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## Wanted: Execs to lead giant brokers' units

UBS seeks retail chief; Morgan Stanley tables investment guru hunt

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Just as one Wall Street powerhouse called off its search to hire a new high-profile executive, it seems that another behemoth brokerage firm is hunting for its own new management star.

Reports surfaced early last week that UBS AG is on the prowl for a new top executive to run its force of more than 7,000 advisers in the United States after chief executive Oswald Grubel chose not to sell the Swiss company's wealth management business here — despite heated speculation that he might jettison the unit.

The news of UBS' hunt for a top Wall Street honcho surfaced not long after another major player — New York-based Morgan Stanley — quietly scrapped its plans to bring in a top name to lead its \$400 billion investment management business.

Although unrelated, of course, the separate searches indicate both the desire and need for financial institutions to tap new — but extremely experienced — leadership to help those companies recover from the economic downturn.

“There's going to be a tremendous amount of churn at the top of the house in the financial services world,” said Scott Simmons, vice president and founding partner of Chicago-based search firm Crist|Kolder Associates, which has worked on three CEO placements this year at publicly traded banks.

“And smart buyers are already looking to go after some of the incredible talent that's currently available,” he added.

At UBS, the new wealth management leader clearly will be in one of the most visible and powerful spots in the brokerage industry.

And according to sources familiar with the search, a number of well-known names in the brokerage business are being bandied about as possible candidates for the job. Sallie Krawcheck, the former head of Citigroup Inc.'s wealth management group, and Robert McCann, the former head of the brokerage business at Merrill Lynch & Co. Inc., are being seriously considered at UBS.

Citigroup and Merrill Lynch are both based in New York.

UBS officials declined to comment. One industry recruiter familiar with the search, who declined to speak for attribution, said that Ms. Krawcheck and Mr. McCann are on a "very short list" of candidates, and added that the search could be wrapped up in the next couple of weeks.

Karina Byrne, a spokeswoman for UBS in New York, who declined to comment on the search, did say that the company has said repeatedly that the U.S. wealth management business isn't for sale and that UBS remains committed to both the business and the region.

The Morgan Stanley search was recently canceled after the company elected to stick with the present leadership team in its asset management business, analysts said.

However, "no suitable match was made, and the firm subsequently decided that this was not the optimal path," Roger Freeman and Eric Bertrand, analysts at New York-based Barclays Capital Inc., wrote in a research report following a meeting with members of Morgan Stanley's leadership team last month.

Morgan Stanley also briefly considered exiting the asset management business through a sale of a joint venture but "found no appropriate partner," they wrote.

Morgan Stanley spokeswoman Erica Platt declined to comment.

It is possible that Morgan Stanley, which was strictly looking for a marquee name, may have had difficulty persuading its primary targets to leave their present positions during a major economic downturn, sources said.

That could have some influence on the scope of the UBS search as well, industry observers said.

"Top executives are now being more cautious than ever before they make a leap to another firm, even if it's a more powerful position," said Joe McCabe, Boston-based vice chairman of CTPartners, a New York-based executive search firm. "If they're in a comfortable post at a company where they clearly understand all of the risks and opportunities, it's challenging to get them to move on."

That issue has affected senior-level searches in the financial services industry for almost a year now, industry experts said.

“Many people are more comfortable staying with what they know during difficult times, rather than taking a chance on something new or uncertain,” said James Houston, co-head of the asset and wealth management practice at New York-based executive search firm Russell Reynolds Associates.

That makes seemingly available executives such as Ms. Krawcheck and Mr. McCann even more attractive candidates for a post such as the one at UBS.

“They would have to be at the top of your list for a job like this,” said Rick Peterson, president of an eponymous brokerage recruiting firm in Houston.

He added that UBS may also want to consider bringing back Joe Grano, former chairman and chief executive of UBS PaineWebber Inc., or Mark Sutton, its former president and chief operating officer.

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