

MAKING AN IMPACT

Treasurer-turned-Telefónica UK CEO Ronan Dunne reveals the secrets of his extraordinarily successful career

Words: **Sally Percy** / Photography: **Louise Haywood-Schiefer**

When Telefónica UK CEO Ronan Dunne held his first town hall meeting back in 2007, he told his assembled staff: “I see my job to be chief cheerleader and chief storyteller on behalf of the organisation and to make each one of you the success you deserve to be.”

It is this fierce commitment to helping others to fulfil their potential that has underpinned Dunne’s own spectacular career to date. A clearly inspirational leader, who has managed to hold down the top job in one of the UK’s best-known companies for eight years, he makes it his business to match people to potential. “I have a personal view that all of us can be good at many things,” he says. “Every one of us can be amazing at something. So what we have to do is make sure that we create the opportunity for as many people as possible to discover what they can be amazing at.”

He continues: “That’s why I ended up being a CEO. I could have been good as a finance director, but actually others saw that I had the potential to be a CEO. And I realised that I wanted to see if I could be amazing, potentially as a CEO. Because the responsibility that a CEO has affords the opportunity to be even more influential and more impactful than even the best CFO.”

When he embarked on his career, however, Dunne didn’t have his sights on becoming a CEO. Instead, the CFO role seemed like the “natural progression” to the Irish-born chartered accountant. He qualified with Touche Ross in Dublin, before moving to the City of London where he joined Banque Nationale de Paris, initially in finance and later in a banking position. It was through working with the bank’s clients that he got his first taste of treasury and decided to study for the MCT.

“I knew a lot about how treasury products worked from a banking point of view, but I did not always understand what the business application was,” he explains. With the MCT under his belt, he was able to appreciate “both sides”, as he puts it. “I understood how banks used the products and accounted for them, and I understood how corporates used the products and accounted for them.”

In 1994, Dunne decided that he wanted more than just experience of financing projects; he wanted to be able to see projects through to completion. So he moved to landfill operator Waste Management International as deputy treasurer and then on to logistics company NFC (now DHL) as head of strategic

finance, reporting in to CFO David Finch. It was during his time at Exel that Dunne saw how treasury could become a true business partner. He went on sales pitches and out to visit client sites, which led to him re-engineering the financing around some of the company’s contracts to help it win more business. “In Exel, people thought the treasury was part of business development and delivering revenue growth, not just a specialist function that reported to the CFO,” he explains.

The opportunity that was to determine the course of Dunne’s future career came along in 2001. Finch was approached to become CFO of communication giant British Telecom’s mobile division, BT Mobile, which was about to be spun off as O2 in an initial public offering (IPO). He asked Dunne to join him as his deputy and the pair was an integral part of the leadership team that helped to shape the new business.

“When a new business is born, it’s generally born as a very small business,” says Dunne. “But this was born as a FTSE 30 company, one of the 30 biggest companies in the stock market. So it was an opportunity to do everything from scratch. We didn’t have any accounting or treasury policies; we didn’t have any business policies. What was really exciting was that, rather than taking a manual that someone had written 10 years ago, we started with a blank sheet of paper and created the financing structure and the operating model for a FTSE 30 company from scratch. It was an almost unique experience.”

During the early days, there was some scepticism of O2 in the market. “At the time, although mobile was seen as having an exciting future, the O2 Group wasn’t necessarily seen as being one of the strongest operators,” says Dunne. “There was lots of talk about ‘Would we survive? Would we get bought?’” But O2’s leadership team built on the “relatively poor-performing portfolio of assets that BT had” and transformed the group into the fastest-growing mobile group in Europe. By the time O2 was acquired by Telefónica in January 2006, its share price had reached £2 – three times the amount that it was at the time of the IPO.

Dunne had been appointed CFO of O2’s UK business in 2005 and it was from this role that he transitioned to become CEO of Telefónica UK in 2007. Looking back, he realises that he was being groomed for the CEO position while acting as CFO, even though that wasn’t obvious to him then. “My CEO at the time



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realised that I was getting up to speed quickly with the job, so he gave me extra responsibilities. Very rapidly I realised that I was demonstrating that I didn't just have a finance capability, I also had a managerial capability and a breadth of understanding of the business that meant I could do other things."

He was also learning the importance of helping others to succeed. "Great managers want the people in their team to succeed because the best way for a manager or leader to succeed is if his team succeeds," he explains. "One of the biggest learnings in my career is this: it's not what you do; it's what you enable to happen. Your output is finite, but your impact and influence are

RONAN'S TOP TIPS FOR SUCCESS

"It's not what you do; it's what you make happen. Your input is finite, but your impact and influence can be infinite."

"My MCT qualification helped me by giving me credibility as well as an understanding of risk and how to exploit it."

"My favourite gadget is my Mu folding plug. You can stick it in your jeans pocket, your jacket or your briefcase. It's genius, but so simple."

"Stay curious, build teams and focus on those things that only you can do."

"What's the most difficult question that the group CEO is most likely to ask? It has to be this: 'What is it that I can't afford to do, but I can't afford not to do?'"

"The best way to unwind after a stressful day is by watching Arsenal or Leinster Rugby with a glass of Malbec."



RONAN'S CV

2007-present

CEO, Telefónica UK

2005-2007

CFO, O2 UK

2001-2005

Head of finance, O2 plc

2000-2001

Head of strategic finance, Exel

1996-2000

Director of treasury, NFC

1994-1996

Deputy treasurer, Waste Management International

1987-1994

Manager - international desk, Banque Nationale de Paris

QUALIFICATIONS

ACA (1986); MCT (1991)

infinite. The difference between a great team player and a great leader is recognising how you can relate to how others react and behave, and lead them to places where they might not otherwise have gone."

Being CEO of Telefónica UK, which has 25 million customers in the UK, is a great job, according to Dunne. While he concedes that it can be lonely at times - "When you become CEO, you discover whether or not you enjoy your own company" - he believes the pros far outweigh the cons. "It's the most privileged thing in the world to be the boss and to be the boss of a company that has the opportunity to influence every household in the country."

Apparently, the job is not that stressful either. He explains why: "Everybody below the CEO is asked questions where there is assumed to be a yes or no answer. The reality of being the CEO is that the only questions you ever get asked are the ones where there isn't a black and white answer - otherwise someone in the organisation would have answered it already. Realising that is incredibly liberating."

Five years ago, Dunne decided that he would start allocating 20% of his time to doing community work, particularly with young people, and his focus is on "matching talent to opportunity". With this in mind, he launched O2's Think Big programme, which helps young people with good ideas to have a positive impact on society while developing vital experience and skills. He is also a trustee of Step Up To Serve, a not-for-profit organisation that supports youth social action.

"The responsibility that a CEO has affords the opportunity to be even more influential and more impactful than the best CFO"

Even the uncertainty surrounding the future of Telefónica UK does not seem to trouble Dunne. The company is due to merge with Hutchison Whampoa, the owner of rival operator Three, next year. He says the £10.25bn deal will give the enlarged entity the scale to operate in a world where geographic boundaries are being beaten down by the internet. It's too early, he says, to know where the merger will leave him personally, but he is philosophical about the inevitable precariousness that comes with being a CEO.

"I don't worry for a second that some day somebody will tap me on the shoulder and say, 'Your time is up,'" he explains. "The only question I will ask myself is, 'Did I make enough use of the time I had while I was here?'"

Treasury and the top

So is the CEO role a job that treasurers are suited to in Dunne's opinion? "Definitely," he says. "Because you get to understand the business. At the heart of great treasury management is understanding and managing the risks that naturally occur in business. A successful CEO is doing exactly the same job."

He does, however, believe that treasurers need to take the risk of moving from a 'trusted adviser' role to an 'operator' role if they want to advance in this way. "A lot of senior people in the treasury and finance profession are relatively young," he points out. "So they secure themselves a position of security and responsibility - and, I imagine - the reward that goes with that. Then, the question is, are they prepared to go into another channel, where they don't have as much experience, and take the risk of not succeeding? People with a finance or legal background are great

at assessing risk. But this isn't a reason to say 'No' - it's actually a way to find out how to say 'Yes'."

The reality is that treasurers often find it difficult to make CFO, let alone CEO, however. Dunne says this is the result of people tending to recruit to type. "As a business, we don't recruit for skill set - we recruit for attitude," he explains. "Skills can invariably be taught, but attitude is innate - it's either there or it's not. I think sometimes in professions the assumption is that you're only recruiting for skill sets. Therefore, you look at a candidate for CFO and say: 'Does he or she have a recognised accountancy qualification? Has he or she been a finance director or a finance manager or a financial controller before?' If yes, put him or her on the list. If not, don't."

Hopefully, I - and lots of others - have demonstrated that, actually, if you bring acumen to a situation, and you bring attitude, then you can develop all of the other skills *in situ*."

As you would expect of someone who lives and breathes the technology business, Dunne is excited by what the digital future holds. He points out that both the agricultural and industrial revolutions were followed by enormous societal change (people abandoning the nomadic lifestyle and the onset of urbanisation respectively). We haven't yet seen the full societal impact of the digital revolution, though.

"I think what we will see is that the way technology is harnessed will bring the individual back into the



VITAL STATISTICS

€7bn

Telefónica UK's revenue in 2014

€755m

the amount that Telefónica invested in the UK in 2014

€10.25bn

the amount Hutchison Whampoa bid for O2 UK in January 2015

7,400

the number of Telefónica UK employees

28,600

the number of followers that Ronan Dunne has on Twitter

centre," he comments. "Your access to technology, and to information, will allow you to determine who has access to you and on your terms. It's actually an incredibly enabling force."

Dunne is also very positive about the potential impact of the digitally literate millennial generation (those born between 1980 and 2000), which believes that doing well and doing good are not mutually exclusive. He says: "The powerful force of this new generation of digitally literate people, with a much better sense of responsibility to society, harnessing this massive potential that technology has could be the most amazing thing that has ever happened and actually outshine the agricultural revolution and the Industrial Revolution. So if we want to be ambitious for the next 10 or 20 years, that's what we should be hoping for - not just the iPhone 17."

What is evident from talking to Dunne is that he's not just interested in his own business, he's interested in other people and the wider world around him. In fact, he's just interested - full stop.

This, it seems, is the cornerstone of his impressive career. "How I describe myself is that I'm a 15-year-old curious kid," he says. "And, probably, the secret to my success is that I've maintained being a 15-year-old curious kid for 36 years." ♦

Sally Percy is a business and finance journalist