

“The beginning of the MARF¹ is good news for the Spanish SME²”

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Which role plays EFFAS in the actual financial situation?

EFFAS is a European umbrella organization of national analysts' societies. It is a discussion forum from qualified professionals and researchers under the topic finances and financial markets, whose final purpose is to establish rules and standards for the financial sector and share their own points of view with the financial authorities attempting to enhance the knowledge of the financial markets and upgrade them. EFFAS is determined to become an international benchmark in qualification and training of the investment professionals.



Dr. Zaballos, EFFAS Chairman

EFFAS keep on working together with the financial and supervision authorities in order to issue opinions on interest matters about the financial system. It not only covers aspects involving the European bodies, but each country society. Most recent examples for that is the

Why does EFFAS stand up for the professional certifications? What do they bring to the investment professionals?

The continuous demand growth is among others due to the following factors: Investment professional demand to improve its own *status*, increasing the chances to develop each ones career and

involvement in the green paper for the long term financing in Europe, the regular contribution of our Accounting Commission in IASB³ and the recent publication of our recommendations about the *Bond Communication*.

international mobility. Investors demand in order to receive better advisory service in technical matters and notice an ethical behavior. Financial institutions' needs of being more competitive investing in training and intellectual capital. The actual trend of the regulatory and supervisory organisms is increasingly clear to claim

higher coalification od the professionals not only in the Analysis but Financial

Management, Risk control, Management Board, Advisory and Audit.

Which project of the last years are you most proud of?

EFFAS Summer School without any doubt. It has been organized since 2008 for the IEAF (Spanish institute of finance analysts) together with EFFAS, with the collaboration and sponsorship by Banco Santander. It gathers in Madrid the finance analyst’s community from Europea, Latin-America and Asia. Its aim is to discuss about the financial situation, share knowledge and learn together with the best professionals all over the world.

Every year around 200 participants, CEFA/CIIA holders and other finance

analysts from Europa, Africa, Asia and America can enjoy the wonderful facilities of the Santander Financial city of Boardilla del Monte, where this event takes place. During three days workshops and plenary sessions are been carried out, conducted by EFFAS specialists in the different subjects – Corporate Finance, Portfolio Management, Analysis and Evaluation of Fixed Income, Derivative, Equity or Finance Accounting – with an active involvement in solving the cases. Besides first-rate speakers feature talks and conferences to the participants in order to debate about the actual financial situation.

What projects for the future has EFFAS?

The most strategic important ones in the near future are: to integrate the ESG (*Environmental Social and Governance Issues*) aspects in the traditional finance reporting. With it the financing issue for the European pymes¹ in the current context of credit constraints.

Last may actually we got the chance to present our activities and specially these new projects to the General Management of

Companies and Industry in the European Commission, to whom we will work closely the next months.

Furthermore we achieve an agreement with KPMG to develop in Spain and Latin-America a program to provide them with the necessary training to make the financial professionals understand the importance of integrating the extra-financial matters of the bodies in the traditional



evaluation and the finance analysis. This will help to enhance dialog

among the different needs and expectations towards ESG and extra-financial aspects among the different functions of the investment markets such



as research of the sell or rather buy side, investment fund management, SRI⁴, consulting and so one.

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Talking about the future of the SME financing, what do you think about the new MARF¹ presented recently by the minister Guindos?

That is certainly good news for the small and medium-sized companies in Spain, because it will mitigate the significant problems accessing finance.

However there are some questions to solve: is there enough information about the quality of the Bond issuers and their different issues? Which KPYS are necessary for the investors in order to take informed decisions on the selling or purchasing of these assets with plenty of guarantee? How can we standardize all the published information in order to be capable of establishing an efficient comparative between risk and benefit?

Experience shows us that for the small- to medium-capitalization companies accurate information doesn't exist and for this reason, the access to finance through issuing corporate bonds decreases as a result of the uncertainty it generates to the investors. Here is where the work from the finance analysts starts. It must and can provide added value by establishing the minimum information to enable all these companies improve the relationship with the investors regarding these bonds issues.

Concerned of these problems during the last years EFFAS has focused on raising awareness about the urgent needs to improve the communications about such issues. The *Minimum Standards for Bond Communication* document it has been

created as a result of this research task at European level. It attempts to be a set of recommendations and guidelines to

Which profile and skills should have the future financial professionals?

The role of the financial professional is changing, replacing the idea of control for value creation. The most developed markets ask for polyvalent professionals, with an international approach, ready to innovate and with an ethical behavior. The new professional of the future should match the knowledge, ability to innovate and cognitive/emotional intelligence.

Do you find it necessary to professionalizing more the sector to enhance its relationship with the SME?

I certainly do. As the report from FEF “Small- and medium-sized company: impact and challenges of the crisis in its finance” points out, the customized commercial banking advisor is the key figure in the SME requirements. Although almost half recognize having a customized advisor, who do visit them in 70% of the cases once and calls them three times on a monthly basis, the level of satisfaction is on the border and decreasing. In the satisfaction levels key points are the easiness to contact, the capacity of response, personal treatment and stability.

action, to enable the companies to provide standard and quality information about their corporate bonds issues.

How should meet the entities the reputation challenge regarding the employees and RRHH management?

The professionalism of the employees, personalized customer service and the efficiency in the process are as or more important for the customers as the economic matters. A detailed and global program (concerning all the employees and being seen as partners of the company) is the best guarantee to success.

On the other hand recover the trust require them first not forgetting the main activity: channel financial resources towards the real economy and allocate this resources properly. It is mandatory to start looking at the SME as a long and short term partners instead of customers, to whom we make recommendations about investments and finance.

Finally remind the financial institutions of the relationship with the customers. It must be either short and long term, based on the knowledge of their current and future personal and financial needs.

¹Alternative Spanish market of the Fixed Income with either more flexible requirements and more agility in the arrangement of issues, with a lower costs than the official market (AIAF Mercado de Renta Fija).

²Small- and medium-sized companies

³International Accounting Standards Board.

⁴Independent non-profit search institute.