



Executive Career Insider: Financial Services

This paper presents one-on-one interviews and commentary from leading retained executive search consultants, all members of the the Association of Executive Search Consultants (AESC), who specialize in placing executives in the financial services sector worldwide.

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**Ricardo Amatto,
Amrop Panelli Motta Cabrera
Partner**



Amrop Panelli Motta Cabrera



BlueSteps: First of all, thank you for taking the time to speak with the AESC and BlueSteps about the financial services sector-related trends in executive search. Would you share with us a bit about Amrop Panelli Motta Cabrera and the work you do there?

Ricardo Amatto: Amrop Panelli Motta Cabrera is the Brazilian partner of Amrop, a global network of executive search firms, with 84 offices in 56 countries. We help our clients to build their business, identifying the best and most appropriate leaders in the global market. Our focus is driven by each assignment-specific context.

In Brazil, we are one of the most traditional and well-reputed retained executive search consulting firms. We have been advising local and multinational clients for the last 39 years, providing them with a deep context driven approach, senior attention, solid market expertise and a global network. During this period, our company has selected over 2,500 executives, mostly C-level and Board Members, who have been essential agents of the corporate growth seen in the recent history of Brazil's economy.

We have successfully participated in projects involving family business succession, expansion of international operations, corporate structure overhaul through talent replacement, management turnaround and transformation. In-depth understanding of the market environment has helped us to differentiate ourselves. We act in a distinct manner and with a consistent belief in establishing alliances where values are shared, which has enabled us to advise our clients in the selection of innovative leaders who are committed to sustainable corporate growth.

I am the Partner responsible for Amrop's Financial Services and Private Equity practices in Brazil. Before joining Amrop, I was a VP & Partner at Fesa and a Senior Business Development Executive at Bloomberg, covering South American banks, asset management firms and institutional investors. My career also comprises experiences at JP Morgan's finance department and Banco Itau's capital markets division.

BlueSteps: How would you describe the outlook for the financial services sector in Brazil and South America for 2014?

Ricardo Amatto: It may vary, depending on the sub-sector and region we are looking at. For example, commercial banks in Brazil should have a negative to flat outlook for the year, as they have been focusing on improving efficiency ratios and mostly their return on equity, which used to range from 20% to 25% levels some time ago, and are currently ranging from 15% to 18%. Efforts to improve efficiency are usually accompanied by layoffs and restructuring processes.

However, if we consider the private equity or insurance sectors, the outlook is positive. The insurance sector has been growing in a two digit pace for the last 10 years and still seems promising. Huge infrastructure investments in Brazil (due to the World Cup, Olympic Games and government investment plans) increased demand for construction and infrastructure insurance, as the rise of the middle class also boosted the individual's insurance market. Some South American countries, such as Chile and Peru, have also been going through significant GDP expansion and its financial services sectors have been accompanying this movement.

BlueSteps: What are some of the current trends you have witnessed in the financial services sector? Where are you seeing the most and the least growth?

Ricardo Amatto: Consolidation is still a trend as regulatory controls and capital requirements make it more difficult for middle sized banks to achieve sustainable results. Another example of potential consolidation is the brokerage sector, as volume and number of investors didn't increase as expected and margins have been decreasing.

We are definitely seeing the most growth in insurance and private equity. Regarding private equity, we see a more mature sector, still relatively new in the region, if compared to others within financial services, but with lessons learned from past investments in portfolio companies from several different economic segments. Education, healthcare, consumer goods, retail, transportation and logistics are some of the hottest targets in Brazil.

In Brazil, we see the least growth in the commercial banking sector, which has been going through a relevant consolidation process, as mentioned above, in the last 10 to 15 years (Bradesco & BBV, Itaú & BankBoston, Itaú & Unibanco, Itaú & BMG, Santander & ABN, Bradesco & Banco Ibi, among many others). Mergers generally result in layoffs, but of course there are also potential opportunities in some restructuring, where experienced executives may be hired to help with all the merger and transformation processes.

BlueSteps: How has digital transformation impacted the financial services sector? How are leaders in the industry managing these industry changes?

Ricardo Amatto: Digital transformation has boosted technology investments in most of the banks and B2C financial services companies worldwide. eWallet is already actively used in several countries; and as the number of phones with near field communications chips increases, mobile banking will take off on a larger scale.

In the region, we're seeing a huge exponential growing curve in mobile banking, mobile payments and e-commerce. According to an E-Marketer study, by the end of 2012, Brazil ranked in the 7th position worldwide, with some 24 million online buyers. Today, it is already ranked in the 5th position and the curve is steepening.

As the payments value chain shifts to a new reality, banks, acquirers and other players such as telecom companies and even credit card brands have been investing in digital platforms and are still trying to find out the best business models for these niches. This means new firms, new positions in the market and, of course, new opportunities.

BlueSteps: Have any new functional roles emerged due to digital transformation in the financial services sector?

Ricardo Amatto: New roles have certainly emerged. One of them is the user experience executive, for example, who is focused in researching and truly understanding user needs, aiming to improve digital interactions and enhancing engagement and loyalty with a certain company. Digital marketing executives are also very in demand lately.

BlueSteps: What is happening in financial services right now in terms of executive opportunities? What particular roles and skills are in demand?

Ricardo Amatto: In general terms, as a consequence of the financial system crisis in 2008, foreign and local regulators have been increasing controls and responsibilities for financial institutions. Due to that, I can tell you that the demand for internal controls, compliance and risk roles have definitely been increasing not only in the region but also abroad. If you look at the huge penalty figures paid by the international banks in the last two years, you will understand that they have no other option but to increase in these areas.

BlueSteps: What trends are you witnessing in the financial services sector as it relates to executive search? What searches are being conducted and what skills must candidates bring to the table to be considered for these opportunities?

Ricardo Amatto: With some sectors consolidating, as mentioned earlier, competition also increases. There are several different skills and competencies needed, which obviously may vary depending on the institution and the role. In general, results orientation, enthusiasm, technical and people skills are often demanded. However, another one I consider very important is resilience; with the volatile market environment, strong regulatory pressures and increased competition between players, resilience is a key factor to success nowadays more than ever.

We have been conducting very interesting board member searches recently. Regarding this type of position, with regulatory pressures increasing in every part of the globe, as mentioned above, responsibilities also increased for statutory directors and board members. Integrity and ethics are more mandatory than ever as well.

BlueSteps: Cybercrime has become a major concern for the financial services sector. Are new executive opportunities being created to help organizations in this industry manage threats and deal with the consequences?

Ricardo Amatto: Yes, there are definitely new opportunities being created. IT consulting firms are also enjoying the moment as there is clearly a talent gap for the potential demand in this area.

BlueSteps: How can a candidate best present him/herself to get noticed by executive recruiters in today's marketplace?

Ricardo Amatto: It is very important that the candidate stays well-connected and know the value of his/her network not only when he/she is in transition. Active participation in specific industry events and forums as well as knowing key people in the market is very important too, as is using social media in a smart way.

Lastly, before talking to the search firms, candidates should do some prior research; understand the firm's reputation, culture and history. Firms affiliated with AESC (Association of Executive Search Consultants) follow best market standards and are preferred.

Thank you, Ricardo, for your insight into the current state of the executive job market in the financial services sector. We wish you and Amrop Panelli Motta Cabrera great success for the year ahead.

About BlueSteps.com

BlueSteps.com is an online career management service for global senior executives. As an exclusive service of the Association of Executive Search Consultants (AESC), BlueSteps enables senior executives to make their career profile accessible to over 8,000 retained executive search professionals in more than 75 countries who are members of the AESC, and use the database as an additional resource in their candidate and source identification process. BlueSteps members can stay informed of executive job market trends and news via the BlueSteps Career Library and Blog, and use a variety of tools and resources to facilitate the successful management of their executive career path.

About The Association of Executive Search Consultants

The Association of Executive Search Consultants (AESC) is the worldwide professional association for the retained executive search sector. The AESC promotes the highest professional standards in retained executive search consulting, broadens public understanding of the executive search process, and serves as an advocate for the interests of its member firms. For more information, or to download the AESC Code of Ethics and Professional Practice Guidelines, please visit www.aesc.org.

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The AESC also offers www.ExecutiveSearchConnect.com, a service for the HR community offering sector information and tools to assist with senior executive recruiting, including access to the AESC membership directory.

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