Do The Right Thing The Right Way

Flipping Out On The Balcony

It was a warm, balmy evening. The setting sun glinted across the rooftops of the city. Trees in the nearby park shimmered as the breeze rustled the leaves. The sky was a palette of blues dappled with a few pink clouds. It was beautiful pause in the day. Life was fantastic. Beautiful world, happy family, useful work, liberty of leisure. Anything was possible. The city sounds drifted up and made me smile. I loved life.

Life was good. It was great. But looking out across the rooftops of the city from the balcony of the penthouse suite, something felt not right.

From the balcony of our top floor apartment I looked down to the building site next door. Groundworks on another block of flats had begun. There was a small campsite made from corrugated sheets where the building crew lived. It was the end of the day and a couple of men were bathing in a large tub of greyish rain water. I could see the fire where they would cook some chicken and vegetables. It might seem OK, they had food, shelter and work - but their life was not easy. They were regular people, feeding their families. They were down in the mud just getting by, while I was up in the penthouse with a view of the world: “Master of the Universe”. That was not right.

Did it have to be like that? After all these centuries and with all this new technology and understanding surely we could do a better job of sharing this planet.

Looking out from the penthouse balcony I reflected on my situation and the future. It was 1998 and I'd been in Asia about a decade. For the past five years I'd been doing venture capital - my dream job. The previous couple of years had been particularly interesting since property bubbles had been pricked by currency revaluations wreaking havoc across the economies of South East Asia. Thailand was one of the first to be hit and I was in the middle of it.

The Asian Financial Crisis had stalled the economies of South East Asian countries. Developing and managing venture capital investment opportunities had been made difficult by the collapse of the currencies. Businesses needed cash but their sales had suffered as well as their balance sheets and owners could not come to terms with the realistic valuations. But they still had their big shiny cars and large houses.

The bankers, including venture capitalists like me, had survived. In fact, at the time I was watching that setting sun, they were beginning to swarm again. Big funds, backed by political connections, were coming in to the region from America and Europe to gobble up what ever they could. Although the people and company I worked with were straight, we were small and insignificant in the general flow of capital. I got a bad feeling from the immigrating herd of highly trained and well paid, but locally inexperienced, fund managers managing Western funds with too many politicians on their boards.

I spoke to a couple and my intuition was that they were not there to help people develop opportunities but rather to grab what they could through connections. They would take a stake in the game whatever it took. “Golf course deals” had always struck me as unsound, untrustworthy. It was right to develop a relationship with the people you do business with -

that builds trust - but without due diligence, wasn't it just an insiders' game? It seemed that way. Certainly doing deals that way is not open. Although the term golf-course capitalism found traction in Asia and became a euphemism for cronyism and corruption, it is found all over the world.

We fiduciaries were responsible for the appropriate allocation of capital. We had been privileged to have the education and opportunity to do the high powered job. And we were well paid too. Wasn't it our job to allocate that capital in a moral way? If the result was that we accumulated wealth at the expense of other people, including the investors whose money we managed, wasn't that wrong? A bit like slavery? That is what seemed to be happening as rich get richer and poor don't.

The disparity in the human condition facing me on the balcony was repulsive and the wave of greed that was flowing through the world of money was dreadful.

In this world of computers, genetic engineering and space exploration it seemed wrong that two people should have such different lifestyles. If bankers are smart enough to earn so many times more than that man in the muddy rain bath, shouldn't we be able to engineer financial solutions that serve everyone better, more equitably? And didn't the same apply to politicians, industrialists, CEOs, lawyers, accountants and so on? Didn't it really apply to anyone who has the time to read a book instead of working to feed themselves and their family? It was our responsibility to manage ourselves and the world in a less primitive, savage way. I felt that there must be a way to balance economics with ethics. It was my responsibility to look for that way.

I reasoned that if it's not possible to be successful and ethical, if it's not possible to balance ethics and economics, then a hedonistic approach to life might be justified. If there is no way to make an honest living then I could stop worrying and play the same game like everyone else.

I did not have qualms about success – it is easier to cut corners, obfuscate and spin than to be straight. It is easy to cheat to win. And I'd been well trained and wore a suit so could easily play the game and win. No one would care if I stepped on a few fingers on the way to getting that bigger house, second house, third house, ferrari, yacht … power!

Clearly it's not necessary to cheat and grab to survive. It's not a case of eat or be eaten – there's too much "stuff" in the world. But the foolishness and inequity in my world made it necessary to test the idea that we could improve the system.

And if ethics and economics could be balanced, if we could all be happy, then I wanted to do things more like that. I wanted to do the things I was doing – great job investing in businesses, growing family, fun after hours – but not if it wasn't making the world a better place. It wasn't OK just to wear the suit. Work and life had to be done in the right way, with ethics. I had to take responsibility for my impact on the planet and on other people. I had to change the way we did things. The simple answer was to do the right thing the right way. That perspective had grown from my focus on "honesty" since realising as a child that honesty was all that made the difference between good and bad relationships. If truth and straight dealings were the rule among the rich and powerful, rather than the exception, the world would still have plenty of food, space and stuff, but it would spin on love and sharing instead of fear and greed.

It was time to change course.

The Good, The Bad and The Ugly

Having grown up with virtuous parents as role models and surrounded by “nice” family and friends, I imagined that the world was good. Why not? That is preferable to the opposite. So a basic assumption was that business is good and investment bankers too.

And, as an investment manager, I knew successful allocation of capital could be made simply based on demographics and data, while technology gave everyone the tools to crunch numbers. So, over time, the industry should be becoming less prone to fraud and more efficient. Lessons must have been learned from decades of mistakes, including the then-recent junk bond and LBO crashes and insider trading scandals of the 80s. Naturally our business was above board – we played by the rules, turned away from graft and had a good track record and reputation. But now my expectations about honesty in investment management were being challenged.

Increasingly, the ethics of the finance industry needed to be questioned. Maybe from a local perspective in Asia you could understand some of the self-serving practices like favouritism. In a rapidly changing environment, where the economy is emerging from an agrarian culture, favours are almost a part of barter, and family values, where nepotism plays a role, are somehow instinctive. On a national scale protecting interests might mean allowing a monopoly in order to compete against bigger international enterprises entering your nascent economy. But Hong Kong already had a mature economy and others that we worked in, like Thailand, were sophisticated and had been accessing international capital markets for many years. There were international standards in listed company and government circles. Even large segments of private enterprise were expected to operate to international standards because businesses exported globally. Maybe you could make excuses about some corruption among big local operators, infrastructure projects and so on, but when it destroyed value, and often people's opportunities, that was not reasonable. And crony capitalism among multinational companies and international banks was very worrying – how many big bad decisions were being made?

All too often the investment opportunities hawked around the investment banks, both for listed and direct investment, were fantasies underpinned by marketing spiel rather than rational analysis. *The Dilbert Principle* was all too accurate and realistic. It offered insight and pragmatism that any MBA lacked. In one Dilbert strip Scott Adams' humour underlined the message “*caveat emptor*”.

"Caveat emptor" - Buyer beware
from *I'm not anti-business, I'm anti-idiot*
by Scott Adams, 1998 © United Features Syndicate

I kept a cartoon by KAL from *The Economist* as a reminder of how financial markets really work.

I've got a stock here that could really excel ...
This is madness, I can't take anymore. Good bye!

The insight of that strip alone was an incentive to make financial markets serve people better. P.J. O'Rourke in *Eat the Rich* soon helped me cop on to the fact that the stock markets were just trading opinions anyway. The money flowed between traders, not the listed businesses themselves. I was happy to be managing investment directly to companies; that seemed more real and useful. And it made a bigger difference if you chose badly or well.

After a couple of years of galloping markets in Asia, investment sentiment had turned. The property bubble in Thailand burst and the Thai Baht was revalued. Dollar denominated debts doubled overnight, while there was no change in the Thai Baht asset value. Properties and businesses were suddenly bankrupted. The Asian Financial Crisis imploded economies. That had been my world for a couple of years.

Perspective of a Venture Capitalist

Building a good business that had a humane feel, had seemed a good way to prosper and to help make the world a better place. We invested in decent businesses and, though we kept investment disciplines, our business had a soul. We were not just buying and selling shares, but were actually putting cash in to businesses and management teams. We did not just invest money but we also helped enterprises develop management systems and cultures. And our work was made more exciting by partnering with several businesses at once, not just one.

The work was great. We got to do everything from finding opportunities through to exiting investments. We were exposed to everything: Crunching numbers, drafting agreements, working with professional advisors, like accountants and lawyers, working with internal screening teams. We also got out of the office. We visited the factories, shops and outlets of businesses, we developed relationships with managers and met staff. We looked for ways to add value to businesses; not just through financial structuring but in operations too.

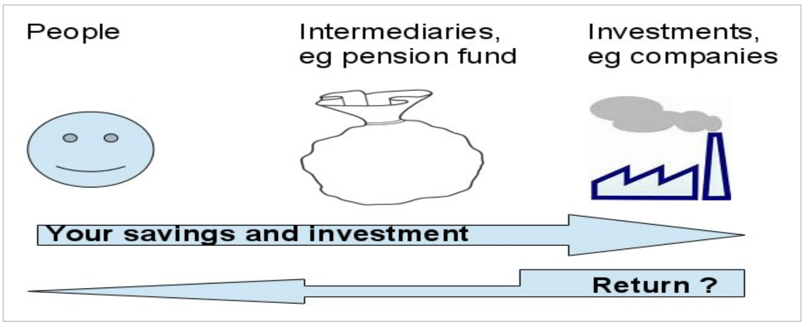
Our job was about managing risk and problem solving. Understanding risk seems like common sense but when it comes to putting money on the table, other people's money, it makes a difference whether your opinion is right or wrong. As a financial engineer measuring risk was part of the skill set. We used data, statistics, standard deviation, correlation and so on. We had to decide whether to manage the risk and how to incorporate it into investment decisions, perhaps using portfolio theory, market rates and efficiency correlations. But, as a venture capitalist, I knew that I was dealing with people, not numbers, and there was no right answer. We did the best we could to make a sensible guess about the future, which always turned out differently. Nevertheless, we knew the necessity of financial analysis, and it's weakness:

The information you have is not the information you want.
The information you want is not the information you need.
The information you need is not the information you can obtain.
The information that you can obtain costs more than you want to pay.

The important thing was to replace chaos with error, to make a judgement rather than a bet. You got whatever data you could, then saw if it backed the story and if you still felt good about the people. You made a special effort to identify and evaluate risk. That meant seeing past the words and numbers to gauge the chance of watching your money run away. It is much harder to make money than to lose it. Saying “NO” was often the best way to manage risk.

Risks are everywhere!

A quick look at the investment cycle



You deposit cash in a bank, pension fund or investment fund. You are the ultimate beneficiary.

The bank, pension fund or primary investment fund is now responsible to you for the assets. You have trusted them with your cash.

The bank, or pension fund primary investment fund invests the cash in a Fund, managed by a fund manager. The Fund is responsible to the bank, or pension fund or primary investment fund. The fund manager is paid by the fund.

The fund manager decides what to invest in. The fund manager invests the cash of The Fund in Investee Companies listed on a stock market or privately held (eg VC). The fund manager is investing other people's money. The fund manager is paid a fee for managing the Fund assets.

The bank, pension fund, or primary investment fund trusts the fund manager, on behalf of the beneficiary.

When the Fund has sold its shares, it pays the fund manager some more, and then the Fund repays the bank, pension or investment fund, which takes its fee and repays the beneficiary, ie you.

Other transaction fees are taken along the way, such as stamp duty, broker fee, trader fee, legal fees. This is all to make sure that the trust of the beneficiary is earned.

One day, after a friend, Pakpoom, thrashed me at squash he gave me Peter Bernstein's *The Story of Risk*. Bernstein told a masterful story which helped focus attention on the natural laws of investment. These were home truths like: *You can't outperform the market all the time*, with the associated conclusion, *so don't bet that you can*.

Obviously venture capital is a risky business. Nevertheless, in my private life calculated risks had also been taken, from sailing in a high wind to trying to start a life in a foreign country, so plainly I had some appetite for it. It wasn't a desire for risk, it was more that you had to manage risk to do some of the more interesting or fun things in life. Doing that might yield a more interesting, even fulfilling, life, though it might be shorter too. Being "risk realistic" was an optimal strategy which I aimed for, though it could be a self-serving description, especially when caught up in the excitement of an attractive business investment opportunity. In any case, it is always useful to focus on risks and problems, management of which improves business performance, rather than get to caught up in the hype of opportunity and the good things that attract you and blind you to the problems. Fixing problems and improving capacities adds more value. It makes an investment more than just cash for shares; it is cash, plus commitment and advice.

Helping businesses was our aim, but it was not always possible. As well as other obstacles, we bumped up against the wall of integrity in the Wild Wild East. As a team of venture capitalists we delivered investment analysis, financial engineering, advice and administration, but, above all, we were fiduciaries* managing other people's money. There were plenty of opportunities to cut corners and engineer back handers, but we wanted to operate above board. We certainly walked on the edge of seedy dealings, including a couple of “night-club meetings”, but managed to walk away even when the money looked easy and the taint was not openly evident. We believed that you should be able to run a successful business without cheating. Fortunately my boss, Roger, was straight and maintained a culture of integrity. He wanted to do good business, without cheating. Our office was a comfortable place to work.

During those exciting years of doing venture capital in the fast emerging economies of Asia, the contrasts of wealth and poverty, opportunity and pain were in your face all the time. It was a chance to favour business that had integrity as well as business acumen and that kind of decision fitted well with our straight dealing approach. We knew that mutual trust was the basis of the deals we were doing and that suited a partnership type investment dynamic. We certainly tried to clarify investment relationships in contracts, but those are as much a tool for communicating with each other as a legal arrangement, to which you never want to have to resort.

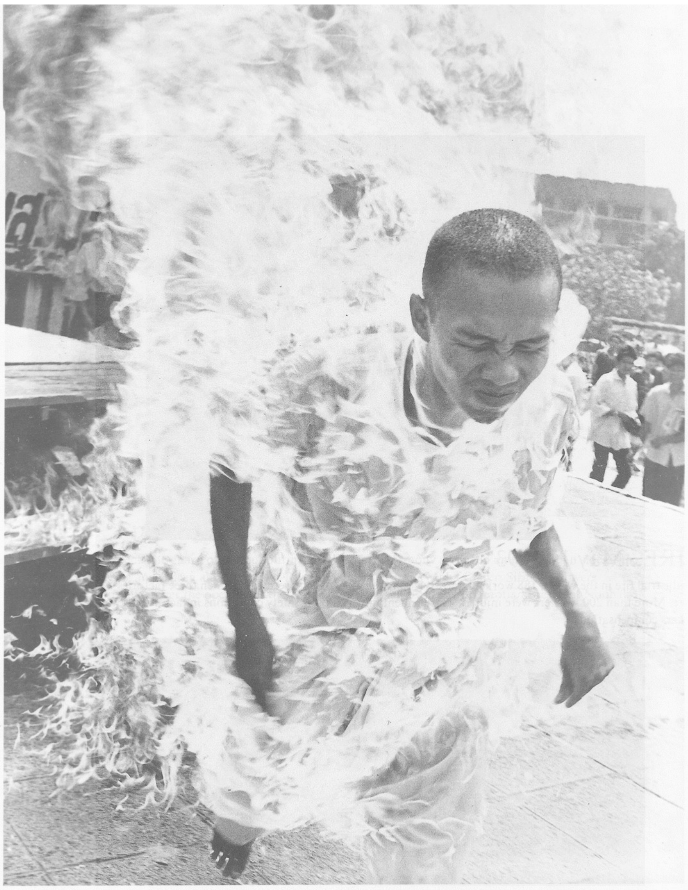
As curators of other people's money, it was our responsibility to be ethical. There is a presumption that investors want to abide by the law and also that they don't want to support unethical businesses. But if other investors skimp on ethics and are not being caught out, there is more pressure for us all to operate in the same way. But it is the responsibility of fiduciaries (and other professionals like lawyers and accountants) to act with integrity because that is the *quid* for the *quo* of having charge over other people's money. That money is mostly from small investors via pension funds and so on. It is the aggregated deposits of every employee or small business operator. (Anyway, it seemed that cheating would be boring. Anyone could do it, and winning by cheating wasn't really winning. It was lazy and careless.) Surely we could do the business right and still be the best.

Generally fiduciaries were good. But everyday I started to see the signs of dishonesty that led to inequity, injustice and the destruction of our world. In cities, you could actually see the air we were breathing, even if you were behind the glass of a limo or office tower. You could nearly chew it if you were on the motorbike taxi during rush hour. Seeing Bangkok or Beijing

* Definition: An agent of a principal who stands in a special relation of trust, confidence, or responsibility in certain obligations to that principal. A person who holds assets in trust for a beneficiary; usage "it is illegal for a fiduciary to misappropriate money for personal gain" (From www.thefreedictionary.com)

on a bad day, when yellow-grey smog throttles the city so you can't see to the end of the block, gave a disgusting and powerful reason for cleaning up our act.

Everyone presumed that there is some corruption. I kept this picture of a Thai student burning himself to protest government corruption, vivid even in black and white, to remind me of what some people suffer to make the world better. Khun Thanayuth, only 21, opted for peaceful but eternal protest against oppression, instead of public violence. Sometimes suicide is less painful than an unjust or futile existence. This kind of plea for justice elicited by government, professions and business from people underfoot had become unacceptable in our modern age.



HUMAN TORCH... October 9 1990.

A protesting student Thanayuth Klinchuam, 21, a second-year business student sets himself afire to protest against government corruption. With burns on 50 per cent of his body, Thanayuth died five days later.

The equity markets had been turbulent and the Asian Financial Crisis had knocked confidence. Although the IMF and international investors were sniffing around, moral propriety would not necessarily flow in to Asia with all the Western cash and industry. As a matter of due diligence we would look for “financial leakage”, especially in mature industries. We assumed there is some corruption in government and business to greater or lesser degrees, depending on which country and which industry.

As it happened, international attention about poor working conditions among sub-contractors was growing. We had no concerns there among our holdings and a precautionary investment approach had served us well again, but “sweat-shop concerns” confused everyone and made investors cautious. Even global brand names were coming under attack for allowing inhumane conditions in their subcontractors. It was fine to create jobs, but not so fine if they were 100 hour weeks for less than enough to pay rent and eat. Who wanted to support that with their investment dollar or the job they did, let alone their consumer dollar?

I was becoming more aware of the impact of fiduciaries on our world. Concerns about the behaviour of the finance industry on the lives of everyone else was becoming a serious issue to me because it felt like there were some big players cutting corners as a matter of practice. People like us, bankers, industrialists and politicians, were all too often lining their (our) own pockets at the expense of the people they are responsible to. And usually they (we) claimed to be doing it for the benefit of others; "to give them jobs" or "get better crops" or "get better returns". We were the smart, rich ones entrusted to do the right thing and paid to do it the right way, whether it was to invest money, manage a business or manage a bureaucracy. That was not right and was unnecessary.

Industrial investments might be within the law, but that did not mean they did not pollute, underpay, overwork, poison and disown and disclaim responsibility. And sometimes the bigger players got away with more. The businesses themselves knew if they were being unethical, and usually others did too.

Anyway, it was disingenious for a financial investor to pretend not to know how a business manufactured such and such in China, Vietnam or Indonesia. Direct investors knew. It was a fundamental requirement of the job. Portfolio investment managers, who bought shares on the stock-market, knew. They knew whether their investment holdings manufactured using inhumane conditions, and they knew about the sub-contractors of their holdings. Maybe the fund-of-fund manager didn't know. And the ultimate investor, the beneficiary, the pension holder in America or Europe probably didn't know. But generally everyone in the business knew or could judge which businesses, managers, politicians and even investors were straight. So, at the core of the system was the money manager and if the fiduciary was crooked, the integrity of the system was corrupted and moral hazard spread through even the "good" fiduciaries. The question was whether Asia and the finance industry would lean to virtue or permissiveness.

Many foreign businesses, investors and governments were starting to wake up to the potential of Asia, again. The biggest ones smelled opportunities in the ashes of the financial implosion.

The decisions of fiduciaries were having more and more effect on our world. The global impact of decisions made by fiduciaries was growing far faster than populations, or even economies, in their absolute amount, relative influence and global spread. The volume of money flowing around the world was swamping anything else. Decisions made by people moving money affected every sector from agriculture to bio-technology, from energy to transport, from nano-tech to macro-tech, even politics and education. The world of money was so important to society that it had to be virtuous. But whatever sector you looked at it seemed that as the money got bigger the ethics got smaller. The more power people were given the more responsible they ought to be. It was the monetary equivalent of the old story: absolute power corrupts absolutely. But everyone turned a blind eye excusing themselves because "That's just the way it is". The world of money needed a radical rejuvenation. It needed to clean up its act.

Social and environmental screens were a start. But the culture of greed and deception meant rule would be twisted and manipulated. The culture of implementation is far more important. Behaviour in a nurturing, wholesome culture without rules will be far more honest and viable

People didn't have to be perfect, just realistic about the way the law and best practice conflicted with the realities of human nature and situations. Particularly in the more difficult human situations, like hunger, ignorance and fear. People have to eat to live. And in a fight for survival, other people's life is cheap. In Thailand, a trucker who hits a pedestrian on the high way will reverse over the injured person because a funeral is cheaper than medical care which they would have to provide. It can be beastly. That is nature – when resources are limited you kill or be killed. But we lived in a world of plenty.

Emerging economies and political systems, influenced by a global media preaching consumption, were ripe breeding grounds for greed, as we, the rich and educated, were not doing enough to help make the world a better place. With all the brilliance at the top of our human pyramid and with space age technology we would have surely found solutions to poverty and strife, infidelity, gender bias, religious intolerance, bigotry and incompetence. If so many people could do no more than struggle for a living, the system was dysfunctional.

Of course being a banker, a suit, it was imprudent to criticise my own industry, let alone employer. But I strongly believed that being flexible, adaptable and accepting human imperfections did not mean compromising ethics or principles to get richer or even to keep your job. My "honesty" mantra, inspired by Billy Joel, resonated.

I grappled with the knowledge that individuals were, for the most part, good but the system we worked in was corrupt. I believed that people entrusted their pensions and investments to blue chip names to get the best returns, maximise profit, and increase the bottom line, but if they knew that their money was funding pollution, brutality, pain, fear and greed, when instead it could be funding cleaner, fairer enterprise, surely they would demand change from fiduciaries. If people saw a better way of doing things and saw through the layers of financial and marketing obfuscation, maybe they would change their behaviour. If professional investors saw that money could be managed in a way that served everyone better and they still got paid, maybe they would want to change too.

One day The Plan came in to my email Inbox and it summed up the kind of plan that seemed to be coming down from HQ:

The Plan

In the beginning was The Plan
And then came the assumptions
And the plan was without substance
And the assumptions were without form
And darkness was upon the face of the workers

And they spoke among themselves saying:
"It is a crock of shit, And it stinks.

And the workers went to their Supervisors and said:
"It is a pail of dung and none may abide the odour thereof"

And the Supervisors went unto their Managers saying:

It is a container of excrement, and it is very strong, such that, none may abide by it"

And the Managers went unto their Directors saying:
It is a vessel of fertiliser and none may abide its strength"

And the Directors spoke among themselves saying to one another: "It contains that which aids the plant growth, and it is very strong"

And the Directors went to the Vice-Presidents saying unto them:
"It promotes growth and it is very powerful"

And the Vice-Presidents went unto the President saying unto him:
"This new Plan will actively promote the growth and the vigour of the Company, with powerful effects",

And the President looked upon the Plan and saw that it was good

And the Plan became Policy

And that is how Shit happens.

You had to laugh. But it was too true to be really funny. That was how bad investments were made with other people's money and how good teams and good businesses got turned into "compost" by presidents, CEOs and directors.

In the investment management industry, there was something not quite right. Everyone looked professional, wore a suit and tie, there were always lawyers checking this and that, and everything appeared to be above board. There were never criminal investigations. The industry was a paragon of virtue, it was the epitome of trust. "Give us your money and we'll look after it, for you of course." At least that was the impression that the City, Wall Street, Hong Kong, Tokyo and more wanted to project. And the higher up the hierarchy you got the more it seemed that the pay demanded the utmost integrity and propriety.

But a specific problem is that while the investment management industry required trust between an individual and a fund manager's decisions, the altruistic essence that a trusting relationship demands wasn't present. The problem seemed to be to do with pay, and the lack of coherence between the investment manager (like us), intermediaries (banks, insurance companies) and the beneficiaries (whose money was being managed).

Financial services took a lot of value out of the original capital invested or earned in transaction and management fees. Transaction fees were high, even though electronic, automatic transactions had a marginal cost of almost zero. Management fees did not always correlate with the work required or the performance achieved. Investment management companies seemed to be able to earn performance bonuses, and hang on to them even when the beneficiaries (the people who had originally deposited or invested their cash) did poorly or even lost money! There seemed to be little integrity in the system and no coherence of objectives. Managers were interested in fees, not performance.

With this perspective – massive potential for economic growth, in a powerful but corrupt system – I knew something had to change.

Jumping Out of the Frying Pan

The issue of fiduciary responsibility gnawed at my conscience. There seemed little prospect of finding a company that wanted to lead change for the better. Cynicism about the world of finance, and even the "civilised" world in general, was bubbling in my heart. It was clear that humanity needed to do things differently, but the detail was not clear. The urge to change the way we did things was strong, but how? There was no example to follow. No enterprise to join. No particular place to go.

These concerns were distracting and turned me off the system that had nurtured me. The world seemed increasingly careless. Simple symptoms like not turning off lights or taps, not saying please and thank you, or not putting rubbish (including fag ends) in the bin were signs of carelessness, ignorance and selfishness. More sophisticated things, like infidelity, price fixing, collusion and graft were more difficult to see, but everyone who did it knew they were doing it. No one was going to be perfect but our world needed more honesty so that trust could flourish again.

The world of money was the lever of human behaviour. Every body's money was collected by fiduciaries, whether as bank deposits, pensions, savings or investments. Then those fiduciaries chose where it went: which enterprises would be supported and how. Fiduciaries also decided what fee they would extract along the way. This process put a lot of power, over decisions and information, in the hands of "trustees" of the world's money, but the world of money did not rise to its responsibilities. Greed prevailed, as illustrated in the true and fictional stories: Gordon Gecko, Baring Brothers, Nick Leeson, junk bonds. As an insider, you knew the track record was not good and the scale of crime was growing with the size of capital markets, deals and greed.

Entrepreneurial passions, subdued by my suit and tie for so long, were allowed to flutter about. Maybe it was time to do something very different. There was a folder full of ideas collated over the past years and enough passion to try to find an answer to the concerns nagging me. We had some savings, but not enough to keep us going for very long without income, especially if we put capital in to some enterprise.

I was still a "suit". That had come to represent a false mask. The suit was a uniform that was supposed to represent decency, intellect, achievement and worth. Often it did. But it was also used as a disguise which covered up carelessness and corruption. That neck-tie, so hated by schoolchildren, was a symbol of power and slavery. We told ourselves that the fancier the tie and the more expensive the brand, the greater the wearer. The colour signalled how tough we were or what politics we supported. However, ties also represented a noose around liberal, or even lateral, thinking.

Opposite the suits stood the greens. Their clothes seemed eccentric, their diets strange and their socially and economically equal approaches attracted negative labels, like hippy, communist, troublemaker, rebel, lazy, dirty and so on. Socialism was bad; capitalism was good.

Why couldn't the best of both be integrated and the worst allowed to wither. That was what most people were really like anyway. People in suits like rock and roll too; vegetarians can be accountants too. We might have to actually think a bit more, instead of carelessly believing everything presented to us. Maybe thinking a bit more would be a small change to make for honesty and happiness.

I wanted to be fair and believed everyone did, that people were basically good. (If people were basically bad, we had no hope and the reality of our world was diabolical.) Nevertheless, working at the fulcrum of humanity's economic system, the world of money, made it more important that people like us do what we are supposed to.

The answers could be felt inside me, though they were difficult to prove. Everyone knew, in their heart, the same answers. That good is right and bad is wrong. The golden rule - “do to others as you would be done by” - was reason enough for empathy, to act as if you are in the other person's shoes. Too many people in positions of power seemed oblivious to this obvious philosophy. Bankers, civil servants, industrialists, professionals, politicians, even religious leaders, as a group, if not individually, espouse a “winner take all” competitive model without accommodating the reality of our interconnectedness.

Bouncing around my head was a barrage of questions like:

- Did we live by greed and fear? - that seemed wrong. Could we not live by love and sharing instead?
- Why do we preach peace, but wage war?
- Why have we allowed gender bias to waste resources for so long? “Female” aptitudes like nurturing were valuable. “Male” aptitudes, like belligerence was destroying lives. Why won't men behave like gentlemen?
- Why don't we respect one another's differences?
- Why do we imprison instead of reform? Why do we kill instead of educate? Why do we behave like a violent beast instead of a nurturing enlightened being?
- What is the meaning of life?

I thought the world needed more femaleness and less maleness, so that humanity would nurture opportunity rather than fight about everything. It needed more honour, more equity and fewer investment bankers. It needed more music and fun and less pain and hunger. People needed to flip motivation from greed and fear to love and sharing. Simply, we needed to “do the right thing the right way”.

That was simple. Why didn't it happen? The inability to see another way or see leaders of true virtue in our world made me want to scream. A young artist up the road gave me this picture one day. It could have been me.

I needed answers. So I had to look for the truth. A Galliano lyric came to mind.

"Truth is not found in either facts or lies,
but the patterns that you weave with them while you're alive."

Looking at patterns of data and information would tell me if the story we were being told was real or fabricated. People can twist a story to suit their needs. Advertisers would say their food or cosmetic would make you beautiful, smart or get sex, and somehow they overcame common sense, and helped us ignore the list of ingredients written on the side. The truth was right in front of us but, like the "king's new clothes" we didn't want to see it.

And what if all these ideas and impressions were just naïve dreams? Maybe everything was ok and it was a case of self-absorbed frustration at finding that life was not as straight and easy as expected. Maybe the "king's new clothes" were there covering the bits, but they weren't so new. Maybe that was just the way things are.

After all, if things were just the way they are and you couldn't make a difference, then why not be like everyone else? It wasn't difficult to squeeze the system, certainly not for an Ivy League graduate, MBA, international venture capitalist. Fast cars, big houses and more could be had. It was easy to switch off empathy for others, for nature, for the planet and have a good time. It would be easy to turn a blind eye to indiscretions, and the payoff would be good. And someone else would pay the price. At the extreme, the world wasn't going to end in your lifetime.

If system change was so intractable that a young person, with a full life ahead, feels such futility in working with the system that they pour petrol on themselves and light a match just to draw attention to corruption, then what's the point? You might as well just look out for yourself and damn the rest.

On the other hand, what if these ideas and impressions were not just dreams, but reality? What if research showed that the system is unethical and we are foolishly destroying the planet and our potential, and that it doesn't have to be like that? What if our life was pretty much the same, but we didn't stress so much? Somewhere in between suicide and greed was a sensible middle ground. That was where most people gravitated. What if every human had food, shelter, opportunity and self-respect because we all thought a little more, cared a little more and wielded power responsibly? Then the human world would be fairer. I wanted to be a part of that change.

The question that needed an answer was:

"Can environment, ethics and economics be balanced?

I needed to know if change was possible. It would be far more attractive to make it happen than to accept the status quo. Maybe there was an opportunity to do things differently.

People like me were better able to take a risk than most to do things the right way. We had education and training, global perspective, connections, track record, time and some savings. We had the opportunity to look for answers; whereas most people in the world were just getting by. So we ought to look for answers and try to demonstrate positive change. *Noblese oblige*, those with money and power raise up those without. Do the right thing the right way.

And sooner rather than later. If we succeeded, others would change too and the balance would tip from money to people. It would be wonderful. Even if we failed, we wouldn't be too old to get back up again. To me, change seemed possible; and I could be part of it.

Looking Forward

So what change did we expect? What kind of role would the new life demand? What kind of person would emerge as I tried to do things in a different way? Not capitalist or communist, not a banker or a hippie, not an artist or a bureaucrat, a chief or an indian, not just male or just female, not red or blue, green or black. It was better to be them all so that conflicting points of view could be understood and a balance could be found. Touching as many areas of knowledge as possible would reduce the chance that important parts of understanding were not ignored. I couldn't be master of all, but I could try to put myself in other people's shoes. I could try to bridge the gap between "us" and "them", and that would help bring the dream to reality.

A paradox arose: Although I wanted to do things differently to show that change could happen and there's nothing to be afraid of, I didn't want to attract attention. It was necessary to attract attention, and not attract attention. It was important to show that life could be nicer, better, different but it would be dangerous to be any kind of figurehead. Becoming a role model, or any kind of focus or celebrity, would taint the experiment. Being a pioneer might attract hyped-up interest, especially given increasingly advertising driven consumer behaviour. That would make success easier because initiatives would appear to prosper but they would be a temporary fad which would fade when the advertising did.

It would be undesirable for "followers" to simply crowd after an aspirational role model without choosing for themselves. Following a role model or celebrity potentially has an undesirable consequence of removing responsibility from the "followers". Celebrity was not the right objective and may even be counterproductive when people abdicate their responsibility in order to be like that role model. You feel like you can sing if you associate with the pop artist, you feel as if you are good looking if you associate with the model or movie star, you feel you are rich and powerful if you wear a suit and drive a fancy car. That was self-deception, cultish and unsustainable.

It is all too easy to follow a banner, to stand behind a manifesto or religion or corporate uniform or even brand without actually thinking about what you are doing and why. The glaring undeniable example of this liability increasingly troubling me was Christianity. Under a mantra of goodness inspired by a modest person who gave up everything, including life by painful death in his early 30s, to liberate people, a feudal hierarchy of institutional money and power had been built. Acolytes waged war in the name of peace! Jesus would have railed against the church now as much as he did then.

Trying to engender change without a figurehead, believing that people need to change from within, not follow, would be a new dynamic. Setting an example without being a role model was a paradox that did not seem insurmountable, but instead rather necessary. Throughout history there were "pyramids of purpose", with masses led by leaders. But it was no good forcing change or selling a promise. That was feudal thinking. Control doesn't work.

People needed to choose for themselves. Yet everyone would need to be part of the change if humanity's systems were to reflect the needs of natural systems. It was OK to point to real heroes, like Jesus and Ghandi because they walked the talk. I also wanted to highlight female role models, like Anita Roddick and Margaret Thatcher, because we needed more feminine qualities in our overly masculine system.

This new dynamic of each person thoughtfully changing themselves would challenge the status quo, the system. Everyone would have to choose for themselves. We must all make our choices willingly and thoughtfully. Mistakes included, unfortunately. Whether or not it was realistic to expect everyone to have the same passion as me, I believed that was the only way the system could change effectively. Now, how could I set the wheels in motion?

The Power of Technology

Everything seemed to point in the same direction, even though it was impossible to coherently rationalise my feelings and intentions. Changing course simply seemed to be a good idea at the time! Maybe the opportunity to choose to change was now available, but hadn't been before. As well as issues with the world of money and politics, the possibility to try different approaches was made possible by technology. The confidence to let go of my career path was encouraged by computers, the internet and mobile telecommunications which enabled anyone to do so much more than ever before.

By 1998, technology was very accessible. It was already clear that, with the right PC, productivity would be many times that of the previous generation. With one you could write reports, crunch numbers, share ideas. For a few hundred dollars you could have a productive home office – computer, print, scan, copy, fax. That was in the late-1990s. Twenty years previously computers were barely more than typewriters. Computers had gone a long way to replacing secretaries in offices. Some people still had secretaries (especially if they were technophobes), but the secretarial role was almost redundant. It seemed like a waste of mind to dictate or even pass paper to others to file. If you thought and wrote a letter at the same time it would come out right and quickly and not be copying drudgery for a "secretary". Cheaply and efficiently you could even produce marketing copy or do accounts.

The benefits and openness of the internet was already theoretically offering the ability to be an investment analyst or fund manager without being attached to several other departments. Even in 1998, you could do research online or access electronic media. Google was an early search engine whose cute name "Go Ogle!" and colours made it extra cool* though others like Yahoo! and Alta Vista were great too. They all sourced and sifted references and data which you could tap into to research business or investment opportunities. We drafted fund prospectuses and investment agreements on the PC, saving time and much of the expense of professionals like lawyers and marketers. Any "knowledge worker" using a computer could be 10x as productive as the same person ten years previously. And theoretically they could operate independently. The cost of the hardware and software was affordable so made the idea of independence more plausible. Start up and operating costs could be kept low. You could deliver a comprehensive professional service from a home office.

There remained a computing achilles heel though. Everyone was tied to the Blue Screen of Death. Microsoft Windows had been a ray of hope when it appeared in the campus computer store back in Philadelphia in 1984 - "finally a sensible user interface!" (There had been Macs in the computer lab at university, but they were too proprietary so most of us were PC users by default.) But by 1998 Windows had become a bloated, buggy, expensive monopoly. The retail price of the operating system alone was unbelievable (at over $600) and it had gross margins greater than that of illegal drug trafficking. (Fortunately my copies were sponsored.) Despite huge profits and monopolistic dominance the software was unreliable. I questioned the ingenuity, let alone integrity, of a company whose expensive software had wasted your time and lost data often enough. The company gobbled up competing start-ups too, stifling innovation and keeping prices high.

It was difficult to stomach the need to use a monopolistic product which could have had so much more integrity. The continuing unreliability of the only operating system available, its exorbitant price, and the way in which it monopolised was evidence that Microsoft was unethical. It had bullied and bribed its way to market saturation. Protected technology implied that the producer could not deliver that technology competitively if it were available to copy. You could buy in to some of the arguments for intellectual property protection. But Microsoft operated a lot like the finance industry: greedy, corrupt and inefficient. It didn't need to, but it did and that needed to change, rather than be encouraged.

Fortunately, there was a salve for this achilles heel. In late 1998, "Linux" was suggested as a potentially viable alternative to the blue screen of death. It was like seeing a light at the end of the tunnel. Linux[1] was touted as a "user friendly" unix system. Everyone knew unix was an engineers' operating system so was powerful and stable but also required "programming" and could only be used by nerds. But even a neophyte could understand its core strength over the consumer monopolists offering: The underlying parallel architecture was far more powerful and secure than the serial logic of "Windoze", which could never get smarter, just bigger and more bloated. Parallel architecture could think laterally, do parallel processing and adapt networks, like the brain. Serial architecture can only get longer or fatter like a pipe, more like the spinal column. Unfortunately unix was far from point and click, so it was not a viable alternative to the Blue Screen of Death yet (unless you were an engineer and were using it for engineering type applications).

Linus Torvalds, who released Linux, made his code open and free. The "free" was nice, the "open" was critical. Torvalds had the confidence that he would continue to be useful and earn

* Until it became too big and evil within a couple of years.

a living even if everyone else could copy his work. Finally someone with the confidence to share their technology without trying to extract a rent from it. This model was the future (if humanity was to have a future). Linux was still too techy for most, but it looked like it would be viable soon.

Emerging open-source software included Mozilla (now called Seamonkey), an open-source browser suite which evolved from Netscape Navigator, but which had greater stability and functionality. It offered an internet suite including browser, email, address and html composer. It was attractive because it did everything you needed for the web, it was free, and its code was open so you knew developers could integrate their applications without stability or security issues. The honesty of open source software was a breath of fresh air. It represented the kind of world we needed – one where people shared their expertise and creativity, instead of hoarding it. Mozilla and open-source software was a white knight come to take on the monopolist. We started using it at home straight away.

The concept of Mozilla's browser suite was intuitive: use a common editing system to interface with the engine which ran the browser, mail, addressbook, IRC client and web page composer. That web page technology, HTML (hyper text markup language), was also cross-platform – it worked on Unix, Windows, and Mac and you could take documents between operating systems! There was no pre-ordained demand for using a certain operating system or additional application in order for it to be functional.

This HTML technology also seemed like an ideal approach to sharing documents. It's a nuisance when you can't open someone else's file, or you can but it looks funny, because there's a conflict between proprietary software. The idea of using HTML as the editing technology (rather than a proprietary one like Word or Pagemaker) prompted the idea of designing business branding for compatibility between web and paper. Letter, webpage, brochure could all have the same livery and you could copy the webpage to paper to produce the brochure. This would mean, for example, marketing material for one medium could be implemented in the other medium with no or little marginal additional cost. Knowledge workers' productivity had potentially taken another leap.

HTML also introduced the ability to have links within a document (which need not be on the web). Even back in 1998 we knew how handy it was to jump from web page to web page following an idea. That could be applied to a document or book. The idea was tested by drafting a plan for our possible new ventures in HTML. It was very simple. The first page was two bullet points linking to two pages detailing the options: "Venture Capital Route" or "New Business Route". Each of these had further options related to the environment: "Family" or "Professional". You clicked the link to follow the options. It was a mini-website on the home computer. It was a complicated way to read the two page summary, but it proved that there was a new, open, interconnected way of doing things. A new way of thinking was emerging. Simply using the new technology could help develop open, parallel thinking.

While still in Bangkok in 1998, I started to apply some of the rapidly emerging information and communication technology. Maybe we could use a website? I decided to have a look at what was possible. Designing and uploading a website was an amateur experiment, but since the technology was new, few other people were doing it. I bought a magazine for a few bucks with a guide to making a website. You could download a free version of a WYSIWYG (what you see is what you get) HTML editor; I got *Homesite*. Domain names and webhosts were affordable and available on line. The project was a low cost investment in understanding the web, hosting a website and HTML coding. The resulting website wasn't sexy, but it was cool that it was there at all, that we did it DIY and it cost us little cash, and as much time as it might have involved if someone else had done it. (Early versions of that original site are archived at the Internet Archive – The Wayback Machine[2].) So, even back in 1998 a neophyte could use the web for business. Yes!. Technology was a liberating facilitator.

So, the IT and the web had proved themselves before we even left Thailand. The technology would allow global reach, to research opportunities and maybe even to run a business. We would approach new challenges in an open and flexible way, trying different ventures, seeing what worked and what didn't, researching answers, and collating ideas. It would be possible to share the ideas and results of our experience on a website.

Where? What? How?

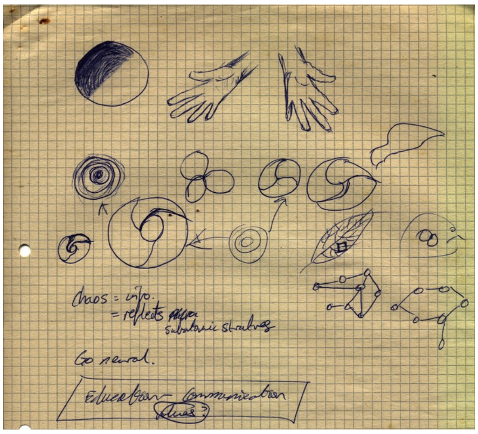
With the opportunities offered by open technology and open thinking, what choices would I make? What to do? Where to do it? How …? Although I loved Asia and it was thriving and we could be useful there, we were at a stage we could move. Family, being important, influenced the destination. Both Pam and I had roots in Ireland, her ancestors emigrating from there and mine are still being buried there. We had some kind of family base.

Ireland had been my family home for at least five generations. Though my time spent there had been limited, there were fond memories of spring rain, the smell of river and woods, a sense of magic, porridge, soda bread and the cottage my grandparents lived in. It would be a chance to find out where we came from and start to understand family. There was some responsibility to reconnect with our history, and it was a safe landing pad where we could launch initiatives. Since the cottage was in the country it offered the chance to explore sustainability, as well as re-establish family roots.

Plus our children would be closer to grand parents. Being in one place long enough to put down roots would be unusual for me. Roaming the globe had meant that friendships and memories had been left behind as I moved from place to place. It would be good for our children to have a stable foundation. Having a mixed cultural heritage and upbringing had been wonderful, but moving around makes it difficult to experience community. It would be emotionally healthy for children to have a home in just one place while growing up. And technology would enable us to observe and engage with different cultures, even without travelling. Our children would know the community, have friends for life and belong. It was easy to decide to go to Ireland, for all the right reasons, even though it was "site unseen". Once in Ireland we could explore family roots and introduce our children to a place called "home".

And what would we do there? My barely articulated plan was to start a more ethical business enterprise. A name for the venture was important. It had to be international so that people from all over the world would be comfortable with it. That would be difficult with different alphabets and characters dividing major global languages, so maybe a sound would have to do. Whatever it was, it would be a compromise. It would be good if the name was near the beginning of the alphabet, so it would appear near the top of directories. Overall, it had to have meaning. *Astraea* was chosen for its feminine legacy, roots in the stars/universe/infinity and its reference to peace and justice.

The logo was important too. Sketches for a design had been started back in 1993, though they had never quite jelled. The design needed elements of universality, colour, balance, yin and yang, though it needed to represent a trinary interplay, rather than a binary dynamic, to represent balance (a tripod is a stable base). By coincidence, while passing through Dublin airport on a short trip to Ireland around Valentines's day to represent our family at the funeral of a good friend, a picture of the Bann disc[3] caught my eye. It has a similar geometry of the yin and yang symbol but is trinary rather than binary. It was ideal inspiration to complete the design later.



Doodles made while at school in 1993 were given a geometric inspiration by the Bann Disc designed hundreds of years ago in the Bronze Age.

The draft plans for our new life started to come together. A professional background, including a "bottom line mentality" and rigorous business and financial disciplines, coloured the approach. Building on the file of ideas, with clippings and notes as far back as 1992, three main initiatives were investigated:

- an investment management business,
- a lifestyle internet cafe and
- a rural enterprise.

Building on passion and experience in VC, creating an investment and advisory business with a more coherent integrity would be a way to influence the culture of the world of money. The idea to be developed was to propose changes to the arrangements with fiduciaries to give them an incentive to do the right thing the right way. Articles, data and notes were already being put together and a business plan/prospectus would be started.

The lifestyle internet cafe would demonstrate ethical and eco-friendly principles in a consumer context. In my mind it was a kind of laid-back cafe serving good coffee, tea, juices, fruit and light food, playing cool sounds, with pictures of role models and inspiration, while at the back was a series of internet pods. A three page plan was drafted.

Thirdly, we would be in the countryside in Ireland where some rural enterprise was already happening. We could build on that and it could would work with the idea of developing a sustainable infrastructure and system at the family homestead. My thinking about new opportunities started to focus on specific business ideas. Mushroom production looked interesting because it is high protein vegetarian food. Initial web research on organic farming was done in preparation for general land management. At home there was already a fishing club on the nearby river which generated some revenue and we didn't know much about that. We didn't want to be prescriptive since one of the reasons to go to Ireland was to see what was there and understand it.

So, it was off to Ireland to find the meaning of life and change the world! Would we be able to balance ethics and economics, or find out that it was impossible? I didn't want to look too carefully at the downside or talk about it: It was a scary precipice. The projects in my head were evolving and not clear, so our “plan” would hardly survive my own due diligence, even though it gave a direction. It would have to be seat of the pants and that approach is difficult to sell, even to your best buddy. Maybe there was time. Maybe there was youth on our side, being in our early 30s. We knew the future would be different. We were changing course, but for what? To follow a million ideas that would change the world?

Pam, my trusting partner, had less idea of what was going on in my mind than me, but knew things were going to change. She was an amazingly trusting friend to let me turn our lives upside down. The bet was that we could drop everything and do something completely different in a different world and succeed, though she didn't know that's how risky it seemed to me. Maybe she thought my track record suggested that it would be OK.

We hadn't discussed failure being an option. I didn't want to face the fact that I knew the downside was losing everything … assets, opportunities, Pam, my family, love, honour, health, life … everything. And that possibility really could happen.

Giving up the life we had for the chance to make a difference in our world was one way of looking at it. A kind of suicide bid or change the world?! But you do not want to tempt fate by even thinking that you had no chance, let alone mention the possibility. The downside was complete failure. Facing that risk would consume energy and deter us from doing what had to be done. We really had no idea what we would find nor how things would go in Ireland, with my family, with sustainability, with work, with finding answers. We faced an unquantified risk. The financial analyst in me knew we were at the sharp end of the risk spectrum with little more than hope to motivate us.

Crazy?

Yes.

But necessary too.

Our world needed answers.