

KEEPING THE WHEELS TURNING



In times of change, companies often need outsiders to hold the fort. Could interim treasury be the career option for you? Philip Smith reports

> It can sound like the ideal working proposition – working when you want to, a great variety of projects and company sectors, and the freedom to be your own boss. But interim management roles in treasury also have their downsides – you could be faced with periods of time with no work, and therefore no income, while it can also be a lonely existence – you are an outsider with no corporate network for support.

Setting aside the pros and cons, anecdotal evidence would suggest that interim management is a career path that more professional treasurers are considering. This might not necessarily be through choice – redundancy can leave some without any alternative in the short run – but it is entirely possible to turn negative circumstances into a positive situation.

Redundancies can also play to an interim manager's advantage – while pressure for headcount reductions may remain, the work still needs to be done. In this situation, an easy option is to bring in someone with specific experience to work on clearly

delineated projects, adhering to a specific timetable.


But is there really a growing demand for interim treasury professionals, or has the market already peaked? “Yes, there does seem to be a growing demand,” says Tim Canty of Canty Treasury Management. “In my own particular case, I am getting approached a lot more than I did three or four years ago.” Canty puts this down to two things. The first is that, quite simply, he has more experience now as an interim manager. “People in the market know me, and word of mouth is often the best way to get known.” But the second point is that, as Canty says, since the financial crisis, banks have become increasingly concerned about, and ask for a lot more information on, potential financing arrangements. “As a consequence, a lot more time and effort need to be put into talking to your banks, and managing to meet all the criteria they have,” Canty explains. “There are a lot more hurdles that you have to jump over.”

But these hurdles do not arise on a daily basis, so when a company is considering a refinancing with its banks, it may turn

to an interim treasury manager to help build its case on a project basis. And the experience they bring can be invaluable. “Companies need to understand what banks need,” says Canty.

But it is not just in refinancing where interim treasurers can play a role. Cash management, and in particular cash pooling, is an area where demand is growing and a treasurer with systems development experience will always be sought after, says Canty. And those companies that are in the process of setting up their treasury departments for the first time will be looking for experience that they may only need for a period of a few months.

> Mike Tucker, a director at MR Recruitment, has also seen demand for these types of treasury skills. But he believes that demand for interim treasurers may be waning after reaching a peak during the financial crisis. “If you take it back and look at the middle of the crisis, then there was certainly an increase in the activity levels for interim treasurers,” he says. “One of the main >



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reasons for this was that while there was increased pressure on headcount, the increasing profile of treasury and associated work meant there was a greater need for functions to supplement expertise. From refinancing to treasury management systems implementation, interim senior treasury professionals found themselves in demand.” In these situations, Tucker argues, it was easier to get the budget for a temporary position than a permanent hire, and the short-term nature of the requirement meant this was often all that functions required.

Tucker also observes that there was a demand for people, particularly over the past 12 months, to ‘hold the fort’ until a permanent appointment was made. “These hires have now come to fruition,” he says, commenting that the market for permanent treasury positions, including those at a senior level, has improved recently.

This is a view also held by Kyra Cordrey, director of the CFO practice at Page Executive. “It is a cyclical, sporadic market; there is a demand, but it is not as strong as it has been in the past,” she says.

There is one particular niche area where Cordrey has seen demand, however – where private equity (PE)-backed companies are going through a refinancing process. “Such firms want someone with PE experience,” she says, “because they will know the subtleties and nuances that will be required, and if they have worked with the PE house before, that’s even better.”

There are probably two broad types of treasurer who could be tempted down the interim route. There are those who, through no fault of their own, find that they are without a job – redundancy can force such people down the interim path even if they had not considered it as an option before. Then there will be those who have reached a point in their career where they are prepared to take the risk and head out on their own. Such

people will tend to have had considerable experience so that they can confidently get up to speed if and when they land an interim position.

Of course, it can be a combination of the two – redundancy may have forced the situation, but those who are ready will grasp the opportunity and turn it to their advantage.

“In this climate, I wouldn’t encourage someone to leave a good job to become an interim,” says Cordrey, “as you may pick up work in the short term, but you don’t know what’s round the corner.” But if you do want to pursue the path of an interim, Cordrey has some important advice: “Don’t undervalue yourself, but remember you are still in a buyers’ market,” she says. In other words, think carefully about the rates you want to charge for your services – pitch it too low, and employers may think you do not have the right level of experience; pitch it too high and you risk being undercut or pricing yourself out of the market.

> An interim group treasurer could expect to make anywhere between £800 and £1,200 a day, depending on their level of experience and the nature of the work. Other interim positions could be broadly within the £500 to £1,000 range. As Tucker observes, anything more than £1,000 a day could breach a psychological barrier. “An interim treasurer should resolve problems and issues quickly, and a good track record will enable them to push up their daily rate and, more importantly, justify it,” he says.

Price aside, the key to a successful career in interim work lies with networking – all agree about the importance of keeping in touch with former work colleagues and other acquaintances who may be able to offer assignments.

“Use your own black book and get out there and talk about what you do,” advises Tucker. Social networks such

as LinkedIn will invariably figure in any marketing campaign, “but the danger is that it is impersonal,” says Canty. “I’m more used to getting on the phone and talking to people.” Of course, the ACT provides plenty of opportunities for networking activity.

But if you are on the other side of the equation, and are looking for an interim treasury manager, is it easy to find someone who can quickly get to grips with the role and give you the service you require? Graeme Middleton, group treasurer at Honda Motor Europe, found himself in this situation recently. His specific need was to find cover for a treasury manager who was leaving – the move gave Middleton the opportunity to look at how the work could be rationalised and headcount used better. “I wanted someone to come in and pick up as much as they could from my treasury manager, but then to look at the job itself – how much could be pushed out to the shared service centre, how much could be standardised and simplified,” explains Middleton. “I needed someone to come in and look at it laterally.”

Middleton says that he was looking for a broad base of skills and experience, preferably with a number of different companies. “You want them to bring experience to the table and to hit the ground running,” he says. “You are likely to be challenged in finding someone who covers everything you need, so you have to be prepared to be partially, but maybe not fully, covered. You may have your wish list, but it is not easy to tick every box.”

So can interim management be a good move for a treasurer? “Yes, possibly,” says Middleton. “I’m sure it can be if you move into the right company. I don’t think it would be an easy ride, though. One would need to market and price themselves correctly.”

“You have to be confident you can survive,” agrees Canty. “If you have got a large number of years’ experience with several companies, it can work. But if you have limited experience, be careful. Gravitas and maturity are considered important by clients, so it might not be an option for the young.” ♥



JEAN-PAUL RIGAUD

Jean-Paul Rigaud, based in Paris, has been an interim treasurer since 2006, when he decided to move out of a large group and become his own boss. It is a move he has never regretted, although he acknowledges that he has, to some extent, been lucky. “I found work straight away through contact with a member of the Association Française des Trésoriers d’Entreprise, and since then I’ve never spent too long without anything to do,” he says.

On average, his assignments have lasted nine months. Around half have arisen as a result of a departing group treasurer, where he has been called upon to carry out the role until a replacement has been identified. Other roles have included cash management and back office work. “It has been fascinating to move from one group to another,” he says. His assignments have been with groups in a number of sectors, including nuclear energy, gas production and the pension fund industry.

“You have to be able to adjust to new environments. You don’t have a month or so to see how everything works,” he says. “You have to be able to learn very quickly.”

Rigaud says that the other skills an interim needs to be successful include good human relationship skills and an ability to market yourself. “This is how you find your next job,” he says.

Good personal financial management skills are also very important, as you may be without work for two to three months, Rigaud explains. But then, treasury managers should be well skilled in such areas in any case.

Rigaud believes there is strong demand for his services, partly because while there is continued pressure on companies to cut expenses, treasury departments still need people with good experience. “In treasury, there are a lot of projects that create temporary needs,” he says.



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