

BUSINESS

On the hunt

Firm in right spot for hedge fund searches

By Ken Borsuk
Staff Reporters

When high profile hedge funds and major companies are looking for leadership, they don't take out an ad in the classified section. They look to Greenwich and Pinetum Partners, LLC.

Sandy Gross is the managing partner at the Mason Street-based executive search consulting firm that finds senior managers for hedge funds, investment banks and securities firms. When these funds and firms have openings at the top executive levels they come to a firm like Pinetum to find candidates to fill their specific needs and qualifications.

"Our sweet spot is recruiting people who are already earning between \$500,000 and \$3 million in compensation," Ms. Gross said. "We are usually looking for people who are happy and very successful in other companies. We do a lot of research here. We're looking at firms that are doing well. We're looking at a group within a company that's doing exceptionally well or has a skill set that's in demand for our clients."

Accomplishing this means a lot of research and use of sources within and knowledge about the industry. Those that fit the needs of Pinetum's clients are recruited and while not all are receptive to leaving their positions at first, they are often interested enough that they can be recruited down the line.

"We get a lot of background information before we even call someone," Ms. Gross said. "We want to make sure someone is really a good candidate for the role and to determine what would be the best pitch to attract you to this company. What is the key piece of information we can provide to make someone's ears stand up and go 'Oooh that's interesting. I'm not doing that now.'"

Ms. Gross said the majority of people who are recruited are at least interested in listening for market knowledge. But they are also being offered opportunities, such as global work after working only inside the United States, that they don't have at their existing job. It could even be the kind of promotion where executives who have been the No. 2 portfolio have the chance to be No. 1.

While it can be a challenge to find someone with the specific sets of skills the companies need, Ms. Gross said the firm loves its work and being able to find people to suit a client's needs. She said it's very satisfying to have a positive impact on the way business is done.

Pinetum's client list is almost exclusively hedge funds, which makes the company's location in Greenwich ideal. Of the 20 clients they've taken on over the



Sandy Gross, managing partner at Pinetum Partners, LLC, in Greenwich helps match top-level executives with hedge funds, investment banks and securities firms looking for new hires. — Ken Borsuk photo

past four years, 17 have been hedge funds. That's given her an excellent view of an industry that has recently gotten a lot of attention due to concerns about long-term stability.

However, Ms. Gross does not see an industry with a bubble about to burst, similar to the "dot coms." She sees an industry adapting and insuring its survival. She notes how hedge funds are now consolidating, estimating there are close to 10,000 active funds and the top 50 of those are working with 75% of the invested capital. This means fewer start-up funds because it's harder to raise capital.

Ms. Gross said another key is for funds to make sure they're diversified. She said pension plans, foundations and other investors are looking for that.

"They want to make sure a fund's assets are diversified so if there's a bump in the road, their interests will be protected because there are other successful strategies in the fund," Ms. Gross said.

Ms. Gross added trading in funds involving energy and credit is "coming back" along with quantitative funds, which use computer models to predict future performance based on past performance.

Ms. Gross has seen the highs and lows of hedge funds and is a former employee of Amaranth Advisors, the Greenwich-based fund, which suffered the worst hedge fund collapse in history last year when it lost close to \$6 billion in one week on natural gas futures. Ms. Gross said she was shocked and saddened to see that happen, but felt it didn't set a bad trend for the industry.

"People learn from their mis-

takes," Ms. Gross said. "I don't know whether or not this is something that could have been prevented but firms and investors looked at what happened and are becoming more focused on risk management and have become more diversified."

At first glance, Ms. Gross' background doesn't suggest someone eager to dive into the world of hedge funds and high finance. In fact, when she graduated from Hobart and William Smith College she did so with a double major in religious study and psychology. But she always had the people skills necessary to succeed in the finance world. So when the dean of the college put it to her as gently as possible that there might not be a lot of money in her chosen fields of study, she began searching for a way to put those skills to use.

That led to her taking a job at Manufacturers Hanover Trust, where Ms. Gross admits she wasn't entirely sure of herself first.

"It was never something I had thought about," Ms. Gross said. "I had no idea what I'd be doing, but it seemed like fun. It was a real challenge and I relished that. It was a chance for me to get into the trenches and learn the banking business."

Ms. Gross' ability to work with people as well as her creativity and high motivation allowed her to quickly adapt to this new world. Plus Ms. Gross inherited some of her parents' skills as well. Her father was an industrial organizational psychologist and her mother was a behavioral education counselor, skill sets that are invaluable to her work today.

"I like to tell people the apple didn't fall far from the tree," Ms.

Gross said.

After her time at Manufacturers Hanover Trust, Ms. Gross left banking to go into executive searching and made the move to a firm called Spencer Stewart, which is the largest privately held global executive search firm in the world, where she spent the next six years. Her abilities and reputation grew over that time and one day she got her own call from a recruiter looking for someone to come work for Amaranth.

"People always laugh when I tell them the recruiter got recruited," Ms. Gross said.

Her experience at Amaranth showed her the benefits of working "in house" and recruiting specifically for one company and that's something she brings to Pinetum Partners today. When she takes on a client today she makes sure she essentially becomes "in house" for the client, working closely with the company to make sure she brings in candidates who are the right fit for the company's culture.

Bringing that kind of attention to clients means Pinetum tends to take on no more than five or six at a time. A search can be as quick as six weeks and as long as 20, but the average ones tend to be in the area of six to 12 weeks. That might not seem like a lot of time to look for candidates to fill such vital corporate roles, but Ms. Gross said Pinetum has the skill to make it happen.

"We're really good," Ms. Gross said. "We're very focused and intensive. We don't take on work that's too much for us and we don't get involved in searches we don't understand and have no prior knowledge in."

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