

The Good News is that
There Are Jobs

The Bad news is that you have to be **extremely well-qualified and work hard** to get that first interview.

Across all sectors of the energy business that we cover, firms are hiring. The only types of firms that are not hiring are those about to downsize or be taken over, or those about to acquire another firm.

The bad news is that jobs today require stellar credentials, may require relocation, and don't stay open for very long. In many cases, they are invisible, or if advertised, already have multiple candidates.

One key to finding a job in this marketplace is to approach organizations that don't have jobs posted that match your interest but which should need your skills. You're going to have to find a potential hiring manager and get to see that individual to discuss a business idea that would result in his/her hiring you.

Also, you're going to have to be extremely well-prepared. Do not go on an interview on a face-to-face basis unless you can blow them away with your market smarts, new business ideas and relevant experience. It's better to delay the interview until you're prepared.

You may find that it's necessary to change sectors, moving from wholesale to retail or from wholesale to consulting. Depending on your personal or career needs, this might be a wonderful idea. So, examine it without prejudice.

Another option is to move from traditional wholesale sales and trading to a position in renewables. That has been done successfully by a number of people. The pay is different, the culture is different, but there may be much more opportunity in the next 2-5 years.

Finally, Rockwood may have a job in 2011 for you that provides a unique opportunity, but you need to have your own job-seeking program as well. It improves your interviewing ability and provides a basis for evaluating new opportunities.

Wholesale Sales/Trading- Overview

There will be *trading jobs* for senior traders with exemplary track records. If you can make \$15 million or more for a firm, then you can get an interview. If you can make \$1-\$3 million, then opportunities are quite limited in large organizations. Between \$3MM and \$15MM, it depends on a variety of things, one being the current strategy of the desk---which can change from month to month.

There are a number of smaller hedge funds that have hired people and given them a modest amount of capital and been supportive within limits.

Many experienced traders without dramatic records of profits have simply started their own shop.

There seem to be *origination jobs* where one has an excellent track record, and the fit is very good, i.e., you cover a region that a bank, trading company, etc. needs to cover. But, we have not been able to predict which entity will hire into this role. It's how the firm sees itself, and that's almost impossible to tell from the outside.

In an economy that's slowly recovering, sales people are valuable if credit is available and if margins are acceptable for the types of deals brought to the table.

The analytical jobs available are related to "must-have" functions like modeling to support pricing. There are few group head jobs as there were when trading desks were larger.

Structuring groups are not expanding significantly since the amount of structured deals is limited.

Energy trading and risk management system support jobs are much the same----clients want a few people to extract the most value from the trade capture system, or to install key functions, e.g., credit functionality.

Many ETRM functions are still outsourced. Even if it costs the client more to do it this way, it does preserve the headcount for other functions.

The number of risk jobs, whether they are market risk or credit risk, follow the volume of business generated, and so long as sales volumes and margins are down, there will be limited number of jobs.

**Wholesale sales/Trading—
Some job-seeking hints**

Traders

First, assume there isn't a crisp job description, laying out the trading strategy, the capital to be invested, and the comp plan. If there is, the company has already probably already promoted someone internally who can do the job

Trading managers are interested in new ideas that can make money. So, to the degree you can present a new trading strategy/opportunity, you'll get a hearing.

Of course, the trick is to not give away all the information so that the interviewer can simply have his/her own people do the work.

This type of job seeking is a tremendous amount of work, requires lots of homework, and doesn't always produce interviews. But, it's much better to be a bringer of new ideas than the 15th applicant with marginally different credentials for the job that everyone knows about.

Plus it forces you to deal with the business as a trading manager might---"what can I do to make money in this market?"

The first problem is determining what might be a trading desk's interest. So, finding out what products the group trades, what regions they trade in, what type of traders are on this desk is a place to start.

The second problem/issue is to be realistic about how you might be seen as an applicant. If you're a junior trader with specific regional experience, then it's doubtful if you can present yourself as a senior trader who needs \$10 million to fund your portfolio.

Thirdly, you're going to have to present your ideas to a number of companies to have a chance to land a job. So, having a trading idea of value only to 2 or 3 firms in the world isn't going to be enough to land one job. Think of 10 or more prospective employers.

Sales

In theory, all sales people should be terrific at selling themselves and their ideas no matter whether it's to a prospect for their product or themselves to a new employer.

Unfortunately, many sales people don't use their sales skills to get a new job. So keep thinking that you're a great sales person with a new product.

The first place to start is to analyze one's present territory, product line and customer list. From that, the question is "what other employers" would like to sell to this customer list, or in this territory?

Key point—don't get stuck on the product line. Recently, we were looking for a sales representative to market consulting services to utilities. The client simply wanted a good sales person who know the utilities. The job did not require prior consulting experience.

There are many instances in the energy business of great sales people migrating to new vendors and being very successful.

So from this analysis, you will have the traditional companies that hire people like yourself, but you should also have some new ideas. Then, the hard work begins of finding out who and how each company hires.

One not-so-secret weapon is LinkedIn. You can do a survey of people who have your background or former background, and see who they work for. Or, you can see what types of sales people that company XYZ has, thinking to yourself that you'd bring something else to the table.

Finally, you'll need some new ideas to get an interview. Those who can hire are not easy to see (when they know you're looking for a job) as they might seem to be. Here again, it's a case of digging deep, finding where the firm is under represented, or failing to capture reasonable market share of profitable deals.

If the potential employer is a direct competitor, you'll probably need a third party to introduce you. This could be a mutual friend, someone you know who works there (that you can trust), or a knowledgeable recruiter.

Structuring

Because structuring is a wide-ranging function, good candidates have a variety of skills, e.g., quantitative analysis, portfolio analysis, pricing, hedging skills. Some structurers have developed sales skills. So in a world where the number of structured deals is limited, one should seek jobs with other titles, but which might be comprised of some of the same elements as structuring.

If you enjoy being in a front-office role, then moving to more of a quantitative position in the front office is not a comedown. It still allows one to interact with traders and clients, and that's important.

Quantitative Analysis/ETRM Positions

Given the outsourcing of functions from many trading desks, one obvious opportunity is to go to a consulting or software development company if a wholesale sales and trading job isn't available. There are a very wide range of consulting/software firms, so it's likely that there's a size and culture that fits you.

While travel is a component of consulting, the amount can vary greatly from firm to firm, so don't use that as an excuse to ignore a growing segment of the energy economy.

In consulting, one can develop a valuable specialty and become known as a key resource. In addition, if one becomes an owner, compensation can be generous.

A word about programming jobs—many quantitative people have great C++ and program development experience. As a rule, many would like to not use these skills and operate at “a higher level.”

But in this world of restricted headcount, having a job that involves coding AND quantitative analysis might be a worthy compromise. This is the case now with front-office modelers who can write their own code. There is a shortage of such people.

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