

CHANGES FOR THE BETTER



RONAN DUNNE OF mmO2 THRIVES ON CHANGE – WHICH IS A GOOD THING AS HIS CAREER HAS CERTAINLY SEEN PLENTY OF THAT SINCE HE STARTED OUT AS A TRAINEE ACCOUNTANT IN 1982.

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Career progression

1982-86	Trainee Accountant, Touche Ross
1986	Qualified as a Chartered Accountant (ACA)
1987	Moved to City of London
1987-91	Financial Controller, Banque Nationale de Paris
1991	Qualified as a member of the Association of Corporate Treasurers
1991-1994	Corporate Banking, Banque Nationale de Paris
1994-96	Deputy Group Treasurer, Waste Management plc
1996-99	Director of Treasury, National Freight Company
1999	NFC merger forms Exel plc
1999-01	Head of Integration and Strategic Finance, Exel plc
2001-date	Head of Finance, mmO2

Last year the fledgling mobile communications company mmO2, newly demerged from BT, was due to announce its inaugural results. The night before the results presentation, Ronan Dunne, the company's Head of Finance, received a phone call that would have been enough to raise anyone's blood pressure. The company's Finance Director was ill. "I had to take over

and present the results to the City and then go on the investor roadshow – all at 12 hours' notice," he says. "I'm not saying I didn't feel nervous, but the nature of the job is that this was the sort of opportunity people would clamber over each other for. A bit more warning would have been nice, but it was a good opportunity and I was delighted to do it."

It is difficult to faze Ronan Dunne. Born in Dublin, he is blessed with the full allotment of Irish charm ("communication skills come with an Irish passport") and seems confidently happy that he is on the right road. But that is not to say he has ruthlessly followed a pre-determined career path – rather, he has made careful decisions at the right time and grabbed opportunities as they arose.

"I'm firmly convinced that people spend materially less time on managing their careers than they should," he says. "But that doesn't mean you should be retentive about it. You just need to think – and think broadly – because invariably the way to go is never in a straight line. A career is more like a chess board and you need to plan your next move, and recognise that more than one set of moves will get you to the same place."

BLACKROCK BEGINNINGS. Dunne's set of moves began at Dublin's Blackrock College, where, he is keen to point out, the Irish rugby captain Brian O'Driscoll was another former pupil. He moved from there to Touche Ross, where he qualified as a chartered accountant – but with no ambition to practice in an accountancy firm. "From the day I decided to be a chartered accountant I never had any ambition to practice as one – I saw it as one of a number of business qualifications that had plenty of applications and a high level of respect associated with it. It was part of the career development jigsaw," he explains.

After qualifying, he moved to the City of London in 1987 and the Banque Nationale de Paris, moving up in due course to Financial Controller. He was to stay with the bank until 1994, gradually "migrating" to the corporate banking side. "I took the diploma and qualified as an MCT in 1991. I used the qualification to develop my knowledge about treasury, but also to help develop my relationship with the treasury community as a corporate banker. I wanted to be able to speak the language of corporate treasury," he says.

Dunne's eventual move into corporate treasury came when one of the bank's clients, Waste Management International plc, invited him to join its treasury team. He joined the company, a quoted subsidiary of Waste Management Inc, then the world's largest environmental services company, as Deputy Group Treasurer, leaving two years later to join the National Freight Company (which has since changed its name to Exel plc) as Head of Treasury. NFC was well-known as one of Margaret Thatcher's first privatisations, in a deal that made millionaires of some of the company's ordinary employees when the company floated in 1989. "The company had gone through some change following a shake-up of the transportation industry in the mid-1990s and I was brought in to help facilitate that change in the finance area. We sold a lot of businesses and re-engineered from a capital point of view. It was pretty transformational," Dunne says.

It was while at Exel that he came under the leadership of Gerry Murphy, now Chief Executive of Kingfisher, and Exel's Chairman, Christopher Bland, now Chairman of BT. The company's Finance Director was David Finch, now Dunne's FD at mmO2. "It's a small world," Dunne says, but it is clear how much influence this small group has had over his career.

The re-engineering and restructuring of NFC was barely complete when the company merged with another transport sector plc, Ocean Group. "I ran the merger integration process for the group as Head of Integration and Strategic Finance for 18 months," he says. "It was fascinating. I was dealing much more with people and organisational issues than before." The merger was to be rated one of the most successful, both from an operational and shareholder point of view, of the late 1990s.

MAKING THE RIGHT MOVE. At the end of the 18 months an opportunity arose to join mmO2 in advance of its demerger from BT at the end of 2001. Dunne explains: "The big attraction was the chance to widen my responsibilities, so while I had started in treasury and corporate finance I had already widened that into integration, and now I could add other aspects of corporate finance, pensions, planning and analysis. There was also the attraction, as any finance professional would tell you, of being part of the process of creating a plc structure of that size."

Dunne was, effectively, joining an organisation that would be born as a FTSE 40 company, which was, as he says with typical understatement, "a unique challenge" in itself. On top of that, he was joining a completely unfamiliar and highly technical industry.

"It was a steep learning curve but many of the disciplines and values are the same in every industry," he says. "It was very attractive to come into the organisation just when the executive team was signalling major change for the business and the industry, and with the added dimension of the demerger."

His first few months with mmO2 were action-packed, to say the least. He explains: "I joined on 1 September and 14 days later (in the immediate aftermath of 11 September 2001), the company signed its maiden deal – a £3.5bn bank facility. When you take a job, the buck stops at your desk – even if you've only just got there. And then in November the demerger happened. It was a steep learning curve, but it was fun."

In the 18 months or so since its demerger, mmO2 has established itself firmly in the mobile communications market, developing a strong, recognisable consumer brand and building up its businesses in the UK, Germany and Ireland. The company's recent results, covering its first full year since demerger, showed an increase in its customer base of 11% to 19.4 million and revenues

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of £4.9bn (an increase of 14%). Net debt fell to £549m, well ahead of market expectations, but the company made an exceptional write-off of £9.7bn relating to goodwill and third generation (3G) licences – becoming one of the first mobile telecoms companies to admit that they had overpaid for their 3G licences. The company's Chairman, David Varney, said at the announcement that "the size of the exceptional charges has masked strong underlying growth".

As for the company's Head of Finance, Dunne's current role is far removed from what could be described as treasury. "The best part of this job is the diversity," he says. "I enjoy the opportunity to get involved in all of our businesses and I enjoy being part of a team, rather than being desk-bound." A typical week – as far as one exists – will include regular meetings with the 12-strong finance team, as well as meetings with external financial advisers and the internal strategy team. "I probably spend 70% or 80% of my time in meetings rather than at my desk," says Dunne.

It is this diversity of role that he believes is the key to the future of treasurers and the treasury profession in general. "The skills treasurers have apply to a much wider range of things than the pure definition of risk management. The treasury function reports to me, but I do little on a day-to-day basis that could be described as pure treasury. There's no reason people should pigeonhole themselves. If you've got the skills then you should put them to the best use, whatever your position," he says.

NO REGRETS. Dunne certainly seems content with the way his career has developed so far: "I've never regretted for a second any of the moves I've made – and I've only worked for four organisations in 17 or 18 years – but that's just my personality. Focus on tomorrow because you can't change yesterday. I've realised that decisions like the one I made in 1991 to do a diploma in corporate treasury were the right ones with hindsight, because it was a piece of career planning that opened up my options. I've always tried to leave myself open to as many upside opportunities as possible and if you do that, the chances are that at least one of them will come alive."

But is there anything about his job that he does not like? "I don't fret about any part of my job. I genuinely wake up on a Monday morning and look forward to going to the office," Dunne says, before adding with a smile: "That may sound lame, but it's true."

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