



# A Recruiter's View of The Treasury Job Market

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A recruiter offers  
some helpful  
hints on staying  
ahead in treasury.

**T**he basic rule of economics is that supply equals demand. Adam Smith hypothesized that if supply exceeded demand, the price of the product or service would fall and increasing demand would bring the market into equilibrium. Conversely, if demand exceeded supply, the price would increase and bring more goods into the marketplace.

As fate would have it, Adam Smith's hypothesis does not seem to be working in the job market, at least in the short term. As a recruiter, I see a huge demand for certain types of experience and skillsets for which there is a rather limited supply. Conversely, there are skillsets and experience profiles that are relatively common, but for which there is very limited demand.

In my view, the job market in general, and the treasury management environment in particular, are in disequilibrium. This means that there is a very strong demand for people with experience in capital markets, international finance, and risk management, but relatively few people with the skillsets and accomplishments required to do these jobs. Conversely, there are a large number of people who held jobs in operational or administrative capacities in cash management or banking relations who have lost their jobs due to "downsizing" and/or "automation" and face extremely poor job prospects.

The disequilibrium in the job market reflects a number of changes in the general business environment and financial markets, more powerful distributed technology, and

changes in the basic contract between employers and employees.

## 1. The Business Environment

**A**merican companies weathered an extremely difficult period in the late 1980s and early 1990s and emerged in a stronger position than when the period began. American companies started viewing themselves as participants in a "global economy," in which they not only had to be successful in North America, but in most markets around the world. In many companies, the "international" division is now the driving force behind growth in sales and profits. This "globalization" is reflected in many of the more progressive companies' desire to hire treasury people who are multilingual, multicultural and have strong skills and experience in foreign exchange specifically, and risk management in general.

## 2. Financial Market Disintermediation

**T**he largest and most creditworthy banking clients have found that it is cheaper and easier to go directly to the capital markets themselves than to go through banks, which had acted only as "intermediaries" anyway. Many large companies with sophisticated treasury groups are looking to hire people with capital markets experience to help them manage their own fundraising attempts.

## 3. Technological Changes

**I**n recent years, the cost of computing power has fallen dramatically while concurrently the power of specialized off-the-shelf software packages for PCs and file

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servers has increased exponentially. This means that many corporations and financial institutions have been able to discard their old home-grown mainframe systems for more efficient distributed systems utilizing off-the-shelf software. These new systems have allowed many companies to reduce their manpower complement by automating many functions previously done by "professionals" on a largely manual basis.

In years gone by, Finance and MIS were separate and distinct disciplines. Today, they are on a convergent course. To be good at finance, a treasury professional needs first-rate PC skills as well as an appreciation of what a good "system" can and should do.

#### **4. New Employment "Contract"**

Today, companies view employees in a different light than they did a few years ago. Many rounds of downsizing and other analyses have given companies the ability to better measure what it costs to keep an employee and what an employee contributes. In those instances in which an employee's contribution is less than his expenses, or a less expensive employee can contribute as much, if not more than the highly paid employee, companies have shown little reluctance in terminating the highly paid employee.

Conversely, when the equation goes the other way and there is a far greater contribution by the employee than what he is being compensated, the employee has a strong marketplace for his services, with the potential of several firms or organizations bidding up his compensation in an effort to secure his services.

Each of these four factors has affected the job market and has contributed to the disequilibrium between supply and demand. These factors will continue to affect the job market for a significant period of time and change will continue to be the way of life in the treasury arena.

## **Meeting the Challenges**

As job seekers, treasury professionals have two basic alternatives: they can fight change and suffer the consequences, or try to adapt to, and benefit from change.

Because the job market is "rational," there are two main tactics job seekers can use to improve their employment prospects. They can:

1. Adopt an "Accomplishment Orientation."

An individual who develops a resume that emphasizes his accomplishments as well as functional responsibilities stands a better chance of getting a job offer than one who does not have substantive, quantified accomplishments.

An example of a functional responsibility might be a statement like "I supervise banking relations for a Fortune 100 company with more than 50 different financial institutions and annual banking fees of \$1 million. A resume that stresses accomplishments might state that this individual "established a competitive bidding process for selecting banking services, which resulted in improved services and saved more than \$250,000 in service fees.

2. Continue to upgrade their skillsets.

The receipt of a bachelor's or an M.B.A. degree or attainment of a Certified Cash Manager (CCM) designation is not an end in and of itself. Treasury professionals need to stay current on critical areas such as derivatives, risk management and technology.

Individuals who can effectively quantify their accomplishments as well as upgrade their skills will help put themselves in the category where demand exceeds supply and out of the category where supply exceeds demand.

Although it is difficult to manage a job, personal responsibilities, and ongoing professional education at the same time, the benefits far outweigh the downside of becoming technologically and/or professionally "obsolete" in an exciting, challenging, but rapidly changing profession like treasury. ■