



“Mirror, Mirror on the Wall”

A Focus on Self-Analysis and Personal Development For the Investment Professional by Paul Olschwanger

An inter-active discussion based on the belief that investment management professionals need to look in the mirror on a more frequent and consistent basis to realistically evaluate their own skills, progress and push for improvement. Topics will include Managing Expectations, Preparing for Change, Developing Competencies, Continuing Education and Work/Life Balance.

Managing Expectations

When are we most excited about a new opportunity? Why? Have expectations been realistically established or were they exaggerated to convince you? How about your credentials? Are you really as good as you say? If you interview 50 times and tell the same bs, eventually, you start believing this bs. The same thing happens with the company you are going to potentially work for. Both sides need to accept the fact that there is no such thing as a perfect company or a perfect job. What happens when either party does not meet these expectations? Could this have been avoided? Wouldn't the process work better if we abide by Carl Sewell's theory that it is always better to promise less and pleasantly surprise? What about investment managers' clients and their expectations. Here we go again. The competitive nature of our business forces many to promise too much in order to win business. How does this impact the relationship and chemistry between portfolio managers and marketers?

Investment management professionals are typically very bright and hard working people. They manage portfolios by sticking to a process that has historically worked. Many care about the amount of risk obtained for the amount of expected return. However, these same individuals tend to not manage their careers with the same amount of due diligence. Have they prepared for change in the business, at their firm, products or even their role?

Questions to Ask the Audience: How do I really feel about myself? How am I making a difference? Do I truly believe in our process? Do I believe in my colleagues? What does success mean? What is client service? When is the right time to think about myself? Am I being fairly compensated? Most of these questions can be

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addressed from both a professional and personal perspective and are highly correlat-

ed with one another. Professional success many times is diluted if one's personal life is in shambles and vice versa.

Preparing for Change

How many times have we started a new job, really excited to work for/with a professional you respect and can learn from when he/she leaves or is promoted elsewhere? Boom! You now have a new boss that you were not prepared for. Immediately, you are disappointed and your excitement has been severely deflated. Was your job satisfaction too dependent on this one individual? Probably, and this occurs quite often. How about a new culture? New products? Do you still believe in them? The most common occurrence for a manager to deal with is bad performance. Over time, it will happen to the best of managers. Prepare for it. Focus on client service. First, you need to define what client service is and what you can do for your clients during bad performance periods. What about morale during bad performance? What about loyalty? Is this the time to jump ship and go to a stronger performing manager? Other changes to discuss are restructurings and changes in compensation.

Developing Competencies

During periods of strong absolute and relative performance, we are not as smart as we think and during periods of underperformance, we are still not as smart as we think. There will always be ways for an investment management professional to improve. There is no room here for complacency, stubbornness, inflated ego and too much pride. Don't wait for somebody else to point out weaknesses. Look in that mirror, be realistic with yourself and identify key areas where you can improve. Examples are quantitative tools, written and presentation skills, technology and/or managing/motivating others.

Continuing Education

Studying and obtaining the CFA designation is a great accomplishment; however, it is only one of several ways to further establish professional credibility. Many are misled to believe that once they achieve the CFA designation, offers will come from everywhere. Not necessarily true. Over the years, the CFA designation has become more recognized and in many cases, investment firms expect any new investment professional to have their CFA. It is no longer a plus but a requirement. So once you have achieved CFA, do you stop? What about the other programs that AIMR offers? Are you taking advantage of their publications on different asset classes and new investment strategies? Do you even have a plan for advanced education? Are you

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attending conferences and talking to your peers during the breaks? Have you submit-

ted white papers to FAJ or other publications? There are unlimited ways to continue your education and gain valuable recognition for both you and your firm.

Work/Life Balance

Lou Holtz talks about WIN.....What's Important Now. Let's go back to defining success. Does success mean wealth, material possessions, title, mental enrichment, superior performance record and/or personal happiness from being a good spouse, parent and contributor to society? Achieving the right mix of work and personal life depends on how much you look into that mirror. As much as we would like to feel successful in everything we do, the reality is that we tend to focus on WIN...instead of looking at the big picture and prioritizing what is really important long term. Look back on your priorities over the past 5-7 years. What would you change if you could? How would these changes impact your feeling of success? Can you be too loyal to your career and firm that you work for? Are you really doing them a favor by working 80 hours a week? As a result of this commitment, how much does your family get from you? Do you take family vacations and actually take your mind off work? Do you take care of yourself through proper diet and exercise, golf, fishing, reading, etc.? What about community work? How much do you give back to people and communities less fortunate?

Self-esteem...How you feel about yourself is very underrated. People that we know who appear as very confident, typically have very low self-esteem deep down and use this superficial confidence to hide how they really feel about themselves. By looking in the mirror and addressing our strengths and weaknesses, we deal head on with our shortcomings instead of hiding them. Feeling truly successful professionally and personally leads to very high self-esteem and happiness. These people avoid complacency during good times and do not fold their tent during bad times. They don't point fingers at others; instead, they ask "what can I do to make things better?" They do not let others dictate their entire path; they are proactive in establishing the road map to their success and constantly refine their personal and professional goals. They enjoy motivating others and are happy when they succeed.

Summary

Nobody truly knows you better than you do. Drop that guard. Remove all the layers and deal with reality.

Look in the mirror every week and ask many of the above questions. Answer honestly and then map out a game plan to ultimately achieve success and high self-esteem professionally and personally. Be ready to revise this game plan every three months.

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Find whatever it takes to keep a high level of excitement to get up and start the day.

If something is missing, don't point fingers; assume responsibility. Don't sit in the middle of the railroad tracks for too long; you will get run over and it will not be the conductor's fault.

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Questions to ask yourself when looking in the mirror:

- How do I really feel about myself?
- How am I making a difference?
- Do I truly believe in the investment process?
- Do I believe in my colleagues?
- What does success mean for me, my employer and family?
- When is the right time to think about myself?
- Am I being fairly compensated?
- What is important long term?
- Where do I want to be in the next 5, 10, 15 years?
- What are my priorities?
- What makes me happy?
- What does loyalty mean?
- What is more important? What others think about me or what I think about myself?

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Do's and Don'ts

Do:

- Take matters into your own hands
- Look into the mirror on a consistent basis
- Map out a game plan for your personal and professional success
- Establish and manage expectations
- Prepare for change
- Further develop competencies
- Manage your career on a more consistent basis, not just during a crisis
- Establish priorities, take vacations and continue learning.
- Spend time with your family

DON'T:

- Complain
- Stress loyalty at the expense of all parties
- Celebrate success too long
- Fight criticism
- Focus too much on short term benefits
- Take your job, family or health for granted
- Sit on the railroad tracks

Remember: Nobody truly knows you better than you do. Look in the mirror every week and ask yourself questions. Answer honestly and then map out a game plan to ultimately achieve success and high self esteem professionally and personally. Find whatever it takes to keep a high level of excitement to get up and start the day. If something is missing, don't point fingers; assume responsibility. ☺