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## **Rockefeller & Co's Hunt For New CEO Raises Questions On Future Strategy**

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The search for the new Rockefeller & Co. Inc. chief executive is starting to get interesting.

The prestigious 125-year old multifamily family office with \$24 billion in assets, 265 clients and a brand name that is synonymous with wealth itself is narrowing down its candidate pool to “the short list,” and is about to start first-round interviews, according to Deborah Brown, managing director for Russell Reynolds Associates who is conducting the search.

While Ms Brown said she expects the new CEO to be named in the first quarter, she added that there was no rush.

“It’s more about the right person than the timing,” she said.

Indeed, the job opening is raising a myriad of questions about Rockefeller & Co.’s current and future place in the wealth management industry, as well as what kind of person the firm is looking for, at a salary industry sources estimate to be close to \$1 million or substantially more, to take them there.

For starters, the shadow of Rockefeller chief executive Jim McDonald’s suicide in September hangs heavily over both the company and the search for his successor.

Mr McDonald was extremely well respected in the industry, and was credited with reviving Rockefeller & Co’s fortunes in the eight years he headed the company.

“He had great presence and was a larger than life figure,” said Kristi Kuechler, president of the Institute for Public Investors. “He leaves some very big shoes to fill.”

“Jim was a thought leader and had a very good understanding of technology,” said Rob Elliott, senior managing director at Bessemer Trust. “You need both qualities to play at the upper end of the market.”

“Jim could be a tough guy to work for, but he had a real vision for the company that included technology, family office and asset management,” said Jon Carroll, chief executive of Family Office Metrics. “He was a great people person, sharp and tireless.”

Mr McDonald’s death genuinely shocked both friends and colleagues, who say they had no idea that the energetic and outgoing executive apparently suffered from severe depression.

### **Big void**

His death is seen as leaving an exceptionally glaring leadership void at the company that will be difficult

to fill, as well as opening up questions about the company's direction.

“What is the mandate of the new CEO?” asked Leslie Voth, president chief operating officer of Pitcairn, the Jenkintown, Pa.-based multifamily office. “It's a huge decision they have to make.”

Perhaps the most intriguing question facing the firm is the future of its relationship with SG Private Banking, the wealth management arm of Societe Generale, the French bank with offices in 22 countries.

In June 2008, SG Private banking purchased an undisclosed minority equity interest in Rockefeller Financial Services, the parent company of Rockefeller & Co.

The two companies announced a “global alliance” for Rockefeller & Co. and SG Private Banking to “work together to share areas of expertise and jointly serve the financial needs of ultra high net worth individuals and family offices around the world.”

How exactly that played out after the financial meltdown that occurred three months later is unclear, and Rockefeller & Co declined to be interviewed.

But how Rockefeller & Co. will interact with SocGen going forward is, Mr Elliot says, the \$64,000 question.

“SocGen has the capital,” he said, “and Rockefeller has the name.”

“What is the value of this relationship?” asked one wealth management executive in New York. “I don't know.”

Many industry observers believe the alliance will lead Rockefeller & Co. to further expand internationally, especially in Asia.

In fact, one wealth management executive who was approached about the job said the firm was indeed “interested in knowing about candidate's experience and comfort level in Asia”

And in the four-page “position specification” list for the CEO job one of the roles expected of the chief executive is to “develop new business opportunities around the world to continue asset growth.”

What's more, the CEO is expected to be “well traveled, comfortable in a variety of cultures [and] may have language skills and/or have lived abroad.”

The new CEO will also have to decide whether to keep the company's acclaimed but costly technology arm, Rokit Solutions, LLC, which provides outsourced back office services to ultra high net worth advisors.

And in addition to overseeing Rockefeller & Co's advisory, asset management and alternative investment strategies businesses, the new chief executive will preside over a company with distinctive strengths and weaknesses.

The Rockefeller name, for example, is seen by many as a tremendous asset that opens doors and attracts clients around the world.

But others say the allure has diminished as family members are no longer leading businessmen or public

figures.

“The idea used to be that you could come along for the ride with the Rockefellers,” said one competitor. “But now who are you coming along with?”

Other competitors describe the New York blue-blood appeal as “somewhat antiquated” and the firm’s culture as “too WASP-y.”

And despite the legendary name, some industry executives – and potential candidates – think the firm needs to re-brand itself for a younger generation.

Indeed, Rockefeller & Co has been running a series of ads in the *New York Times* and *Wall Street Journal* soliciting new customers with tag lines like “Advice, like shares, can be common or preferred” and touting the firm’s reputation and services.

“If they’re so exclusive and doing so well, why are they running ads like the guy down the street?” asked one industry analyst.

One financial services executive who was approached about the CEO job thinks the firm needs to flaunt its concierge services more.

“You can’t depend on being the smartest company every year in every market,” the executive said. “But rich people are nothing but funny. And what makes them happy are things they can’t buy. And for people who want to establish themselves in New York or want somebody to call if they need help, a firm with those kinds of connections has a big advantage.”

Mr Carroll of Family Office Metrics also believes Rockefeller & Co. is “extremely well-positioned to be a dominant player.”

To get there, the new CEO “needs to relate to their clientele as equals and manage a business,” he said. “And those are tough qualities to find in the same person.”

Because of Rockefeller & Co’s history and the legacy of Mr McDonald, the new CEO is expected, perhaps more than at most firms, to be “a charismatic leader,” in the words of the position specification paper.

The chief executive is expected to “act as a visible and persuasive spokesperson and ‘face of the firm’ in a wide variety of business, community and social and philanthropic contexts.”

Or, as veteran executive search executive Allan Starkie, partner for Knightsbridge Advisors, puts it, “they need someone who can walk in and light up a room.”

While the “tragic set of circumstances” that triggered the search were unusual, Ms Brown said, the talent pool of candidates has nonetheless been deep.

“The challenge has not been finding people who would be interested in doing the job but rather selecting from the many who find it highly attractive,” she said.