



HIRING A QUANTITATIVE RISK TEAM

- THE CLIENT:** A European Derivatives Clearing Platform
- THE ROLE:** Head of Quantitative Risk plus 3 Quantitative Risk Analysts
- LOCATIONS:** London
- OUR SUCCESS:** Talent Map presented in 3 weeks / Shortlisted presented in 6 weeks / Full team hired in 90 Days

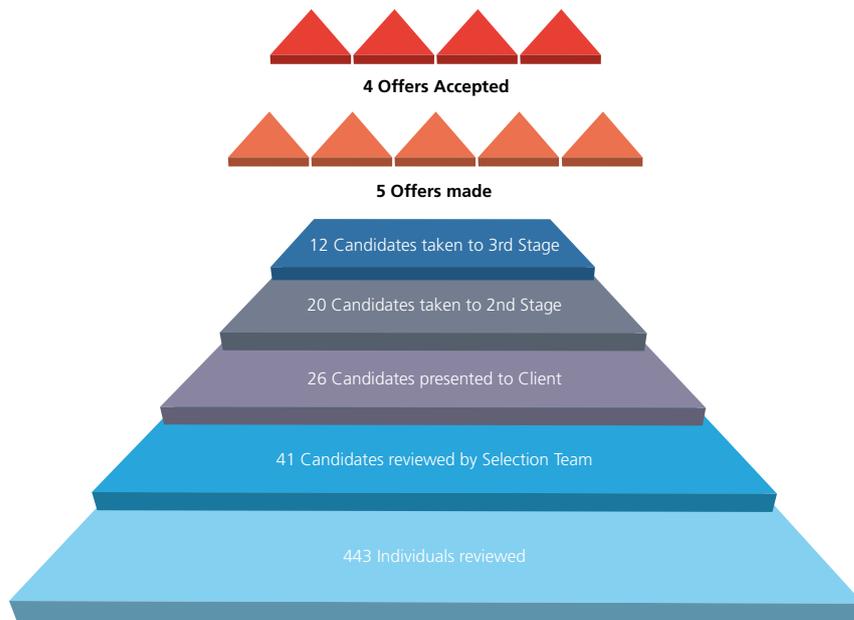


Illustration showing how many candidates were considered at stages of the recruitment process

SITUATION: With new regulation forcing more and more OTC activity into centralised clearing environments, our client was required to build a quantitative risk management function that was best in class. The function had to be built from top down and was both a new function and a new competency.

REQUIREMENT: We were tasked with simultaneously hiring a Senior Director of Quantitative Risk alongside a team of 3 analysts. This team would be responsible for leading the development of Risk/Pricing Commodity Models that evaluate counterparty exposures to the Clearing House. These include models related to Pricing, Value-at-Risk, Stress Testing, Liquidity, Regulatory Capital, and also developing tools for Portfolio Analytics (Sensitivities, Risk Reports, Margin Coverage, etc.). The Senior

Director would also lead the development of strategies to perform back-testing of risk methodologies to ensure adequacy of different models and assumptions, and will be responsible to present and defend their work to key stakeholders. This function would report to the Global Chief Risk Officer.

CHALLENGES:

The complexity of modelling experience required by our client had historically been the domain of the banks and hedge funds. Not only were we looking to hire a completely new skill set into the business but we were also looking to move candidates into an environment that they had never considered an option before. This required significant stakeholder management, to help educate all parts of the business including HR, Compliance and Operations as to the challenges of recruiting such skills, plus significant candidate management in order to demonstrate how our client's environment may support their career development. Other challenges included the general competitive demand for such individuals plus the over inflated salary expectations of qualified candidates.

THE SOLUTION:

We chose to tackle both of the key issues head on at the start of the campaign, investing significant time educating the key stakeholders about the demand for such skills and showing live comp / profile data to support our opinions. We also created a streamlined and efficient process that focused on selling to prospective candidates at the front end in order to gain commitment whilst testing their technical abilities in a non-formal way. We worked with the compensations and benefits team to create a salary structure within the existing framework, that would allow us to hire the right candidates without creating an unbalance across other functions. From a search point of view, we went to market knowing that we would have to spread our net as wide as possible, creating a comprehensive map of the skill set across multiple environments.

THE OUTCOME:

Outside of the obvious success of the search, we were able to build a highly efficient and interactive recruitment process that brought HR, business leadership and the recruiter together in one solid and unified team. We believe the greatest outcome of this search was the trust and understanding developed between 3 functions that usually at best work alongside each other, but all too commonly work independently of each other.

THE SHORTLIST:

Whilst we did consider and search for potential team lifts, the final short list was comprised of 5 unique and unrelated candidates. Because of the varying nature of the roles we focused on presenting a solid slate of candidates and varying levels of experience represented throughout, thus allowing the client to identify the perfect mix.

THE PLACEMENT:

An offer was made in week 10 of the project. Unfortunately the preferred candidate received a counter offer and chose to stay in their existing position. We returned to the original shortlist and within 6 days of the first offer being rejected, a second offer was made and accepted.