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What Some Energy Risk Managers Are Looking For

In recent conversations with a number of risk management executives and consultants, a common theme has surfaced.

They want people who work for them to understand the details of the business, not just someone who can construct and discuss a VaR report. Even in Houston, they feel that the number of candidates who measure up is limited.

In one assignment that Rockwood is working on, the client wants a senior risk analyst who understands power business details, e.g., how does PJM function, what is the settlement process, what is congestion, how does it occur and how will it affect the volatility of the power portfolio the firm has.

In another circumstance, the firm is in the refined products business, and seeks some who understands the whole refined products manufacturing and storage chain.

Where Does One Learn This

The most obvious place is in a physical trading firm, one that buys and sells the actual commodity. It's relatively easy to absorb the information available and see its impact on the liquidity and volatility of a portfolio.

Even in a financial institution that trades physical products, one can learn this---by working with those who have come from the physical side of the business.

Historically, many financial traders have looked down on the physical traders because they had worked at a utility or major oil company, not at a bulge bracket I bank. But these physical traders have a wealth of knowhow that they can impart, and generally are willing to share their knowledge, particularly with risk analysts who don't compete with the traders for incentive compensation—as do the other traders in the firm.

Put It On Your Resume

Don't forget to feature this knowledge on your resume if you have it. Of course, make sure it responds to the needs of the job you're applying for.

Learning More

To talk to a Rockwood staff member or to get an answer to a specific question, send an email to resumes@rockwoodsearch.com.