Flying the flag





'The interesting thing about treasury is that 25 years ago it was not even considered to be a professional career.'

Niall FitzGerald has had an outstanding career in finance and treasury, culminating in his appointment as CEO and Joint Chairman of Unilver, a world-leading provider of branded and packaged goods. He talks to Liz Salecka about how the treasury profession has developed over the last 25 years, and the important contribution made by the ACT in flying its flag.

THE RELATIONSHIP BETWEEN UNILEVER AND THE ACT goes back a long way. Unilever's own Gerald Leahy was one of the founder members of the ACT 25 years ago and became the first Director-General of the association in 1986-87.

Its current day Joint Chairman and CEO, Niall FitzGerald, has also been an active member of the ACT for several years. A former treasurer of Unilever himself, he firmly believes that the ACT has made a significant contribution to treasury practice over the last quarter of a century, particularly in the development of standard, professional treasury qualifications.

"The interesting thing about treasury is that 25 years ago it was not even considered to be a professional career. However, more and more demands were made of treasury, making it clear that it would pay to have professional training. This is where the ACT really stepped into the picture - with standard professional qualifications."

NIALL FITZGERALD, KBE



Due to retire from the board and chairmanship of Unilever plc next month, Niall FitzGerald has had a long and illustrious career with the company – a world leader in the provision of branded and packaged goods and personal care products.

Having joined Unilever in Ireland as a trainee in 1967, Niall's early career focused on the financial and commercial side of the business, during which he was, "exposed to everything one has to do as a finance director (FD)."

He moved on to look after the financial operations of Unilever's overseas operation, where he "managed the bottom line" – a role that enabled him to develop experience in managing interest rate exposures, cash management and mergers and acquisitions.

"My big break came when I became FD of Unilever's South African business, one of Unilever's largest overseas operations," says Niall. "I began to understand good financial management, as for the first time I had full responsibility for the profit and loss (P&L) account. How we managed the balance sheets, cashflows and interest rate exposures were the main focus of our business."

Success in this role led to Niall's promotion to CEO of the South African food business. Some years later, he was approached in relation to an equally challenging role – that of Unilever Treasurer, based in London.

"I said I would only do it if I had the freedom to manage the balance

And he continues: "The proof of how well all this has worked is clearly visible today. The ACT now has more than 3,000 members and high standards are demanded from the profession within every organisation."

Niall points out that the important role played by the ACT in training has established its credentials. "It is very unusual these days for a company looking for a treasurer to accept someone who does not have the appropriate, recognised qualification," he says.

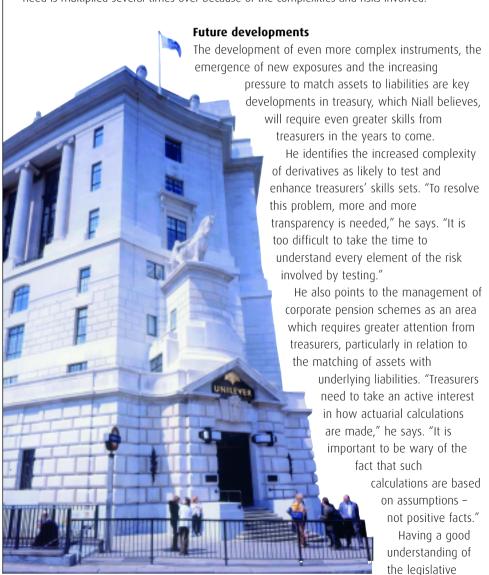
And he adds: "The ACT now has to move forward and be more self-assured in other areas. It must have a strong voice in those places were policies and rules and regulations affecting treasury are formed."

Treasury over 25 years

Niall believes that "change" has been at the heart of the treasury profession for the last 25 years. About 20 years ago, one of the main choices treasurers had to make when arranging their companies' funding was between long-term and short-term debt, with sterling being the prevalent currency. Today, a treasurer has a choice of markets, currencies and the selection of a range of instruments which can be used to swap into the desired currencies and interest rate exposures required by their companies.

"Now you can access the cheapest funds available – anywhere in the world," says Niall. "A treasurer can also contemplate so much more risk because there are so many more instruments available to manage it."

It is for these reasons that Niall recognises treasury management to be a vital professional role in organisations today. Treasurers, he says, "were needed" 25 years ago – but today this need is multiplied several times over because of the complexities and risks involved.



environment in which their organisations operate should also be an important element of treasurers' skills sets. They should, for example, have a very good working knowledge of the supervisory implications of the Financial Services Act. The new International Financial Reporting Standards will also bring increased complexity, particularly IAS 39, which has huge implications for accounting for financial instruments.

Niall is, nevertheless, confident that over time, with the appropriate training, this is an area where treasurers' competencies will quickly develop.

Career progression for treasurers

So having been a corporate treasurer who is now Joint Chairman and CEO of a world-leading company in its industry, does Niall FitzGerald believe that treasurers generally can play a higher level, strategic role within their own organisations?

Niall is quick to point out that treasurers can, and should, progress up the career ladder to the post of financial director – providing that they develop a good understanding of the wider business in which they work; the issues it faces and the industry in which it operates.

"If you are solely focused on treasury with no other business experience, then it is very difficult to become a financial director," says Niall.

"Treasurers need to develop their knowledge of the business and that also means knowing how to go about finding information," he adds. "There are lots of opportunities for them to raise their profiles further and they do have a crucial role to play in helping the board in its strategic planning and in developing the financial flexibility of the organisations they work in.

"It is particularly important for treasurers to understand a company's financial flexibility."

sheet and the P&L account, and assuming I was successful, would then revert to general management."

Niall performed the role of treasurer successfully for two years, significantly adding to his financial skills, which combined with extensive business knowledge, led to his promotion to the boards of Unilever PLC and Unilever NV as FD.

Since then he has served as FD, Foods Director and Detergents Director until his appointment as Vice Chairman, and subsequently, Chairman and CEO in 1996.

During his Unilever career he has worked and lived in Ireland, the Netherlands, South Africa and the US as well as the UK.

"By the end of this year I will have been a Director of Unilever for 18 years and Chairman for eight years, which has been an enormously fulfilling experience," says Niall.