

{ FUTURE LEADERS }

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Will Brexit be an opportunity or a setback for the next generations of treasury leaders?



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As a young treasury professional, Brexit represents the single most impactful political and economic event that I have witnessed. It is also a decision to leave an arrangement that I cannot remember not being part of.

Now this decision has been taken, we are all trying to understand what it will mean for the future. It is a very difficult assessment to make, and even after negotiations start and finish, we will only realise the long-term impact of Brexit in the next 10 to 15 years.

By then, the current treasury leaders will have been replaced by my generation of leaders. What will this mean for us? Will Brexit be an opportunity, making us approach business in new and better ways, supporting our organisations better than we do now? Or will Brexit impact us negatively and hold us back on the things we could have achieved if we had stayed in the EU?

I think Brexit will impact the next generation of treasury leaders positively and negatively.

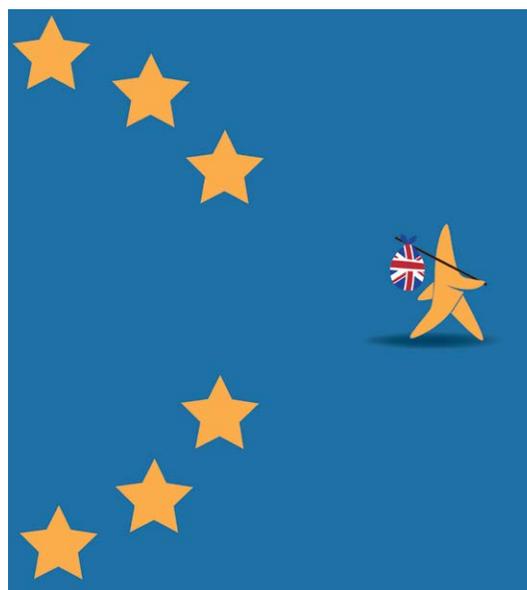
Most economists foresee a slowdown in business trading and consumption. I'm not an expert in macroeconomy, but intuitively, it sounds right. UK businesses may

start to see their revenue and profit fall, and cut costs to offset worsened trading performance. In my view, there lies the biggest risk for the next generation of treasury leaders: as budgets get squeezed, treasurers will need to do more with less, and operate with a smaller budget, often meaning smaller teams.

What about the impact of Brexit on treasury activities and processes? It is only speculation at this stage, but what would be the impact on FX and interest rate risk, cash and banking, funding, compliance, tax and so on? On the cash management side, will it become more difficult or costly to pool cash cross-border, due to tax or regulatory changes? Will it be more difficult to attract funding from European investors? Will all the investment made to comply with European Market Infrastructure Regulation be proven worthwhile?

All these questions cannot be answered at this stage, and we will only understand the full implications of Brexit on the medium term, but what seems clear is that life as young treasury professionals know it, is likely to change.

Which is where I think the opportunity lies: change is good! If the future treasurers' budgets get squeezed and



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As cash becomes an even bigger priority for businesses, treasury will need to really understand and predict the business's cash cycles, leading to improved cash-flow forecasting processes through a better collaboration between treasury and the business.

The next generation of leaders may also have to become more visible externally, and be more involved in the regulatory

we need to do more with less, treasury teams will have to find ways to become more efficient and effective, automate processes, and let go of processes that do not create value and consume resources. As competition for budget and projects will increase, only the projects with the highest rate of return will be approved, overall increasing the quality of standards and processes in treasury, and in the business.

Treasury teams will be asked to work with the business to unlock value from how the business operates. For instance, potential difficulties in pooling or repatriating cash will actually force the business and treasury to look at their cash and banking strategy, and design and implement the best solution for the business.

debate, to ensure that any potential changes don't wipe out previous initiatives and that future changes also benefit them as a business.

Brexit will undoubtedly bring change and, therefore, treasuries and businesses will need to ensure they become more efficient and better adapted to how the UK will operate outside of the EU. For future treasury leaders, the skill that will be critical to success is leadership. Indeed, treasurers will need an acute sense of leadership in order to develop a vision and strategy adapted to a new environment, and to drive the implementation of small- and large-scale projects. Leadership skills take time and effort to develop, and as future leaders, young treasury professionals should start developing those now. ♡

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