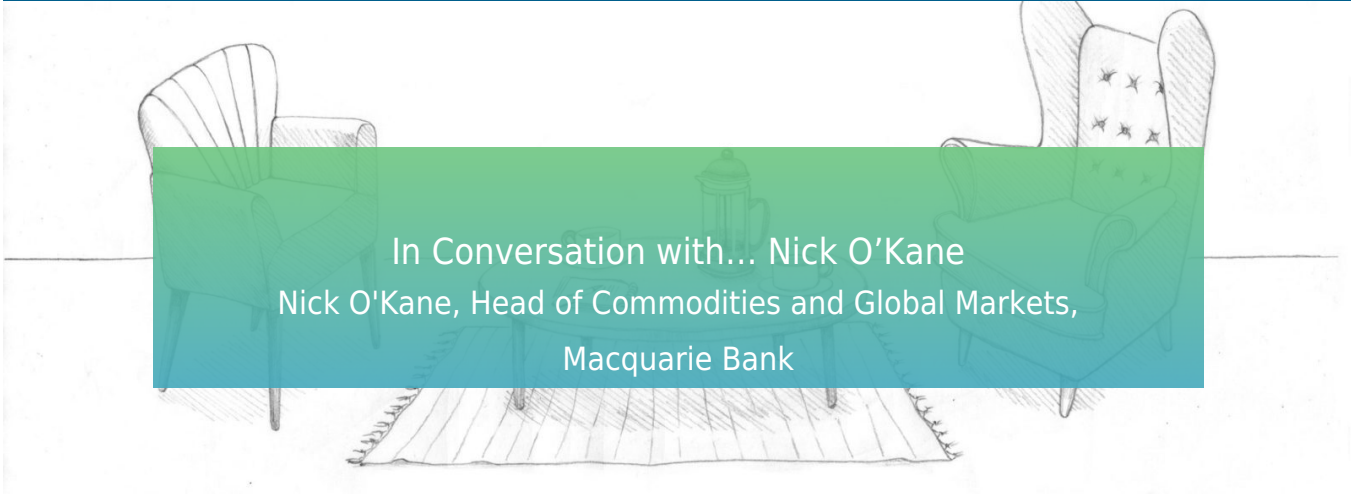


IN CONVERSATION WITH



In Conversation with... Nick O'Kane
Nick O'Kane, Head of Commodities and Global Markets,
Macquarie Bank

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Nick O'Kane relocated from Houston to London in July following his promotion to lead commodities and global markets for [Macquarie](#). Paul Chapman, Managing Partner, Americas, at Human Capital, sat down with him to talk about what makes the bank so special.



Nick O'Kane has been in Houston for a decade and has been a key player in the growth of Macquarie's commodities business for far longer. After managing a team of some 500 professionals in more than 20 offices around the world, he was promoted in April from running commodity markets and finance to leading the much larger commodities and global markets business for the bank, having assumed a seat on the global Executive Committee in the summer of 2017.

Nick and I have known each other for many years. When I crossed the street from my

office to sit down with him on the 35th floor of Macquarie's building in Houston in June, he was busy wrapping up in the last few days before his relocation to London. His new role brings together Macquarie's securities execution, securities research, derivatives, trading, fixed income, foreign exchange and commodities businesses, and while intimately familiar with many of them, he plans to get closer to others through the move.

"I'm moving to London because there are some teams and businesses outside of the commodities that I am less familiar with," he says. "Though I started in FX and have worked in emerging markets and rates, and been deeply involved with commodities, I'm not so familiar with our securities business, so our equity cash businesses globally and our equity derivatives are businesses that I am just learning. I'm excited about getting closer to those, but I'm also sad to be leaving Houston and moving away from all of the activity that happens here."

Nick grew up in Melbourne, Australia, and studied at the University of Melbourne before spending a year at National Australia Bank and then joining Macquarie in 1995. He left Australia for Malaysia early on in his career and has been US-based for close to 14 years.

He is coming up for 25 years with Macquarie, just as I am coming up to my 15-year anniversary with Human Capital. "I've stayed at Macquarie for a few reasons," he says, "and one of them is the people. The second is the entrepreneurial aspect of the organisation, and then thirdly, the core principles of the organisation resonate quite strongly with me, of accountability, opportunity and integrity."

There is no denying that Macquarie stands out in our industry for its really strong corporate identity and unique culture, which frequently manifests through the tenure of its executives. As Nick points out, when he lands in London, he will find himself working back amongst a group of colleagues he has known from days of old.

"Those principles are quite important bedrocks of the way we do things," says Nick. "One of the things I have enjoyed most about Macquarie has been the consistency in approach to things like allocation of risk, allocation of capital, and the openness and bias towards saying yes. I have a reasonable idea of where the risk boundaries are with the company and when I come up with an idea, or someone we are working with comes up with an idea, there is a bias towards giving us the opportunity to go out and do things. We are accountable for the outcome in all circumstances, and expected to act with integrity, but if we do all those things, I have found the organisation to be really responsive to the things we have tried to grow over the years."

Under his leadership, Macquarie's commodities business has expanded through both organic growth and acquisitions to become a significant market participant. In a

turbulent time for the sector, Macquarie has remained fully committed to the commodities space, and the management team has been incredibly stable. As we sit in Houston formal dress of chinos and shirt sleeves looking out over the Houston skyline, Nick says he identifies strongly with the culture of the business and tries to live by that value set.

“I have tried to emulate the experiences that I have had through the course of my career into the experiences that others have working in our divisions,” he says. “Our culture is about really encouraging people to come up with ideas on where we should be going, and we live that. I know I’m not an expert in every market that we trade in, or every customer that we deal with. I would rather hear from the people at the coalface about what their ideas are and what they are telling us our customers need, and then develop our opportunities around that.”

Nick sees his job as making sure his team has the resources available – the access to capital and the credit risk dollars – to take advantage of opportunities they see in the market. Consistency has played a big part in his ability to retain team members, he says: “The compensation philosophy has been really consistent too, so through good times and bad we have been very consistent in rewarding people that have generated the outcomes. That is the way Macquarie has always been and the way I expect it always will be.”

That strength of corporate culture really is unusual, and Nick’s views resonated with me and my own experience of working at Human Capital, where we also have a distinct corporate identity.

One thing Nick has proved particularly good at is making acquisitions. “There has been a real upward growth in the last 15 years, from a business that was just starting, particularly on the energy side, to where it is now,” he says. Again, he points to the culture as providing the roadmap to making deals work: “When we acquire a business, we realise we are acquiring people and if we knew what they knew, we wouldn’t need to acquire them. In many cases we don’t know what they know, or we don’t have the relationships that they have, so we just try to provide a platform that gives them the opportunity to do what they need to do.”

Despite the bias towards saying yes, no deal is entered into lightly. Nick points out: “We have done a number of acquisitions over the last 15 years and we have also looked at a lot of deals that we have not done. The culture has to fit, and the business has to be somewhat adjacent to what you’re doing as opposed to being exactly the same. It is really important not to threaten the incumbents – people working here need to feel comfortable that we aren’t going to go and buy a business and put it right on top of them. We have never done that, and we never will.”

Every deal turns out to be a little different to what you had anticipated, and every new person brings a slightly different perspective, which has further supported growth, he says. "For a business that has particularly low turnover, you want that diversity of thought, and you want to avoid groupthink," says Nick. "That will be sure to put a time horizon on your opportunities, because if you're all thinking the same way, the chances are you won't identify the next challenge, let alone the next opportunity."

If acquisitions are not entered into lightly, neither are new recruits welcomed without proper scrutiny. Candidates need to undertake a psychometric assessment that measures individuals' cognitive abilities and behavioral preferences.

Nick does not claim to always get it right, but he tries: "We are really selective in terms of going through that process, and it's an onerous process that I'm glad I don't have to go through. We spend a lot of time trying to understand people. It's really important to me that people who come to work at Macquarie enjoy it, because if someone is enjoying what they are doing, there is a pretty good chance they will thrive."

He adds: "We all go through adversity, and we have certainly had our share of adversity, whether that is things happening in the marketplace or challenges with people we have created exposure to. The reality is we are in a business and things do go wrong. Someone that is enjoying themselves and is taking pride in what they're doing is more likely to do a better job of getting you out of that adversity than someone who is not."

Nick has loved his time in Houston, he says, not only for the great people, fantastic restaurants, the culture and the libraries, but also because it is the centre of the North American energy business, with all the talent pool and customers that go with that. It is not easy running a global business from the Houston timezone though, and he admits his phone is never off.

London will be new for his family, though he already knows it well. He has lived all over the world: "Outside of Australia, my favourite place that I've ever lived was Los Angeles. That was just a really fun place to be - fantastic weather, lots of beach time, not far from wine country and just beautiful topography," he says.

The other side of the pond has a lot to live up to. The skyline may be different, but at least we can be assured that the Macquarie approach will be just the same.



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