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The ACT's all-rounder

AS INCOMING PRESIDENT OF THE ACT, GERRY BACON CAN'T IMAGINE A BETTER TIME TO TAKE OVER. HE TELLS PETER WILLIAMS WHY HE THINKS THERE IS SO MUCH TO LOOK FORWARD TO IN THE WORLD OF TREASURY.

The incoming president of the ACT believes that this is an extraordinarily interesting time for treasurers. Gerry Bacon takes over the role from David Swann on 1 May and says: “Talking to treasurers and people here at the ACT, such as the CEO and the policy and technical team, one realises that the credit crisis is making organisations more aware of the value contributed by good treasurers.” And while some treasurers have always been highly involved in the business, Bacon says the current economic conditions offer a good opportunity for those treasurers who were further removed to become more integrated with, and closer to, the business units and to understand what drives sales and cashflow.

It is clear that Bacon enjoys the challenge that the ACT has taken on during this financial crisis and relishes the interaction it is having with bodies such as the Bank of England and the Financial Services Authority. While much has been achieved by the ACT, Bacon says he wants to maintain the momentum and strengthen relationships with regulators. Part of the desire to maintain contact is to see how the proposed changes and recent actions will actually work out in practice and how they will impact on treasurers and their organisations.

So what will be the result of the revised regulatory regime? And how will quantitative easing affect inflation and interest rates and the pricing of gilts and bonds? And what does that mean for corporates and their treasurers?

When asked about the progress he hopes the ACT will make during the next year or so, Bacon points to the work that is being performed by the education department, which is in the process of ensuring that all parts of the education programme dovetail, providing a set of mutually supporting modular qualifications. There is also a big push on technology-based learning and Bacon welcomes the plans for qualifications to move towards a common technology platform as well as a common look and feel.

He also expects the ACT's qualifications to become even more accepted internationally, with the ratio of students outside the UK to rise even further than the current 43% of students. Bacon remains keen to pursue the trend towards a global outlook, which can be seen in projects such as the *talkingtreasury* series, which has been to major cities in western Europe and beyond, including Moscow in early spring this year. He is also impressed by the work of the ACT in the Middle East where ACT Middle East has been established and a treasury community is forming.

The ACT has always focused on delivering for its members whether through meetings, training, publications or the high-profile gatherings of the ACT such as the Annual Dinner in November and the ACT Annual Conference in April this year. Bacon says he thoroughly enjoys these events – he is a regular speaker on the conference circuit – which he points out combines serious work with

networking in both a social and professional manner.

At the heart of the ACT is the technical work that aims to help individual members as well as companies, regulators and governments. One of the most interesting pieces of work this spring has been the results of a series of in-depth hour-long qualitative interviews with more than 40 corporate treasurers from non-financial corporates within the UK's top 350 quoted businesses. Once again another item goes on the president's to-do list when he says he wants to keep the work refreshed and to ensure there is a feedback process both to and from members. This work has been of particular interest to regulators as they are also keen to find out what corporates are doing and how they are coping with the current business and financial conditions.

Bacon is convinced that the terrain in which treasurers are now operating has fundamentally changed. He points out that many treasurers have become used to relying on the banks for all their money but now need to look to other sources such as the equity, debt capital and commercial paper markets and in some cases going directly to those sources. And that means treasurers having to deal with people, systems and processes – such as credit rating agencies – which they may not have had to deal with before.

Bacon offers a precedent: "If you look at the US, 70% of corporate financing comes from the capital markets and only 30% from the banks. But in Europe this is the other way round."

But if treasurers are to explore different routes to raising finances won't they need new skill sets? Bacon says they may have to become "more market-savvy". The price of bank debt has a certainty and stability that don't exist in the bond market where there is more volatility. He also suggests that treasurers may have to learn to present the investment case in a way that will appeal to a certain class of lenders and be fully understood by agencies.

Bacon certainly continues the tradition of ACT presidents who

have come from the heart of the treasurer community. Until recently he was group treasurer of Vodafone, as well as CFO of its central services company, where he built up a respected treasury department that contributed significantly to the company's success.

Recently he stepped down to pursue other interests in the absolute true sense of that phrase. He jokes he's semi-retired but then lists the portfolio of projects he has on the go and it sounds a long way off even semi-retirement. The punishing schedule includes working at advisory company Anthem Corporate Finance where he is using his considerable Vodafone-acquired M&A experience; sitting on the board of three Maltese-based Vodafone insurance companies that he was responsible for setting up and which specialise in providing insurance for mobile handsets globally; acting as a trustee for a local autistic charity; and lecturing at Oxford Said Business School (where he has been designated an associate fellow) on an MBA-equivalent financial strategy diploma.

Oh, and he is also studying part-time for a degree in history of art, an interest he acquired from his father, who dabbled in buying local paintings. Finally, he says, easily persuaded by a friend, he intends to join a local over-40s cricket midweek league, presumably as an all-rounder, as well as continuing his Saturday league, and coaching an under-nines team in which his son plays.

Bacon was profiled in the April 2005 edition of *The Treasurer*, when he was awaiting the results of the ACT's council election. Back then, he said he thought it was time "to give something back to the ACT" and he remains immensely enthused by the work of the organisation and proud of the reputation it has within the financial and corporate community. What more could you want of a president?

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