

{ INFLUENCE }

PETER MATZA

Technological innovations, safeguarding the corporate reputation – the treasurer’s remit is an expanding and all-encompassing one



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As you are reading this in our February edition, 2016 will be well under way, but it still gives me an opportunity to talk about some consistent themes from the past few years and some new ones for this year and beyond.

The explosion in financial services regulation that we have seen since the financial crisis is probably the most remarkable development in the industry since the breakdown of Bretton Woods (youngsters can go and look that up!). What makes it more impactful is that it’s not yet completely global (though will be) and not consistently applied in the Organisation for Economic Co-operation and Development or Western economies. That means treasurers have to worry about regulation as if it were the FX market – some markets liquid, some controlled, some opaque and some closed. It’s not getting any easier, of course, and indeed likely to get more confusing, more painful and certainly more intrusive.

What’s to come? Well, bank resolution schemes, new regulation in previously unaffected markets (such as the Middle East and Asia) and much more on cyber management. There is some evidence that the regulators – at least in the EU – are pausing for breath, but, as the saying goes, the light at the end of the tunnel might just be a train heading your way.

The rise and rise of tech and systems shows no signs of slowing, either. Of course, it’s not solely the in-house



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treasury system that is changing (where we are seeing software as a service, mobile and cybersecurity issues all clamouring for attention), but the ever-increasing range of business processes that is being affected in digital terms. Supply-chain finance, trade finance, collateral management and logistics are all now specifically important to treasurers because of their impact on cash and the balance sheet. Often overlooked, though, is that the demand for ‘live’ business information means treasury is having to commit to the information age. Knowledge, it seems, really is power.

In this magazine, over the past three or so years, we have tried to draw attention

to a different aspect of professional life, namely career development and the skills that individuals need to become successful and rounded as business people. Of course, the operational aspects of that mean better (and quicker) reporting, data management and a clear grasp of the business environment. More subtly, though, treasurers must see beyond the day-to-day and look to deliver the strategic financial management that their organisations need.

That means having a clear understanding of risk appetite, being clever in the selection of business and financial partners (house banks? Going, going, gone...), but, most importantly, in the words of Clint Eastwood,

‘a good man always knows his limitations’, and then does something to address them. People management is now a greater load for treasurers – it’s always the key to delivering a successful business, and treasurers have got to learn to read and understand people as much as the rules in an International Swaps and Derivatives Association agreement.

There’s a final area where I think treasurers have to look at the world differently. While there has always been volatility in business and markets, there’s no leeway any more. Reputational risk, therefore, the impact of business decisions on the organisation, now sits firmly on a treasurer’s desk. It’s not his or hers alone, but as the VW emissions debacle and other similar issues have proved, the financial impacts of business scandals are felt much quicker, more pervasively and with greater effect than ever before.

So the picture overall is of a faster-moving world and a faster-moving profession. Clearly, our role at the ACT is to help identify those winds of change and then to try to equip treasurers and others with the tools and skills to act and react to them. It’s not going to be easy or straightforward, but we’ll do our best.

I’d like to hear your views, so please contact me at pmatza@treasurers.org or look out for me at one of our events. ♥

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