Derek: Welcome to episode number five of our podcast series. I'm your host Derek Hillen. My guest today is Russell Kopp, Managing Director and co-founder of executive search firm Correlate Search. Thank you for joining us, Russell.

Russell: You're welcome.

Derek: I appreciate it and today we're here to learn more about a different side of the business, you know, how does executive search work? Is it something that you should be thinking of - or is it toxic?

Russell: You know, executive search probably comes in two main different flavors: true executive search which is what we do, which is find the right person for the job, which means we're employed by a bank and we go out and find the right candidate. If you are an entry level employee in most institutions, you'll probably come across recruiters, which is a very different game.

Derek: Yeah, we should talk about that because I remember way back when I was trying to get a real job and I got plugged in to recruiters and they kept hassling me and saying you gotta do this and you got to send us this registration fee and all this kind of a horsepucky.

Russell: Recruiters are basically guys who are at the other end and they are basically helping people find jobs. They can work for clients and typically when they do that they work on a contingency basis. A lot of them work on a data base. If somebody wants an equity salesman, they'll punch in "equity salesman" and they'll jam the CVs off to their client and expect you to look through them. As often as not, the particular recruiter, has not ever met the candidate, if they met them, they probably spent five or ten minutes on the phone with him rather than actually meet the person. So it's more of a screening process than a real tailor made solution, which is what we tend to do. But that's a function of the fact that we tend to do most of our work at the Director and the MD level. And if somebody hasn't been working in the industry for five or ten years, they would probably not use my services. I wouldn't go after them.

Derek: Right, exactly. Ok, before we get into that, let's get into you. How did you get started in finance? I know you have a long and illustrious career, you know, you were Head of Research at Barings and you were in S.E. Asia for a long time.

Russell: I guess, you know, I came out of my undergrad and I spent a couple years with Arthur Anderson as an accountant. I did an Accounting and Finance Degree. And then I went off to grad school in the U.K and I graduated in 1987, which was not the most auspicious year; for those of us that are that old. You know, there was a fairly spectacular crash late in that year and I guess I was very fortunate in that I think I was one of 119 people in my graduating class who actually ended up in investment banking. And that was very interesting because I had a scholarship when I went to England to do my MBA. My scholarship adviser had an uncle who worked in a bank and at one stage had asked me to go to see him. We got on very well. He ultimately facilitated me getting in front of the right people, you know, and they happened to be looking for someone with my sort of background and I got my foot in the door. But I'd gone through all the normal rounds and gotten nowhere and it was niche institution. It wasn't Goldman Sachs but I had a great job and spent two and a half years commuting between London and New York as an expat at the ripe old age of 27. At the end of 1989, they wanted me to go permanently to New York. Drexel went under at the beginning of 1990, and I kind of went, wow, the M&A game is over. Before I blinked I was in Asia, we had 8% growth, you know, and the US and Europe were going in to recession and I never really looked back.

Derek: And you were still with the same firm when you went to Asia?

Russell: No, no. I came out here with Barings.

Derek: With Barings, and that would have been…

Russell: The early ninety's.

Derek: And you were based where?

Russell: In Thailand.

Derek: Oh, that's right, in Thailand. When Thailand was like, The Market.

Russell: It was The Market. We had very nice margins.

Derek: Did you ever work with a guy named Andy Green at that time?

Russell: No.

Derek: I used to work with him at UBS. He was one of those guys who was in the right place at the right time and told stories of how clients used to call him up at his house and he would be sitting there, watching TV, taking orders, you know, making huge commissions.

Russell: Well, it was an interesting time and, well, we'll go offline on that one. There are a lot of interesting stories there…

Derek: Yeah, especially in Thailand. And then how long were you at Barings for?

Russell: I was at Barings right up until Nick blew up the firm. At the end of, well during '93, they asked me to set up and run the business in the Subcontinent. So, I started the process of setting up our businesses in India and in Pakistan. Ultimately, I did the short stint in New York where they asked me to sit on the sales desk for about six weeks and then asked me to come back to sort out India and Pakistan, again. So, I spent all of '94 and the first part of 1995, you know, basically getting the businesses off the ground. And then, post Barings, Barings went bust in February of 1995…

Derek: February 25th. They actually declared insolvency the day after they discovered Nick Leeson, "Rogue Trader's" errors. So, where were you when you heard the news?

Russell: I was lying in bed at about 5 in the morning, having just left the office about three hours earlier. I was three floors downstairs and was publishing a big piece of research and I had no idea of what was going on three floors upstairs. No idea. And the guys from the New York desk rang me and said, you know, what's going on? And I'm like, "You guys are crazy. You know we don't run risk out here." We couldn't lose 100,000 dollars. It was a little bigger than that.

Derek: Yeah, 1.3 billion US was the final total. Yeah.

Russell: Yes. So, I did short stint at Crosby Securities, for Mr. Tim Beardson. I was there about nine months, they sold the firm and they were several commitments that they had made that they didn't live up to, and I said "I'm out of here." So I took a team of about a dozen guys. We left to start Kleinwort Benson in Thailand and that was a fantastic gig. I ran that through the '90s and then my father-in-law became very ill so we went back to the US for four years and I sold US tech and biotech for a boutique broker into London.

Derek: On the sales desk?

Russell: On the sales desk.

Derek: I have to say, it's like being ambidextrous. You may be a good salesman but it doesn't mean you can be even a passing great analyst or vice versa, so, how were you able to do both?

Russell: Well, I don't know. People told me my whole life I should have been a salesman, you know. But I guess that when I went to B-school, the hardest degree at the time was accounting, so I did an accounting and finance degree and naturally kind of went down that route. But I remember my first accounting interviews, everyone was like, why are you an accountant? You should be a salesman. You know, and when I came out of grad school, I actually wanted to be a trader and in the 80s if you had an MBA and you wanted to be a trader, they were like, forget it! And I was like, I'm very good at math and I'm really good at numbers and they were, we want a barrel boy, you know, they were like, MBAs, no way. Where now, it's all math guys. At that time it was like "God, we'd never think about employing you. You've got too much education."

Derek: Exactly, like "Liar's Poker," where all the traders were guys who came up through the

mail room.

Russell: Yeah, in any event, that firm was then sold to Royal Bank of Canada. They wanted all of us to move to New York. That's not what I wanted to do, so, I came back here. I had ended up at Kleinworts. Also, one of the many hats that I had was running the regional banking team on the research side, so, I knew all the Chinese banks were about to be listed and I decided that's what I wanted to do. And I came back here and spent three years listing all the Chinese banks. We listed six out of the seven Chinese banks. I was the lead analyst on the very first Chinese bank to be listed in Hong Kong.

Derek: Which was?

Russell: BoCom.

Derek: Bank of Communications? And what year was that?

Russell: June of 2005.

Derek: So, you were at HSBC and you did that?

Russell: You know it was, I mean, for me, you know, there was a number of things that were offered to me when I was looking at coming back but the most interesting one was to sit in the banks chair. You know, HSBC by dint of history has quite a long relationship with most of those banks, hence we were in all of the deals. We missed out on one because of a conflict in terms of timing and we were already on too many other things at the same time. So, but it was a great gig and that ended and it was kind of, you know, I'm 45 years old, everybody here is about half my age and maybe I should think about something else. It's one of those classic cases where you come in and I think I know a lot more than my boss and everybody seems to be asking me the questions, instead of the boss. And the boss didn't really like the fact, so it was time to go.

Derek: Yes.

Russell: And I did some consulting for a while until Neil, who is my current partner here said, "Well, what about search?" and I was like, "I'm not a used car salesman" and as we dug into it, I went, "Well, that's interesting." I joined a firm called Whitney Group, which was a fantastic boutique in London, New York and Hong Kong but during the financial crisis it was defrauded. In the aftermath of that mess, I was defrauded in New York by the finance director. And we took a good part of the team here and started this company at the beginning of 2009 and we've never really looked back.

Derek: In 2009? It was quite recent.

Russell: Yeah, January 4th, 2009

Derek: Right. Not long after the depths of the financial crisis, basically.

Russell: And it was a time when a lot of people said, "Why are you starting a business now?" We kind of said, "It's the best time to start a business".

Derek: The best time to start a business is during a recession.

Russell: There was a lot of concern. We initially had a venture investor who got cold feet in April, May, June of 2009 because things did look pretty ugly. But we could see out here that it was already turning around, so we agreed to take majority control and ultimately we just took him out completely. It's been great. We have 15 people now. We started, I think, with six or seven and we've had a couple of good years. Obviously, going in to the next year there's lots of concern. I suspect there will be a lot of more people pushed out rather than brought in but at the end of the day it's always a game of talent and quality and I suspect that as much as there is going to be a lot of people cut at the bottom end, strategically there will always be people that need to be hired because firms as a whole tend to upgrade. You know, the smart ones probably cut more than they need because they are going to cut a few more people at the bottom but hire a few less, more senior people who come at a premium.

Derek: Right, right, interesting. So, looking at search now. Tell me, why do they call them head hunters?

Russell: Well, that's a good question. My God! It's just that you go back to the old cannibal days and it's pretty obvious what head hunters did, but we're not quite that vicious. Some might call us close to it, but I think it's one where head hunters is used as an euphemism for both search and recruitment. I think search in some ways is probably more akin to head hunting because we are asked to go and find something very specific and we go and find it. But the old head hunter is, I suppose head hunter-search-recruiting, except for people in our industry, most people wouldn't understand the difference.

Derek: Right. So, what about contingency and retainer? I understand there is a difference.

Russell: Yeah, typically that happens but, you know, in a more senior position than a junior position but a retainer basically means that we get a fee for placing a candidate. And that's a percentage of a candidate's compensation package. But when we got a retainer, we get some portion of that paid up front. And what it means is that we have an exclusive on that role and unless they find that person internally, whenever that role is filled, we will fill it. But that also means there is an obligation on our side to stick with them until it is done. In most cases the more difficult searches are retained searches. Contingence searches typically are ones where somebody says "I need a sales guy," and there are ten recruiters out there who are lobbing CVs in there as fast as you can because the first guy to get the CV on the desk is the guy who gets paid. But it also means that you can work away and find five candidates and go through the process and they are all great guys and you have done tons of work and at the end of the day they decide to hire somebody else. Bad luck. You walk away with zero. It's all or nothing. Where in our business as a whole we probably do far fewer searches but they tend to be bigger tickets searches in most of the cases, because we tend to hire more senior people.

Derek: Ok. So it doesn't matter to the candidate in your view if whether it is a contingency or a retained search?

Russell: I think that it probably matters a lot. In most cases when I call you, I am very specific about what I'm looking for and you either very quickly on a short list or you're not going to make the grade. For a contingent guy, more often than not he is just interested in getting CVs because in a lot of contingent firms those guys, you can imagine how many phone calls they make, how many incoming CVs they get, how many outgoing CVs they've sent. But the metrics in terms of the way those firms are run, they are run like a boiler room. It's all smile, dial, get the guys in and get them out. For us, it's much more about if I hire you into a job at bank ABC, not only better you be the right guy but if you don't stick around, and you don't fit, it's also my problem several years down the road because I'm responsible for bringing you in. If my guys don't stick or I end up hiring bad guys, I won't be a retained head hunter for very long. So, in the retained world we ultimately tend to have fewer clients, we tend to do more work for a handful of clients and we tend to be almost an extension of that bank. We are outsourced selection but we are not HR. We don't get in to the whole mechanics of HR, the whole kind of benefits and healthcare. HR to us is an important function for what we do. They can either be a facilitator or a roadblock to what we do. But most of the functions that HR do are very different from the kind of on-boarding, recruitment, selection where we'd get involved.

Derek: Ok, so most of your business is retainer then?

Russell: Yeah.

Derek: Because of what you were saying. And how do you actually get a mandate? Who in the firm are you talking to, to get the mandate? Obviously you're not talking to the HR department.

Russell: I'm an equities guy so it's pretty simple. You start with the Head of Equities and in many firms the Head of Equities is a manager so he often doesn't hire that many people because he ultimately has a handful of people that report to him, but those handful who report to him are typically the people who do most of the hiring. So whether it's a head of sales, head of research, a head of equities, a head of sales trading if you are on the cash side, or it's somebody whose head is a prime, or EQD, or whatever it is, you know, head of ECM. But it's usually business heads with whom we have relationships with. From time to time they were a senior or a senior banker, a senior analyst, a senior salesman, who may have some capacity. In Hong Kong you have heads of Hong Kong China sales and those guys operate a desk of four, five, six individuals in the firm. They often will need someone on that desk and then you go to the head of Hong Kong China. It can be a head research in a country but it's typically very rarely would the person we're working for not be an MD. Directors don't most of the time have the hiring authority at the higher up level that we do at most of our work.

Derek: Got you. Tell me about what kind of candidates are in demand now, I mean where are we in the job market in finance in Asia?

Russell: Well, I think that's more functional. Well, there's two things: one, right now very few. Most firms have a calendar year and they have head count that they get in January-February, and they do the hiring through largely June or July so in the second half of the year there is a little going on. And in a year like this, they are actually thinking about how many people they need to cut. So, you do have a handful firms like the Koreans, the Japanese, people like Macquarie out of Australia, who have March year-ends, and therefore they tend to hire a little bit later into the year because their calendar year is March. So, they don't hire in the first quarter but they do hire in the third quarter. Hardly anyone hires in the fourth quarter. The fourth quarter is spent either by trimming people or by strategically starting to think about what you need for next year. But for us, October, November and December is our pitch season. We go out, we talk to a lot of people, see a lot of people, find what is going on and we look to see where the mandates are going to be. And then in most cases ideally by the time we go away for Christmas, we have a pretty good idea about where the mandates are and we already have started that process. Things largely close down for a couple of weeks at Christmas and then, you know, sometimes post January, February, March when people get paid, you go through that interview process you decide on a candidate, you'll get them to actually exit the firm they're in and after a period of gardening leave they'll start somewhere else.

Derek: So tell me, what kind of candidates are in demand then?

Russell: As I said, this time of year? There's very few.

Derek: This time of the year right now speaking in November. Actually, October.

Russell: Right. Actually October. At the end of the day, in Asia it's very simple. Whether you're hiring bankers, you're hiring salespeople, you're hiring researcher people or pretty much anything else. Asia has a very typical, what I call, three, three and fifty; in any one given position if I get very exact about are you a director, do you do China, do this product, cover this client base, you know there are three really good guys, there are three pretty good guys and there are 50 guys who claim they do that job. So, most of the time, I'm only interested in the six guys. Now, we're always going to look down through some of the fifty to make sure there's someone we didn't miss but in most of cases, assuming you have the budget and the wherewithal to close, those are the guys you are going to go after. Look, there are always people who wake up sitting in New York, sitting in London, sitting in Peoria or wherever they happen to sit and are kind of, "Wow, I just discovered Asia today, that's where I should be." Very few of them have the skill set to plug in to what we do out here. There are guys in syndicate, or operations or in compliance, or COO, somebody who has management skills or some very particular skill set that is nothing to do with costumers. Those people are transportable. Structures; whether you are structuring in New York, London or in Hong Kong - it's just math. But beyond that anyone with client interface, if you don't have Asian language experience, most of the time whether you need it or not, it's just another hurdle. Twenty years ago, it was easy to get a job as an undergrad. Now you largely need an MBA. Do you really need to speak Mandarin for half these jobs? No. Will they require it? Yes, because it cuts out another large part of the candidate pool. But, you know, it is a place we can see over the last ten years Mandarin has become more important and I am sure that will be true over the next ten years. Look, at the end of the day this is an industry where there are "half lives." A lot of the people who come in to this industry come in between 26, 27, 28 years old. Five years later 75% of them are gone, five years later, another 75% are gone, five years later, another 75% are gone. So, you get to a point where you're 40 or 45 years old, you're part of the two or three or four percent who've actually survived that long. Certainly that's the way the bulge bracket works, and quite frankly, for most of the larger firms, it's true, too. There are a lot of niche places where there are a handful of guys well into their 40's, and in some cases, well in to their 50s. Having said that, in Asia, you don't get a lot of 50 year old guys. We're still on the south side. You don't get that many 40 year old guys, actually. It's a young man's game, it's a lot of energy, you're up early, and you're always out. It's lots of stamina, you've got to be switched on, you know, all day long.

Derek: Yeah, I know what you mean. I'm one of those guys in his mid-40s that are still on the

sales side, on the sales desk.

Russell: I'm 49, so, I've outlasted a few of the people out here.

Derek: Yeah, that's for sure. Let me ask you about women and their role in the business for what we're talking about; how is that changing? Because a lot of the perception outside the business is it's a male-only type thing.

Russell: Yeah, it is and it isn't. Sometimes it's role dependent. Obviously in the PC world we live in, it's never a spoken thing. There are some roles where I'm sure women are better than men and we see those. There are also a lot of roles where there's a tremendous amount of travel, a tremendous amount of being out late and so on and so forth. At the end of the day, a lot of women when they get in to mid 30s, they want to have a family, if they don't want to travel, they don't want to go out with clients every night, that puts some pressure on them. On the other hand, you look at certain areas of the business like senior bankers. So, a lot of the senior bankers, and they travel a lot and they entertain a lot. They're women and the thing is that a lot of the really bright Chinese guys and you get to be 35 or 40 years old and it's like, well why aren't you running your own company? And for the women, they can work and have some balance and they're not 100% swallowed up by whatever company they're running, and quite frankly, a lot of the senior Chinese bankers, they're women because the really bright guys have gone off and started their own companies.

Derek: That's right. Interesting.

Russell: I find a lot of people, all the time, and they come and see me and they are 35 and 45 years old and they say, "What do we do next?" And you know there is a lot of attrition in this industry and a lot of people fall away. In many cases we don't have idea where they go. A lot of them move to an ancillary service to the sell side and others go start a business, go start a winery, go start a restaurant, go watch the waves come in on the beach, I don't know. We do see a lot of people every year leave the industry.

Derek: And a lot coming in, I guess. Now, let's talk about money if we can. When you are a retained, the way I understand it, and correct me if I'm wrong, you are paid a percentage of the annual first year's compensation of the candidate you successfully placed with a bank. Is that correct?

Russell: Correct.

Derek: And that compensation ranges between 20 - 30%?

Russell: From the compensation perspective, yes, we're paid a percentage of someone's compensation package. That's a function of whatever was agreed. Sometimes it's base, sometimes it's total package but across recruitment that will change vastly, you know, but if you're placing someone that is 50 thousand dollars a year, a 30% fee is fifteen grand. If you're placing somebody who is three million dollars a year, a 10% fee is three hundred grand. So within the context of most of these roles, the percentages can vary. There are also caps on most everything, even for quite senior people, We rarely will see something where there's not a cap. So, it's not like we're ever going to see a million dollar fee on something. Believe me, on occasion you get multimillion dollars packages for some individuals. That is the one in a thousand, the one hundred thousand. It is not mere mortals who end up in those sorts of positions. And clearly in most cases, if you think about all the attrition I described, the sort of individuals who are multimillion dollar packages are typically people who have been in the industry for ten years or more. They always have been in the top couple percent of whatever they have done. They went to a fantastic high school, they went to a fantastic undergrad, they worked for a fantastic firm for two years and then got fired and told to go do an MBA. They came out on the very top of their MBA class, and they probably worked a 100 hours a week for an absolute blue chip firm. They are the pinnacle of that business and for those select few like, Steven Jobs, and Bill Gates and whoever succeeds in any industry. Yes, those guys are very well looked after.

Derek: Yeah, and they deserve It for that kind of dedication. Let me ask you about compensation within the industry now, though. If you are somebody with five years experience, what kind of compensation package would you be looking at in Asia, given the current environment? Can we talk about that? Is there even a band, or range?

Russell: Again, it's very hard. If you're talking about bulge bracket brokers in a cash business, you got into, ok, what you do? Are you research, are you a sales, are you sales trading, are you back office guy, are you a support guy? There are all sorts of different positions, let alone the whole periphery. I often talk through a little template; there are 70 major guys who do cash in Asia. Well, there are only ten bulge bracket firms. And I can tell you in a lot of second and third tier firms, there are tons of guys who are out there working very hard and they're probably MDs in their firm but they're paid like VPs in a bulge bracket firm. But the bulge bracket firm is very structured: you're an analyst for two years, after your undergrad. Most of those people are pushed out and told to go do an MBA. A very, very few analysts are kept by the firm and go straight into the associate pool. Coming out of an MBA, you're typically an associate for about two and a half to three years, depending on the firm. And then it gets very murky. You're typically a VP for three years, some stay in the bubble and become VP for four years. In most cases, if you are a VP for four years you won't become a Director in that firm. Once you become a Director, you can remain a Director for the rest of the time you're in the firm – Director/ED. And very few at some stage become MDs. I was very fortunate; I became an MD when I was 31 years old. But that was more a function of the fact that all of the sudden I was running a fairly large business and as you know in Asia, the title is important. You go to meet the finance minister; you're going to meet the heads of banks, heads of firms, heads of whatever. You can't have Associate Vice President on your card. It's very different in Hong Kong where you have hundreds of people in a given business unit as opposed to say in the Philippines where you are in a cash business for a large firm which might only have five, ten, twenty employees. That title is also very different between, look, you can often go title shopping. If you want an MD role you can probably go title shopping to a third tier firm and they'll probably give you an MD title when you're relatively young. You can't go to a top bulge bracket firm and expect to jump titles. In most bulge bracket firms, if you're a Director in the firm today, it's virtually impossible for them to make you a Managing Director in a new firm. If you are a Director, you come in as a Director; if you're an MD, you come in as an MD. You don't make the jump from Director to MD. In rare cases we tend to see sometimes there are some flexibilities sometimes about making a VP a Director. But very rarely can you move from Director to MD, if you're moving like for like. If you move a row or two down the food chain, yes, you can move from being a peon to an MD. I'm a MD here, does it really matter? I could be Chairman of CEO, it's a small company. I'm an owner, put a title on my card, what does it matter?

Derek: If you take a look at cash equities, that's the business I know most about and you look at a bulge bracket firm, if you were in research with five years experience or sales or sales trading five years experience, the band of compensation currently, is there something you could tell me about?

Russell: Five years out of an MBA, on plan. Ideally, two years out in Asia. They want you writing. So you'd be covering companies. That's a pretty fast track. If you can successfully multitask and cover companies, you know in Asia, if you're with a bulge bracket firm, you're going to be north of 200 grand in compensation, quite easily. What I'm saying is by the time you start covering companies, which can be in your third year, you're already well into the "2" range.

Derek: The "2" range, is that base or total comp, including bonus.

Russell: Total comp.

Derek: And then, if you're looking at sales or sales trading?

Russell: Sales or sales trading are much less title conscious; it's more about how good are you? "Good" meaning do you have a boat in the Caribbean you can entertain people with every weekend? Or a you just really good at what you do? You come on to a desk and the first thing you do is go get the coffee, like you said. But ultimately if you can find a position where you're valuable to a group of clients that are happy to pay you, you know, do they pay you a million dollars or 50 million dollars? It's one of those, you know a couple million dollars in a bulge bracket firm is still hard work, but it's not going to make you an MD. On the other hand, if you came and start blowing doors off and you are out there writing very major tickets and you've got high penetration, you're involved in a bunch of things, whether that's working with analysts, getting companies to travel with you, whatever it happens to be, but you're adding value to the franchise in a serious way, you know, there are still some guys in sales and trading rather than through research, you can be in your early 30s and be an MD. A young MD, is typically made through sales or trading, they don't make it in research, and more often than not, typically not in investment banking either.

Derek: And then the MDs will be at a different compensation level by definition or..?

Russell: Look, I think it's pretty apparent if you're talking about bulge bracket firms, we went through a period in about 25 years and MDs were paid about 250 thousand dollars. Now in Peoria, that's a lot of money. Living in Hong Kong, living in New York, with wife and two kids and everything that goes with it, that's not even break even if you have to pay good old Uncle Sam. That's a painful reality for anyone who lives outside of the US. You can't live on that here because of the taxes and everything else; you're taxed on rent, you're taxed on gas, your taxed on liquor, you're taxed on everything you consume. In the US, you have income tax, so we get hit with the double whammy. The reality is that most firms took that 250 base which had literally been in place for about 25 years and moved that number from anywhere from about 350 to 500. I think that on that sort of wage again it is potentially livable for someone who has got the proverbial wife and two kids and a mortgage and whatever else it is. That may sound like a lot of money to a lot of people but in London, Hong Kong and New York, that's a livable wage.

Derek: That's right. It gets you a seat at the table but you're not knocking the ball out of the park.

Russell: No. I suspect out in the countryside on about 20% of that you could live a better life.

Derek: Definitely, it's location. And where do you see compensation going from here for the business in Asia?

Russell: Well, for this year it's pretty clear. I think this year is going to be very much the haves and have nots. I think there are going to be a very large number of people who get zero-ed. This year, what little money is in the pool will look after the best people, and it isn't necessary the MDs. If you are the best Associate, you're the best analyst, you're the best Director, you're the best MD, you know, you'll get looked after. It's part of that culling out process. The best people will always get looked after. People come and see me, and say, well, what do I do? At the end of the day no matter what, every single person that I see, I'm always of the view, you have to be really good at what you do. Don't take your eye off the ball. If you're interested in this, in that, you will get an offer if you're really good at what you do. And if you're very average at what you do, you'll always have offers in a bull market and in a bear market you'll probably be employed.

Derek: Last question, if I may. What advice would you give to somebody coming out of B-school right now?

Russell: Knock on lots of doors. Be persistent. We see amazing CVs and we see amazing kids. Just because you're book smart doesn't make you street smart. I think like I said earlier, it's easy to say: "Oh, you need Mandarin", "Oh, you need an MBA", for a lot of these jobs, you don't. But somehow you need somebody to give you a chance and in most cases the only way you are only going to get given that chance is if you actually get in front of somebody. And the only way you're going to do that is to go "smile and dial," or go and knock on some doors. Don't be bashful. In most of Asia people are helpful. Having said that, I could spend my whole day talking to people who are really nice guys but at the end of the day I think that can be useful to them but I could never make a living off that. At the end of the day, I only have so many hours in a day and there's a lot of candidates who come to us and I try to politely tell them we're not in the business of finding jobs for people and I'm happy to give them five minutes but I can't sit down for half an hour and go spend half an hour having coffee with you. It's not what I do. And that's one of those things that's harder when people are closer to you but at the end of the day you know what you have to do and I know what I've got to do to get the job done. That's not always the news they would like. In some ways being a popular head hunter is not always a good thing, because there's a wide net of people who pick up the phone and say "Hey, can I come and see you?" and it's like "No. Sorry." With all things, be persistent, don't take "No." Believe me, of all things though, keep your decorum. It's very easy to piss people off in this industry. Once you piss them off, the answer's always going to be "No" and it's going to be "No" forever. You've also got to be somewhat sensible about where you draw that line. Being assertive is one thing, being aggressive is another and you are going to cross that line and in many cases, if you cross it, for the rest of your career with that person, you will never have the conversation again.

Derek: Well, I appreciate the time you've given me and the conversation we've just had. So, we will draw a line under it here.

Russell: Well, I hope that's helpful for a lot of the young people out there looking at it. I've enjoyed every minute I've been in this industry. Clearly, the next ten years is going to be a lot different than the last ten. You know, it's a smaller world everyday and I'm sure there's lots of people out there having fun.

Derek: Well, we all try and do that. It's been fun. Thanks again very much for your time, Russell.

Russell: You're welcome.

Derek: Thanks for listening to the podcast. Be sure to check out the website: **www.stockbroking101.com** and we'll see you next time.