

# E-LEARNING

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Oceanus had been struggling recently to understand where all the talk about e-learning is leading. This interest was triggered two years ago when a large organisation, gripped by the e-business bug, decreed that all staff, from the top down, should master the intricacies of the e-environment (which proved to range from surfing the net to grappling with data encryption).

Any incipient smugness was immediately sand-bagged as it was announced (in an email, of course) that passing an exam in e-business would be a prerequisite to remaining in the firm! Three strikes and then you were out. To learn about e-business you would need an e-learning package – textbooks could not be contemplated. Then it got better: to show commitment to this new environment, the exam had to be online.

There were holes in the concept. Readers with experience of knowledge assessment through multiple choice questions (MCQs in the jargon), will have guessed that the 'three strikes and then out' principle was about to be stress-tested by astute students of the databases that drive the (random) selection of MCQs. Just as the security of a corporate treasury is most vulnerable when two or more individuals agree to act in concert, so an e-learning assessment system is acutely vulnerable to individuals agreeing to conspire in impersonation – attentive employees were quick to explore this. Oceanus wondered what might be the market price for lending an identity and delivering a pass in the online exam; presumably job protection could be very valuable?

E-learning is clearly going to take on a significant role in the delivery of the sort of professional knowledge required by treasurers and their staff. The format is flexible, immediate and very user-friendly; an important new instrument or risk management technique can quickly be described and integrated into the teaching material. Well-prepared e-learning packages (and there are many around that fall short) offer a student a framework in which the acquisition of knowledge can be thorough and also fun, while interactive exercises and intelligent systems focus attention to those areas where learning needs to be reinforced.

Where will the potential of e-learning leave treasury education? Many of us argue strongly that the key characteristic of a good treasurer is far more than just mastery of the definition of risk, of the complexities of financial instruments and of the capabilities (and limits) of systems in both banking and IT. The successful treasurer also needs the ability to apply judgement and experience in reacting to the opportunities and threats that impact treasury management.

Treasury education needs therefore to encourage the application of judgement in the face of scenarios for which there may not be a single and evidently correct course of action. Online assessment does not sit well with the seminar and case study approach that is most appropriate for aspiring treasurers who want to sharpen their experience of dealing with business and strategic uncertainty.

Perhaps the way forward lies in a two-tier approach. To qualify as a treasurer a prerequisite will be the most thorough understanding of how things work and the principles to be applied: for instance, what are the core instruments to be used to reduce risk in cashflows, how do the markets in these instruments work and what sort of controls need to be in place around the processes for using the instruments. Competence in all of this can certainly be assessed online....but watch out for borrowed identities!

To be credible as a treasurer who is to be a senior member of the financial management team employers will look for evidence that the individual will not be dangerously challenged when judgement needs to be applied. Treasury education will reinforce this skill but it is very unlikely that online assessment will be exclusively relied on for evidence.

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