

Corporate & financial recruiting trends

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The Efficacy of Management Training Programs¹



Image Source: Financial Times

How useful are management training programs? Many employees feel enthusiastic about returning to work and implementing efficiency improvements only to find resistance to change and a preference for the status quo. This is a lose-lose for everyone: the newly trained employee feels they have wasted time, are unable to use their new skills, and their employer misses out on potential operational improvements.

To combat this, some management professors are proposing an alternate approach. They suggest that management training students act as on-the-job teachers, bringing their newly acquired skills directly to their firm to help find solutions to current, relevant problems. This way students learn how best to efficiently solve problems by tackling real-world issues instead of discussing a Harvard case study in the abstract.

While this change of approach would certainly be met with some resistance, companies who are spending money to send employees to these programs would likely be encouraged to see a more tangible return on their money in the form of fresh ideas. Employees, likewise, would also likely be more motivated on the job knowing that their newly acquired skills are making a difference.

Time to update private equity recruiting methods for analysts?²

Many young investment bankers sign up for analyst programs looking to private equity as the next logical step in their career. Analysts will often join banks to gain technical financial chops in what amounts to a 2-3 year training gauntlet, then decide to either move up the ladder at that bank or take those skills to a private equity firm. In order to vet the junior candidate far enough, ahead the private equity recruiting process often takes place long before the analyst would start his new role on the buy-side, sometimes only 6 months after that analyst has left their undergraduate program.

This recruiting process is by any accounts not a normal one. For starters, there is the conflict of interest inherent in a potential client of the bank interviewing a banking employee for a job. What if that analyst is working on a deal that runs counter to the private equity shop's interest, or if questions are asked during the interview about another bidder in an auction process that that private equity shop is participating in? Not to mention the potential for diminished . . .

1. Source: Financial Times.
2. Source: NYTimes and DealBook.



Time to update Private Equity recruiting methods for analysts? (Cont'd)

... motivation resulting from securing a job 18 months in advanced. Further, it's often difficult for analysts to get to scheduled interviews, as they are often notified only a week or a day in advanced of the .the meeting. In an industry where repeated absences are frowned upon when there are 90+ hours of work to do that week, this process puts an obvious strain on the analyst trying to simply establish a sound footing for his or her career.



Image Source: www.wisegeek.org

Analysts, however, aren't the only ones who dislike this process. While on the one hand private equity shops benefit from the small, high quality candidate pool that investment banks have been able to select based on their finely-honed university recruiting process, firms are often forced to pick new employees based on only 6 months of total work experience. While some star candidates will undoubtedly stand out, the first several months of the analyst banking program are generally considered a "ramping up" period, and some of the best performers may not truly begin to excel (pun certainly intended) until after the private equity recruiting process is over. Of course, while some buy-side shops recruit later than others – say, 12 months after an analyst starts – there is often a tradeoff between acquiring top talent and allowing enough time to pass to be able to judge who represents that top talent.

Investment banks don't particularly like this process either. They often feel that private equity shops are piggy-backing off their well-developed recruiting and training programs to then poach their best analysts.

Luckily for all involved, it looks like this process is gradually changing. Private Equity shops are beginning to see the value in recruiting analysts straight from undergraduate finance programs, and major PE shops, including Bain Capital, KKR and Carlyle, have already begun doing so. Blackstone has also hired directly from undergraduate programs in the past. While there will be some initial costs towards revamping recruiting for Private Equity firms – they will have to design their own university process and new analyst training programs – all parties may ultimately benefit from a rethink on junior recruiting practices..



View from the top

JPMorgan Chase has taken a David Yi Li, a top UBS investment banker, to head up their China operations. Before joining JPMorgan Chase in his new role as senior country officer for China, Mr. Li was both the chairman and country head for UBS as well as for UBS' China-based venture business.¹

Deutsche Bank's head of North American Corporate Banking and Sales & Trading, Jeffrey Mayer, is leaving the bank to join private equity firm Cerberus Capital. Mr. Mayer joined Deutsche Bank in 2010 and previously worked for UBS as executive chairman of fixed income, currencies, commodities and structured product.²

In July, **Barclays** named Gary Posternack as the head of Mergers and Acquisitions. The bank has been busy reshuffling its senior team in a move to reshape its investment banking business. Mr. Posternack joined Barclays in 2008 as part of the bank's acquisition of Lehman Brothers, which Mr. Posternack had worked for since 1995. Prior to succeeding to his current role, Mr. Posternack served as Lehman Brother's head of Mergers and Acquisitions for the Americas.²

Bank of America Merrill Lynch has named new heads of investment banking for Britain and Ireland. In addition to his new role, Michael Findlay will also continue in his current role as co-head of Corporate Brokerage for EMEA. Ian Ferguson was previously a managing director at Bank of America Merrill Lynch since 2012 after joining from Evercore.²

Pimco will be announcing the first of three new groups of hires for its equity arm, which will consist primarily of portfolio managers and analysts. The hires appear to be due at least in part to an effort to shore up the company's equity business after their fixed income funds experienced significant outflows last year.⁴

Former banker Austin Beutner will join **The Los Angeles Times** as its new Chief Executive and Publisher. Mr. Beutner previously served as Los Angeles' Deputy Mayor of Economic Development, and was both a former partner at Blackstone's private equity group and is a co-founder of the investment bank Evercore.⁵

Robert Diamond, **Barclay's** former CEO, has taken to twitter. His account opened (@rediamondjr) in July and as of now has approximately 1,000 followers, although he has not yet posted any tweets. A number of big names in the financial services industry have been opening twitter accounts recently. Carl Icahn opened an account in June 2013 (@Carl_C_Icahn) and had a cheeky first tweet: "Twitter is great. I like it almost as much as I like Dell." Firms, too, have begun using twitter over the last 2 years, including three big names in the private equity world: **KKR** (@KKR_Co), **Blackstone** (@blackstone), and **Carlyle** (@OneCarlyle).³

1. Source: Wall Street Journal.
2. Source: Dealbook.
3. Source: Dealbook, Twitter.

4. Source: Financial Times.
5. Source: NY Times



Analyst base bump

Good news for young bankers and aspiring undergraduates alike. There's a new trend on Wall Street that'll help make those sleepless nights a little more tolerable. Base pay for analysts at all levels is starting to come up, and not by an insignificant amount either.

A number of banks have announced that they will be raising analyst base compensation between 20%-25% above prior year levels. The charge is currently being led by Morgan Stanley¹, JPMorgan¹, Goldman Sachs², Bank of America Merrill Lynch², and Citigroup². That means that a 1st year analyst, who last year would have been paid a base of approximately \$70,000 (depending on the group), can now reasonably expect about \$85,000. Not bad, considering that last year average 3rd year analyst base compensation was \$90,000.



According to senior management from these banks who have commented on this trend, the justification for this base increase is to ensure that analysts have sufficient cash flow for living expenses, citing the trend of an increasing non-cash portions of bonuses. At the same time, banks were adamant that these base increases do not necessarily guarantee an increase in total compensation.

While it appears that only these bulge brackets have announced plans to increase analyst bases, history shows that when a handful of banks on Wall Street lead the charge on pay, lifestyle or related matters others are likely to follow in order to maintain competitiveness and to continue to attract top talent. For example, last year Goldman Sachs introduced new guidelines on mandatory time off for analysts. Others quickly followed, although each bank has since proposed a slightly different policy.

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1. Source: Dealbook
 2. Source: Bloomberg.



Stay up to date with the recruiting market

Want to keep your pulse on the financial and corporate hiring scene? The Weatherly Group has launched three social media sites and a monthly newsletter to keep you informed of the market as it changes. We will be tweeting and posting key hiring-related stories each week, so be sure to follow us at:

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The Weatherly Group

Overview & Representative Placements



About Us

Founded on the Principle of Partnership

We partner with leading institutions across the financial sector, from high-profile investment banks and hedge funds to some of Fortune 500's most successful corporate development teams, in order to uncover and secure the right talent that will lead tomorrow's generation.

Exclusively in Finance

Founded in 1990, we are an executive search firm specializing exclusively in investment banking, alternative investments and corporate finance. With over one hundred years of combined industry expertise, our principals consistently deliver high-caliber candidates with the unique profile that corresponds to our clients' needs.

Why Weatherly?

Unparalleled Efficiency

We have a commitment to excellence. We define excellence as the art of uncovering the exact talent our client is looking for and delivering it with the precise knowledge, efficiency and timeliness that drives a company to success.

Deep Network and Industry Expertise

Our principals have aggregated over one hundred years of servicing the Finance sector with a core focus on establishing long-term partnerships with both our clients and candidates. It is through our investment in a deep network and our keen ability to pinpoint the perfect fit, that we have successfully grown the majority of our practice from recurring business.

High Success Rate

Over the years, we have built a high success rate by carefully selecting the best in-breed human capital that not only provides the highest credentials, but also constitutes the right values and long-term vision to drive lasting success for our clients.

"We have worked with a number of recruiting firms in the past, and The Weatherly Group stands out head and shoulders above the rest. In the past, we had interviewed 20 to 30 candidates for every eventual offer we made, and with Weatherly we have seen that drop to closer to one offer for every four to five candidates. The difference is staggering."

– Partner, Elite Investment Banking Boutique



Our Expertise

Investment Banking

The Weatherly Group has served the Investment Banking sector for close to a quarter of a century. Over the years, we have built a strong network in the investment banking community, and have successfully placed best-in-class professionals – from Analyst to Managing Director – across product and coverage groups. Our long-term clients include Wall Street's leading global investment banks, top boutique firms and merchant banks around the globe.

Representative Placements

Firm Type	Title	Group
Bulge Bracket Investment Bank	Managing Director	Mergers & Acquisitions
Bulge Bracket Investment Bank	Director	Chemicals
Bulge Bracket, US & Boutique Investment Banks	Vice Presidents	Multiple
Bulge Bracket, US & Boutique Investment Banks	Associates	Multiple
Bulge Bracket, US & Boutique Investment Banks	Analysts	Multiple
International Merchant Bank	Director	Mezzanine Financing
Premier Super Boutique	Vice Presidents	Mergers & Acquisitions
Premier Super Boutique	Associates	Multiple
Premier Super Boutique	Vice President	Seeking physician with MBA & Business experience
TMT Focused Investment Banking Boutique	Vice President	Media
US Investment Bank	Managing Director	Middle Market Mergers & Acquisitions

Alternative Investments

With over twenty years of industry experience, The Weatherly Group has continually played an integral role in building portfolio management teams across the Alternative Investments sector. From the most junior Research Analyst positions to Senior Portfolio Managers, we understand the skill set required to function as a team and drive alpha. Our clients include Hedge Funds, Private Equity firms, Asset Management firms and Venture Capital firms.

Representative Placements

Firm Type	Title	Group
Distressed Credit Fund	Senior Analyst	Distressed Investing
Equity Hedge Fund	Associate	Investor Relations & Marketing
Family Office	Research Analyst	-
Fixed Income Hedge Fund	Manager	Investor Relations
Fund of Funds	Senior Equity Analyst	-
Hedge Fund	Associate Director	Investment Reporting
Long/Short Equity Fund	Investment Analyst	Generalist
Private Equity Fund	Associate	Media/Telecom



Our Expertise (Cont'd)

Corporate Finance, Strategy & Corporate Development

Over the years, The Weatherly Group has developed a deep network of professionals in Investment Banking and Alternative Investments that has proven a key asset in building successful corporate finance and strategy teams in the corporate world. We work closely with both medium and large size companies, including some of Fortune 500's most successful institutions.

Representative Placements

Category	Industry	Title	Group
Fortune 100	Software	Analyst	Corporate Development
Fortune 1000	Global Telecommunications Services	Director	Strategic Planning
Fortune 250	Aerospace Defense	Associate	Corporate Development
Fortune 250	Consumer Financial Services	Manager	Strategic Planning
Fortune 250	Managed Care	Managing Director	Strategic Corporate Finance
Fortune 250	Managed Care	Director	Corporate Development

The C-Suite

At The Weatherly Group, we understand the importance of hiring the right talent to drive lasting success. We work closely with management teams across sectors, from leading investment banks and alternative investment firms to Fortune 500 companies. Whether you are looking for a new Chief Financial Officer or Chief Operating Officer, we help you find your firm's next generation of success.

Representative Placements

Firm Type	Title	Group
Bicycle Manufacturer (PE Portfolio Company)	Controller	-
Boutique Investment Bank	Chief Financial Officer	-
Fortune 100 - Cosmetics Manufacturer	VP Finance (Divisional CFO)	-
Fortune 250 - Aerospace Defense	VP Finance (Divisional CFO)	-
Global Bulge Bracket Investment Bank	Chief Operating Officer	Investment Banking Division
Global Commodities Broker Dealer	Global Head Human Resources	-
Global Commodities Broker Dealer	Global Treasurer	-
Long / Short Equity Hedge Fund	Controller	-
Medical Device (PE Portfolio Company)	Chief Financial Officer	-
Private Equity Firms	Financial Managers/Directors	Multiple
Startup Internet Radio Business	Chief Financial Officer	-



Want to learn more about how The Weatherly Group can help you with your next job search?

If you would like to obtain a full set of a credentials for The Weatherly Group, including team biographies and services offered, please contact:

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the right talent for lasting success