

Content

Introduction - spring update

MD Simon Roderick

Private Equity

Lessons from a
dynamic industry

A great boss - the key to success

The importance of a
good manager

Focus on - Women in Financial Services

Diversity & the way
forwards

Working smarter

How to be more
productive

Our legal service

Progress report

From our website

The latest blog posts
& articles

Getting in touch



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Welcome to our spring newsletter

Welcome to Fram's latest newsletter, which we hope you enjoy. I am delighted to announce that we've been very busy since our last edition, but more of this later.

I'm not sure if I've written this before, but I'm not sure I can stress it enough, I feel very lucky to have found recruitment as a career. In many ways we are very privileged. We get to meet so many leading firms, and to spend time with innovative managers - experts in their field. We get to see lots of great working environments, fortunately few bad ones, and we hear about initiatives that have energised businesses, how changes to sales team structures have enhanced performance, how compliance teams are coping with new regulations and GDPR. Right now, we are seeing how many employers are working very hard to improve their diversity and inclusion.

"There is so much going on in the markets we serve, the pace of change is very fast, and it's impressive to see how top firms are managing this."

There is so much going on in the markets we serve, the pace of change is very fast, and it's impressive to see how top firms are managing this. Whilst different industries have different challenges, the human elements are the same and so we hope we've come up with content that adds value to you as a professional in your field.

As mentioned, I'm delighted to say that we have seen continued demand in both financial services and strong demand in our new sector, the legal industry. Good candidates are getting multiple offers and more firms seem to be on the front foot. The FTSE 100 closed at a record high during May, interest rates remain low, employment figures look good, and so far we haven't seen much effect from Brexit. Fortunately we're seeing growth in most areas of buy-side firms, and private practice in the legal market is very buoyant. Eventually the bears will be proved right, but at the moment things seem quite positive - let's hope Italy doesn't change this.

The demands from regulation are ever present, with GDPR taking up a great deal of management time. There's so many "what if" scenarios, and so many urban myths, that it's proved to be a challenge for many, but we welcome it. We've never sent out a candidates' CV without permission, and to be fair most recruitment firms don't, but it will be nice to have this formalised and the playing field levelled.

A huge thank you to everyone who continues to work with us - we look forward to supporting you in growing your businesses in 2018. I also look forward to meeting lots of new clients too! We can never promise to fill a vacancy, but we always work very hard on a client's behalf.

Best regards,

Simon Roderick

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Lessons from Private Equity

Written by Simon Roderick, Managing Director

I recently read a report from The British Private Equity & Venture Capital Association (BVCA), in association with PWC, that private equity backed IPOs are significantly outperforming floats not backed by private equity. It comes at a time when demand from investors for private equity funds is extremely high, and also at a time when I've been reading a lot of books about PE. It's a fascinating industry where top performing funds have consistently beaten public markets.

Clearly Fram's interest is understandable, given our focus, but I'm also interested in the industry personally. Whilst I think I will always tell people I'm a recruiter when asked at a dinner party, I am also a business owner and so you can't help but be intrigued by the methods used at PE firms to create value.

I think that there has always been a view from those who don't interact with the industry that they are mere financial engineers, but if you dig deeper it's not hard to see that this is purely a myth. The majority of firms create value through operational improvements and hire very talented operations specialists, either from a specific industry or management consulting backgrounds. Below are some of the things I've observed from an industry we could all learn from:

1. Alignment of interests

PE firms really understand the importance of incentivising management teams, and key staff in less senior roles, to ensure they are focused on the job in hand. The late billionaire tycoon James Goldsmith said that he inspired management teams "by making them capitalists" and this seems true today of PE firms. PE firms encourage meritocracy and clearly set out what the rewards are for certain triggers being met. In my experience, this clarity is often more successful than a purely discretionary bonus.

2. Clearly defined exit & continuous review

Leaders in the PE industry have the exit strategy planned early - probably at the start. By doing so, they stay focused on the key deliverables and regularly review these against their operational blueprint. For many key managers in larger established firms exit isn't an option, or a goal, but certainly regularly scrutinising actions against 3-5 year plans is essential.

3. Talent

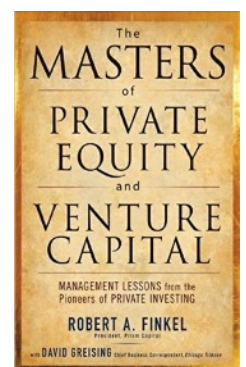
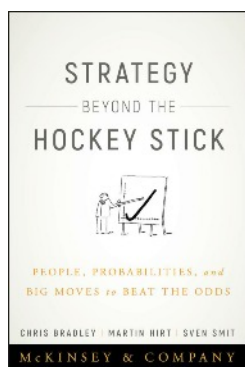
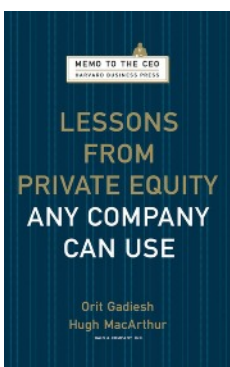
They understand the power of top talent and seek it out. They tend to hire those with proven track records in the industry they have invested in, but if specific industry knowledge isn't key, they hire very, very smart people. They look for individuals capable of enabling transformation, and this almost invariably involves inspiring workforces and effecting cultural change.

4. A focus on KPIs

PE firms often bring a fresh perspective to acquired firms. They perform fact-based reviews on the industry and really understand the drivers that make money. From this they construct clear KPIs and combined with their mandate for change, they implement them with real purpose.

I've probably oversimplified things and so please find below a list of books we've read of the subject. Some of these include case studies, which cover a wide range of industries and different areas where PE firms have made improvements. However, I would encourage all managers to take a look at this dynamic industry.

Book recommendations



Why a great boss could be the key to success

There's so many articles out there on how to hire the right person, or how to select the right company, but one of the most overlooked aspects of the world of employment is choosing the right boss. It's subconsciously something most job seekers are aware of, but they often don't look beyond whether they like someone or not. Whilst it's essential your manager is someone you like it's just as important that they are someone who can help your career. Most of us had a favourite teacher who inspired and developed us, but often when we are in the world of work, we stop looking for this inspiration.

There's a lot of things in life that are about luck; the tech company that has a great idea and, very importantly, has that idea at the right time for the market to need it. Often it's the timing that differentiates between success and failure. Being in what we call the right place at the right time. The singer who is spotted vs. the singer who isn't.

You can also be lucky and unlucky with managers, but by being more analytical about what your long term objectives are, what you are prepared to put in to the achieve these, and conditions you need to reward your success, and the manager you need to develop you, you can increase your odds of success. One of the things that stands out when we meet individuals who are successful, is that they quite often have someone who championed them in their career, or they've had a mentor.

'It's all about finding and hiring people smarter than you. Getting them to join your business. And giving them good work. Then getting out of their way. And trusting them. You have to get out of the way so YOU can focus on the bigger vision. That's important. And here's the main thing....you must make them see their work as a MISSION.'

Richard Branson



So what do good managers do that bad managers don't?

1. **They encourage you to contribute ideas**, help you raise your profile, and credit you with the idea
2. **They are confident enough to recognise your potential** and don't see you as a threat
3. **They encourage you to apply for new roles**, when they can see you are outgrowing your current role
4. **They understand that having a great team makes them look great**
5. **They praise**, but they aren't scared to give critical feedback if necessary
6. **They aren't scared to delegate and stand back.** As Alex Ferguson explained in a managerial secrets case study compiled by Harvard Business School professor Anita Elberse for the October edition of the Harvard Business Review:
"I don't think many people fully understand the value of observing, but I came to see observation as a critical part of my management skills. The ability to see things is key or, more specifically, the ability to see things you don't expect to see."

Often the bad manager will be driven by fear. Fear that they will be outshone, exposed to structural change, or that they won't be needed. Unfortunately they are often the managers who build bad teams and who suffer the highest levels of turnover.

Job seekers often lose sight of the fact, and it's very understandable, that interviewing is a two way street and therefore they need to really understand a manager. To ask them about their experience of developing others, their thoughts on training, how they engage their staff, and what KPIs they work to.



Focus on: Women in Financial Services

The case for diversity and the way forwards

A great deal of work has been done around diversity in recent years, and the financial services industry is at the forefront of the change.

The gender equality review by Lord Davies achieved its 25 per cent target for women on FTSE 100 boards by 2015, and has set a further target of 33% female boards in FTSE 350 firms by 2020. Meanwhile, the HM Treasury's Women in Finance Charter announced a further 26 signatories in Nov 17, with 600,000 employees now covered. Signatories commit to voluntary targets, and since the Charter launched, 120 financial services firms have committed to have at least 30% women in senior roles by 2021 and of those, over 40 firms have committed to a 50/50 gender split in senior roles. Amongst these are some of the industry's leading names.

These are all great developments, and we are seeing an increased awareness of the benefits of diversity in the industry, with many clients actively seeking to increase the diversity in their teams.

However, there is still a long way to go. Financial services has the largest gender pay gap in the UK, with women on average paid 34% less than their male counterparts, according to PwC's Women in Work Index. The Ghadia report (the Women in Finance Charter was launched in response), found that women only make up 14% of Executive Committees. However, when delving into these stats, it becomes clear that the majority of women on ExCos are in support functions. Female CEO's only number 6%.

The Case for Diversity

Jayne-Anne Ghadia, CEO of Virgin Money, who led the Ghadia review, highlighted the cost of reduced productivity and returns in her comments, and with good reason.

Diversity increases creativity and debate, and thus allows firms to develop and grow from a broader, more solid base. This will in turn be reflected in their product offering and service levels. And, ultimately, in their profits.

McKinsey Global Institute's research from 2014 famously found a clear correlation between diversity and profitability, reporting that \$12 trillion could be added to global GDP by 2025 by advancing women's equality. That is a compelling number.

There is also the question of reputation. PwC says a lack of diversity in banks, insurance and asset management firms could become a focus for public disillusionment, much like high executive pay following the financial crisis.

Women – the lost market opportunity

Aside from the benefits reaped by diversity within a firm, there is also the question of the potential for expanding client banks and AUM.

In the US, women identified the financial services industry as the one they are most dissatisfied with, both on a service and product level (Boston Consulting Group). According to the Federal Reserve, women control 51.3% of wealth in the US, and so there is a considerable client pool (and investable wealth) the industry is failing to engage with.

In the UK, 46% of millionaires are women, and women now represent the largest market opportunity in the world. In fact, female consumer purchasing power exceeds the GDP of India and China combined (Forbes 2013). Women are becoming significant wealth creators, and it is expected that women will control 75% of global household spending by 2028.

It doesn't follow that gender parity amongst financial services professionals will make the industry more appealing to female clients, as BCG's research showed that the dissatisfaction stems mainly from the offering and the service levels and attitude they are met with, not the gender of the advisors. However, there is no doubt that this is an enormous untapped client pool.

Women view wealth differently than men, being less focused on accumulation, in favour of caring for their families and ensuring security. A single marketing and sales strategy to fit all will not work. The industry needs to gain a better understanding of how to appeal to female clients and address their concerns, and more women in finance can only help with this.

Culture is key

Jayne-Anne Ghadia said that she was initially reluctant to take on the review, but was shocked by the findings.

“Women made up only 14 per cent of senior positions in our financial services sector and, when we delved into the reason why, the response was overwhelming. Culture,” Ghadia said.

In a webinar hosted by Women’s World Banking in 2016, Kathryn Burdett, VP and Head of Diversity and Inclusion, Americas, at Deutsche Bank AG said: “Research has shown us that women are promoted or given opportunities based on their performance, while men are promoted or given opportunities based on their potential...This really impacts women’s rate of progress.”

“Culture is critical,” she said. “What’s offered on paper and what happens in the day-to-day can be two different things...Cultures that are more diverse and inclusive lead to bottom-line results.”

Role models are hugely important in this respect, as people see their own reflection in their leaders. This is why the make up of ExCos is so important, as all humans are inspired and motivated by successful people they can identify with.

It is also important to note that culture and discrimination is not the same thing. Whilst the former might be disappearing, culture is deeply embedded, often subconscious, and something we need to throw a light on in order honestly evaluate and assess our attitudes.

The parent trap

There is no doubt that having children and the challenges of juggling work and home life is big part of the equation. Women’s careers often stagnate or decline following motherhood.

‘The motherhood penalty’ is one of the key areas for employers to address.

Flexibility is the key word for mothers. Employers need to explore the options around opening up more roles as quality part-time jobs, in particular senior roles. A great deal of talent is lost because traditional thinking around work dictates that a job cannot be done successfully unless it is full time.

However, in order to achieve gender equality in the workplace, we need to consider working fathers as well. Parity in the workplace needs to be mirrored at home, and employers must do their bit to enable this for fathers as well as for mothers.

To quota or not to quota?

Yes, we know that was grammatically incorrect, but the issue of quotas produces strong opinions, and is as binary and sometimes as consuming as Hamlet’s existential angst.

Diversity starts in the boardrooms, which set the tone for a company’s culture and strategy, and not all are that committed to real change, despite the demonstrable benefits. Quotas for women on boards have been adopted in countries including Norway, France and Germany, and whilst it is a very blunt instrument, it is also undeniably effective in bringing about change quickly.

However, quotas do not necessarily bring about cultural change, where diversity is encouraged, valued and understood to bring positive results, which is the ultimate goal. Indeed, critics would argue that quotas can undermine the change they promote, as they can become a box-ticking exercise, and they potentially leave women exposed to criticism and resentment.

The Ghadia report identified three main recommendations, based on targets, rather than quotas:

1. Firms should set their own internal targets and publicly report on the progress
2. There needs to be an Executive accountable for improving gender diversity
3. Executive bonuses need to explicitly tied to achieving the internal targets

The gender equality review by Lord Davies achieved its 25 per cent target for women on FTSE 100 boards by 2015. The target was voluntary, though only achieved with the help of ministerial threats of compulsion. Our feeling is that targets work better than quotas, though that option will always remain should other methods fail.

Since money tends to the bottom line for most firms, it is a good idea to educate management teams on the financial benefits of diversity. It isn’t the most important argument, but it is the one most likely to win the day.

Working smarter - *how to be more productive (and work less)*

The world is awash with advice on how to find a good work-life balance. However, between the time we all (be honest) waste at work, and the free time we then spend on our work phones, we are often guilty of being 'busy fools'.

The good news is that creating a better work-life balance, whilst progressing with your career and achieving success, actually go hand in hand. The key is to use your time efficiently and maximising productivity whilst you're working. And then, learn to switch off.

Happy people are more productive

Considerably so, in fact. Economists from the University of Warwick conducted a study titled 'Happiness and Productivity', published in 2015, and found a clear link between the two.

Dr Sgroi, one of the economists who lead the research, said: "The driving force seems to be that happier workers use the time they have more effectively, increasing the pace at which they can work without sacrificing quality."

The study was based on four different experiments with 700 participants, all showing the same pattern. In one study, one half of participants were either shown a comedy or given a treat, whilst the other half were asked about family tragedies, such as bereavements. The first subsequently performed better to a tune of 12%.

Many firms invest a great deal in employee satisfaction and well-being for that reason, but home life plays into it as well. In other words, working on your overall happiness, and improving your work-life balance, will make you more productive (and successful) at work as well.

The 'busy fool' – the dangers of multi-tasking

It is tempting to put in long hours to get more done, or to demonstrate your commitment, but there is actually no direct correlation between hours put in and productivity. It is easy to be a 'busy fool', as one CEO I know puts it, juggling numerous projects and tasks at the same time, whilst emails, social media and calls constantly distract from each one. Working hard, in other words, but achieving very little.

We are used to thinking of multi-tasking as a good skill to have, and it frequently shows up on CVs as selling points. However, the ability to zone in on one task at the time is a far more important skill. Frank Wedde, author and founder of Memolife.no, says that you lose on average 23 mins just by switching from one task to another. Work is much like sleeping; if your sleep is regularly interrupted, you will have to start again each time, and will wake up feeling you haven't slept much at all. The same is true of your time at work.

Adding to this, is the danger your phone represents. A Stanford study has shown that heavy media multitaskers are more susceptible to distraction, and have impaired ability to pay attention and control their memory, than people who prefer to focus on one thing at the time. The study set out to look at what multitaskers excel at, but failed to find it.

Multi-tasking leaves you unable to ignore the irrelevant and unimportant. It makes you less productive.

Rise & shine

In between going to work and collapsing on the sofa when you get home, do you ever wonder how successful people manage to work so hard whilst still looking fit and fresh-faced, with family and social lives intact? Laura Vanderkam, author of "What the Most Successful People Do Before Breakfast", points to the morning hours.

When researching for her book, she found that 90% of leaders and high profile business people get up before 6am every day. They use the early hours to work out, spend time with the kids, pursue personal interests of all kinds, before heading to work. They are early in there too, and so have peace and quiet for important projects before the interruptions begins. They also use breakfast as networking time. Many successful people do their emails and admin at the end of the day, or in the evenings.

In other words, they do things in reverse of most other people: they start the day doing things they enjoy, begin their workday by focussing on the big, heavy projects, and finish the day with the one thing the rest of us tend to get distracted by in the mornings – emails.

Top ten tips to increase productivity

1. Remove unnecessary distractions

Could you reduce time spent on unimportant emails, unconstructive meetings, overlong phone calls?

2. Quit multi-tasking

To be productive you need to concentrate on the task at hand, rather than the ones still left undone. Written lists help.

3. Take control of your inbox

Clear your inbox every day to create space and calm in which to get on with other things.

4. Turn off your phone

Having dealt with your emails and your phone calls, it's time to turn that phone off for a bit. Now focus on that project/report/task in uninterrupted peace.

5. Make time for breaks

Don't visit websites/facebook/online shopping whenever the urge hits you, but dedicate time to the task.

6. Eat lunch and move around

Food is fuel, and both your body and brain need energy!

7. Decide when you're available and when you're not

Offices are full of distractions, questions, requests, meetings and general chat, and all will break your concentration.

8. Variety is the spice of life

In between the big, heavy tasks, complete some smaller, friendlier ones.

9. Don't put things off

if there is something on your to do list you are particularly dreading, do that first!

10. Rewards

Give yourself little treats for completed tasks and productive days (though you don't have to go wild and buy a Ferrari with each finished report).



Update on our Legal Practice


I'm delighted to update that we've had an exceptional response to the formal launch of our legal practice. We identified it as being a good market for Fram to enter, and one where we felt we could make a real impact, last year. So during 2017 we started to take steps to "soft launch" it during the autumn. It's very similar to the markets we've previously covered: professionals charging for their time, a demand for experienced lateral hires (including teams), supported by skilled individuals.

Legal candidates have the same hopes and challenges when changing jobs as our existing candidate base, and the clients have the same issues...they often struggle to meet the right people. It's a market driven by headhunting and this lends itself to our strong research, search, and screening skills. Whilst it's a likely winner from Brexit, it is also an industry which is undergoing changes, some of which we've seen before in our other markets. There also other benefits by launching this service too, many of our existing clients have in-house legal teams, and it's our aim to support clients as much as we possibly can.

To date, we've met with a very high number of leading national and regional firms, and we look forward to meeting with many, many more. It's been really fun and we've met with so many interesting people. It's also been quite nice being the new kids on the block without the restrictions more established firms often have, and thank you to those who have supported us to date.

We offer a contingent service, so why not give us a try!

Fram's coverage includes:

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-  Practice Managers
-  Business Development
-  Finance & Accounting
-  Support



FROM OUR WEBSITE

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International Women's Day



To celebrate, the women in the office wrote an article each

Are Millennials too entitled?



The Millennials in the office give their view on the debate

Law firm partnership



Choosing the right partnership and how to get there

Gender pay gap & recruitment



How did our industry fare with the pay gap reporting?

Working abroad



3 part series on being an expat and the benefits of diversity

Settling in to a new firm



How to ensure an easy transition into your new role