

### SITUATION

The CFO wanted to improve the performance of the group treasury function to best-practice standard. The CFO had appointed a new Group Treasurer, but they were not going to commence for three months.

The CFO wanted to put in place the necessary architecture, structure, and conditions to build a best-practice function around the new appointee, so they could hit-the-ground-running.

It was crucial for treasury to become best-practice because the company was entering a substantial growth phase and would need large amounts of funding to finance the growth, and lots of financial risk management to make the company more resilient to business cycle downturns and adverse economic conditions.

### INTERVENTION

Marengo Capital performed a full review of the current Treasury team and the current team structure. Both were found to be operating well short of a best-practice function.

While the team had operational treasury experience – tactical level activities, processes and analysis – it did not have strategic level experience in designing and executing funding and hedging programs and did not have the commercial expertise and acumen to negotiate terms with banking counterparties.

We recommended team and structure changes to the CFO. We retained existing team members who had the capability to develop into best-practice performers and who were committed to supporting the new Group Treasurer. Our new structure included senior roles for funding and hedging specialisations, with the roles to be filled externally to embed the requisite culture changes to develop best-practice functionality.

We progressed the structural changes and appointments by drafting job description statements, liaising with internal and external recruitment resources, progressing market remuneration reviews and identifying, shortlisting and interviewing candidates with the new Group Treasurer.

We also reviewed and where necessary edited or drafted Treasury policies, procedures and work instructions, to ensure that the governance architecture provided a strong foundation for a best-practice team. Policies, procedures and work instructions were not best-practice owing to being dated, incomplete, and inefficient. Our changes eliminated duplication, re-engineered manual processes towards greater system utilisation, and obtained buy-in from the team to contribute to development, not just commitment to compliance.

Prior to and following the appointment of new team members, Marengo Capital continued to provide support by transitioning from advising the CFO on funding and hedging matters, to advising the Group Treasurer on the best way to move up a very steep learning curve in an unfamiliar and highly complex industry.

### RESOLUTION

The CFO is now being strongly supported by a new, best-practice treasury function. The Group Treasurer can dedicate more time and effort to making strong strategic contributions to funding aggressive growth plans by being able to rely on a capable and supportive team to solve operational problems independently.

The separate elements have all come together as a team and the team is still together after a very challenging period of high workloads and tight deadlines on high profile projects. The enduring and resilient nature of the team points to the success of the consultancy, which methodically ensured that

the right internal people were retained, the right external people were appointed, and the Group Treasurer was supported to grow into a challenging role during a period of transformational change.