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The Spotlight

The Spotlight is a regular Q & A feature that showcases our people, their expertise, and trending topics that are on top of our clients' minds directly from the voices of our business leaders.

Shelley Eisenhandler, Partner, Asset Management

Shelley Eisenhandler, a Partner in the Asset Management practice, manages McLagan's alternative asset management business, including over 200 hedge funds, private equity firms, and real estate investment managers.

Questions and Answers

How is the emergence of automation and other technological advances affecting traditional hedge funds and small boutique firms?

While quantitative models and algorithms were historically used by systematic trading firms exclusively, more discretionary managers are now utilizing big data, artificial intelligence, and automation across all functions to generate alpha, drive profitability, and improve efficiencies.

How have New York City firms prepared for the recently implemented Intro. 1253-A regulation?

Firms are relying more heavily on internal and external market data prior to extending offers. They've trained their internal teams and external search partners on what they can and cannot ask. For 2018, some firms are considering adding more structure and rigor to their compensation design, including potential salary bands. This regulation is only one part of a broader pay equity issue, which is finally being addressed by the financial services industry.

If you could describe today's alternative asset management industry in three words, what would they be?

Evolving, Transforming, Preparing

What is front-of-mind for alternative asset management firms in 2018?

Besides the obvious answer of generating positive returns for investors, firms are focused on "right-sizing" their organization for their level of assets and complexity. Much like the broader financial services industry, they are creating new technology-driven solutions and evaluating which functions to insource / outsource in order to drive profitability.

What are the main benefits to achieving pay equity for financial services firms?

As larger firms continue to address pay equity in a strategic way, small to mid-sized firms are using this as an opportunity to assess their practices to ensure there are no pay equity risks or gaps, i.e. that the same role, level of performance, and tenure are paid comparably. This, in turn, benefits investor-reporting and performance in various business areas such as, talent attraction, legal practice, and overall firm reputation.

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