

Associating with the best

A report on the inaugural UK Treasurers' conference, held on 30 April – 2 May 2001 at the Metropole Hotel, National Exhibition Centre, Birmingham.

Following immediately after the Sports Car and Combat Sports shows, the NEC felt a change of direction and pace with the arrival of the treasury profession. Nevertheless, many of the A1 personality type alpha males of the treasury world arrived to contest some of the central issues facing corporate treasury.

Lead by Professor Richard Scase, who chaired the conference with tenacious exuberance, we got down to work on Monday morning with an overview from Richard of the global trends affecting business. The challenges to be faced by treasury: use of the internet, changing business practices with the advent of the euro, risk management in an uncertain environment and the moves towards deregulation and harmonisation in standards, were all to be examined in the following three days.

The Chairman of the Association, Michael Northeast, formally opened the proceedings with a welcome to delegates to the first treasury conference designed primarily for UK treasurers. The venture between The Association of Corporate Treasurers and EuroFinance Conferences brought together two organisations – the world's leading treasury association and the world's leading cash and treasury management conference organiser. With more than 440 attendees and over 30 exhibitors in the exhibition hall adjacent to the main auditorium, the confidence shown by the principal sponsors, HSBC and Barclays, in agreeing to support the event from the outset, was well founded.

In previous surveys members had indicated that listening to leading practising treasurers was one of the main attractions in attending events. This objective was immediately met with a comprehensive review by Gerry Bacon of the way in which Vodafone treasury had been organised to support the group's rapid business expansion. Simplicity, clarity of purpose and a requirement that all business units adhered to a framework set by treasury was Gerry's primary message.



Treasurers galore. UKT's delegates enjoyed presentations and masterclasses from experienced treasury practitioners. *Top right:* Richard Scase (chair), Derek Ross, Philip Brown, Tim Owen and Tim Ritchie. *Bottom left:* Marco Casalino, Vic Cowley and Nicholas Dickson.

“The inaugural ACT UK Treasurers’ Conference was a resounding success and HSBC believe its decision to jointly sponsor the event was fully justified. Further, the impressive attendance at the masterclass led to a number of serious discussions with potential clients.”

Robin Terry, Senior Manager, HSBC Bank plc



HSBC and Barclays – the major sponsors of UKT 2001. Both companies were delighted to be part of the inaugural conference.

A roller-coaster ride

A marked change of style was evident when Dennis Turner, chief economist at HSBC, took his audience on a roller-coaster review of the history of the UK economy since the 1970s. Since leaving the ERM (described by Dennis as the European recessionary mechanism) the UK had achieved the lowest inflation in Europe and had achieved an average GDP growth of 2.5%. Better still, the growth was stable, varying little about the average – as Dennis remarked: someone with their head in an oven and their feet in a freezer is on average comfortable – averages can mislead!

The increasing integration of Britain’s economy with the rest of the world meant that the Chancellor had moved his role from that of being effectively the Chief Financial Officer of UK plc to being the Chief Financial Officer of UK Ltd, a subsidiary of Global plc. This means that Britain’s room for manoeuvre is more restricted, but the unrelenting focus on keeping inflation within the target range had rewritten the rules of the financial management of our economy. Whichever party was in power these rules appear to be applied with diligence. It was no surprise that an anagram of ‘the Labour Party’ was ‘a bluer Tory path’.

Jack Large, a well-respected consultant on the subject of treasury systems development, forced his audience to look hard at the outsourcing issue. He showed a slide from PricewaterhouseCoopers that indicated that within a few years treasury would be only a policy setting and advisory function, with all else out-sourced to trusted third party providers. The alpha males in the audience could be seen to be trembling visibly: “if I do not measure myself by the size of my department and the thickness of the treasury rule book how can I compete” was clearly the reaction of some. But Jack pointed out that if we were all starting with a clean sheet of paper there are three critical questions that should be asked about the treasurer and his department:

- Would you still do what you are doing today?
- Would other companies pay you to do this?
- Will future Chief Executive Officers come from here?

Breaking free of our history is one of the most difficult things for large organisations to achieve – witness the problem of BT – but the best treasurers will be successful only because they re-engineer all of their treasury activities.

Practical developments

The second day saw a closer focus on some of the more practical developments in treasury. After a review of Tesco’s cash management strategy came Stephen Crompton’s tour de force on the strategies available to a company for improving its treasury management. After a consummate review of the issues facing treasury he identified the primary opportunities as those offered by the new treasury management systems (TMS) functionalities being made available by software providers, the TMS web-enablement developments and the combination of these two factors in the overall re-engineering of treasury. In conclusion he reminded us, as did many speakers throughout the conference, that one of the keys to a successful treasury was to keep your customers (subsidiaries and associates) positively motivated towards treasury by exceeding their expectations.



Top left: Anthony Stern discusses the benefits of ACT membership with Nicole Baker of Merrill Lynch. **Bottom left:** Richard Scase keeps the conference delegates on their toes. **Top right:** The ACT's stand was on display for the first time. **Bottom right:** Delegates enjoy the Members' Lunch, sponsored by The Royal Bank of Scotland.

The Members' Lunch was sponsored by The Royal Bank of Scotland. Johnny Cameron, Deputy Chief Executive and Head of Corporate Banking in the Corporate Banking and Financial Markets division, gave us food for thought on the way bank relationships would develop. Although open to everyone, the Lunch was designed to highlight issues in the ACT and the Chairman brought out from amongst these the role of Continuing Professional Development in the range of services available to Members. Those who were up to date with their professional knowledge would be well placed to win the two UK Grand Prix tickets given as a prize by HSBC in the CPD competition being run during the conference.

The afternoon covered two sessions of concurrent masterclasses covering diverse practical issues such as cash management, equity base management, surplus liquidity asset mix management, the motivation of banks and developments in international tax treaties and cross-border financing. Spoilt for choice, some treasurers retired in confusion to the exhibition hall (or the bar). With such a wide range of exhibitors those who had come to make up their minds, finally, about the choice of a treasury management system, or how to web-enable treasury operations, found no shortage of expert advice.

The final half day focused on the treasury and the impact of e-commerce and web-enabled solutions to treasury problems.

Richard Scase brought the conclusions to a close with a rousing summary reminding treasurers that it fell to them to be the architects of change. None of us were going to have an easy year if Richard's exhortations are acted on.

Mike Northeast closed the conference by acknowledging the hard work of both the ACT and EuroFinance teams in this inaugural joint venture. We made our way home, leaving the NEC to the mercies of the annual Association of Taxation Technicians' Conference which was starting later in the day.

Next year's conference is to be back in Birmingham in April/May and we look forward to welcoming all ACT members in 2002 – look out for conference date announcements! As an annual forum, both parties will work hard to grow delegate attendance and satisfaction year on year. To ensure this we need your feedback, so please do send in your evaluation forms. ■

DAVID CREED
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