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GlobalRiskExpert – In the Midst of Crisis, Increased Focus on Risk

Question: In the midst of crisis, what does the future hold for Wall Street's risk management professionals?

Here we stand, in the midst of what has been termed the worst panic-stricken financial crisis since the Great Depression. The headlines scream doom and gloom at us on a constant basis courtesy of cable business news, online newspapers and financial blogs. Banks, investment banks and hedge funds seem to be failing and/or disappearing at a rapid clip. The layoff axe is being swung all over the economy. Once rock-solid home values continue to slide to levels not seen in years. Retirement plans fall with the stock indices as their owners watch helplessly. Government rushes in to try and provide relief, with results still to be determined. What can one do in the face of this unrelenting bad news?

Step back, take a break from the 24-hour news cycle and really ponder the future. Yes, the financial services world will be a very different place going forward. There is little doubt on that score. But consider what Wall Street commentator Andy Kessler had to say in a recent article for [The Weekly Standard](#):

“Is this the end of Wall Street? More like the start of a new one. At the end of the day, Wall Street is not about the names on the door, it's about the people inside. There were great people at Lehman and Enron, Bear Stearns and AIG. Those who have a nose for making money will join other firms, or hedge funds, or start their own shop.”

Life will go on, but in a very different way than we've seen these last few years. Regulation is in the air. As long as people believe the meltdown was borne of Wall Street's inability to manage risk effectively, the management of risk will be a huge priority for government regulators and corporate leaders in coming months and years. Much like the government-mandated price for the excesses that led to Enron, Worldcom and the tech stock crash at the turn of the millennium was Sarbanes Oxley and an emphasis on accountability, one can sense that the pound of flesh to be extracted from the current government rescue of the financial system will be increased federal oversight of the risk profile of our financial institutions.

Indeed, the leading-edge financial institutions are already at work on this. Risk architecture is being sketched out and teams are being developed to prepare for the new world. Those professionals with a keen understanding of risk are being sought by institutions around the globe. Risk technology providers are seeing strong demand for their newest products, and are seeking quantitative support people,



sales and marketing professionals and software developers in order to meet that increasing demand.

These facts are borne out by traffic on www.globalriskjobs.com, the world's top internet job board focused on risk and compliance. As can be expected in turbulent times, job seeker traffic is at all-time highs as skilled professionals begin to think about future opportunities. And with a daily average of 2,500 active job postings, it is evident that hiring companies seek to stay ahead of increased demand for risk and compliance experts.

As mentioned in this column previously, we are in the midst of what will likely be a 20-year growth period for risk and compliance professionals. The current noise around us will begin to soften, the dust will settle and this complex and innovative financial system will pick itself up off the mat and move forward. Risk needs to be understood and managed more than ever, and the opportunities for professionals with this expertise will be many.