



A day in the life: interim treasury

For the interim treasurer, a number of skills must fall into place to be a success. It can be hard work finding the next assignment but the rewards both financially and in terms of job satisfaction can make it all worthwhile. What pleasures and pains does the role hold for practitioners?

There is no doubt that the life of the interim treasurer has its up and downs and would not suit anyone who needs security in their working life. But the very nature of interim is such that change is inevitable and from one assignment to the next the exponent will never really know what to expect until that assignment is agreed. But for those that make a living this way, this is part of the attraction.

Finding the next assignment

The next assignment – whatever and wherever it may be – could arrive in a number of ways and for the seasoned professional it could even be just a news item away. All treasurers need to understand the relationship between business and the rest of the

world and paying attention to the news can inform of sudden developments in other regions or countries that require immediate attention to protect the company from on- and off-balance sheet financial risks (such as FX risk). But for the proactive interim treasurer, a news item could be the cue for the next assignment.

Although around 50% of his work comes via major recruitment agencies such as Michael Page or Krongoard, interim treasurer, Thomas Stahr says many of the assignments he takes are the result of regularly searching news items, looking for signs of a treasury in need of assistance. “If I read the comment of a CFO who says his company improved sales but, because of exchange rates, it actually reported a loss, I see that as a signal to get in touch,” he explains.

Sometimes this speculative approach yields a new assignment, sometimes not – a claimed ‘hit rate’ of around 20% seems like a positive result and Stahr agrees that it works well for him. The news is but one alternative source and Stahr reveals that he also keeps a watching brief on the job advertisements for permanent treasurers. “If I see the same advert for three or four weeks I will contact the company and offer my interim services.”

It is this level of resourcefulness that keeps the interim in the game but cannot be the only source of assignments. Being in a position to trade on a solid reputation and owning an impressive contacts book also plays an important part in securing the next job, says Erik Teiken, an interim treasurer also of many years’ experience. Of course, it takes time to build a reputation, so for the new interim he suggests working closely with the main recruitment bureaux that have a stated interest in the interim world, such as the two mentioned above and the likes of Robert Walters and MR Recruitment. The larger players, he notes, will have more locations and corporate connections and more staff to work on behalf of its clients but he says do not dismiss contacting the smaller agencies that handle treasury recruitment as these will potentially offer a more personalised approach to your search. “When I’m looking I call them all, frequently. If I’m on an assignment I always tell them when I will be available again. Once you’re in their system everyone in that bureaux should know it.”

It will be presumed that the prospective interim has accumulated a number of years’ professional experience in various branches of treasury and finance before deciding to take the new route. To get started it will be useful to begin calling upon contacts made over the years – in the corporate, banking and technology sectors and even through the national associations of corporate treasurers (ACTs). A concerted effort in this respect will alert the community to the fact that the new interim’s services are now available for hire. It is a good idea also to keep notes on each contact and build a file of what was said and when; it makes it easier when approaching them again.

Stand out

There is an element of competition in seeking an assignment, warns Teiken. Whoever submits the application first will stand a greater chance than all the others – so speed is of the essence. But the right match of skills is the final decider. It is very hard and perhaps even impossible to become an interim treasurer without first having solid experience on the payroll of a corporate. The addition of relevant professional and academic qualifications count almost as much as experience in this highly competitive space. In terms of their education, training and event opportunities, the various national treasury associations can help all treasurers broaden and validate their skills.

The bad news is that with the banking industry losing many jobs over the past few years, there are entrants now from this arena too. These people may not be treasurers per se but, as Jean-Claude Jossart, an interim with 13 years’ interim experience under his belt says of this situation, “the main enemy of the banks today are former bankers.” Knowing most of the tricks of the trade and the constraints that the banks face will stand them in good stead in the interim world.

Indeed, Jossart worked for 20 years as a corporate banker (in front, middle and back office) before entering group treasury.

He knows only too well that a business looking to manage its banking relationships would be well-armed indeed with such inside-knowledge on-board. But the point to understand here, he says, is that treasurers need to acquire a broader range of skills and knowledge than ever before to stand out. The more widely experienced and qualified the individual, and the better the contact list, the better the chances of securing the best paid and most interesting assignments. “Interims need to work out their own approach to the market,” he says, but adds that today, being known as a very good professional is no longer enough. “Flexibility is important and you need to be ready to work on the international market if you want the most interesting mandates.”

The first days

Having secured a new assignment, depending on the actual mandate (it may be operational or more strategic), one of the first duties of the interim is to be introduced to immediate colleagues and then to extend this out as far as possible to those within the wider group that have connections with treasury. The arrival of an interim treasurer may, says Jossart, be best initially announced via internal messaging/intranet so that even staff who are not immediately connected with the assignment are fully aware of what is happening. This can help establish the interim with the necessary authority, setting forth the plans and avoiding potential conflicts and misunderstandings.

The first practical task should be to carry out an assessment of the structure and culture of the organisation, to get a feel for how things are done and how they could be done under the auspices of the assignment and in line with the competences of the people involved. It may be necessary to try to map out the existing IT system and treasury-specific technologies at least as they relate to the reporting content and structure. Grasping the status quo is essential to secure the resources available for the assignment – including the co-operation of all external partners such as banks and technology vendors – and will almost certainly be part of any project-based mandate.

An assignment is not just a practical exercise. Interims “really have to care about the requirements of those above, below and around you in the hierarchy,” states Stahr. Managing change is almost inevitable for an interim but these changes should, wherever possible, be seen as “new opportunities.” He acknowledges that change is not always seen in such a positive light by existing employees and as such the work of an interim may face some resistance. If this is the case it will usually appear at lower levels of the company hierarchy. “You frequently have to take care of these people first because they are the basis of the business – you cannot work without their support,” he advises.

Although he acknowledges that “everybody knows you are only temporary” and that the regular employees will always assess interims as such, Teiken believes that most of the time the individual will be accorded the professional respect they deserve. Whilst never having had any real confrontation to deal with, he notes that if someone does not want to co-operate, for whatever reason, there are always ways to “encourage” their involvement. “It is about getting everyone in line: after all, we are all working towards the same result.”

Contracts may last for a few weeks or extend to a year or more. A short-term assignment can sometimes develop into

a longer-term involvement if project scope is allowed to creep (as distinct from necessary additions to allow the work to be executed fully). "Many times at the start it is not clear what the exact scope of the assignment is," notes Teiken. "It will be discussed with the management on day one but an interim has to widen and deepen that conversation, finding out where the boundaries are, defining the goals and expected results."

Handing over

As an interim, there will come a time when an assignment must end. An experienced and effective operator will frequently be approached by the employer with an offer of full-time employment. This may be of interest but really, says Stahr, the focus from the outset should only be on completing the task at hand. "Don't think about starting work that you know you have no chance of completing within the agreed time; the project must always come first." In any case, he says, most professional interims would probably prefer to live with "all the advantages and constraints" of their chosen path.

There is thus a clear need to define an end-point and prepare for the handover. "Do not underestimate the effort required for this very relevant exercise," states Jossart. In fact, preparation for handover should commence right at the start: setting up documentation that tracks progress, including any changes will enable the interim not only to check that the assignment has been fully met but also aids handover to a successor at the end.

Writing very clear guidelines and explaining what has been achieved in the project is part of the procedure. Detailed notes should aim to re-assert the goals set at the beginning, offering analysis and advice on all changes that have been implemented. For Jossart, this document should be submitted at least four weeks prior to the end-date, allowing time for additional meetings with relevant parts of the business to ensure everyone understands the impact of the work carried out and that there is agreement that it has been executed effectively.

Once an assignment has concluded it is quite common for an interim to keep the dialogue going with the company. "In most cases it does not end with the last day; I always remain in contact with my successor and with the people who hired me," says Stahr. References from each assignment (assuming it was successful) will build up credibility and aid the process of securing each new job. But be warned: "You're only as good as your last three years or five assignments," says Teiken.

Advice from the professionals

Enthusiasm for, and a deep and ever-expanding knowledge of the subject is an essential part of successful interim work. "Try to define your own level of competence versus market needs; treasury is subject to constant evolution so try to propose the optimal match," advises Jossart. Up to the minute technical skills and broad practical experience are vital and should be augmented with formal study (industry and academic) and additional certification such as PRINCE2 for project leadership is a bonus. Development of soft skills, such as change management or negotiation skills, are also a necessary part of continued success in this field, he says. The interim must also be able to listen attentively but never be

afraid to ask the client for a clear profile of what they want: the success of the assignment is paramount.

When tackling an assignment, always be open-minded and see every change as a new opportunity, "but don't try to change too much in the first few days and weeks," advises Stahr. He believes that it is essential to respect the employees and that the interim should always try to put themselves in the position of every colleague, regardless of the function in which they are employed. "Try to put yourself in the position of the people around you, what they might think about you, the work you do, the organisation and so on," he says. "Understand that communication is everything."

The chance to work in many different types of businesses, meet new people, constantly learn new skills and, potentially, earn more than a salaried treasury position suggests that interim is the ideal treasury job, and for some it is. It comes with one major caveat: "It can be a risky job, with sometimes no assignment for several months," warns Stahr. Under normal circumstances a gap of a couple of weeks might be engineered purposefully by the interim to refresh before starting the next role; this is not always an option, especially in mainland Europe. "It was a really hard time just after the financial crisis hit," admits Jossart. Today, as the Eurozone crisis continues unabated, there is still market caution on the continent. "It's tough at the moment," he muses.

Market pressure

Conditions are exacerbated by the flood of cheaper resources on the market. Indeed, with many non-treasury corporate finance professionals and corporate bankers having lost their jobs due to cutbacks they are naturally seeking a living from what they know; the interim space is a natural attraction. For every interim, staying competitive is essential and this means keeping contacts, skills and knowledge up to date and remaining proactive and flexible in the search for work. "You must remain active in the market otherwise people will forget you," urges Jossart. "But you must consider that there will be times when you are not being paid." However, with fewer jobs and more candidates, the rates of pay have dropped by up to 35%, at least in mainland Europe, he warns.

A typical rate for an experienced and well-qualified interim would be around half of the rate for partner-level advisory services from one of the Big Four consultancies, says Stahr. Curiously, working for a large and well-known business can actually see the daily rate drop slightly: "the better the reputation, the lower the rate," he comments. These companies know that they can pay slightly less because the interims they employ are subsequently able to leverage the credibility afforded to them by such an assignment. The reverse is true of course for less well-known corporates and slightly higher rates may be commanded.

Despite the risks and uncertainties, the lifestyle of the interim treasurer is one that its best exponents swear by. "You can achieve great success in a very short time; you can improve something and make many people happy – not just those in the department but even up to shareholder level – and this can be a great feeling," says Stahr. Permanent treasurers may also experience the joys of success, of course, but as an interim you have a ready-made goal and the mandate to go ahead and make a difference. ■