



# GPS<sup>®</sup>

STREAMLINING GLOBAL TREASURY OPERATIONS

## UNLOCKING CORPORATE FX SUCCESS: KEY QUESTIONS YOU CAN'T AFFORD TO IGNORE

Without a well-structured FX strategy, your company may face avoidable currency risk, potentially compromising competitiveness. Our FX program assessment helps you navigate the intricacies of FX management by pinpointing key areas for improvement, ensuring you can proactively manage these risks and stay resilient in a highly volatile global market.

### FX PROGRAM ASSESSMENT

*Six crucial questions for evaluating the effectiveness of your existing FX operations.*

- What is our FX exposure and risk?
  - Cash Flow vs Balance Sheet
- What are the goals of our FX strategy?
  - Defending our budget rate
  - Achieving smoothing hedge rate over time
  - Hedging transaction exposure
  - Remove impact of accounting FX gain/loss
- How scalable is our FX program?
- Are we maximizing organic/natural hedges?
- How efficient is our FX program?
  - Spreadsheet dependent
  - Staff/Management hours per period
- How correlated is our FX portfolio?

### COMMON CORPORATE FX CHALLENGES

*Eight prevalent challenges encountered by treasury practitioners.*

- Undetected Operational Exposures
  - Production costs, supply chain disruptions, market demand swings.
- Assuming Natural Hedges are Sufficient
  - Unreliable offsets between revenues and expenses in foreign currencies.
- Not Considering Non-USD Currencies
  - Neglect from overemphasis on US dollar exchange rates.
- Insufficient Contingency Planning
  - Assuming historical FX trends will continue, plan for extreme movements.
- Lack of Scenario Analysis
  - Perform regular FX rate modeling and scenario testing.
- Ignoring Geopolitical Risks
  - Stay informed and aware of influential global developments.
- Underestimating Counterparty Risk
  - Conduct thorough due diligence, diversify counterparty risk.
- Inadequate Forward Contract Management
  - Ineffective hedging or rolling over contracts without a clear strategy.

LEARN HOW GPS CAPITAL MARKETS CAN OPTIMIZE YOUR GLOBAL TREASURY OPERATIONS WITH TAILORED FINANCIAL SOLUTIONS, COMPETITIVE FX RATES, AND ACTIONABLE INSIGHTS AT [WWW.GPSFX.COM](http://WWW.GPSFX.COM).