

# KEEPING THE ASSOCIATION RELEVANT

**CHRIS JONES, CHAIRMAN OF THE MEMBER SERVICES COMMITTEE, EXPLAINS COUNCIL'S DECISION TO SEEK MEMBERS' APPROVAL AT AN EGM TO INTRODUCE A CATEGORY OF CORPORATE MEMBERSHIP.**

**E**ach year, the Member Services Committee (MSC) looks at new ways of providing value to the Association and its members. These include the significant investment in the Association website, incorporating financial data feeds, a career service and the provision of a platform for CPD. It has also delivered greater accessibility to the Association's services and technical information, such that members can now access the Members Directory, Treasury Services Directory, past *Treasurer* articles, and reserve places at events and conferences – all online.

Of key importance to the Association is its representation within UK corporates, but in particular the largest. This is crucial because of the Association's dual role. It is first and foremost a professional body whose individual members are only admitted after passing demanding examinations. However, the Association also has a role as a trade body whereby it represents the views of treasurers on key issues, such as financial investments, regulation and dealings with financial institutions. To do this properly it needs to be representative of corporate UK.

Representation is becoming more challenging; the economy is evolving ever faster and the composition of the major indices such as the FTSE 100 has become much more volatile. Previously, many of the major corporates' treasurers were invited to join the Association by virtue of their experience, an option no longer available. However, we wish to ensure that we remain representative of all companies. While we would hope that junior treasurers who have joined the Association by examination will become the senior treasurers of tomorrow, this will not always be the case.

Part of the reason for this is that there is greater mobility of senior management across the functions of the modern company. Just as talented treasurers are moving to broader functions within the company, leadership of a company's treasury function is increasingly seen as a building block in a future finance director's career; he may perform this role for a number of years having not previously come up 'through the ranks' as a junior treasury professional. This mobility has also increased as individuals with MBAs take senior financial positions. The incentive to take our examinations, and thereby gain entry to the Association, is much less for a senior professional for whom treasury is not a career in its own right.

The quality of debate and the breadth of input to the Association are reduced if we do not have access to the views of major companies operating in the UK and their most senior treasurers. We also lose potential sponsors who can encourage junior staff to take our examinations. Perhaps more importantly, a proportion of the major

corporates and substantial UK treasury operations do not have access to the views, resources and lobbying influence under the current structure.

The MSC has considered how to address this problem. Reopening the experience route would represent a major reversal of direction for the Association and is considered a retrograde step. Instead, the MSC has considered and had approved by Council that a category of 'Corporate Membership' be created as a way of attracting senior treasury professionals.

Corporate Membership would entitle a major corporate to nominate up to two appropriate representatives with significant treasury responsibilities. The representative would not be a member of the Association. If the representative changed companies, or no longer held a relevant treasury post, another representative would have to be nominated by the company.

It is proposed that this membership would be restricted to major UK corporates and UK based treasury centres of large overseas corporates. It would include offering corporate membership to such companies where there is Association representation but not at the most senior level. The proposal is that the MSC should carefully vet each applicant, in the same way as they have successfully vetted members by experience in the past.

The corporate representatives would enjoy all the benefits of associate membership, including access to the directory of members, except that they would not be entitled to call themselves Association members or use any Association designatory letters. They would also be required to comply with the Association's code of ethics. Within the Directory, corporate members and corporate representatives would not be included within the Members section, but would be noted within the Members' Companies section.

Soundings have been taken of a sample of members, including recently qualified MCT's, who support this proposal and do not consider it will result in a drop in student enrolments. Indeed, we believe that involvement of senior treasury professionals as part of the Association will help promote the examination syllabus.

It is not intended that this should be simply a means of getting names onto our membership list. Rather, it is a way of attracting senior individuals prepared to make a positive contribution to the activities of the Association. Although the introduction of a corporate membership category cannot guarantee this, it should provide the necessary channel for encouraging further involvement.

The concept would be presented to corporates as part of a package linked to increasing our technical support and lobbying resources. This would enable us to be of more value to companies in achieving their objectives of influencing issues affecting their treasury activities. This is an area where we are already committed to do more.

We propose to launch corporate membership next Spring. The necessary changes to the Association's articles of Association have been incorporated into the proposals being put to members at the EGM on 26 September referred to in the article on page 61.

If it is as successful as we hope, it should make a major contribution to keeping the Association relevant and inclusive.

**CHRIS JONES**