FUTURE OF FINANCE

04 HOW TO RATIONALISE YOUR OFFICE COSTS
06 WHAT THE M&A SLUMP MEANS FOR BUSINESS
10 DIVIDENDS: WHY UK PLC IS TOO GENEROUS

You’re moving fast. We’re making it frictionless.

Shaping the future of finance, together.
swift.com/future
How to detect a loyal lender among ‘fair-weather friends’

Finding the right lender is hard even when trading conditions are favourable. So what might make a good borrowing relationship? And how might the growing need for net-zero investments changes matters?

The challenge of finding the right lender

Finding the right lender is hard even when trading conditions are favourable. So what might make a good borrowing relationship? And how might the growing need for net-zero investments change matters?

The challenge of finding the right lender

Finding the right lender is hard even when trading conditions are favourable. So what might make a good borrowing relationship? And how might the growing need for net-zero investments change matters?

The challenge of finding the right lender

Finding the right lender is hard even when trading conditions are favourable. So what might make a good borrowing relationship? And how might the growing need for net-zero investments change matters?

The challenge of finding the right lender

Finding the right lender is hard even when trading conditions are favourable. So what might make a good borrowing relationship? And how might the growing need for net-zero investments change matters?

The challenge of finding the right lender

Finding the right lender is hard even when trading conditions are favourable. So what might make a good borrowing relationship? And how might the growing need for net-zero investments change matters?

The challenge of finding the right lender

Finding the right lender is hard even when trading conditions are favourable. So what might make a good borrowing relationship? And how might the growing need for net-zero investments change matters?

The challenge of finding the right lender

Finding the right lender is hard even when trading conditions are favourable. So what might make a good borrowing relationship? And how might the growing need for net-zero investments change matters?

The challenge of finding the right lender

Finding the right lender is hard even when trading conditions are favourable. So what might make a good borrowing relationship? And how might the growing need for net-zero investments change matters?

The challenge of finding the right lender

Finding the right lender is hard even when trading conditions are favourable. So what might make a good borrowing relationship? And how might the growing need for net-zero investments change matters?

The challenge of finding the right lender

Finding the right lender is hard even when trading conditions are favourable. So what might make a good borrowing relationship? And how might the growing need for net-zero investments change matters?

The challenge of finding the right lender

Finding the right lender is hard even when trading conditions are favourable. So what might make a good borrowing relationship? And how might the growing need for net-zero investments change matters?

The challenge of finding the right lender

Finding the right lender is hard even when trading conditions are favourable. So what might make a good borrowing relationship? And how might the growing need for net-zero investments change matters?

The challenge of finding the right lender

Finding the right lender is hard even when trading conditions are favourable. So what might make a good borrowing relationship? And how might the growing need for net-zero investments change matters?

The challenge of finding the right lender

Finding the right lender is hard even when trading conditions are favourable. So what might make a good borrowing relationship? And how might the growing need for net-zero investments change matters?

The challenge of finding the right lender

Finding the right lender is hard even when trading conditions are favourable. So what might make a good borrowing relationship? And how might the growing need for net-zero investments change matters?

The challenge of finding the right lender

Finding the right lender is hard even when trading conditions are favourable. So what might make a good borrowing relationship? And how might the growing need for net-zero investments change matters?

The challenge of finding the right lender

Finding the right lender is hard even when trading conditions are favourable. So what might make a good borrowing relationship? And how might the growing need for net-zero investments change matters?

The challenge of finding the right lender

Finding the right lender is hard even when trading conditions are favourable. So what might make a good borrowing relationship? And how might the growing need for net-zero investments change matters?

The challenge of finding the right lender

Finding the right lender is hard even when trading conditions are favourable. So what might make a good borrowing relationship? And how might the growing need for net-zero investments change matters?
Many firms that have adopted hybrid working in recent years are facing a tricky efficiency problem: how can they extract maximum value from premises that are seldom fully occupied?

We still see big meeting rooms with just one person doing a Zoom call and lots of communal spaces that are barely getting used at all.

Some companies have been losing the battle to make the most of their premises, believing they could by reducing office space and focusing more on home working. The Financial Times reports that businesses are “adding communal spaces that are doing a Zoom call and lots of communal spaces that are long needed – it’s quite the opposite.”

In many cases where businesses are looking to make their workplace work harder so that they extract other cost-cutting options, there are simply more options that they’re not thinking of because they think of it in terms of cutting down costs to optimise their commercial premises. The key to optimising the efficiency of your working environment is consistent goodwill. Richard Porteous, partner and head of workplace strategy at real-estate giant Knight Frank, explains that the efficiency of your working environment is consistent.

The finance director's fund is the best place to start at optimising the efficiency of your working environment. The finance director's fund is the best place to start optimising the efficiency of your working environment.

The finance director's fund is the best place to start optimising the efficiency of your working environment. The finance director's fund is the best place to start optimising the efficiency of your working environment.

To cope with these added pressures, the importance of ESG makes it imperative for CFOs to set the agenda. And, CFOs will also need to understand how the alphabet soup of acronyms, including investors, customers, stakeholders and suppliers, can be used to increase understanding of the transformative potential of ESG. If CFOs aren’t tactical about how they engage with their stakeholders, the importance of ESG makes it imperative for CFOs to set the agenda.

CFOs should have enough on their plates, but the new age of clouds and data will bring with it an increasing number of opportunities for ESG reporting and reporting. The ability of the firm’s technology to report the right thing at the right time, to the right person, will be critical. And, CFOs will also need to ensure that the entire business understands the ESG roadmap and is committed to achieving it.

The level of investment needed to achieve a basic level of understanding of the importance of sustainability, understanding of the ESG roadmap and is committed to achieving it.

The level of investment needed to achieve a basic level of understanding of the importance of sustainability, understanding of the ESG roadmap and is committed to achieving it.

To cope with these added pressures, the importance of ESG makes it imperative for CFOs to set the agenda. And, CFOs will also need to understand how the alphabet soup of acronyms, including investors, customers, stakeholders and suppliers, can be used to increase understanding of the transformative potential of ESG. If CFOs aren’t tactical about how they engage with their stakeholders, the importance of ESG makes it imperative for CFOs to set the agenda.
We have the election Coming at the back end of next year

Those looking to sell assets will be aiming to do so sooner Rather than later

In recent months, decades long by nature, the cost of M&A activity to the world has surged, reaching its highest level on record in 2021. According to the report on M&A activity in 2021, more deals were reached in 2021 than in any year on record. The report also notes that the level of activity has been driven by a combination of factors, including the global economy, the financial markets, and the availability of capital.

One of the key takeaways from the report is that the level of activity in different parts of the world has varied significantly. In the United States, the level of activity has been particularly strong, with a number of major deals being announced in the past few months. In Europe, the level of activity has also been strong, with a number of large deals being announced in the past few months. In Asia, the level of activity has been more muted, with a number of deals being announced in the past few months.

The report also notes that the level of activity has been driven by a combination of factors, including the global economy, the financial markets, and the availability of capital. The global economy has been particularly strong in recent years, with a number of major economies growing at a rapid pace. The financial markets have also been strong, with a number of major markets reaching record highs. The availability of capital has also been a key factor, with a number of major investors looking to deploy capital into the market.

The report also notes that the level of activity has been driven by a combination of factors, including the global economy, the financial markets, and the availability of capital. The global economy has been particularly strong in recent years, with a number of major economies growing at a rapid pace. The financial markets have also been strong, with a number of major markets reaching record highs. The availability of capital has also been a key factor, with a number of major investors looking to deploy capital into the market.

The report also notes that the level of activity has been driven by a combination of factors, including the global economy, the financial markets, and the availability of capital. The global economy has been particularly strong in recent years, with a number of major economies growing at a rapid pace. The financial markets have also been strong, with a number of major markets reaching record highs. The availability of capital has also been a key factor, with a number of major investors looking to deploy capital into the market.

The report also notes that the level of activity has been driven by a combination of factors, including the global economy, the financial markets, and the availability of capital. The global economy has been particularly strong in recent years, with a number of major economies growing at a rapid pace. The financial markets have also been strong, with a number of major markets reaching record highs. The availability of capital has also been a key factor, with a number of major investors looking to deploy capital into the market.

The report also notes that the level of activity has been driven by a combination of factors, including the global economy, the financial markets, and the availability of capital. The global economy has been particularly strong in recent years, with a number of major economies growing at a rapid pace. The financial markets have also been strong, with a number of major markets reaching record highs. The availability of capital has also been a key factor, with a number of major investors looking to deploy capital into the market.
Base rates have been rising sharply around the world over the past 18 months as central banks struggle to keep inflation under control. With an eye on the cost of credit and the value of their businesses' assets, CFOs are understandably concerned about this, which has reduced their overall confidence in the economic outlook.

Are there any bright spots on the horizon?

CFOs’ INTEREST RATE WORRIES

LIKE INTEREST RATES, CONCERN AMONG FINANCE CHIEFS ABOUT THE COST OF BORROWING HAS RISEN SHARPLY SINCE Q1 2022

Bank of England base rate and share of CFOs who believe that UK interest rates are “very high” or “quite high” between H2 2007 and H1 2023

Cash flow is likely to get squeezed as a result of the increased cost of borrowing

CFOs’ expectations over the 12 months starting from Q2 2023

After a relatively upbeat start to 2023, finance chiefs are again losing confidence

CFOs’ views on their businesses’ financial prospects compared with the previous quarter

Finance chiefs are increasingly hunkering down and prioritising their firms’ short-term survival

Comparison of CFOs’ financial priorities for the 12 months starting from Q2 2021 and the 12 months starting from Q2 2023
Many UK-listed firms are stuck in a rut of rewarding shareholders handsomely while leaving insufficient funds for prudent reinvestment. A backlash against this unhealthy practice has been a long time coming because it’s too high.

Ben Edwards

A high economic condition is now a contestable prize for global capital, but one thing they haven’t been doing back at home is their dividend payments. Well-known companies distribute dividends to their shareholders but are now being asked to do more, increase their dividends and total share return. The business case for more earnings and more dividends is strong and powerful, says Hugh Maule, one of many market watchers who believe that there’s a significant minority of firms that have become really quite fragile because they were allowed to make good management decisions and run the business well. That would be the more sustainable option, but the big problem is that British plc is too myopic to push up dividends and total share return.

Hugh Maule is a partner and head of the corporate, finance and tax team at Link Group, where he helps companies improve their way of doing business, co-written by Leaver, revealed that firms paying the highest dividends were more likely to announce an unexpected earnings decrease. However, the top 20% of dividend distributions in the FTSE 100 were greater than the earnings, so they were generating net income, which meant that they were not used to reinvest their profits in new income, which meant that they were not used to reinvest their profits in new income. It seems like dividends shouldn’t be possible, but it is if you are asking shareholders to consider dividend yields to be high enough to offset the risk of future earnings decline. A reasonable dividend yield is the key to becoming a more attractive listing for the London Stock Exchange in the long run. Companies in high-growth industries may claim a lower rate because they would rather invest more in new projects than pay intermediate cash to shareholders. British semiconductor manufacture Arm Holdings, for instance, recently chose to list in New York.

If the London Stock Exchange is to become a more attractive listing for US technology businesses, then managers’ attitudes towards dividend payments will need to evolve to take these industry specifics into account and become more profitable. One of the key drivers of profit is the way that businesses are run so that corporate ownership(mode) is maintained benefits for all stakeholders, rather than shareholders alone. This should lead to a more sound balance between dividend distribution and reinvestment.

That must be backed up with greater plausibility of ratios at board level, which might help take the dividend out of the aggregate distribution and build upon British management teams to be kitemarked,” says Leaver who adds that accounting regulations frequently work against the culture of companies that have become really quite fragile because they were allowed to make good management decisions and run the business well. That would be the more sustainable option, but the big problem is that British plc is too myopic to push up dividends and total share return. “We can distribute this amount of cash to shareholders next year, says: ‘We can distribute this amount of cash to shareholders next year, but we need to ensure that our dividend forecasts are reasonable.’ For that to happen, companies urgently need to start rethinking their dividend policies and finding ways to use their companies’ dividend payments to benefit their shareholders.

“Many times I’ve sat with management teams and told them that they need to reset the dividend because it’s too high. The way that businesses are run so that corporate ownership(mode) is maintained benefits for all stakeholders, rather than shareholders alone. This should lead to a more sound balance between dividend distribution and reinvestment. That must be backed up with greater plausibility of ratios at board level, which might help take the dividend out of the aggregate distribution and build upon British management teams to be kitemarked,” says Leaver who adds that accounting regulations frequently work against the culture of companies that have become really quite fragile because they were allowed to make good management decisions and run the business well. That would be the more sustainable option, but the big problem is that British plc is too myopic to push up dividends and total share return. “We can distribute this amount of cash to shareholders next year, but we need to ensure that our dividend forecasts are reasonable.’ For that to happen, companies urgently need to start rethinking their dividend policies and finding ways to use their companies’ dividend payments to benefit their shareholders.

The way that businesses are run so that corporate ownership(mode) is maintained benefits for all stakeholders, rather than shareholders alone. This should lead to a more sound balance between dividend distribution and reinvestment. That must be backed up with greater plausibility of ratios at board level, which might help take the dividend out of the aggregate distribution and build upon British management teams to be kitemarked,” says Leaver who adds that accounting regulations frequently work against the culture of companies that have become really quite fragile because they were allowed to make good management decisions and run the business well. That would be the more sustainable option, but the big problem is that British plc is too myopic to push up dividends and total share return. “We can distribute this amount of cash to shareholders next year, but we need to ensure that our dividend forecasts are reasonable.’ For that to happen, companies urgently need to start rethinking their dividend policies and finding ways to use their companies’ dividend payments to benefit their shareholders.

There’s a significant minority of firms that have become really quite fragile because they were allowed to book asset revaluations as profits.
Has the British economy turned a corner at last?

Several of the UK's core economic indicators are improving – albeit slowly. Might it be time to crack open the champagne?

Clara Murray

A dramatic update to the UK's economic figures in November provoked a wave of excitement that we cannot always trust even the most official of statistics. Arrived late from the Office for National Statistics, it showed that output bounced back from the pandemic faster than expected; GDP in Q4 2023 was 1.8% above its pre-COVID level. That might not sound like much, but it represents £40bn in extra economic activity, or 1.8% additional output for the economy. The Office for National Statistics, 2023

The UK hasn't exactly worked out a clear post-Brexit direction – and that has started to affect our output.
Putting essential foundations in place is critical for banks to unlock the fullest potential of digitisation and evolve beyond industry fundamentals. These digitalisation efforts are unprecedented, with billions of dollars being invested in innovation and risk-taking to drive new ways of working. This means that banks need to be ready to embrace change, focus on their positions, and think outside the box. But they also need the right people and culture to modernise their core technology and customer service processes. “Those digital assets should not just be back-end processes that deliver work to the front-end operations, they should be self-serve and allow transactions to take place in a way that fits within their current technology,” says Jeremy Haigh, global head of banking at DXC Technology. “Their challenge is trying to figure out how to digitise in a way that delivers value and aligns with their strategy.”

In a digital ecosystem, banks need to be able to deliver solutions fast and at scale. This means that they need to have a wealth of customer data, which they can leverage to build a more holistic view of their customers and drive new levels of personalisation. “Best-in-class financial institutions will have a wealth of customer data,” Haigh adds. “They can use this data to understand their customers better and create more targeted, more relevant products and services. This is critical for banks looking to differentiate themselves from competitors.”

But it’s not just about having data. Banks also need to be able to modernise their core platforms and reduce inefficiencies. “For banks running on fundamental systems, banks can streamline their operations and cut costs,” Haigh says. “Any platform that is unable to adapt to new technologies will be at risk of becoming obsolete.”

While there are many benefits to modernising, there are also risks. One of the biggest challenges is ensuring that the transformation is done right. “It needs to be executed in very small steps,” Haigh says. “It’s an arms race, and it’s one that banks need to be prepared for. The risk of failure is high, but the potential benefits are huge.”

The ‘essential’ phase includes steps such as modernising existing systems and building new capabilities. This phase is critical for banks looking to digitise their operations and align their technology with their strategy. “In this phase, banks will start to build new digital assets that will enable them to deliver new products and services at scale,” Haigh says. “This is when banks can begin to think about how they will use their data to create value for their customers.”

But the ‘essential’ phase is just the beginning. “The ‘optional’ phase is where banks can start to think about how they can use their data to drive new levels of personalisation,” Haigh says. “This is where banks can start to think about how they can use their data to create value for their customers.”

As banks move through these phases, they will be able to unlock the full potential of their digital assets and drive new levels of personalisation. “Banks that are able to do this will be able to compete with new entrants and disrupt the industry,” Haigh says. “But it’s not easy. It requires a strategic mindset and a willingness to take risks.”

Rohan Bhatia

Adam Dodds, the co-founder and CEO of share-trading app Freetrade, explains how a startup mindset influences the way he runs his firm.

Dean Dodds

“Being a startup is a state of mind. As long as Dodds is in charge at Freetrade, he says, it will always be a “growth company, with a growth mindset.”

B-Corp

As long as Dodds is in charge at Freetrade, he says, it will always be a “B-corporation, with a growth mindset.”

Rohan Bhatia

"I'm not saying that there isn't a small amount of paranoia when you're thinking about how to attract talent from someone who bears a real threat to your model. But you've got to balance your exuberance with your own.”

For Dodds, the vision of the company is more important than the details. “When I was a kid, I thought about how I could make an impact,” he says. “I didn't want to just be a part of something. I wanted to be the creator of something.”

B-Corp

As long as Dodds is in charge at Freetrade, he says, it will always be a “B-corporation, with a growth mindset.”

Rohan Bhatia

"I'm not saying that there isn't a small amount of paranoia when you're thinking about how to attract talent from someone who bears a real threat to your model. But you've got to balance your exuberance with your own.”

For Dodds, the vision of the company is more important than the details. “When I was a kid, I thought about how I could make an impact,” he says. “I didn't want to just be a part of something. I wanted to be the creator of something.”

B-Corp

As long as Dodds is in charge at Freetrade, he says, it will always be a “B-corporation, with a growth mindset.”

Rohan Bhatia

"I'm not saying that there isn't a small amount of paranoia when you're thinking about how to attract talent from someone who bears a real threat to your model. But you've got to balance your exuberance with your own.”

For Dodds, the vision of the company is more important than the details. “When I was a kid, I thought about how I could make an impact,” he says. “I didn't want to just be a part of something. I wanted to be the creator of something.”

B-Corp

As long as Dodds is in charge at Freetrade, he says, it will always be a “B-corporation, with a growth mindset.”

Rohan Bhatia

"I'm not saying that there isn't a small amount of paranoia when you're thinking about how to attract talent from someone who bears a real threat to your model. But you've got to balance your exuberance with your own.”

For Dodds, the vision of the company is more important than the details. “When I was a kid, I thought about how I could make an impact,” he says. “I didn't want to just be a part of something. I wanted to be the creator of something.”

B-Corp

As long as Dodds is in charge at Freetrade, he says, it will always be a “B-corporation, with a growth mindset.”

Rohan Bhatia

"I'm not saying that there isn't a small amount of paranoia when you're thinking about how to attract talent from someone who bears a real threat to your model. But you've got to balance your exuberance with your own.”

For Dodds, the vision of the company is more important than the details. “When I was a kid, I thought about how I could make an impact,” he says. “I didn't want to just be a part of something. I wanted to be the creator of something.”
You’re moving fast. We’re making it frictionless.

Shaping the future of finance, together.
swift.com/future