

Building on Strength

Interviews & Findings

Financial Services Technology and Infrastructure

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New Leaders for New Challenges

Technology's move from the back office to the strategic center is rewriting the capabilities profile of financial technology leaders. The days are long past in which Chief Information Officers, Chief Technology Officers and their teams were measured solely on their technical acumen. Today's technology executives also must have the ability to align their efforts with the firm's underlying business strategy; the individual needs of the transaction, trading, risk management and compliance functions; and the firm's clients. Against a backdrop of unprecedented change, the entire range of players' top leadership, functional domain experts, business partners, vendors and regulators' must work through the many lessons of recent market turbulence and evolving technologies. Those changes include a wave of mergers and divestitures as firms incorporate functions once outsourced and outsource functions no longer deemed central to their mission. The success of these reshufflings and other strategies is dependent on having leadership teams composed of the right people with the right competencies.

Every sector of the financial services industry is facing specific challenges. Capital markets continue to move toward electronic trading and the need to integrate and maintain systems that can handle massive transaction volumes at high reliability and low cost while complying with Regulation NMS and MIFID. Insurance firms are racing to update legacy systems in the face of the baby-boom retirement wave and a distribution system that penalizes products that don't integrate seamlessly with standard platforms. Retail banks are taking advantage of the asset securitization allowed by Basel II, which brings new regulatory and tracking requirements. These institutions also are introducing products like payment cards and mobile applications, which have significant security and antifraud requirements that must be sustained across long transaction chains.

Even in simpler times, leaders with this broad range of capabilities would be hard to come by, but there are two factors that further complicate matters. First, the extraordinary growth of the financial services sector has significantly increased demand across the board. Second, talent is highly dispersed both geographically and among midsize and boutique firms. With top-tier candidates in great demand, identifying and recruiting them to your firm requires broad industry networks, deep domain knowledge and market-validated experience.

Head of Product Development, Product Trading Platform

A dynamic, high-growth organization, known for an environment where the most successful individuals thrive on the challenges at the core of the business, required an experienced leader to run product development and to continue to

expand the company's offerings and grow revenue. The right individual would have overall responsibility for building consensus on new markets, as well as driving product design and successfully delivering new product and technology. By establishing an in-depth understanding of the firm's culture and business model, we were able to present a number of appropriate candidates who would fit within the firm's unique culture and who each had a strong reputation for delivering results. The view from the successful candidate's references was that he was an incredibly bright, business-oriented financial services technology leader. This person also possessed specific, applicable experience, having previously developed and deployed a model-based system for auto quoting treasuries, which raised that firm's ranking from 13 to 7 within six months. The successful candidate fulfilled the stated need for a self-motivated fast starter and has added immediate value to the team.

Chief Executive Officer, Structured Finance Solutions Provider

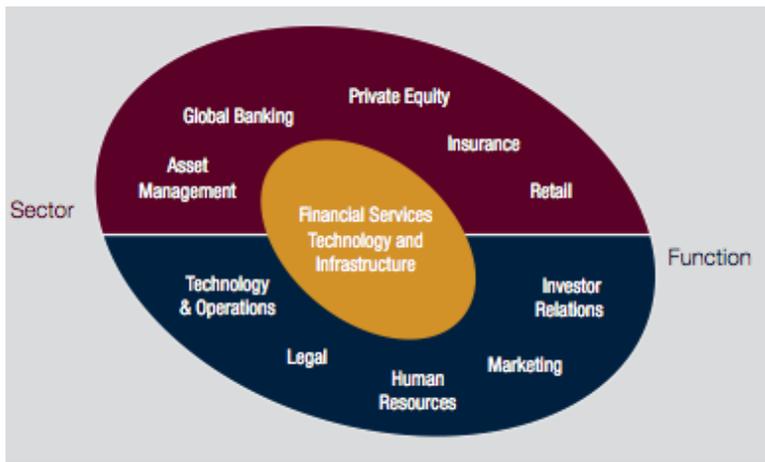
An affiliate of a global law firm required a Chief Executive to launch a new technology venture. Russell Reynolds Associates had completed a number of successful searches for the firm in the legal arena. After careful assessment of the competencies and experience the CEO would require, we assembled a team that understood both the technology that the company needed to deploy and the financial services customers the company was targeting. Our team's relevant technology and financial services networks and experience enabled us to present a number of qualified candidates immediately, and the client was able to narrow the field to two very strong executives. Our team continued to assess the fit of the candidates with the culture and the CEO role's mandate and helped the client select the candidate with precisely the right track record and history of delivering the desired results.

Finding the Right FSTI Leader

We understand that an unfilled senior position carries significant opportunity cost—as well as possible market risk—and we approach each engagement with the same sense of urgency that you do. Our Financial Services Technology and Infrastructure (FSTI) practice combines the unparalleled networks, resources and experience of our Financial Services and Technology sectors to help capital markets and investment banks, retail banks, asset and wealth management firms, insurance companies, and third-party technology and infrastructure firms identify, assess and retain the right financial technology and infrastructure executives.

Peer-Level Executive Experience

Many of the members of our FSTI practice (as well as of the Financial Services and Technology sectors) are former senior executives themselves who have faced the same business issues as our clients. We've been Principals at investment banks, and CEOs and senior leaders at financial services and technology providers—giving our practice members significant, highly relevant industry experience. Our search experience and our extensive professional networks enable us to work with you in a truly consultative manner, to define your current and future talent needs, and to represent you in the highly competitive talent market.



Our Track Record

Russell Reynolds Associates has helped financial services technology and infrastructure companies identify and recruit executives at all levels, including Board members, Chief Executive and C-suite Officers and Vice Presidents of operations, research and development, finance, marketing, business development and human resources.

A representative sample of successful Financial Services Technology and Infrastructure assignments includes:

- **Chief Executive Officer** of a global agency broker and technology provider to the buy-side trading community
- **Chief Information Officer** for a software solutions consultancy focusing on improving operational efficiency and reducing risk for investment managers
- **Chief Executive Officer** for a start-up risk management company focused on the derivatives market
- **Chief Information Officer, International** for a large insurance and financial services firm
- **Chief Technology Officer and Group President, Banking Systems** for one of the largest global providers of services to banks, credit unions, lending institutions and investment advisors
- **Chief Marketing Officer** for a venture capital-backed early-stage company, focused on providing solutions to global brokerage and investment banking clients
- **Chief Executive Officer** of a privately held technology and software innovator Venture Partner for a private equity firm focused on investments in the financial technologies market
- **Chief Executive Officer** and the entire senior management team for a global public financial technology provider
- **Managing Director of Clearing Development** for a large liquidity provider in the options trading market
- **Product Development Leader** for an electronic trading platform
- **Head of Technology** for the asset management division of a leading universal bank in the retail/commercial banking market
- **Technology Operations Manager** for an online transaction services provider, creating co-branded web trading platforms
- **Chief Technology Officer** for a leading asset management firm

Chief Information Officer, Insurance

A global insurance company with more than 70 million customers worldwide, domestic and international subsidiaries, and operations in the United States, Latin America, Europe and Asia/Pacific required an Information Officer who could manage the firm's complex IT assets. Most critical was effective tracking of the IT-related risk management, compliance and regulatory issues facing the firm, as well as careful stewardship of the firm's international brand. The candidate for the post of CIO, International needed to be able to manage all IT resources outside the United States across 16 countries with the ability to look at the organization with an outsider's perspective to redesign the governance model, move toward a shared services structure and manage legacy issues. We were able to identify and attract a seasoned business and IT executive to this client who had proven experience working with high-level corporate and consultancy

professionals and who knew the insurance business inside out. The successful candidate possessed crucial international experience and was able to immediately and effectively manage the scale and scope of the global IT operations.

Executive Assessment: Retail Banking, Global Technology Firm

The CEO of a global transactions processing organization asked Russell Reynolds Associates to undertake an assessment of his executive management team as part of a succession planning process. After agreeing on the scope and objectives with the CEO, our team assessed each executive against an industry-specific competency model using a methodology that included behavioral interviews, testing and references. Our report presented a comprehensive review of each individual and of the relative strengths of the team as a whole, benchmarked against the market. An important part of this process was the feedback that we provided to the participants in the assessment, adding value to each executive's development. Besides contributing to our client's succession planning process, which led to the promotion of two individuals on the management team and to expanded responsibilities for a number of others, this exercise led to Russell Reynolds Associate's assessment framework being adopted as a permanent part of the company's broader staffing and talent management initiatives.

Leveraging Our Cross-Sector, Cross-Border Capabilities

Russell Reynolds Associates' one-firm structure and culture means that we are able to assemble engagement teams from industry and functional practices that work across sectors and regions. A search for the CFO of an infrastructure firm serving capital markets, for example, might involve members of our Financial Officers, Hardware and Electronics, and Global Banking and Markets practices, who each bring expert resources, extensive contacts and specific experience to bear in fulfilling the assignment. Similarly, the search for a CEO for an early-stage solutions provider for the capital markets would leverage our financial services, technology and CEO and Board Services teams.

Executive Assessment: A Powerful Resource for Developing and Retaining Financial Technology Leaders

The changing capabilities profile of the top-tier financial technology executive means that more Boards and CEOs are seeking an objective measure of performance referenced to the talent marketplace. To provide Boards of Directors and CEOs with a clearer sense of strengths and weaknesses of their leaders, Russell Reynolds Associates offers complete, customized Executive Assessment services. Our approach, which combines a rigorous assessment methodology with deep industry-specific expertise, includes competency interviews, psychometrics, culture surveys and referencing to create a complete picture of both existing and required executive competencies and development opportunities.

Our Process

While every search is tailored to meet each client's unique timeline and decision-making requirements, we work within an overarching structure that ensures candidate quality and provides the foundation for an orderly, timely and successful search process.

Organizational review We begin with a thorough review of the context of the search, the expectations of the search committee and other key constituents, the strategic goals of the organization, the competitive landscape and other factors that define the environment.

Position specification and qualification matrix Our findings are distilled into a document specifying the position's responsibilities in detail as well as the corresponding qualification matrix, that serve as a benchmark against which potential candidates are measured.

Research and candidate identification and screening Drawing upon our extensive database, engagement histories

and network of contacts, we develop a list of qualified, viable candidates.

Candidate evaluation?We then interview selected candidates, focusing on competencies outlined in the position qualifications. This process can be augmented by psychological testing and executive assessment.

Candidate evaluation and selection?Working with you, we develop a focused interview guide, schedule first and subsequent rounds of interviews, and facilitate the evaluation process.

Referencing?As priority candidates are identified, we begin an extensive referencing process. As a final candidate emerges, we expand our contacts to a full slate of supervisors, peers and subordinates qualified to provide meaningful, confidential insights, which are gathered into a report.

Negotiation?We then work with you on the structure of a compensation package calculated to attract the finalist. We also can serve as an intermediary to resolve differences or details in order to successfully complete the negotiation.

Follow-up?After an offer is accepted, we periodically follow up with your organization and the candidate to ensure that expectations on both sides are being met. We also are available for executive assessment and development services to assist in galvanizing the team for future success.

Diversity

Financial services and financial technology firms are becoming truly global in scope, with an international array of owners, customers and regulatory responsibilities. These changes place a premium on having a diverse leadership team that can operate across boundaries and cultures. To help our clients meet this need, our Diversity practice draws upon an extensive track record and focused resources and networks to identify and recruit candidates of all demographics and backgrounds.

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[2009 Leadership Outlook](#) [2]

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