

# Leading by example



STUART SIDDALL, THE NEW CHIEF EXECUTIVE OF THE ACT AND ONE OF THE FIRST MEMBERS TO TAKE THE ACT'S QUALIFICATIONS, TALKS TO **PETER WILLIAMS** ABOUT HIS CAREER AND THE EXPERIENCES WHICH HAVE BROUGHT HIM TO THE ROLE.

PHOTOGRAPHER: ROGER HARRIS

The incoming chief executive of the ACT, Stuart Siddall, is candid about the importance of treasury within the world of finance and business. He says: "I don't know how people who have finance director roles can deal with what happens without a really good knowledge of treasury."

He speaks from a position of authority as a member of the ACT and a qualified accountant, and his tenure of four financial directorships over the past two decades. Stepping down from the role of finance director of Amec in May 2008 a month short of eight years in the job, Stuart Siddall was looking for a fresh challenge.

He certainly appears to relish a challenge. His years at Amec were marked by a huge period of transformation for the company.

He says: "We spent the last four years at Amec closing and selling construction-related businesses into the UK, North America and France." This included construction operations both in the UK and North America which had generated significant losses.

Following a strategic review in 2005/6 and the appointment of a new chief executive officer, Samir Brikho, it was decided to restructure the group. Siddall spent a lot of his final period with Amec on that work, including at one time working on four disposals at once – not, he notes with some feeling, a course of action to be recommended.

Siddall is frank about his time at Amec: "The last five years were very intense with a demanding workload, a lot of weekend working, travelling and long days."

Like many others, Amec was subject to an approach from a private equity group in November 2006. The company announced its new strategy in December 2006 and the potential offer was withdrawn. Amec achieved its 2006 objectives including the delivery of more than £1bn in proceeds from disposals in 2006 and 2007, refocusing the business and securing substantial cost savings under Brikho's leadership.

Today Amec is a focused oil and gas engineering FTSE 100 company, having emerged from a difficult period while the strategy was developed and rolled out. It is now rehabilitated in the market with the City appearing to like and understand what it sees; the share price peaked in summer 2008 at well over £8. Siddall's experience with Amec ensures he has a decent contact book (further bulked out by his other posts), which may well prove useful in his new role at the ACT.

He spent a long time with BICC (now Balfour Beatty) between 1979 and 1995. Starting with a three-year spell in internal audit, he worked as a financial analyst prior to his first contact with the world of treasury.

Siddall says: "A big change in my career came in 1984 when I did a

## TREASURY OFFERS A SPECIALISED KNOWLEDGE, WITH THE ACT PROVIDING DIFFERENT TYPES OF SPECIALISATION DEPENDING ON WHAT IT IS YOU WANT TO DO.

job swap with a treasury manager at BICC. It was one of those defining moments in your career. I took over a treasury operation at BICC as a relatively narrowly experienced accountant after having worked in conventional accounting roles."

Siddall may have made his first move into treasury but he cheerfully admits that at the time he "didn't know one end of a FX contract from another".

He adds: "I was thrown into an operation that dealt with futures and forwards and other strange nomenclatures."

While he had a good team, it was also at a time when the ACT was still in its infancy. It was starting to develop its own professional exams and Siddall decided to sit them, encouraged by BICC treasurer John Grout, who is now the ACT's policy and technical director.

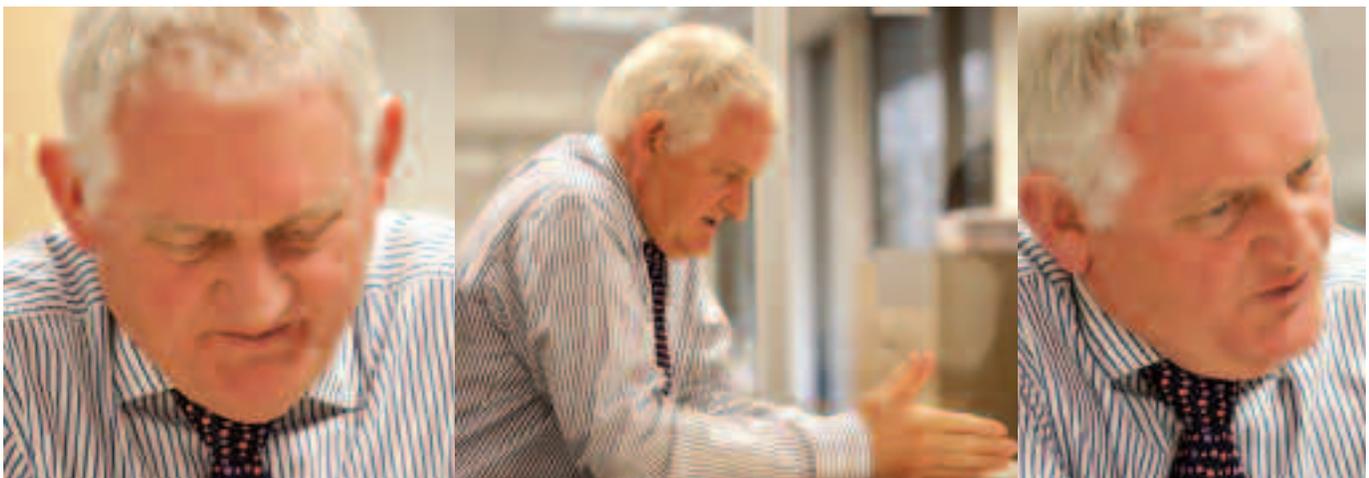
From those early days Siddall has clear memories of being one of five candidates who passed out of a total of 17 who sat the exams.

He says: "We were the first group to come through the ACT's exam process. The exams were hugely important to me because while I was learning on the job it gave me the academic background to cover the areas that I wasn't covering in the day job."

By 1987 he had become treasurer of BICC and three years later switched roles to become finance director of a BICC subsidiary, Balfour Beatty. Siddall had sat the ICAEW exams when he was in his early 20s but he was already in his early 30s by the time he took the ACT exams.

"I remember sitting in the exam room at Portland Place thinking these are the last lot of exams I am ever going to do. I thought they were hard but any exam is hard until you pass it. It would have been extremely embarrassing if I had failed given I was running a treasury department of eight or 10 people who believed they knew more about treasury than I did."

The reason Siddall moved to Balfour Beatty as finance director was in part due to his treasury experience. He had worked with Balfour Beatty on the early public finance initiative, which had a significant



impact on his view of the skills needed by finance professionals. He speaks of the transition from good accountant to good finance manager and says: "It was very clear to me that the treasury function is one of the key platforms for making the move from the role of an accountant into that of a finance manager. There are other attributes, but treasury is a key technical competence."

For Siddall, treasury covers technical areas – such as currency management – which are essential to a complete understanding of the exposures of the business and feed into helping the commercial side of the business win work and manage business risk. These competencies are particularly apparent for international businesses.

Siddall says that even as a member he was never deeply involved in the work of the ACT. The time and travel commitments of his day job prevented that, but he clearly has respect for those professionals who do manage to find the time for ACT activities in busy schedules.

Even when working in finance director roles Siddall did not forget the important perspective that treasurer thinking brings to the finance function. For instance, he has always encouraged members of every broader finance team he has managed to take the ACT exams to further their careers and enhance the skill set of the finance function. The finance people Siddall has encouraged to take ACT exams have used the qualifications they gained to move into mainstream treasury or have used their knowledge to help them to move through mainstream treasury into operational roles.

He says: "I take my hat off to the ACT. It has a fantastic team here at Moorgate and a good range of people who work in corporate treasury who provide a lot of support and assistance. These are busy people and I know how difficult it is to do that on a consistent basis."

No doubt like many other treasurers, Siddall says that when he talks to people who have no experience or knowledge of treasury it is seen as "something of a black box, and when you strip that away and show people that a forward exchange contract is priced relative to interest rates you can see the light going on. You have opened a new world in terms of understanding for them; often, people are scared to ask about because they don't want to show ignorance. It is a subject which the ACT has got its arms around and can provide excellent qualifications and support."

In the time Siddall was working for Balfour Beatty there were a lot of senior management changes. He wanted the challenge of a plc role and so joined energy supplier Manweb. Within months of his arrival the company was subject to a hostile bid from Scottish Power, which added to Siddall's experiences of being on the receiving end of a takeover. The bid was successful and while he stayed on for a few

weeks after the deal was complete to help post-acquisition issues, he quickly found a new post as finance director of publicly quoted Alpha Airports Group, "a much smaller company involved in airline catering, airline retail, ground handling and refuelling in North America".

Again, Siddall was present when the company had to deal with a decline in income following the abolition of intra-European Union duty-free allowances in 1999. He was involved in restructuring the group and focusing on the core airline catering activities. This entailed disposing of the US-based ground-handling activities and downsizing the UK retail activities. As the challenges seemed to be fading, Siddall was thinking of moving on. It was then that he was contacted by Sir Peter Mason, previously the chief executive of Balfour Beatty. By 2000, Sir Peter was chief executive at Amec and he invited Siddall to join him.

Given his background, what attracted Siddall to join the ACT as chief executive? Over the past two decades he has had four finance director roles – three of them at plcs – with the last one in particular being demanding in terms of time and effort. He explains: "When leaving Amec I did not want to take on another plc finance director role. However, I did want to use my years as a finance practitioner."

When approached about the ACT role he found the opportunity appealing. "It's a qualification I have always had a lot of respect for and belief in. As a professional qualification it provides massive benefits for an accountant, a lawyer or a banker who is going to work in that space. It spans professions and is a fantastic route either into core treasury or a more general finance director/manager role.

"Treasury offers a specialised knowledge, with the ACT providing different types of specialisation depending on what you want to do. The international aspect of the ACT is crucial. One of the beauties of what the ACT does is the fact that while some elements are country or region-specific much of what it covers is generic and exportable.

"If the ACT can work with other organisations to promote professional qualifications and standards, that must be good for industry and finance."

With the current financial crisis and recession Siddall acknowledges an enormous amount is going on in the world of treasury and that it is an interesting time to join the ACT. He pays tribute to the work done by his predecessor Richard Raeburn and hopes to carry on that work with the team at Moorgate. "We can see what some of the problems are. We have to help to find some of the solutions."

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