

Bubbling along nicely



THE HIGH LEVEL OF ACTIVITY IN THE RECRUITMENT MARKET IS SET TO KEEP GOING WELL INTO 2007. **DEBORAH THOMAS** LOOKS IN DETAIL AT WHAT WILL BE DRIVING TREASURER RECRUITMENT THIS YEAR.



Without doubt 2006 was another very busy year in the treasury recruitment market, in which the main drivers were treasury controls, merger and acquisition (M&A) activity, increased banking activity, systems implementation and change management. The market has been extremely active at all levels except for the senior market, which is more restricted in terms of the number of roles becoming available. As ever, competition for top talent remained fierce, with clients building depth on the bench, and candidates focused on roles to enhance their experience and hence their career opportunities.

So what does 2007 hold? The current view is that the market will continue to be buoyant through 2007, or at least during the first half of the year. The issues facing treasury departments moving into 2007 will be the following:

TREASURY CONTROLS IAS39 and Sarbanes-Oxley will continue to make extra work for corporates and banks alike, keeping up the high demand for finance professionals with an accounting qualification as well as treasury experience. The combination of ACA and ACT is seen as highly desirable by clients across the market.

SYSTEMS Clients continue to look at systems enhancement, particularly when it is web-enabled. Companies are always looking to make cost savings via systems enhancement and to free up staff to add value across the business. Cash management solutions are developing apace, although there are issues around the number of different bank systems, with clients preferring a common platform. Demand will remain high for those with project management and implementation skills.

MERGERS AND ACQUISITIONS Continued activity in this area is a double-edged sword for treasury, sometimes resulting in redundancy but other times in an enhanced position for the treasurer. Last year saw several international takeovers which resulted in a number of large treasury department redundancies in the UK. There is no reason to assume that this year will be any different given London's favourable approach to foreign investment. However, the protracted availability of inexpensive debt in this area and current height-of-market activity are taking us into classic bubble territory.

CHANGE MANAGEMENT Treasury functions are looking beyond their traditional borders and seeking to add value to the business at a commercial level. This has led to the restructuring of some departments to reflect the need to thoroughly understand business dynamics in decision-making, which can cover everything from contract negotiation to working capital management.

BANK ACTIVITY The market for debt is still buoyant but margins are starting to firm up. Recent rate increases and the need to protect balance sheets are driving this trend and banks are increasingly looking

at their portfolios to balance risk and return. The importance of auxiliary business continues and some banks are looking at the very long-term relationships with their customers – being innovative and supportive through the difficult times rather than pulling back when a breach takes place. Banks are accordingly recruiting staff who can deal with the technical issues but are also innovative, commercially minded and able to get close to their market.

As ever, the barometer of the market will be the banks, particularly the US banking community which reacts immediately to any downturn in activity.

CONSULTANCY There is a continued demand for treasury professionals – mainly with the mix of finance and treasury qualifications and experience to work within the consultancy sector – in areas of treasury controls, change management, systems, bank reviews and due diligence for M&A deals. The market is quite specialised and requires treasurers with strong technical and interpersonal skill sets.

GROUP TREASURERS The more senior the candidate, the fewer positions become available and the more competitive the market becomes. Some group treasurers are continuing to gain the opportunity to broaden their skill set into pensions, insurance and corporate finance. There is also some movement in the non-executive and trustee arenas which support treasurer positions. Many treasurers are finding themselves *in situ* for longer than they would like, which adds to the bottleneck at the senior end, with deputy treasurers also banging on the door. This market will remain tight.

INTERIM The interim market also continues to offer opportunities for experienced professionals. Assignments vary from review of procedures, setting up departments (private equity), global cash management projects and debt negotiations. Top candidates and jobs are in short supply, so competition will remain fierce on both sides.

Overall, the market for 2007 should continue to be buoyant. This is partly determined by market shortage (treasury accountants are much sought after) – in these instances clients are utilising internal finance to resource and train. The markets continue to send mixed messages but, in general, the feeling is still positive, with the FTSE continuing to climb. Much as we would like to have market foresight, our advice to clients is to look after staff well and to enhance their skill sets to add value to the business. Think about succession planning. As treasury departments are notoriously lean, a change in circumstances can have an immediate and lasting impact.

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