

THE WORLD IS YOUR OYSTER

THERE ARE NOW PLENTY OF OPPORTUNITIES FOR TREASURERS TO APPLY THEIR HARD-EARNED TREASURY SKILLS IN AREAS OTHER THAN THE CORPORATE SECTOR, SAYS **LIZ FISHER**.

It is hard to believe that just two decades ago treasury was a relatively unknown profession. The treasury function, and its acceptance in the business world, grew from a new understanding of the importance of risk management for a company's financial health and future success.

It was in the late 1980s that treasury as a profession really stepped into the spotlight. The stock market boom meant treasurers were in demand as financial deals became increasingly more complex, but they also found a role during the economic downturn, when cash management became a key factor in running a company. Today, treasurers are more in demand than ever.

As recruitment firm Spencer Stuart points out: "The launch of many new complex and diverse products means the profession is beginning to get the recognition it deserves."

Outside the corporate world, too, demand for treasurers in other sectors remains high. Piers Williamson, Chief Executive of the not-for-profit organisation The Housing Finance Corporation (see interview on p37) reports "a crying demand for debt management skills, liquidity management and interest rate risk skills" in his sector. Charities are competing aggressively for their share of available funds, which makes the cash management skills of a treasurer invaluable.

AN EXCITING FUTURE LIES AHEAD. As a result, the opportunities for treasurers who want to stay within the sector are increasing steadily. The role has also, arguably, become much more proactive and exciting, particularly for treasurers operating within larger companies.

"Many years ago, life for the corporate treasurer was much simpler, focusing largely on receiving, borrowing and investing cash," says Mike Richards, Managing Director of MR Recruitment. "The role has since evolved dramatically in response to such pressures as volatile money markets, the need to proactively plan future financing, and the effective use of information technology as an aid to intelligent decision-making. The treasurer is now a relationship manager, balancing the demands of the business itself (including subsidiaries), and external stakeholders such as banks, creditors and shareholders."

A life beyond treasury

You've completed your exams. But what now? The traditional treasury career path is opening up before you – a treasury manager role, perhaps, that could see you reviewing cash management structures and advising on risk management issues, while helping the group treasurer with the latest bond issue. That's good news if that is what you want. But what if you decide that a traditional treasury role is not for you?

If you have decided that you don't want a career in banking or corporate treasury your options are still much wider than you think. The treasury qualification has given you a variety of experiences, including financial analysis, taxation, business law and corporate funding. It also offers a unique exposure to the assessment and management of corporate risk, which is a prerequisite for both general finance managers and future business leaders. The result is that this can help unlock many doors across industry, banking, corporate finance and consultancy.

In my experience, candidates who have completed AMCT have an excellent understanding of financial markets that new employers value highly. It is not difficult, as a result, to use your treasury expertise as a springboard into other areas. A role within accounting/financial control, where you can use broader balance sheet analysis skills to understand corporate risk and accounting may be a possibility.

Another route may be a consultancy role for either an accounting firm or a treasury systems supplier – allowing you to assess the problems facing a range of different treasury clients and develop solutions for their problems without working within a specific >>

<< corporate treasury role. At the very least, this type of role will allow you to explore other parts of a business, which could help you decide where your future career lies. Take the example of a degree-qualified accountant who recently passed his AMCT exams. He was working as a Treasury Consultant for one of the leading accounting firms but felt he had spent enough time advising corporate treasury clients on best practice and wanted to develop a career in financial management.

He had a number of options available to him – he could become an Assistant Treasurer, and then possibly Group Treasurer, of a FTSE 100 company, or he could join a company in a senior treasury position, using the role as a career stepping stone, rather than as an end in itself.

After a lot of deliberation, he took a position as Group Treasurer of a large US multinational corporate on the basis that he was joining as a “finance manager with excellent treasury experience and skills”, rather than as a “treasury professional”. The role lasted two years, during which time he restructured European treasury operations and re-focused the current team from a cash management function to become an all-round service centre for the group as a whole. He then moved into a Senior Finance Manager role working directly for the CFO. When the CFO moved on, his broad range of skills made him the natural successor and he was promoted to the role.

The AMCT treasury qualification helps open a number of doors, but the world of recruitment can be a bumpy ride. Don't be put off, keep persevering – that next job is out there for you somewhere.

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One of the consequences of the expanding role of the corporate treasurer is that the skills demanded by employers have expanded well beyond the 'traditional' technical training. According to Richards, proof of previous exposure to international business will be extremely valuable, as will previous experience of public companies. “Flotations, external financing, cashflow forecasting or high-level treasury management skills regularly appear as useful – if not essential – prerequisites of current treasury posts,” he says. Detailed knowledge and experience of IT systems is also essential.

Even so, pure treasury is not for everyone. The good news is that the skills learned during your training are transferable. “Treasurers are able to make the shift fairly seamlessly from one sector to another, with the possible exception of financial services, where the treasury role is, by nature, very different,” says James Colhoun of Spencer Stuart. “The particular skills a treasurer should have in order to enable them to progress in any sector are the ability to deal effectively with external parties, and specifically key relationship banks, and the ability to network across the business.” Crucially, he adds, they should learn to sell both themselves and the value of the treasury role.

IT'S ALL ABOUT PROMOTING YOURSELF. The suggestion is that treasurers have the potential to be a key player in European

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What's so special about you?

“My recommendations would be for candidates to try and gain some financial experience outside of treasury, whether that would be working in audit, group finance or in a finance role. They should actively push for interaction with the main board and on cross-functional groups. Experience of working internationally is also always a plus if you are seeking to build a career in a major PLC, as is any evidence of presenting formally to senior audiences within the business. The merits of a well-drafted CV should never be underestimated. Think about building and maintaining your network, both internally and externally. You should not just be talking to headhunters when you are out of a job, but keeping in constant contact with them – even if you are blissfully happy.”

James Colhoun, Spencer Stuart

“It is demonstrable achievements that make candidates stand out. Organisations will be most impressed by those candidates who can explain clearly how they tackled specific problems or managed projects. If you can demonstrate an intelligent, well-thought-out approach, and the resultant impact of the work you have done, then you will be able to differentiate yourself from other candidates.”

Matthew Morris, Robert Walters

'THE ABILITY TO COMMUNICATE DIFFICULT ISSUES IN A CLEAR, ACCESSIBLE WAY HAS BECOME AN ESSENTIAL ELEMENT OF THE TREASURER'S REPERTOIRE'

business. But, according to says Ronan Dunne, Head of Finance at mmO2, the profession as a whole first needs to learn to talk more loudly about its merits. "Our body has a well-qualified, academically and intellectually strong set of people and we provide a special skill within our organisations," he says.

"Unfortunately, we don't always market and present ourselves well enough within the organisation to make people realise the value we are adding. My guess would be that 50% of the FTSE 100 chief executives could not name their group treasurer. That either means that we are not as brilliant as we think we are, or that we are hiding our light under a bushel."

It is still relatively rare to find a corporate treasurer on the board of a large company and senior treasury appointments do not, in most cases, warrant a board seat in the view of most organisations – although group treasurers are increasingly being asked to attend board meetings as cash and risk management become more critical. Even so, there has been a marked trend recently for treasurers moving into the finance director role (*see box*). Dunne believes it is right for treasurers to push themselves forward as all-round business experts. "As long as treasury is not a board level appointment, most treasurers could, and should, aspire towards a higher level to demonstrate that the role they play warrants an executive level position," he says. "If we are that good, we should take a risk and operate outside our comfort zone, and set ourselves up to be a member of the executive team."

TOMORROW'S TREASURERS. Moving beyond treasury into a general management role demands excellent people, management and communications skills. But that does not mean that anyone deciding to remain within the treasury sector can afford to ignore these so-called "soft" skills. Treasury is by its nature a complex discipline and in today's difficult business climate, treasurers need to be able to explain the intricacies of risk and cash management to a wide range of audiences. The ability to communicate difficult issues in a clear, accessible way has become an essential element of the treasurer's repertoire. We have covered many of these issues in more detail in the pages to follow.

Treasury is changing and the specific skills of treasurers are still in high demand. But treasury can, and should, become an essential part of all-round business management in the near future and that will require a range of skills. Treasurers of the future, take note.

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Making the move to finance director

There have been a number of high-profile examples of treasurers making the successful shift to finance director. Recent examples include: Paul Richardson, who moved from Group Treasurer to Group FD at WPP; Paul Spencer, who moved from Group Treasurer at Hanson to Group FD at Royal Sun Alliance; Angus Russell previously Group Treasurer at Zeneca and now Group FD at Shire Pharmaceuticals; and Andrew Shilston, Group Treasurer at FD at Enterprise, who became Group FD at Rolls-Royce.

In the current market, many quoted companies are looking to recruit group FDs who have held main board positions in quoted businesses, or, alternatively, people from the below-board tier who have had experience of dealing with external advisers. Treasurers fit the bill, since they spend a good deal of their time talking to a company's bankers.

What skills are needed to make the move?

FDs should be accustomed to dealing effectively with external audiences, particularly analysts and investment bankers, as well as the demands of shareholders. They should also be accustomed to managing large teams and be able to contribute to the strategic direction of the business.

How can a treasurer position himself/herself to make the move?

It is easier to make the shift within your own company than to move businesses and positions at the same time. The exception is industries where risk management is high on the agenda. Treasurers looking to make the transition would be well advised to look for work outside treasury, either in a line finance role or a group controller's role. They should also be careful to develop their management skills throughout their career – as the treasury function becomes increasingly technology based, people management is an area where treasurers often fall down. In general, treasurers looking to make the transition should:

- push for interaction with the chief executive and the board;
- increase their network within the business;
- ensure they have the public relations skills to handle the role;
- increase their exposure to cross-functional groups within the business;
- press for involvement in strategy formulation;
- ask to help the FD on roadshows; and
- develop a good job-seeking strategy.

Source: Spencer Stuart