

The BlueSteps Edge: Financial Careers

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BlueSteps talks to renowned search consultant **Linda Bialecki**, a specialist in recruitment for preeminent financial institutions, about the latest in senior-level financial services careers.



BlueSteps: As an expert on Wall Street, hedge funds and private equity, you're obviously seeing a lot of movement lately. What's your view of what's happening?

Linda: Most Wall Street firms have been significantly damaged by the credit meltdown. And given the widespread talk of recession, those that have avoided it thus far (Goldman Sachs, JPMorgan Chase, DeutscheBank) expect it to be a difficult market to make money in. Much of the boom in the last few years has been in credit (leveraged finance lending to finance private equity firms' investment in companies), structured products, and mortgage-related securities. All of these departments are letting people go because there is little investor appetite for these securities.

BlueSteps: How about on the hedge fund and private equity side?

Linda: While money continues to pour into these alternative investment vehicles from institutional investors, hedge fund and private equity firms are all de-leveraging, beefing up risk management, and are generally more cautious in their investment strategies. Without a rising stock market and strong economic growth, figuring out how to generate double-digit returns is tough.

Net net, while Wall Street always overreacts in both good times and bad, we are seeing serious cautiousness. Everyone is using the credit "cover" as an opportunity to cut the bottom 5-10% of performers.

BlueSteps: Can you talk about how the layoffs fit into companies' overall goal of hiring top performers?

Linda: With significant turnover/firing at senior levels, there's an acute awareness of how few people actually have the combination of skills and personality to be effective at the top. Everyone is looking closely at bench strength and is more willing to cut mediocre performers.

Also, firms are focusing on growing their own. They are all doing serious MBA recruiting with the goal of hiring them when they're young and training them.

In terms of the War for Talent, as we saw in 2001/2002 banks cut deeply, as they are doing now. Then in the boom, everyone scrambled for talent and over-hired. Now the economy has turned, banks are cutting again, and when the

economy recovers there will be a smaller number of qualified candidates to fill key positions. So it is cyclical; Wall Street has no memory.

BlueSteps: What areas are growing, or at the very least are safe havens right now?

Linda: Any position where strong client relationships are valued (eg. investment banking, sales) and there is a track record of managing risk. This could be in a wide variety of functions, including bankers, salespeople, traders, and of course risk managers. You don't want to be a person who has "never met a deal they didn't like".

Obviously risk management and compliance are highly valued areas right now, although many in risk management have been tainted by losses at their firms.

BlueSteps: What kind of advice would you offer senior executives looking to change jobs right now?

Linda: On Wall Street, I would say be very focused and do your homework on which firms would be the best fit culturally, and which firms could best use your client base, skill set or industry/product expertise.

There are several strategies depending on where you are in your career and how much risk you're willing to take:

- If you have an appetite for risk, work on being "part of the solution" at firms that have had some problems and where you have an expertise (eg. structured products or risk management at Citigroup, Morgan Stanley, Merrill Lynch.)
- Help seize market share. Firms that have substantially avoided write downs thus far, or were not big in structured products or leveraged finance lending, include: Goldman Sachs, JPMorgan Chase, DeutscheBank, as well as the Rothschilds, Lazard Frères, BNP Paribas, ABN, and Barclays to some extent (but they are primarily fixed income).
- If you have been extremely effective in selling a complex product, you should consider a hedge fund or traditional asset management firm. However, if you worked for a firm that lost lots of money, prospective employers will wonder about the part you played in that.

At the senior level in private equity, it's all about whom you know and whether you can add value with an expertise they don't already have.

Generally speaking, firms want to hire those they know, and that means that you need to be out there speaking at conferences and networking—all the time.

BlueSteps: What kind of advice would you offer someone who's been laid off? Please be as specific as you can in terms of the prospects for executives with various backgrounds and skill sets.

Linda: If you've had major success you can take some time off. In the 01/02 downturn I knew someone who was head of technology at a mid-size Wall Street firm, and when they told him to start firing people he decided to leave and take time off. He then ran triathlons around the world for two years. When he returned he had four competing offers!

At a gilded firm such as Goldman Sachs, even if you're a mediocre player you have options. You can leave New York and get hired in a smaller market, for example.

Generally speaking I would say: Look at the competitive landscape. Do your homework. Find out which firms are weak in your area of expertise. If the cultural fit isn't there, forget it—it will be your downfall. Be as targeted as you can. Just know: it may mean commuting to Connecticut!

About Ms. Bialecki

Linda Bialecki founded Bialecki Inc. in 1986 to deliver exceptional due diligence and service with integrity. Linda started in search at Jay Gaines & Co., a boutique specializing in fixed income and analytics. Prior to entering search, she managed finance and marketing programs in Citibank's credit card division for four years. To read more about Linda and her firm, visit www.bialecki.com

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