



ASSOCIATION FOR
FINANCIAL
PROFESSIONALS

CONFERENCE HIGHLIGHTS

Recapping the 2016 AFP Annual Conference

When thousands of treasury and finance professionals get together with boundless energy, insights and ideas, they create the must attend event for treasury and finance. Here's a snapshot of the vast array of innovative speakers and events that made a splash in Orlando.

We can't wait to see you next year in San Diego.

CONFERENCE BY THE NUMBERS



96% of all Conference attendees **rated their experience as a 4 or a 5***.

8 TRACKS

TM	Treasury Management	GTF	Global Treasury & Finance
FPA	Financial Planning & Analysis	CF	Corporate Finance
PY	Payments	PB	Pensions & Benefits
RM	Risk Management	CD	Career Development

130 SESSIONS

/ Roundtables / Workshops / Case Studies
/ Panel Discussions / Presentations / Innovation Series



Educational sessions received an overall average score of **"4.16"** on a 5 point scale, where 1 = poor and 5 = excellent.

88%

of corporate practitioner attendees who attended Conference to **build or maintain professional relationships** rated their networking experience very favorably (either "4" or "5")*.

86%

of attendees attended Conference to **keep up with changes in the profession***.

** results from the 2016 AFP Annual Conference evaluation*



THANK YOU!

We'd like to thank everyone who gave us their spin on 2017, by sharing how they were going to break out of their lane in the new year. Thanks to your participation, **we donated over \$2,000** to the Central Florida Women's Resource Center!

The Increasing Threat of Technology

An expert panel debated what some of the key issues going on around the globe could mean for corporate treasury and finance professionals during the Sunday Keynote of the 2016 AFP Annual Conference. A key theme that came up throughout the discussion was the threat posed by the evolution of technology.



Moderator David Gregory, author and former host of Meet the Press, brought up the massive distributed denial of service (DDoS) attacks that took down sites like Twitter and Netflix by hijacking household appliances. The attacks were launched on Dyn, a domain name system (DNS) service provider. Gregory asked the panel how vulnerable the U.S. really is, and whether it should be going on the offensive against attackers.

Former Chairman of the Joint Chiefs of Staff, retired Gen. Martin E. Dempsey, noted that this latest DDoS attack was six times larger than any other one that has been seen before. “It was implemented not through your laptop or your desktop, but through the Internet of Things, which is your baby monitor or your refrigerator. If something is connected to the internet, it can be used to disrupt other aspects of the internet,” he said.

As for whether the U.S. should go on the offensive in regards to these attacks, Dempsey believes that the military has to determine when something becomes so dangerous that it requires the U.S. to react. “What rises to the level of a hostile act by a foreign government or someone operating inside the border of a foreign government that it will cause us to make a decision?” he asked. “But the American people, through legislature, have had painfully few discussions about cybersecurity. It’s going to have to happen.”

Dempsey added that there are five domains of military activity—activity on the ground, at sea, in the air, in

space and in cyber. “In the first four we have no peer competitors. We dominate those domains. In the fifth, cyber, we have peer competitors. So you tell me whether I should be worried about it,” he said.

“But the American people, through legislature, have had painfully few discussions about cybersecurity. It’s going to have to happen.”

In addition to cyberattacks, innovative new technologies can also have a negative impact on the economy at large. Senior Economist for International Affairs, White House Council of Economic Advisors, Nouriel Roubini noted that while low and medium-level skill jobs are obviously threatened by globalization, there is a bigger issue at play. “Even if you could stop trade, the greatest disruption is going to come from technology,” he said. “Obviously technological innovation is good for consumers, but it’s going to affect jobs of millions of people.”

Pulitzer Prize-winning author Doris Kearns Goodwin asked Roubini for his response to the claims that NAFTA has been severely detrimental to American jobs. He responded that, again, technology is the bigger concern. “I don’t think our economic problems have anything to do with NAFTA,” he said. “Longer term, technology is displacing more jobs.”

EDUCATIONAL SESSION

KEY TAKEAWAYS

TM

Treasury Management

Treasury Shouldn't Leave the Build-Out to the Vendor

Kimberly Karg, CTP, assistant treasurer of Chanel, one of the top high fashion houses in the world, provided AFP Annual Conference attendees with a glimpse into how her organization implemented a treasury and risk management system.

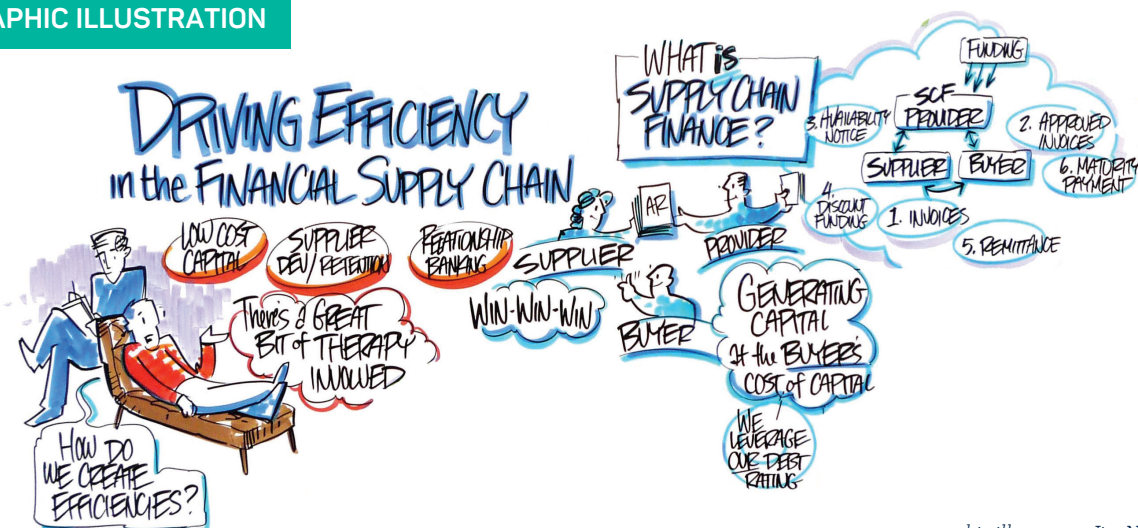
3 Key Takeaways:

1. In 2012, Chanel's largely decentralized treasury function embarked on a multiyear plan to set itself up as an integrated worldwide support function. It brought together disparate systems into one cloud-based solution that supported local, regional and global/corporate needs.
2. Karg was not content to leave the implementation process up to the vendor, Reval. She was involved in every hands-on part of the system build.
3. Building out that static data - the foundation of the system - allowed Karg to really understand the architecture behind the system. "Knowing that system architecture is going to make you the subject matter expert," she said.

ATTENDEE FEEDBACK

"AFP is THE event every year. Missing out on AFP means you are missing out on where treasury is going."

GRAPHIC ILLUSTRATION



graphic illustrator: Jim Nuttle

**RM**

Risk Management

Macro-volatility Must Lead to Macro-diligence

Nader Mousavizadeh, co-founder and co-CEO of Macro Advisory Partners and formerly the Special Assistant to United Nations Secretary, General Kofi Annan, provided attendees of the Certification Luncheon, sponsored by PNC, with a look at how macro-volatility is constantly creating new risks and opportunities for corporate financial professionals. With that in mind, corporate practitioners must apply “macro-diligence” when navigating markets to capture opportunities.

3 Key Takeaways:

1. The fundamental disruptive nature of macroeconomics in today’s world is as important a disruptor as technology, in terms of investment, business strategy and expansion.
2. Politics and economics are intertwined more than ever before. “You really can’t understand one without the other,” Mousavizadeh said. “Trying to plan for a trajectory of expected events simply through an economic lens, without understanding just how much politics today can upend them, will not be enough.”
3. The uncertainty that markets are trying to navigate is here to stay. However, this is not cyclical; we are not going back to a state of absolute certainty because we never truly had that to begin with. “The kind of uncertainty we have now is a structural one,” Mousavizadeh said.

CF

Corporate Finance

Using Ratings to Develop Your Debt and Capital Markets Strategy

E. Roger Gebhart, senior vice president and CFO of Commercial Credit Group Inc. and Tara Ashmore, director of business development for S&P Global, helped attendees better understand the ratings process and provided a glimpse at some of the tools rating agencies have made available for corporate finance and treasury needs.

3 Key Takeaways:

1. Even if you don’t feel you need a rating right now, it’s still a good idea to speak with the rating agency to understand the products and the process. That way, should the time come that you think you do need a rating, you know who to call and what the next steps are.
2. Understand the strengths of each rating agency; each one has its own proficiencies. For example, if you need an investment grade rating, one agency might be able to get you that level easier than another. “Understand your niche and which rating agencies have the cornerstone of that market, and which one is going to get you to the goal you need to achieve,” Ashmore said.
3. Rating agencies can apply assessments that will allow you to understand what your rating likely would be before it is actually assigned.

ATTENDEE FEEDBACK

“Best finance conference for the money. Topics presented are relevant, and showcase industry best practices. My organization greatly benefits from my conference attendance.”

FPA

FP&A

How to Bring About Change without Top-Level Support

Getting senior executive buy-in for financial transformation and financial planning and analysis (FP&A) process changes is the best option, but getting that support from the top is not always easy. At the FP&A roundtable, sponsored by Peloton, participants discussed ways to get the business units and ultimately senior management to buy in.

3 Key Takeaways:

1. FP&A should work directly with the businesses. One FP&A professional developed data and analysis to show his business partners how they could make better business decisions. A lot can be done by bringing the business useful analysis. “Once you ‘feed the beast’, it starts to get hungry,” he said.
2. Win over who you can. The FP&A leader of an energy company faced a CFO with a public accounting background and a controller’s mindset. Understanding that old habits are hard to break, the FP&A director started by winning the support of those who were open to change and is now using those successes to get the CFO’s buy-in.
3. Presenting new insights is key. Getting to know the business in detail helped one FP&A chief offer the CEO and CFO new multiproduct, multinational insight into their operations. The strategy was to give senior management a view of the business performance they never had before to get their support for other transformational projects.

ATTENDEE FEEDBACK

“Excellent intellectual development. Very good educational sessions—keep it up!”



GTF

Global Treasury & Finance

Setting Up a New European Banking Structure

International expansion is always a tall order for a treasury department. Shannon Alwyn, CTP, senior manager, global treasury for Netflix, provided AFP Conference attendees with a glimpse into how the internet television network changed its banking structure in Europe.

3 Key Takeaways:

1. Netflix had to set up a banking structure that could support its business in Europe and was not overly complicated. Netflix’s company philosophy is to avoid overcomplicating matters unless it could lead to a significant value add. So when it came to changing the banking structure, it didn’t make sense to set up a notional pooling structure or an in-house banking relationship, as Netflix had only one international entity.
2. Treasury knew it had to implement a structure that it could fully manage from a central point in California, where its staff is located. Online banking pools and achieving the maximum level of automation were thus very important for Netflix.
3. Alwyn realized that changing Netflix’s European banking structure would impact much more than just the treasury department. Therefore, it was important for treasury to align with the company’s internal stakeholders up front, including payroll, AP, IT, accounting, legal and tax, among others. Treasury obtained input from each group to better understand their challenges and goals for the future and incorporated them into the RFP process.

PB

Pension & Benefits

Top Priorities for Pension Investment

Investors must consider their governance, mission and investment beliefs when deciding on the extent of risk that should be taken. Mark T. Ruloff, director, asset allocation for Towers Watson Investment Services and Wayne Adams, CTP, director of investment policy for AT&T, provided Conference attendees with a look at mission and investment beliefs, with clear frameworks and bases.

3 Key Takeaways:

1. As you navigate the very complex investment world, having good governance can have the greatest impact on your outcome. A poor governance structure deteriorates value.
2. The mission statement and beliefs are very important components of the governance structure. At the beginning of the consulting process, it's essential to make sure that the decision-making body over the asset pool has a mission. That mission should receive buy-in from everyone and they should develop a set of beliefs around it. This process is often overlooked at the beginning of an engagement.
3. Mission statements should center on building wealth for stakeholders. A mission statement should meet commitments, securing benefits for the beneficiaries; be affordable for the plan sponsor; and be able to sustain benefits over a long period of time.

ATTENDEE FEEDBACK

"As ever, it is still the best conference globally for the finance professional disciplines."



CD

Career Development

Negotiation Strategies for Women: Who Fights Better?

In a standing-room only session, Chris Voss, CEO of the Black Swan Group and a former hostage negotiator, and Nicole Meyer, managing partner of The Meyer Partnership, provided AFP Conference attendees with negotiation strategies specifically for women. This session focused primarily on how women negotiate, and how they are perceived as negotiators.

3 Key Takeaways:

1. One of the greatest skills in negotiation is gently declining to say yes, which isn't necessarily saying no. There's a bigger space between yes and no than most men or women realize.
2. A good negotiation strategy is to lay out the truth in front of the other person, tell them to do what they want with it, and walk away.
3. We often think that to be assertive, we have to be a jerk. But often the strongest, most assertive people aren't loudmouthed blowhards. You can be assertive while also being deferential.



graphic illustrator: Jim Nuttle

PY Payments

Recovering From the Chaos of Payments Fraud

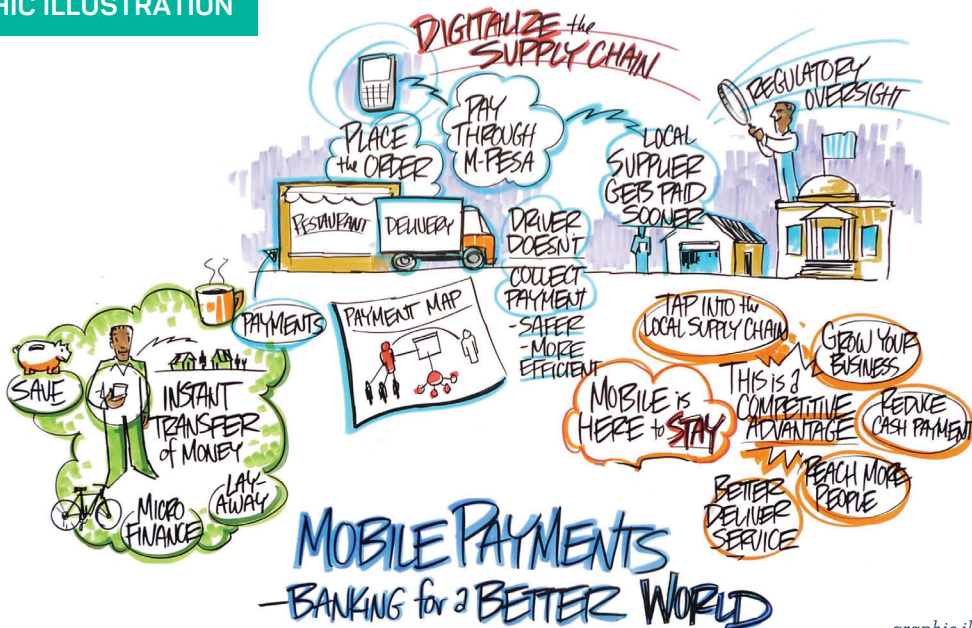
Financial executives weighed in on some of the top security threats they are facing during a session on payments fraud at the 2016 AFP Annual Conference. Topics included the massive distributed denial of service (DDoS) attack on Dyn, business email compromise (BEC) scams and old-fashioned check fraud.



3 Key Takeaways:

1. The Dyn attack occurred through hacking and exploiting household devices connected to the internet. “There are so many smart devices out there that can be hijacked for the purposes of just sending signals into the servers,” said Peter Wheeler, CCM, senior vice president with KeyBank. “They hijacked everything that had access to the internet and started pinging these servers until it overloaded the system.”
2. One way to avoid falling victim to a BEC scam is to implement controls that don’t involve electronic communications. “Any time we have a new supplier or somebody that changes bank instructions, we call our contact and verify that the information is accurate,” said Dyan Cotton, CFO of International Forest Products Corporation.
3. The best way to thwart check fraud is to simply move away from using checks. You might receive pushback from payroll, as Kasia Spence, corporate director, cash management for amusement park operator Cedar Fair Entertainment Company, did. However, that changed quickly once those employees realized how much time they were saving. “They were spending three days every pay cycle, printing, packaging and shipping checks,” she said. “It went down to three hours. So they became my best advocate for this.”

GRAPHIC ILLUSTRATION



graphic illustrator: Jim Nuttle

Faster Payments Takes Center Stage

Faster payments was the primary topic of discussion at the Payments Roundtable, sponsored by Comdata. Representatives from different industry groups provided updates on their current faster payments initiatives.

Magnus Carlsson, AFP's manager of treasury and payments, began by discussing the results of the 2016 AFP Electronic Payments Survey, underwritten by J.P. Morgan. Fully 62 percent of the corporate treasury and finance professionals who responded to the survey agreed that speeding up payment methods will have a positive impact. Going a bit more in depth, 94 percent of respondents said that smart, faster payments that carry extended remittance information are important, with 45 percent agreeing that it is very important.

Same Day ACH

Given that same-day ACH is now live, it was no surprise that Michael Herd, senior managing director, ACH Network Rules and Enforcement for NACHA, provided an update. Although same-day ACH only went live in September, NACHA is already seeing strong adoption and implementation has been going smoothly. "I don't have any hard numbers now, but the volume that we've seen has been reasonably substantial for an offering like this," he said. "It's not a trivial number; we've had some substantial numbers."

ACH operators have established two daily schedules for clearing same-day ACH transactions and providing interbank settlement. NACHA has also observed early adopters using the service for payroll payments, including emergency payroll; business-to-consumer disbursements, such as pension and insurance payments; B2B payments; consumer bill payments and P2P payments.

The next phase of the project will be incorporating same-day ACH debits, which become available on Sept. 15, 2017. "I think a lot of corporates are excited about [same-day ACH debits]; a lot of consumer bill payments are through ACH debit," Herd said.



Real-Time Payments

James Colassano, senior vice president of product development for The Clearing House, provided an in-depth look at his organization's faster payments project, the Real-Time Payments (RTP) system. He began by noting that despite all of the innovations in payments over the past several decades, a new payment rail has yet to actually be created. RTP aims to change that.

"We're in the process of building a new payment rail; it doesn't operate on top of any other payment rails," he said. "But since we're going through the process of building a new payments infrastructure, we're trying to take into consideration all those aspects of payments over the last 40 years that haven't been very effective."

According to Colassano, RTP will not only clear and settle payments in seconds, but it will provide end-to-end visibility. It will work in the evenings and on weekends and holidays. Perhaps most interesting for treasurers is that messaging will move in real-time, along with the payment. "It is a true, end-to-end, real-time payment experience," he said. "It will clear and settle and both parties will be notified in just a few seconds that the transaction has been executed."

TCH expects the system to be operational in the first half of next year. There will be an initial \$25,000 limit on sending transactions, however, TCH expects to ramp up that dollar amount to \$100,000 within a year.

For more exclusive content from Orlando, be sure to check out the AFP Conversations podcast at www.AFPonline.org/Conversations, as well as AFP's YouTube page at www.youtube.com/AFPonline.





Executive Institute

The Keys to Optimal Capital Structure

Experts debated the concept of optimal capital structure at the Executive Institute, sponsored by PNC. Generally, they agreed that the key to ideal capital structure is finding the right balance so that you're not sacrificing your future.

3 Key Takeaways:

1. To design an optimal capital structure, you have to determine the costs and benefits, explained Michael Roberts, professor of the Wharton School of Business at the University of Pennsylvania. You need to determine the trade-offs when determining that optimal level of liquidity.
2. According to Roberts, the textbook view of capital structure is very blunt, whereas in reality, the balance is much more nuanced. There may be things the company wants to do, but the capital markets don't always allow it to do them.
3. It's important to make sure you don't box yourself into a capital structure that could impede the things you want to do in the future, according to Grady Walker, treasurer and finance director for Popeyes Louisiana Kitchen.

NEW FOR 2016

Check out a snapshot of the exciting new features for Conference attendees.



AFP Innovation Series

Quick-paced, 30-minute discussion sessions led by peers that focused on new solutions to common challenges.



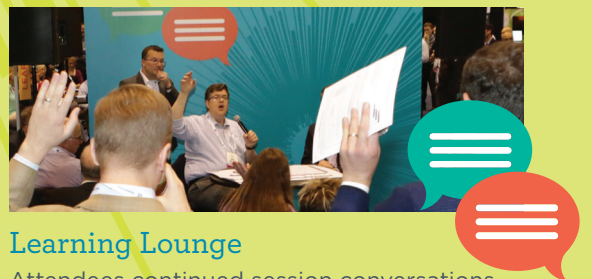
LinkedIn Corner

Consultants taught attendees how to use the platform to showcase themselves as a desirable, well-rounded professional.



Graphic Illustrators

Artists brought select sessions to life by creating a visual record of the conversation.



Learning Lounge

Attendees continued session conversations with select speakers and peers in an exclusive area of the Exhibit Hall.

Hard Work is the Best Part of the Job

During the Tuesday Keynote, astronaut Captain Scott Kelly provided attendees with a glimpse into what it's truly like to boldly go where very few people have gone before.

Kelly, along with Russian cosmonaut Mikhail Korniyenko, spent a year on the International Space Station, where they collected data pertinent to future space exploration. Spending that much time in space requires you to do a lot with very little. But as Kelly explains it, the best part of working off-planet is the challenge itself.

“People often ask me what’s the best part of being an astronaut, and having the privilege of flying in space—because I do believe this is a privilege for me to have been able to do this,” he said. “The best part for me is that it’s really, really hard. Space is hard. It’s not an easy thing to do—flying in space.”

Performing any incredibly difficult task begins with having a goal and a plan, Kelly noted. From there, you need to take risks and be willing to make mistakes. You can’t become comfortable with the status quo. “For me, throughout my career, when I’ve been able to put all these different things together, what I’ve learned is that the sky is not the limit,” he said.

Reflecting back on his early life, Kelly admitted to being a poor student in school who didn’t study or work hard. However, once in college, he read the book, “The Right Stuff”, which is about the Air Force pilots who later became the original U.S. astronauts. Somehow, the 18-year-old Kelly saw something in those astronauts that he saw in himself. “I decided right then and there that I was going to be like these guys,” he said. “I didn’t know how I was going to do it, but I decided that this was my big goal and my plan.”

Kelly’s plan consisted of very small, manageable steps. He forced himself to study, changed schools, changed his major to engineering, joined the Navy ROTC program and ultimately went to flight school. He studied so hard that if he were flying a small, propeller-driven airplane today and he lost an engine, he would still know exactly what to do. “That’s how much I taught myself to work really, really hard,” he said.

Of course, sometimes no amount of studying can make you an expert. Fairly early on, Kelly learned that he was actually, as he puts it, “a really bad pilot.” He noted that



the first time he attempted to land an F-14 Tomcat on an aircraft carrier, he nearly crashed. After failing repeatedly—during the day and not under duress—he seriously questioned whether or not he would ever be able to land planes when it actually mattered.

Nevertheless, Kelly stuck with it. He was willing to take the risks and make mistakes to achieve his goal. Eventually, the Navy teamed him up with an instructor who was proficient at helping pilots improve their landing techniques. After flying with him, it became clear that Kelly was actually pretty good at flying; that all came fairly naturally to him. But that was the problem. He was too comfortable with the status quo, and wasn’t focusing on improving in the areas where he needed to. “I wasn’t making very small, constant corrections,” he said.

The flight instructor eventually taught Kelly to land by forcing him to make those small corrections and never become comfortable with the status quo. “What it took for me was not being comfortable with the way things are,” he said. “And that was a lesson I learned to help me land on the aircraft carrier during the day and at night. And it’s also a lesson I took with me.”

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That mindset has stuck with Kelly throughout his entire career, and it can easily be applied to corporate treasury and finance professionals in their daily lives. “You have to make very small, positive, constant corrections if you want things to get better—or definitely if you don’t want them to get worse,” he said.

