

# ROUTE TO THE TOP



What does it take to reach the giddy heights of group treasurer? Sally Percy investigates

At some point in their career, most people who work in treasury are likely to have weighed up their chances of becoming group treasurer. Often it's an ambition that junior entrants to the profession have at the outset. But other treasurers may be drawn to it later, perhaps because they've had an epiphany that, despite the other options open to them, treasury is what suits them best.

The first thing to point out is that the role of group treasurer is extremely broad. Some treasurers, who work in smaller organisations, will effectively already be their own organisation's 'group treasurer' because they are the only person doing treasury tasks there. Others may work for a company that has a treasury team numbering 20 or 30 people, and where the group treasurer is regarded as a senior member of the management team.

Rightly or wrongly, many will view the ultimate prize as being group treasurer of a FTSE 50 company (or equivalent, depending on the country in which they live). This kind of role brings with it a high level of responsibility, line management duties, variety and – of course – a six-figure pay packet. According to Hays' *Accountancy & Finance Market Overview & Salary Guide 2014*, group treasurers

working for large, listed companies in Greater London can potentially earn up to £200,000.

So if the group treasurer role is the holy grail of the profession from a career point of view, just what does it take to get there?

### Hard work

Anyone who is reading this article thinking that they won't have to work hard to make group treasurer had better stop reading now. Early starts, late nights and 12-hour days are standard for most group treasurers – and that's not even when their company is making a big acquisition. In those circumstances, they may not get any sleep at all.

But it's not just the hours in the office that matter. Anyone who has dreams of making it to group treasurer also needs to be willing to graft in order to pass their ACT exams. In the UK, at least, professional treasury qualifications are essential for those aiming for the top.

"If you want to make group treasurer, you must do the AMCT and I would also strongly advise doing the MCT," says John Swift, group treasurer of accounting software provider Sage.

"The AMCT was a good grounding because it made sure that I knew what I was doing technically," concurs

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Chris King, group treasurer of foam manufacturer Vita Group. "I did the MCT primarily because I wanted to become group treasurer, but safe in the knowledge that the syllabus was engaging. It enhanced my skill sets and my confidence because of the depth and breadth it gave me to look at complex corporate finance issues."

Alex Hyde, associate director, treasury, at recruiter Brewer Morris, confirms that CFOs see both the AMCT and, increasingly, the MCT, as mandatory requirements when appointing group treasurers. He further notes that group treasurers often expect their deputy to either hold the MCT or be prepared to step in for it in the near future.

## THE BANKER'S VIEW

The relationship between a group treasurer and his or her banker is crucial. So what makes a good group treasurer in the eyes of the man or woman sitting across the table? Danny Witter, head of UK and Ireland corporate coverage at Deutsche Bank, says the most impressive group treasurers are "energetic and want to deliver value". He adds: "Those people are not afraid to take decisions and to listen and get ideas from banks. At the other end of the spectrum, there are treasurers who aren't motivated to engage on even the most compelling risk-reward opportunities."

Witter emphasises the importance of group treasurers having fair, open and honest relationships with their bankers. This is because the strength of a relationship can make a difference when a company's future is on the line. "If the company needs to borrow £100m at a time when it is stressed, credit metrics will be the most important consideration," he says. "But, at the margin, the relationship can be a very real influence. If you think someone is untrustworthy, you are going to be very wary of them."

### Good planning

If you are serious about making group treasurer, then you need to have a plan about how you are going to get there. "A lot of people don't necessarily plan their careers," observes Hyde. "They get to senior manager level by being bright and able enough to get there. But those who get to the next level do have a plan in place."

"When I joined Linde's treasury, I quickly realised that making head of treasury would be the right target for me," says Dr Sven Schneider, head

of group treasury at the Linde Group, the world's largest industrial gases and engineering company, which is based in Germany. "And from that moment on, I worked towards that target."

unusual for someone to move from a deputy treasurer role in one organisation to a group treasurer role in another, although it does happen. Jonathan Logan, who moved from deputy treasurer at pharmaceutical company Smith & Nephew to head of treasury at media group ITV, is a case in point.

Sadly, however, the downturn that followed the financial crisis has resulted in fewer deputy treasurer roles being advertised over the past few years. "Employers' requirements tended to be for group treasurers to lead and for managers to do the actual work," says Hyde. "But we should see a pick-up in number two roles as the market continues to improve."

Those treasurers who are fortunate enough to hold deputy roles need to make the best of them then, especially if they want to increase their chances of promotion. They need to learn the necessary commercial, finance and leadership skills to progress and raise their profile within their organisation by getting involved in cross-functional working groups.

They also need to be patient about waiting for promotion, according to Hyde. He cautions deputy treasurers against taking a job with a smaller company simply to get a better job title unless there are obvious career benefits – for example, the opportunity to transform a treasury team. "Candidates spend a long time building their career, so the last thing they ought

to do is to make the wrong move because they're frustrated," he concludes.

Katherine Horrell was deputy treasurer at utility giant Centrica for four years before she was promoted to the group treasurer role, something she didn't feel ready for at the time. And she feels that the advantages of being a deputy can often be overlooked. "The deputy role was the one I was happiest in during my whole life," she says. "There was so much to do and I didn't have to carry all the responsibility. I think people should enjoy it while they are there."

Nevertheless, there can be times when you may have to go backwards to move forwards in your career. This proved to be the case for Swift, who left his role as group treasurer of privately owned engineering consultancy giant Mott MacDonald to take up a group treasury

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manager role at FTSE 100-listed software company Sage. He made the move primarily because he wanted to relocate to the North East of England from the South, but he also valued the exposure to the many different aspects of treasury that he got at Sage. It turned out to be a good decision because, four years later, he landed the top treasury role.

#### **The treasurer's toolkit**

Group treasurers have usually acquired a broad range of skills during the course of their careers. That's because they have to be credible technical experts while having the ability to lead projects and to manage and motivate others. They also need good communication and presentation skills because they're constantly liaising with senior management, colleagues in other functions, bankers, advisers and investors.

"You have to be strong technically so that you can cope with anything that's thrown at you," says Swift. "And you need to be good at project management and be able to interface this

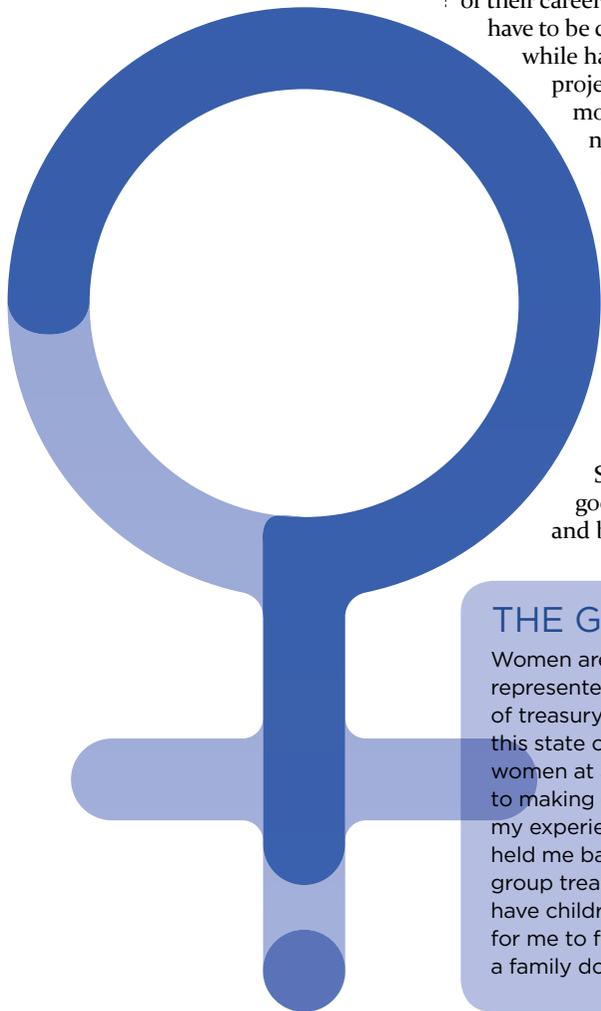
with technical skills. It's important to have a good appreciation of tax and accounting, and how treasury interacts with tax and accounting for the treasury transactions you put in place."

"In a mid-cap organisation such as Vita, technical skills are more important than people skills," notes King. "But as the size of the organisation increases, people skills become more important and, as you go up the chain, it becomes increasingly about delegation."

While Horrell admits that cash flow is her greatest preoccupation, she agrees that people management still takes up a lot of her time – something that she has had to adjust to. "When I moved into the role, I was promoted on the basis of my very good technical abilities," she explains. "I had management experience, but not like now. I did find that a really big challenge. What really took me back were the competing demands on my time."

"You have to be able to engage," observes Marsh. "You need good emotional intelligence to get the most out of your team and suppliers."

He continues: "A successful finance person in any discipline needs to be really curious. And I think honesty and integrity are important, too. A lot boils down to relationships and trust. You need to be very consistent in that



### **THE GENDER QUESTION**

Women are still noticeably under-represented at the most senior levels of treasury and there are no signs of this state of affairs changing fast. So are women at a disadvantage when it comes to making group treasurer? "It hasn't been my experience that being a woman has held me back," says Katherine Horrell, group treasurer of Centrica. "But I don't have children, which has made it easier for me to focus on my career." But having a family doesn't necessarily need to be

a barrier to taking a group treasurer role. Nevertheless, timing can present challenges since the age at which many people look to move into a deputy or group treasurer role often coincides with the point at which they want children.

Female treasurers who are wondering how to juggle family life with achieving their career aspirations may benefit from reaching out to people in the network of female treasurers and asking them how they managed it.

and have a good track record. The one thing in life you can lose and never recover is your reputation.”

Schneider emphasises the importance of the treasurer truly understanding their business. “The time when the treasurer could just do FX, and look at the markets, and not understand the business, are over,” he says. “You need to be flexible and adaptive to the very fast-changing conditions of the environment. And you need to be prepared to take decisions, and to live with the consequences, and to learn from them.”

Finally, there is no denying that group treasurers need to have grit. “To get to be group treasurer, you have to succeed in a tough environment,” says Horrell. “Finance can be a tough environment and business is a tough environment.”

Schneider agrees. “If you talk to the best investment banks in the world, you meet some very sharp people. So you need to understand what they want from you, and to what extent that fits with the needs of your company, and be ready to negotiate in a tough way if necessary.”

**Beyond treasury**

Of course, there’s nothing to say that making group treasurer will necessarily be the pinnacle of your career. With a stint as group treasurer under your belt, you could move into a CFO role or into banking or an advisory firm. And if you’re entrepreneurially minded, you could even start your own business.

Swift believes that a group treasury role can be a good route to the CFO position because group treasurers need to have many of the same skills as CFOs. These include being able to build bank relationships, raise funding and communicate with investors. “In treasury, you have to be completely aware of, and understand, the business strategy and make sure the treasury policy is aligned to that strategy,” he says.

A good example of someone who has reached the highest echelons of treasury

**YOUR SIX-STEP STRATEGY TO BECOMING GROUP TREASURER**

**Get the AMCT and preferably the MCT.**

**Work hard.**

**Have a plan - what skills and experience will you need to acquire en route to the top?**

**Raise your profile, both within the treasury community and outside.**

**Make the most of being deputy treasurer.**

**Be curious and take advantage of the opportunities that come your way.**

and then climbed even higher up the finance career ladder is Marsh. And he credits his treasury background with being pivotal to his success. “It’s shaped my career and helped me to move between different organisations,” he says. “Treasury can be a hole in the finance talent base, so it gives you the ability to penetrate a senior role in another organisation that might have otherwise been closed out.”

Marsh doesn’t believe the group treasurer role needs to be a glass ceiling. “The glass ceiling only exists because of the individual,” he says firmly. “If you’re curious and put yourself out, and have the leadership skills, you can move to an FD role. If you’re not curious and don’t put yourself out, it’s very difficult. If you just wait for the phone to ring, it doesn’t.”

Ultimately, whether you view a group treasurer role as the end or just the beginning will depend on your own personal ambitions. But hopefully this article will have helped you to think about the skills and experience that you need to attain the top treasury job and the opportunities that lie beyond. ♡

The group treasurers interviewed for this feature have all been interviewed for *The Treasurer*.

To find out more about them, refer to the issues below:

**Adrian Marsh** (see *The Treasurer*, December 2012/January 2013, page 24)

**Dr Sven Schneider** (see *The Treasurer*, April 2013, page 24)

**Katherine Horrell** (see *The Treasurer*, June 2013, page 24)

**John Swift** (see page 24 of this issue)

**Chris King** (look out for the November 2014 issue of *The Treasurer*)

Sally Percy is editor of *The Treasurer*