

Opportunity knocks

A HOST OF MERGERS AND ACQUISITIONS, BOTTLENECKS AT SENIOR MANAGEMENT LEVEL, AND THE PENSIONS CRISIS ARE ALL HAVING A PROFOUND IMPACT ON JOB PROSPECTS. BUT AS ALWAYS, MARKET TURBULENCE BRINGS OPPORTUNITIES WITH IT. THREE INDUSTRY EXPERTS ASSESS THE IMPLICATIONS.



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The last 12 months have seen a dramatic mergers and acquisitions, with little sign of any let-up. In addition to this, the complexity, scope – and in some cases, size – of some of the transactions also offer treasurers an excellent opportunity to stretch themselves mentally and really to add value to their organisations. At the same time there is the opportunity to impress on the board and company advisors their skills and value to the organisation.

However, one of the potential downsides to all the mergers and acquisitions activity is that many UK companies have been targeted by foreign corporates. As a result, the treasury function effectively goes "home" to the group HQ, making a significant number of treasury professionals redundant. While this is obviously not good for UK treasury staff, it is to an extent offset by the requirements of private equity firms for a treasurer either pre- or post-purchase. The banking world is also reaping the rewards of an active mergers and acquisitions market and increasing its need for experienced treasurers.

As always, those treasurers who can broaden their skills base will enhance their overall skill set and stand out from the crowd. Skills can be acquired through further study, by playing an active part in any merger and acquisition, disposal, or major finance project, jumping on board the hot topic of pensions, or by transferring across into the banking world of treasury.



Deborah Thomas
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One of the greatest threats to treasurers at the moment is bottlenecks at the senior end of the market.

This is being caused by a number of issues, one of which is the appetite for mergers and acquisitions from international suitors. This has led to several large treasury functions being made redundant, tightening the

market and adding further pressure to the bottleneck at senior levels. It is hoped that the private equity market will be back in action in greater force over the coming year, which in turn will create new opportunities.

Length of tenure has also been an issue, with treasurers staying in situ for longer periods of time. This is partly due to the nature of the market and the limited opportunities to move beyond the main treasury remit. However, there have been opportunities for treasurers to add pensions, insurance (more general risk as complexity around the area grows) and in some cases corporate finance to their remits.

It is increasingly key for treasury functions to add greater value to their organisations. Adding value can take various forms – from working closely with commercial teams on bids, working capital management and cash management/forecasting improvements, to innovative funding solutions and lowering the overall cost of capital. This presents a great opportunity for treasurers to demonstrate the commercial nature of their roles and raise their profile.

Finally, those who wish to step outside mainstream treasury can work to convince senior executives that certain treasury backgrounds have as much ability to become a finance or commercial director as someone from a finance background. This is extremely challenging in a controls environment and tends to require a hybrid background.



Matt Mattheou
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One of the most topical issues facing all of us – and one which will stay at the forefront of all of our minds – is the pensions crisis. More and more corporates are enlisting their treasurers to become trustees of the company pension scheme. Treasurers' skills – expertise in managing financial risk and knowledge of the regulatory framework – makes them ideally suited to the role. Bearing in mind the increased importance that companies are placing on the pensions problem, this is an ideal opportunity for treasurers to grapple with a complex and highly relevant issue as they certainly have the influence and experience needed to manage pension assets and liabilities.

But any treasurers who become pension trustees must act objectively when taking part in any decision making and must ensure that they balance their twin roles.

However, as is often the case, most treasurers will find that taking on board the role of trustee brings no increase in salary, only a heavier workload. But it does give good exposure to those prepared to put in the time.

