Exciting times ahead

Ebru Pakcan
Head of Treasury and Trade Solutions (TTS), EMEA

In November 2016, Ebru Pakcan was appointed as Citi’s Head of Treasury and Trade Solutions (TTS) for the EMEA region. Based in London, Pakcan is responsible for leading and developing the EMEA TTS franchise and driving business throughout the region. Here she shares her experiences of her first few months in the role and outlines how Citi aims to build on its success in the region.

What have been your biggest findings in the first few months in your new role and what do you want to achieve going forward?

In my new role, I am required to look at the business and the relationships we have with our clients a lot more holistically than I have done previously. This has really opened my eyes to the scale of Citi’s TTS business in EMEA and the many ways that we support our clients across 53 diverse markets in the region. This is very exciting and it has been great to get to know many of our clients across EMEA. The diversity of our own people and the vision they bring to the business is also very exciting.

I see similar diversity with our clients too: the relationships we have are both very deep and very wide, as evidenced by the range of solutions we offer. As a result, when I travel to the different markets and speak to our clients I often find myself not just talking to treasurers, but perhaps procurement heads and other areas of the business. This really highlights how we as a bank support our clients across the full spectrum of their needs.
I think flexibility is key in this environment. Treasurers need to stay agile in terms of managing liquidity and currency risk. They also need flexibility in order to manage working capital and cash flow in an environment in which their business partners, sales partners, marketing and procurement partners may have potentially conflicting priorities. Treasurers need to react to new M&A opportunities pursued by their companies too, so I think the name of the game is to retain that flexibility.

If I have to summarise, I would say there are probably six areas of focus:

1. Adapting to changes in the regulations especially tax regulations such as BEPS.
2. Risk management, including financial as well as operational and emerging risks with use of new technologies, hedging strategies and the risk of fraud in its many guises.
3. Liquidity planning.
4. The need to maintain a close eye on the overall working capital of the company.
5. New technology in the short, medium and longer term.
6. Developing and nurturing talent for today as well as tomorrow and really thinking about the individuals who will be driving their businesses in the future. This is a long-term investment but one that will ultimately drive future success.

When I speak to treasurers, it is clear that managing all these competing priorities and challenges – and getting the resources needed to do this – is a huge task for them. Nowadays treasurers have so many day-to-day pressures that getting the fundamentals of the job done whilst also being strategic is a considerable challenge.

How is Citi supporting its clients in the region in light of these changing priorities?

I would break this into a few key work efforts. One of them is our investment in advisory services. This has enabled us to work with multinationals using tools, techniques and big data so that our clients can benchmark their treasuries and address the question “what does best practice look like?”

This has been very important for us and we continue this advisory dialogue in areas such as changes to tax regulation, supply chains, account structures, legal entities, double-taxation treaties and much more – it’s a complete treasury advisory service which is evolving all the time and is a key differentiator for us. Brexit has also put this advisory offering in the spotlight again and many of our clients are turning to us and asking about the different scenarios and what they might mean for their business.

This advisory then feeds into our product development, especially around the innovation that we are doing in our labs. We make sure that when we develop new projects, we work with our clients to understand what they need, rather than what we think they need.

Our final focus is on building awareness regarding topics such as cyber-security – this is a big area of focus for all our clients. For the past year, we have hosted a lot of awareness and training sessions with our own cyber-security and information security experts, the objective being to make sure our clients are fully aware of the risks and the techniques and strategies to mitigate these.

We will focus on an ongoing dialogue and collaboration with clients while thinking about the next three to five years. This is about ensuring that our clients are aware that the world is changing and that they need to be prepared for the new technologies that are coming in.

activities. So while it sounds obvious, gaining a clearer view of the breadth of our relationships with our clients has been extremely positive and it makes me very proud that we have such relationships.

What do I want to achieve going forward? I think it is really about taking these relationships to the next level, in an environment where the world is changing at unprecedented speed there are lots of challenges, but also opportunities as well. I want TTS to work with our clients to find solutions that enable them to grow and take advantage of these opportunities.

How important is it to have a mix of talents within your team?

It’s very important, especially in the TTS business. We have really strong product capabilities and it is critical to have the minds and skills that maintain the new product development culture. However, we also need the creativity and experiences of individuals to make sure that our solutions perfectly match our clients’ requirements tailoring these solutions appropriately.

Over the last few years we started acquiring a lot of other skills in addition to traditional transaction banking. We all know the importance of technology and it is very interesting to engage people who might have perhaps worked for a fintech or a regulator. So the future is going to look a lot different and the individuals who are going to shape that future probably need to acquire new skills and to change themselves too. That change has already begun.

What are the key priorities of treasurers in the region? Have these priorities shifted at all in recent years?

There is a lot of geopolitical uncertainty, from the implications of Brexit for both the UK and Europe to upcoming elections in the EU. Combined with the new administration in the US, this is an environment where surprises are becoming commonplace. I think this really is driving the priorities for treasurers right now – but how should they prepare for the unexpected?
What makes Citi a bank that corporates in EMEA should work with?

We have talked about the advisory and partnership role the bank fulfills, but I have not mentioned what makes Citi unique in being able to fulfill this role: our global network. This network brings local know-how, experience and natural diversity to our engagement with clients.

I think another important aspect to this is about being progressive. This doesn’t always mean coming up with an entirely new product, but it does mean thinking about the new technologies which are out there and being willing to explore things that are of interest to our clients. I think the extent to which an institution engages in progressive thinking is very important. This is where I see a lot of drive and energy in our business; it makes me proud to work with people who are coming up with these great solutions and packaging them in a way that makes life easy for our clients.

I think that putting these different elements together to see what actually works for a client, rather than just putting it down together and saying “here is a solution, it might work for you,” takes a certain creative mindset. It is about working with clients to lift the bonnet of their business, understand the mechanics and deliver the right solutions.

Broadly speaking, is everybody looking to adopt technology to make their lives easier?

At the end of the day, the industries our clients are in determine the pace at which they are looking at new technology. Most are investing in technology which makes treasury more efficient and better controlled, such as improving data integration, leveraging industry standard file formats and adopting virtual account structures and auto-reconciliation tools.

As you start building on that, there are other tools which are developing in the industry such as SWIFT’s global payments initiative (gpi) in the cross-border payments space, which is bringing more transparency and information about the status of payments.

Another area is real-time payment infrastructures. Companies which receive payments from a lot of different consumers and which have developed ecommerce or online sales platforms may be looking at adopting real-time collection methods. This opens up a whole new universe of mobile payments, wallets and so on. So a company’s customers and supply chain will determine the next set of tools that they want to leverage.

Then there is more game-changing use of technology that can fundamentally change business and operating models for companies in different industries and change how corporate treasuries need banking and financial services. The auto sector is one example of how companies are really pushing the boundaries of technology. Some companies are developing “connected” vehicle strategies and digitising their business models to open up their cars to internet of things (IoT) features, such as enabling consumers to buy groceries while they are driving home. This, of course, presents an entirely new challenge for treasurers who are being asked to figure out how to handle such transactions.

So I think there is a very different world developing out there. Again, I see this as a co-creation journey with our clients as they think about these new business models, and as we think about what this means for the services we can help them with.

Looking to the next 12 months, what do you see as the major areas of focus for treasurers and how are you going to make sure Citi’s plans align with these?

I would say we will be focusing on three broad areas.

The first is business as usual – the client experience and making it as efficient and effective as we possibly can across the various touch points we have with our clients. This is an obvious step, but given the breadth of the relationship that we have with our clients and the number of touch points that exist, this is very important.

Second is a focus on the next 12-24 months as Brexit unfolds, acknowledging other major market changes that we may need to react to and any immediate impact on our customers’ supply chains. This could lead to supply chain finance, sales financing, more effective hedging and liquidity structures – and, importantly, listening to our clients as they navigate this uncertain time.

Finally, we will focus on an ongoing dialogue and collaboration with clients while thinking about the next three to five years. This is about ensuring that our clients are aware that the world is changing and that they need to be prepared for the new technologies that are coming in. This is crucial if we are to continue to serve our clients as trusted advisors and develop the right strategies with them going forward.

I am keen to ensure we don’t take our eyes off that future horizon while doing what we need to do in the short term.

Based in London, Ebru Pakcan is the Head of Treasury and Trade Solutions (TTS) EMEA. Before this, Ebru was the Head of Global Payments and Receivables for TTS and was based in New York for three years. Between 2008 and 2011, Ebru was the Head of Payments for EMEA. Ebru moved to the UK in 2004 to lead the Transaction Services EMEA Implementation team. Previously, Ebru was Securities Country Manager in Turkey, managing the Custody and Clearing Business. She joined Citi Turkey in 1997 and held various roles in Citi’s local Business, Operations & Technology divisions.

Ebru holds a degree in Computer Engineering from Bogazici University in Istanbul, Turkey and serves as a Director on the Board of Citibank Europe plc in Ireland.