

Corporate pin-ups

In its own way, 2009 has been as dramatic in terms of the treasury world as 2007 and 2008. While not having the high-profile failures of those years – Northern Rock, Bear Stearns, Lehman Brothers, et al – there has been huge drama in the global financial system. We have worked with the impact of quantitative easing programmes in the UK, the US and the EU, surging bond markets, equity issuance, a return to corporate M&A and continuing volatility in commodity markets. The Treasurer attempts to reflect both current concerns and potential changes in the financial world; whether successfully or not is for the reader to judge – and your feedback is always welcome.

The Treasurer is guided in its content by the Events and Publishing Committee, which meets every couple of months. The committee members are drawn from the financial and non-financial corporate treasury community and the key feature of its meetings is a “what’s on our agenda?” discussion. This allows for all manner of topics, issues and market insights to be discussed so that the ACT events team and The Treasurer can plan events and editorial coverage that fit current and future developments in treasury. When allied with The Treasurer’s focus on the core elements of treasury, this is a highly valuable process for the ACT. This article is an appropriate opportunity to look back at 2009 and see what we have focused on to help treasurers and others manage these issues in their workplaces.

We started the year with some gloomy analysis and forecasts of a potential deepening of the recession leading to rising unemployment and corporate distress. 2008 had proved extremely difficult for corporate fundraising and financial management, and our celebration of the Deals of the Year Awards included many deals that had been “tough”, “challenging” and “time-consuming”. As we would discover, 2009 would be much easier for those with capital markets access.

A constant over the year has been the heightened awareness that cash and liquidity management, too often considered to be the Cinderella in treasury, deserves its place at the treasury management table. Cash shot to the top of many treasurers’ agendas, propelled by the coming together of the credit crisis, regulatory change (the EU’s Single Euro Payments Area and Payment Services Directive) and new entrants in the technology space taking advantage of the turmoil in pan-European banking.

Over the course of the year The Treasurer and in particular its Cash Management supplement had considerable success in attracting informed comment and the most practical advice available from all around the market, with pieces on cross-border pooling, investing in money market funds and mobile payment technology. During the year we also featured cash management case studies from the likes of



PETER MATZA LOOKS BACK ON ANOTHER TUMULTUOUS YEAR FOR CORPORATE TREASURY TEAMS, WHEN TREASURERS CONSOLIDATED THEIR EMERGENCE FROM THE BACKROOM TO THEIR NEW ROLE AS THE DARLINGS OF THE BOARDROOM.



Executive summary

- The pages of The Treasurer this year have reflected the rapid changes in a challenging and volatile environment by covering a huge range of evolving instruments and strategies for treasurers. In 2009 the magazine has covered everything from cross-border pooling, investing in money market funds and mobile payment technology to asset-based and asset-backed funding, CDS loan pricing, cashbox placings and private placements to keep treasurers up to speed in a constantly changing world.

Tesco and Morrisons in the UK, and from the ACT Middle East \$5bn (sales) Kuwaiti logistics company Agility, and oil and gas services giant Halliburton, discussing its Dubai-based transaction centre. The success of the ACT’s qualification in this area, the CertICM, has been reflected in our use of the Cash Management supplement to offer educational guidance in areas as diverse as continuously linked settlement, transfer pricing and inter-company financing.

Given the difficulties all corporates have experienced in raising finance – even the largest have needed to manage their market exposure – there has been a consistent need to explore alternative sources of funding. The diversity of ACT members and their businesses has been reflected in our coverage of a wide variety of financing techniques, such as asset-based and asset-backed funding, credit default swap (CDS) loan pricing, cashbox placings, rights issues and convertible bonds, private placements and the need for more retail-oriented bonds. And specific capital raising case studies from the likes of specialist paper manufacturer Sappi detailed just how much time and effort treasurers spend worrying about the day job!

It is sadly a feature of modern financial life that the rules of the treasury game – whether regulatory, legal or accounting-driven –



ACT training courses

ACT Training Programme 2010 now available

The ACT has been providing training courses for over 15 years to those working within and alongside treasury, risk and corporate finance.

SPECIAL OFFER FOR ALL ACT 2010 TRAINING COURSES SAVE 10% WHEN YOU BOOK BY 31 DECEMBER 2009

This year's programme offers a combination of established courses and a selection of new programmes to suit all levels of ability. New courses include **Advanced Cash Management**, **Corporate Treasury for Bankers** and **Pensions for Treasurers**.

ACT courses are run by highly experienced finance and treasury experts who not only provide educational training but also give you the opportunity to discuss any specific challenges you are facing in your role.

Dates for your diary

Essential Treasury for Support Staff – Key skills

9 March 2010

“Great introduction to treasury!”

Sarah Powell, Group Treasury Manager, Rank Group

This one-day course develops knowledge of the core elements of the corporate treasury function. It outlines the key issues and uses practical examples and non-technical language to aid understanding.

Pensions for Treasurers – New course

23 March 2010

This one-day course will explain why Defined Benefit (DB) pension deficits continue to represent a problem. It identifies the risks for the sponsor in maintaining a company pension scheme and indicates how the issues raised can be managed.

Book online at www.treasurers.org/training

For details of the extensive range of practical training courses provided throughout 2010 visit www.treasurers.org/training. As many courses consistently sell out we advise early booking to secure your place.

We look forward to welcoming you on an ACT Training Course soon.

For all ACT training courses contact Maggi McDonnell at mmcdonnell@treasurers.org, phone +44 (0)20 7847 2559 or visit www.treasurers.org/training

impinge on all aspects of treasury management. Many treasurers have become the go-to man or woman in their organisations: the individual to whom their colleagues refer when confronted with the complexities of the financial crisis of the past 24 months.

Whether in pensions, derivatives, debt facilities or business practices and ethics, the contemporary treasurer must plot a path through a complex and demanding environment. Most valuable here are the experiences and knowledge of treasurers who have addressed these issues and found pragmatic – and often innovative – solutions to these concerns. The ACT and The Treasurer make considerable use of this resource and increasingly, it should be noted, so have a number of the governmental and regulatory institutions of the UK and the EU. The work done by the ACT and EACT on US and EU proposals for over-the-counter (OTC) derivatives is a classic example. It is no accident that the most consistent feedback the ACT receives on its events (and publications) is how well received this sharing of knowledge and experience is. In turn, much of this is distilled into the ACT's education and training programmes – more and more the global standard of treasury achievement.

We rely on our own members for detailed knowledge, but we are also indebted to a host of other contributors, who have brought their specialist skills and expertise to our content. It has become clear that treasurers are now called on to manage a much wider range of business activities and risks than might traditionally have been the case. While many current business circumstances require definitive answers (as far as possible) – for example, setting counterparty financial exposure limits – it is important that we accommodate a broad church of opinion and comment, whether from directly inside the financial services industry, from the technology sector or from other commentators with particular insights.

Peter Matza is head of publishing at the ACT.
pmatza@treasurers.org