Opportunities out there

THREE RECRUITMENT EXPERTS GIVE THEIR ANALYSIS ON THE CURRENT MARKET CONDITIONS.

MATT MATTHEOU

The recruitment market has of course been significantly impacted by the economic downturn and the speed with which September's banking crisis moved across to the corporate recruitment market has surprised many. As far as treasury recruitment is concerned, while the market has slowed significantly, there are still opportunities that can be taken.

One of the advantages of a working in a specialist area such as treasury is that demand is relatively inelastic. In fact, as many treasurers are only too aware most treasury departments are much busier than they have been for a while. A downturn and the change of focus which it brings means that both the finance director and the board will be asking for advice as well as monitoring what is going on much more closely so it represents an ideal opportunity for treasurers to showcase their technical strengths and commercial acumen.

In terms of the market itself, there has been a marked increase in demand for interim treasury professionals over the last three months. When headcount freezes are being put in place an interim solution is one way of getting around this problem. I would expect this trend to continue throughout this year given the current climate. There are still roles out there for people; the demand for treasury accountants with a good knowledge of derivatives and strong financial reporting skills continues.

The one big advantage that a treasury professional has is that most treasury departments tend to be "mean and lean". If someone leaves the department, they will simply have to be replaced, especially given the increased workload and heightened focus on treasury at the present time.

Treasury within financial services has, of course, been affected far more than the corporate world, but people with strong capital management and liquidity and treasury risk skills are still in demand. And while many of the larger global banks have freezes, there are still smaller institutions that had more conservative risk policies recruiting across the treasury spectrum.

The advice I would give to people looking in the current market is to be realistic in terms of salary expectations. This will be a tough year for all, so be pragmatic and think of the long-term prospects and skills you will gain from a prospective role as opposed to purely the financial rewards.

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When I last wrote about the treasury recruitment market in 2008 I predicted stormy times ahead. While this was an easy enough forecast to offer, what I didn't realise was the size of hurricane that loomed.

In October 2008 the UK treasury market shut for new business. The majority of roles recruited since then have represented the replacement of staff rather than an expansion through business growth. The few roles that have been newly created have arisen from an increased focus on liquidity, cash and treasury management, and the pressure in these challenging market conditions to reduce cost, streamline and enhance treasury processes in both cash management and foreign exchange (FX) processing.

Clients recruiting for positions are now often extremely specific with their requirements in terms of skill set, experience and qualifications. It appears the pressure on senior management has obliterated any introduction period. New recruits are expected to make an impact from day one and savings by the end of week one.

A concern for many has been job security in these uncertain times. However, the impact on those currently in treasury roles has been limited. Our

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corporate clients and candidates are working extremely hard often as a result of greater pressure from their finance directors and senior finance colleagues.

While the UK has been closed for new business, continental Europe has carried on trading and the positions recruited are both challenging and career-enhancing. The smaller pool of treasury professionals that we are sourcing from has meant that recruitment has been more problematic in some ways but simpler in others.

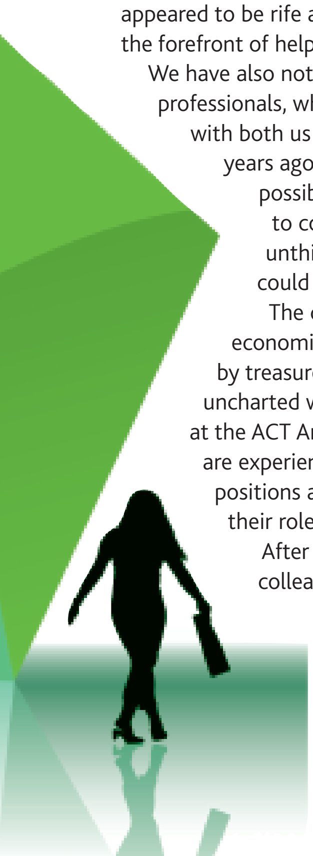
In the UK it is often possible to easily identify five or six suitably qualified treasury professionals who match the brief for a position; the difficulty lies in finding one who is an exact match for the client's culture, working style, and so on. As the pool of identifiable treasury talent in each of the overseas regions is smaller, when a client is seeking a treasury professional they sometimes only have two strong candidates (who both provide a match for their needs) to choose between; this often leads to quicker and easier recruitment decisions.

We recently attended industry events including the National Housing Finance Conference, which focused on treasury management in the social housing sector, and the London Regional ACT group. The key issues arising from the housing conference were that the repricing of previously agreed banking arrangements in the sector appeared to be rife and that treasury staff were now being thrust into the forefront of helping finance their housing groups.

We have also noticed a greater degree of openness from treasury professionals, who appear more willing to share their experiences with both us and each other. Who would have thought two years ago that any of us would have to discuss the possibility a major bank going bust? Clients now have to consider scenarios that at one time were unthinkable but which are now not only thinkable but could actually happen.

The consensus from both events was that the current economic conditions have never been experienced before by treasurers and their banking partners: we are in uncharted waters. It will be fascinating to discuss with those at the ACT Annual Conference in Manchester whether they are experiencing the same conditions in their day-to-day positions and if there has been a greater appreciation of their roles during these chaotic times.

After the UK conference I will be travelling with colleagues to conferences in both the US and Asia. It will be interesting to find out whether other global treasury professionals are in the same situation and face a similar range of issues. We will report back soon.



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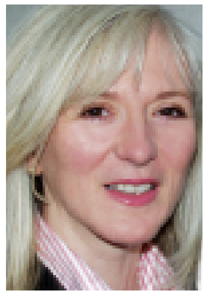

DEBORAH THOMAS

The markets remain volatile and treasurers and their teams are still in the spotlight. For treasurers it has been a fraught time whether they have cash to invest (where and with whom?) or are trying to fund positions.

We are seeing greater focus on the actual quality of information being provided, particularly for cash forecasting and risk management (and not just for the normal treasury activities but also issues such as credit and counterparties).

There is also a continued focus on the commerciality of the treasury role as companies fight to control cash, costs and exposures. Companies are trying to get to grips with a new era of volatility in FX markets that had previously seen limited movement over the curve. There is also a general feeling that the equity markets are behaving emotionally rather than logically, with company share prices sitting below even the most draconian measure of asset values.

A few group treasurers have been made redundant, and in some cases the number two has been promoted to the position. And some corporates have brought in more experienced group treasurers to help them through the current economic conditions. But overall the executive treasury market is in a healthy position. In many cases there is an argument for enhancing the teams to support the amount of activity treasury is having to undertake. With chief financial officers and chief executive officers focused on the bottom line, there is still the opportunity to justify cost uplift in treasury against the risk of, say, an FX loss or the unfocused management of a refinancing.

For many these are uncharted waters, for others the lessons learnt in other difficult times are being reinforced. The focus is sure to be more on controls and risk management in a financial climate where trust has broken down. The banks may be in the doghouse but it is only a question of time before others are caught up in the mayhem and subjected to market effects that could have dire consequences.

Treasurers must ensure that while transacting the bread and butter activity of the treasury department, they still keep their eye on the bigger picture and ensure that treasury is playing a full part in any associated risk agenda. Companies are looking for high levels of expertise combined with a commercial mindset and the ability to influence in a fluid environment. With many treasurers set to take on broader remits, this market should enhance the experience of most but there will be casualties along the way as companies retrench. Treasury accountants and consultants continue to be in demand to provide the accurate forecasting and reporting that remains high on the management agenda.

Overall, treasury is reasonably recession-resistant and should come through this period of financial turmoil in a stronger position, albeit with a few restructures along the way.

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THERE IS AN ARGUMENT FOR ENHANCING THE TEAMS TO SUPPORT THE AMOUNT OF ACTIVITY TREASURY IS HAVING TO UNDERTAKE.