

Potential in the treasury market

Today's treasurers know where they want to go and how they are going to get there, says Laurence Pengelly of Michael Page.

Treasurers have not always been the most active of individuals in the job market, some of them preferring to stay in their positions for up to 15 years. However, their role has changed considerably in the past few years. Previously, it was limited to either the management of debt or excess cash and the offsetting of commercial risk. But it has now become more strategic, centralised and intrinsic to the support of the business.

Over the past ten years defined career paths have materialised and treasury has attracted a new breed of bright, career-oriented individuals. These people see the benefit of developing their skill base by professional qualifications and the need to move companies to build up their knowledge and areas of expertise.

This has given firms a greater pool of candidates from which to choose, allowing them to see the value of recruiting professionals at all levels who are in turn able to make a significant contribution to treasury departments. With the processing function moving away from the strategic treasury activities, such as risk and funding, more individuals will continue to enter the treasury arena as high profile, career leveraging area. This can only enhance future recruiting opportunities for corporations.

Today's recruitment market

Opportunities abound in today's recruitment market. The top companies still look for the generic attributes, such as a solid academic background, good technical knowledge and the ability to manage and influence both internal and external relationships. It is the individual's ability to manage their career that dictates their choice of roles. It is therefore imperative they have some sort of focus as to their ultimate career goals, otherwise they are in danger of taking jobs that will not give them

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sufficient skills to achieve their career aspirations.

The next issue is, which role should they take? This depends on the individual's existing skill base and aims. More specialist roles such as risk management or funding require an existing knowledge base, and those with these specific skills are able to command higher remuneration packages due to the shortage of experienced individuals. But because of this shortage, firms are now more open to recruiting those with latent talent and developing them into these positions.

Recruitment has to react to market conditions. For example, global cash issues are very much a topic of the moment. Corporations that are going through the process of global centralisation realise the demands that this sort of project can put on already scarce departmental resources.

They have either gone to the market to recruit an individual to manage the project or looked at the other option of recruiting an interim specialist to either lead and implement the project or replace a secondee.

People with these skills are in short supply. It requires an individual who can appreciate the complexities of working across different time zones and the ability to work with various financial

regulatory bodies. Importantly, such individuals have the ability to influence effectively cross-culturally.

The interim professional

As treasury issues become more diverse, a new breed of treasury individual has emerged – the interim professional.

These individuals have a very specific skill, such as FAS133 implementation, which they will contract to an employer for either a certain timescale or the duration of a project.

On successful completion of the assignment the contractor will move on to their next project. This can be lucrative for the individual and ensures that the treasury function harnesses the relevant skills without the need to take on permanent staff.

More professionals are seeing the benefits of taking such interim assignments. In-house treasurers who historically have been reticent about hiring contractors are also starting to understand how valuable this resource can be to a busy treasury function.

The classic treasury function continues to be built around the front, middle and back office. The middle area is still proving to be the most difficult to recruit. Treasury accountants play a vital role in the collection and assimilation of data to provide the basis for the short and long-term strategy from a dealing perspective and in supporting the framework of a treasury function. But it proves the most difficult area in attracting candidates, even though it is an obvious entry point for an accountant into any big treasury function.

An important issue facing treasurers is ensuring that their prospective employees are up to date on technical issues. It is important therefore that employees take advantage of continuing educational opportunities, as well as attending relevant professional conferences and reading journals.

Employers and potential candidates can benefit by using the Association's CPD website, which covers a wide range of subjects. The website enables candidates to check their technical knowledge, while potential employers can use it as part of the recruitment process in confirming that an individual's skills match their perceived ability.

What can we expect in the future?

The fundamental need to recruit treasury professionals is a given fact. What will change is the skill base. There are many factors that will influence this.

Technology is moving with such speed that systems are allowing us to collate and review information in a fraction of the time of, say, five years ago. This will have an enormous affect on the treasurer's ability to make decisions using relevant realtime information and will allow greater concentration on strategy, rather than processing. Treasurers will have to embrace and use technological advances.

Globalisation has meant that more people are willing to move overseas to enhance their careers and, with treasury skills at a premium, companies are more open to this.

This can only be viewed positively from both a professional and cultural point of view.

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What about becoming the FD?

We move now from looking at future trends to the old perennial question which is frequently asked, that of the ease of movement for a treasurer into a senior mainstream finance role.

Clearly, the most obvious route for a treasurer wishing to develop their career outside of the treasury arena is a move into mainstream finance. These senior positions have historically been the domain of accountants who have been very good at the introspective approach to managing a business from the finance point of view. However, senior finance positions are now all-

encompassing and require greater financial skills such as risk awareness, funding expertise, progressive approaches to business and management of bank relationships. This should suit the more treasury-oriented individual.

There is invariably only one treasurer within a company, but a number of accountants. It is therefore imperative the treasurer has sufficient profile and strategic awareness to ensure that when the right time comes senior management does not overlook him. Considering the wide range of skills the treasurer has within their grasp – risk management, accounting, IT, legal, management of both internal and external relationships – it is still surprising how often they are passed over for the most senior finance positions.

To be successful in today's treasury recruitment market treasurers must be at the forefront of change and be able to embrace and use new products and systems, so allowing their department to be more efficient and cost effective. If a treasurer is not able to show this achievement at interview stage then prospective employers must question their suitability for such a pivotal role within an evolving market. ■

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