

Essentials of professional development

In today's environment, keeping up to date with the latest financial changes and advances in technology is vital. Caroline Shuffrey summarises how best to do so.

Treasurers and their staff play a highly valued and pivotal role in their organisations. The dramatic changes to corporate governance in the 1990s have resulted in a board of directors who are required to be more knowledgeable and discerning in their assessment of business risk. In many cases, the treasury function is now responsible for developing policies and procedures that clearly identify and control the financial risks of the global business.

Organisations are rapidly changing and are under increasing pressure to compete effectively in a global market using up to date technology. The treasurer is expected to possess the necessary skills to be an effective and commercial manager of risk, knowledge, technology and people. At the same time, he or she needs to ensure that all activities are undertaken within an appropriate ethical, legal and fiscal framework.

Therefore, the treasurer must make sure that the team develops the highly specialised skills required to enable their organisation to take advantage of market opportunities and advances in technology. The treasury team must also develop soft skills such as strong interpersonal, negotiation and presentation expertise which are necessary to operate as part of an effective team of professionals – skills that are also needed when collaborating with teams of external professionals, such as bankers, lawyers, accountants and investment analysts.

Establishing a professional development programme

It is up to the treasurer to put in place a structured professional development programme for key employees that meets the needs of each individual's career plan. It must include short-term learning to meet the requirements of

the current employer and longer term learning to meet personal career goals. I believe specialist skills can only become effective if 'soft skills' are developed at the same time. For example, the treasurer cannot make use of a new, complex financial instrument by just understanding how it works. The treasury function must be able to communicate the risks involved to the board and other key individuals in the organisation. The new financial tool can only provide an effective return if the treasury team has negotiated a keen but fair price.

Professional bodies can help

Professional associations play an essential role in development. The various treasury associations around the world share common interests in areas such as educational standards, codes of conduct, governance and the importance of good day-to-day treasury management. The International Group of Treasury Associations (IGTA) is made up of treasury associations from the following countries: Australia, Austria, Belgium, Canada, France, Germany, Hong Kong, India, Ireland, Italy, Luxembourg, Malaysia, Morocco, The Netherlands, New Zealand, Singapore,

Slovakia, South Africa, Spain, Switzerland, the UK and the US. Detailed information about these associations, including membership criteria, conferences, educational programmes and publications, can be found by contacting IGTA through its website address www.intltreasury.org.

The role of the ACT

In the UK, the Association provides a solid and dynamic infrastructure for the membership to develop their treasury knowledge through training and conference programmes, publications, technical updates and regional groups. Its structured education programme leads to professional qualification in two stages, both of which are considered to be essential to long-term treasury career development: the Associateship qualification (AMCT); and the membership qualification (MCT).

A six-month course in international cash management leading to a Certificate in International Cash Management (CertCM) also forms part of the Association's training programme, offering bankers and corporate treasurers a shared understanding of cash management.

The Continuing Professional Development (CPD) service can be accessed on the Association's website at www.treasurers.org/know/cpd. The website enables members to test their specialist knowledge – or lack of it – using a series of multiple choice tests. It contains a comprehensive database of resources essential to professional development. Details of training and conference programmes, together with regional group contacts, can be found on the pages at the back of *The Treasurer*. This information, along with technical updates and details of the Association's publications, can be found at www.treasurers.org.



Caroline Shuffrey

Useful Web Addresses

For information on all ACT activities

www.treasurers.org

CPD

www.treasurers.org/know/cpd

Bank of England

www.bankofengland.co.uk

British Bankers Association

www.bba.org.uk

Chartered Institute of Taxation

www.tax.org.uk

CIMA

www.cima.org.uk

Eurofinance Conferences

www.eurofinance.co.uk

Euromoney Institutional Investors

www.euromoneyplc.com

European Central Bank

www.ecb.int

FSMD

www.fsmd.co.uk

IGTA

www.intltreasury.org

Inland Revenue

www.inlandrevenue.gov.uk

Institute of Chartered Accountants in England and Wales

www.icaew.co.uk

Law Society

www.lawsociety.org.uk

London Business School

www.lbs.lon.ac.uk

Vrije Universiteit, Amsterdam

www.vu.nl

Other addresses can be found using the Treasury Services Directory at www.treasurers.org/know/tsd

The Association's *The Treasurer's Handbook* provides valuable reference material which the treasurer can use as a basis for structuring an up-to-date professional development programme for the treasury function. The 2001 edition summarises recent changes in the treasury environment and provides technical advice on day-to-day treasury practice. The cash management section covers 39 countries. The Handbook also contains technical formulae covering basic market maths, foreign exchange, equity, fixed income, forwards and futures, swaps and options. The ethical code that should be followed by all Members, Associate Members and students is published in the Handbook on the Association's website.

More help at hand

Non-treasury associations can also provide advice and guidance for professional development. In the UK, the Institute of Chartered Accountants in England and Wales, the Chartered Institute of Management Accountants, The Chartered Institute of Taxation, The British Bankers Association and the Law Society, for example, educate and inform professionals of developments in financial areas related to treasury. Government and institutional organisations, such as the Bank of England, the European Central Bank and the Inland Revenue, also provide key information.

There's no excuse for not learning

A barrier to professional development is finding the time to study and focus on the technical changes taking place in the financial market. In the short term, due to employer demands or personal circumstances, it may not be possible for individuals to enter into a formal training programme leading to a professional qualification.

Public financial training courses and seminars incorporating case studies, class exercises and interactive discussion can equip the participant with practical skills that can be quickly put to profitable use within the treasury.

The process of sharing information and exchanging ideas can also form part of the individual's professional development.

Conferences can supply the delegate with valuable international networking contacts, as well as providing up-to-date information on key treasury issues and products. Conference organisers include EuroFinance Conferences and Euromoney Institutional Investor, which also provide public and in-house training courses and seminars.

Other training consultants include FSMD, the London Business School and Vrije Universiteit Amsterdam.

Keep up with developments

The treasurer needs to ensure that the key relationship banks and consultants

keep their team informed of the latest developments in treasury products and services. These organisations frequently invite their clients to roundtable discussion groups where there is the opportunity to specify the individual corporate requirements or learn how these treasury tools can be used in practice.

There is also a wide variety of written material available. As well as *The Treasurer* and technical Association publications, treasury publications include *GTNews*, *Treasury Today* and *Treasury Management International*. Consultancy providers such as PricewaterhouseCoopers, Arthur Andersen and the Bank Relationship Consultancy publish useful research guides. It is also important that magazines and newspapers such as *The Economist*, the *Financial Times*, *Euro-money*, *International Financing Review* (IFR) and the *Wall Street Journal* form part of the library available to treasury specialists in their workplace.

Gaining a better understanding

A professional development programme should be established within a structured framework for each member of the team. This needs to encompass soft skills as well as specialist treasury skills, and a wide variety of external learning methods should be made available. It should be made clear to each member of staff that they must take control of their own personal and career development with the support of their line manager.

Members of the treasury department should attend internal courses and conferences to understand the workings of their organisation and the commercial challenges faced. This also allows them to meet and share ideas with finance professionals working in other areas of the organisation. Copies of all press releases and cuttings related to the company are another good source of information. Importantly, the treasurer should ensure employees understand the financial performance of the organisation and the contribution made by the treasury department to shareholder value. ■

Caroline Shuffrey is Non-Executive Director of Omnicom Finance and EuroFinance and the Chairman of the ACT CertCM and AMCT exam boards. She is also a member of the Editorial and Publications Committee.