



Scoring Just Down the Road from Wall Street

EDM investment banking firms are among those taking advantage of the current jobs market to strengthen their management teams. These smaller, established firms can be attractive alternatives for unemployed financial service professionals who are looking for a change but want to maintain their ties to Wall Street.

CastleOak Securities LP is one New York-based investment bank that has already benefited from the talent acquisition opportunities presented by the downturn. Established in 2006, by David Jones, Nathaniel Christian, Philip Ipolito and Harrison Sapru, CastleOak offers an extensive suite of financial services including equity sales and trading, fixed-income sales and trading, and financial advisory services.

“Throughout 2009, CastleOak took advantage of the unique opportunity to expand and enhance its platform with top-notch talent,” says Jones, the firm’s president and CEO. Recent additions to the CastleOak team include executives previously employed by companies such as Goldman Sachs, JP Morgan Chase Securities, UBS, Morgan Stanley and Wachovia Securities. These displaced Wall Street professionals have been hired in positions throughout CastleOak.

“CastleOak [now] has the opportunity to select
(See “Scoring,” pg. 29)

(“Human Capital Gains,” continued from pg 27)

Playing to Your Strengths

Companies accepting private equity investment are routinely required to upgrade the quality of their management teams. Once the exhaustive but necessary due diligence process is complete, and expectations and accountability are firmly in place, GPs begin working with entrepreneurs to map out the company’s workforce needs and identifying strategies for finding the talent they need to grow, but were previously unable to afford. Even EDM firms that are ready for talent upgrades don’t always know where to start or how to get the best value for their money.

In a jobless recovery such as this one, some employment seekers are willing to compromise on compensation packages. GPs can help entrepreneurs pull together attractive deals. They can also help with selecting candidates who are excited to make a meaningful contribution, and whose passion and vision align with where the EDM company is heading.

EDM companies choosing to pursue financial A-players should take care to identify those who are best equipped to advance them toward their future goals. Where the company is in its growth should always drive the hiring of top professionals. Miller Zollar advises: think strategy first.

“For example, if the EDM company wants to raise capital, then an investment banker can help them gain greater access to avenues of capital,” she says.

Growing EDM companies sometimes have had to search far and wide to find the management talent they need. In this market, however, the talent they seek may be available in their own backyard. This is especially true for companies located in or near the nation’s key financial centers (see *Centers of Commerce chart*, pg. 29).

The benefits of hiring locally can be significant. Local hires can acclimate to their new employment setting more quickly because they already know the community, and because they’ve already established local roots, they are more likely to stick around. Local A-players can also bring a wealth of local, national and international relationships that can help an emerging company connect to new opportunities.

EDM companies located outside of the nation’s key financial centers should be prepared to emphasize the

employee value proposition (EVP) aspects of what they are offering prospective hires (e.g., quality-of-life benefits such as lower housing costs, less corporate bureaucracy, a closer-knit community, etc.). A position that pays less, but offers accelerated career advancement and a chance to directly contribute to a growing company can sometimes mitigate any perceived disadvantages.

Outlying EDM companies aiming to snag A-players should also be prepared to answer the question: What’s in it for me? The executive who has built his or her career in a large urban corporate structure will have expectations that an EDM company should be prepared to address.

“[Small businesses] can offer equity,” Miller Zollar says. “Wall Street professionals don’t automatically have equity in a firm.” So, weigh your options, but don’t be shy about offering equity to sweeten a deal.

Hollins offers this advice to job-seeking executives who may be bound to traditional corporate structure: “Be willing to adjust to change because change does not adjust to you.” **EDM**



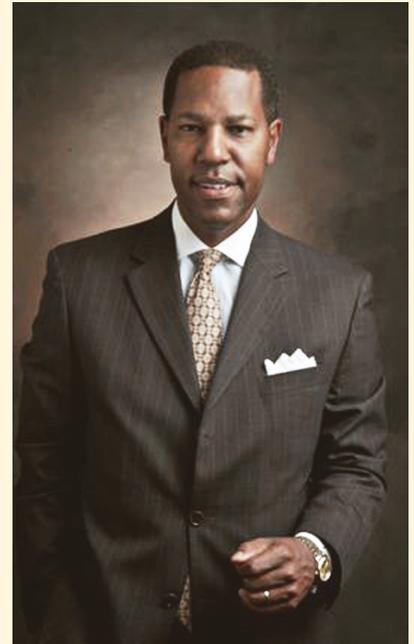
U.S. Centers of Commerce

2008 U.S. Ranking	City	2008 International Ranking
1	New York	2
2	Chicago	4
3	Los Angeles	17
4	Philadelphia	18
5	Boston	21
6	Atlanta	25
7	San Francisco	28
8	Miami	29
9	Houston	34
10	Dallas	35
11	Washington DC	36

Source: MasterCard Worldwide Centers of Commerce Index 2008

(“Scoring,” continued from pg. 28)

and hire from a larger pool of quality professionals,” Jones says. In their recruitment pitch, Jones and his partners tell prospective new hires that while CastleOak is not in a position to offer guaranteed bonuses comparable to the Wall Street days of old, the firm can and does offer a



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— DAVID JONES, CASTLEOAK SECURITIES

valuable opportunity to make comparable income and, for younger managers, a jump-start in experience.

“Starting with CastleOak ... a young professional can gain experience that may take years to accomplish elsewhere,” he says.

For more seasoned professionals who are accustomed to lots of infrastructure and behind-the-scenes resources, Jones admits moving to a smaller company [such as CastleOak] requires some adaptability. He counsels migrating executive talent to expect to use their skills in numerous ways. For example, a professional who develops an idea may also need to present it to prospective and current clients. They should be prepared to draw upon all their talents to help propel a smaller company toward its highest growth potential. Professionals who exhibit flexibility can garner sweet rewards.

CastleOak also promotes the prospect of having a shorter road to becoming a partner in the firm. “It is a longer road at larger firms,” says Jones. “At a smaller firm, you can spread your wings sooner.” **EDM**