

Perhaps this is our latest man suggestion " 1456/12

World Bank

Who could ever replace Gene?

The World Bank now faces the tough task of replacing The Man-Who-Raised-\$100bn during his near-two decades with the Bank, Eugene Rotberg, the outgoing vice-president and treasurer who is moving over to Merrill Lynch. Acting treasurer is Heinz Verghin, and the permanent appointee is almost certainly to come from outside the World Bank. So, those interested in composing their CVs for one of the highest profile jobs in international finance may be interested in the views of some of Gene's associates in the industry of the last few years.

Firstly, there's the famous story (although probably apocryphal) of how Gene, then at the US Securities & Exchange Commission, originally got his World Bank job. At the SEC, Eugene had the task of leading the drive to abolish fixed commission rates, and caused an uproar on Wall Street with the way he grilled the brokerage firms on their defence of cosy fee levels. A group of powerful Street personalities quietly got together, and called the then World Bank president, Robert McNamara and suggested innocently: "Bob, why don't you take this really bright guy from the SEC as your new treasurer?"

However Gene did get recruited to the World Bank, there's been no doubt about his massive track-record. His successor will have to think out the strategy behind the \$11bn the IBRD will raise in its current financial year, as well as the \$19bn of funds under its management.

Controlling these sums can tend to generate an awful lot of ego power, and Gene became known, in the latter part of his reign, as a man who could effortlessly deliver one-hour monologues, in the words of one banker, on "how he would run the world".

That doesn't detract at all from his total track-record. Gene, says one ex-colleague, combines considerable intellectual powers with "an instinctive sense of financing." His SEC days made him street-wise, and "Gene was constantly seeing angles you had missed," recalls this man.

This banker also defends Gene against charges of excessive egotism: "He's such a self-confident fellow, and that made him encourage every single member of his team without any fear of being upstaged. He was great as a team leader."

Gene's replacement has to combine deal-making abilities with a comprehension of modern portfolio management techniques, and will also have to appreciate, as a World Bank man, the overall global economic and financial climate and the re-



Dr Michael von Clemm
New World Bank Treasurer?

All the signs are that the new treasurer will be a European or possibly Japanese. There are two reasons - the predominance of Americans in key existing positions, such as the capable department director of financial operations, Jessica Einhorn. And the World Bank does much of its borrowing in Europe and Japan, so a national from those territories would be politically astute.

The replacement could come from almost any discipline, with a combination of financial and governmental experience the perfect formula. Investment banking, the more market-orientated stratum of central banking or perhaps the very top tier of major institutional fund management also could be likely fruitful areas. The personalities who could fill Gene's shoes may be pretty limited.

Regents
Merrill Lynch

The Euromarket could offer a number of candidates, particularly if the talent needs to be a strategic thinker. How about Michael von Clemm of Merrill Lynch? Certainly, the "Doc's" record shows how he strategically ushered in instruments like the FRN and he was a central architect behind the success of CSFB. Also, with an anthropological background he would be sensitive to the needs of the Third World (he spent much time in East Africa in his youth, including a spell with the Masai tribe - whose blood-drinking habits presumably prepared him for investment banking).

CSFB chief Jack Hennessy could be another candidate, although there was a lobby last year backing him for presidency of the World Bank and the treasury post may therefore not be acceptable to him. A great catch would be CSFB/Credit Suisse's Hansjörg Rudloff, in an awesome poacher-turned-gamekeeper role reversal. In Europe, Deutsche Bank's Klaus Gaertner has, in the words of a colleague "an incredible mind" while BNP's Gerard Prache also has the type of strategic grey matter to equip him for the role.

All this is clearly speculative, and Ernest Stern, the number two man at the World Bank who will effectively make the choice, is said to be keeping his cards very close to his chest. Word is that the right candidate is vitally important, and that may mean delaying the appointment of Gene's successor for quite a time in order to make sure that the correct decision is made.

"If you hear rumours over who the choice is likely to be, before an official announcement, it's more than likely that it's from those people who are putting themselves forward for the job," says a well-placed observer.