



GRAVITAS

The Advantage of Innovative Thinking

GRAVITAS Capital Advisors, Inc.



University of the West Indies Lecture Series:

Lessons Learned

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Reflections on the Entrepreneurial Plunge

- ◆ Founded GRAVITAS in 1996 after a 6 year career at the World Bank.
 - Sought freedom of thought without burden of corporate politics
 - ☞ Knowing self-limitations
 - Lulled into private endeavor by clients
 - ☞ The power of always doing your best
 - Early success breeds fans AND foes
 - ☞ Challenges will come in startling forms.
- ◆ Proud to have survived: 98, 00, 03, 07, 08.

Financial Sector and Entrepreneurship

- ◆ Financial Sector – No better place for creativity in problem-solving
- ◆ Financial Sector – No better place for pay-for-performance linkages
- ◆ Challenges in scaling up
 - Strategic partnerships hard to come by
 - Finding the right people under the right incentives is like finding the Holy Grail.

What Matters: Transparency

- ◆ Transparency = Credibility
- ◆ Clients must understand what you do and how you do it (should be able to explain it)
- ◆ Complexity does not make you look smarter
- ◆ More transparency – more comfort
- ◆ More comfort – more market share.

What Matters: Liquidity

- ◆ Liquidity = Trust
- ◆ Clients must know upfront what liquidity conditions they are exposed to
- ◆ No surprises (disclosures)
- ◆ Make clients understand
 - Hi liquidity = Lo risk = prospective Lo returns
 - Lo liquidity = Hi risk = prospective Hi returns.

What Matters: Communications

- ◆ Keep your clients informed
- ◆ Attempt to communicate with your foes
- ◆ Form and Substance of communication matter
- ◆ When in doubt communicate.

What Matters: Ethics

- ◆ You'll have competitive pressures
- ◆ You'll have financial bumps in the road
- ◆ You'll have unethical adversaries
- ◆ You will be challenged
- ◆ You will make mistakes

- ◆ Keep to the “straight and narrow”

What I have learned:

- ◆ You will have doubts - persistence
- ◆ Challenges will come from the most unexpected places - friends
- ◆ Support will come from the most unexpected places - foes
- ◆ The entrepreneurial journey is more rewarding than the final destination.

Takeaways

- ◆ There is no more fulfilling experience than striking it on your own and building something from nothing
- ◆ There is no deeper challenge than to persuade your fellow man that your widget is the better solution
- ◆ There is no better reward than to achieve the modicum of success the right way: ethically.

Personal Bibliography

- ◆ The Partnership – Charles Ellis
- ◆ Financier (A. Meyer) – Cary Reich
- ◆ The Last Tycoons – William Cohan
- ◆ The Deal – Donald Trump
- ◆ Competitive Strategy – Michael Porter
- ◆ Juggling Elephants – Loflin & Musig