

Finding the winners



DEALS OF THE YEAR PANELLIST **GRAHAM WOOD** PROVIDES A GLIMPSE INTO THE JUDGING PROCESS WHICH PRODUCED THE WINNERS AND HIGHLY COMMENDED IN THIS YEAR'S DEALS OF THE YEAR.

The process of selecting the winners of the Deals of the Year (DOTY) and the Team of the Year (TOTY) Awards is always an interesting one. It falls into three distinct phases. First, there is the process of actually gathering the nominations. While DOTY and TOTY have a high awareness among treasurers and bankers, a certain amount of marketing is always worthwhile to remind people to complete the forms and return them in a timely fashion. Sometimes treasury professionals can be reluctant to blow their own trumpets.

Once the entries are gathered, the judges convene in smaller groups based on treasury and market experience and look at the entries in the individual categories. This is probably the most intensive and difficult period of the whole process. It is fair to say there is no set process on how the entries are whittled down to a decent shortlist from which winner and highly commended can be chosen.

But what does take place is a thorough discussion of the merits of any particular deal. As judges we try to constantly measure the deal we are looking at against the criteria which have been set (see box this page). Bear in mind that bankers, investors and the company involved can have varying views on the merits of the same deal. It's fascinating to listen to the different points of view of fellow judges. Their experience may be from different sectors, corporate or financial, and even different countries. We often have stimulating debates, and every nomination is given a thorough airing, but a shortlist always emerges.

The final phase involves a meeting of all the judges, who are asked to decide a winner and highly commended from the shortlist, which is presented by the individual mini-panel. The final task – apart, that

The deals were reviewed and judged based on the following criteria from a corporate treasury perspective:

- sound treasury management;
- efficient pricing;
- optimal or innovative structure; and
- relative success in prevailing market conditions.

is, from attending the awards dinner and presentation – is to decide on an overall winner. Given the wide variety of organisation and types of deals this presents a new set of challenges.

A YEAR WHEN TREASURY STAFF WERE IN THE FRONT LINE This is my second year as a judge, and 2008 turned out to be an even more difficult year than 2007 (which was a year of two halves, good and bad). The whole financial crisis started in the credit markets and the banks in particular found themselves in deeper and deeper trouble as the year went on, resulting in bank rescue packages in many countries and still no sign of an end to the situation. Investors have had to focus on the real danger of defaults and so treasurers are seeing conditions in the lending and bond markets that many of them have never experienced before, as even solid credits face unheard of pricing and tightening in covenants.

Any deal in 2008 has had to be transacted in the face of strained banking relationships and critical timing in the bond markets. Treasurers may have been lucky or unlucky in the timing of funding requirements but, either way, it has been hard work to get a well-executed deal.

Make no mistake, treasury staff earned their money in 2008.

FELLOW JUDGES The judges on the panel come from a variety of market participants. Most of them are active in the markets themselves, so it is worth recording that there is a careful process of judges removing themselves from the process when there is any hint of a conflict of interest emerging.

It is clear that the strength of DOTY and TOTY lies in the fact that these are awards made by the winning treasurers' own peer group. Who can receive a higher accolade than to be recognised by their fellow professionals?

My congratulations to all those who have been recognised in what was an extraordinary year.

Graham Wood, formerly of E.ON.
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If as a corporate treasurer you want to enjoy a learning experience reviewing the deals of the year and share your own market experience, why not join the judging panel for the 2009 Awards? Contact Peter Matza, the ACT's head of publishing, at pmatza@treasurers.org

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