

SHARPEN YOUR SKILL SET

If you want to equip yourself for long-term career success, now is the time to dust off your toolbox, writes Farah Khalique

> Treasurers have never played a more crucial role than they do today, in this world of tighter credit and stricter bank lending. But that doesn't mean they can afford to be complacent. Instead, those who have lofty ambitions of reaching the upper echelons of treasury must find ways to stand out from the crowd.

Treasurers can broadly divide the skills they need into three categories: technical, business and behavioural. While they are commonly stereotyped as technical number crunchers with a passion for Excel, treasurers who want to move up the ranks need to develop strong business and behavioural skills, say industry experts.

In its Competency Framework, the ACT identifies an understanding of the following technical skills as being key for treasurers: financial risk management; corporate financial management; treasury operations; the context of treasury within a larger

organisation; and ethical behaviour. The ACT offers the AMCT Diploma in Treasury, which covers these essential topics, as well as the MCT Advanced Diploma for those who are looking to hold senior roles within the profession.

Volatile times

In 2015, treasurers will need to demonstrate a solid grasp of financial risk management due to volatile markets. "We are still in a difficult economic environment, FX is still volatile and those companies with operations in Russia must keep a close eye on volatility," says Julie Fabris, group treasurer at child car seat manufacturer Britax.

The Russian rouble has tumbled against major currencies since the end of last year, as have other currencies associated with commodities. This is, in part, due to the sharp fall in the price of crude oil. The price of oil has more than halved since the middle of last year,

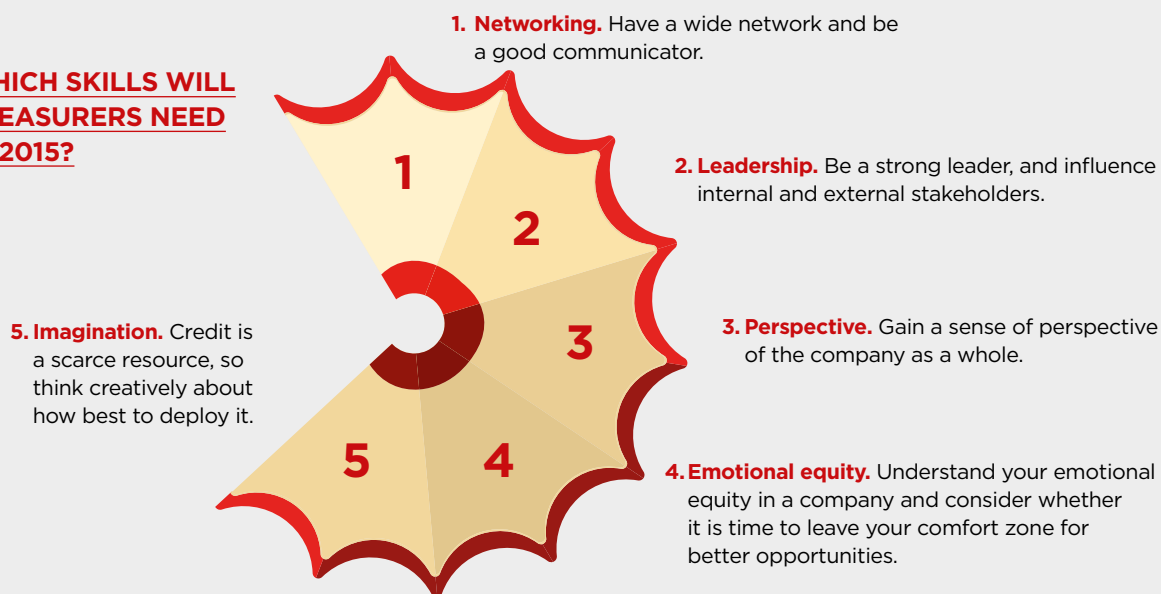
from around \$110 a barrel to less than \$50 now.

"Currency moves don't actually follow what's happening in fundamentals in terms of growth, and there is a huge drive to safety because people are scared. A good, sound hedging policy can manage that risk," says Fabris.

James Lockyer, development director at the ACT, believes that even if hedging commodities is outside the scope of a treasurer's day-to-day business, they still need to understand the impact of declining oil prices on their business, as well as other exposures. A quick-thinking treasurer will cope better in turbulent markets, he explains. "In today's world, events move so fast, and their consequential impact is not only quicker, but more wide-ranging. So fewer and fewer people have the time to prepare for something when it crops up."

Tighter bank lending is set to continue in 2015, which means that treasurers – particularly those working

WHICH SKILLS WILL TREASURERS NEED IN 2015?



for medium-sized companies and smaller – need to be up to speed with alternative forms of financing, such as bond issuance via debt capital markets and supply chain finance. This is because a treasurer with knowledge of the different methods and intricacies of alternative financing is likely to have an edge on their peers.

Ignacio Sanchez Miret, treasurer and risk manager at international shopfitter HMY Group, explains that it can be complicated to secure new credit lines with traditional banks. Furthermore, he is an advocate of supply chain financing. “When we go to a new market, we find local banks or use our own assets to secure financial lines,” he says.

Think like a business leader

The role of the treasurer is changing from being purely technical, says Lockyer. Therefore, today’s treasurer needs to be more of a businessman or businesswoman. They should not only understand the business, they should also be able to anticipate and see things from the perspective of the business.

Addressing the issue of whether to hedge or not, Lockyer says: “I would say that in the past you could do it almost on a formulaic approach, but in today’s environment you need to really drill into what the objective of the business is that you’re trying to protect.”

Under the ACT’s Competency Framework, key business skills include: financial management; knowledge and information management; and planning

and projects. There is a good reason why these skills have been identified.

Treasurers must be good project managers, who are to bring together all the different threads of legal, accounting and taxation, and be able to handle the market-facing community, such as debt investors, rating agencies and banks, according to Andrew Kluth, head of treasury at UK Power Networks.

“Those people are your internal and external stakeholders, and you need to manage them all, which is quite a skill. You need to have good relations with principal stakeholders, but also operate seamlessly around the company,” he says.

Nowadays, treasurers no longer operate in a silo, so they need to be able to speak to different departments, such as procurement, to see how they can best help the wider organisation. For example, they might be able to explain the FX exposure generated by contracts with foreign suppliers to the procurement team.

The importance of networking cannot be overstated. Treasury is a technical job, which can leave staff feeling quite isolated in a company, says Fabris. She advises talking to fellow treasurers and seeking their views on issues.

Emotional intelligence

Treasurers tend to be analytical, task-oriented people who are data driven rather than emotionally driven. But David Tilston, a former treasurer and now group FD at

substrate manufacturer Innovia Group, emphasises the importance of avoiding technical jargon and speaking in a straightforward manner.

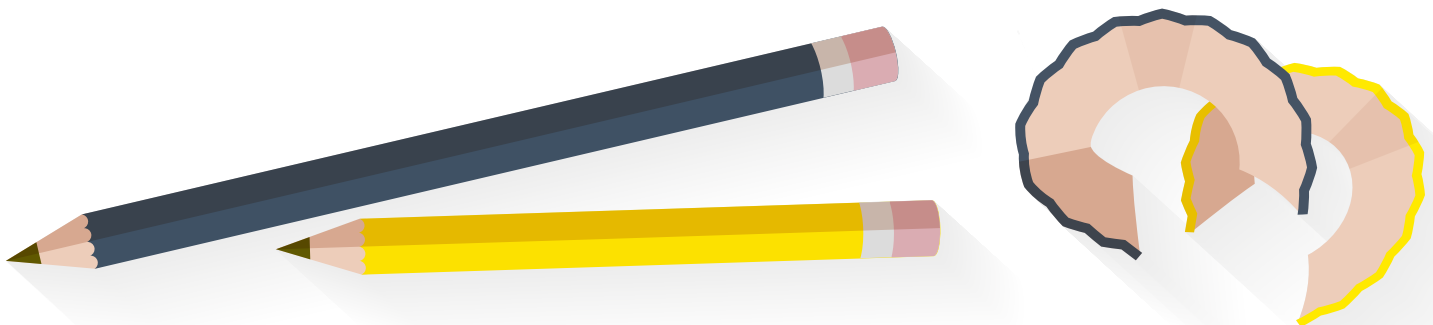
“Communication, particularly with the CFO and up to the board, [means] distilling complex decisions down into very simple decisions that a board can understand,” he says.

Moreover, treasurers need to tap into their emotional side in order to nurture their relationships with stakeholders, which can pay off in the long run.

Tilston adds: “I started off dealing with banks and managed relationships with a number of banks through good times, but also bad times. Being able to maintain your credibility and integrity, and maintain the bank’s confidence, particularly when things aren’t going quite the way you hope, is quite important.”

Under the ACT’s Competency Framework, key behavioural skills include: commercial drive and organisation; self management and accountability; influencing; and working effectively with others.

Treasurers who want to develop their careers in 2015 need to be proactive, say experts. Simon Coxon, a partner at recruitment firm The Curzon Partnership, recommends asking for genuine feedback at annual appraisals. He says this should cover specific skills, such as leadership, and interpersonal and presentation skills. “Be proactive in assessing your abilities and whether you can enhance them,” he explains. >



Once a base level of technical competence has been reached, treasurers need to pay attention to other areas, such as networking. They can do this effectively by attending ACT events and familiarising themselves with a wide network of recruiters and headhunters.

Kluth spent a year looking for the right role, after leaving the treasury team at National Grid in 2012. "It is probably no fluke that I talked to more than 20 headhunters in 2013 and, in the end, the job I got was from the CEO I knew the best," he says.

Kluth coaches six people within the treasury profession and says a good mentoring programme is "essential". "If you're an assistant treasurer, why not go to a treasurer of a completely different company and ask for some insights into what makes a successful treasurer?"

The best advice he can give to treasurers is to pursue a title that is genuinely reflective of their role. Kluth recalls applying for a treasurer role that wanted a candidate with significant capital markets experience, but despite having worked on 250 debt issues as an assistant treasurer, he lost out to a treasurer who had only worked on two bond issues.

"Concentrate on title before remuneration because if you get the right title, then the cash will come later," advises Kluth.

Loyalty is a spectacularly unrewarded concept in treasury, observes Kluth. As such, aspiring treasurers need to ask themselves whether or not their career development needs are being met by their current organisation. If not, they should be thinking about moving on. "I would encourage everyone under the age of 40 who has been in a company for more than five years to think: 'Should I still be here?'"

HOW TO LEAPFROG FROM TREASURY TO THE BOARD

1

"It is more likely to happen internally than externally. At a basic level, let people know you are interested in doing so. Perhaps get involved in another head office function, besides treasury." **Simon Coxon, partner at recruitment firm The Curzon Partnership**

2

"A treasurer who wishes to move up to FD or CFO needs to show that they have an appreciation of commercial skills, so maybe within a company you could get some commercial experience by becoming a local FD. I think it also involves luck." **Julie Fabris, group treasurer at child car seat manufacturer Britax**

3

"Networking is very important for jobseeking, [both] internally and externally. People who know you well, and your internal track record of success, are more likely to consider you for different roles internally." **David Tilston, group FD at substrate manufacturer Innovia Group**

4

"I'd personally go for companies with a significant amount of debt and that are possibly even debt distressed. That's where your experience as a treasurer is really leveraged." **Andrew Kluth, head of treasury at UK Power Networks**

5

"Understand accounting and controlling alongside treasury and taxes - these rules of the game help the business in adding more value to their day-to-day activities." **Bhev Chandrasena, CFO EMEA at mobile recycling company HYL Mobile**

Sussing out social media

Social media is also essential, since recruiters use LinkedIn to find potential candidates for hiring mandates.

When is the last time you logged into LinkedIn, other than to check out who has been looking at your profile? If you can't remember the last time you updated your profile, it might be time to give your online CV the once-over.

"Your LinkedIn profile has to contain buzzwords such as 'debt capital markets', 'FX hedging' and 'loan documentation,'" advises Kluth.

"Also, when I employ someone, I check out their Facebook page.

The world can see everything you put on the web, so be careful about it and manage your image appropriately." ♥

For a Q&A with Dominic Heaton, FD of Innovia Films, see page 42



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