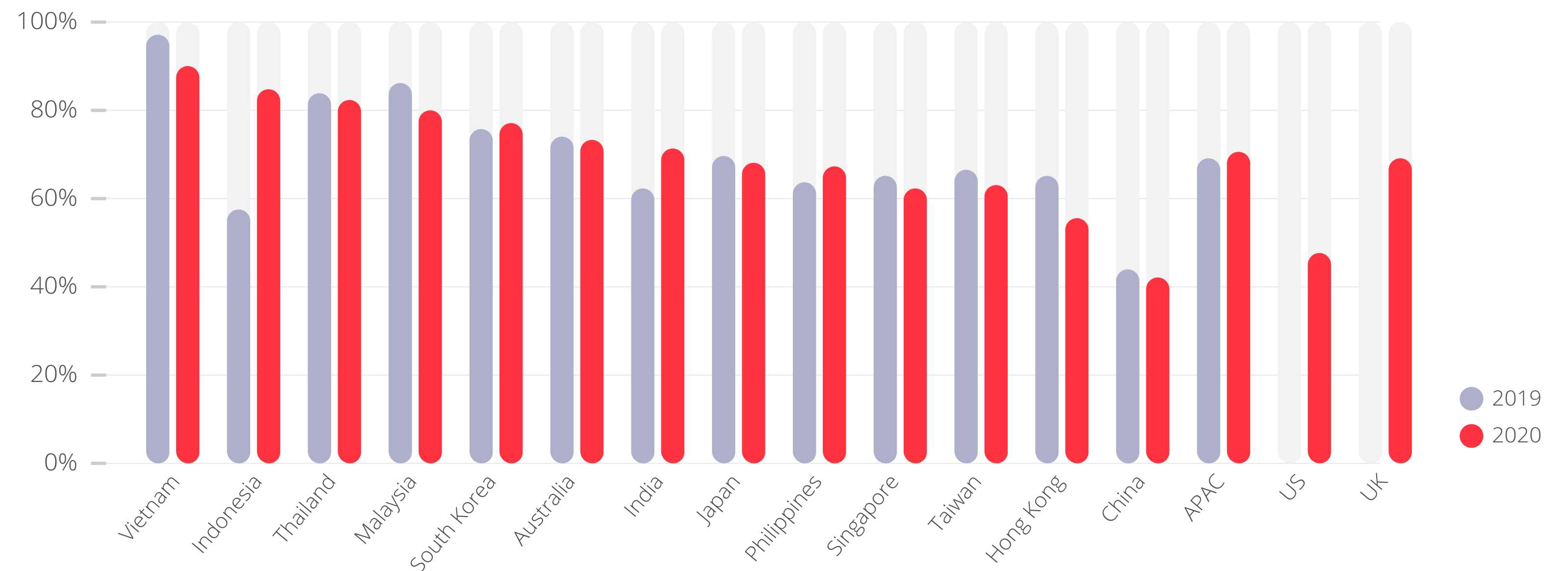
“

We just don’t have the time or resources to keep searching and selecting answers from the fintech market; it’s up to the banks to do this for us.

Treasurer,
Thai Food Distributor

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Proportion of Businesses Depending on Banks to Navigate and Integrate the Right Fintech Solutions



05 APIs Most Popular for Bank Connectivity

As the pace of digitalisation accelerates, many businesses in APAC are changing how they connect to their banks. Host-to-host connections or file uploads are being replaced with Application Programming Interfaces (APIs), which can be more easily integrated with enterprise resource planning (ERP), accounting and treasury management systems.

The use of APIs is rising rapidly across APAC, regardless of a business’s size or location. Half of businesses surveyed plan on moving to this form of connectivity in the next 12 months. Businesses in China, Singapore, Thailand, Hong Kong, Japan and India, were more likely to connect to their banks using APIs. Chinese businesses (69%) are the biggest users of APIs, followed by Thailand on 55%, which is on a par with countries like the UK where 54% of businesses currently use APIs.

Proportion of Businesses Using These Channels Currently

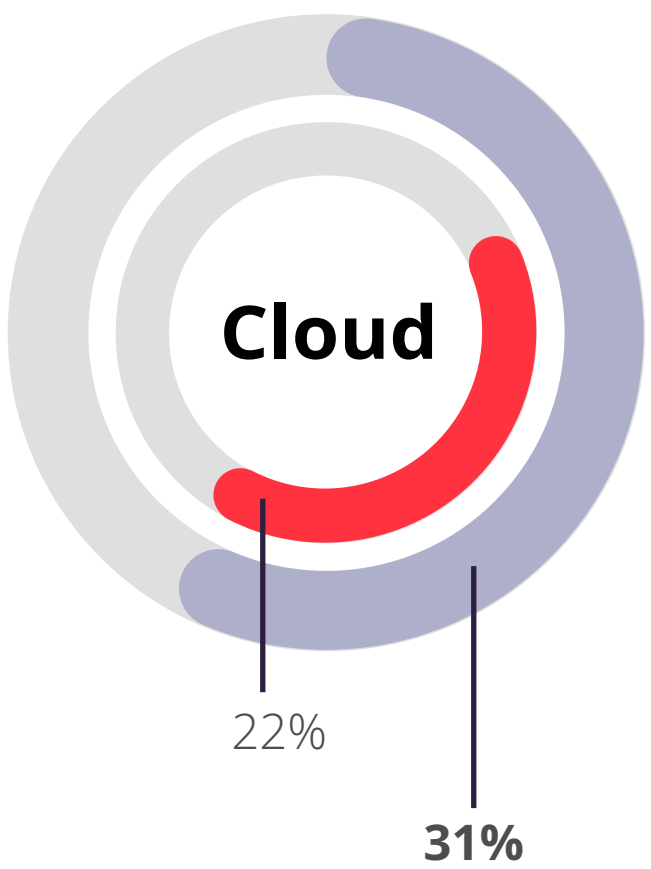
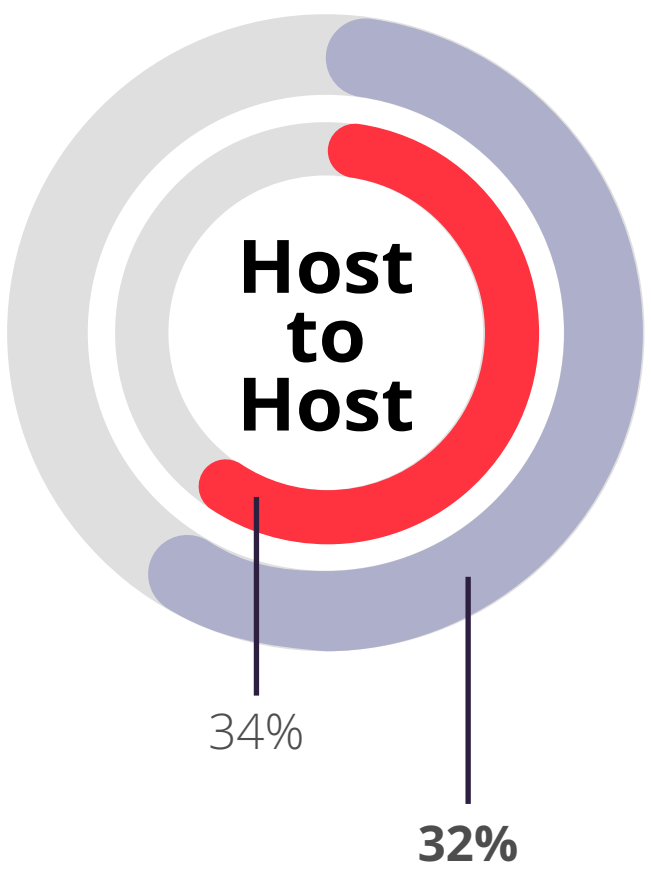
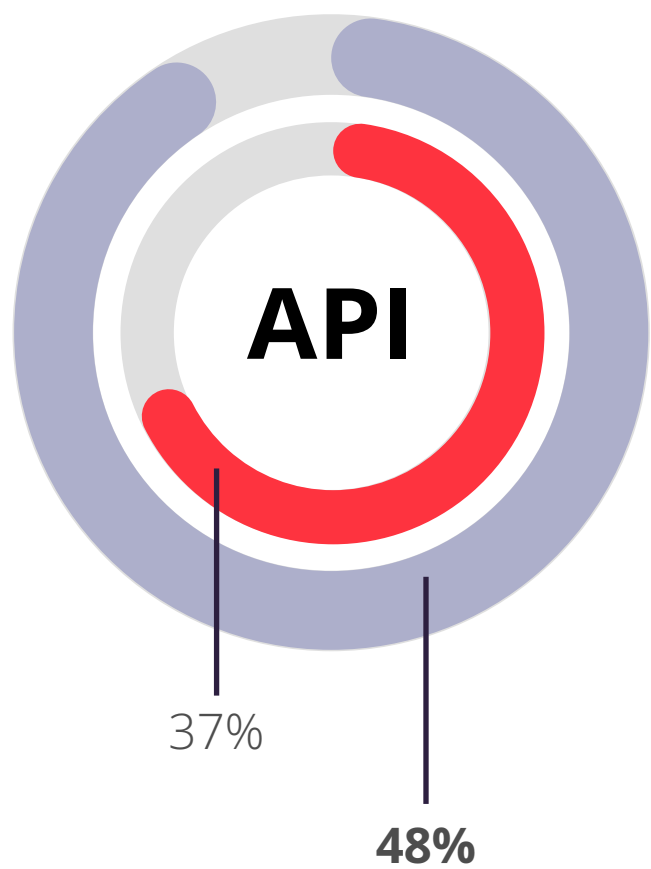
	APAC	US	UK
APIs	37%	36%	53%
Cloud	22%	48%	32%
Host-to-host	34%	32%	43%

APIs Are the Most Used Channel in These APAC Countries

Australia	Singapore
China	Thailand
Hong Kong	

Proportion of Businesses Using These Channels in APAC

● Currently Using ● Next 12 Months



06

Four in Five Businesses in APAC Use APIs Primarily for Cash Management Activities

Cash is king, so it is no surprise that many businesses in APAC want to leverage APIs for enhanced cash visibility.

When it comes to cash management, APIs are primarily used for account transactions, followed by account balance reporting (77%), accessing end-of-day/ intra-day bank statements (75%), conducting documentary trade (70%) and for integration with accounting and ERP systems (43%). These top five uses of APIs were also the same for businesses in the US and the UK.

Trade and supply chain financing is another area where APAC businesses are using APIs, and was particularly favoured by businesses in Indonesia (76%), India (67%) and Hong Kong (53%).

Key Uses of APIs

	APAC	US	UK
Account transaction listing	84%	100%	87%
Account balance reporting	77%	100%	80%
Bank statements (end-of-day/ intra-day)	75%	94%	74%
Documentary trade	70%	48%	50%
Integration with accounting/ ERP Platforms	43%	63%	28%
Trade and supply chain financing	38%	16%	15%
Sending letters of credit applications to banks	26%	16%	20%
Instant reconciliation	18%	23%	15%
Initiate payments to vendors/ employees	12%	26%	9%
Real-time credit confirmation	12%	35%	15%
Initiating collections from customers	4%	24%	7%
Send AP/AR financing applications to the bank	3%	3%	7%

07

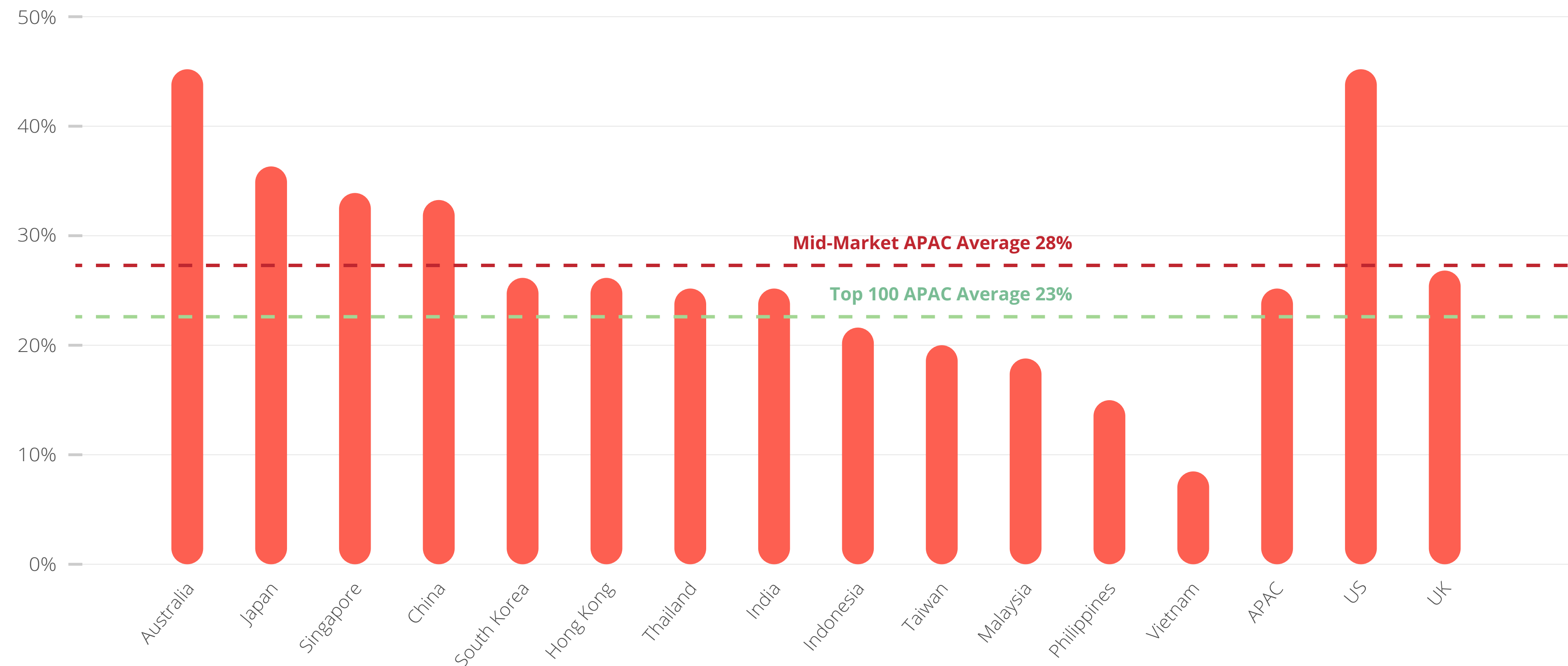
Cloud-Based Treasury and Transaction Banking Solutions Not Prevalent Yet

One in four enterprises in APAC have adopted cloud-based treasury and transaction banking solutions. Middle-market companies (28%) are more likely to use applications in the Cloud than Top 100 revenue ranked companies (23%).

There were also important regional differences in cloud adoption. Businesses in Australia were the largest adopters of cloud solutions (45%), followed by Japan (36%), Singapore (33%) and China (32%). But at the other end of the spectrum, less than one in 10 businesses in Vietnam had moved their treasury applications to the Cloud.

Cloud adoption in APAC (28%) was on par with businesses in the UK. But the US is ahead of the curve with more than 45% of the enterprises there using these type of solutions.

Proportion of Businesses Currently Using Cloud-Based Solutions



08

Use of APIs and cloud in bank connectivity is increasing rapidly across the board in APAC, regardless of a company's size

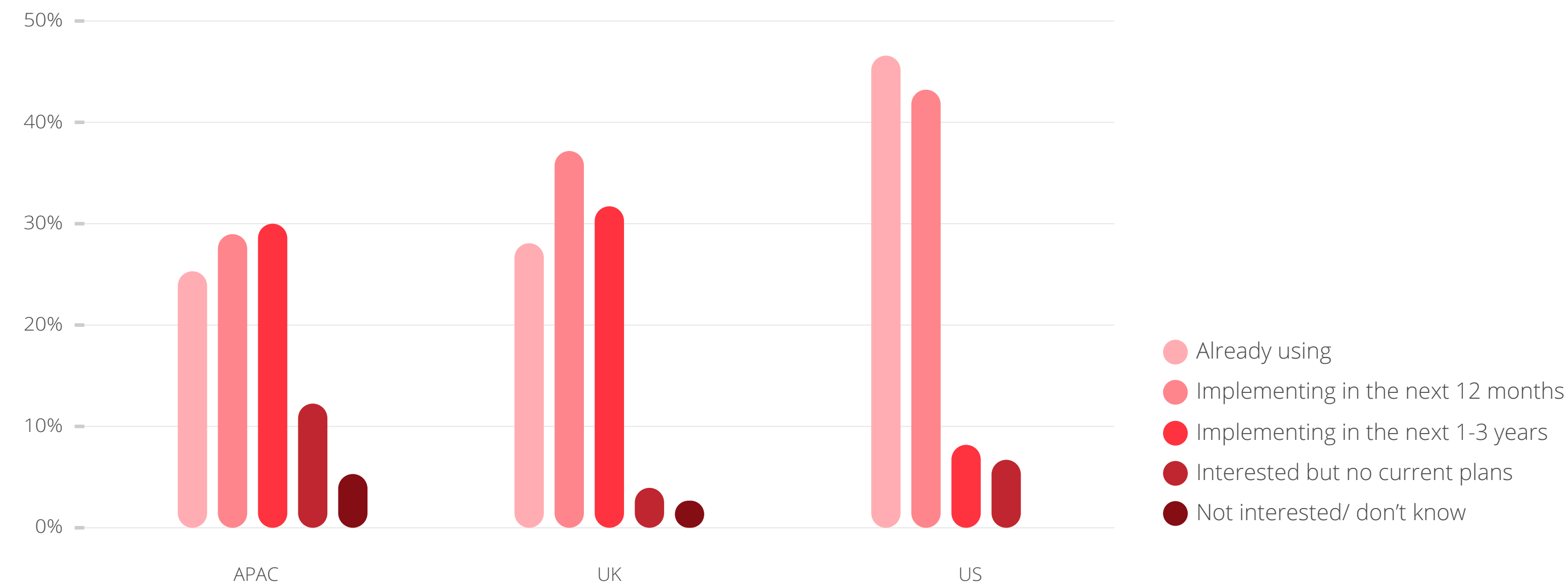
APIs may be the most popular form of bank connectivity in APAC, UK and US, but cloud adoption is also tipped to grow significantly in the next three years with the regional average projected to rise by 40% to reach 31% based on a company's size. Close to three in 10 (29%) APAC businesses plan on implementing cloud infrastructure in the next 12 months, compared to 38% in the UK and more than 40% in the US.

As ERP, accounting, treasury and other business software vendors migrate their legacy applications to the Cloud, the pace of adoption by companies is accelerating. Cloud-based solutions provide a much lower

cost of ownership and greater economies of scale. Cloud infrastructure providers typically do all of the heavy lifting when it comes to regular software updates. Cloud computing also enables companies to more easily scale their IT infrastructure to handle data-intensive software analytics and machine-learning applications, which may become an essential part of a treasurer's toolkit as the pace of technological change accelerates.

Despite the security concerns that persist around public versus private cloud solutions, for many companies, the benefits of Cloud far outweigh the risks.

Proportion of Businesses Using Cloud-Based Solutions



“

Cloud has become our default option for virtually everything treasury now and we're about a quarter of the way through this migration effort.

Group Treasurer,
Singaporean Energy & Fuels Group

”

“

The economics are just too compelling not to go cloud for our financial management, although we are watching the security and risk side of this very closely.

Treasurer,
China Agri Group

”

09 Trade, Supply Chain Financing and Cash Management Are the Two Biggest Investment Areas

When it comes to companies' investment priorities, cash management (33%) and trade/supply chain financing (30%) are top of the agenda for businesses in APAC.

In the UK, this trend was even more pronounced with six in 10 (60%) companies investing in trade and supply chain financing solutions. However in the US, more investment dollars are being ploughed into risk and compliance reporting (64%). Cash visibility is paramount to most finance and treasury professionals in APAC. But growing supply chain complexities and disruptions are also forcing companies to look more closely at digital solutions, which provided a lifeline during the Covid-19 pandemic.

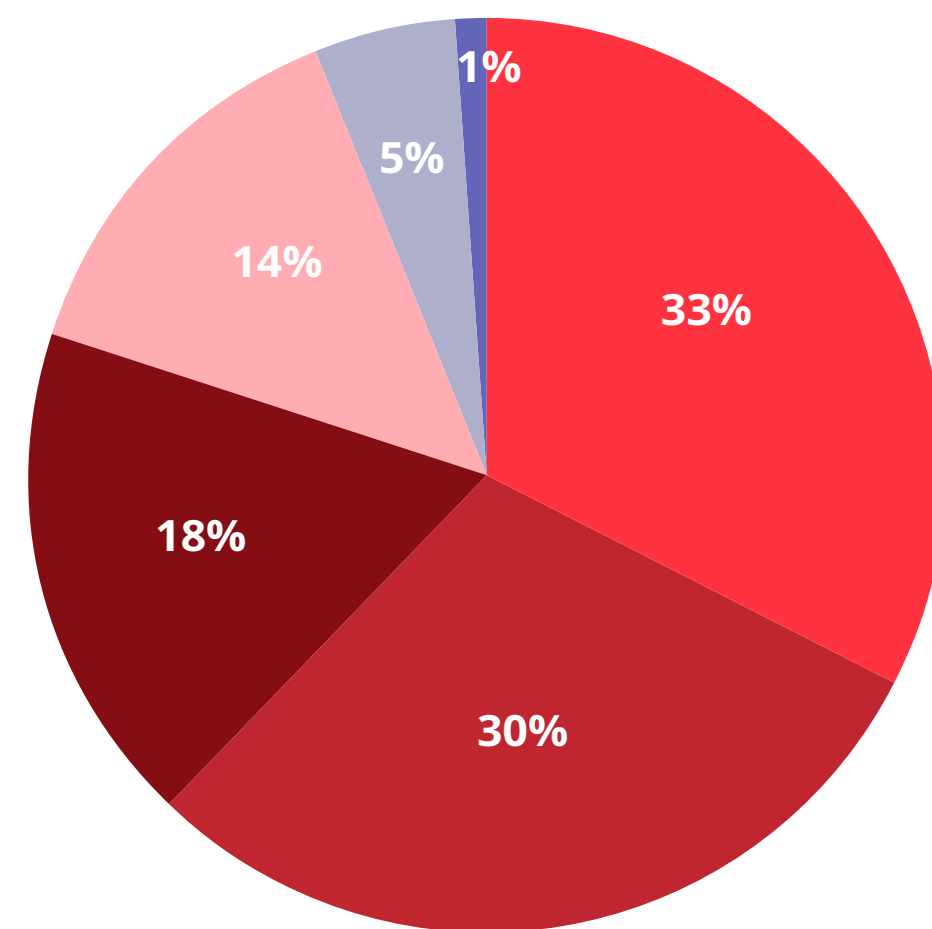
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***Cash management is the big one for us.
We can see a lot of payback in getting this
fully digitised and are half way through
quite a big project.***

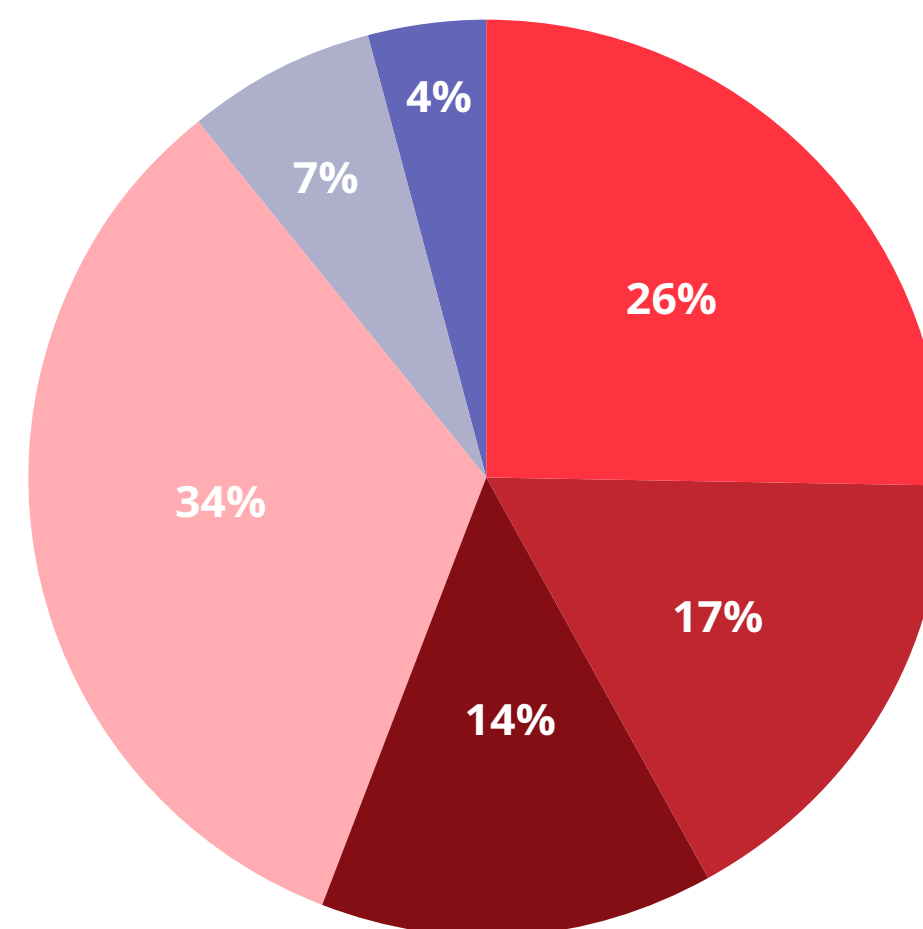
Treasurer,
China Consumer Goods Distributor

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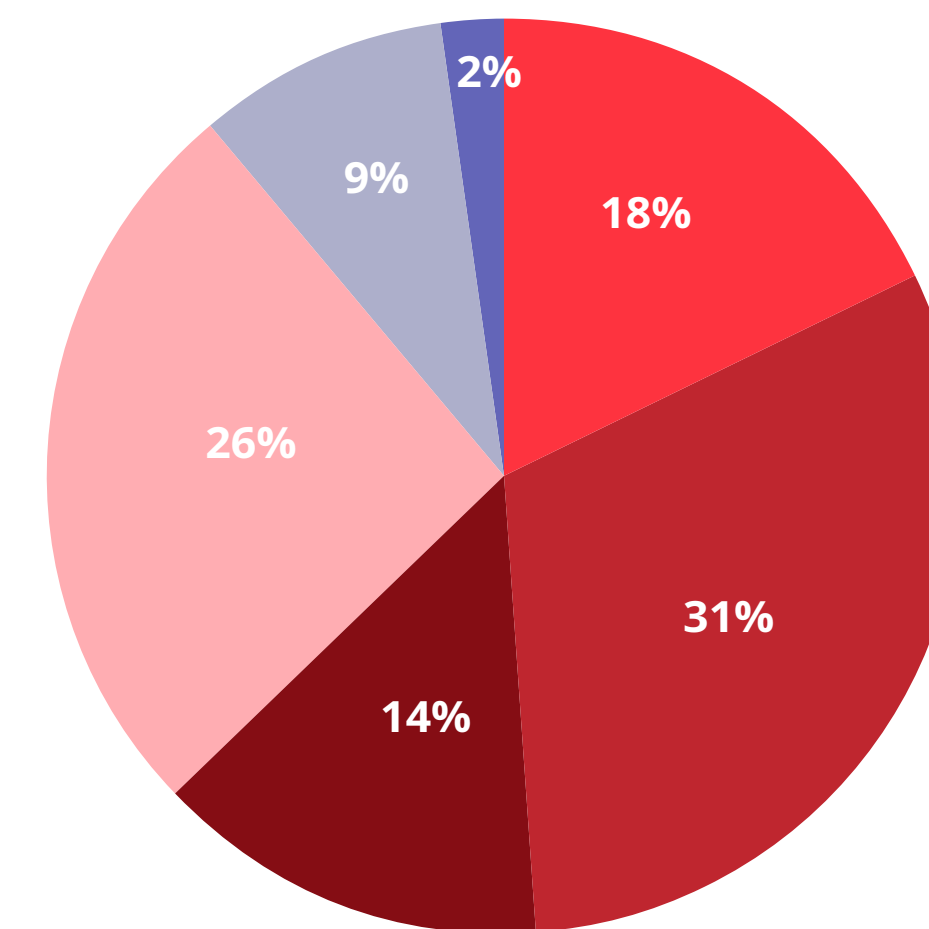
Percentage of financial technology spending Committed to Each Solution



APAC



US



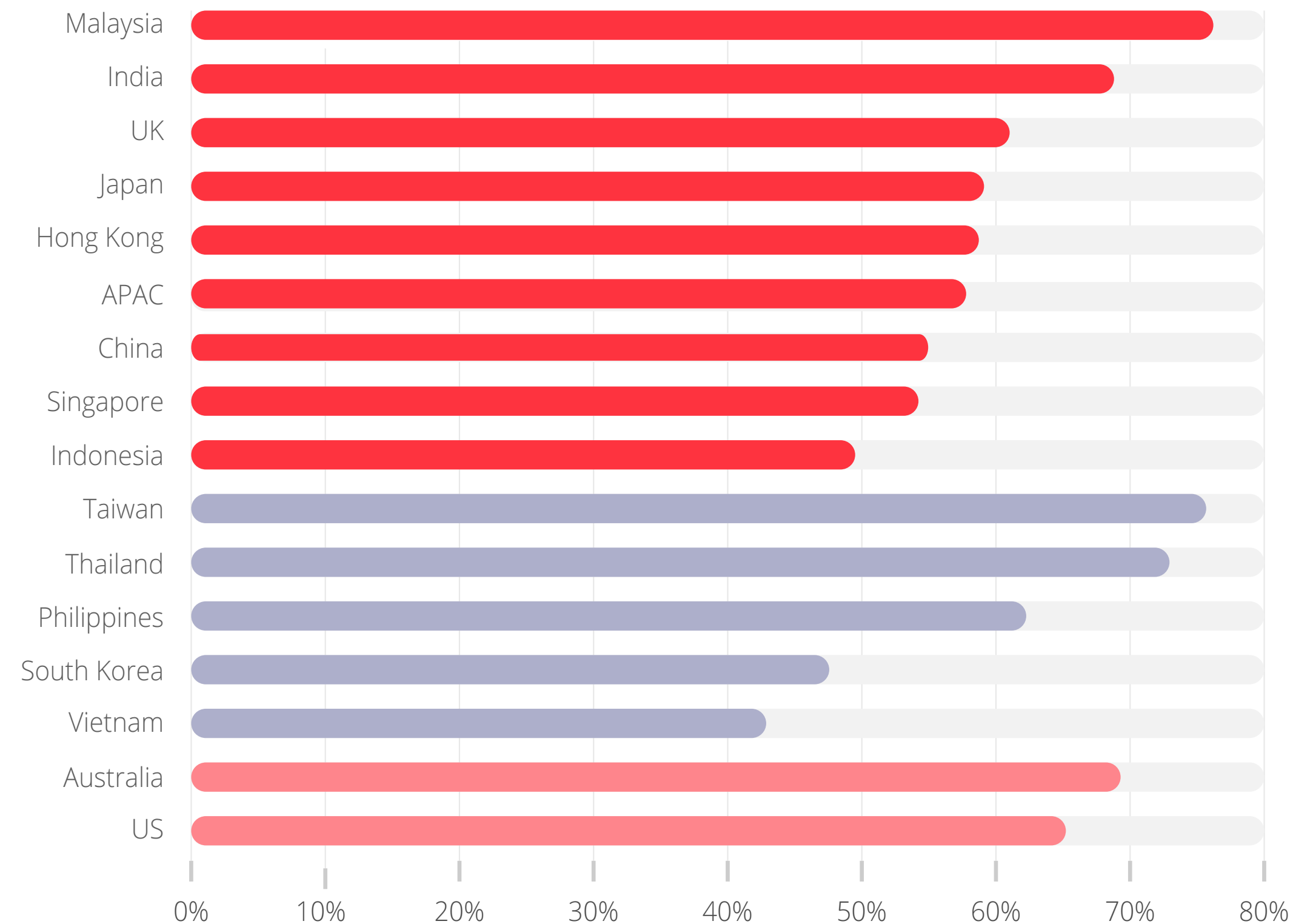
UK

- Cash Management
- Trade and Supply Chain Financing
- Cross Border Payments & FX
- Risk & Compliance Reporting
- Sustainability/ESG
- Ecosystems Management

10 The Proportion of APAC businesses Investing in Cash, Trade and Supply Chain Finance

With Asia being at the forefront of most companies' global trade and supply chains, it is not surprising that it is becoming a significant area of investment for businesses in nine APAC markets. Digitising trade is gaining momentum as companies look to reduce costs and inefficiencies in the order-to-pay cycle — the faster an invoice is processed, the quicker suppliers can be paid for providing a specific product or service.

Proportion of Businesses Investing in These Solutions



“

We've currently got three supply chain funding and management development projects happening, which will then drive a redevelopment of our cross-border payment operations.

Treasurer,
Malaysian Importer/Exporter

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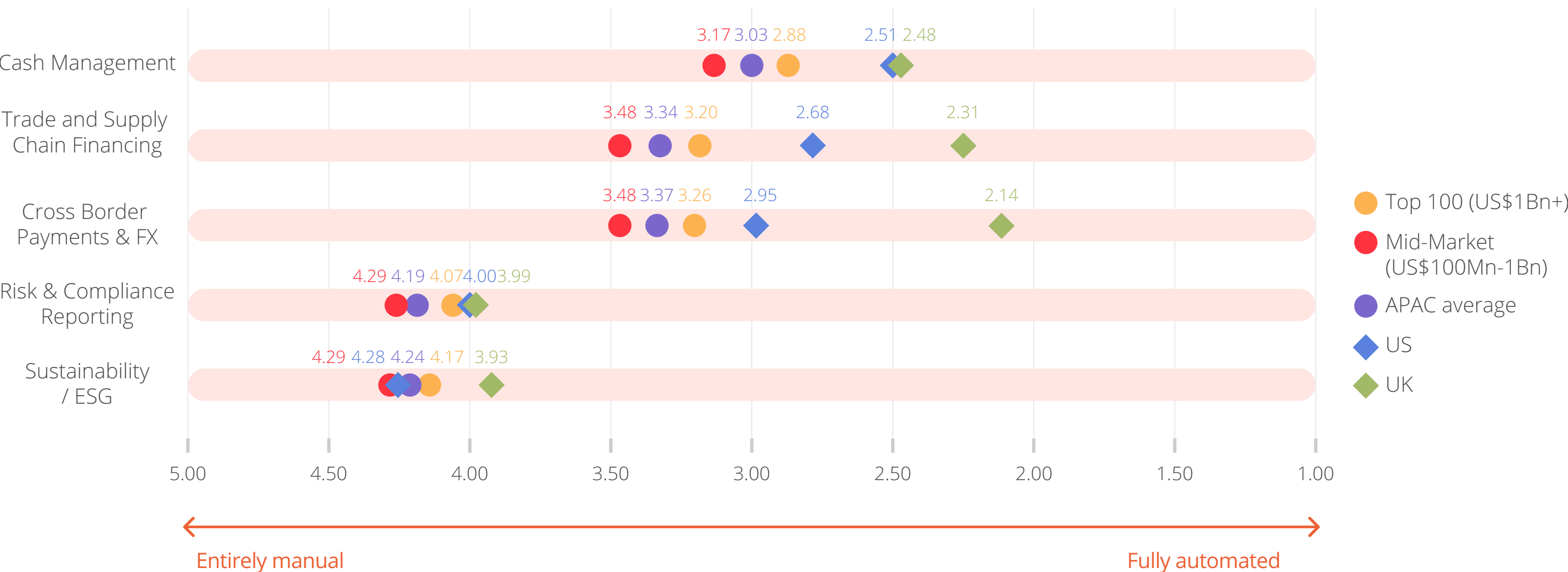
- Trade and Supply Chain Financing
- Cash Management
- Risk and Compliance Reporting

11

Treasuries Remain Far From Being Fully Automated

For most companies in APAC, their core treasury and finance activities (cash management, cross-border payments, trade and supply chain finance) are still largely manual. In this respect, they significantly lag their UK and US counterparts.

US and UK Businesses Ahead of APAC in Automation



We have urgent projects kick-starting now in compliance and risk reporting as a result of the Company's Board mandating this as our number one priority.

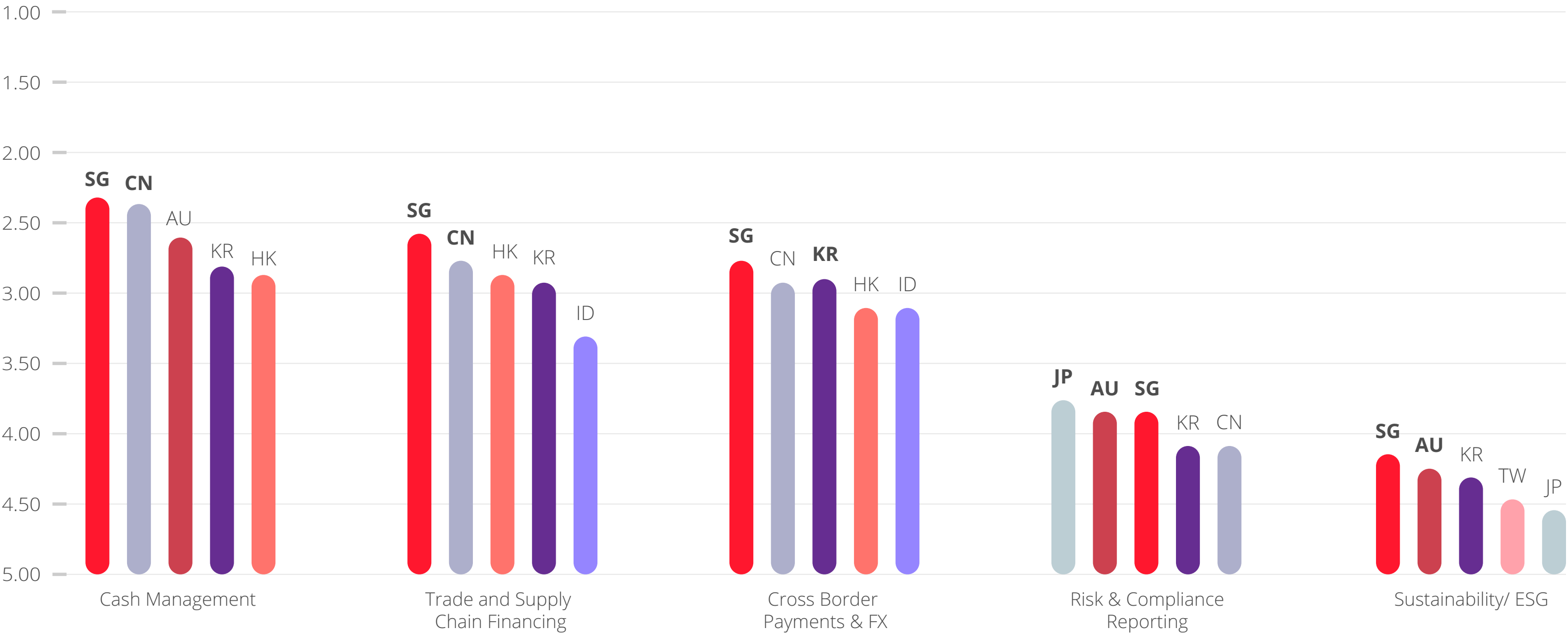
Group Treasurer,
US, South Korean Technology Manufacturer

12 APAC Markets Leading Automation

Levels of automation tended to be higher in those APAC markets (Singapore, Japan, China and South Korea), where businesses are already well advanced in their digital transformation journey. In these markets, most treasury functions (cash management, trade and payments) are almost fully automated, with the exception of risk and compliance reporting and sustainability/ ESG, where more work is needed.

Top 5 Markets in Automation

*1=fully automated and 5=entirely manual



We're still very manual in most of our treasury processes; Excel is our core tool.

Group Treasurer,
Indonesian Manufacturer

There's a long way for us to go still in digitising our treasury functions but we've started with supply chain.

Treasurer,
Hong Kong Retailer

13 Top Three Challenges in Adopting New Technologies

APAC challenges differ from US/UK where the main challenge is keeping up with the regulatory environment

When asked what were the biggest challenges they faced in adopting new technologies, more than half of CFOs and treasurers surveyed in APAC highlighted the skillset of employees, hidden disruptive effects and onboarding/integration challenges. But for nine out of 10 UK and US businesses, the regulatory environment presents the greatest challenge.

Despite the many external and internal pressures on businesses to digitise, re-engineering their business processes to take advantage of new digital technologies is still a daunting prospect for many, as implementations can take longer than planned to deliver a return on investment.

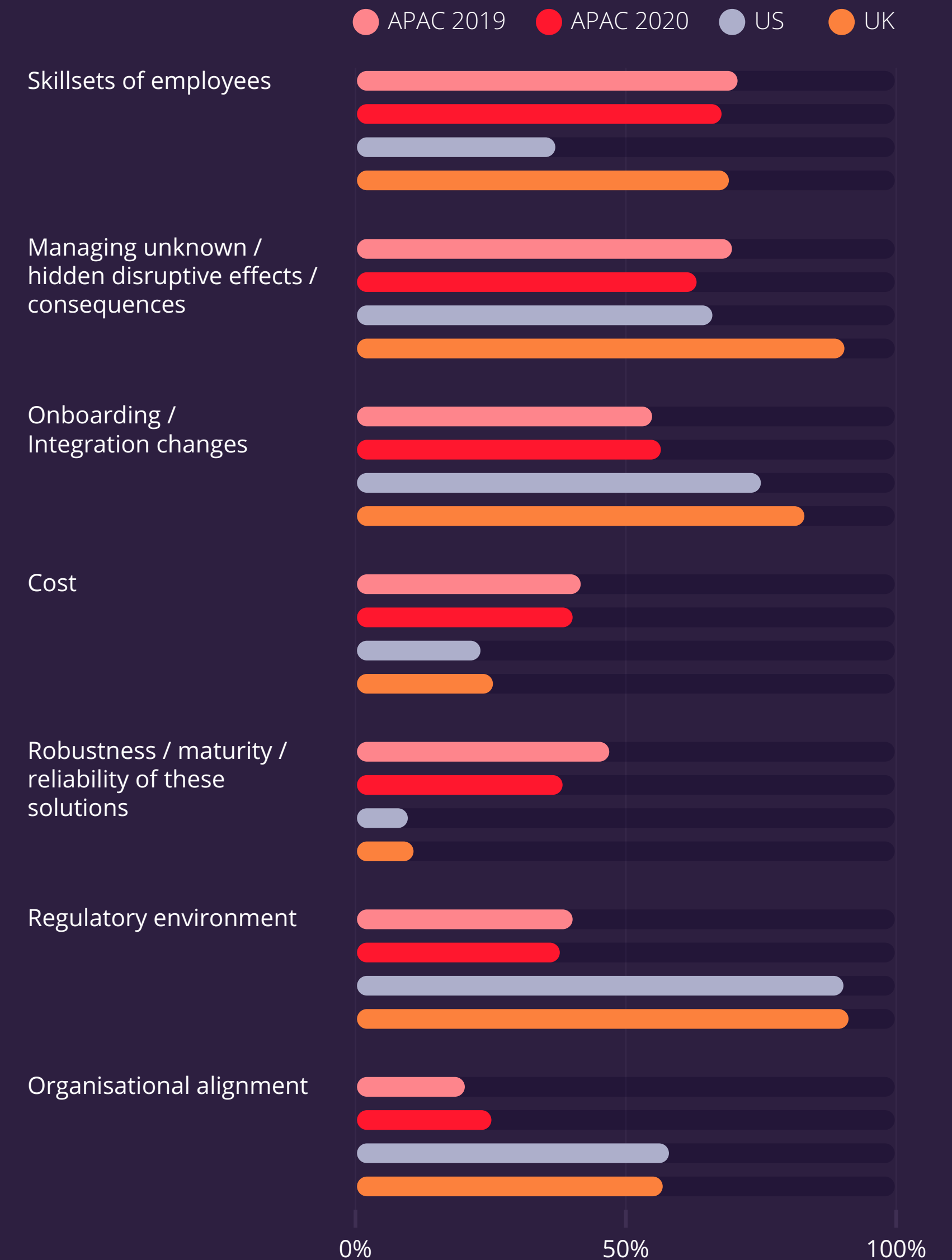
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We didn't prepare as fully as we should have and found the complexities of re-engineering old practices pretty daunting. This has got way better after our first few efforts and we now have quite a formal business planning process internally for all/any new digitisation projects that is making a huge difference in completion times and outcome quality.

Corporate Treasurer,
Hong Kong Hospitality Group

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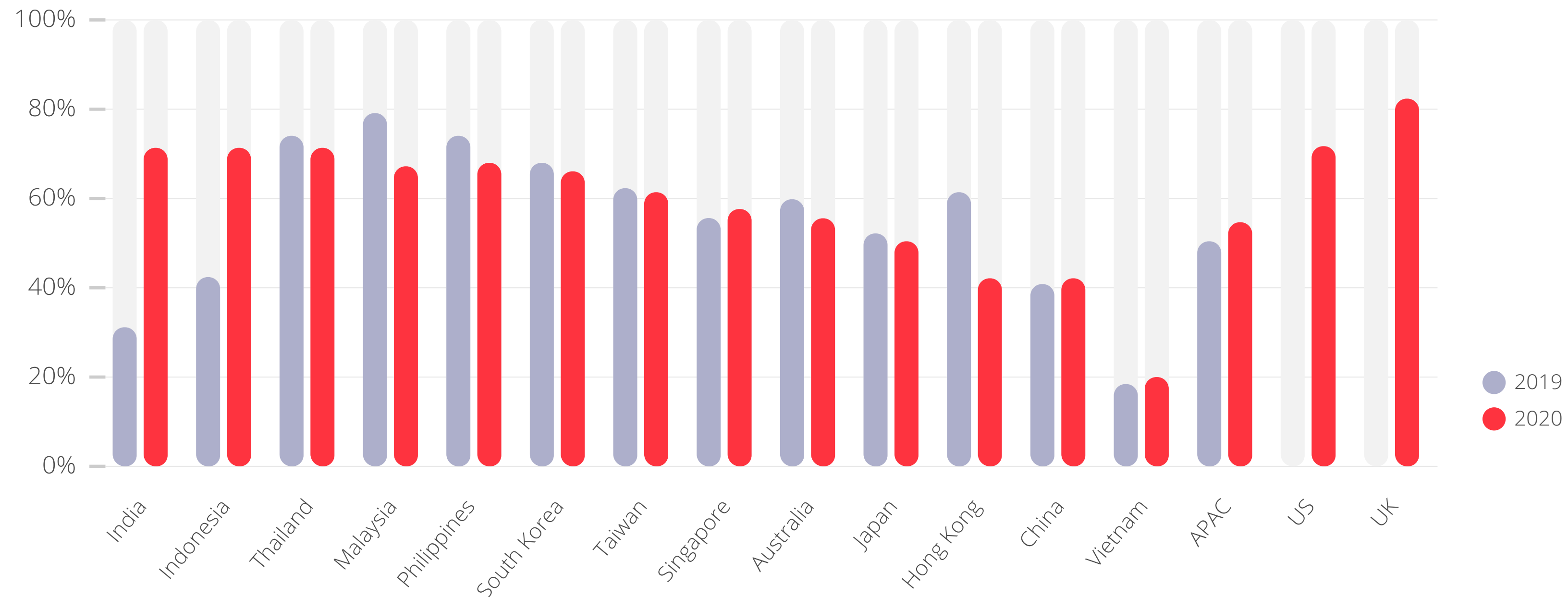
Top Challenges in Adopting New Technologies



14 Onboarding is Increasingly an Issue

More than half of businesses in APAC identified onboarding/ integration challenges as a barrier to adopting new technologies, an increase of 2.5% from the previous round. In India, the number of businesses that nominated onboarding as a challenge more than doubled from 32% to 69%; and in Indonesia it increased from 64% to 69%.

Proportion of Businesses Seeing Integration Challenges as a Barrier in Adopting New Technologies



“

Getting some of these solutions actually implemented can be challenging – we’ve just onboarded a new liquidity management function to our treasury platform; great outcome but took a lot longer than planned.

Treasurer,
Australian Wholesale/Distributor

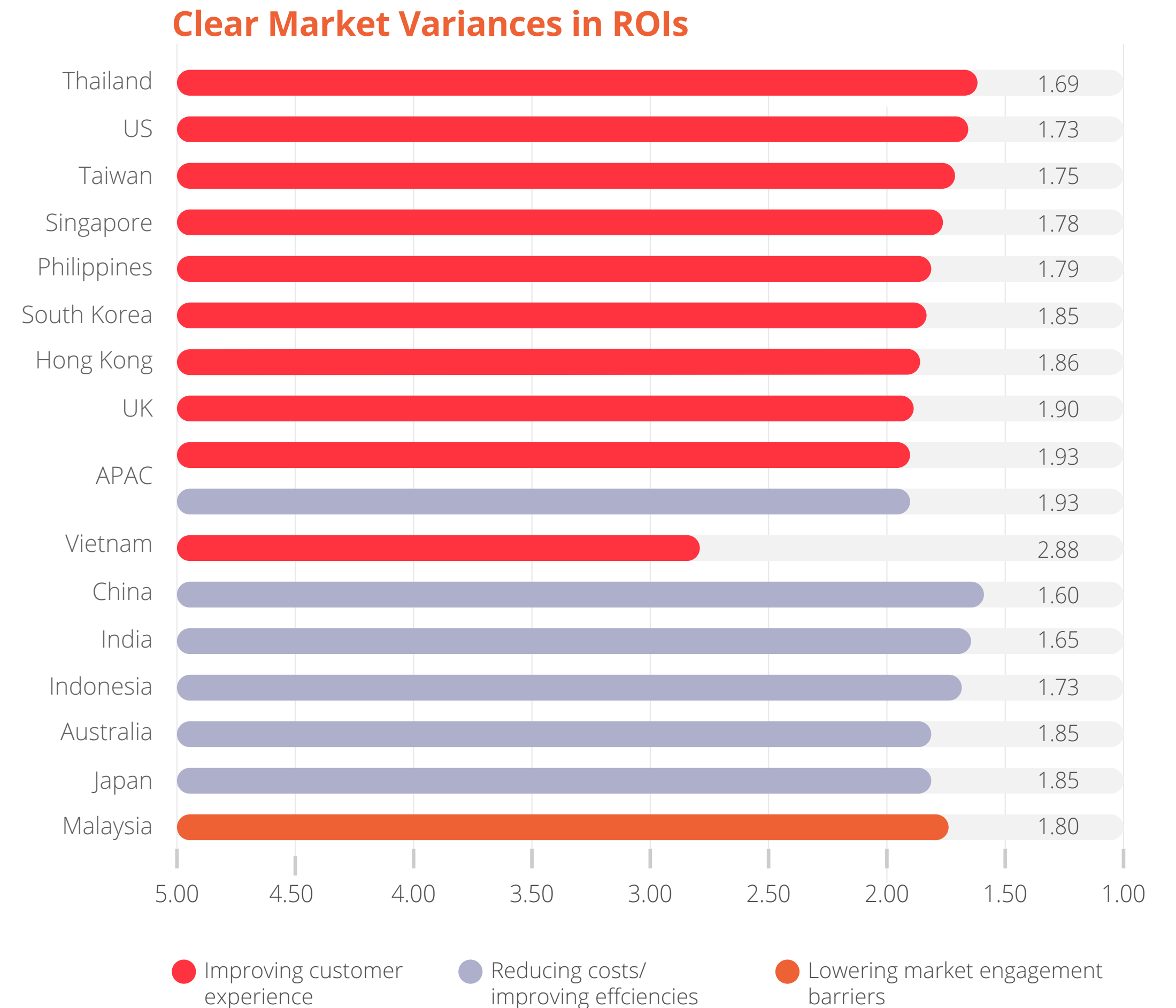
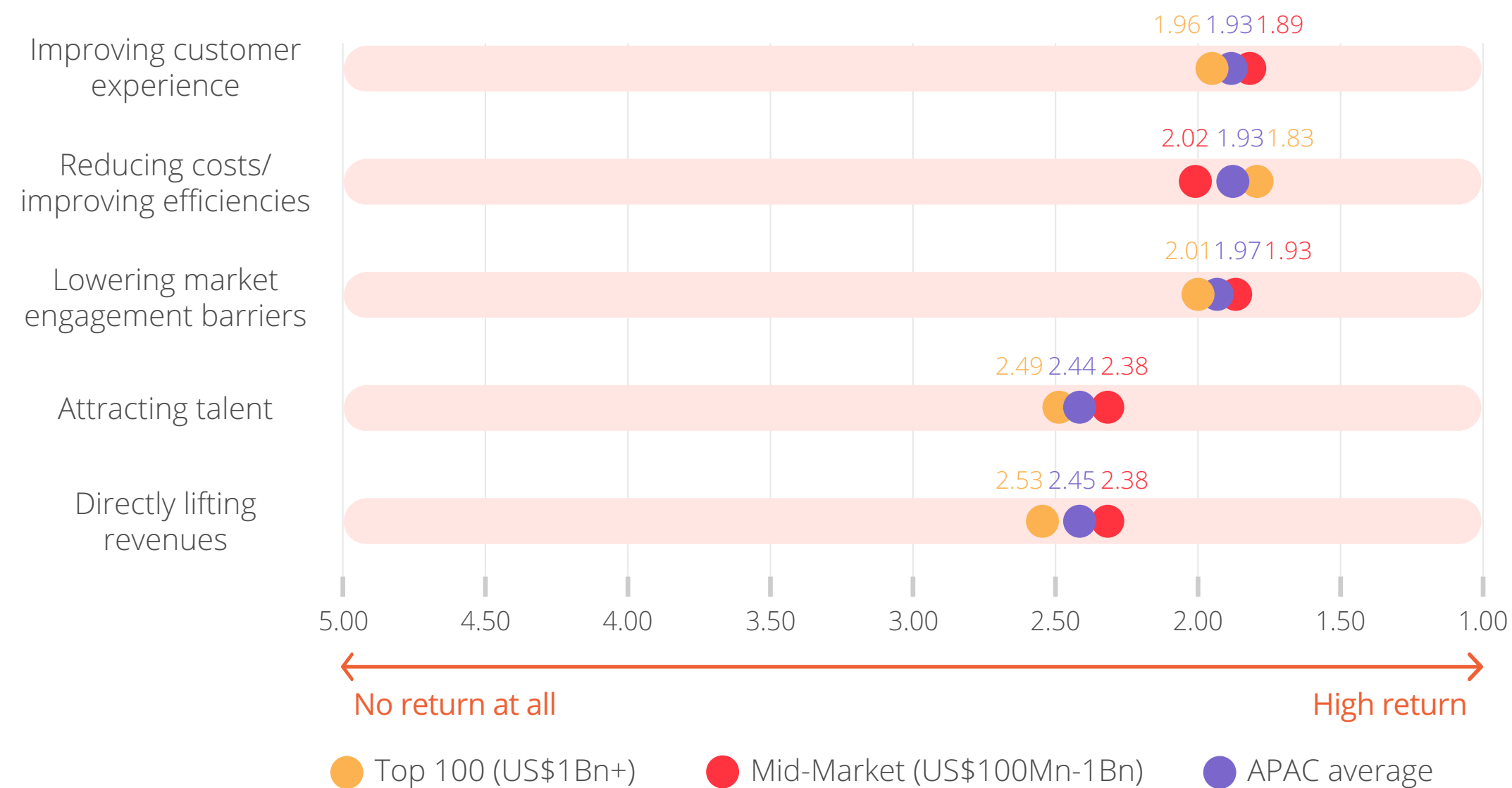
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15 Improved Customer Experience Seen as Greatest ROI

A better customer experience joined reducing costs and improved efficiencies as the greatest benefits from investing in digital technology solutions. All three factors were rated 1.93 each (on a scale of 1 to 5, with 1= high return and 5=no return at all) by businesses in APAC. The customer experience recorded a 10-point improvement from round one to round two of our survey, while ratings for reduced costs remained unchanged.

We see driving/improving our customer experiences as delivering greatest return. We have established clear 'cause and effect' connections here that we now know work.

Group Treasurer,
Japanese Retailing Group



16 Key Conclusions

More than a year ago, DBS embarked on an effort to better understand how treasury and finance professionals across APAC were embracing digital technologies. Our 2019 survey findings indicated that the digital transformation journey was only just beginning for many companies across the region – with the exception of more advanced markets like Singapore, Hong Kong, China and Japan.

This year we saw the proportion of businesses without any digital strategy fall from 25% nine months ago to 19%. In the midst of a pandemic, going digital has taken on a greater sense of urgency for many companies.

Even those businesses that did not see digital as a priority 12 months ago, are now putting plans in place to make it happen. Next year's survey will no doubt show a further acceleration of these trends as treasury and finance professionals reflect on the legacy of the Coronavirus pandemic— the need to be flexible and to quickly adapt to changing environmental and economic conditions, none of which is possible without a digital strategy.

One encouraging sign is that CFOs and treasurers can no longer say that going digital is not their concern, or priority. While CTOs are primarily responsible for implementing a company's digital strategy, our survey found that the pressure to digitise typically comes from multiple business units. Treasurers are increasingly keeping pace with other stakeholders that are striving to build a digital future for their organisations.

Treasury directly benefits from automation initiatives that not only lower costs, but also deliver a host of other benefits – increased efficiencies, greater transparency, visibility of cash, making the organisation more attractive to prospective talent and boosting revenues.

One of the biggest shifts in this year's survey was the recognition by businesses of how digital technologies impact the user experience. For the first time this year, an improved customer experience, not reduced costs, was rated as the biggest benefit of going digital. The customer experience has taken on even greater importance during the pandemic as companies look for new and innovative ways of engaging and transacting with customers.

Despite the many benefits of going digital, the challenges that businesses in APAC faced 12 months ago in the first round of our survey, still remain. Outside of the US and the UK, many businesses in APAC struggle to find the digital talent needed to help them dispense with manual and paper-based processes, once and for all. For many companies in the region, re-engineering their core treasury processes to take advantage of new digital technologies is still a daunting prospect and one they fear could have hidden disruptive effects and onboarding/ integration challenges. For companies further along their digital transformation journey— the UK and US, and more developed APAC markets — cybersecurity rather than execution risks and complexity were of greater concern.

Banks have a key role to play, as do treasury technology vendors by making it easier for treasury and finance professionals to automate as many of their core processes — cash management, payments and FX, trade and supply chain finance, risk and compliance reporting — as possible.

Treasurers want well-integrated solutions, not piecemeal answers to the problems they need to solve. With a significant surge in the next three-to-five years across APAC in the number of businesses using cloud and APIs to connect to their banking partners, now is the time for companies to execute on their digital strategies.

[Link to DBS Client Case Book](#)

[Link to DBS RAPID Case Book](#)

17

How To Move Forward With Your Digital Strategy

Going digital has never been easy, but there are now more technologies and learnings to help make the journey a less rocky one. From our work with companies, as well as the steps we've taken ourselves as a bank to leverage digital technologies to make us more agile and responsive to our customers' needs, we've identified six key steps to help companies accelerate their digital transformation journey.

1. Think about the end customer – Often the need for change is triggered by a need to reimagine the end customer journey

From the different journeys we have embarked on with our clients, we have found that the ultimate goal is to understand the end objective and what needs to be done to achieve it.

2. Start small and scale — Often the low-hanging fruit is an easier start to the journey as it provides an experimental platform

Many clients have started small — identifying and closing incremental gaps before progressing to more complex aspects of their treasury function or supply chains.

3. Use a Minimum Viable Product approach — Not just based on functionality, but also around customer experience

It is all about focusing on the customer and at DBS the approach we take to solve a customer challenge must result not only in a great solution for the company, but benefits and improvements for the company's end customers as well. A Minimum Viable Product approach enables you to get something out there with the least amount of effort that you can easily test with your customers. You can then use their feedback to improve it over time.

4. Use the opportunity to upgrade and build tech infrastructure to adopt a more digital-ready strategy

Going digital nowadays does not necessarily involve multi-year processes and huge investments to realise rewarding outcomes. But the relevant and appropriate investment in tech infrastructure still needs to be seriously considered. Cloud and APIs, for example, have reduced the upfront investment companies need to make to take advantage of digital technologies.

5. Identify and groom change agents — Cultural issues are often a strong barrier to change. Having change agents can help foster an environment for innovation

Digital transformation is still about changing perceptions. A company may want to move towards digitalisation and put the right processes in place, but if the mindset of employees and management are still 'old-school', then these barriers will prevent success. With the Coronavirus pandemic making digital a matter of urgency, now is probably the best time to execute on your strategy as you are likely to face the least path of resistance. But you will need to bring the whole organisation or other business units with you to enact meaningful change. If the last 12 months have proven anything, it is that without a digital strategy in place, your business will struggle to survive amidst the rapid pace of technological change that is now upon us.

6. Leverage technologies like Cloud and APIs

Think about technologies that can help you realise your digital strategy sooner. . Ask your banking partners about connecting to their back-end systems using APIs rather than traditional host-to-host connections. APIs are a quicker and more effective way for different computer systems to share and exchange information. Cloud computing gives you the flexibility and scalability needed to future-proof your business as you adopt more data-intensive applications and advanced technologies like AI.

MARKET HIGHLIGHTS



01 Australia

115 Corporates Interviewed
Mid Market VS Top 100 - 59:56

11%

11% corporates say
they have a well defined strategy

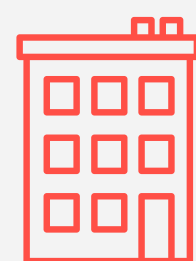
89%

89% say **more**
work needs to be done

23%

corporates indicated greatest push to come from individual business units rather the executive committee or treasury.

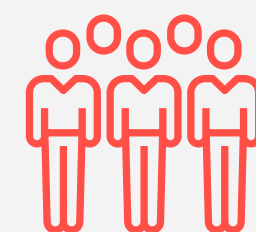
Greatest Push For Digitisation Coming From



Internal

32%

Individual Business Units



External

53%

Customers & markets

Digital Applications & Investments



Corporates interviewed
will use APIs for
connectivity

88%

Cash related

58%

Trade related



Companies are investing in
new technology solutions

47%

Trade and
Supply Chain

44%

Cash
Management

70%

Risk &
Compliance
Reporting

Top 3 Barriers to Digitalisation

68%

Regulatory

55%

Onboarding

49%

Skillsets of
employees

Greatest ROI From Investing in New Technologies

This is on a scale of 1 to 5 (1= highest return; 5 = no returns at all)

Reducing costs/ improving efficiencies

1.85

Lowering market engagement barriers

1.91

Improving customer experience

2.13

02 China

116 Corporates Interviewed
Mid Market VS Top 100 - 60:56

22%

22% corporates say
they have a well defined strategy

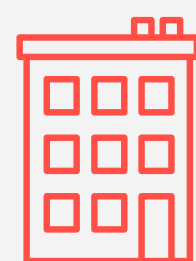
78%

78% say **more**
work needs to be done

55%

of treasurers take an active role in company's digital journey

Greatest Push For Digitisation Coming From



Internal

22%

Individual Business Units



External

41%

Customers & markets

Digital Applications & Investments



Corporates interviewed
will use APIs for
connectivity

99%

Cash related

75%

Trade related



Companies are investing in
new technology solutions

53%

Trade and
Supply Chain

42%

Cross-Border
Payments and FX

35%

Cash
Management

Top 3 Barriers to Digitalisation

83%

Skillset of
Employees

75%

Robustness/ Maturity
/Reliability of Solutions

42%

Onboarding/
Integration
Challenges

Greatest ROI From Investing in New Technologies

This is on a scale of 1 to 5 (1= highest return; 5 = no returns at all)

Reducing costs/ improving efficiencies

1.60

Lowering market engagement barriers

1.87

Improving customer experience

1.96

03 Hong Kong

114 Corporates Interviewed
Mid Market VS Top 100 - 58:56

44%

44% corporates say
they have a well defined strategy

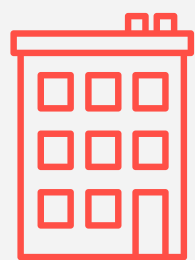
56%

56% say **more**
work needs to be done

22%

of treasurers take an active role in company's digital journey

Greatest Push For Digitisation Coming From



Internal

30%

Individual Business Units



External

40%

Customers & markets

Digital Applications & Investments



Corporates interviewed
will use APIs for
connectivity

87%

Cash related

82%

Trade related



Companies are investing in
new technology solutions

59%

Trade and
Supply Chain

47%

Cash
Management

37%

Cross-Border
Payments & FX

Top 3 Barriers to Digitalisation

67%

Robustness/
maturity/ reliability
of these solutions

44%

Managing unknown/
hidden disruptive
effects

43%

Onboarding/
Integration
Challenges

Greatest ROI From Investing in New Technologies

This is on a scale of 1 to 5 (1= highest return; 5 = no returns at all)

Reducing costs/ improving efficiencies

1.88

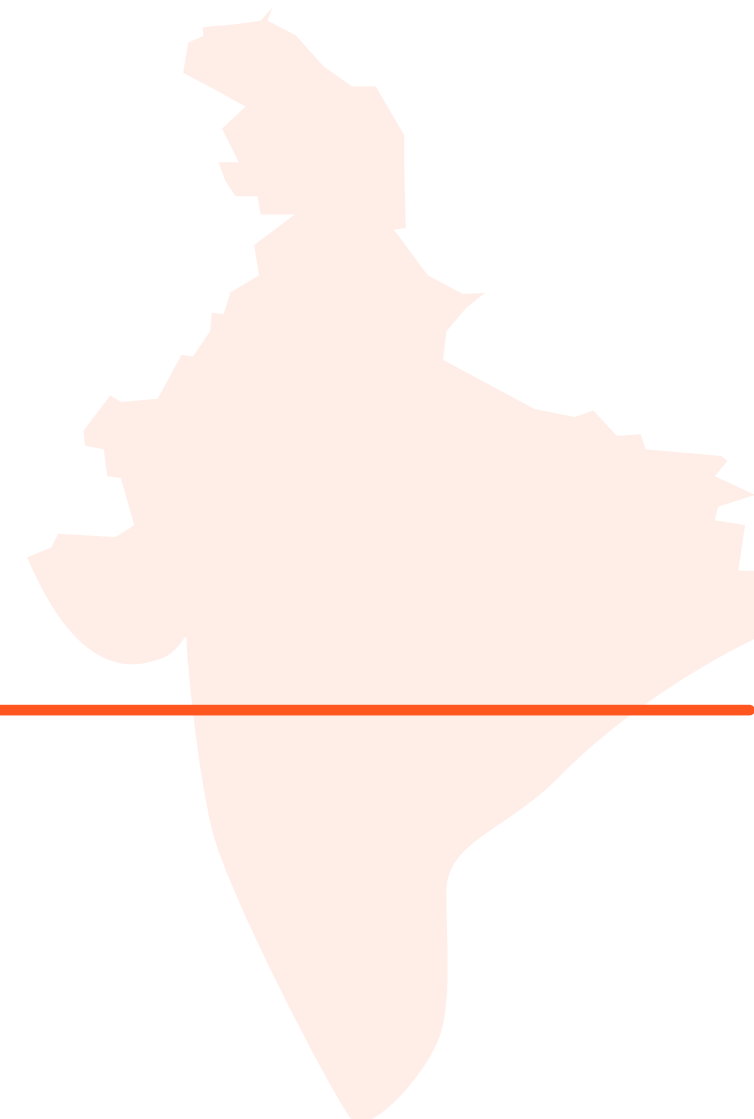
Lowering market engagement barriers

1.92

Improving customer experience

1.86

04 India



114 Corporates Interviewed
Mid Market VS Top 100 - 61:56

11%

11% corporates say
they have a well defined strategy

89%

89% say **more**
work needs to be done

50%

of treasurers running alongside other stakeholders in
company's digital journey

Greatest Push For Digitisation Coming From



Internal
30%

Individual Business Units



External
32%

Supply Chain Complexities

Digital Applications & Investments



Corporates interviewed
will use APIs for
connectivity

81%

Cash related

81%

Trade related



Companies are investing in
new technology solutions

69%

Trade and
Supply Chain

45%

Cash
Management

42%

Cross-Border
Payments & FX

Top 3 Barriers to Digitalisation

69%

Onboarding/
Integration
Challenges

55%

Robustness/Maturity/
Reliability of Solutions

53%

Skillset of
Employees

Greatest ROI From Investing in New Technologies

This is on a scale of 1 to 5 (1= highest return; 5 = no returns at all)

Reducing costs/ improving efficiencies

1.65

Lowering market engagement barriers

1.72

Improving customer experience

1.80

05 Indonesia

113 Corporates Interviewed
Mid Market VS Top 100 - 58:55

26%

26% corporates say
they have a well defined strategy

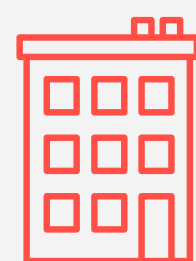
74%

74% say **more**
work needs to be done

54%

of treasurers running alongside other stakeholders in
company's digital journey

Greatest Push For Digitisation Coming From



Internal

37%

Individual Business Units



External

40%

Customers & markets

Digital Applications & Investments



Corporates interviewed
will use APIs for
connectivity

60%

Cash related

87%

Trade related



Companies are investing in
new technology solutions

50%

Trade and
Supply Chain

48%

Cash
Management

30%

Cross-Border
Payments & FX

Top 3 Barriers to Digitalisation

75%

Skillset of
Employees

70%

Onboarding/
Integration Challenges

70%

Managing unknown/
hidden disruptive
effects /consequences

Greatest ROI From Investing in New Technologies

This is on a scale of 1 to 5 (1= highest return; 5 = no returns at all)

Reducing costs/ improving efficiencies

1.73

Lowering market engagement barriers

1.81

Improving customer experience

1.74

06 Japan

115 Corporates Interviewed
Mid Market VS Top 100 - 59:56

41%

41% corporates say
they have a well defined strategy

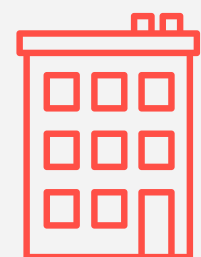
59%

59% say **more**
work needs to be done

50%

of treasurers running alongside other stakeholders in
company's digital journey

Greatest Push For Digitisation Coming From



Internal
21%
CTO Office



External
60%
Customers & markets

Digital Applications & Investments



Corporates interviewed
will use APIs for
connectivity

71%

Cash related

71%

Trade related



Companies are investing in
new technology solutions

59%

Trade and
Supply Chain

53%

Cash
Management

52%

Cross-Border
Payments & FX

Top 3 Barriers to Digitalisation

82%

Managing unknown/
hidden disruptive
effects/ consequences

57%

Organisational
Alignment

55%

Skillset of
Employees

Greatest ROI From Investing in New Technologies

This is on a scale of 1 to 5 (1= highest return; 5 = no returns at all)

Reducing costs/ improving efficiencies

1.85

Lowering market engagement barriers

1.89

Improving customer experience

1.96

07 Malaysia

114 Corporates Interviewed
Mid Market VS Top 100 - 58:56

13.2%

13.2% corporates say
they have a well defined strategy

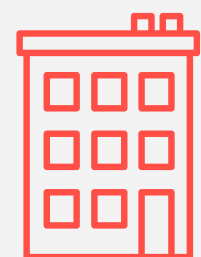
87%

87% say **more**
work needs to be done

49%

of treasurers running alongside other stakeholders in
company's digital journey

Greatest Push For Digitisation Coming From



Internal
33%

Individual business units



External
30%

Supply Chain complexities

Digital Applications & Investments



Corporates interviewed
will use APIs for
connectivity

86%

Cash related

60%

Trade related



Companies are investing in
new technology solutions

73%

Trade and
Supply Chain

58%

Cash
Management

21%

Cross-Border
Payments & FX

Top 3 Barriers to Digitalisation

84%

Skillset of
Employees

77%

Managing unknown/
hidden disruptive
effects/ consequences

66%

Onboarding/
Integration
Challenges

Greatest ROI From Investing in New Technologies

This is on a scale of 1 to 5 (1= highest return; 5 = no returns at all)

Reducing costs/ improving efficiencies

1.85

Lowering market engagement barriers

1.80

Improving customer experience

1.85

08 Philippines

114 Corporates Interviewed
Mid Market VS Top 100 - 57:57

10%

10% corporates say
they have a well defined strategy

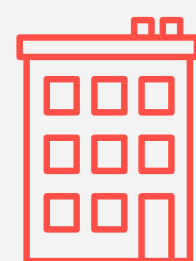
90%

90% say **more**
work needs to be done

43%

of treasurers running alongside other stakeholders in
company's digital journey

Greatest Push For Digitisation Coming From



Internal
25%

Individual business units



External
30%

Customers/ markets and
competitors

Digital Applications & Investments



Corporates interviewed
will use APIs for
connectivity

91%

Cash related

55%

Trade related



Companies are investing in
new technology solutions

61%

Cash
Management

50%

Trade and
Supply Chain

27%

Cross-Border
Payments & FX

Top 3 Barriers to Digitalisation

80%

Skillset of
Employees

75%

Managing unknown/
hidden disruptive
effects/ consequences

65%

Onboarding/
Integration
Challenges

Greatest ROI From Investing in New Technologies

This is on a scale of 1 to 5 (1= highest return; 5 = no returns at all)

Reducing costs/ improving efficiencies

1.86

Lowering market engagement barriers

1.95

Improving customer experience

1.79

09 Singapore

115 Corporates Interviewed
Mid Market VS Top 100 - 59:56

52%

52% corporates say
they have a well defined strategy

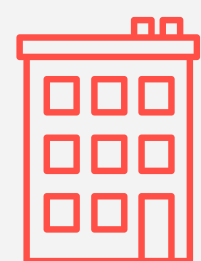
48%

48% say **more**
work needs to be done

58%

of treasurers running alongside other stakeholders in
company's digital journey

Greatest Push For Digitisation Coming From



Internal
26%

Individual business units



External
36%

Customers & markets

Digital Applications & Investments



Corporates interviewed
will use APIs for
connectivity

92%

Cash related

70%

Trade related



Companies are investing in
new technology solutions

53%

Trade and
Supply Chain

35%

Risk and
Compliance
Reporting

30%

Cross-Border
Payments & FX

Top 3 Barriers to Digitalisation

77%

Managing unknown/
hidden disruptive
effects/ consequences

72%

Skillset of
Employees

70%

Regulatory
environment

Greatest ROI From Investing in New Technologies

This is on a scale of 1 to 5 (1= highest return; 5 = no returns at all)

Reducing costs/ improving efficiencies

1.89

Lowering market engagement barriers

1.84

Improving customer experience

1.78

10 South Korea

113 Corporates Interviewed
Mid Market VS Top 100 - 57:56

39%

39% corporates say
they have a well defined strategy

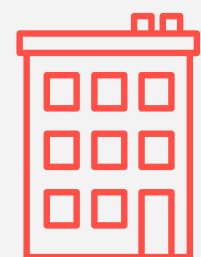
61%

61% say **more**
work needs to be done

46%

of treasurers running alongside other stakeholders in
company's digital journey

Greatest Push For Digitisation Coming From



Internal
26%

Individual business units



External
37%

Competitors

Digital Applications & Investments



Corporates interviewed
will use APIs for
connectivity

91%

Cash related

77%

Trade related



Companies are investing in
new technology solutions

48%

Cash
Management

45%

Trade and
Supply Chain

37%

Risk and
Compliance
Reporting

Top 3 Barriers to Digitalisation

76%

Managing unknown/
hidden disruptive
effects/ consequences

64%

Onboarding/
integration
challenges

70%

Regulatory
environment

Greatest ROI From Investing in New Technologies

This is on a scale of 1 to 5 (1= highest return; 5 = no returns at all)

Reducing costs/ improving efficiencies

1.94

Lowering market engagement barriers

2.05

Improving customer experience

1.85

11 Taiwan

114 Corporates Interviewed
Mid Market VS Top 100 - 57:57

40%

40% corporates say
they have a well defined strategy

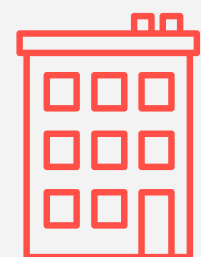
60%

60% say **more**
work needs to be done

65%

of treasurers running alongside other stakeholders in
company's digital journey

Greatest Push For Digitisation Coming From



Internal
25%

Individual business units



External
47%

Competitors

Digital Applications & Investments



Corporates interviewed
will use APIs for
connectivity

87%

Cash related

70%

Trade related



Companies are investing in
new technology solutions

75%

Cash
Management

65%

Trade and
Supply Chain

42%

Cross-Border
Payments & FX

Top 3 Barriers to Digitalisation

67%

Managing unknown/
hidden disruptive
effects/ consequences

61%

Onboarding/
integration
challenges

55%

Regulatory
environment

Greatest ROI From Investing in New Technologies

This is on a scale of 1 to 5 (1= highest return; 5 = no returns at all)

Reducing costs/ improving efficiencies

1.84

Lowering market engagement barriers

1.96

Improving customer experience

1.75

12 Thailand

113 Corporates Interviewed
Mid Market VS Top 100 - 58:55

32%

32% corporates say
they have a well defined strategy

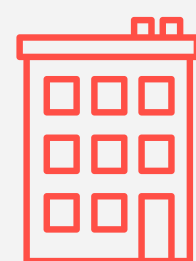
68%

68% say **more**
work needs to be done

57%

of treasurers running alongside other stakeholders in
company's digital journey

Greatest Push For Digitisation Coming From



Internal
30%

Individual business units



External
34%

Competitors

Digital Applications & Investments



Corporates interviewed
will use APIs for
connectivity

73%

Cash related

56%

Trade related



Companies are investing in
new technology solutions

70%

Cash
Management

64%

Trade and
Supply Chain

29%

Cross-Border
Payments & FX

Top 3 Barriers to Digitalisation

68%

Onboarding/
integration
challenges

59%

Managing unknown/
hidden disruptive
effects/ consequences

50%

Skillset of
employees

Greatest ROI From Investing in New Technologies

This is on a scale of 1 to 5 (1= highest return; 5 = no returns at all)

Reducing costs/ improving efficiencies

1.72

Lowering market engagement barriers

1.85

Improving customer experience

1.69

13 Vietnam

114 Corporates Interviewed
Mid Market VS Top 100 - 57:57

8%

8% corporates say
they have a well defined strategy

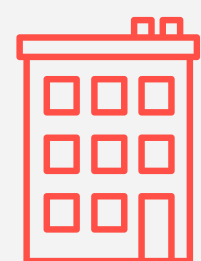
92%

92% say **more**
work needs to be done

84%

of treasurers are struggling to keep up/ deliver solutions on their digital journey

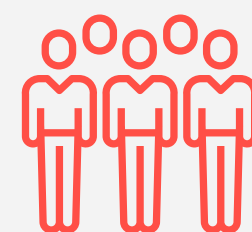
Greatest Push For Digitisation Coming From



Internal

61%

None



External

48%

Competitors

Digital Applications & Investments



Corporates interviewed
will use APIs for
connectivity

93%

Cash related

46%

Trade related



Companies are investing in
new technology solutions

42%

Cash
Management

23%

Trade and
Supply Chain

8%

Cross-Border
Payments & FX

Top 3 Barriers to Digitalisation

89%

Cost

75%

Skillset of
employees

29%

Managing unknown/
hidden disruptive
effects /consequences

Greatest ROI From Investing in New Technologies

This is on a scale of 1 to 5 (1= highest return; 5 = no returns at all)

Reducing costs/ improving efficiencies

3.42

Lowering market engagement barriers

3.07

Improving customer experience

2.88

14 United Kingdom

101 Corporates Interviewed
Mid Market VS Top 100 - 51:50

46%

46% corporates say
they have a well defined strategy

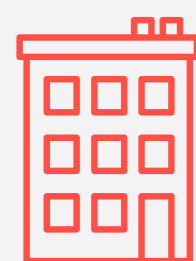
54%

54% say **more**
work needs to be done

62%

of treasurers running alongside other stakeholders in
company's digital journey

Greatest Push For Digitisation Coming From



Internal
26%

Internal business units



External
54%

Customers & markets

Digital Applications & Investments



Corporates interviewed
will use APIs for
connectivity

100%

Cash related

48%

Trade related



Companies are investing in
new technology solutions

39%

Cash
Management

29%

Cross-Border
Payments & FX

Top 3 Barriers to Digitalisation

91%

Regulatory
environment

82%

Onboarding/
integration
challenges

59%

Skillset of
Employees

Greatest ROI From Investing in New Technologies

This is on a scale of 1 to 5 (1= highest return; 5 = no returns at all)

Reducing costs/ improving efficiencies

2.00

Lowering market engagement barriers

1.97

Improving customer experience

1.90

15 United States

101 Corporates Interviewed
Mid Market VS Top 100 - 51:50

40%

40% corporates say
they have a well defined strategy

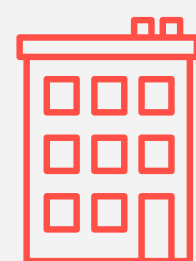
60%

60% say **more**
work needs to be done

58%

of treasurers running alongside other stakeholders in
company's digital journey

Greatest Push For Digitisation Coming From



Internal
37%

Internal business units



External
65%

Customers & markets

Digital Applications & Investments



Corporates interviewed
will use APIs for
connectivity

87%

Cash related

50%

Trade related



Companies are investing in
new technology solutions

64%

Risk and
Compliance
Reporting

39%

Cash
Management

29%

Cross-Border
Payments & FX

Top 3 Barriers to Digitalisation

90%

Regulatory
environment

74%

Onboarding/
integration
challenges

57%

Organisational
alignment

Greatest ROI From Investing in New Technologies

This is on a scale of 1 to 5 (1= highest return; 5 = no returns at all)

Reducing costs/ improving efficiencies

2.13

Lowering market engagement barriers

1.91

Improving customer experience

1.73



Live more, Bank less