

Book Reviews by Ian Robertson



ODLUM BROWN
Investing for Generations



Ian Robertson, CFA, MBA, MA – Vice President, Director, Portfolio Manager | T 604 844 5424 | Toll Free 1 888 886 3586 | irobertson@odlumbrown.com
Odlum Brown Limited | Suite 1100 – 250 Howe Street | Vancouver, BC V6C 3S9 | Member-Canadian Investor Protection Fund

Title: *Investment Leadership: Building A Winning Culture For Long-Term Success*

Author: Jim Ware, Beth Michaels, Dale Primer

Publisher: Wiley (2004)

Reviewed: September 2012



The investment business can appear much like Hollywood in that it offers up a consistent stream of investment stars on television, in print, and in firms' own promotional materials. But visibility and leadership are quite different, and what passes as success to retail viewers is fundamentally different than what qualifies as success to investment professionals. Consultant Jim Ware and his colleagues have delivered an excellent book outlining how the best firms and leaders delivered their superior performance. Sadly, it will likely be of interest only to investment professionals and the most inquisitive of retail investors, and the majority of investors will continue to equate stardom on CNBC and BNN as leadership.

Rating:



Out of 5 Stars

The book is divided into three parts: "Cornerstones of Long-Term Success" (leadership cultures [they're not all the same], core values, vision, strong cultures); "Putting Numbers to the Soft Stuff" (leadership types, measuring culture, values, and the role of trust); and finally "Specific Tools for Improvement" (implementation, innovative culture, compensation and ownership, and nurturing leadership and talent internally). A couple of case studies and some notes on consultants bring the previous three sections to life and conclude – well, almost – the book.

The book's final chapter, "Stock Picker's Corner," is unfortunately out-of-place, perhaps tacked on to attract broader retail readership. The chapter will be of little interest to investment professionals, and few non-investment professionals will read the first 15 chapters to get to it.

Ware and his colleagues weave leadership theory and practice together exceedingly well. With respect to the theory, the authors never dangle buzzwords, excessively footnote, or veer onto academic side streets from their main path. They draw on the works of, for example, John Kotter and Jim Collins, and cite research from *Harvard Business Review*, but they do so judiciously. The book is neither a literature survey nor a research piece itself; it is, rather, a well-focussed and written manual from which investment professionals can learn and develop their action plans.

For the practice part of their book, the authors draw directly from their investment industry backgrounds, and their range of corporate contacts facilitated a broad roster of examples to illustrate specific points. Ware is a CFA charterholder, and many of the leadership examples or quotation sources will be familiar to fellow charterholders: Rob Arnott, Jeff Diermeier, Katy Sherrerd, Gary Brinson and Ted Aaronson. One hazard of reading older works (published in 2004), though, is that some company examples which proved a point at publication have since had their circumstances change, and in some cases now even prove the opposite (Fanny Mae and Lehman Bros, for example). Another more humorous example of this is the authors' specific notation that despite the many good examples of practice fitting theory, Charles Prince and Citigroup seemed to have been proving a rare exception. In light of the soon to occur financial crisis, it seems Mr. Prince is not such an outlier after all.

For what can be a dry subject, *Investment Leadership* is an excellent, readable book, well-grounded in theory but with neither excessive jargon nor an overly academic tone, and it is interspersed with personal anecdotes and humour. A must-read for all investment industry leaders and aspiring leaders.

The opinions expressed in this book review do not necessarily reflect the opinions of Odlum Brown Limited. The information contained herein is for general information purposes only and is not intended to provide financial, legal, accounting or tax advice and should not be relied upon in that regard. Many factors unknown to Odlum Brown Limited may affect the applicability of any matter discussed herein to your particular circumstances. Individual situations may vary.