

# For Portfolio Managers Only: Straight Talk about Working with a Boss



## INTRODUCTION

Maybe you always get what you need and want at work. If you are a talented portfolio manager, you should get what you want, in my view. I believe that investment management talent is in short supply, is precious and should be supported by the rest of the firm.

But if you aren't getting what you want and need at work, or if you are in the process of moving to a new firm, I have some expert advice for you. I have been a portfolio manager in my career, and have also been a CEO or equivalent 5X, so I've thought about, and analyzed the tensions that exist between those who manage people, and those who manage assets.

I am not the first to think about these tensions. But the default response by most is to apply the same principles that are found useful in other organizations, to the world of investment management. My view is that the investment management world is very different, and that the default approach is wrong.

Working in an investment management firm is stressful, and is tough for everyone involved. There is often a mix of very different personalities who are supposed to try to work together to achieve specific common goals. This need for cooperation isn't unusual, and it looks a lot like what we see with other kinds of organized activities.

But the difference is that, in this industry, portfolio management talent is the primary driver of investment performance, and ultimately is the engine of success of an investment management firm. These highly talented people may also happen to be difficult for others to deal with. The difference in our industry is that the talent is not easily replaced.

Investment firms are growing larger, and the challenges of working with people who have unique perspectives has become more apparent. Some firms lack the patience to deal with idiosyncratic talent. And it almost seems that the leaders of some firms secretly believe that sales is more important to the firm's success than generating alpha.

Has anyone asked you to change your behavior recently? Many firms are currently addressing what they refer to as "cultural issues". While culture can refer to many different things, an often cited focus is encouraging, or forcing portfolio managers to play nicely with others in the sand box. We'll explore how portfolio managers can deal with this preference in this report.

This report will offer a quick synopsis of the general challenges faced by portfolio managers like you, in dealing with others, and then provide some actionable insights to help meet your personal and professional goals.

Let's start with the bosses' perspective.

## 1. UNDERSTANDING “THE BOSS”

- Bosses think that they are *special* – after all, somebody picked them to be the boss!
- Their *personalities*, and the *nature of their jobs* are very different from yours.
- They are smart – but they may have *different priorities and pressures* than you.
- They often *focus on the value of the firm and the firm’s culture* – *how people get along*.
- They often try to keep a *balanced perspective* – they are sensitive to external influences, consider long term versus short term demands, and are never absolutely sure about their decisions.

How does all of this affect their interactions with you?



## 2. TELL THEM WHAT YOU WANT

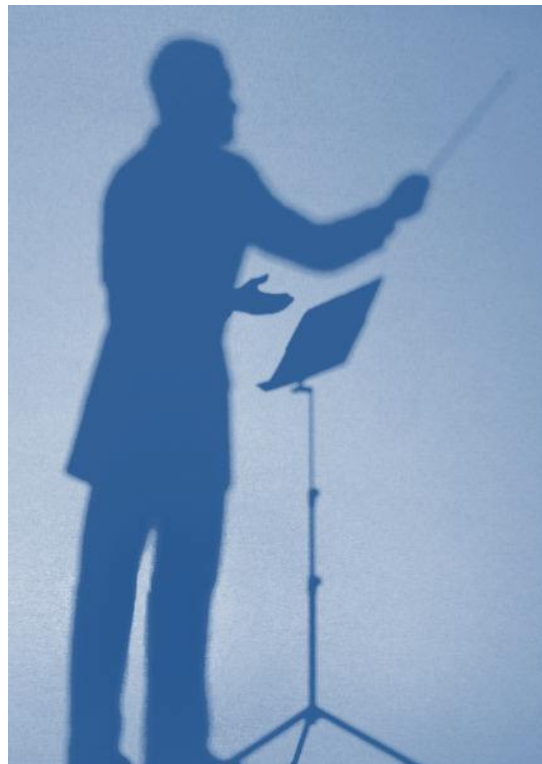
- Even if they don't understand what you do, or perhaps even respect you, *try to like them first* before entering into a serious dialogue.
- They are *not only busy, but they often really don't understand what you do*, and therefore what is important to you.
- *Be direct and* tell those who control the resources in your firm how they can help you – *don't expect them to guess or read your mind.*
- Try to *clearly explain the rationale* for additional support, for example, the need for marketing resources by explaining what the payback is for the firm.



### 3. WHY DON'T BOSSES UNDERSTAND YOU?

Here are the primary reasons that your boss doesn't "get" you.

- The *demands of your profession* are very different from most other jobs. First, you work in a professional services industry. But there is a second layer that adds considerable complexity to your job. You deal with Mr. Market every day. Expectations for results from your efforts are increasingly short term. And not only is your performance measured frequently, it is often available for all to see.
- The typical portfolio manager has *personality traits* that are very different from 95% of the rest of the population. These differences contribute to making you good at what you do (See a list of traits in the appendix of this report).
- There is also an *interaction between your personality, and the demands of your profession and the business*. Your job has shaped you.
- Even when the boss is, or has been, a portfolio manager, there is *variation in personalities between portfolio managers*.
- *Greater management responsibilities* change the perspective of portfolio managers who manage people, and create a gulf between what they used to think was important, and their new responsibilities.



## 4. WHAT DO YOU NEED TO DO YOUR JOB?

- You may want or need *timely access to senior management*,
- You may want or need to *influence the strategic direction* of the firm,
- You want and need hard working and responsive middle and back office *support*,
- You want successful *salespeople*,
- You need *marketing* support,
- You need a sufficient *operating budget*,
- You want influence over *compensation*,
- You may want control over portfolio manager *hiring and firing* decisions, as well as influence over other HR decisions.





## 5. YOU CAN MAKE IT A LITTLE EASIER FOR THE BOSS AND YOURSELF

### **Social skills**

- Try to *be polite* even if faced with “ridiculous” comments.
- Consider *only briefly attending social functions, if you don't feel comfortable.*
- Seek one or more people to act as *a buffer*, or intermediary between you and others. These buffers are often people who you get along with, and who get along with most others as well. Most firms have at least one person who gets along with just about everyone.
- Try to *anticipate the purpose of impromptu meetings.* If you know a meeting is likely to come up, try to prepare in advance for the obvious questions or challenges. You may have thought through the answers already, but help others to catch up with your rationale.
- Get photos and names of everyone you deal with, so that you can remember people easily.

### **Being organized**

- Your investment focus may cause you to *lose sight of other tasks* that are of importance to the firm.
- Try to *have someone handle administrative stuff*, including keeping track of important tasks.
- If there is some task that is important to you or your boss, and I mean really important, *write it down.*
- If you are asked by the boss to do an important task, try to *get assistance* if it's not really that important to you.
- Even if you have assistance, *keep a checklist with due dates* to make sure the tasks get done.

### **Conduct**

- Talk to people who wield some power over you e.g. the boss, *in private.*
- Provide them with *concrete examples* of what you want.
- *Choose carefully* what you consider non-negotiable.
- Where there is no room for negotiation, keep in mind *the big picture.*
- *Prepare* in advance for 1-1 difficult conversations.
- *Stay calm.*
- Recognize that you aren't going to change their attitude (but maybe you can influence a behaviour, or two).

### **Stress management**

- You have a stressful job – there are lots of good ways to deal with stress, and lots of bad ways too – choose wisely to maintain your health.

### **Environment**

- If you need peace and quiet, insist on it.
- If fluorescent lighting, indoor air quality, or a noisy environment is distracting, insist that it to be fixed.

## 6. ONLY CHANGE FOR REASONS THAT REALLY MATTER TO YOU, RIGHT NOW

- Firms are increasingly pressuring portfolio managers to *improve their behavior with others*.
- Changing behavior is *very tough to do* for anyone.
- You should worry about how any change that you are asked to make might affect your ability to continue to be successful as a portfolio manager. For example, how will personality changes affect your ability to question and challenge leaders of companies that you are considering making an investment in?
- If you aren't *committed to making a change*, it's going to be a distraction. The risk is that the effort to change may undermine your ability to continue to be successful.
- If you agree to change any of your behaviors, try, if you can, to *choose the behaviors that affect your life outside of work first*. Behaviors that perhaps affect your relations with your spouse, family, friends, children, community, or associations/groups.
- *Don't just accept criticism – it is usually most often about the sender not you.*
- Remember, you are fine the way you are – you've had success.





## 7. DON'T CHANGE FOR MINOR REASONS THAT DON'T MATTER TO YOU, RIGHT NOW

- How was Picasso as a guy, how friendly was Amelia Earhart, was Rembrandt good to people in meetings? – who cares! *We remember them for their greater contributions.*
- *You do have other options* if the pressure to change becomes too great.



For workshops, team and individual coaching;  
[Campbell@YourSecondOpinionLLC.com](mailto:Campbell@YourSecondOpinionLLC.com) ; 312-343-0079

## 8. IF YOU, OR THEY DON'T LIKE IT, YOU HAVE OTHER CHOICES

Of course you can agree to go along with the way things are, including changes that you really don't feel comfortable with. Things may change back the way you prefer eventually, or you may be able to adapt to the changes. But there are always options to consider if you cannot reconcile your own beliefs with the new reality.

- You could negotiate a different relationship with your current investment firm - perhaps by working away from the head office, in a satellite office or even from home, or perhaps even become an independent contractor employee.
- You could quit, and join another firm, either on your own, or by participating in a lift - out of your team.
- You could move to another firm that has fewer non-investment issues to deal with – perhaps a group that manages a private pool of capital e.g. a family office.
- You could establish your own firm although you may have to re – start your track record to attract business, provide or access capital to fund the business operations as well as find seed money to manage, find clients, and spend more time than ever managing the business and dealing with people and third parties. The administrative and sales demands on new money managers have risen significantly in recent years.
- You could step away from the business and focus on managing just your own money, or friends and family money, on your own.
- You might be thinking about your second act – perhaps a new occupation or volunteering.
- You might choose to retire, or take a sabbatical.

## SUMMARY

There are many efforts being made around the industry to address the cultural issues which affect investment management firms. Very few of these efforts consider the portfolio manager's perspective. While this report doesn't pretend to represent the perspective of all portfolio managers, it highlights the perspective of many portfolio managers. At the end of the day, investment performance generated by portfolio managers is all that is important to clients. I hope that I have given some ideas in this brief report that will support the efforts of portfolio managers to support clients' needs.



## APPENDIX

**The personality traits of portfolio managers vary.** See how many of these listed below are applicable to you. Think about how you'd compare your answers to your boss and others that you work with.

Selected personality characteristics	You?	Your Boss?
• More self - directed than other people		
• Like having opportunities to make decisions		
• Believe in fair but tough decision making		
• Like to have control over the content and pace of work		
• Prefer to be able to focus and concentrate alone		
• Like having the time to consider things fully before having to respond		
• Like balancing theory and practice		
• Like to think creatively		
• Look beyond the present to imagine future possibilities, products, actions and results		
• Have the ability to analyze, and make objective, logical decisions		
• Internally motivated rather than relying on praise		
• Do work out of conscience, pride.		
• Don't follow the herd.		
• Can find meaning in confusion and solve new problems. Understand the relationships of various concepts without necessarily having encountered them before		
• Higher than average IQ.		
• Attend to detail		
• Honest		
• A very logical approach to problem-solving.		
• Able to absorb large amounts of information		
• Quick to grasp complexity		
• Decisive and action-oriented.		
• Dislike it when people try to sell their ideas to you		
• Care deeply about your work to the point of near obsession		
• Are very critical		
• Takes things more personally than others		
• Very loyal to someone		
• Don't work overly hard on maintaining friendships		
• Feel defensive when asked to clarify comments		
• Don't enjoy most social gatherings		
• Often can't understand what others are feeling		
• Focused mainly on personal agenda		
• Don't enjoy small-talk and chatter		

## AUTHOR'S BIO

**Russell Campbell is the CEO of Your Second Opinion, LLC**, a management consulting firm offering expert advice to leaders of investment management firms. He writes a weekly subscription-based [newsletter](#) for leaders, and also works one-on-one, and with leadership teams on critical issues.

Russell has led 5 investment groups in his career. Prior to establishing his own firm, Russell was the CEO of The Marco Consulting Group, one of the largest institutional investment consulting firms, with a significant CIO outsourcing business. Previously, he was the EVP of AMCORE Bank, where he was head of the Wealth Management Group, which was one of the 60 largest bank wealth managers in the U.S.. Russell was previously the President and CEO of ABN AMRO Asset Management Holdings, Inc., which managed \$75 billion in assets, and was the U.S. investment management affiliate of ABN AMRO Bank. Russell was promoted to this position after having been the CEO of ABN AMRO Asset Management Canada, Inc. He was previously a Vice – President and Partner of Beutel Goodman, Inc., one of Canada's largest investment counseling firms. His first leadership position was as Vice – President, Bank of Nova Scotia, where he led the investment management of the Bank's own pension fund, and a family office portfolio.

Earlier in his career, he worked as a pension investment consultant, in institutional equity sales and managed a portfolio of precious metals.

Russell has an MBA in Investment Finance and Marketing from York University, and he has a BA in Industrial Relations from McGill University. He also attended the Advanced Management Program at INSEAD in France.

He has earned the Chartered Financial Analyst designation, and has attended both the Financial Analyst's Seminar and the Investment Management Workshop. Russell has also acquired the Certified Financial Planner™ certification. He previously held Series 7 and 24.

Russell has been a director of several for-profit and not for profit boards, and he is a member of numerous non-profit, civic and industry organizations.

He is quoted frequently in the media and has been a speaker at many industry conferences.

## RELATED READINGS

The following related reports may be accessed for free at [YourSecondOpinionLLC.com](http://YourSecondOpinionLLC.com):

- [\*The Importance of Investment Talent – A Debate with Jim Ware\*](#)
- [\*“Don’t Let Them Walk Away With the Assets! Beyond HR – Retaining Your Investment Talent\*](#)





**Russell Campbell**  
**CEO – Your Second Opinion, LLC**

[Campbell@YourSecondOpinionLLC.com](mailto:Campbell@YourSecondOpinionLLC.com)

[www.YourSecondOpinionLLC.com](http://www.YourSecondOpinionLLC.com)

**312-343-0079**

**@your2ndopinion**

Your Second Opinion, LLC is a registered investment adviser. This report is only intended for the use of other registered investment advisers, clients and interested prospective clients residing in states in which the adviser is qualified to provide investment advisory services. This report is limited to providing general information pertaining to advisory services, together with additional information, publications and links. No attempt is made to furnish personalized investment advice or services through this report. Past investment performance is no guarantee of future results. Your Second Opinion, LLC expressly disclaims all warranties of any kind, whether expressed or implied to the full extent permitted under applicable laws, relating to your use of this report.