

# Balancing act



WILF STEPHENSON, TREASURER AND BURSAR FOR OXFORD'S ORIEL COLLEGE, TELLS **GRAHAM BUCK** HOW HIS JOB MIXES BUSINESS ACUMEN AND THE DEMANDS OF ACADEMIA.

PHOTOGRAPHER: ROGER HARRIS

A sizeable number of ACT members are treasurers of historic organisations, but few can match Wilf Stephenson, treasurer and bursar of Oriel College, Oxford, founded in 1326. Stephenson took up the combined post of domestic bursar and estates bursar/treasurer in 2005. A big attraction was the opportunity to work with Oriel's provost, Sir Derek Morris, former chairman of the Competition Commission.

Although the college's financial position has improved since he joined, Oriel is less well endowed than some of its neighbours. "I have to look at costs closely and look for every opportunity to increase revenue, while maintaining all aspects of the life of an Oxford college," says Stephenson. The task for his team is to provide the environment and resources for "a community of academics" ranging from new undergraduates to world-renowned professors.

"When I first arrived I knew very little about the running of kitchens, which was something I had to get to grips with," he recalls. "Appointing the new head chef was probably the most important thing I did in the first six months!"

The job involves many other matters that treasurers in the business world aren't often exposed to, such as dealing with formal complaints. But this is balanced by other work more familiar to corporate treasurers – Oriel's investment portfolio includes a significant level of debt, and Stephenson inherited several leveraged property acquisitions when he joined.

"It's a fairly unusual approach for what appears to be a risk-averse institution, but it was another reason why my skill set was suited to the job," he says. "I was delighted to arrange a 30-year refinancing early in 2008 at a margin a fraction of what is available today."

Those skills were initially acquired at Mobil, which he joined in the late 1970s after leaving Cambridge with an MA in geography. "I joined Mobil's supply and distribution operations, which meant scheduling delivery of crude to its Essex refinery, dealing with North Sea shipments and simultaneous deliveries from the Gulf. It was a good place to start, contrasting with friends entering 'sensible' professions such as law or accounting. With Mobil, you did a proper job from day one. I soon progressed to one/two-year planning projects and also developed a new computer model for the refinery."

Having broadened his experience over four years, including work in strategic and market planning, he moved into Mobil's treasury "to develop my financial know-how, as treasury appealed more than accounting". He also took the corporate finance programme at London Business School and drew heavily on accounting knowledge he had acquired over a number of vacations while at university. "I remember being handed a shoebox full of cheque stubs and bank

statements and being asked to produce a trial balance for a sweet shop!" he recalls of his LBS course.

"I'd heard of the ACT at this time but wasn't really aware of it as a vehicle for further training; I thought it was more of a social club."

Three years of treasury work, including cash management, FX and the money markets, dealing and hedging, led to the financing of major projects and managing the insurance portfolio.

"The group had big tax losses but a very good capital budgeting process," he says. "I was able to do my own financing, working mainly on tax-based leasing. Operating leases enabled us to avoid various restrictions as the rents served as operating expenses, paying for items such as trucks and upgrades of our service stations."

As he prepared to embark on an MBA at City Business School, he was offered a transfer to Mobil's marketing and refining division in New York as an analyst/FX manager in divisional treasury.

He set up a system for transmitting FX orders round the world to wherever rates were most favourable, rather than having a central FX department. Time differences were exploited by using the local treasury departments in London, Tokyo and Singapore in addition to New York.

Declining the opportunity of moving onto the international circuit for family reasons, he returned to the UK after two years, expecting to move from treasury and gain further experience in other areas. "I was instead made assistant treasurer of Mobil North Sea, by which time it was apparent that I was destined to specialise in treasury."

After 12 years at Mobil, he moved to Amerada Hess (now Hess Corporation), which was run more like a UK independent. "There was little in the way of a corporate structure and we carried out our own financing in the London market, which was one of the main attractions."

Having joined as deputy treasurer, he was promoted to the senior position three years later, with a team of 12 people combining back and front-office. In 1996 he added the role of treasurer Amerada Hess International, which was developing a business in the Far East.

"Hess had a trading culture, so the treasury team included an FX trader, because if you were managing big currency positions you needed to be in the market," he adds. "However, we had a very clear understanding of the capital at risk and worked within well-established limits."

By the late 1990s, it was time for a change. "I decided to seek experience in another industry where I could use the skills that I'd developed in big, capital-intensive cashflow businesses," he says.

He joined property business Grosvenor as group treasurer just as it was decentralising into regional operating companies under a holding company. "I was asked to set up a central treasury, effectively a



Grosvenor Bank, which was an exciting challenge. The group already had a North American business but was expanding elsewhere, so there were funding and FX issues for all of these operations.”

But then the board reversed strategy and decided to decentralise treasury. Stephenson’s role changed from group treasurer to group corporate finance director. His work included corporate reporting and capital allocation for the regions and required greater familiarity with accounting and production of a plc-style annual report.

His next move was to Chelsfield, another property group. “It was the first plc I had worked for, but its chairman, Elliott Bernard, decided that he wanted to take Chelsfield private. So it was an interesting time, but also very hard work. The company went private, but was soon split up between Westfield, Multiplex and other investors. I had the opportunity of moving over to one of these groups, but decided it was time for a more varied life in the not-for-profit sector.”

His role at Oriel mixes academia and the business world. Daily issues can include dealing with students’ unpaid bills, recruiting a new porter, leasing the college’s retail properties and checking on its thriving conference and summer school businesses (the latter account for a sizeable chunk of income). There is also a chapter to be written for the new history of the college.

Stephenson is also a member of the Oxford estate bursars committee, where he takes a lead on city planning matters and other local authority issues. For a couple of years this included being a director of the city centre management company.

“It adds an extra dimension to get involved in the local authority, although I can’t claim that the motives for doing so are entirely altruistic,” he says. “Oriel holds property in the city centre and wants to ensure it remains prosperous.”

Another adjustment has been to the composition of his working year. Although he is always busy, he says that academics are generally averse to

meetings being held during vacations, so they nearly always take place during term time. “This means you carry out more background work during vacations, working to a different pattern but keeping up the momentum while also doing longer-term strategic work.”

Both Oxford and Cambridge colleges are in the process of becoming registered charities. This requires translating documents dating back to the foundation of the college. The change was anticipated at Oriel, with treasurer and provost establishing an audit committee.

“We also have a remuneration committee and an investment advisory committee – again with a majority of external members. It might not meet every requirement of Turnbull, but goes a long way towards it. And we are extremely fortunate to be able to draw on the expertise and experience of some distinguished Orielenes for advice.”

A major impending challenge is the replacement of universities’ teaching grants by fees. “Oxford will probably go to the top end of the fee structure, but any extra money generated for the college itself will be minimal,” he predicts. “It will also come with a number of strings attached, so I’m not counting on much, if anything, coming our way.”

Outside of the day job, Stephenson is involved in village life and community fundraising. He has a deep interest in the conservation of historic buildings, rows and is a keen cyclist – he recently completed the 100-mile Blenheim Palace Sportive.

“I’m not as regular an attendee at ACT conferences these days but still value its work and training and the regular updates in *The Treasurer*,” he adds. “I’m a member thanks to my experience rather than the exams – which I regret as now they are clearly the way to go. I’ve had staff who’ve completed both the ACT exams and MBAs, and would value the MCT higher.”

Graham Buck is a reporter on *The Treasurer*.

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### Quick-fire quotes

#### WORDS YOU MOST OFTEN SAY TO THE PROVOST

Yes, but only if it’s funded.

#### WORDS YOU MOST OFTEN SAY TO YOUR TEAM (OR OTHER BURSARS)

Great – thanks!

#### DOUBLE DIP OR GROWTH AHEAD?

Growth.

#### DEBT OR EQUITY?

Debt.

#### FIXED OR FLOATING INTEREST RATE?

Fixed.

#### BIGGEST SUCCESS IN YOUR CAREER?

Adapting my business skills to successful management of a college with a “board” of 50 fellows.

#### DEAL YOU ARE MOST PROUD OF?

£800m refinancing of Amerada Hess.

#### MOST VALUABLE PART OF THE ACT

QUALIFICATIONS? Giving treasurers the confidence and skills to contribute at the highest level.

#### REASON FOR ATTENDING ACT CONFERENCE/

EVENTS? Keeping up with best practice.

#### BLACKBERRY OR IPHONE?

IPhone.

