

KFK's Thoughts on Leadership
(10 minutes)
SAE Director's Offsite

What's your philosophy on leadership?

- Leadership comes from having a compelling vision (a mental picture of the future state of the world) that the team buys into.
 - Example: GMSG 2010: double revenues by doubling the alpha we extract from the markets.
 - Increase capacity by 50%
 - Increase performance by 25%
 - Increase capture rate (fees) by 15%
- All decisions must be consistent with this vision. Ideally, everyone on the team should be able to predict every decision – no strategic or tactical surprises.
 - Example: No fee discounts in GMSG.
- The leader sets out the vision, but the team executes on it. The leader should be ensuring that execution happens, but not necessarily deciding how to execute.

What leadership lessons have been valuable to you during your career? Did you learn any of these the hard way (spectacular leadership failures)?

- Lesson learned the hard way: Importance of the clarity of vision. Keep it clear, precise and concise.
 - Example: LongHorizon.
 - Example: Too late clarifying what I meant by “themes.”

What's your secret to success?

- Not sure I've been successful.
- Surround myself by people who are smarter and better than I am. E.g., Harrison and Hogan in GMSG. Savi and Shen in SAE. Morgan in HFMG. Marais and Kneafsey in CS.
- Strong relationships. Spend time at them. London guys...when I'm there and you never see me at my desk, I'm not riding on the London Eye. I'm probably meeting with people from BRS, A&T, GCG, BAI, Trading, etc.

What qualities do you admire in BlackRock leaders you respect?

- Kushel: honesty, transparency, straightforward. But respectful.
- Fink: Visionary. Loyal.

Based on your experience, what does it take to succeed at SAE and BLK?

- Relationships. See above.