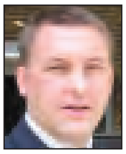
Shrink yields to stretch



THE HEADS-DOWN REFUSAL OF MANY BUSINESSES TO CONTEMPLATE ANY RECRUITMENT AT ALL LAST YEAR IS CRUMBLING BEFORE THE REALISATION THAT IF THEY DON'T STAFF UP, THEN THE MANY CRUCIAL TASKS THEY REQUIRE OF THE TREASURY DEPARTMENT WILL SIMPLY GO BY THE BOARD. **MIKE RICHARDS** SCENTS A RECRUITMENT RECOVERY.

Last year was torrid and, some believe, best forgotten, but reflecting on the tough times and understanding the lessons can help us to look to the future and plan for the growth of our careers and businesses. In 2010 MR Recruitment has found that candidates and clients alike have been keen to assess future prospects for their company, their careers and themselves.

2009 WAS A TOUGH YEAR. At the beginning of 2009 we seemed to be surfacing from a global financial crisis but the knock-on effect of an economic recession loomed large. It seemed that many UK, Europe and US-based clients were in lockdown mode where it was business only where necessary. Many used the fragile economic state and umbrella of bad news to streamline their operations and reduce their headcount without the usual negative publicity: everyone blamed the recession.

The size of the treasury department relative to the wider finance function and the crucial nature of the work it performed often meant that treasury wasn't forced to reduce staffing – although this didn't mean that treasurers didn't suffer. Often when a member of staff left or moved on, there was no budget to fill the position. Treasurers were asked to deliver an A to Z of results but were lucky if they got to M! Projects were stalled and a frugal back-to-basics approach prevailed. From a candidate's perspective everyone sat tight: if you were in a good job, or even if you were suffering a pay freeze or recognised that a yearly bonus was unlikely this time around, you simply couldn't move in such a volatile and threatening marketplace.

We found that a simple invite to meet and discuss the state of the market was often rebuffed because people either weren't willing to think about a move or were simply too overworked to consider one. All career development plans seemed to have been put on hold.

The phones started ringing again as early as May 2009 although we didn't see real signs of recovery until October 2009. It was at this point that many treasurers realised that without the prospect of a bonus or any pay increase there was no good reason to stay where they were. The realisation that the reward for at least a year's hard work was going to be a 12-month pay freeze and no bonus was too much for many to bear.

Our 2010 treasury salary survey reflects the current market sentiment of a sample of 603 treasury professionals. Although the figures (see Figure 1 on page 46) record widespread dissatisfaction with pay, when we investigated further we found that only 13 treasury professionals (just over 2% of our survey) didn't feel valued by their bosses, and only 120 of those surveyed felt undervalued by their line managers (just under 20%).

So while treasurers' compensation packages have come under huge pressure this past year, candidates seem to have realised that their bosses can only do so much. But it hasn't really helped that bosses have been giving treasurers a massive thumbs-up for their efforts and achievements while not rewarding them appropriately through their pay packets.

TIME TO MOVE ON? High-potential candidates weren't afraid to look for new roles. The efficiencies implemented in the early part of 2009 have made treasury departments leaner than ever. The roles on offer in the open marketplace are exciting and dynamic – and crucial to the operation of treasury departments: if the employer can't fill the position, the work simply won't get done.

But there is also a negative impact here for treasurers looking to move on. Whereas candidates used to be expected to find 50% of the content of a new role well within their comfort zone, 30% of it a stretch and 20% as entirely new, the expected split now is 70/20/10. Candidates need to take a holistic view of their next career move and consider factors such as:

- Will the scope of the work the treasury department carries out widen?
- Will a new boss act as an effective sponsor/mentor of their career?
- Will the new boss move on within two to three years, generating further career progression opportunities?
- Will the work be engaging because they believe in what the company is trying to achieve?

2010: VOLATILE BUT RECOVERING, BUMPY, UNPREDICTABLE AND UNCERTAIN – BUT STILL AN IMPROVEMENT. That pretty much describes recruitment consultants' thoughts and feelings. We've seen the treasury recruitment market recovering recently, but it's a return to normality rather than a bull market. As the markets improve we have seen increased levels of activity. Roles that appeared at the end of 2009 and those that we've started to recruit for in 2010 are interesting and attractive.

KEY TREASURY MARKETS IN 2010.

The UK. An improving picture although often “recruit-to-replace’ rather than newly created roles. There may be some slowdown or erring on the side of caution around the time of the UK election in April/May. Thereafter there will be continued caution for the rest of the year and continued recovery.

Continental Europe. A quicker return to normal levels of activity than the UK, driven in part by advantageous tax structuring and an awareness that companies need fully staffed, well-resourced treasury departments to function effectively.

Middle East. Early 2009 saw a surge of activity, with lots of experienced treasury professionals relocating to the region. In late 2009 that came to a total stop as the brakes were slammed on and economies went into reverse. A slow recovery will be coupled with a heightened awareness of the importance of an effective treasury.

Far East and Australasia. The realisation of the importance of treasury and that cash is king means that many CFOs have to increase their internal treasury expertise.

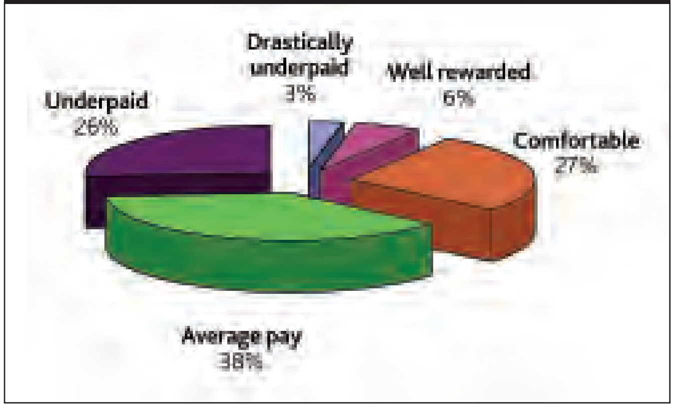
KEY POINTS. We believe the market will stabilise, fuelled by clients’ need to upskill functions to cope with increasing workloads and the complexity of information required by senior management. Requests in 2009 to increase headcount were met with pursed lips, but 2010 should see greater openness as the economy improves and last year’s cost-cutting frees up cash to reinvest in key areas such as treasury.

Greater focus on compliance, cash and working capital management and implementing system efficiencies could lead to more project-oriented roles and long-term interim assignments.

The focus is very much on the global nature and mobility of treasury professionals, with overseas clients increasingly needing to bring in specialist treasury staff.

A better if still cautious 2010 awaits.

Figure 1: How treasury professionals see themselves



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