

WALL STREET TO SILICON VALLEY

**Why technology companies are having
success with investment bankers as CFOs
and corporate development executives**

A Caldwell Whitepaper



The investment banking connection

Technology companies are having success with investment bankers as CFOs and corporate development executives. In the last decade, we've seen an interesting shift from Wall Street to Silicon Valley for top M&A talent.

As the tech world continues its feverish pace of growth and innovation, smart firms are luring banking talent to build internal M&A teams as part of their strategic growth plans and bring talent in-house to help prepare the transition from private entity to public company.

Some notable tech hires from the M&A world include

- Anthony Noto, CEO of **SoFi**, and former COO of **Twitter**, was previously an MD at **Goldman Sachs**.
- To prepare for their IPO, **Snap** hired Imran Khan as their chief strategy officer from **Credit Suisse**, where he was an MD and head of global internet.
- David Popowitz is SVP of corporate development at **GoDaddy**. Previously, he was at **Morgan Stanley**, **Deutsche Bank** and most recently **Credit Suisse**, where he led the technology investment banking group.
- **HP** hired Andrew Leonard as a finance director in the software-defined & cloud group from **Credit Suisse**, where he was a director in the software group.
- Michael Chen joined **Oracle** as VP of corporate development from **Deutsche Bank**, where he was a director in M&A.
- Richard Hart is **GuideWire's** chief strategy officer. He joined the company as CFO from **Deutsche Bank**, where he was an MD.
- Colin Lang is the SVP and head of M&A at **Salesforce**. He held corporate development roles at **Blackberry** and **OpenText** after 10 years at **Credit Suisse**.
- Brian Modoff joined **Qualcomm** as EVP of strategy and M&A from **Deutsche Bank**, where he was an MD.
- **Conduent** hired two co-heads of corporate development – Elena Sidenikova from **Deutsche Bank** and Vishal Jadav from **Evercore**.
- Lev Finkelstein joined **DropBox** as vice president of corporate finance and strategy from **Goldman Sachs**, where he was an MD in the software group.
- Langley Eide is chief strategy officer at **Alteryx** and the former VP, finance & strategy at **ServiceNow**. Previously she was an executive director in **Morgan Stanley's** equity capital markets group.
- James Redfern joined **Workday** as VP, corporate development from **Morgan Stanley**, where he was ED, technology.
- **eBay** hired Mark Solomons as VP, corporate and business development. He was previously head of **Morgan Stanley's** West Coast Technology M&A group.
- Ashish Agarwal joined **Akamai** as VP, corporate and business development from **UBS**, where he was an executive director.
- **Softbank** hired Ervin Tu as co-head of corporate finance and M&A from **Goldman Sachs**, where he was an MD in the TMT banking group.

And the list goes on.

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What investment bankers can bring to your team:

According to Deloitte's annual M&A trends report, technology acquisition is now the number one driver for M&A activity, and whether the reason for the acquisition is geographic growth, strategic team additions, or the acquisition of new intellectual property, for tech companies, having M&A bankers on staff can help make the path to an IPO or other capital raising a much smoother, more cost-effective process.

With the scale of acquisitions continuing to increase to multibillion dollar levels, the abundance of skills an investment banker brings to the table becomes exponentially more valuable, especially when viewed against the cost and timeline involved in hiring an investment banking firm. Having this capability in-house means assessment can happen much faster and at a fraction of the cost.

Successful investment bankers will be an invaluable asset when it comes to raising capital, analyzing opportunities, building relationships and negotiating deals. Outside of their skilled attention to detail, they will have strong analytical skills, global market knowledge, excellent business understanding, problem-solving skills and business intuition.

As part of your core team, they will also have a better sense of your overall strategy and how potential acquisitions will fit with your growth plan, making them better-placed to analyze your targets than an investment bank.

Hiring an investment banker can help determine which divestiture transaction model is most appropriate for the asset in question, whether that's trade sale, a spin-off, or an IPO.

Increasing regulations for public and private firms alike make having an in-house banker who can navigate new reporting and compliance laws a huge benefit.

Why Wall Street is moving to Silicon Valley

What is driving the industry change for the former financiers? Bankers who make the move get to be part of creative brainstorming, get involved in emerging technologies, and go more in-depth with their analysis. Finance professionals are willing to make the leap to work for a tech company with benefits that go beyond compensation in exchange for a broader, more interesting scope of work as well as the potential leadership upside.

Further, the opportunity to be an entrepreneur/owner and its correspondent potential wealth creation is a big motivation. Notwithstanding bankers willingness to work long hours, working at a corporation is often a better work-life balance.

In addition to the more flexible working hours, fun perks and proximity to innovation that are hallmarks of the tech industry, recruits also cite the promise of work that makes a difference. With increasing focus on loving what you do, the ability to work on actually building something can hold more weight.

According to an eFinancialCareers.com survey of 1,300 U.S.-based finance professionals, tech companies were top contenders on their ideal list of dream employers, with Google ranking third behind Goldman Sachs and J.P. Morgan and Amazon ranking sixth (up from position 11 the previous year). While the big-name banks still have interest amongst professionals in this sector, there has been a socialization of this idea of moving to the booming technology industry.

Elite business schools like MIT Sloan, Harvard, Yale, University of Pennsylvania, Stanford, and Kellogg School of Management are all reporting a near flip in the numbers of graduates going into the tech world vs to Wall Street.

Although financial institutions are trying to improve their technology profiles and building up their tech departments—like Morgan Stanley looking to tech to improve wealth management and creating new tech ‘transformation’ executive roles, and Goldman Sachs undergoing a hiring push recently with executives who have experience in the technology space—the many perks of working in the technology space are appealing to executive M&A bankers for reasons that banks can’t offer: time away from work and participation in creative endeavors.

With the scale of acquisitions gaining heft with each passing year, every tech company should consider adding a skilled executive from the financial industry with investment banking or private equity experience to navigate their upcoming business deals.

How Caldwell can help

At Caldwell we believe Talent Transforms. As a leading provider of executive talent, we enable our clients to thrive and succeed by helping them identify, recruit and retain their best people. Our reputation—nearly 50 years in the making—has been built on transformative searches across functions and geographies at the very highest levels of management and operations.

We leverage our skills and networks to also provide agile talent in the form of flexible and on-demand advisory solutions for companies looking for support in strategy and operations.

We have a strong foothold in both the technology and investment banking sector, making us well-connected to the best and brightest executives who can take your company to the next level.

We have a deep expertise in this field and love the investment world. We believe great talent will transform an organization, and marrying these two industries to procure the best talent for each technology company’s unique needs is what we do best.



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