

Role play



THE ACT'S NEW CHIEF
OUTLINES HIS PLANS
TO **PETER WILLIAMS**
FOR RAISING THE
PUBLIC PROFILE OF
TREASURERS.

Colin Tyler, the ACT's new chief executive, is mulling over the association's future direction. "Our profession has grown in stature, influence, professionalism and quality since its formation over 30 years ago, so it has clearly been doing many things well," he says. "One of the first questions has been to ask myself what I can possibly do that hasn't already been done."

One possibility is suggested by an event immediately preceding our interview – a well-attended ACT breakfast forum to discuss the repercussions of the Vickers Report.

"I've just come from what was a quality treasurer experience with a packed audience, feisty discussion, a focused and real debate," Tyler says. "The timing was excellent and the speakers' range and breadth of experience gave it a real dimension. But it wasn't only a treasury experience, it may well have attracted someone who isn't necessarily an ACT member. If it was their first experience of us they would go away with the view that we produce quality events."

As Tyler notes, the ACT's main role has been to provide quality support to treasurers as well as education and qualifications; it is a role that has steadily grown in importance. "We also ensure that a business understands the risks it is running in the broadest sense – so not just the financial risk."

In steadily broadening and defining the treasury experience, the ACT can raise the profile of the profession, he suggests. "That in turn enables us to do exactly what John Grout has been doing on Vickers, as well as our policy and technical team, which has become a credible provider of consultation responses.

"I expect to see more of that in the future, and clearly we have to broaden it over time. Many more treasury aspects are now driven from a European perspective, so I'm delighted we've got such a good relationship with the European Association of Corporate Treasurers [EACT] and its chairman [former ACT chief executive] Richard Raeburn."

While Tyler has been an ACT member since its early years his background is in science, with a specific focus on inherited metabolic diseases and a degree in medical biochemistry. As he admits, it's a relatively obscure subject but one well suited to an enquiring mind. "I started to realise that I wanted to look forward rather than backward, but really didn't know what I wanted to do on graduating." At the suggestion of his tutor, rather than pursue the science route he began his career in accountancy.

Rather than one of what was then the Big Eight, the firm he joined was down in the ranks of the top 20.

"I was fortunate to have among my clients the National Graphical Association just at the time it was battling with Eddie Shah's Messenger group, and the National Union of Journalists. So it was very topical and we were right in the thick of it."

Despite the drama, Tyler quickly decided to move into industry. His choice of company was medical technology and research group Amersham International, selected in 1982 by the Thatcher government as the first in its privatisation programme.

"I joined the company shortly after qualifying after a very conventional accountancy course," he recalls. "At this time technology was just starting to make the job easier, with spreadsheets becoming something that you could use as a tool."

SEDUCED INTO TREASURY Amersham also had a dynamic treasury team headed by a former ICI treasurer. Its forward-thinking dynamic and influence "seduced me into the world of treasury", Tyler recalls.

"But I also realised that it was quite dangerous as you had to know what you were doing. Very quickly I put my hand up to ask for some quality training. The ACT was then still a young organisation, only recently embarked on the qualification programme. Membership was available by experience or through examination. I was probably in the third cohort to complete the MCT exams in 1988."

He was also able to pick up one of its very first awards, for his thesis on liquidity management. By this time, he had moved from Amersham as he felt there was little support for employees studying for qualifications. In 1987 he joined Guinness, which had grown rapidly through an aggressive acquisition strategy that included Arthur Bell and Distillers. "A statistic often quoted at the time was that no more than 30 senior managers in the organisation had been in their job for more than two years. So there was a lot of change."

He initially worked for John Coles, one of the ACT's first supporters and then Ian Scott after Coles retired. "Over the nine years that I worked with Ian both the brand and the business changed from being UK-focused to international," says Tyler. "Early on there was a significant disposal phase, then Guinness went on the acquisition front. That broadened both the way we funded the business and the markets we were operating in."

After a "highly enjoyable" 10 years at Guinness, which saw him ultimately promoted to treasurer for international operations, Tyler was "tapped on the shoulder" in 1997 and invited to join Rentokil Initial as director of treasury, tax and risk management – the latter



represented by a significant self-insurance portfolio. The group had around 120,000 employees worldwide, and a very diverse range of business from offshore oil platform maintenance to pest control. "It was often said that Rentokil was more a conglomerate in the way that it operated, but in fact many of the core businesses had similarities," says Tyler.

The group's treasury department was centralised and run by a small team. "Over time we broadened out the funding base, going through a capital markets programme, securing a rating, and issuing debt both in the private and public market to help supplement the traditional bank funding that we had through a series of bilaterals," he adds. "In later years we also carried out a syndicated deal."

To the combination of corporate financing, restructuring and treasury funding work was added the task of managing the group's significant property liabilities (for more than 1,000 properties worldwide) and environmental liabilities more efficiently. To Tyler's own duties were subsequently added responsibility for Rentokil's health and safety programme and also for its first shared service centre operation "which brought me into contact with sales at the front-end right through to payroll in the back-office".

In 2007, he moved over to become FD for City Link, the group's express parcel delivery operation. "It was quite a change. For the first time in some while I didn't have to worry every day about liquidity although we had a business suffering significant losses."

As he explains, a basically sound business was suffering "indigestion" from a string of acquisitions it had made, which culminated in a profit warning within days of his joining City Link.

"It was a challenging period. We had to focus on doing the right things to stabilise the business, so it was a case of going back to basics – can you get paid, get the service level that you wish and ensure your costs are aligned? All of this in what was an incredibly competitive market, with the industry suffering from overcapacity and falling pricing levels."

The medicine applied included changing the operational structure and service levels of the business, closing its worst-performing operations and reducing the cost base "while also giving a better offering for customers through the introduction of sharper, faster, more focused IT. It was challenging but great fun." Tyler left City Link earlier this year and decided to take stock and consider where he wanted to move next.

"Throughout my career what I've enjoyed most has been the people aspect and particularly developing the individuals in your team," he says. "Making sure that your organisation attracts good-quality people who can

ensure the business meets its challenges has always been the most attractive aspect.

"At the same time I felt that it was time to put something back into the treasury profession, having benefited from it significantly. And I began to think that possibly I could provide some insight into where we could take the ACT next."

In his first weeks at the ACT, Tyler has made meeting the team a priority and says he is delighted with its experience and quality. "It's a small team and they are stretched in so many different directions, but do a fantastic job with what is available. Part of my role as chief executive is to ensure we've got the resources to further the treasury profession, that we're 'on message', supporting existing members, attracting new students and applying ourselves in the right areas."

NATIONAL FOCUS Has he identified any areas where the ACT could do better? He responds that one indirect criticism is a tendency for it to appear overly focused on London.

"Rentokil was in East Grinstead, and at other times I was based in the Midlands at Dudley, as well as Camberley in Surrey. It wasn't always as easy to pop out for events such as the one today. So I was an ACT admirer but not an active participant, unlike some of my colleagues, who provided significant support and sat on committees. And the voluntary effort that goes into the ACT is impressive. I really admire those people, the passion and the quality of their contributions. As chief executive, I now aim to contribute that myself."

One of his aims is to reinforce the ACT's role in providing a "life-long experience" in treasury. "I'd hope that we can continue that both in the UK and overseas. There are 59 countries where students are taking ACT exams, we've got a significant presence in the Middle East and many overseas operations are delivering the message that in treasury you need quality tuition and training."

He adds that the panel discussion on Vickers reflected a consensus that the months ahead will see reduced liquidity in the marketplace as banks' capital is readjusted and returns on equity are squeezed.

"It was said that treasurers in all organisations would have to be more savvy, very hard-working and diligent in terms of how they're going to raise appropriate capital and financing for their business – not just in the major non-financial corporates but also small and medium-sized businesses as well. That's going to be a major challenge for us, not just in the UK but worldwide."

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Quick-fire quotes

WORDS YOU MOST OFTEN SAY TO YOUR COLLEAGUES?

Thanks!

WORDS YOU MOST OFTEN SAY TO YOUR TEAM?

Why will it work?

DOUBLE DIP OR GROWTH AHEAD?

Both – name your timeframe.

WHAT PIECE OF ADVICE WOULD YOU OFFER TREASURERS?

Grow your influence.

WOULD YOU OPT FOR DEBT OR EQUITY?

Debt, while you still get a tax shield.

FIXED OR FLOATING INTEREST RATE?

Floating.

BIGGEST SUCCESS IN YOUR CAREER?

People development.

ACHIEVEMENT YOU ARE MOST PROUD OF?

Always looking at a problem with fresh eyes.

MOST VALUABLE PART OF THE ACT MEMBERSHIP?

Qualifications.

REASON FOR ATTENDING ACT CONFERENCE/EVENTS?

Networking.

PIECE OF TECHNOLOGY WHICH IS ALWAYS WITH YOU?

It's now an iPhone.