BLUGLANCE

The Evolving Role of Treasury in Enterprise Risk Governance

Bluglance helps treasuries go beyond cash management to drive enterprise value positioning treasury at the core of financial strategy.

Why is the Treasury becoming a key player in managing business risks?

Treasury teams have long been responsible for managing a company's cash, debt, and liquidity. But today, their role is changing fast. As business risks grow more complex, Treasury is stepping up to play a bigger part in helping companies manage uncertainty across the board.

This shift isn't just helpful, It's necessary.

From Managing Money to Managing Risk

Today's business environment is shaped by rising interest rates, currency volatility, geopolitical tensions, and supply chain disruptions. These are not isolated problems. They affect nearly every department, from sales to procurement and they require a coordinated response.

Treasury is in a unique position to bring these pieces together. Because it works closely with both internal stakeholders and external markets, Treasury has the perspective needed to understand where financial risks lie and how they impact the entire organization.

Real-World Impact: Treasury in Times of Turmoil

Across industries and geographies, treasury teams are playing a critical role in helping businesses navigate volatility not just in financial markets, but also in their core input costs.

- During COVID-19, Unilever's treasury team helped the business stay liquid and operational by actively managing cross-border cash flows and FX exposures in emerging markets.

- In 2022, Airbus restructured its hedging strategy to absorb a surge in fuel and energy prices, working closely with procurement to time purchases and reduce exposure.

- A leading **Indian edible oil company** used futures contracts on imported palm oil, guided by treasury, to hedge price volatility, allowing its procurement team to negotiate better supplier terms and enabling its sales team to offer more stable pricing to FMCG clients.

- **Nestle**, a global food and beverage leader, has integrated its commodity risk management into procurement and pricing functions. Treasury collaborates with sourcing teams to hedge dairy, cocoa, and packaging material costs, ensuring cost consistency and price stability across markets.

- **Hindalco**, a major Indian metals company, actively manages aluminum price risk through its treasury working in tandem with its procurement division. The team uses LME-based hedging strategies to protect margins and better plan contract terms with large industrial buyers.

These examples demonstrate how treasury, when embedded across commercial workflows, can drive real business value turning volatile inputs into predictable cost structures and smarter decision-making.

Treasury's role is now strategic, not just operational

In the past, enterprise risk was mainly overseen by boards or audit committees, often reacting to problems after they occurred. That's changing fast.

Today, many CFOs expect treasury teams to take a leading role in identifying risks early, running "what-if" scenarios, and helping guide decisions across departments. A 2024 Deloitte survey revealed that nearly 70% of CFOs now expect treasury to play a bigger role in enterprise risk governance.

Recent trends: Treasury taking on more strategic risk roles

Research shows that treasury responsibilities have expanded significantly over the past five years:

Treasury Responsibility	% of Companies (2024)	% of Companies (2019)
Cash & Liquidity Management	95%	96%
Foreign Exchange Risk Management	78%	61%
Interest Rate Risk Oversight	72%	54%
Working Capital Optimization	68%	52%
Enterprise-wide Risk Coordination	64%	35%
Scenario Planning / Stress Testing	60%	32%
ESG & Regulatory Reporting Support	44%	18%

Source: 2024 Global Treasury and Risk Benchmarking Report

This data highlights a clear trend: treasury is no longer just about protecting cash, it's about protecting the business.

Why can't the Treasury work in silos anymore?

When treasury teams work in isolation, disconnected from sales, procurement, or finance, risks often go unnoticed until they cause real damage.

Examples include:

- Unhedged FX exposures from international deals
- Poorly aligned payment terms that disrupt cash flow
- Inconsistent hedging strategies across departments

When risk governance is fragmented, companies lose money, miss opportunities, and damage internal trust. That’s why coordination is no longer optional, it’s a must.

How Bluglance Consulting helps?

Bluglance Consulting, helps treasury teams take on this broader, more strategic role. Our services include:

- Building clear risk frameworks that connect treasury with procurement, finance, and other teams.
- Designing hedging strategies that are practical and tailored to the company's specific risks.
- Providing real-time market insights so decisions are based on the latest data.
- Creating dashboards that help leadership see and manage risk more clearly.

We help companies move from reactive to proactive, so treasury becomes a driver of value, not just a back-office function.