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GETTING THE QUANTITATIVE JOB OFFER

of [Quantitative Hedge Fund Training](#)

The Job Explained

Let's assume that you've successfully impressed people in the interview with your quantitative abilities and related experience, and you think you might be getting a job offer. What does being a Wall Street Quant entail, exactly? Will I be qualified to work on Wall Street as a Quant even without any Economics or Finance experience or degrees? Do I need to know SQL or Perl scripting, or some other programming language or technology to survive in this role?

The most important thing we can say at this point is: congratulations, and relax. The people who have interviewed you were impressed with your abilities; they are aware of what you know and what you don't know. If they are going to extend a job offer to you, they will be reasonably certain of two things:

1. The skills you already possess will be valuable to the firm.
2. Any additional skills that you require you can either be trained in, or learn gradually on the job.

Quantitative jobs on Wall Street cover a very broad arena of skill sets and functions—there is financial engineering, computer programming, software development, training platform development, pure Quantitative Research, risk management, and plenty of others. If they extend an offer to you, they will be confident that you can fill one of these many roles needed to support a Quantitative trading/investing platform.

Unlike many other roles in investments on Wall Street, the “glory” among Quant professionals is not in trading, but rather in two primary areas:

Model development—i.e., creating computer-based, statistical trading strategies.

Platform development—i.e., building computer software and infrastructure that supports (and perhaps even runs) the trading platform.

Thus if you have work experience in signal processing, for example, you're likely to be more in demand among Quants than a Ivy League MBA, because your skills will be priceless in model development. If you

are an expert programmer, there will certainly be different roles you could fill in supporting the trading platform.

Once You Have An Offer: Questions To Ask

So you've received a Quantitative job offer? Congratulations! Finding a job in this space is not easy, because the jobs are very competitive and you have to do a lot of leg work to get the opportunity, but hard work and a little bit of luck hopefully proved fruitful for you.

Now that you have received the offer, it's time to take advantage of the opportunity, learn everything you can about it, and make a very important decision in your career: whether to accept the offer! Depending on your level of experience and other alternatives, you will definitely want to do more research before deciding whether you accept the role. What questions should you ask, and what research should you do, after receiving the offer?

NOTE: Many of these questions you may already have had answered by this point, and some may be right to ask during the interview process. Use common sense in deciding when the right time to ask any of these questions might be.

HOW LONG HAS THE FUND BEEN AROUND?

Poor performance for a new fund may spell a quick end, especially if there is no track record to fall back upon.

HOW HAS THE FUND PERFORMED OVER THE PAST FEW YEARS? LAST SEVERAL QUARTERS?

Ask about performance metrics (Sharpe ratio, max drawdown, length of drawdown, where the fund stands relative to its high water mark) in order to gauge how likely investors are to pull their capital. How has the fund performed relative to similar style peers?

WHO OWNS THE MANAGEMENT COMPANY?

If external investors, in the form of private equity partners or hedge fund "incubators" have a stake in the management company, financial support could come with challenges to senior leadership.

HOW MANY PARTNERS ARE THERE?

Does the fund promote from within? Are the fund's partners long-standing colleagues, who have been together through different investment climates?

WHAT WERE YOU DOING PREVIOUSLY?

A good question to ask anyone you meet—did employees actively seek out a new opportunity at the fund due to its performance and reputation? Is the fund bottom-heavy with a lot of junior people without extensive experience (potentially making mentors difficult to find)?

WHAT IS THE FUND LOCK-UP? ARE THERE ANY GATES?

A fund that offers monthly liquidity could face imminent liquidation should performance be poor. Investors may not have patience to take a long-term investing view.

DOES THE FIRM REQUIRE YOU TO SIGN A NON-COMPETE AGREEMENT?

A firm that prevents you from working for a competitor—even if you're fired—should make you raise the question, "Why?" While non-competes on Wall Street (known as Garden Leave) are fairly typical, with Garden Leave, you get paid for an interim period not to work for a competitor.

WHO IS THE FIRM'S PRIME BROKER? AUDITOR? HAVE THERE BEEN ANY RECENT CHANGES?

You may want to confirm the firm's answers for yourself. While a prestigious auditor may not capture corporate malfeasance (think WorldCom and Arthur Andersen), they have more to risk by not noticing accounting irregularities than would a smaller firm.

WHAT ARE THE GOALS OF THE COMPANY OVER THE NEXT FIVE YEARS? HOW DOES THIS POSITION FACTOR INTO THOSE GOALS?

This question demonstrates a goal-oriented nature, and indicates that you plan to be in the job for five years—important in an industry known for job-hopping. If the hiring manager can't answer this question, either the company does a poor job communicating its goals to employees or the organization is not thinking long-term. Either way, not a good sign.

IS THE POSITION REPLACING SOMEONE WHO IS LEAVING OR IS A NEW ROLE?

If the job was created because the company is expanding or the prior employee has been promoted, those are good signs; if the prior employee quit or got fired, try to find out why. If the person who had your role

previously felt there wasn't room for growth, you might feel a similar way in a year or two.

WHAT MIGHT I EXPECT IN A TYPICAL DAY FOR THIS POSITION?

Most job postings list the position's responsibilities, but not the hours attached to the tasks. If one of the responsibilities is hopping on the phone daily at 6 AM for a call with London (or 8 PM with Tokyo), this is something you might want to know in advance! By discovering which job functions are most important to the employer, you can tailor the balance of the interview, emphasizing how your background meets the needs of the position.

HOW WOULD YOU DESCRIBE THE COMPANY CULTURE?

Maybe it's a "work hard, play hard" type of environment. Maybe putting in long hours is valued. Maybe mentoring junior colleagues is valued or maybe the company encourages group volunteer work or lots of corporate "together" time. If you're going to spend the majority of your waking hours on the job, you should make sure the company's values mimic your own. Ask your potential colleagues what they like most and least about working for the fund.

DO YOU THINK I'M A GOOD FIT FOR THIS POSITION?

The response plus body language will give you some idea if your background merits consideration for the role. A good follow-up question to ask is, "What are next steps in the hiring process, and when might I expect to hear from you?" After the interview process is over and you've received an offer, asking this question can help the interviewer/employee help you gain comfort with your fitness for the job.

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