



## Delivering More than Candidates to Asset Management Clients

Derek Braddock and Bill Matthews, founding partners of search firm BraddockMatthews, regard their work on behalf of clients in the asset management industry as something much more than merely filling open positions. When companies enlist their firm, they get depth of service on multiple fronts, from industry experience to working relationships to a committed partnership that even the most celebrated recruiting firms would be hard pressed to match. It's no wonder that *Executive Search Review* earlier this year named BraddockMatthews one of the 'Power 60'—a coveted ranking of top search firms in New York City.

"Humbly, we have a good batting average against large firms for multiple reasons," said Derek in a recent interview. "We have a singular focus in this industry which truly positions us as content experts. We are not blurring into investment banking or capital markets. Also, we form deep relationships with our clients." Indeed, among the 52 searches conducted by the firm last year, 16 were for just three organizations. "With the attention we put into each relationship, we are becoming a true partner and extension of that organization in the marketplace."

In other words, the firm does more than find candidates for job openings. All of BraddockMatthews' recruitment work, for starters, is for the asset management industry, a conscious choice that allows the firm to focus on being a well-informed, valued adviser to those it serves. "We feel great to be part of our client strategy sessions as they contemplate new strategies, products, and organizational structures," Derek said. "To do this, it means we've earned their trust and maybe have shown some competence along the way."

That's why many clients call the firm, which also has a Boston office, back for assignments time and again. Another selling point, the partners say, is that as a smaller firm, BraddockMatthews has fewer off-limits issues than the big recruitment outfits.

Above all, Derek and Bill consider themselves partners with their clients in the truest sense of the word. "As a firm, we're a partnership ourselves and we therefore understand the importance of every search for which we are retained," said Bill. "Our clients seem to prefer working with firms like themselves. We dedicate partners to each and every search. We do not pass on the work to junior staff – we don't have junior staff! That means we have to be selective with the searches we take on but it results in a quality quotient for our clients that is appreciated."

A major reason that the firm is able to develop such deep relationships with its clients is that its senior members know firsthand what it's like to work in the industry and the challenges



their clients face. Before starting BraddockMatthews in 2013, Derek and Bill were senior partners with HigdonBraddockMatthews. Derek began his career with privately-held investment manager Lord, Abbett & Co. and Bill began at Goodwin Procter, a leading global law firm, before transitioning to other positions in the investment and financial services industry.

But depth of experience at BraddockMatthews goes beyond these two. “We have other senior members of our firm who have worked at organizations like Merrill Lynch, an independent RIA, and a private equity firm,” said Derek. “We think it’s key that all of our professionals have deep industry experience – it’s a real differentiator for us actually. This is important because having content knowledge, an understanding of how our client organizations work, the challenges they face ... all of this is critical, more so than having a background in recruiting. As an example, it’s hard to try to distill the skill of an investor if one doesn’t have the grounding of what makes an investor successful.”

That depth of experience helps with more than just recruiting the most skilled investors, business development professionals or other roles. “We feel it’s our job to educate and equip our client organizations with the market intelligence they need to make decisions, not just related to a hire,” explained Bill. “So, more broadly, from a strategic sense our focus is on helping our clients build and grow their organizations.”

BraddockMatthews seldom looks for candidates from outside of the asset management industry. The firm predominantly concentrates on two crucial function areas: investments and marketing/sales. “For these roles, typically our client organizations require significant domain expertise, i.e., needing a portfolio manager to have outperformed in a certain hedge strategy as an investor, or one who has specifically raised assets from E & Fs in the northeastern U.S.,” said Derek. “These are not ‘learn-on-the-job’ types of roles, and though our clients also want individuals who bring leadership and other critical success factors, they often want that key hire coming with a particular expertise, too.”

Because the market moves so fast with trends specific to the industry – even from a regulatory, operational, tech or legal perspective – BraddockMatthews’ clients tend to prefer that candidates have industry experience. “With that, we have placed executives from the top management consultancies (for president/COO roles), professionals from investment consultants (for allocator roles, for instance), sell-side professionals (for a variety of roles, including recently for a macro-strategist role), and though rare, even the packaged goods industries (for traditional marketing roles) in the past,” said Bill. “Make no mistake, since we are nimble we are continually thinking about creative ways to problem-solve and are willing to look anywhere for talent depending on how we believe we can best help our clients.”



BraddockMatthews devotes nearly 40 percent of its overall search work to private equity clients from a variety of general partner and limited partner organizations. (Another 40 percent of its work goes into hedge funds and 20 percent to traditional firms.) “On the GP side, we work with all types, from the early-stage venture capital investors to the large buyout firms, and on the LP side we work with fund of funds, endowments and foundations, and family offices,” said Derek.

The functional distribution of those searches is comparable to other areas – 40 to 50 percent for investment professionals and 50 to 60 percent for non-investment professionals (investor relations/sales roles, CFOs, etc.) “Typically the candidate pool for private equity investor searches is unique to that asset class – rarely are we pulling from outside the private equity world for investment searches,” Derek noted. “It is more common to recruit investor relations/sales professionals to private equity firms from outside private equity, and certainly that is a trend as the private equity world gets more crowded and fundraising becomes increasingly competitive.”

Like other asset classes, private equity firms have hiring needs that are continually evolving. Oftentimes this is spurred by new strategic thinking. “For example, as the ability of firms, particularly in the crowded middle-market buyout area, to source proprietary deals or other deals that are not part of a competitive auction process has become a major differentiator, there is developing a significant demand for professionals who are dedicated solely to sourcing investment opportunities,” said Bill. “We have been fortunate to have been involved with almost a dozen such searches recently and we do not see that trend subsiding. Likewise, as firms anticipate change in the market, many are developing credit-related strategies and hiring around those strategies.”

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