

Interview Survival Handbook for the Modern Wealth Manager

By Allan R. Starkie, PhD

It seems indisputable that the wealth management industry has gone through some profound, fundamental changes in the past two decades. Perhaps the change that has been the most pivotal was the almost universal shift from proprietary asset management products to third-party managers. This change, significant in itself, also acted as a catalyst for a series of secondary changes that modified the way firms define and market themselves.

If asset management has become somewhat ubiquitous, then the differentiator among the competition is clearly no longer defined primarily by performance. As firms have grappled with how to distinguish themselves, a new set of criteria has been developed and been taken to market. The focus has shifted to articulating the fullness of each firm's "quiver of arrows" in offering the most comprehensive suite of holistic wealth management services available, delivered by a brain-trust of exemplary purveyors of coordinated intellectual capital. With the de-emphasis of proprietary product performance the sales message has changed, and those that deliver that message have moved from an army of hunters to a more decentralized sales methodology in which every client-facing professional has taken on a more significant business development role.

I provide this background as a preamble to my premise that this sea-change has precipitated a different set of selection criteria for hiring wealth management professionals, and therefore, a different

type of preparation is necessary when seeking a new position.

My firm has placed more than 1,000 senior wealth management professionals in the past two decades. In the past we typically would interview about 300 candidates to develop a slate of five qualified candidates, from which the successful candidate would be chosen, typically in fewer than 90 days. These statistics have changed drastically, because the selection criteria have become much more comprehensive and the selection process much more extended. It is not unusual to identify and contact more than 1,000 candidates to make a single placement for a senior professional. The purpose of this article is to explain why this change has occurred, and to make suggestions regarding how one should prepare for an interview in this new world order.

Let us start with the most obvious example: The clearest change precipitated by the advent of open architecture has been to the role of the portfolio manager (PM). In the early 1990s when preparing a PM for a job interview, one might review investment philosophy and determine if the candidate took a top-down or bottom-up approach to stock selection. Was the candidate growth-at-a-reasonable-price or value biased, and what performance numbers could the candidate share?

Today, these questions are almost irrelevant, and the role has changed from that of a Savile Row bespoke tailor to one of

a Bloomingdale's personal shopper. Asset allocation proficiency and the ability to articulate the criteria for manager selection and relative performance have taken the forefront. We find in most cases that a large portion of each PM job interview is centered around sales—not simply growth of the portfolio, but self-generated, outside-sourced new business. The PM workforce has become one of the major generators of new business, and a candidate's ability and eagerness to perform this role is of immense importance during the interview process; and a desire to flex one's CFA muscles and show a passion for individual stock selection often will eliminate a candidate on the grounds that the candidate will be disappointed at the inability to exercise that skill.

When you look at the combined skill-sets associated with a successful asset manager in today's world of open architecture together with the scarcity of natural sales DNA, you can see some of the reasons for the large increase in the candidate pool required to satisfy a modern PM search. Then one must examine some of the side effects of this requirement for sales and service. Interview criteria that never would have applied to a traditional PM of the past, often sequestered far from the eyes of inquisitive and judgmental clients, now pertain to the outwardly facing PM, and the unforgiving eye of sales management will look upon these candidates with criteria once reserved for the flamboyant hunters of the past. And in an environment focused on comprehensive,

coordinated service delivery, emotional intelligence quotient, empathy, and team-oriented behavior have become highly emphasized.

Let us extrapolate on this example and offer some guidance on how to navigate the interview process in this changed landscape.

SOME THINGS NEVER CHANGE

Punctuality, charm, and good manners are not subject to paradigm changes and should be exercised. Lateness to an interview, by even a couple minutes, will either eliminate you directly or taint the atmosphere of the interview enormously. With modern communication methods there is no excuse not to notify the firm if you might be running late. Good manners include thanking the person verbally for meeting with you, then sending a written thank you note. As the mail laboriously moves your missive to its ultimate destination, you should bridge the time-gap by sending an e-mail thank you note. Use that communication to clear up any possible misunderstandings you might have left behind, or to add, modify, or embellish upon any answers you might have given that in retrospect feel to be incomplete. End the interview and the thank you note by stating your interest in the role and asking what the next steps might be. Candidates often are eliminated for forgetting that simple step.

PREPARE FOR THE INTERVIEW

By this I mean really prepare for the interview. It is not enough to simply read the job description. We were content with that in the past because social media did not exist in the nineties. Naturally, you should begin by studying the website of the company, its form ADV, and the biographies of anyone you are going to meet. Look them up on LinkedIn and if they have open profiles look at their Facebook pages. Google them and read any articles they might have authored or interviews they have given. Try to find people you both have in common, and if possible ask those people for their insights. In the event

that you have a close contact within the firm, have that person recommend you to the person interviewing you, the day before the interview (earlier and the interviewer will probably forget).

DRESS PROPERLY AND LEAVE THE STARBUCKS CUP BEHIND

When I am preparing male candidates to meet with a particular old school trust company, I will often ask if they intend to wear cufflinks. If so, I will ask him to send me a picture of the cufflinks, because we have watched that particular client eliminate candidates who wore large or ornate cufflinks. This seems extreme, but it is symptomatic of the firm's elegant and understated style. And because everyone in today's world is at least in part a salesperson, it is imperative that everyone dresses for any interview in a manner consistent with the firm's culture.

One should always bring a pen and pad to take notes, and make a point of doing so, and these items should be carried in an elegant bag that does not say Duane Reade on it. Other than that, do not bring anything else into the room. Leave your coffee cup outside. Decline any beverage offers you may receive—it is simply a distraction, and there is the real possibility you may spill the contents on the mahogany conference table.

There will be a split second as you enter that room in which the interviewer will have a visceral reaction to your presence and gestalt. That first impression will lead the interviewer to determine, in a flash, if you have "gravitas." This is the new buzz word of the new order and no one actually knows what it means. All we can surmise is that if you do not have it, you will not be meeting anyone else in the firm next week. The clothes, posture, and self-confidence (real or feigned) that you wear as you enter that room are among the most important things you will present that day. Enter the room with good posture, a smile, and a warm handshake. If you have perspiration issues, surreptitiously wipe

your hand on a handkerchief before entering the room. A clammy cold handshake will do little to advance your cause. And the one thing you do not wish to leave behind as you exit that room is the clinging, resilient smell of strong cologne or perfume.

BEHAVIOR IN THE INTERVIEW

Do not use the interviewer as a sounding board for whatever discontent or misery you might be experiencing at your current firm. Negativity and disparagement of your current employer might be the single, non-skill-set-oriented reason for failure in an interview. In an elegant manner, one can generally list reasons for the potential move that have more to do with the platform and cultural advantages of the new firm rather than directly criticizing deficiencies in one's current institution.

Many candidates can state clearly why they want to change jobs, but they cannot adequately explain why they are attracted to the new firm. This is critical. A large fear among hiring managers is the risk of hiring a potential job hopper who is constantly dissatisfied with an employer. It is important to develop a clear and logical set of reasons that have led you to regard this new firm as the place you plan to spend the rest of your career. If you are looking at it as a safe haven until some personal storm has receded, my suggestion is to go back to your own office and stop interviewing.

Body language is extremely important, especially to experienced interviewers. Sit up with good posture and try not to rock back and forth, tilt your head to one side, fold your arms over your chest, or stamp your feet. Maintain strong eye contact. If you are being interviewed by two people simultaneously (an unfortunate occurrence, but not an uncommon one), alternate eye contact between the two people equally, even if one of them does most of the talking. Smile as often as possible without looking phony and be animated in your gestures but not robotic.

Without being overly forward it is important to try to connect with the interviewer. The preparation I recommended should aid you in finding an initial talking point to break the ice. If you do connect, maintain your guard and do not become overly friendly or relaxed. One client is so charming and proficient at getting candidates to open up to her that on one occasion a fellow felt that what the interview really needed was a good old-fashioned dirty joke. He was mistaken.

James Joyce was an expert at stream of consciousness—you do not need to compete with him. Naturally the interviewer will have an agenda and list of questions, but you need to have your own. Be prepared to explain your background and skills, in a manner that addresses each requirement of the job description. Regard each category as requiring a bucket of information that you are highly prepared to share. If the interviewer gets side-tracked and misses any of these buckets, politely provide that information yourself. Very often an interview will seem cordial and even fun, but time will run out and the seminal issue of your qualification for each component of the job will not have been adequately addressed.

You want to appear likable. Our clients have a number of euphemisms for this, such as “we ask ourselves if after work today we would like to have a beer with this person,” or “would we want this person in our canoe.” Do not appear so rigid, overly serious, or sanctimoniously professional that you neglect showing the interviewer that you have a personality and a sense of humor. But it must be authentic. One client renowned for its world class sales environment shared with us: “When a real salesperson tells an anecdote, they draw you into the story and you are eager to hear how it ends. It is done joyfully, not because they feel obligated to tell a story.”

Finally, it is important to moderate your conversation. Speak in extended sound

bites, not in diatribes. The conversation must remain interactive, and you must have a detailed list of pertinent questions to ask the interviewer. Listening skills are very important, and you must never interrupt the interviewer, or use the time in which the interviewer’s mouth is moving to prepare your next sentence or ponder what you will tweet your followers when you leave the room.

SALES AND SALES

- “I don’t mind doing sales.”
- “Sales is, after all, not rocket science.”
- “I am not sure that I would be good at it.”
- “It’s not my thing.”

These are quotes extracted from actual interviews of client-facing professionals for roles with a clear secondary sales requirement. During the Cold War the translation of these phrases would have been: “I am a Communist party member dedicated to the overthrow of the American way of life.”

Look, sales is not for everyone, but it is an ever-growing requirement for most client-facing jobs in wealth management, including middle management (player/coach roles), portfolio management, trust administration, relationship management/private banking, and sometimes even chief executive officer roles. If “it is not your thing,” then perhaps you need to rethink which roles do work for you—or whether you can try to make it your thing. Often the Meyers-Briggs Type Indicator identifies some of the best sales professionals with whom we work as introverts—but they manage to act differently in a sales situation. They are able to role-play out of their natural comfort zone. If you truly wish to completely avoid sales, in today’s environment, you might consider limiting future roles to that of either compliance officer or ATM machine.

For those for whom the word sales is not anathema, I suggest preparing a very detailed summary of your sales success. This should be divided into self-sourced

and referred categories. The self-sourced portion should be cross-referenced with the list of centers of influence that you used to source the clients. You should also be able to speak about average client-size and any demographic or niche categories in which you are most successful. The more detailed the description you are able to present in the very early portion of the process, the more you will gain the attention of the interviewers. I will not speak in detail now about portable assets, because that is a whole other story, but suffice it to say that the same level of detail in describing a book of business is an important thing to bring with you.

CONCLUSION

The wealth management job environment is more competitive than ever and the criteria have changed. One can conduct business as normal and become one of the casualties in the growing body count of rejected candidates; or one can retool or disrupt (a nasty but contemporary word) oneself to fit the new order.

Sales acumen, team-oriented behavior, increasing demand for credentials, and the expectancy of a personal network of circle of influence are among the new requirements. Combine that with the advice we have provided, and you will eliminate many of the pitfalls that cost qualified candidates some promising opportunities. ●

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