THE STRATEGIC TREASURY

A Timeline of Liquidity: From Babylon to the Balance Sheet

A MID-MARKET LEADER'S GUIDE TO CASH VISIBILITY, RISK, AND CAPITAL PRESERVATION

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An Always Be Funding Educational Series

BEFORE LESSON ONE

Every Generation Thinks Its Liquidity Problem Is New

It isn't. Long before anyone had a bank feed, an ERP system, or a treasury title, merchants and rulers were solving the exact same problem you're solving this quarter: how do I know, with confidence, what cash I actually have and when it's actually coming?

This guide walks through seven moments in financial history — from a Babylonian marketplace nearly 4,000 years ago to a bank run that happened over a single weekend in 2023 — because the mechanics behind each one are still the mechanics your business runs on today. Same forces, different decade. The goal isn't trivia. Each lesson closes with one thing you can check in your own business this week.

LESSON 1 · BABYLON, c. 1750 BC

The First Rulebook

Nearly 4,000 years ago, the Code of Hammurabi did something no ruler had codified at scale before: it capped interest rates on loans of grain and silver, and it made the terms of a lending contract enforceable, not just customary. A lender who charged more than the contracted rate faced real penalties.

It is, as far as we know, the first time a government drew a hard line between *the rate you agreed to* and *the rate you were actually charged* — and treated the gap between them as a problem worth legislating.

The Modern Parallel

Nearly four millennia later, mid-market finance teams are still losing money to exactly that gap — just quietly, inside a 50-page monthly bank statement instead of a clay tablet. Contracted ACH and wire rates drift upward. Volume-based fees get miscounted. Nobody in the back office has time to check.

EXECUTIVE ACTION ITEM

Pull your last three monthly bank account analysis statements. Line by line, compare the rate your banking agreement actually promised against what you were billed. Most finance teams have never done this even once.

LESSON 2 · CARTHAGE, 241 BC

The Cost of Being Late

After the First Punic War, Carthage owed back pay to the mercenary army that had fought on its behalf. The treasury's cash was tied up in trade routes disrupted by two decades of war, so Carthage tried to negotiate its soldiers down to a fraction of what they were owed.

The result was the Mercenary War — a revolt by Carthage's own unpaid army that came closer to destroying the city than the war it had just survived.

The Modern Parallel

Carthage's economy wasn't small. The problem was never the size of the balance sheet — it was the timing mismatch between when cash was owed and when it actually arrived. Mid-market companies hit the same wall at a smaller scale: a receivable that slips 30 days is an inconvenience; a payroll run or a critical vendor payment you can't cover because of that same slip is existential.

EXECUTIVE ACTION ITEM

Build a simple rolling 13-week view that separates "cash you're owed" from "cash you can actually count on this week." The gap between those two numbers is where mid-market companies get blindsided.

LESSON 3 · ROME, 3RD CENTURY AD

The Slow Leak

Roman emperors financing wars and political favors gradually shaved the silver content out of the denarius, generation after generation. By the depths of the third-century crisis, coins that once traded near pure silver were mostly base metal with a thin silver wash.

No one experienced it as a single dramatic day. It was death by a thousand cuts — one slightly-debased coin at a time — until prices spiraled and confidence in the currency itself broke.

The Modern Parallel

Mid-market companies debase their own capital the same slow way, just in reverse: by leaving large operating balances sitting in low- or no-yield accounts while inflation and opportunity cost quietly erode what that cash can actually buy. Nobody notices the day it happens. Everyone notices the year it happened.

EXECUTIVE ACTION ITEM

Check the Earnings Credit Rate or interest your bank is actually paying on your operating balances against current short-term market rates. If there's a gap, that is leaked capital, not conservative cash management.

LESSON 4 · THE MEDICI BANK, 1470s–1494

One Client Too Many

The Medici Bank was the most respected banking house in Renaissance Europe. Its London branch extended enormous loans to King Edward IV of England to help finance his wars. Edward defaulted.

That single default, layered on top of political upheaval back home in Florence and years of loosening internal discipline, was one of the forces that brought down a bank that had stood for three generations by 1494.

The Modern Parallel

Concentration risk doesn't ask permission before it becomes a crisis. It isn't only about which bank holds your cash — it's how much of your receivables, your vendor relationships, and your liquidity sit exposed to any single counterparty at once.

EXECUTIVE ACTION ITEM

List your top three customers by revenue concentration, and your top three banking relationships by cash concentration. If either list could sink the company on its own, you have a Medici problem.

LESSON 5 · LONDON, 1866

When the Music Stops

Overend, Gurney & Co. was so trusted it was called "the bankers' bank" — as safe, people said, as the Bank of England itself. Then a run of increasingly risky loans it had never stress-tested caught up with it, and it collapsed in 1866.

Its failure froze short-term interbank lending overnight. Firms that had never done business with Overend Gurney directly suddenly found cash they'd assumed was liquid was nowhere to be found. London's papers simply called it Black Friday.

The Modern Parallel

The lesson was never "take no risk." It's "model the ugly scenario before it happens, not during." Most mid-market finance teams have never actually run the math on their worst plausible combination of bad news — a delayed customer payment landing the same quarter a credit line gets pulled.

EXECUTIVE ACTION ITEM

Pick the worst plausible combination of bad news your business could face this quarter. Run the cash math on paper before it's real, not after.

LESSON 6 · NEW YORK, 1907

Trust Is the Only Currency

The Panic of 1907 began with a failed attempt to corner a copper stock, but what actually sank the Knickerbocker Trust Company was a depositor run: once people lost confidence that their money was properly controlled, lines formed around the block within days.

It took J.P. Morgan personally assembling a pool of private capital to stop the panic from spreading further — a near-miss serious enough that it directly led to the creation of the Federal Reserve six years later.

The Modern Parallel

At the mid-market level, this shows up as internal controls, not literal bank runs: one employee with unchecked authority over outbound wires, no separation between who initiates a payment and who approves it, no verbal callback when a vendor's banking details suddenly change. Mid-market companies rarely fail dramatically — they fail because nobody was required to double-check.

EXECUTIVE ACTION ITEM

Confirm you have maker-checker controls on every outbound payment channel, and a verbal callback protocol for any changed payment instructions. Email alone is not verification.

EPILOGUE · MARCH 2023

The Same Six Lessons, Compressed Into 96 Hours

In March 2023, two U.S. banks failed within days of each other. Strip away the modern vocabulary — unrealized losses, duration risk, uninsured deposits — and it's the same six lessons above, just running at a different speed: concentration in a single sector and a single bank (Lesson 4), an asset quietly losing value in the background before most people noticed (Lesson 3), and a collapse of confidence that turned into a full run in about 48 hours (Lesson 6) — amplified by mobile banking and social media instead of a line around the block.

The only thing that actually changed in nearly 4,000 years is the speed. Companies with real multi-bank diversification, genuine cash visibility, and pre-modeled stress scenarios treated that week as an inconvenience. Companies without those things found out in real time how fast "we've always been fine" stops being true.

Why We Built Always Be Funding

None of the six lessons in this guide are exotic. They're the same handful of failure patterns, repeating in different costumes, for four thousand years. What's changed is that a mid-market company no longer needs a Fortune 500 treasury department to defend against them.

We're building the Always Be Funding Treasury Engine to put these six checks on autopilot: automated 13-week cash visibility that separates promised cash from probable cash, contracted-rate auditing that catches the gap Hammurabi first tried to legislate away, and multi-bank stress scenarios you can run in minutes instead of never.

We're opening a limited number of private beta seats to mid-market finance leaders who want these frameworks built around their own banking and accounting data — starting with a complimentary historical bank fee audit, on us.

Apply for private beta access: alwaysbefunding.org/private-beta
Or reach out directly: matt@alwaysbefunding.org