

## Chapter 1

# Managing a Corporate Career

**M**y career was not a straight line up. I experienced a significant number of setbacks and detours along the way. While you can learn some lessons from my successes, you can learn even more from my mistakes and failures. Let's start at the beginning.

### FIRST AT BAT

I remember my first "Welcome to the big leagues" moment vividly. When my senior year of college came around, I didn't know what I wanted to do. Being a government major, I thought someday I might go to law school. At that moment, however, I just wanted to get a job where I could learn something about business, make some money, and hopefully keep having fun. During the winter term, I went to the Bowdoin College Career Services Office and introduced myself to the office head who was an old school New England gentleman.

The Head and I hit it off immediately and, after a few meetings, I could tell he was in my corner. The Head told me he thought I would do great in banking, and he said I was in luck because J.P. Morgan was coming to do on-campus interviews. Though all

the interview spots were taken, The Head told me he was going to squeeze me in. He further explained J.P. Morgan came to Bowdoin every year to recruit and he knew the Morgan Guys very well. Back in the early 80s, J.P. Morgan was considered to be the gold standard of commercial banks. While not explaining much to me, The Head did communicate the high regard he had for this company.

As luck would have it, J.P. Morgan was the first bank to interview on campus and, less than a week after my talk with The Head, I found myself putting on my Sunday best (from my days of living at home and being forced to go to church with my mother). By this time, my Sunday best was at least six years old and consisted of a pair of gray flannel pants, a full three inches too short, and a tweed jacket easily two sizes too small. While more than a little physically uncomfortable due to my ill-fitting clothes, I walked across campus to Career Services with a spring in my step and brimming with confidence borne of ignorance.

When it was my turn, I walked into the conference room and gave a firm handshake to my interviewer, a Morgan Guy, who graduated from Bowdoin a few years earlier. After a few quick pleasantries he got down to business:

**Morgan Guy:** *So, why are you interested in banking?*

**Me** (being ridiculously honest): *Actually, I hadn't thought much about it, but The Head said he thought I would be good at it.*

**Morgan Guy** (probably feeling stunned by my honesty and naiveté, but willing to give me another chance): *Okay... what do you think might be appealing to you about banking?*

**Me** (if nothing else showing consistency): *I'm really not sure; I was hoping you could tell me about the business.*

I had just given the Morgan Guy irrefutable confirmation I was every bit as stupid as I looked, and I am sure he was distressed to

realize he had no choice but to waste 20 minutes of his life humoring me. On the other side of the table, I was convinced I was handling my first interview like a seasoned pro. At the end, we stood up and I gave the Morgan Guy another vigorous handshake. I left feeling pretty darn good, mentally high-fiving myself and thinking, “*I nailed it!*”

The next day I went to see The Head in his office to hear the good news. But when I walked in he looked like his dog had just died. He told me he was very sorry but J.P. Morgan didn’t think I was ready to be a banker. He looked so sad I felt bad for *him!* I told The Head it wasn’t his fault and I would try to get myself ready—whatever that meant.

Like having a 90 mph fastball thrown at me, my experience with the Morgan Guy was a major wake-up call. In retrospect, it was the best thing that could have happened and it was the beginning of what has been a 33-year journey to discover what works, and what doesn’t work, in the big leagues.

## FIRST JOB SEARCH

Despite my failure to generate any interest from the Morgan Guy, I did learn a great deal from that experience. While there are some new technologies that can be helpful in your job search, the most important dynamic—effective personal networking—hasn’t changed much since the dawn of capitalism. What has changed is the quality of the competition. You need to be much better prepared and conduct a much more thorough and professional search than I did 30 years ago. Just like professional sports, the quality of the competition keeps getting better.

While I give The Head low marks for preparing me for my interviews, I give him high marks for suggesting I look into banking. I quickly realized banking would give me exposure to many

companies and how they operate. This appealed to me, so I devised my own plan for getting a job. First, I got a list of recent Bowdoin graduates from Career Services who were working in banking in New York, and I went to visit them in the big city. I had a dozen informational interviews with these junior bankers and began to get pretty excited. All these Bowdoin grads appeared to be “locked and loaded.” They loved living in New York and seemed excited about their jobs. They had left behind the laid-back college environment and there was a crispness and confidence to the way they looked, talked, and walked. I wanted to be one of them.

### Superman

After being out of the job market for 12 years while raising her five children, my mother, using her Wellesley degree and well-practiced sales skills, landed a job as the Director of Development at Montclair Kimberly Academy (an independent day school in New Jersey). In this role she had a good deal of interaction with the MKA Board of Trustees. One of them, whom I will call Superman, was a senior banker at Bankers Trust Company in Manhattan. One Friday, with my job search in full swing, Mom ran into Superman and asked if he would be willing to talk to me about banking. Superman said, “*Sure, have your son in my office with a suit on Monday morning.*” Mom was excited but concerned because she knew I was preparing for exams, and she said something about me maybe not being able to get from Maine to New York on such short notice. Superman, clearly feeling great sympathy for my situation, growled “*You didn’t hear me Carol...tell him to get to my office Monday morning.*”

On Monday morning, Superman’s assistant greeted me and I took a seat outside his office. I didn’t know what to expect. At this point I had only spoken to junior bankers, either in New York or at Bowdoin, so I had no idea what a “real” banker looked like. Finally,

Superman's office door opened and three young bankers hurled themselves out the door almost at a dead run. I soon found out why.

As I entered his office, my impression of Superman was that he was younger than I imagined, around 40 years old. Physically, he shared little in common with his namesake. He was about 5'8", balding, and it did not appear a spandex costume would look flattering on him. Nevertheless, his energy level and confidence were off the charts and, in my wide-eyed state, he seemed as if he just might be *able to leap tall buildings in a single bound*. Also startling was Superman's spacious office which looked like an ambitious architect's small-scale model of a futuristic Metropolis. Every flat surface was covered with clear Lucite tombstones, 6 to 18 inches tall, memorializing the financial deals Superman used his powers to transact.

Superman started our meeting by slapping me on the back as if I had something caught in my throat he was trying to dislodge. Then, as we were shaking hands, he basically threw me into a chair before I could recover from his version of the Heimlich maneuver. He peppered me with questions, kept interrupting me halfway through my answers, and after 15 minutes he jumped up, said "*Let's go,*" and marched out of his office at only a slightly slower pace than the three junior bankers a few minutes earlier.

As I trailed behind, Superman passed by the elevators to the emergency stairwell, jogged briskly down three flights of stairs, before coming out to an area with a sign that said, "Human Resources." Superman grabbed the first person he saw in HR, pointed at me and commanded, "*This kid seems ok, I want you to talk to him.*" After giving me one more super slap on the back, he headed out the door of HR at the walking equivalent of flying.

After that superhero experience, my interview with the HR staffer was unremarkable. I soon found myself back on Park Avenue, with cars and people whizzing around me, not really understanding

what just happened. Two weeks later I received a thin envelope from Bankers Trust which explained everything I needed to know: I was offered a job in their commercial lending training program! In retrospect, what happened was I had the right contact (my mother), with the right guy (Superman), at the right time (I had failed enough, and learned enough, in my job search to be ready to effectively sell myself in a professional context). The result was I got a great job.

I know I was lucky to get good career advice from The Head and an interview arranged by my mother. On the other hand, I received no advice on how to go about my job search or how to prepare for an interview. All in all, I was fortunate to receive the help I got and you may not be as fortunate. Regardless, maybe for the first time in your life, *you are in charge and it is up to you to do whatever it takes to get a great job*. While you can hope for the best (getting a great job reasonably quickly), you should prepare for the worst—a drawn-out campaign with much hand-to-hand combat, before you finally get a great job. You need a battle plan, and the good news is you're holding it in your hands. Chapter 7 of *The Bigs* is everything you need to know and—if executed with intelligence and energy—you *will* win the war and get a great job.

## FIRST JOB

Before I could become a junior banker, I needed to pass Bankers Trust's commercial lending training program. The best part of the program was getting to know my 20 trainee classmates. The worst part of the program, for me, was the intensive crash course in accounting. I didn't dislike accounting, but as a government major, I just didn't get the hang of it very quickly. It soon felt like this crash course would crash my career before I even got started. I felt an enormous amount of pressure because I realized if I failed

accounting, I would wash out of the program and be forced to move to New Jersey and live with my mother and my younger twin sisters. Having witnessed the pain my father endured from his professional failures, I was terrified to feel history beginning to repeat itself.

I vividly remember the days leading up to our final accounting exam. After classes, I stayed alone at the training center studying late into the night. The training center was located high up in Bankers Trust's downtown office tower, which was next to the World Trade Centers and near Wall Street. Occasionally, I would look out the window at the masses of people, who looked like ants, swarming around the subway entrance on their way home. I remember asking myself, "*Am I really dumber than all those tiny people down there who are gainfully employed?*" Fortunately, and narrowly, the answer turned out to be "*no*" and I somehow passed the test which allowed me to graduate from the training program. I was assigned to Bankers Trust's Empire State Building branch.

### The Professor and Me

The Professor was my first real boss and he was a good one. He looked like the Professor on *Gilligan's Island* (but always in a perfectly tailored suit) and was just as intelligent (though in entirely different ways). While the Professor on TV was a mechanical genius who could make a radio out of coconuts, my boss was the most erudite and cultured man I ever met. He was deeply involved with the New York City arts world and had only a modest interest in banking. The Professor, however, was so intelligent that with only 25 percent of his attention he still knew more about banking than anyone else in the office. The task of our Empire State Building branch was to lend money to the "rag trade" (the clothing and fashion industry) which was located in that area of Manhattan.

The Professor and I got along great, and I loved going along on sales calls and watching him charm clients with his wit, knowledge,

and winning personality. I think The Professor understood how much I respected his talents and enjoyed learning from him. (By the way, that is *always* a solid foundation on which to build a positive relationship with your boss!) The problem was, the more comfortable I became *in* my job as a banker the less comfortable I became *with* my job as a banker. Although I learned a great deal about the business, I came to view my branch as a backwater. The brightest guy in the office, The Professor, was not fully engaged and the less bright guys were just that. Nobody seemed very “amped up” about the whole enterprise.

After I had been at the office 18 months, The Professor, for the first time, found fault with my performance when he came down hard on me about entertainment expenses. It seems I was undermining the entire Bankers Trust operation at the Empire State Building branch because I was not spending *enough* money on entertainment and if I didn't *shape up quickly*, we ran the risk of having our entertainment budget cut. The Professor's admonishment to spend more money entertaining was not in order to generate more business; he was worried that our entertainment budget might get cut. This pushed me over the edge and I realized that I needed to go out and find a job where the best and the brightest were fully engaged in trying to maximize, not milk, their career opportunities.

I enjoyed the commercial lending business, but perhaps most importantly, realized being a corporate lawyer was not for me. I liked meeting with clients, learning about their businesses, and structuring loans which would satisfy their needs in ways that would give Bankers Trust a high likelihood of being repaid with interest. At that point, the lawyers were brought in to “paper” the deal (i.e., write the loan documents) and I knew I didn't want to spend my career handling the paperwork for someone else's deal.

Although I decided to leave commercial lending, I didn't know what I wanted to do. I thought my banking client contacts

might lead me to a small firm with potential to grow, but no such opportunity presented itself. What did present itself was a raucous party on Wall Street that was just getting cranked up.

A historic 30-year bull market in stocks and bonds, which began almost exactly when I graduated from college two years earlier, was starting to roar. However, from my low perch at the bottom of the Empire State Building, I could barely hear the noise. While I knew virtually nothing about Wall Street, from snippets of conversations I heard when out and about socially, I came to understand the people involved in sales and trading worked together in large rooms, traded stocks and bonds by yelling at each other, and made lots of money. That was good enough for me. I wanted in on the party and I asked The Professor if he would support my efforts to transfer to the sales and trading department of Bankers Trust.

From the first day I showed up at the Empire State Building, The Professor had been nothing but a terrific boss. He patiently taught me everything he knew about banking and made it fun to learn. The Professor invested a great deal of time and effort in me, and I knew he would be disappointed I wanted to leave. However, consistent with being a terrific boss, when I told him my plan he immediately said it sounded like a *great idea* and I had his *full support*. The only problem was getting transferred to the sales and trading department downtown was not under his control. I needed to get the blessing of HR and then interview for a job.

A few days later, I made my way uptown to headquarters. The woman in HR listened to my plan and then said, “*Your boss has given you a great recommendation and I will do everything I can to help you get a job downtown in sales and trading.*” Before I could break out the party hats and confetti, she said in the next breath, “*All you have to do is stay working at the Empire State Building for three more years.*” This caught me off guard, but I quickly gathered myself and responded,

*“I will give you two months to help me get transferred, and then I am going to start interviewing at other banks.”* A few weeks later, I was taking the subway downtown every morning to my new job on the trading floor of Bankers Trust.

## SOMETHING BETTER OUT THERE

Working as a U.S. Treasury bond salesman at Bankers Trust was more fun than I had even imagined. While I knew little about what I was getting into, I was correct everyone was in a large room shouting at each other. I was also correct a job like that would be perfect for me. As with many businesses, when I first arrived on the trading floor, it seemed everyone was speaking a foreign language. However, everything was held together by the logic of making money and I soon got into the swing of things.

In some ways, I may have felt too comfortable on the Bankers Trust trading floor. After three years, I started to feel as I had with commercial lending: There was something bigger and better out there for me. Specifically, I thought a few of the larger trading firms might offer more opportunity for career advancement and higher compensation.

I focused on two firms, First Boston (now Credit Suisse) and Morgan Stanley, because most people at Bankers Trust seemed to regard them as the best in the business. My idea was to join one of these firms as a Treasury bond salesman and then move into selling corporate bonds (which, at that time, was a business Bankers Trust didn't do). Both firms offered me jobs, but Morgan Stanley had better accounts for me to cover.

Just before my final decision, I got an unexpected call from a former Bankers Trust colleague. My friend had recently joined a small firm: Greenwich Capital. What he told me was music to my ears; his new firm was kicking ass, taking names, and laughing all the way to

the bank. After a single interview at Greenwich Capital, I was sold. I was about to accept a job offer when things changed dramatically.

Greenwich Capital got caught on the wrong side of what was to become one of the most infamous trades in the history of the U.S. Treasury bond market—forever known as “9 1/4, 9 7/8”—after the coupons of the two affected bonds. The details of the trade are not important, but the result was Greenwich Capital lost a very significant amount of money and the joke around Wall Street was the firm was going to have to change its name to “*Greenwich No Capital.*”

Not surprisingly, I decided Morgan Stanley would be a more stable place to work and I accepted that job. There were no hard feelings at Greenwich Capital over my decision because they had gone into survival mode—which didn’t include hiring a mid-level salesman. In business, however, things can change quickly and Greenwich Capital soon regained its footing and went back to its winning ways. I, on the other hand, quickly began to regret my decision to join Morgan Stanley.

Entrepreneurial opportunities and environments have always appealed to me. Morgan Stanley was then, and is now, an outstanding firm. However, as with most large and successful companies, there also comes a certain amount of corporate formality which was not a perfect fit for me. So, after less than a year at Morgan Stanley, I knew I wanted to move again—but where and doing what? My entrepreneurial itch led me to make a dramatic decision. I was going to leave my Wall Street career behind and become a full-time nightclub owner. While this certainly was a radical decision, it wasn’t quite as “out of left field” as it sounds.

Through an unusual set of circumstances (which I will explain in the next chapter), when I first moved to Manhattan six years earlier, I became involved as an owner of a bar (this was a side interest to my day job at Bankers Trust). This experience focused my attention on the commercial opportunities in the nightlife entertainment

business, and I felt I had a “can’t miss” idea. It was clear to me most big nightclubs were not particularly welcoming to young professionals. The image and clientele the nightclubs embraced was more hip and edgy. My idea was to create a nightclub where young professionals would feel at home, know they would run into friends, and be able to talk since the music wouldn’t be played at ear-splitting decibels. At that time, the greatest concentration of young professionals lived on the Upper East Side, but I couldn’t find the kind of space I was looking for there. I decided to go to the other stomping ground of these young professionals—Wall Street.

When I moved from Bankers Trust to Morgan Stanley, I left downtown for midtown. However, I spent three years working downtown and I understood the Wall Street after-work scene. My plan was to capture the young professionals when they left work between 5 p.m. (for sales and trading) and 10 p.m. (for investment banking). I would get the party rolling early and the after-work crowd would tag team with the late crowd (which would consist of other young professionals looking for a night on the town). Since my crowd would start arriving early, this would avoid an enormously expensive chicken-and-egg problem all nightclubs are afflicted with—no one wants to go, or be, somewhere that’s empty. The result is nightclub crowds arrive ridiculously late and these lost hours can never be recouped. With this business plan, I felt confident that I could more than double the revenue of a typical nightclub.

I focused my efforts to find space near the South Street Seaport because what little bar scene the Wall Street area had was concentrated there. Happily, there was a decent supply of available real estate in the area and it didn’t take long to find a spot I loved. It was an ancient warehouse, steps away from the East River, on a cobblestone street, in the shadows of the Brooklyn Bridge. The minute I entered this picturesque yet rugged space, I could picture it as my bar/nightclub/restaurant. The area was known as Peck

Slip, which provided the name of my new establishment: The Slip. I negotiated an option on the lease, lined up the \$1 million needed to renovate the warehouse (from two real estate investors I had been introduced to through friends), and was about to resign from Morgan Stanley when my wife, Leigh, inserted herself into this decision in a major way.

I had met Leigh Worcester 10 years earlier when she was a freshman and I was a sophomore at Bowdoin. It was a classic case of love (or at least lust) at first sight. Of course, I'm describing my reaction when I saw her at a party—I'm pretty certain that first innocent meeting meant a whole lot less to Leigh at the time. After college, Leigh had gotten a master's degree from Columbia's School of Journalism, was working in public relations in New York, and we had been married two years. By now, Leigh was used to my crazy entrepreneurial ideas. However, having me involved in owning a bar as a secondary business to my primary Wall Street career was one thing; being married to a full-time nightclub owner was something else entirely. Leigh argued that I liked the business of sales and trading; I just didn't enjoy working at Morgan Stanley. So why not move to a different firm rather than make a truly radical career move? Also, while our marriage was terrific, Leigh did mention she wasn't too keen about me being out every night until 4:00 a.m.

I was taken aback by how negatively Leigh felt about my new career plans and I started to reconsider. I tried to sell my investors that I could help run The Slip on the side while continuing my Wall Street career. However, they didn't buy that pitch. The investors had committed to The Slip because they believed in my vision and my full-time commitment to work to realize that vision. I had to choose between my wife's wishes and the nightclub. After a few days of soul-searching, I called my friend at Greenwich Capital and, after just one more interview, I agreed to join the young upstart firm.

## ONLY YOU CAN LOOK OUT FOR YOURSELF

Before I could start at Greenwich Capital, I needed to resign from Morgan Stanley, which I assumed would not be too difficult since I had been there only 10 months. I was wrong. My sales manager reacted to my resignation with anger and seemed to view it as a personal affront. He sent me straight away to see John Mack. Mack was the Head of Fixed Income and eight years later would become the CEO of Morgan Stanley.

### Mack Attack

I was ushered into Mack's office and he was right out of central casting—a big man in a big office. During the brief opening round of pleasantries, I could feel Mack sizing me up like a professional prizefighter against a lesser opponent. Being a pro, however, Mack took nothing for granted. After gliding confidently around the ring a few times, he settled on a plan of attack and started swinging—not wildly—but with deliberate and measured blows. A right jab, “*you’re making a huge mistake*” ... a left jab, “*that firm is too small*” ... setting me up for a right uppercut, “*you will regret this.*”

For 10 minutes, Mack worked me over the best he could. However, by that time I was six years into my career, had already changed jobs twice, and Mack's punches didn't faze me. When he paused to catch his breath, I calmly explained my mind was made up. Mack didn't like the fact I had effectively taken charge of the fight and sent him back to his corner. When I left Mack's office a few moments later, he was in a decidedly less good mood than when I entered.

While it would be a stretch to say I won anything that day, what is true is that I went a few rounds with a veteran Wall Street brawler and left the ring unbloodied and unbowed, with my head held high, and an even greater conviction I could succeed in this game. With

hindsight and without a doubt, the career advice John Mack gave me that day was spectacularly bad and thank goodness I ignored it. Over the next 20 years that “*too small*” firm, Greenwich Capital, became one of the most highly regarded and profitable firms on Wall Street. Also, everything about the structure and culture of that small firm fit me perfectly.

I don’t believe for a second John Mack cared about what was best for me. He only cared about what was best for Morgan Stanley. I didn’t then, and I don’t now, hold that against him. It is, however, a perfect example of how you need to look after your own career interests because no one else is going to do it for you.

## WHAT I DID RIGHT—WHAT I DID WRONG

The early part of my career highlights two important lessons about what I did right and what I did wrong in managing my career. My move from commercial lending to sales and trading was a great example of a positive lesson: *Don’t be patient*. While it may make sense for you to stay in your first job a little longer than you want in order to build your resume, do not get stuck in a job that won’t allow you to achieve your professional and personal goals. There are plenty of companies and jobs out there; go find one that is a great fit for you.

My move from Bankers Trust sales and trading to Morgan Stanley was an equally great example of a negative lesson: *Don’t leap before looking*. I had been at Bankers Trust for six years, had gone through Bankers Trust’s two primary training programs (commercial lending and sales and trading), and I had a strong network of friends throughout the bank. I also knew that senior people on the Bankers Trust trading floor liked me. So why leave?

I thought becoming a corporate bond salesman at Morgan Stanley (which back then was one of the most glamorous sales jobs in the business) would be a good career move, but I did no research

to confirm that. My plan was to get a job at Morgan Stanley as a Treasury bond salesman and then transfer into the corporate bond sales department. Unfortunately, there were two major flaws in my plan.

- First, after I had been at Morgan Stanley for a few months, I realized I had little interest in selling corporate bonds! Because of their relative illiquidity, a corporate salesman often has to sell the inventory his traders already own. For Treasury bonds, because of their high liquidity, virtually any trade can be executed because the bonds are always available. The freedom to sell whatever ideas and bonds I liked was the primary reason I enjoyed selling Treasuries.
- Second, my direct boss at Morgan Stanley didn't seem to care about me or about anyone else in the department. If I had wanted to stay at Morgan Stanley and move from selling Treasuries to selling corporates, I doubt I could have gotten his support. All he seemed to care about was for the U.S. Treasury department to perform well so he could move on to his next big job at Morgan Stanley.

Leigh has always said one of my greatest weaknesses is being too impetuous—and she's right. Since I was going to Morgan Stanley with a plan to become a corporate bond salesman, I should have talked to professionals (both inside and outside Morgan Stanley) who were doing that job to see if I actually would like it. Also, I could easily have done some networking and asked people at Morgan Stanley about my new boss. I now understand how fortunate I was in my career to bounce around and end up at Greenwich Capital. You cannot count on being so lucky. Always be impatient and willing to jump into new opportunities, but always research these new opportunities thoroughly *before* your feet leave the ground.

## TED

Despite its modest size, my new firm was well-known on the Bankers Trust and Morgan Stanley trading floors. As one of the co-founders of Greenwich Capital, Ted Knetzger was already a “name” on Wall Street. Ted graduated from the University of Virginia where he played soccer and headed to Wall Street to find his fame and fortune. After an unremarkable eight years at Kidder Peabody, Ted, at age 30, had the temerity to decide he wanted to start his own firm. My favorite story Ted tells of the early days is when he and the other founding partner of Greenwich Capital, Bill Rainer, would race to be first to arrive at their one-room office because the only furniture they had were two folding lawn chairs and one had a nasty habit of periodically collapsing without warning!

Like any world-class salesman, Ted had an abundance of charisma and determination. Every great salesman, however, also needs a great product to sell—and that product was Ted’s vision for Greenwich Capital. Ted’s vision was that, unlike the rest of Wall Street, *his* firm’s #1 priority would be to help employees realize their hopes and dreams—which hopefully would result in a handsome return for the firm’s owners. It was a unique and ambitious plan, but over the next 28 years Greenwich Capital accomplished just that for thousands of employees and the firm’s owners.

When I first met Ted in 1987, he was in his mid-30s. Even then his good looks could be fairly described as distinguished. The best comparison, in today’s terms, is he looked like a younger version of the *Dos Equis* “Most Interesting Man in the World.” My favorite thing about Ted was his laugh. When Ted found something amusing (which was often), his laugh would start somewhere deep inside and quickly burst to the surface as if it had been starved for oxygen. Ted’s laugh was so spontaneous, so loud, and so natural, he often made a large room full of people smile even if only a few heard the joke or story.

While Ted was highly intelligent, he never seemed to care if people recognized it. All Ted seemed to care about was making sure *you* knew he thought *you* were intelligent. If you want someone to like you, this is a great way to start.

As a salesman, Ted was without peer. Every salesman knew if he could get Ted out on the golf course with a client that client would become a fan of Greenwich Capital for life. Clients loved Ted because he loved them. The truth is Ted loved everyone. As a testament to how fascinated everyone at Greenwich Capital was with Ted, if you ever wanted to get someone's attention all you needed to say was, "*I was with Ted yesterday and we...*" With that preamble, you not only would get one person's attention, but everyone within earshot would edge closer to hear the story.

Over the years, I have heard people describe Ted as "fun," "interesting," "thoughtful," "gregarious," "humble," "honest," "charming," "gentle," "instinctive," and "warm." While I agree with all of those, for me, the word that best describes Ted's most outstanding character trait is "generous." Ted was as happy to be with senior employees (his old friends) as with junior employees who had joined the company that week. If you worked at Greenwich Capital you were Ted's friend, and he genuinely wanted to get to know you and have some fun together.

Professionally, Ted was equally generous. I experienced his enormous generosity for the first time in 1988 after I had been at Greenwich Capital less than a year. Ted announced the company was being bought by Long Term Credit Bank (LTCB), a large Japanese bank. In these types of transactions key employees are typically given contracts to retain their services and as recognition of their help in building the company. Since I was a new mid-level employee, I expected nothing. However, days after the transaction was announced, Ted asked me to come by his office. When I did he told me what a "*great job*" I had been doing (believe me, I just

got there, it couldn't have been all that great) and he had "*put me down*" for a contract which would pay me additional compensation equal to three times what I was going to make that year. In essence, I was being paid for three years of work I didn't do! As if that wasn't enough, after the LTCB transaction was completed, I, and others, received a handwritten note from Ted, encased in Lucite, mentioning what he saw as our individual contributions to the firm.

I remember, years later, discussing the LTCB transaction with a senior trader at the company who was involved with the deal. He said Ted could have kept the lion's share of the LTCB retention money for himself, but instead he insisted it get spread out to his employees. While the trader related this story, he kept shaking his head in a way that described, better than words, his amazement at Ted's enormous generosity.

Despite all his accomplishments and sophistication, Ted's lightness of spirit seemed to create a halo of innocence around him which drew people to him. During my time at Greenwich Capital, Ted got separated and then divorced. This appeared to make his friends even more protective of Ted—as if we would all lose something precious and irreplaceable if Ted ever stopped being Ted. In my life, I have never seen so many people root so hard for someone so successful.

### **Ted's Company**

When I joined Greenwich Capital it was a small, 70 employee, institutional broker-dealer.\* Despite its size, Greenwich Capital's business model brought the firm into direct competition with the largest Wall Street firms. Started by Ted and Bill in 1981, with \$10 mm of private capital, the firm was sold to LTCB in 1988. In 1996, the firm was sold again, this time to National Westminster

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\*A broker-dealer is a firm whose business is to buy or sell securities (which primarily consist of stocks and bonds) with clients.

Bank (NatWest). Finally, in 2000, NatWest was taken over by the Royal Bank of Scotland (RBS). Due to Greenwich Capital's strong financial performance, each new parent company allowed our firm to operate with great autonomy because no one wanted to kill the goose that was laying the golden eggs! All great organizations need a set of guiding principles that form a solid foundation to build on. While Ted never wrote an official Magna Carta laying out the principles underpinning Greenwich Capital, everyone at the firm understood what his company stood for:

- *Employees always come first:* Without great employees you can't have a great company. You attract the best people by doing everything in your power to make your company a place where employees' dreams can come true.
- *Execution over strategy:* It matters less what you do than that you do it with conviction, energy, and enthusiasm. Of course you want to make good strategic decisions and focus your efforts on the most promising initiatives. However, Ted was crystal clear that he would rather have outstanding execution of a mediocre plan than mediocre execution of an outstanding plan. Greenwich Capital was very much in a "people business" and Ted believed if he had talented employees, striving to perform as all-stars, his firm would survive and thrive.
- *Compete hard at the highest level:* As an institutional broker-dealer, Greenwich Capital dealt only with professional money managers, hedge funds, insurance companies, banks, central banks, and the like—no individuals. In most cases, our clients were many times larger than our firm. Also, these clients were the most experienced, had access to the most information, and on a daily basis transacted with many of our Wall Street competitors. Dealing only with this elite universe of the most sophisticated clients was very challenging, but if you did a great job for them they also traded the most bonds.

- *Personal accountability*: When possible, tie employee compensation to individual performance. Virtually all Greenwich Capital's competitors (the major Wall Street banks and investment banks) paid subjectively. In practice, this meant our competitors paid their employees the minimum they could and still retain their services. Ted believed his performance-based pay system incentivized salespeople and traders to perform their best, reduced the politicking around compensation that was rampant on Wall Street, attracted the best and the brightest, was the fairest way to decide who got how much, and meant that a salesman or trader's compensation was limited only by the size of their contribution to the firm. Ted's compensation system was not only a throwback to the old days of Wall Street, like most good ideas, it was strikingly simple.
- *Celebrate all employee contributions*: Not everyone can be a star, either because they don't have the ability or, more likely, because their current job doesn't allow them to have a major impact on the firm's performance. Nevertheless, the value and the performance of the company is the sum of its parts. Everyone needs to do his job to the best of his abilities and be celebrated and thanked for his efforts.
- *Have fun*: Everyone spends too much time at work to not have fun. Work is serious business, but that doesn't mean you can't have a very good time doing it. You can and you should. Not surprisingly, people loved to work for Ted and they loved to work at his company.

An example of Ted's focus on personal accountability occurred early in my career at Greenwich Capital. Some developments in the U.S. Treasury bond market, and on our trading desk, raised the question of whether the sales force should continue to be paid on commission from their sales—or be paid a percentage of the money the traders generated. A meeting was held and valid arguments on

both sides were presented. Halfway through, Ted walked in and sat down. He listened for two or three minutes and then, addressing the salespeople in the room, asked: “*Do you guys want to be warriors or do you just want to carry the spears?*”

Ted’s analogy wasn’t perfect and I *know* he didn’t understand the subtleties of the issues being discussed. However, once Ted made his position clear, there was nothing left to say. The meeting adjourned and we all, quite happily, returned to our desks—still on commission and now proud to be “Ted’s Warriors!”

My former sales partner at Greenwich Capital, Doug Marzonie, told a similar Ted story. Doug was an outstanding college athlete and the definition of a hyper-competitive guy. He joined Greenwich just a few months after I did. While Doug was being recruited by Ted, he asked if he could get a “*guarantee*” for the next year. (A guarantee is common on Wall Street—it means you are guaranteed to make a certain amount of money for the first year or two when you join a firm. A guarantee is offered to top talent to encourage them to take the risk of switching firms.) Ted’s response, alluding to his performance-driven commission system, played to Doug’s competitive ego and was pure genius: “*Sure Marz, I’ll give you a guarantee. . . I guarantee that you will make a shitload of money if you’re half as good as you think you are.*” Marz was and he did.

In a people business, recruiting is like fishing; every firm is constantly trolling for the big catch. At Greenwich Capital, with Ted’s principles firmly in place and some success under our belts, fishing for all-star talent became ridiculously easy. The trophy fish, the star producers all Wall Street firms want to hire, would swarm around our boat hoping to be allowed to jump in!

There are many lessons to be learned from Ted and it is difficult to know where to start and where to stop. So, I will simply say, if you conduct yourself with a fraction of the grace, poise, honesty, intelligence, and generosity of Ted you will greatly increase your

chances of accomplishing your goals—which should include having a great deal of fun!

## MORE CURVEBALLS

When I joined Greenwich Capital, I was 30 years old, married for two years, and planning to start a family. My seven years in Manhattan had been awesome, but at my core I was not a city kid. The idea of working and living in Greenwich appealed to me greatly—as did Ted’s performance-driven compensation plan.

I arrived at Greenwich Capital as a pretty decent young salesman and three years later, through hard work and osmosis, I had gotten better. Ted noticed my progress and asked me to have a hamburger with him. At dinner, to my astonishment, Ted opened the conversation by saying, “*I want you to know that I believe you will someday be the CEO of Greenwich Capital.*” I don’t remember if I said anything in reply, but most likely I was too surprised to say anything. Ted didn’t go into any detail about why he had singled me out, and I didn’t ask him because I was afraid too much examination of the issue might lead him to a different conclusion. However, Ted did say I would need to get some experience trading and I readily agreed to that stipulation. I went home and told Leigh the good news, called my mother and told her the good news, and gave my two-year-old daughter, Avery, a big hug. I could not believe my good fortune. I was on Cloud Nine!

Unfortunately, for the next two years, I proved myself to be an exceptionally untalented trader (I consistently lost money). I came to understand selling was like sports: The harder you work the more successful you become. However, trading is much tougher because you are competing against the market—which is the aggregate of everyone’s knowledge.

After those two years it was obvious to Ted, and to my direct boss Gary Holloway, I should not continue trading. I assume they were

also seriously reconsidering their career plans for me. All was not wrong with the world, however, because in August 1992 my second daughter, Kendall, was born. I was now the proud father of two beautiful girls—I just needed to get my career back on track. Against that backdrop, two months after Kendall was born, a new concern suddenly appeared on stage and commanded the spotlight.

### Getting Lucky

On October 20, 1992, I was sitting at my desk (probably trying to figure out how to stop losing money trading) when it felt like my chest exploded! This is no exaggeration. One minute I was fine and the next I could barely walk or talk and was in excruciating agony. I asked my good friend, Morris Sachs (who was one of the firm's star traders and whose desk was next to mine), to take me to Greenwich Hospital and I staggered out to his car.

When we got to the hospital, I was in bad shape. The pain was so intense I hoped I would pass out. But until the doctors figured out what was wrong they weren't going to give me any painkillers which would mask the symptoms. I lay on a table in the ER in agony and, like the doctors outside my room, wondered what was going on.

Morris called Leigh and soon she was by my side. I wanted to put on a brave face, but the pain was too intense. After Leigh was with me for a few minutes, I turned to her and said, "*I don't know what is going to happen, but I want you to know how much I love you and the girls.*" Being the daughter of a surgeon, Leigh has always had a deep-seated reverence for doctors; however, hearing her husband, in essence, say goodbye was as if a starter gun went off. Without saying a word, Leigh flew out the door into the hall where the doctors were attending to a variety of patients while they tried to decide what to do with me. Then I heard Leigh, not hysterically but *very* firmly and loudly, say to the doctors, "*My husband is DYING and he needs all your attention RIGHT NOW!*"

Immediately, all three ER doctors were in my room and, after a few quick tests were administered, they decided my problem couldn't be handled at Greenwich Hospital. The last thing I remember was being strapped to a stretcher by the medical helicopter paramedics who were airlifting me to Yale-New Haven Hospital.

That night at the hospital was not a good one for Leigh, her parents, or my parents. The doctors prepared everyone for the worst. The issue was whether I had gotten to the hospital in time, or if too much internal damage had already been done to save me. Afterwards, my surgeon was emphatic that if I had arrived at Yale-New Haven even a few minutes later it would have been all over.

A few days later my college roommate, John Small, had his father (who was a surgeon) call Leigh's father (who was also a surgeon). After that conversation Dr. Small told John, "*Ben will probably live, but don't expect him to be the same person you knew before.*" When I regained consciousness three days later, I didn't know what day it was. Leigh, who I later learned was at my bedside the entire time, was there. I had a breathing tube down my throat, so I couldn't talk. I made a writing gesture and a nurse brought me a pencil and a note pad. I remember scratching out two words—"*what happened?*"—and giving it to Leigh.

What happened was I suffered an aortic dissection. Most people who experience this kind of dissection die immediately from internal bleeding because the aorta is the artery all your blood travels through before being distributed to the rest of your body. Much later, I came to understand I had a rare genetic disorder called Marfan's (which affects one out of every 5,000 people) that caused this dissection. After three weeks, I was out of the ICU and into a step-down care unit at the hospital.

While still in a good deal of pain, I was starting to feel pretty lucky. I hadn't died and I was starting to look forward to getting on with my life. I felt like I had been hit by a random bullet, had lived to

tell the tale, and was going to be just fine. That is until my surgeon, Dr. Letsou, came by to see me one evening while Leigh and her parents were in my room.

Dr. Letsou explained that while I was extremely fortunate to have survived my dissection, I was far from just fine. The dissection, which started just above my heart, had severely damaged my entire aorta (which runs from the heart to the lower pelvis). He explained the aorta is the central pressure point for the human body. Each heartbeat shoots blood out of the heart into the aorta with great velocity. To withstand the pressure, the aorta is constructed like three concentric garden hoses. The medical term for these hoses are walls. During my dissection, the inner wall broke and blood forced its way between the inner and middle wall which tore the inner wall to shreds from the top of my heart down through my chest and abdomen. Next, blood began leaking into my heart sac, which is the area surrounding the heart, that needs to be unobstructed to allow the heart to contract and expand properly. With each beat, as my heart contracted, more blood entered the heart sac and began choking my heart because now there was not enough space for the heart to expand back into. Dr. Letsou explained he had, just barely, been able to patch my aorta before my blood choked my heart to death. However, he had not even attempted to deal with the damage to the rest of my aorta.

Dr. Letsou concluded by saying I would need many more major surgeries in the future (he was right—I have now had seven) and I could *never* run or lift anything heavy for the rest of my life. To say I was devastated would be a gross understatement. I loved competitive sports and, maybe most importantly, my self-image had always been closely tied to confidence in myself physically. Now that was gone—forever.

Lying in my hospital bed, a kind of blackness I never knew existed enveloped me. Trying to keep it together, I choked out a

“*thank you*” to Dr. Letsou and asked Leigh and her parents to go out to dinner. Understanding me better than anyone, Leigh quickly kissed me goodbye and left with her parents. I was alone and for a few minutes I don’t think I moved a muscle. My mind raced around in circles but went nowhere. I was lost in the blackness. What happened next is still a mystery to me. I don’t know where they came from, but suddenly four words entered my consciousness: “*Everything Will Be Okay.*”

That was all I needed. As quickly as the blackness had come—it was gone. Despite having been dragged to church as a child by my mother, formal religion had never meant much to me, but I believe the appearance of those four words was the one truly spiritual moment in my life. I don’t believe I had the mental strength to accept that news the way I did without some “outside help.” Whatever the reason, when Leigh and her parents returned from dinner, I was a new man. Everything *was* going to be okay and, while the game may have changed, I was still going to enjoy playing. My brush with “outside help” is something I will never forget. However, the real lesson from my health scare is to understand if you were granted just one wish, you should wish for a partner who is smart, loves you, and will look out for you.

### **Almost Killing My Boss**

Despite dealing well with my health situation, I knew my once promising career was in serious jeopardy and I had a wife and two tiny daughters depending on me. I no longer felt like the CEO in waiting, but very much as I had during most of my childhood—a little overwhelmed, but determined to succeed. From the hospital I called Gary Holloway and told him I wanted to go back to what I was good at—selling bonds. Gary’s response surprised me when he said he understood and he offered me the job as sales manager for U.S. Treasuries—which was a huge promotion.

After I got out of the hospital, I repaid Gary for his loyalty and faith in me by almost killing him. It was mid-December and my first appearance at Greenwich Capital was at our annual holiday party. In a very Ted-like twist, our firm was hyper-casual, but our holiday party was hyper-formal—suits and ties for the men and evening dresses for the women. That year it was held at a fancy private club with, as always, an elaborate sit-down dinner. Being just back from the dead, I was the unofficial guest of honor and placed at Gary's table—right next to the man himself.

After everyone was seated, Gary put his arm around me and asked how I was feeling. It was obvious to all I was not doing so well. I could barely walk upright and, while always thin, I now looked emaciated. At that moment, I sensed Gary's question was only partly based on humanitarian concerns. Now that he was seeing my severely weakened condition, it also belied a professional concern about whether I would be able to handle the demanding job of sales manager for the firm's flagship business.

With no premeditation, I looked Gary straight in the eyes and said, "*I'm doing great...but I just can't seem to remember anything.*" With my declaration of mental incompetence, I saw all the blood drain from his face. I resumed eating as if I just commented on the weather and allowed Gary to contemplate, for a moment, the situation he was now facing with his newly appointed, brain-addled, sales manager. After a few bites I looked at Gary, smiled, and told him I was kidding. To his credit, Gary was *much* more relieved than angry and he seemed to take the joke as a sign that, despite my obvious physical frailty, I was my old self again.

## LEARNING FROM A SLUMP

Having Gary promote me to be the sales manager for Treasury bonds was probably the most surprising thing that happened in my career.

My previous two years at Greenwich Capital had been positively insane. They started with the incredible high of Ted telling me someday I would run the firm, followed by the devastating low of failing as a trader, and then I nearly died. After all that, while I was still in the hospital (with no visitors except family allowed), Gary made me the U.S. Treasury sales manager. Why was he entrusting this critical job to me at this time?

About a year into my trading career, my failure to make money began to eat away at me. I no longer felt like a rookie trader still learning the ropes. I now felt like a full blown failure and found myself slipping into a shell. I kept thinking, *“If I can’t make money trading, what possible contributions can I make to the trading floor which is all about making money?”* This was the first real failure I experienced in my career and it felt as if my nightmare bogeyman, who I thought was successfully locked away in the past, had broken free and was rapidly gaining on me. After a few months of feeling beaten down, I finally got a grip and consciously forced myself to keep moving around the floor, encouraging and congratulating others, even as I was personally failing—but it was tough. I believe my background as an athlete helped—just because your batting average is poor doesn’t mean you withdraw and stop being a good teammate.

As every veteran slumping hitter will tell you, he needs to keep working harder at batting practice, but he doesn’t want to focus too much on getting hits because that can be counterproductive. I could not control my poor trading, but I could control how I responded to it. I worked harder learning how to trade and, as importantly, made certain my struggles did not bring down the team or my teammates’ perception of me. Even now, thinking about that time in my career makes me feel ill. It’s scary and no fun being in a long deep slump.

*You are going to experience good and bad times. It is during the bad times you need to draw on all the strength you can muster to stay focused*

*on your goals and keep moving forward. The word for this is resilience and you must be resilient in order to sustain your effort and determination to succeed. I believe it was the resilience I showed while failing that made Gary want to promote me at a time of grave crisis for both my health and career.*

## **BACK ON TRACK**

Though I did a good job of not letting my failure as a trader (or the failure of my aorta) bury me emotionally, both experiences took a toll and it felt great to return to sales. While I always enjoyed the sales and trading business, and always loved working at Greenwich Capital, I had a renewed appreciation for both.

### **The Cowboy**

There were many similarities between Ted and The Cowboy. They were roughly the same size and age, they were both great athletes and leaders, and they both loved to have a good time. The Cowboy, however, had a much harder edge. That was probably a good thing because, as the head of trading at Greenwich Capital, he had a tough job: managing all the traders as well as his own trading account. I remember Ted once saying to me, “*It’s great to have The Cowboy around because he gives everyone else courage.*”

Hiring The Cowboy was a huge coup for Greenwich Capital and a testament to what a great recruiter Ted was. Prior to joining Greenwich, The Cowboy worked as a trader in John Meriwether’s legendary proprietary trading group at Solomon Brothers. In the 1980s, Solomon was the undisputed king of the fixed income trading jungle and Meriwether’s traders were the biggest and baddest (i.e., most profitable) apes in that jungle. For a highly regarded trader to leave Meriwether’s team and join a small upstart firm was quite surprising, but great salesmen like Ted often generate

surprising outcomes. The Cowboy didn't disappoint, and during his time at Greenwich he skillfully and successfully managed the firm's traders and risk.

In his mid 40s, after seven years at Greenwich Capital, The Cowboy retired from the business and moved to Steamboat Springs to raise his family, ski, fly his plane, and trade the money he made during his Wall Street career. When I moved back into sales in 1993, The Cowboy had just left Greenwich and he became one of my clients. The Cowboy was better known for his quick draw wit than for warm words of praise or encouragement. I enjoyed covering The Cowboy because he was very smart and I appreciated his rough brand of humor which, along with bonds, we traded back and forth.

After covering The Cowboy for a couple of years, one day we were discussing Greenwich Capital and I said something positive about the firm. Rather than ripping me with a wisecrack, The Cowboy said, "*You know, I think you should run Greenwich Capital someday.*" I mumbled something like, "*That would be nice,*" but he wouldn't let it go. He said, "*I'm serious, you are the most enthusiastic person at Greenwich about Greenwich and that's what it takes.*" Though I was surprised when Ted first broached this topic, I was even more surprised by The Cowboy's comment. That's because, unlike Ted, The Cowboy was quite reserved when it came to compliments.

It is also important to note what The Cowboy didn't say. He didn't say I was the smartest, hardest working, or most organized person. He only said I was the most enthusiastic, but to The Cowboy that's what mattered most.

## **KEEP YOUR EYES ON THE PRIZE**

By 1994, I had been at Greenwich Capital for eight years, had been a sales manager for two, and I was very happy in my current

job. For instance, when The Cowboy mentioned the idea of me becoming the CEO, I hadn't given it much thought. This is because the current Co-CEOs, Gary and his partner, Chip Kruger, were doing a great job and, more importantly, within my department there were two guys ahead of me. Both were well-liked, highly successful traders, and very good friends of mine. In effect, the three of us acted as partners running the U.S. Treasury bond business—with me as the junior partner. I will call the first trader The Prince (both for his position and because he was a highly “principled” guy) and the second trader The King (because he *was* The King!).

### **The Prince**

The Prince was a Harvard graduate with Midwestern good looks, and he was a great athlete with an outgoing personality. He was about my age and had joined Greenwich Capital three years before I arrived. He ran the trading desk while I was the sales manager.

The Prince was quirky—but in an endearing way. At one point he felt, due to stress and business travel, he was neglecting his family. So, The Prince invited his wife and two young children to have lunch with him at work—which was unusual but certainly a nice idea. What amazed everyone was when The Prince spread out a blanket on the floor next to his desk, in the middle of an extremely busy trading floor with traders and salespeople shouting all around. The Prince and his family sat there and, to all appearances, had as pleasant and genteel a picnic lunch as if they spread their blanket on the mountain meadow from which Julie Andrews sang in the opening scene of *The Sound of Music*.

So what happened to The Prince? Well, in 1994, he had a terrific year trading and was going to be one of the highest—possibly *the* highest—compensated Treasury bond trader on all of Wall Street. But there was a problem. The Prince, like most Greenwich Capital traders, was on Ted's performance-driven compensation plan which

meant his pay was formulaic. However, The Prince had a disagreement with his boss, The King, about how part of his formula should be calculated. The dispute was over a good deal of money—but it was still only 10% of the Prince's total compensation for the year. Because I was so close to the situation, I can tell you this was a legitimate disagreement over a reasonably technical issue. Eventually, Gary stepped in and paid The Prince the disputed monies to keep him happy. That should have been the end of it, but it wasn't. The Prince, feeling he had been *disrespected* by The King, resigned from Greenwich Capital. I begged The Prince to stay, both because we were friends and because of his tremendous trading talents, but he wouldn't relent. As I said, he was *very* principled.

I didn't understand how The Prince could allow such a dispute to so negatively influence his career. Shockingly—I assumed because he couldn't find a firm as fun or as lucrative as Greenwich Capital—The Prince never worked as a trader again. Well, although I wasn't happy about it, that was one down.

### **The King**

Now it was just The King and I. The King had it all wired. He had gone to college with Ted, was one of the first employees hired by him in the early days of Greenwich Capital and, like The Prince, he was a highly talented and profitable trader. The King was also a workout fiend and 6'6" of tempered steel. He was assumed by everyone, including me, to be a lock to take the top job when it became available—but it was not to be.

Why? Because The King was every bit as quirky as The Prince—only in different ways. The King operated on his own timetable. He thought quickly and moved slowly. For a few years I sat next to The King and I marveled at the way he ate his food. A single three-inch potato chip would take him a solid two minutes to consume as he would take tiny bites with his front teeth and chew

it until, I assume, it vaporized in his mouth. While pretty strange, The King's style of eating didn't negatively impact others, but his inability to abide by a schedule did.

When I got to the firm, The King was already legendary for being late. It was called "King Time" which meant if you were scheduled to meet him for dinner you should expect The King to be *two hours late*. I'm not kidding... two hours was typical, and three hours was not unheard of! Before The King became a manager, most of his dinners were with Wall Street brokers who made commissions if The King traded with them. They would have happily waited a month for The King to arrive. The King was making lots of money for Greenwich Capital and, when The King finally did arrive, he was always great fun to be with.

All was good in the kingdom until The King started to climb the corporate ladder. Ultimately, the firm's entire U.S. Treasury business reported to him. *Now* there were *plenty* of problems. King Time no longer worked when he was on top with more than 200 people depending on him. The King had to be taken out of the running to become CEO because he simply could not get anywhere on time. So who was left from the Treasury side? You guessed it, me.

While The Prince and The King were unique characters, any person who ascends the ladder of a large organization has his own stories about the people who were ahead of him and why they left, failed, or chose not to compete. Someone has to get the top job and it is almost never solely because that individual is so much better than everyone else. This is another good reason to keep a healthy dose of humility at the top of the ladder.

## OUT ON A LIMB

Consistent with Ted's philosophy that execution mattered more than strategy—there were few strategy meetings at Greenwich

Capital. Despite that corporate bias and history, towards the end of 1995, the Co-CEO's of Greenwich Capital, Chip and Gary, decided to hold a firm-wide year-end review of all businesses—complete with plans for 1996 and beyond. While hardly a radical idea for a growing company with multiple product lines, it was new to us. In the past, all firm-wide events had two goals: The first was to bring all employees together and have a good time, and the second was to celebrate the firm's continued success.

Though this event was held at a nice venue on the water, just down the road from our offices, it was all business. With a few hundred in attendance, each department ran through their results and plans for the new year. Not surprisingly, the presentations were heavy on budgets and numbers. When it was my turn, I dutifully ran through the numbers for my business, but I went off script, and out on a limb, when I concluded my presentation by saying, *“While our competitors are all much larger, and have the advantage of providing our clients many more products, I believe we have the talent to become the #1 U.S. Treasury Primary Dealership in the world. It will take a lot of hard work, and our competitors will fight us tooth and nail, but we can do this.”*

In my eight years at Greenwich, I had never heard anyone make such a statement. We were proud of our success, but the firm still viewed itself as “the little engine that could” and not as a market leader. I believe this was partly because of the enormous size of our competitors, but also because of our founder and North Star, Ted. Being such a people person, Ted thought about most issues in terms of individual, not firm, achievements. While that was the genius of Ted, and a big reason for Greenwich Capital's early success, I believed the company was at an inflection point and it was time for the entire firm, and not just individuals, to aspire to greatness.

Going out on a limb and publicly declaring my ambitions for my department probably affected me more than anyone else. I began

to regularly say to myself, “*We can do this,*” as I contemplated Greenwich Capital’s path to become a market leader.

As we continued to hire experienced “A” players from our competitors, the building blocks for the foundation of that dream started to fall into place. Because of our outstanding traders, salespeople, strategists, economists, and support, our share of our customers’ business began to rise sharply. Profits followed suit, and both our U.S. Treasury Primary Dealership and our Mortgage and Asset Backed Department began to generate an increased amount of attention from both clients and competitors.

A few months after the big strategy meeting, on April Fool’s Day 1996, Leigh’s and my family became complete with the arrival of our third daughter, Cameron. Suddenly, it seemed the stars had aligned for my personal and professional life. However, as is so often the case, that’s when the next challenge rises up.

## **CUT THROAT AND DEEP THROAT**

In 1999, seven years after my first surgery, my health again became a major issue. I had three major aortic surgeries that year. Literally, as I was getting back on my feet from one operation, I was being knocked down by the next. The last one, as collateral damage, cut one of my vocal cords so I could barely speak. For all of that year I did most of my work, and held most of my meetings, lying on the sofa in my office.

In addition to my personal physical crisis, the year had been a wild ride for Greenwich Capital. For some time, institutional investors who owned the majority of the equity of our parent company, NatWest, had been dissatisfied with the performance of the bank and they were open to the idea of NatWest being bought by another company. To get these institutional investors to support their bid to buy NatWest, the Royal Bank of Scotland came up

with a strategic plan outlining what they would do with NatWest following the purchase. Despite knowing little about Greenwich Capital, RBS decided it would sound good to investors to announce they were going to concentrate only on core businesses—and a bond trading firm headquartered in the USA, which operated autonomously, did not qualify as core.

One day in early January 2000, while I lay on my office sofa, Ted walked in, closed the door behind him and sat down at my desk. I could tell he had something serious to discuss. With none of his customary lighthearted small talk he said, “*Mr. Ben, do you know Chip and Gary are planning to leave once this deal with RBS goes through?*” In my barely audible whisper, I told Ted I had heard that. Ted then asked, “*Do you still want to be CEO of this company?*” While Ted and I had become good friends, surprisingly, we had never spoken again about me becoming CEO since that hamburger dinner he bought me 10 years before. I think that was because the position of CEO hadn’t become available during that time and, just as importantly, I had my hands full trying to stay alive and do my job. However, with the top job now up for grabs, I told Ted that I “*absolutely*” still wanted it. Then Ted, like Watergate’s Deep Throat, cryptically gave me a tiny scrap of hugely important classified information. He said, “*There are people in this company who don’t think you can handle the job physically, and if you want to be CEO you have to fight for it—right now.*” With that, Ted stood up, wished me luck, and walked out of my office less than a minute after he entered.

As Ted closed the door behind him, I tried to assimilate what he said. The good news was great: Ted was in my corner. The bad news was some others weren’t. Given the abysmal state of my health for the past year, looking at it objectively, I don’t think I would have thought it was a good idea for me to become the CEO. But I wasn’t objective and I wanted the job. Ted hadn’t divulged who was concerned about my health, but I knew the opinions of only three

guys mattered: Ted, Chip, and Gary. Already having Ted's support, all I needed was one more vote and since I reported directly to Gary it was clear it needed to be his.

I had worked for Gary my entire 13-year career at Greenwich Capital and we were always very friendly, but never close. This had nothing to do with Gary's personality; he was someone I would have been proud to have as a good friend. Given our professional relationship, however, I don't think either of us wanted to become too close because in business it is generally a good thing to have a certain amount of personal distance between people who directly report to one another. However, I firmly believed Gary would support me if he could be convinced it wouldn't be detrimental to my health.

There was only one person in the world who could speak with authority on the issue of my health, and that was my surgeon, Len Girardi, at New York Hospital. Len grew up outside Pittsburgh and was the first in his family to attend college. He went to Harvard as an undergraduate, played football there, and went on to medical school at Cornell. Despite being only 39 years old, Len was already one of a handful of world-renowned vascular surgeons and he kept busy. He did more than 500 surgeries a year with the vast majority being the delicate, lengthy and highly specialized, life-critical aortic surgeries he performed on me. In the medical community, he was a top gun fighter pilot and if you had my medical issues you didn't want anyone but him flying missions for you. I slowly and gingerly made my way from the sofa to my desk and called Len. Miraculously, I got him on the phone:

**Me** (whispering weakly): *Hi Len, how's everything?*

**Len** (sounding busy): *Pretty good Ben—what's up?*

**Me** (sounding worried): *There's some stuff going on here at work and there's a chance I could become CEO if I can handle the job physically... what do you think?*

**Len** (asking a question I hadn't anticipated): *Will you have to do any heavy lifting or running?*

**Me** (liking where this was going): *No.*

**Len** (again sounding pretty busy): *You'll be fine.*

**Me** (sounding relieved and hopeful): *Would you be willing to talk to my boss and tell him that?*

**Len** (with his voice now getting gradually weaker as, I assume, he was in the act of hanging up to do something more important than talk to Ben about his career): *Sure, have him call me.* (click)

The next day I arranged for Gary and Len to speak on the phone. First, Len addressed why I looked, and felt, so God-awful after these aortic replacement surgeries. Len explained this was the most painful of all surgeries because of the huge area covered by the aorta and how difficult it was to get to.

Len further told Gary my heart was in good shape and my health issues were all related to my rare connective tissue disorder. Finally, Len explained that concerns about stress in the workplace, leading to health problems, were widely misunderstood. For example, most people believe that, by itself, stress is harmful to your heart. However, the heart and aorta are not organs capable of rational thought—that job is reserved for the brain. In a case such as mine, Len opined that stress can actually be a good thing because it gets you out of bed in the morning with a sense of purpose—which *is* good for your mental and physical health. Since I had no history of high blood pressure, Len assured Gary that even if I experienced stress from work, it was likely my aorta would remain blissfully ignorant and unaffected.

Throughout the call, Gary peppered Len with tough questions about the prospects for my health over both the short and long term. Len, genuinely believing what he was saying, but also understanding how much I wanted this job, batted all these questions away like an

NHL goalie. Finally, Gary took one last hard shot: “*So, you’re telling me Ben can be the CEO of this company?*” Len responded with the precision of a surgeon and perhaps a dose of levity, “*I can’t tell you Ben should be the CEO, but I can tell you I don’t believe the job will kill him.*” The coast was clear.

## GOING TO WAR

Before Ted’s Deep Throat conversation with me, in the immediate aftermath of RBS winning approval to purchase NatWest, Chip and Gary were the only Greenwich Capital employees to have substantive discussions with RBS about our company. Nothing they heard gave them confidence that RBS would allow Greenwich to continue to operate autonomously. Soon after, Chip and Gary resigned from Greenwich and Ted also announced his departure. Things were not looking good and Greenwich Capital employees were getting more uncertain and worried by the minute. Despite sharing the concerns of other employees, I realized there was some very good news for me. Not only did I get named Co-CEO of Greenwich Capital, but my partner, Jay Levine, was a great guy from the mortgage side of the business.

Jay had come to Greenwich eight years earlier (from Solomon Brothers) and he had the mortgage business in his blood. He grew up in California and his father had founded and owned a successful mortgage origination company. Jay was smart, hard-working, and he loved the business. Also, he wholeheartedly subscribed to Ted’s belief that business and fun went hand in hand. But before Greenwich Capital could get back to having fun, there was one specific task that needed to be accomplished. Jay and I understood a people business could not perform well if employees were distracted or, worse, frightened. Our #1 mission was to take charge in a decisive way by clearly communicating a simple message and plan.

### The Meeting

In our first act as Co-CEOs, Jay and I called a meeting of the entire firm in the cafeteria and delivered this message to employees:

We can't let ourselves be distracted by what is going on in the markets or what is going on at RBS. We don't control the markets or RBS, but we do control how we respond to these challenges.

Who cares if RBS ultimately sells us or keeps us? If we continue to perform well, there are many companies who would love to acquire Greenwich Capital and we will be able to dictate terms.

However, if we allow ourselves to be distracted and our performance suffers, no one will want us and even if we eventually do find a home we will lose the autonomy and culture that we treasure and is the key to our success.

We need to do this for the sake of our firm, our careers, and our families who are depending on us!

Soon after our meeting with employees, Jay and I met with the senior management of RBS who decided to visit Greenwich one time before they made a final decision about what to do with these “non-core” Americans. Feeling the cards were stacked against us, Jay and I decided to get aggressive and we gave an impassioned sales pitch about the strengths of Greenwich Capital and, most importantly, what we saw as the potential for our company going forward. It felt as if we were playing high-stakes poker, on behalf of 550 employees and their families, with only a small stack of chips in front of us—which we pushed “all in” to the pot.

Jay and I left that meeting with no idea of what to expect. However, a few weeks later we received better news than we ever dreamt when RBS made a public announcement reversing their decision to sell Greenwich Capital. In that press release, RBS stated it intended to “ring-fence” the firm (i.e., continue to let us operate autonomously) while they concentrated on integrating NatWest into RBS. At that point, Jay and I met with Ted and asked him to

return to Greenwich Capital as a spiritual leader. Ted, who clearly wasn't ready for the fun to end, gave us both a huge hug and said, "*Hell Yes!*"

For Greenwich Capital employees, having RBS publicly and loudly proclaim they intended to sell the firm had been like a cavalry of 550 soldiers being thrown off their horses at the same time. Employees felt bruised and scared. However, as Jay and I continued to proselytize our message of salvation through performance, Ted announced he was staying, and RBS announced it was ring-fencing Greenwich Capital—those 550 people got back up on their horses, the horses broke into a full gallop, and no one slowed down for the next seven years!

### **The Results**

The decision to keep Greenwich Capital proved to be an outstanding one for both RBS and Greenwich Capital. In the early 2000s, Greenwich Capital's two primary business lines really hit their stride. First the U.S. Treasury Dealership, and then the Mortgage and Asset Backed Department, began being perennially ranked #1 in the world by the largest 100 institutional clients globally.\*

The quality of our client relationships, combined with our talented traders, paved the way for our firm's financial performance. From 1999 to 2006, Greenwich Capital increased its pre-tax profit 500%. In 2006, our firm generated \$1.25 billion in pre-tax profit with only 1,250 employees—which is \$1 million of pre-tax profit per employee. As I was stepping down from an operating role at the beginning of 2007, I was curious how the performance of Greenwich Capital stacked up against our competitors. I used Goldman Sachs as a comparison because they were historically the most profitable and highly regarded Wall Street firm. When I looked at the

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\*According to the independent consulting firm Orion Consultants.

results for the time Jay and I were CO-CEOs, even I was startled. From 2000 to 2006, Greenwich Capital averaged \$796,000 pre-tax profit per employee, versus \$288,000 for Goldman Sachs. This means, for those seven years, Greenwich Capital was nearly three times more profitable per head than the most prestigious firm on Wall Street.\*

## LOOKING BACK

Part One of *The Bigs* is titled “How to Survive, Thrive, and Have Fun in the Big Leagues,” and not “How To Become a Corporate CEO,” for two reasons. First, as you now know, the process of becoming a CEO in a large organization is fraught with events you can’t control. Second, this book is about the journey and *not* the destination. Statistically, only a tiny percentage of employees in a large organization can become the CEO. However, in those same large organizations, a considerable percentage of employees will have jobs and careers they enjoy and find rewarding.

While I certainly did enjoy being the Co-CEO of Greenwich Capital, the most fun I had in my career was being a sales manager. Working on the trading floor, surrounded by my friends, knee-deep in the markets, selling, managing, and recruiting was a perfect fit for me. Also, this was easily the hardest I worked during my entire Wall Street career. I came home every night exhausted—but I couldn’t wait to get up in the morning and do it again.

If you are going to pursue a corporate career, my advice is to strive to find a job that fits your talents, interests, and skills the way being a sales manager did for me. (And, *The Bigs* is here to help

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\*The other investment bank which was a reasonable comparison to Greenwich Capital was my old employer, Morgan Stanley. From 2000–2006, Morgan Stanley averaged \$126,961 of pre-tax profit per head. By that metric, Greenwich Capital was almost eight times more profitable than Morgan Stanley.

you do just that!) The perfect fit industry and company will be different for everyone. However, if you are determined enough, you *will* find a situation that allows you to have fun, create substantial value to your company, and get paid fairly for your contributions.

If becoming a CEO is your goal, the only way to get there is by doing your very best at every rung on the ladder (even if you, like me, sometimes fail). If you catch the right breaks and achieve your ultimate goal—great. If not, you will still have enjoyed a highly successful career.

## GOING FORWARD

When I stepped down from being Co-CEO of Greenwich Capital at the beginning of 2007, I was leaving my dream job. People have often said I was a genius to foresee the impending financial crisis and get out of the way, however, I was not that smart. All I knew was that after 26 years in the business, five major surgeries, and having achieved the goals I set for myself and the firm, it was time for a change. I remember the moment, in the spring of 2006, when I realized this. I had gone out for a walk, something I never would have done in the old days, and I didn't want to go back to the office. That sounds pretty benign, but I always *loved* being at Greenwich Capital and I realized this was the proverbial canary in the mineshaft. In March of 2007, I officially stepped down from the Co-CEO role, resigned from the board, and became a vice chairman of the firm, which was a ceremonial title. Happily, in doing so, I was able to move my office downstairs next to the other vice chairman—my good friend Ted.

Another issue was, starting in 2006, RBS began to dismantle the ring-fence and integrate our firm into their global banking business. The autonomy Greenwich Capital always enjoyed was the foundation on which the firm built its unique culture. That culture was the reason top professionals were attracted to Greenwich, why

few ever left, and why the firm became so outrageously successful. In April 2009, RBS symbolically completed the integration by officially retiring the Greenwich Capital brand name. I still cared a great deal about many of my former colleagues who remained at RBS, but the name change extinguished any lingering allegiance I felt to that special firm Ted started 28 years earlier—it was gone. Feeling similarly, Ted also officially left the firm around this time. Fortunately, this sad occasion coincided with an exciting new business opportunity.

### **Let's Do It Again**

Two months later, in June 2009, Jay Levine (my Greenwich Capital Co-CEO partner), Ron Kripalani (a talented and highly regarded Wall Street veteran), Bob Eick (a charismatic and standout salesman from Greenwich Capital), and I decided to buy CRT Capital. CRT was a 20-year-old broker-dealer that was struggling and Jay, Ron, Bob, and I thought it would be fun to try to recreate some of the magic of Greenwich Capital. Now, four years in, and using Ted's playbook, we have hired many former Greenwich Capital professionals as well as many top professionals from other Wall Street firms. We also successfully recapitalized CRT with an equity raise led by Aquiline Capital Partners. CRT's headcount has increased from 100 to 300 employees and I believe we are on our way!

## **FINAL THOUGHTS**

In the next chapter we dive into the exciting world of entrepreneurship. However, before we move on, it is important for you to appreciate the benefits that come from beginning, and perhaps staying, in a corporate career. The following are just some of the highly valuable benefits I enjoyed while working at Bankers Trust, Morgan Stanley, and Greenwich Capital:

- The opportunity to work with, and learn from, many talented professionals and co-workers.
- The opportunity to establish a network of professional contacts, starting with your co-workers. Over time, it is likely your co-workers will migrate to other companies and your network of contacts will expand. These contacts can be invaluable sources of business opportunities, helpful if you want to switch jobs, or pools of talent to hire from when you get into a leadership position.
- The “leverage” of working at a big company. A big company has big resources and, if you do a great job, ultimately you will be given access to those resources. With your talent and those resources, you have the opportunity to make a lot of money for the company and yourself.
- The financial security of working for a company that is likely (but not guaranteed) to be around tomorrow.
- The ability to learn the business and make mistakes that will not “sink the ship.”