

AFTER A TWO-YEAR RECESSION, TREASURY JOBS AT ALL LEVELS ARE BECOMING MORE WIDELY AVAILABLE, AND SALARIES ARE RISING AGAIN. **LIZ SALECKA** EXAMINES THE CAREER OPPORTUNITIES AND REMUNERATION PACKAGES THAT TREASURY PROFESSIONALS CAN LOOK FORWARD TO IN 2004.

TREASURY GETS BACK

The market for treasury professionals is finally showing signs of recovery with demand for lower to mid-level treasury positions rising – particularly treasury accountants with IAS 39 experience. And demand for senior corporate treasurers has also been stimulated by increased corporate activity – a trend which is starting to impact salary levels and the provision of bonuses and other incentive schemes.

"After two tough years the treasury market started to move in the last quarter of 2003 and into 2004. The encouraging news is that many of the roles people are recruiting for are actually due to expansion as opposed to people moving on; this augurs well for treasury recruitment this year," says Matt Mattheou, Executive Consultant of Pure Recruitment.

And Mike Richards, Managing Director of MR Recruitment, adds: "Throughout 2003 the treasury recruitment market remained reasonably static....However, there has followed a spirited recovery in activity levels with companies replacing vacant treasury positions across the range from junior to senior level, and also filling many newly-created positions which were created when companies expanded their departments and new projects were initiated."



MAKING THE MOVES. Most of the movement being witnessed in treasury at the moment centres around lower to mid-level positions with treasury analysts, treasury dealers and treasury managers being particularly sought-after professionals. "Within the market those currently seeking salaries from £20,000 to £45,000 are in the highest demand as this is where most corporate treasury roles are concentrated and this is where many vacancies arise through the promotion and development of staff," explains Richards.

Treasury accountants are also in strong demand – a reflection of forthcoming regulatory changes such as Sarbanes-Oxley and the new International Financial Reporting Standards (IFRS).

"With the advent of Sarbanes-Oxley and IAS 39, there has been an extremely high demand for qualified accountants who are interested in working in treasury controller roles and we have a constant supply of roles throughout the UK," says Richards. "The highest demand in recent months has been for expertise in IAS 39 and FAS 133 as the impact of these is felt throughout treasury."

And according to Michael Page International's most recent salary survey: "An area where demand still continues to outstrip supply is that of treasury accountants. Experienced treasury accountants

who wish to continue in this field are highly sought after which has led to organisations taking on less experienced accountants straight from practice."

SENIOR TREASURERS WANTED. Many industry observers also believe that there are signs of improvement in the senior treasury market. "Certainly the senior market seems to be more buoyant combined with an increase in leveraged buy-out/management buy-out activity and consultancy," says Deborah Thomas, Head of Treasury at Michael Page. And Richards adds: "At the senior level, there has been an increased appetite for candidates as companies enact previously agreed expansion plans, though the general lack of M&A activity throughout the market has led to a distinct lack of new treasury teams."

Thomas adds that there has also been a marked improvement in demand for treasurers who have set up departments, managed change and demonstrated initiative and commercial acumen. "Clients have set exacting parameters for recruitment and prefer to wait rather than compromise on their requirements. At the senior end, the fit with the FD/CFO has been a particularly key consideration – reflecting the importance to all parties of a close working relationship."

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Mike Richards, MR Recruitment

ARE SALARIES RISING AGAIN? Limited demand for treasury professionals over the past two years has clearly limited the scale of pay increases, with most salary increases correlating merely to the rate of inflation. "The scarcity of available roles has meant that there has been little upwards pressure on salaries meaning that many staff have suffered either wage freezes or lower than expected increases in the past year or so," says Richards. "This has gone part way towards addressing the issue that arose when organisations were offering artificially high starting salaries to secure staff when the market was going through what was a boom period a few years ago."

And Ian Magness, Managing Director of Esox Search & Selection, adds: "The last 12 to 18 months have been unusual in modern

ON THE LADDER

times. At nearly all levels below base salaries of £100k, there has been huge inertia in the system with companies reluctant to give above-inflation salary rises for incumbents, and not wishing to pay up to recruit the best executives. The market pick-up in recent months, however, has left companies who have failed to react floundering on 2003 budgets, whilst the others, who have responded, have had the pick of those available."

Magness, nevertheless, believes that, in spite of current market trends, treasury professionals earning more than £100k have continued to see pay increases. "The last year in particular has seen the realisation in some companies that too big a differential had developed between the pay of the board and their immediate subordinates such as treasurers," he says. "Thus in a number of cases, treasurers' salaries actually increased quite dramatically during this period, even against a backdrop of market inertia." He adds that the disparities in pay have been enhanced by differentials in bonus and share option value schemes.

There is also some market confidence that treasury salaries are now actually starting to rise again. "2004 sees a comeback in the bonuses and benefits used to attract candidates and keep existing employees," says Ellinor Fitzgibbon, Manager of the Treasury

Salaries – what the surveys say

A vast amount of research is conducted into the salaries commanded by treasury professionals in the UK and, although the figures published vary, they do give a clear indication of current market trends.

According to MR Recruitment's Treasury Salary Survey (2004), average basic pay packages in treasury, inclusive of car allowances, range from just under £27k for a treasury analyst in the UK to about £49.5k for a treasury manager and just above £67.5k for an assistant treasurer.

These figures are relatively low when compared against Michael Page International's most recent treasury salary survey (see: Table 2) and the Robert Walters Salary Survey (2004). Michael Page estimates that treasury analysts in the UK command salaries of £30-37k – a range correlated by Pure Recruitment which places them in the low to high thirties, depending on experience. A UK treasury manager, meanwhile, earns £45-£55k (Michael Page) and an assistant treasurer: £50-75k.

Robert Walters Salary Survey (2004), meanwhile, estimates that UK treasury analysts' salaries start at £27k, but can rise to £50k, depending on experience. Treasury managers' salaries range from £34k to £55k, depending on experience, and assistant treasurers'

earnings from £51k to £80k, depending on the size of the organisation and work location.

Group treasurer salaries

Greater differentials are evidenced in the figures collated for salaries commanded by group treasurers. While MR Recruitment places UK group treasurer salaries at about £102,600, rising to £103,000 in London, Pure Recruitment estimates treasury director salaries at £80-150k, depending on the size of the organisation they work for.

Meanwhile, Michael Page estimates group treasurer salaries at £70-120k in the UK and £80-£130k in London. This compares well with Robert Walters' Salary Survey for 2004, which estimates group treasurer salaries at £65-80k for UK FTSE 250 companies, and £80-£120k for similarly-sized companies in London.

Both surveys also reveal that group treasurers' earnings are significantly higher if they work for FTSE 100 companies. According to Michael Page, salaries rise to £80-150k for group treasurers of FTSE 100 companies in the UK generally and £130-200k for FTSE 100 company treasurers based in London. The Robert Walters Salary Survey, meanwhile, places the two earnings brackets at £80-£100k and £120-200k respectively.

Treasury salary survey results			
	London	UK	Europe
Treasury Analyst	£27,857	£26,650	£26,957
Treasury Manager	£47,808	£49,406	£49,575
Assistant Treasurer	£65,361	£67,320	£67,551
Group Treasurer	£102,999	£102,664	£101,666

Source: MR Recruitment Salary Survey (2004)

Treasury salary survey results		
	London (£k)	UK (£k)
Group Treasurer (FTSE 100)	130-200	80-150
Group Treasurer	80-130	70-120
Deputy Treasurer (FTSE 100)	70-100	60-90
Assistant Treasurer	60-80	50-75
Treasury Manager	50-60	45-55
Treasury Analyst	30-40	30-37
Treasury Accountant (NQ)	38-43	38-43
Treasury Accountant (2yrs PQE)	45-50	43-48
Treasury Accountant (3-5yrs PQE)	55-70	50-65
Treasury Assistant	23-28	20-25

Source: Michael Page International Treasury Survey

Division at Robert Walters. "We have experienced a slow increase in salaries over the past quarter as organisations are realising that bonuses are not enough to attract premium candidates."

And Richards adds: "It now appears that there are gradual increases taking place within a number of treasuries which is perhaps healthier in the longer-term. Our most recent research (see *Table 7*) has shown that rises at the senior level have been noticeably higher and that full bonuses are also paid."



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Ian Magness, Esqx Search & Selection

INTERIM TREASURY MANAGEMENT. In the same vein as the market for permanent treasury roles, the market for interim treasury management also suffered in the 2002-03 recruitment recession, although there are now slight signs of recovery.

"Our figures indicate that interim employment equates only to about 2-3% of the whole anyway, but the percentage was certainly higher back in 2000 and 2001. We would expect interim employment to grow this year, but only because it has been at such a low ebb," says Magness.

On a more positive note, however, both Michael Page and MR Recruitment recognise some recent growth in interim recruitment, and although Mike Richards attributes this to temporary needs, Deborah Thomas recognises demand for positions that require strategic departmental management skills.

"Roles have varied from setting up departments and reviewing treasury controls to setting up cash management and TMS projects as well as the more standard temporary cover whilst staff are

seconded onto projects," she says. "Employing a treasury professional on an interim basis can be the best solution for a company that has a short-term requirement for a particular level of expertise – for example, a person who can set up a treasury function or release existing staff for projects. It has also been a useful solution for companies limited by headcount issues."

Both Thomas and Richards agree that salaries for interim treasurers have remained relatively static. "We have found current salary levels correspond to the approximate level of assumed responsibility and seniority without any increase or decrease in the past year," says Richards.

DOES LONDON STILL DOMINATE? Not surprisingly, London and the Home Counties have continued to dominate activity when it comes to the recruitment of treasury professionals.

"The Southern Home Counties and the Thames Valley are areas which have been buoyant over the last seven to eight months, particularly at the treasury manager and analyst level, a reflection of the fact that many of the telcos and technology companies are based there," says Mattheou. "The fact that these sectors are recruiting again is an encouraging indicator."

And Richards adds: "Roles do come up throughout the UK, although London and the south east dominate due to the higher concentration of treasury functions within the area."

"In salary terms, the City and West End have definitely not fallen behind, although we have noticed candidates more willing to consider moves outside London as the quiet market affects the number of opportunities available."

Magness, meanwhile, describes treasury as an overwhelmingly south east-oriented profession, and points out that he sees no sign of change. "Generally, major companies have to pay as much to recruit a senior treasurer outside London as inside. More junior positions tend, however, to earn progressively less the further away from London you get and the more junior in rank they are."

BANKING TAKES THE LEAD. Although there have been minimal changes in treasury recruitment across sectors, MR Recruitment

recognises increased demand from the investment and retail banking sectors and financial services generally.

"After a fallow three-year period, they have commenced recruitment for pre-existing vacant positions and are also increasing headcount in a number of areas – in particular corporate cash management, middle office group treasury and asset and liability management specialists."

"The knock-on effect in the short-term may not be felt immediately but the increased upwards pressure on salaries and possible shortage of skilled staff in the future will definitely be felt by corporates in the medium-term."

He adds that many organisations in the e-commerce and high tech sectors are reviewing salary schemes to make up for incentives – such as share option-based reward schemes – falling below expectations due to the current weaker financial climate.