The Treasury Research Company

INDEPENDENT TREASURY RESEARCH AND ASSESSMENT

TR/04 | TRC RESEARCH PAPER | 2026

Treasury Transformation: Maintaining Line of Sight

What turns a collection of Treasury changes into a coherent transformation? This paper argues that the defining principle is line of sight: every material change should remain connected to what the organisation is trying to achieve.

Publication reference: TRC-RP-2026-004
Updated 15 August 2026
Version 1.1
14 min read

TRC VIEW

Treasury transformation is the coordinated redesign of the ecosystem through which Treasury operates: its people, processes, data, controls, technology and organisational interfaces. We argue that its defining principle is line of sight: the changes made to Treasury should remain traceable to the original organisational objective.

PLAIN ENGLISH

Essential terms

Organisational objective	What the organisation is trying to achieve and the outcome that creates the need for Treasury to change.
Line of sight	The connection between the organisational objective, the Treasury requirement, the changes made to Treasury's operating ecosystem and the resulting outcome.
Treasury vision	A practical description of what Treasury needs to become capable of doing in the future.
Treasury operating ecosystem	The people, processes, data, controls, technology and organisational relationships directly required to produce Treasury capability.
Operating model	How Treasury is organised to get its work done: who does what, who decides, how processes operate, what information and controls are required, what technology supports the work and how Treasury connects to other functions.
Capability	Something Treasury needs to be able to do reliably, such as manage liquidity, forecast cash, execute payments or control financial risk.
Transformation	A material change in the capabilities an operating model can produce or in the way those capabilities are produced.
Improvement	A change that makes an existing operating model work better without materially changing the capabilities it produces or how they are produced.

RESEARCH FRAMEWORK

The TRC Line of Sight Model

01	Organisational objective	What is the organisation trying to achieve?
02	Treasury requirement	Why does that objective require Treasury to become different?
03	Treasury vision	What must Treasury become capable of doing?
04	Operating ecosystem	Which connected elements of Treasury and the wider organisation are changing?
05	Resulting outcome	Did Treasury become better able to support the original organisational objective?

01

Treasury transformation has become a buzzword

A Treasury Management System replacement is called a transformation. Automation becomes transformation. A new forecasting tool, payment platform or organisational structure can all acquire the label.

These may be important changes. They are not necessarily transformation.

The term is often used without a clear understanding of what is being transformed, why the change is needed or what the organisation is trying to achieve. Calling every significant Treasury project a transformation strips the word of meaning.

Treasury transformation is not a new subject. It has been examined in academic research, practitioner papers, professional guidance and technology-led commentary. Much of that work provides valuable insight into particular aspects of transformation.

This paper brings those perspectives together with practical Treasury transformation experience to address a more fundamental question: what makes a collection of changes a Treasury transformation?

The distinction does not depend simply on the size of the investment, the duration of the programme or the number of projects involved. It depends on the relationship between the changes being made and the organisational outcome they are intended to support.

That relationship is line of sight.

Sources: [1] | [2]

02

The reason for transformation begins above Treasury

Before asking what Treasury needs to change, there is a more fundamental question: why does the organisation need Treasury to be different?

The answer might be growth, acquisition, international expansion, refinancing, increased financial risk, resilience, cost pressure, regulatory change or a decision to operate differently.

The original objective may have little to do with Treasury. But it can have significant Treasury consequences.

International expansion may create new currencies, banking relationships, liquidity requirements and financial risks. An acquisition may create additional entities, systems, bank accounts and funding requirements. A change in business model may alter the timing and nature of cash flows.

The requirement for Treasury to change is therefore often created by a change elsewhere in the organisation.

This does not mean Treasury transformation must originate from one particular executive or follow a fixed hierarchy.

A 2025 case study of a major finance change found that the Chief Executive Officer, Co-Chief Executive Officer and Chief Financial Officer jointly shaped the change. Their involvement reflected their different perspectives on the organisation, its financial management and the intended outcome.

The important principle is not hierarchy for its own sake. It is line of sight: the Treasury transformation should remain traceable to what the organisation is trying to achieve.

Treasury may own the transformation. It does not necessarily originate the reason for it.

Sources: [3] | [4]

03

The organisational objective is the source of truth

The organisational objective provides the reason Treasury needs to change.

Consider an organisation planning significant international growth. That growth may create more currencies, legal entities, banking relationships, foreign-exchange exposure, liquidity complexity and funding requirements.

The consequence for Treasury might be expressed as: Treasury must support international growth without creating unacceptable financial risk, operational complexity or cost.

This is not yet a description of the future Treasury. It explains why Treasury needs to become different.

The distinction matters because transformation programmes can move too quickly from a visible problem to a proposed solution.

A Treasury Management System contract may be approaching renewal. A platform may no longer be supported or fit for purpose. A process may be heavily manual. Cash forecasting may be unreliable.

These issues can explain why action is required now. They do not, by themselves, define the outcome the transformation should achieve.

The immediate problem is the trigger. The organisational objective remains the source of truth.

Sources: [5] | [11]

04

The vision describes what Treasury needs to become

The reason for change and the Treasury vision are related, but they are not the same.

The reason explains why Treasury needs to change. The vision describes what Treasury needs to become capable of doing.

For an organisation pursuing international growth, the future Treasury may require group-wide cash visibility, reliable forward-looking liquidity information, scalable funding capability, consistent banking structures, controlled foreign-exchange risk and resilient payment processes.

Together, these describe a Treasury capable of supporting the organisation's intended direction.

Implementing a new Treasury Management System is not the vision. Automating cash forecasting is not the organisational objective. These may become elements of the response once the required outcome is understood.

The organisational objective explains why Treasury needs to change. The Treasury vision describes what Treasury needs to become. The operating model describes how that future Treasury would work. Transformation is the change between the present and that future.

Sources: [5]

05

Transformation is different from improvement

Improvement makes an existing operating model work better. Transformation changes the capabilities that the operating model can produce or materially changes how those capabilities are produced.

The distinction is not always absolute. A series of improvements may collectively alter the operating model and produce a transformed capability. Equally, a large and expensive programme may leave the underlying model largely unchanged.

Transformation is therefore not defined by programme size, expenditure or the number of projects involved. It is defined by the resulting change in Treasury capability and its relationship to the organisational objective.

Sources: [1] | [10]

06

What is actually being transformed?

Treasury is sometimes treated as though it were a self-contained function. In practice, it operates through a wider organisational ecosystem.

The Treasury operating ecosystem consists of the elements and organisational relationships directly required to produce Treasury capability. It includes Treasury's people, processes, data, controls and technology, together with the interfaces through which Treasury exchanges information, responsibilities and decisions with other functions.

Cash forecasting may depend on Accounts Payable, Accounts Receivable, Financial Planning and Analysis, payroll and operating businesses. Payments may involve Procurement, master data, Accounts Payable, Treasury, Information Technology and banks. Foreign-exchange exposures may originate in Sales, Procurement or local business units.

The object of transformation is therefore not simply the Treasury department. It is the operating ecosystem through which Treasury's capabilities are produced.

Technology can materially change that ecosystem. Application programming interfaces can alter information flows. Artificial intelligence can change analysis and forecasting. Automation can remove manual activity. Cloud platforms can change architecture and support models.

Technology can also reveal possibilities that were not apparent when the transformation was first considered. It can influence the future Treasury vision and challenge assumptions about how work should be performed.

But technology cannot determine why Treasury needs to change. It expands what is possible; the organisational objective determines what is relevant.

A new forecasting platform may improve Treasury's analytical capability. But if the underlying information remains late or unreliable, the organisation may still lack an effective forecasting capability.

The platform has changed. The operating outcome has not necessarily changed with it.

Sources: [2] | [3]

07

Transformation changes relationships as well as components

When Treasury changes, the effects do not necessarily remain inside Treasury.

Responsibilities may move. Information may be required earlier. Data ownership may change. Controls may move upstream or downstream. Decisions may be made by different people.

Consider a payment process running from Accounts Payable through Treasury to Accounting. If Treasury automates its activities and introduces straight-through processing, it may require more accurate data or different approvals from Accounts Payable. Accounting may receive information differently. Controls previously performed within Treasury may move elsewhere.

The Treasury component cannot be fully understood without considering the relationships around it.

Organisation-design research makes a similar point. Strategy, structure, processes, people and coordination mechanisms are interdependent. A change to one element can alter what is required from the others.

A function can therefore become more efficient locally while making the wider organisation less effective.

This leads to a central TRC principle: local optimisation is not necessarily organisational optimisation.

Treasury transformation concerns both the function and the organisational interfaces through which that function operates.

Sources: [6] | [7] | [8]

08

Line of sight gives the changes coherence

A transformation may contain many legitimate changes: technology replacement, process redesign, better data, revised controls, new skills and different organisational responsibilities.

The presence of several changes does not, by itself, make them a transformation. What gives them coherence is their relationship to a common organisational objective.

That relationship can weaken as the transformation is divided across functions, workstreams, suppliers and individual projects. Each group naturally interprets the change through its own responsibilities. Technology teams focus on the platform. Process teams focus on standardisation. Data teams focus on migration and quality.

These perspectives are necessary, but they can gradually produce narrower definitions of success. The platform is implemented. The processes are documented. The data is migrated. The projects are completed. Yet Treasury may still not be materially better able to support what the organisation was trying to achieve.

Line of sight connects the parts: organisational objective, Treasury requirement, Treasury vision, operating ecosystem and resulting outcome.

It is not administrative traceability. It is what turns separate changes into a coherent Treasury transformation.

Sources: [11]

09

When has Treasury been transformed?

Transformation programmes often report delivery measures: the platform was implemented, processes were automated, data was migrated, users were trained and the programme was completed.

These measures establish that change occurred. They do not necessarily establish that Treasury was transformed.

The final question returns to the beginning: did Treasury become better able to support what the organisation was trying to achieve?

If the objective was international growth, can Treasury now support that growth without unacceptable financial risk, complexity or cost? If the objective was resilience, is Treasury demonstrably more resilient? If the objective was scalability, can Treasury absorb greater volume and complexity without simply adding people? If the objective was better decision-making, does the organisation now have better information and make better decisions?

Transformation is demonstrated by a different organisational capability, not merely by the completion of the projects intended to create it.

Sources: [2]

10

Conclusion

Treasury transformation is the coordinated redesign of the ecosystem through which Treasury operates so that it can better support what the organisation is trying to achieve.

Its defining principle is line of sight.

The organisational objective explains why Treasury needs to change. The Treasury vision describes what Treasury needs to become. The operating model describes how that future Treasury would work. Transformation is the coordinated change between the present and that future.

Technology matters. Processes matter. Data, controls and people matter. Organisational interfaces matter. But none of them independently defines the transformation.

Nor is transformation defined by the size of the investment, the number of projects or the amount of change delivered.

It is defined by the relationship between those changes and the organisational objective they are intended to support.

Line of sight is what turns separate changes into a coherent Treasury transformation.

How that line of sight should be preserved through the design, governance and delivery of a transformation is a separate question and the subject of the next TRC paper.

METHODOLOGY AND RESEARCH CONTROL

Research type	Independent synthesis of academic research, practitioner papers, professional guidance and practical Treasury transformation experience.
Purpose	To define what makes a collection of changes a Treasury transformation. The separate question of how transformation should be delivered is reserved for a follow-on paper.
Evidence treatment	Treasury-specific academic research remains limited. Where appropriate, the paper draws cautiously on adjacent research in strategy implementation, organisation design, strategic alignment and finance transformation.
TRC position	Line of sight is TRC's synthesis and application of established ideas about strategic alignment, organisation design and finance transformation to Treasury. Technology providers have not influenced the paper and no vendor funding has been accepted.
Control	Prepared by TRC Research. Editorial review completed. Evidence cut-off 15 August 2026.

REFERENCES

Sources and further reading

1. Why Transform Treasury?
Association for Financial Professionals | 25 March 2024
https://www.afponline.org/training-resources/resources/articles/Details/why-transform-treasury

2. 2025 Global Treasury Survey
PwC | 25 June 2025
https://www.pwc.com/us/en/services/consulting/finance-accounting-transformation/library/2025-global-treasury-survey.html

3. Digitalization of the finance function: Automation, analytics, and finance function effectiveness
Management Accounting Research / Elsevier | December 2025
https://www.sciencedirect.com/science/article/pii/S1044500525000186

4. The institutionalisation of a new management control system: a focus on situated rationality
Journal of Management and Governance / Springer Nature | 20 August 2025
https://link.springer.com/article/10.1007/s10997-025-09753-z

5. Digital transformation: strategy comes first to lay the groundwork
Journal of Business Strategy | 12 August 2025
https://www.sciencedirect.com/org/science/article/pii/S027566682500003X

6. The science of organizational design: fit between structure and coordination
Journal of Organization Design / Springer Nature | 1 March 2018
https://link.springer.com/article/10.1186/s41469-018-0029-2

7. The game plan for aligning the organization
Business Horizons / Elsevier | March-April 2014
https://www.sciencedirect.com/science/article/pii/S0007681313001833

8. Purpose-driven transformation: a holistic organization design framework for integrating societal goals into companies
Journal of Organization Design / Springer Nature | 2023
https://link.springer.com/article/10.1007/s41469-023-00156-8

10. Delivering treasury transformation: how to get it right
Association of Corporate Treasurers / The Treasurer | 2026
https://www.treasurers.org/hub/treasurer-magazine/delivering-treasury-transformation

11. Creating effective strategy implementation: a systematic review of managerial and organizational levers
Review of Managerial Science / Springer Nature | 27 March 2025
https://link.springer.com/article/10.1007/s11846-025-00880-3

Sources accessed 15 August 2026. External statistics retain their original definitions and populations.

This paper provides general analysis of Treasury transformation. It is not a programme design or a substitute for organisation-specific advice.