

HEIDRICK & STRUGGLES

Company, Position & Person Profile



President and Chief Executive Officer

January 2017

The Company

Company Background:

The Federal Reserve Bank of Richmond (“the Richmond Fed,” “Reserve Bank” or “the Bank”) is one of 12 regional Reserve Banks that, with the Board of Governors in Washington, D.C., make up the Federal Reserve System - the central bank of the United States (the “Fed”). The Richmond Fed, including its Baltimore and Charlotte Branches, serves the Fifth Federal Reserve District (the “District”). The mission of the Fed is to foster the stability, integrity and efficiency of the nation’s monetary, financial and payments systems to promote optimal economic performance. The Reserve Banks are chartered under federal law and participate in establishing the nation’s monetary policy. The Reserve Banks also provide services to the United States as fiscal agent to the Treasury Department, supervise certain commercial banks and holding companies as delegated by the Board of Governors and provide payments services to financial institutions.

The President and CEO of the Bank reports to the Board of Directors of the Richmond Fed and is also accountable to the Board of Governors in Washington, D.C. The President of the Bank serves as a member of the Federal Open Market Committee and shares responsibility as a voting member in rotation with the presidents of the Federal Reserve Banks of Boston and Philadelphia. The President must collaborate effectively with the other Bank Presidents, as well as System leaders, on a host of System functions.

The Federal Reserve Bank of Richmond, the third largest in the Federal Reserve System by total assets and second largest in terms of employees, supervises approximately 75 state member banks and 208 holding companies. The Fifth District includes the District of Columbia, Maryland, North Carolina, South Carolina, Virginia, and West Virginia (excluding the Northern Panhandle), is home to 31.8 million residents, about 9.9 percent of the national population, and accounts for 9.7 percent of national output. As home to the nation’s capital, the Fifth District has a large government sector, which accounts for the largest share of employment (18.8 percent), and the second largest share of real gross domestic product (17.9 percent) in the District. The professional and business services sector, the third largest by share of employment, includes numerous federal government contractors as Virginia, Maryland, and D.C. consistently rank among the top recipients of contract spending. Financial services is the largest industry by real GDP, comprising 18.6 percent of the Fifth District’s \$1.6 trillion real output; other large industries

include manufacturing in the Carolinas and natural resources and mining in West Virginia.

Richmond, the headquarters of the Federal Reserve Bank of Richmond and Federal Reserve Information Technology, is the state capital of Virginia. Approximately 1.3 million residents live in the Richmond metropolitan area, which has adopted the nickname “RVA” in recent years. The city is located on the James River, allowing residents and visitors to enjoy outdoor activities such as paddle boarding, kayaking, and class IV white water rafting. The city’s prominent role throughout America’s early years makes it a great place for history buffs. The state capital, partially designed by Thomas Jefferson and St. John’s Episcopal Church, where Patrick Henry uttered the phrase “Give me Liberty or Give Me Death” reside within the city limits. Richmond also has a strong and growing art scene; is home to the Virginia Museum of Fine Arts, the Richmond Mural Project, and the upcoming VCU Institute for Contemporary Art. Other popular attractions include the Richmond International Raceway, the Lewis Ginter Botanical Garden, and restaurants that allowed the city to be named a “top destination” for food travel by National Geographic.

As Chief Executive Officer, the President sets the Bank’s strategic direction and is responsible for an annual operating budget of approximately \$245 million. In addition, the President has oversight and responsibility for the Federal Reserve Information Technology function which has an annual operating budget of approximately \$500 million. The Bank’s workforce totals approximately 2,700 employees in Richmond, its branches in Charlotte, North Carolina and Baltimore, Maryland and across the Federal Reserve System. Approximately 40 percent of the Bank’s workforce represents information technology professionals providing National IT services for the System. The National IT workforce is geographically dispersed across more than 20 states throughout the United States. The Bank also has responsibility for the National Procurement Office, Currency Technology Office, consolidated Payroll operations and other central business administrative functions on behalf of the Federal Reserve System.

Additional information can be found at:

<http://www.richmondfed.org>.

Resumes and/or names for consideration can be sent to:

RichmondFRB@heidrick.com

The Position

- Reports to:** Board of Directors, Federal Reserve Bank of Richmond
- Reporting Relationships:** Total headcount of approximately 2,700 employees
- Direct Reports:**
- First Vice President and Chief Operating Officer
 - Federal Reserve System Chief Information Officer
 - Executive Vice President and Director of Research
 - Executive Vice President responsible for Supervision, Regulation and Credit
 - Executive Vice President, General Counsel and Chief Risk Officer
 - Director of the Office of Minority and Women Inclusion
- Other Key Relationships:**
- Board of Governors and staff
 - Other Federal Reserve Bank Presidents and Reserve Bank leaders
 - Bank and Branch staff
 - Banking, labor, business, community, and civic leaders throughout the Fifth District

Specific Responsibilities

Policymaker

Monetary Policy

The President participates with the other 11 Reserve Bank Presidents and the 7 members of the Board of Governors in the process of debating and deciding U.S. monetary policy. The work of a President in monetary policymaking includes:

- **Economic Research.** Guides the focus of Bank-level economic research, often in collaboration with other researchers inside and outside the Fed, to inform the policy debate and the general understanding of important economic issues.
- **Regional Economic Intelligence.** Gathers insightful, anecdotal economic intelligence and quantitative data on regional economic conditions, in collaboration with Reserve Bank staff, through interactions with the District Boards of Directors and other business and community contacts. Provides strong support to the Board of Directors in developing the Directors' discount rate recommendations.
- **Policy Debate and Decision-making.** Participates in FOMC policy deliberations, bringing both regional insights and independent views on national and international economic issues.
- **Policy Communication.** Is actively involved in the process of informing the public and the Fed's various constituents about monetary policy issues and actions.

Supervisory Policy

Pursuant to Section 11(k) of the Federal Reserve Act, the Board of Governors has exclusive authority to establish policies for the supervision and regulation of depository institution holding companies and other financial firms subject to its supervision. A President's involvement in the supervision of financial institutions will vary by the types and sizes of the institutions located in the Fifth District and their financial condition.

The President is the senior supervisory presence of the Federal Reserve within the District and plays an important contact role, especially in times of financial problems. While bank supervision and regulatory decisions are made by the Board of Governors, the President may provide valuable input into the regulatory process through participation on joint Bank/Board committees and

providing comments on regulatory proposals. The President is responsible for assuring organizational effectiveness of the supervisory function and staff.

Credit Policy

Pursuant to Section 10(b) of the Federal Reserve Act, any Federal Reserve bank, under rules and regulations prescribed by the Board of Governors of the Federal Reserve System, may make advances to any member bank on its time or demand notes having maturities of not more than four months and which are secured to the satisfaction of the Federal Reserve bank. The President is also responsible for assuring organizational effectiveness of the Credit Risk Management Office for the System.

Payments Policy and Related Matters

The President may contribute to setting the strategic direction for the Federal Reserve System payments services and efforts to influence national payments system evolution. In this regard, Presidents' contributions may be informed through their association with financial institutions in their Districts. During times of crisis, Presidents may play a more direct and visible leadership role in System payments issues.

The Person

A Federal Reserve Bank President serves as CEO of the regional Reserve Bank, an organization with complex, challenging, and sensitive responsibilities. That work includes:

- **Strategic Vision and Leadership.** In consultation with other senior officers at the Bank, with the Board of Directors, and with other Federal Reserve Bank Presidents develops a broad vision for the organization and the system subject to the statutory authority prescribed for the Reserve Banks. Communicates the corporate vision throughout the organization and the system and develops effective strategies and goals to accomplish the vision. Models the integrity, intellect, character, executive disposition, personal leadership, and communication skills required of an effective top executive.
- **Business Performance and Stewardship.** Fosters a culture of strong business performance and achieves strategic financial and operational goals. Is accountable for the Reserve Bank's strategic and financial performance, including the oversight of System payments operations in their Districts, Discount Window lending, and shared financial goals of the System.
- **Risk Identification and Mitigation.** Creates and participates actively in a process for identifying strategic risks facing the organization and leads the development of strategies and initiatives to mitigate those risks.
- **Director Relations.** Assists in the ongoing process of identifying and recruiting strong and diverse potential Directors for election by shareholder banks and appointment by the Board of Governors. Advises and consults with the Bank's Board of Directors regarding issues of strategic direction and policy and keeps the Board informed regarding ongoing operations and progress on business goals and objectives. Ensures that individual Directors are well prepared and supported to fully contribute to Board discussions.
- **Development of Leadership Talent and Teamwork.** Identifies, recruits, and develops a strong and diverse cadre of leaders for the organization. Builds teamwork across functional areas and with other colleagues throughout the Federal Reserve System. Fosters a culture of openness, and provides an environment for personal growth and advancement. Develops succession plans

for him/herself and for the Senior Leadership Team.

- **Community and Civic Involvement.** Represents the Reserve Bank and the Federal Reserve System to the community within the Federal Reserve District. Educates community leaders and the public about the Fed's roles and responsibilities. Promotes the Federal Reserve as an involved and supportive organization within the cities where the Bank has a presence. Builds good will and respect for the Federal Reserve among the Bank's constituencies. Establishes relationships with government and other appointed officials in the Fifth District. Informs and responds to inquiries from legislators.

System Leadership

The Richmond President is a standing member of the Federal Reserve System's Information Technology Oversight Committee (ITOC). In collaboration with ITOC, subject to the authority of the Richmond Board of Directors, the Richmond President provides chief executive leadership for National IT. ITOC is responsible for setting the strategic direction and policy for Reserve Bank information technology and to oversee, subject to the authority of the Richmond Board of Directors, the implementation of IT organizational and operational activities necessary to support the Reserve Banks' lines of business.

While each Reserve Bank operates as a distinct legal entity, the success of a Reserve Bank and the overall Federal Reserve System depends upon the effective collaboration and cooperation among the Reserve Banks. That intellectual and operational partnership among Reserve Banks has several dimensions:

- **Personal System Contributions.** Contributes to the Conference of Presidents' deliberations and decision-making on issues that transcend individual Reserve Bank authority, recognizing the duty to ensure that decisions on such matters need to reflect the broad interests and strategies of the Federal Reserve System. Leads or contributes to individual System committees, projects, or other efforts to ensure that the best ideas and thinking from across the System are identified. Follows through in leadership assignments to build consensus, get decisions, implement decisions, and assess results.
- **Support for Coordinated System Direction.** Ensures that the local Reserve Bank supports coordinated System objectives by contributing strong performance and quality on its local System responsibilities and by fulfilling its performance agreement obligations to the other Reserve Banks.

- Staff Contributions. Identifies staff from his/her Reserve Bank with the experience, interest, and ability to take roles in System subcommittees, task forces, and project work. Makes such staff available and provides appropriate support for such System assignments.

Candidate Specification

Ideal Experience

- Comprehensive knowledge of business, economics, financial markets, banking, and/or financial services;
- Demonstrated thought leadership and intellectual engagement;
- Track record of leading a large, sophisticated and highly complex organization; history of working effectively on teams and leveraging information technology and other shared services to improve business performance;
- Proven ability to interact with and communicate effectively across multiple constituencies in a clear and compelling way;
- Experience working in rigorous and highly demanding situations;
- Demonstrated executive leadership and managerial ability with a track record of people management for a sizable and diverse organization;
- Demonstrated ability to shape and drive positive organizational culture and staff engagement;
- Familiarity with the Federal Reserve System and/or prior public policy experience is preferred, but not required;
- Strong familiarity with economics, finance, or banking; a Ph.D. is desirable, but not required; and
- Must be eligible for a Top Secret-level security clearance.

Critical Competencies for Success

Influential Policymaking Credibility: An individual who will command respect and credibility from policymakers by:

- Being highly conversant, articulate and credible on a broad range of economic policy, banking, and technology issues, with a strong, practical understanding of data;
- Being a persuasive and an astute participant in rigorous policy deliberations and able to advance fresh independent insights as an objective, pragmatic thinker with good listening skills and a collaborative nature;
- Working to stay abreast of conditions across diverse economic sectors and demographic spectrums to inform and guide

judgment in policymaking;

- Working collegially with bodies such as the FOMC, the Conference of Presidents, and ITOC as well as with Reserve Bank colleagues, the Board of Governors, and other Reserve Bank staff and other key constituencies; and
- Maintain and enhance the thought leadership of the Richmond Fed in a changing economic and policy environment.

Strategic Thought Leadership: An intellectually-curious critical thinker who can help develop the vision and strategy of the Bank and, more broadly, work effectively within the Conference of Presidents and across the Federal Reserve System as it responds to ongoing changes in the economy, the financial system, information technology and security by:

- Bringing a thoughtful and common sense approach to the changing goals and priorities of the Fed while adhering to the Fed's unchanging mission and values;
- Upholding an environment that encourages open communication, transparency, and healthy debate of ideas;
- Helping to identify new issues facing the Bank and the Federal Reserve System, setting a vision to address these issues and then drive discussions and decision-making around policies made in the long-term best interests of the country;
- Having a high degree of emotional intelligence and self-awareness, with little regard to ego, with the ability to work effectively with others by being an open communicator, respecting and encouraging the views of others, having good listening skills, and the ability to read and manage emotions of one's self and others;
- Facilitating the involvement of top talent in the Bank and on System-wide committees, task forces, and projects thus enhancing the Fifth District's reputation as an active contributor to the System, as well as encouraging the importation of ideas and best practices from the System back to the Bank; and
- Conveying confidence and executive presence, with the ability and desire to lead.

Executive Leadership and Interpersonal Skills: An inspiring and engaging executive who will be seen as a strong leader of the Bank and viewed throughout the Fifth District and the System as an

effective policymaker by:

- Actively seeking out the issues of the District by engaging with all key constituencies, having good listening skills, maintaining open lines of communication, being a visible and active participant in the Bank and community activities, and having a passion for public service;
- Being an articulate spokesperson who can communicate complex issues crisply, clearly and concisely;
- Exemplifying a personal commitment to diversity with a vision for creating an inclusive environment where all staff can excel;
- Having the intellectual courage to stand firm in views in the face of differing opinions;
- Being a role model who sets high performance and integrity standards for oneself and leads others to follow;
- Demonstrates the ability to sense and gauge the level of understanding of the audience and adjust communication style and strategy accordingly to connect with constituents;
- Demonstrates the organizational agility to effectively navigate within highly matrixed organization with complex governance structure;
- Having a style that is comfortable working in both one-on-one and large group settings, is approachable, persuasive, politically savvy, judicious when discussing sensitive policy issues, and unflappable in high stress situations; and
- Having an eye for talent in recruiting, attracting and retaining top talent for the Bank.

Other Personal Characteristics:

- Unquestioned ethics, character and integrity;
- Adherence to values consistent with those that guide the Federal Reserve System, which include promoting the public interest, integrity, excellence, efficiency, effectiveness, diversity and inclusion, transparency, and independence of views;
- Willing to commit to serve in the role for an appropriate period of time;
- Understanding of the responsibilities required with the public

service aspect of the role and position; and

- Ability to satisfy the Federal Reserve System's financial interest and disclosure requirements.

Ethics, Considerations, and Prohibited Activities:

It is indispensable to the proper functioning of, and the maintenance of public confidence in, the Federal Reserve Bank of Richmond and the Federal Reserve System that every employee perform his or her duties with honesty, integrity and impartiality, and without improper preferential treatment of any person or organization. Employees of the Bank are subject to federal criminal statutes which prohibit financial conflicts of interest, e.g. an employee's participation at work in any matter in which he/she or certain affiliated parties has a financial interest. In addition, the Bank's code of conduct generally prohibits activities such as:

- Outside activities that are inconsistent with employee's duties and responsibilities, e.g. holding a position as a director of a publicly traded company;
- Certain partisan political activities, such as fundraising or holding partisan elected office;
- Certain investments, including among other things stock ownership in financial institutions outside of a broadly diversified mutual fund, holdings of Treasury securities in excess of \$50,000; and the purchase or sale of securities during FOMC blackout periods.