



# BRIGHT SPARK

Lucie Harwood, group treasurer of technology company Laird, talks about sleepless nights, learning curves and a lack of women at the top

Words: **Sally Percy** / Photos: **Will Amlot**



Lucie Harwood was working in internal audit for Irish food and ingredient giant Kerry Group when a chance to move into treasury came up. She went for the role of senior treasury accountant even though her knowledge of treasury had been non-existent before she joined the group in 2002. Indeed, when she was asked about her treasury skills at the interview, she had to ask the interviewer to “define what treasury was”.

“As a chartered accountant, I came from a pure audit background,” she explains. “Financial reporting and financial consolidation – that was what I did. The only experience I had when I was asked to consider the role of senior treasury accountant was that I had been involved in the IFRS conversion project. All I knew was that the two worst standards were IAS 32, *Financial Instruments: Presentation*, and IAS 39, *Financial Instruments: Recognition and Measurement*, and I was about to take them on.”

Harwood soon found herself, “managing a team of people who knew more about treasury than I did” and generally embarking on a steep learning curve. She was partly selected for the treasury role because her internal audit background meant she could bring a fresh perspective to the function and that’s what she did, tightening up processes and workflows. She also realised that she had stumbled upon her vocation. “It became clear to me early on that I really enjoyed being in treasury because it’s both internal- and external-facing. And I enjoyed the fact it’s very varied and there are lots of different challenges.” She admits to feeling daunted by the prospect of trading FX and handling the large sums of money that treasuries typically deal with. “I remember having sleepless nights about the idea of transferring \$2m,” she recalls. “Now it’s second nature.”

In 2008, Harwood left Kerry Group to take up the post of group treasurer with FTSE 250-listed technology company Laird. Compared with Kerry, which had a large treasury team,

Laird’s treasury team is lean. It consists of Harwood and a part-time analyst in London, as well as the equivalent of 2.5 staff members in Asia-Pacific who work across treasury, tax and financial reporting. The financial controllers and shared service centre in the US handle their own treasury issues and FX is managed centrally from London as far as possible, although spot trading is allowed locally for currencies that are not freely traded.

Harwood says that moving from Kerry Group to Laird just as the financial crisis struck was an “interesting transition”. The first question that she had on joining the group was “Where’s the cash?” and she was relieved to find it was being effectively managed and reported on. “When you’re dealing with so many overseas subsidiaries, as we are, where that cash is held is really important,” she explains. “In 2008, when banks were collapsing overnight, no one wanted to be in a subsidiary that had put their cash in a bank that wasn’t a group bank.” The financial crisis raised the profile of treasury, says Harwood, because it emphasised why counterparty risk is important and why money should only be held in certain places. “Even in the good times you need to know where the cash is,” she notes.

Along with cash management, FX has been an important focus for Harwood ever since she started at Laird. “We operate in a number of countries in Asia, in North America and in Europe. We have a lot of different currency pairs. Whereas pre-2008, sometimes you didn’t necessarily know where the exposures might be, I joined at a time of volatility, when those exposures popped up quickly.” Laird’s principal currency exposure is to the renminbi since it has manufacturing subsidiaries in China. Indeed, some 34% of its costs are in renminbi, which Harwood describes as a “significant level of cost in a currency that was appreciating until recently”. It is less exposed to other emerging markets such as India. “For us, the emerging markets are more of a macroeconomic consideration in terms of risk,” says Harwood. Laird hedges >

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## LUCIE'S TOP TIPS FOR SUCCESS:

1 **"Use your banks and try to gain as many different viewpoints as possible."**

2 **"Don't be afraid of doing business in China. China is not one of the more difficult countries in which to open a bank account, for example."**

3 **"Get involved with the business so that the business understands what you can do for them."**

4 **"I'm able to blow my own trumpet. Maybe one of the reasons I've done well is that I'm quite a bolshie person and I'm able to stick up for myself."**

5 **"The AMCT gave me the confidence that what I was doing was right and it was the theory to back up the practice."**

6 **"My favourite gadget has to be my iPhone and my favourite app is a close-run competition between Twitter and Facebook."**

7 **"What's the most difficult question that my CFO could ask? They are all really difficult!"**

8 **"The best way to wind down after a stressful day is with a glass of Malbec and a cuddle with my dogs, Porridge and Florence."**



## LUCIE'S CURRICULUM VITAE

### 2008-present

Group treasurer,  
Laird plc

### 2003-2008

Assistant group treasurer,  
Kerry Group

### 2002-2003

Internal auditor,  
Kerry Group

### 1998-2002

Audit senior,  
Morison Stoneham (now Baker Tilly)

### Qualifications

AMCT, ACA

renminbi out to between six months and 15 months in order to gain certainty around its cost base and protect its margins. But, where possible, it prefers to manage its exposures commercially – for example, by selling more in local currency – rather than use hedging.

Liberalisation of the renminbi has been helpful to managing Laird's currency exposure. "Some of our customers are more receptive to the idea of paying in renminbi," reveals Harwood. "We have also switched to using renminbi as an internal currency in terms of intercompany payments. Although this was possible before, it's now more straightforward than it was previously." She believes that renminbi will soon become the world's second most traded currency. "The pace of change is quicker than we could have anticipated. We use the line 'the renminbi is coming', but, in fact, it is here." There are still restrictions at present, however. "We buy CNH offshore from Hong Kong. But we can only pay it into China to pay a trade invoice. We can't just send the money in. And there's a lot of documentation."

Regulations in China change quickly, Harwood says, so it's important to stay close to what's going on. "If you're told something by a bank, an adviser or a subsidiary, it's always worth getting a second or even a third opinion. I know from my own experience of being in China that the local banks will all have a slightly different take on what the newest regulations might mean for us."

Laird has six group banks, two of which are Chinese, and all cash is held with those six banks. Also, the company only borrows from its cash management banks. "We have good people on the ground in China who I rely on in terms of understanding what is going on day-to-day," reveals Harwood. She also tries to visit the country twice a year to meet with local bank representatives. Meanwhile, Laird's treasury and tax teams work together to bring back dividends from China in the most tax-efficient way. "We accept that the level of cash held in China will gradually creep up during a period and we'll then have to bring it down." Harwood makes a point of referring to the money held in China as 'excessive liquidity' rather than 'trapped cash'. "It's not that it's trapped," she explains, "it's just that if you were to take it out without the appropriate planning, it might be tax-inefficient."

Laird is a net borrower and it borrows from banks as well as the US private placement (USPP) market. Harwood rates the USPP as a funding source. "If you're a repeat issuer, once investors understand your story, you can build a relationship with them and it's a good, core funding component to have because of the tenor. You're looking at longer maturities."

As Laird is a global business that operates in a diverse range of markets and geographies, it needs to factor in a lot of different risks to its risk mitigation strategy, including political and sovereign debt risk. Commodity risk is an issue, Harwood says, but not a huge one. "We're not as commodity-reliant as you might think. That's because we're not only about making components, we're also about engineering complete product solutions."

Harwood is notable because she belongs to the elite group of women who have made it to a group treasurer role in a FTSE company. Encouragingly, she believes her gender has not held her back in her career; in fact, she thinks it may have actually been an advantage. But she notes: "I think sometimes my age has counted against me more. I became group treasurer here when I was 33, so I'm relatively young. That makes you stand out a little bit. The initial perception when you go into the room can be: 'You can't possibly be the group treasurer!'"



“Women do have a tendency to sell themselves short, preferring to prove themselves in a role before wanting to take any credit or kudos for it”

She continues: “I struggle to understand why there is a lack of women at the top of treasury. I like to think it isn’t just around women leaving to have families and then returning to work. I think it is broader than that. In part, it is self-perpetuating. Because there aren’t many women at the top, it becomes more difficult. Treasury is a relatively small community, too, so if people aren’t moving around, opportunities do become more limited. And networking opportunities aren’t necessarily available to women to the same extent that they are to men.”

While women have predominantly staffed both the treasury teams that Harwood has worked in, she notes that they do not populate the highest echelons of the treasury profession in the same numbers. But she says there is not necessarily a sinister reason for this. “Treasury is quite a broad discipline. You have qualified professionals in the team as well as banking administrators and other team members whose goal is not necessarily to move up the ladder.” Harwood doesn’t believe that women in treasury are actively being discriminated against, but she wonders whether women shy away from pushing themselves forward. “Women do have a tendency to sell themselves short, preferring to prove themselves in a role before wanting to take any credit or kudos for it,” she reflects.

As far as Harwood herself is concerned, it seems unlikely that she’s reached the top of her own career ladder already. But while she neatly dodges a question about whether she wants to make CFO one day, she reveals that she is part of Laird’s strategic leadership development programme, which has been created to harness the talents of the best people within the organisation. She has also presented on treasury matters to other members of the programme. “That’s so that they understand that we’re integral to the success of the business,” she explains. “We’re part of the business, not just the corporate back office, sitting there tinkering away with numbers. We are experts in our field who can be drawn on to help. I feel evangelical about that.”

Sally Percy is editor of *The Treasurer*

## VITAL STATISTICS

