

CTC GUIDE

# Leadership in Treasury: Attracting and Retaining Talent

## Executive Summary



Underwritten by:



# Recruiting and Developing Treasury Talent

## Executive Summary

Recruiting and developing top talent has never been more important. Globalization and changing demographics have created a talent gap across industries and geographies—a gap which grows exponentially with the complexity of the job. Never before have employers had to face the challenge that, despite a growing population, they must now recruit from an ever-shrinking pool of talent. As skilled professionals continue to age out of the workforce, the supply of fresh talent has failed to keep pace, leading to global competition over skilled workers. Even if a company is fortunate enough to recruit top talent, its ability to retain that person is continuously challenged.

Within treasury, this challenge is magnified for two reasons. First, treasuries are typically so lean that finding top talent is even more critical as there is no organizational slack. Second, the role of treasury has grown more strategic, thus altering the skill set, competencies and career paths of treasury professionals. Technical skills may have mattered most in the past, but today's treasury groups increasingly seek candidates skilled in collaboration, leadership and persuasion. "Managers of treasury professionals often hire competent staff only to have them mired in manual tasks for a good part of their working day, said Jason Torgler, Vice President, Reval.

"Companies that place an emphasis on leveraging technology have happier employees and less turnover, and those employees add more value to the firm."

Treasury executives today spend more time on the recruitment and selection of talent than ever before. Unfortunately, most managers are not trained to identify top performers, further increasing the recruitment challenge.

However, successful recruitment is not where the story ends. In order to retain top performers—and thereby compete in the global market—companies must engage in professional development, such as leadership training. Treasury executives are increasingly concerned with identifying their top performers, and working to engage, develop and retain them.

As the role of treasurer continues to evolve and develop in its complexity, finding and retaining the right people with the right competencies becomes an even bigger challenge. Dozens of conversations with finance experts and practitioners make evident that the finance industry is feeling the pressure of the talent gap, leading treasurers to become more creative in their methods to source and retain talent.

## Introduction

There are three basic themes to this report:

1. No matter the effort or approach, it is simply hard to find good people.
2. Most managers are not trained to identify the right people for the job.
3. Once hired, talent must be developed to achieve maximum team performance.

We spoke with experts and eight senior treasury executives from North American companies, across industry lines, to learn about their hiring and retention processes. Their stories are woven into the fabric of this report. The recurrent theme of which is: that the quality of people who comprise the treasury staff is considered a competitive advantage in a profession in which many manual processes are fast becoming automated and commoditized.

Choosing the right people for the right roles is the key to organizational success, according to Claudio Fernandez-Araoz, a senior adviser at global search firm, Egon Zehnder, and author of “Great People Decisions.” His new book, “It’s Not the How or the What but the Who,” is due out in June. In a conversation with AFP, Fernandez-Araoz listed three key reasons that the right people are key:

1. “Regardless of what business or geography the company is in, once you are a senior manager, everything will depend on the people you’ve chosen.”
2. “Few people are aware that we live in a world in which the difference between an average and an outstanding candidate is huge and growing with the complexity of the job. In the old days of assembly lines, the difference between an average and a great performer may have been around 40 percent. Today, the difference between a good and an excellent computer programmer is 1,200 percent.”
3. “We are entering a time in which there are three unprecedented forces that will dramatically increase the demand for talent. First,

globalization means more players are competing for the same ‘purse’ of talent. Next is changing demographics, as the number of young versus older talent is dramatically reduced. Finally, not enough talent is being developed. The pipeline is drying up. Therefore it’s key to identify your best people, and properly retain, develop and engage them.”

During the first era of human development, physical strength was the critical success factor. After the Industrial Revolution, the focus turned to specific, job-related experience. “The focus today is not as much on directly relevant experience as on the key competencies required for the leadership role,” said Fernandez-Araoz. “As these roles have become more complex, companies need to ask: ‘what are the skills, knowledge, and abilities to be successful in a particular role?’” he said.

### The Evolving Role of Treasury

The daily decisions made by treasury can greatly affect a company’s value. “Increasing the return on cash balance by 100 basis points can mean significant incremental income,” said Honeywell Treasurer John Tus. “I’m looking for people who are engaged and focused on wanting to do a good job and are not afraid to make mistakes and learn from them. I look for staff with strong intellect, judgment, and a relevant academic background.”

At many companies, treasury has become a “high-value, problem-solving organization,” said Liz Ewing, partner, Financial Officer Practice and Legal, Risk & Compliance Practice at Heidrick & Struggles. “If a company’s strategy is X, the question for treasury is: what can we do with respect to capital structure, cash management, risk management, etc. to support execution of the strategy? A company can have a great strategy, but without a strong foundation in finance it may not be successful. It’s not just strategy, it’s the foundation underneath that comes from functional areas such as treasury.”

While some companies continue to look for individuals with deep treasury expertise, others are showing growing interest in candidates with experience beyond treasury. “Organizations are thinking more broadly with respect to

the finance organization and developing people who are multi-disciplined as opposed to silo oriented with one area of expertise,” Ewing said. “They are recruiting talent with the ability to go beyond treasury. Core treasury skills are necessary. But they’re looking for people who can grab a seat at the table and bring something with them right away.”

In effect, this change in perspective is happening on both ends of the hiring equation. “Candidates express a strong interest in joining companies where they’re not just going to be in a treasury silo,” Ewing added. “They’re looking for organizations where they can leverage good leadership, strategy and treasury skills into other areas of finance such as operational finance or investor relations.”

Ewing is not alone in noticing these developments. “One of the trends that we’ve seen is moving away from only focusing on technical skills and putting a greater emphasis on candidates’ ability to collaborate and influence others in the organization. Whereas, historically, the emphasis was on technical skills, attention to details, and the candidates’ ability to follow policy,” said Dr. Michael Hepperlen, a senior consultant with MDA, a leadership assessment and development consultancy that works with treasury groups.

In addition, treasurers need to develop a succession plan, and focus on their key talent, “making sure they’re giving them an opportunity to develop technical skills, as well as people skills and a collaborative approach to getting the results,” Hepperlen said. “To be truly successful as senior leaders in treasury, candidates need to understand the business and look for creative solutions for both regulatory and business requirements.”



### **About the Author**

Nilly Essaides is Director of Practitioner Content Development at the Association for Financial Professionals. Nilly has over 20 years of experience in research, writing and meeting facilitation in the global treasury arena. She is a thought leader and the author of multiple in-depth AFP Guides on treasury topics as well as monthly articles in AFP Exchange, the AFP's flagship publication. Nilly was managing director at the NeuGroup and co-led the company's successful peer group business. Nilly also co-authored a book about knowledge management and how to transfer best practices with the American Productivity and Quality Center (APQC).

## CORPORATE TREASURERS *Council*<sup>®</sup>

### Corporate Treasurers Council

The Corporate Treasurers Council is the executive-level membership of AFP. The CTC features tailor-made products, events and exclusive networking opportunities all year long for treasury and finance executives that address the latest industry insights, trends and best practices and will provide guidance, practical tools and the validation needed to move forward in making critical decisions.

When you join AFP and have the title of *corporate treasurer, assistant treasurer, chief financial officer, vice president of finance or controller*, you are automatically enrolled in the Corporate Treasurers Council (CTC) and have access to CTC products and events.

For more information go to [www.corporatetreasurers.org](http://www.corporatetreasurers.org)



### About the Association for Financial Professionals

Headquartered outside Washington, D.C., the Association for Financial Professionals (AFP) is the professional society that represents finance executives globally. AFP established and administers the Certified Treasury Professional<sup>™</sup> and Certified Corporate FP&A Professional<sup>™</sup> credentials, which set standards of excellence in finance. The quarterly AFP Corporate Cash Indicators<sup>™</sup> serve as a bellwether of economic growth. The AFP Annual Conference is the largest networking event for corporate finance professionals in the world.

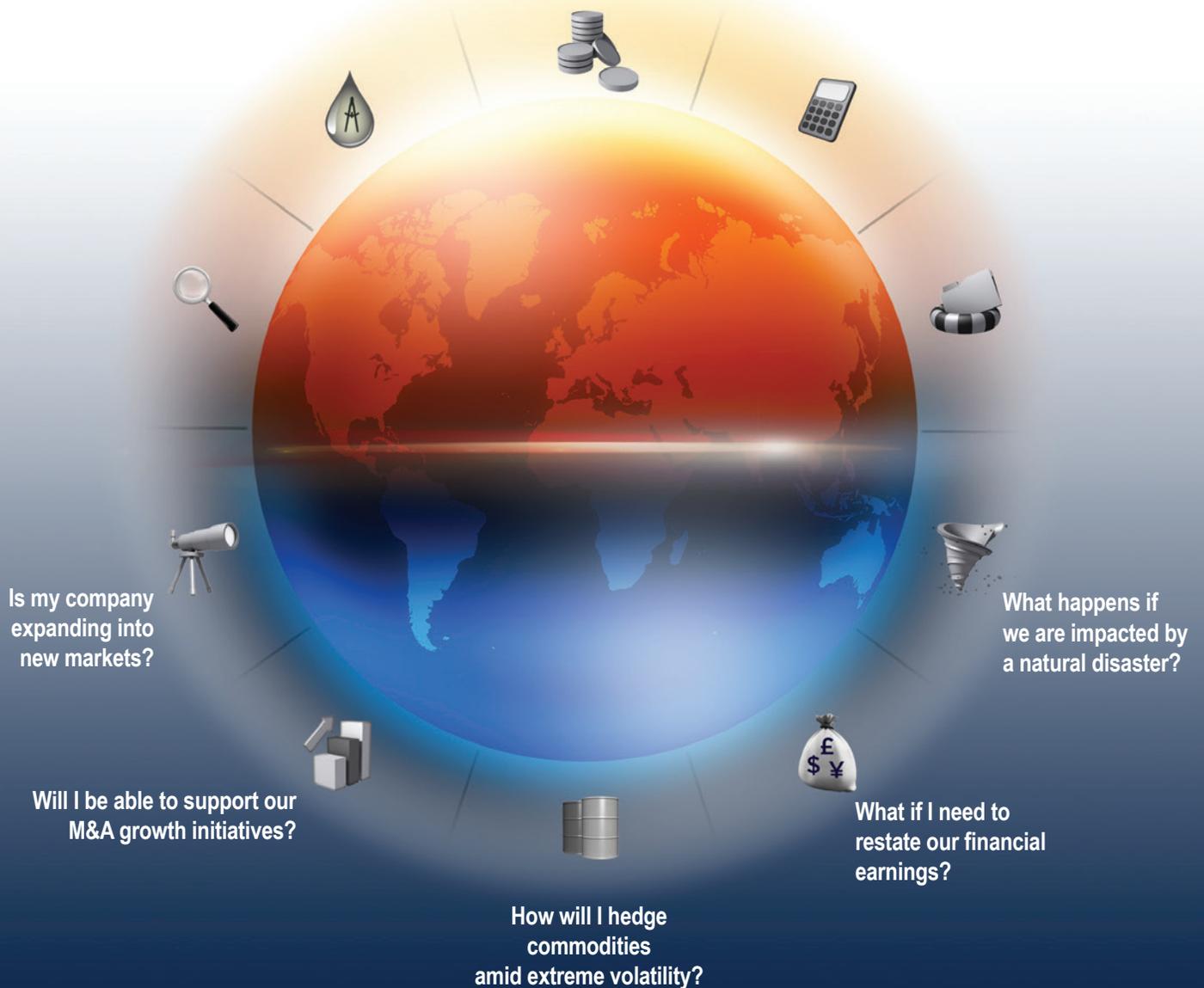
AFP, Association for Financial Professionals, Certified Treasury Professional, and Certified Corporate Financial Planning & Analysis Professional are registered trademarks of the Association for Financial Professionals. © 2014 Association for Financial Professionals, Inc. All Rights Reserved.

General Inquiries      [AFP@AFPonline.org](mailto:AFP@AFPonline.org)

Web Site                [www.AFPonline.org](http://www.AFPonline.org)

Phone                    301.907.2862

# DO YOU SEE TREASURY CHANGE ON THE HORIZON?



## IF SO, YOU MAY BE WONDERING HOW FUTURE-PROOF YOUR TREASURY IS.

Staying ahead of challenges known today and those yet to be uncovered requires transparency into all aspects of cash, liquidity and risk. It requires a long-term vision that will enable treasury to work seamlessly across the enterprise regardless of function, location, time zone, now and in the future.

**Leverage Reval's all-in-one SaaS solution for Treasury and Risk Management for sustainable success. For today, tomorrow, for evolving treasury needs, the answer is Reval.**

Your Strategy. Our Mission. | Visit [www.reval.com/future-proof-treasury](http://www.reval.com/future-proof-treasury).

© 2013. All rights reserved. Reval® is a registered trademark of Reval.com, Inc.

**REVAL**<sup>®</sup>  
Single Solution. Total Visibility.™