

The Distinguished Gentlemen

The 2000 census with its Hispanic demographic data might as well have been a guidebook for the management team at Palladium Equity Partners, setting the firm on a new direction it hopes will clinch a high-flying future for the investment firm.

“We are seeing tremendous opportunities in terms of deals and investments, to invest in companies that are targeting U.S. Hispanics, owned by U.S. Hispanics, or following the demographic wave,” Marcos Rodríguez, founder of Palladium, says. “We think that this demographic wave is absolutely tremendous and unstoppable – and we need to focus on that.”

On a chilly, hectic January day right after the New Year, Rodríguez and the three other managing directors of Palladium sat down in their midtown Manhattan offices, individually and as a group, to talk with Latino Leaders about their success so far and their plans for growth.

“Quite frankly, we feel at times that we are trying to drink water from a fire hydrant because of the amount of interesting opportunities,” Rodríguez said. “This growth in the U.S. Hispanic market is a demographic wave that is going to rival the baby boom in terms of how it’s changing

this country; and it is just starting. We have seen it, and we have organized ourselves as a team and have really gotten out there and said we want to be the preeminent firm focused on this market.”

Palladium was formed in 1997 and currently can point to more than \$650 million in committed equity capital. Private equity means that the asset is not freely traded on the stock market. A private equity firm seeks commitments from qualified investors such as pension funds, financial institutions, and wealthy individuals for its fund, and then manages the fund by making strategic investments. The choice here is to look for mid-size companies that, with the funds and operational expertise that Palladium can provide, produce higher returns for investors even after adjusting for risk.

Rodríguez described it simply by breaking down the business into phases – raising the funds that will be invested (in Palladium’s case hundreds of millions of dollars), finding attractive

investment opportunities, and then working with the companies selected to add value and sell them at a profit.

“We have a lot of very talented, high energy individuals and we have investors and partners who have entrusted us,” he said. “We all know that none of us can do this by ourselves. It’s a really pretty big task, and it’s how we put together that concert.”

Identifying strengths of companies and tapping into experience of individuals who can improve them has been the strategy for Palladium since it started. The decision to take the strategy and focus on the Hispanic market and Hispanic investment opportunities was made more recently, after the data delivered by the 2000 census served as something of a watershed moment confirming what Rodríguez and others had been noticing.

“It was a revelation,” Peter Joseph, who joined Palladium the year after it started, said of the look at the Census data. “We had seen it anecdotally, but then, confronted with the numbers and then sitting down strategically among ourselves, we said, hey, this is something that we have a real advantage in pursuing by virtue of some of our members being members of the community and having a natural affinity and a natural series of networks and a series of contacts.”

“This is a people business, ultimately, whether it is through word of mouth or a network or reputation,” said Joseph. “We hopefully make a good and well informed investment decision, but at the end of the day the ultimate success is going to rise or fall on the ability of the people in the field and the companies delivering on their budgets and delivering on their promises; if you will have been able to bring a level of financial performance.”

The recent acquisition of Taco Bueno, a Mexican-food chain in Texas, Oklahoma, and Kansas, to the Palladium portfolio is one of the

visible results of the new focus. “With the widespread popularity of Hispanic flavors and cuisine, our priority now is to build on Taco Bueno’s rich heritage and its strong management team by expanding in both current and new markets,” Joseph said in an announcement about the deal for the company and its 136 restaurants last August.

A key investor in Palladium’s Equity Partners III buyout fund has been the large Spanish bank BBVA. Alex Ventosa joined Palladium as a managing director in 2004 after working for more than a decade for BBVA, and he sees a major part of his role as maintaining relationships with the Spanish investors as well as seeking new ones.

The fourth managing director, David Pérez, has been with the firm since 2003.

“Every time a fund is raised, you are at a reflection point; you are getting ready for the next phase of fund-raising growth and so forth. We were able to take that opportunity, incorporate it into what we were doing, and sort of run with it. What you see perhaps today is a result of a couple years plus of building,” Pérez said.

“The way we went about growing the business was in a sense replicating what Palladium had built to date. By that I mean we enhanced our operating executive network. We had folks who had a lot of experience in corporate America, so we went and found another set of operating executives who had the same level of experience but in the U.S. Hispanic market,” he said. “And we also went and hired and added to the investment team folks who not only had private equity experience but also a tremendous amount of affinity to the U.S. Hispanic market.”

There is an intimate ease to the conversation among the four managing directors, laughter and an occasional joke. “Peter says one of his biggest mistakes was hiring me out of business school. He’s regretted that for 20 years,” Rodríguez said jokingly about his longtime colleague and mentor.

Asked to project their hopes for Palladium 15 years in the future, an enthusiastic Pérez teased that Peter Joseph, the oldest of the team, will still be with the firm then as well since he regularly exercises on a Stairmaster.

Pérez also said that keeping the focus on Latino businesses is not only enjoyable but also an inescapable priority that others will end up following.

“I think there’s going to come a point, a sort of a Eureka! moment for corporate America when they’re all going to wake up and say, ‘That’s the only way we’re going to grow.’ At that point in the future, we’re going to have a big sort of jump,” Pérez said. “Maybe it’s in five or 10 years, I just don’t know when, and we’re going to be able to take this firm to a completely different level.”

Peter Joseph, a calm voice in the room, also projected a potentially major future, “as long as we keep our eyes open and are agile and attentive and opportunistic.” But he cautioned,

“The only thing that is predictable about this business is that it’s completely unpredictable.”

“I am extremely optimistic about the opportunities that we have, the four of us. Our job is to manage the resources of the firm appropriately, to capture them,” Marcos Rodríguez said. “We will get to that vision of being one of the most successful private equity firms and one of the most successful asset management firms in the country. Part of that will be because of the way we targeted the Hispanic market, which we see as one of the fastest growing sectors.”

All four were willing to talk frankly about their lives and their dreams, but they declined comment on specific investments or funds. “I have to decline for regulatory reasons, and all the managing directors of Palladium, we decline comment on anything related to fund-raising or the capital that we have under management at this time,” Rodríguez said quite emphatically.

The heart of Palladium’s strategy is to work with its own group of senior operating executives who help evaluate investment opportunities and, once a company is taken into the portfolio, advise it. The industries targeted for investment are those in which either a managing director or operating executive or both have experience, such as food, media, business services and manufacturing.

For example, in completing the acquisition of Taco Bueno, Palladium announced that John Miller would be the company’s new chief executive officer. Miller spent the first 13 years of his career in the restaurant business at Taco Bueno but since then had worked for the larger Brinker International firm, including the past seven years as president of its Romano’s Macaroni Grill chain.

The managing directors gave a great deal of attention and credit to the teams that they put in place as Palladium carefully makes its investments, both in making the decision to invest and then managing the company once the investment is made.

“It’s our job to be cheerleaders, to be supporters, to do whatever we can to enhance the potential of their being able to be successful. Their success is our success,” Peter Joseph said. “Every one of our managers is an equity participant in every one of our transactions, either through options or ideally investing directly next to us.”

“That’s where people have made the most money over time, by having a piece of the equity of the company, and understanding what it’s like to be an investor and taking real ownership, proprietorship, of the business from a shareholder and investor standpoint,” he explained.

“The Hispanic market exhibits favorable characteristics for private equity investing, including a young, fast growing population which fuels growth in consumption and

The all-important census data that gave Palladium its new focus is featured prominently on the firm’s Website, including these conclusions about the 40 million Latinos in the United States and buying power that is expected to grow from \$653 billion in 2003 to \$1 trillion by 2008:

- **Youth and family** - Young Latinos are driving consumption in many industries. Hispanics have a higher birth rate and larger households than the general population.
- **Underserved industry sectors** - Sectors like financial services and health care can be expected to grow as a result.
- **Culturally targeted products** - Companies providing services and products to Latinos can expect long-term stability because of intense brand loyalty.
- **Hispanic influence on U.S. society** - As traditionally Hispanic products like chips and salsa enter the mainstream, companies that provide them can expect significant growth.

business formation, and lack of focused attention by Wall Street and the established U.S. private equity community.”

Palladium found that few private equity firms can provide expertise across the board on Hispanic trends and concerns, and Rodríguez said he has already seen results from the competitive edge that provides.

“If you’re looking at a food company in Dallas, Texas, or a media company that’s in Dallas or a finance company that’s in Texas focused on the Hispanic market, there are synergies looking at those businesses and you get knowledge,” he said. “It’s amazing how much knowledge we’ve been able to garner about businesses and demographic trends. That makes us better investors. That allows us to see opportunities sooner and to evaluate these businesses in a way that, frankly, is difficult for other people to do.”

“While there are many funds out there that have industry focus - vertical - what we said is what were going to do is we’re going to own the horizontal, across those industry verticals, toward the best companies, the ones that have the most growth potential, that are looking to capitalize on growth in the U.S. Hispanic demographic,” he said.

For his part Pérez noted that all four have the same title of managing director and, although they use their areas of expertise to advantage, they also must be ready to handle any of the functions necessary for success.

“I think an orchestra is a good description. We play different instruments, obviously some better than others and some get rusty after a couple of years. We’re not a large organization,” he said. “We don’t have the luxury of saying, you know, you’re going to paint this wall forever. You have to change; you have to do a little bit of everything. That’s also what’s fun, in my opinion, of a small place.”

Interview by Jorge Ferraez

Story by Sol Sussman

Photos for Latino Leaders by Mao Carrera, The Rainbow Room at Rockefeller Center, New York



The Mastermind

For someone who readily admits to a love of the New York Yankees, it's no surprise that Marcos Rodríguez turns to baseball when talking about the key to success at Palladium.

"It's really about building the right team. It's sort of like a baseball analogy; " Palladium's founder and managing partner says, in his strong New York accent. "Everybody working together is what wins games and what wins the World Series."

He sees the team put in place since 1997 as being absolutely ready for prime time. "We have what I believe is one of the most preeminent private equity firms in the country focused on opportunities in the U.S. Hispanic market, and I think that is a tremendous opportunity that we need to capitalize on."

Rodríguez and his family left Cuba when he was five years old, eventually settling in Washington Heights at 158th Street and Riverside Drive. He went to school just a few blocks from Yankee Stadium. His mother worked as a pharmacist, as she had in Cuba, while his father, who had been a businessman in Cuba, worked as a waiter at the Plaza for more than 30 years until he retired. Because they had left everything familiar behind in Cuba, education was a prominent theme in their household.

"Mom and Dad are still alive and still married. Most of my family is here in the United States - a very tight family," Rodríguez says. "One of their great lessons to us was that always the only thing that can't be taken away from you is what's in your heart and what's in your head. So certainly there always was a tremendous emphasis on education as the road to being able to move ahead."

"I always joke that I am the least educated in my family. I have one sister who is a Ph.D. engineer and another sister who is a pediatrician, an M.D. I only have two Masters," he says.

Now a father of two sons, 13 and 11, and a nine-year-old daughter, Rodríguez still resorts to the old family stories. The 11-year-old recently complained about having too much homework and wanted to play basketball instead. "I told him the story that my father always said, 'any day you want to stop studying and come wait tables, I can get you a job as a busboy, or you can go study.' That was the lesson that was very much engrained in us."

Rodríguez decided to go to Columbia University, not far from home, to study mechanical engineering. "Part of that was I had to take out a lot of loans to go to college," he says. "I wanted to know that when I graduated from

college I had some skills to have a job and start working. It was out of necessity, and the fact that I was pretty decent at science and math."

He worked for General Electric for six years in operations and manufacturing, spending time at U.S. plants, in a maquiladora in Reynosa, Mexico, and in Paris.

"I traveled all over the world - in everything from medical systems to specialty motors to consumer products, making electric knives, to military applications," he says. "In that time period, I really got a tremendous education on business."

"I think one of the toughest jobs was in Reynosa. I was a frontline supervisor; I had 16 folks working for me. Here I am, I'm a 26-year-old kid, I'm an engineer - and obviously Cuban. Cuban slang and the accent between what it is in a border town in Mexico is very different," he says. "It was terrific; it was really a great, great learning experience."

Rodríguez also learned at General Electric that finance as the interface between the company and the outside world was a key tool to have, and he decided to go to business school. He studied in a dual degree graduate program at the University of Pennsylvania's Wharton School in Philadelphia, where he met his wife.

His first job after business school was at Joseph Littlejohn & Levy (JLL), where he met Peter Joseph. "I think what attracted Peter and his partners to me was that I had the business degree from Wharton, but I'd also spent a half dozen years in GE in operations. And I knew the difference between lots of different businesses, which is relatively unique for someone coming out of business school to have that background," he says. "At JLL, I kind of moved up the ranks from associate to principal and eventually became a partner of the firm, and then in 1997 left to start Palladium."

"I think it's the great American dream to go and put out a shingle. Private equity business is an apprenticeship business. You learn your trade - you learn how to become a blacksmith, you learn the tools of your trade, how to use a hammer, and then to go out and start a business."

"Certainly from business school days I dreamed about starting a business," he says.

Having had the experience of working for a huge corporation like General Electric, Rodríguez says he found that he most enjoyed working with smaller businesses. "That was part of the attraction that got me into private equity in the first place, because you could work with smaller companies and apply big company skills

to these little companies to improve them. I certainly loved that," he says.

The direction that Palladium has taken since deciding to focus on the Latino market has produced clear excitement, optimism, and determination in Rodríguez.

"I think that one of our competitive advantages is that this is what we wake up in the morning thinking about. It's not an ancillary thought, it's not No. 5 on our things to do for the year, or for 2006 goals," the Palladium partner says. "It is our No. 1 goal, to find the best investment opportunities that are benefiting from the growth in the U.S. Hispanic demographic and to deploy our capital and our investors' capital to capitalize on that opportunity, to be the catalyst, which is what Palladium means - Palladium is an elemental catalyst - to be the catalyst for growth and value creation in these companies."

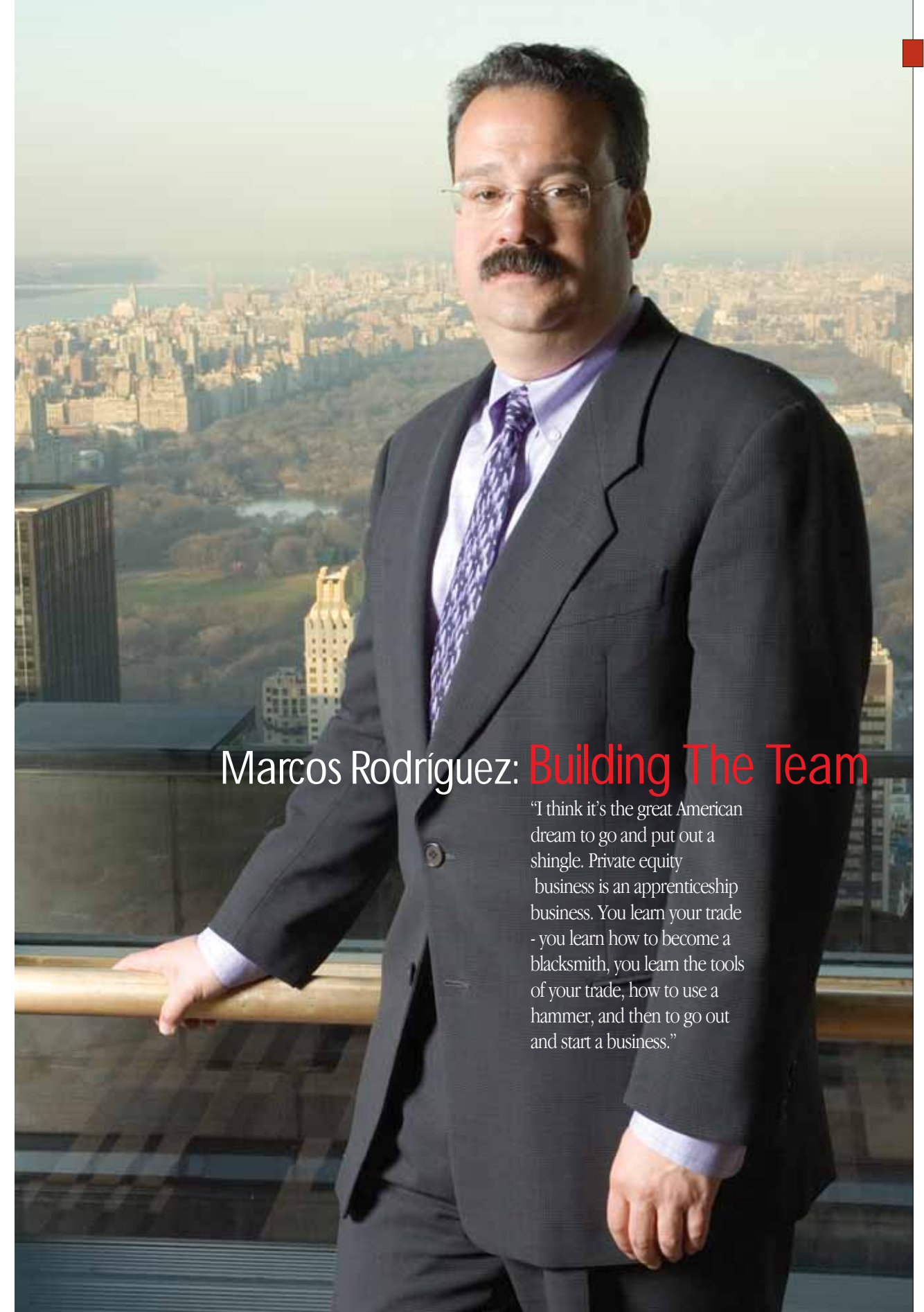
Rodríguez talks about the decisions that must be made in his line of work and the difficult answers that sometimes must be given to the people whose own dreams may depend on access to the capital and expertise that Palladium can provide.

"The key is to be very honest in your approach and tell people what you see is the reality. But I think what's important is to do it in a way that's compassionate, that makes sure that people understand the facts that are the basis for your decisions, and explaining it to them in a way that empowers them and that really motivates them and affirms their own belief in what they're doing," he says. "And affirms that they were right to come to you with this call, even though it was a tough decision to make."

His belief in education can be seen in his activities outside of Palladium, where he serves as chairman of the board of the Robert Toigo Foundation, which helps minority business students and alumni in the finance industry. He also works with the New America Alliance, a non-profit that promotes business opportunities for Hispanics in the United States.

"I go back to my parents and their lesson and that foundation. You can always take the path of immediate gratification," Rodríguez says. "I think that in this country a lot of foreign-born kids in school are more attentive to education."

"If you want to be someone in this country, if you want to have an influence, if you want to help others, if you want to help your family and if you want to get ahead - education is critical."



Marcos Rodríguez: Building The Team

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The Expert Advisor

If anyone could make a client feel safe to take a risk, it just might be Peter Joseph, the oldest in age of the Palladium managing partners.

Speaking in a measured tone with well-considered phrases, Joseph can tell the story of a life spent in prestigious New York and London law and investment

firms. He is aware that his track record brings certain solidity to the new path that Palladium has taken.

"I would say I'm analytic, I try to be thoughtful. I try to foresee what's coming around the next corner. I try to measure risk as best I can. I think that any investor will tell you that measuring and managing risk is really

the nature of the business, and I take that very, very seriously," he says.

"And I think that's an important part of what I sort of bring to the partnership as a partner. And I think I'm relatively candid. I call it as I see it," he says. "I try to not lose sight of where I came from and not lose sight of the fact that at the end of the day we all go home and

hug our wives and hug our kids and hopefully lead as meaningful lives as we can."

Joseph grew up in a traditional household in northern New Jersey, where his father, an attorney with a "very local" practice, was able to be home most nights for dinner. His parents still live in the house where he grew up, and his own house now is not far from where he went to school.

"I had a fairly conventional upbringing, a very middle class, upper middle class upbringing. And my point of view was to be a young lawyer and build a practice around being an important part of my community. I really in those days did not have aspirations or an exposure frankly to anything like I have

become exposed through the private equity business," he says.

After finishing Columbia University's law school in New York, Joseph was a corporate attorney with two law firms in New York and in London. "Through their clients I got an exposure to the deal business," he says. "While I was in London, I had the opportunity to move from a large law firm into a very entrepreneurial deal-doing setting with a small group of guys, and we took our shot."

The shot was Quadrex Securities' merchant banking practice, but after about five years in London between the law firm and the start of Quadrex, Joseph decided it was time to go home. He returned to New York at a small office of the firm there, and then helped found the buyout firm Joseph Littlejohn & Levy (JLL) in 1986.

"We started doing deals on our own, and we had a terrific run during the 80s. Marcos actually joined us in 1989, so that's when Marcos first came on the scene," he says. "We had a great run. I was one of the founders of that firm. We raised two institutional funds during the period I was there – one a \$220 million fund and one a \$400 million fund."

By 1997, Joseph decided that it was time to take a sabbatical year and chose to go to Jerusalem with his family.

"I took my four children out of their schools here, and put them into schools in Israel, and I had a very flexible schedule over there. It was really a year of recharging our batteries, and catching up with one another. My oldest was 13 at the time, and I had a 10-year-old and a five- and a six-year-old," he says. "It was a luxury I could obviously afford to do. I had achieved some level of financial independence at that point. You only go around once, and you say to yourself that if you are fortunate enough in life to be able to have these opportunities, you're foolish not to take them."

During the year that he was away, Marcos and others from JLL had formed Palladium and Joseph decided to join them after he returned.

"It just seemed like an exciting opportunity, for me to come back, to get involved back in the business with people that I enjoy coming to work with every day. These investment firms are like marriages, you know, partnerships are very close, intimate relations. You spend a good chunk of your working time and certainly beyond that with your partners. So I found this was a very convivial place to come back to work."

The respect that Marcos Rodríguez has for his colleague is evident in the nearly two decades that they have spent working together.

"This is a business and a partnership, and a business about trusting our partners, you are investing each other's capital, each other's reputation," Rodríguez said about the man he calls his mentor. "I had seen him work in high stress situations. When times were good, when times were bad - and the

level of trust that you build from that is very difficult to replicate. Most importantly, he is a very successful, very shrewd investor, with a background in private equity going back 20 years that is extremely rare in this industry."

On the day of the interview in early January, reflection was appropriate to look ahead at the New Year in store. Joseph was eloquent about the pace of change in a dynamic global society, including the demographic changes taking place in the United States.

"It is going to take, you know, a pretty good sense of insight, circumspection, risk taking, to understand how one looks to succeed in a changing world," he says. "From an investment standpoint, I think it's going to put a significant premium on those who have a particular view, and a particular insight, into how to find those trends that will benefit the various business opportunities out there."

Joseph outlined the approach that he takes when working with a prospective portfolio company.

"I really sit down with a management team at the beginning of a transaction, and we have a conversation about how Palladium can be helpful. We had this discussion just the other day, when I was out in Detroit, with a company that we're looking at," he says.

"These are people who have a wonderful product and have a great future, but they are inexperienced perhaps when it comes to thinking about how they should be relating to Wall Street, how they should be thinking about raising money for their firm going forward, what their balance sheet should look like. Those are areas - that really is very much our stock in trade, being financial people," Joseph says.

He also talked about the relationship issues that make their work be something more complex than simple financial transactions.

"You've got to be very careful in respecting the emotional side of what people have invested, aside from money – sweat and tears. The time and the family and the future prosperity of their children and their heirs, so it's very much a key part of our business," Joseph says. "You only have your reputation once – that's our stock in trade."

Other than his time in England and Israel, Joseph is quite settled in the New York metropolitan area that has always been his home. He is president of the Jewish Community Center in Manhattan.

Peter has no regrets about his career choices.

"I have to say I have been very fortunate," he says. "I think it's been a very exciting business. It has its sleepless nights. It has its trials and tribulations, as any investor will have his ups and downs, but certainly the ups have far outweighed the downs. I come to work every day quite stimulated by the fact that no two days are ever the same, that I work with great people both within the firm and outside the firm."



Peter Joseph: Making the Deal

"I try to not lose sight of where I came from and not lose sight of the fact that at the end of the day we all go home and hug our wives and hug our kids and hopefully lead as meaningful lives as we can."

The Risk Taker

David Pérez: Rolling the Dice

Growth in his family and in his business is very much on David Pérez's mind these days, although as he tells his life story very few slow times or pauses appear.

"Marcos jokes with me that the two most humbling things in life are raising a family and raising money, and that's true. You have no control over what happens in each of them," Pérez says cheerfully.

Growth on the family side is easiest to explain. "My wife and I have had two sons, Sebastian, who was born April of '04, and we had our second son two months ago, little David, who was born in November of '05," he says.

"I think that's been a little bit of the theme, to be honest, also on the business side," he says, having joined Palladium just as the firm set out on its mission of working exclusively with the U.S. Latino market. "We've been on this fund-raising journey or effort over the last couple of years...and that's also represented a lot of growth."

Pérez was born and raised in Cuba, studied engineering in East Germany, and decided to come to the United States in 1990 right after the fall of the Berlin Wall. "I took advantage of that, and that the country (Germany) unified, and was able to claim my U.S. citizenship — my mother is American and my father is Cuban," he

says. "I went to the Embassy, the former U.S. Embassy in East Berlin, and got a U.S. passport and got on an airplane."

"That was my own decision. I did not discuss it with my parents. I told them I was doing that when it was a done deal. I also wanted to protect them from any consequences. They're still in Cuba," he says. "I made that decision myself, and I rolled the dice."

He had no money, but he did have family in Miami and in New York (Marcos is a second cousin). "When I came here first, the U.S.-based family that I had was very supportive," Pérez says. He can still recall having to ask an uncle to co-sign his first credit card, with a credit limit of \$300.

It also turned out that his mother's thesis adviser from when she had worked on her Ph.D. in animal nutrition at Cornell University was now provost there.

"He introduced me to some folks. I was also part of the first wave of people who were leaving the Eastern Bloc when the Eastern Bloc collapsed. There was a lot of sympathy. I got a great break. Cornell admitted me to this one-year Master's degree program and gave me a full scholarship," Pérez says. "I came here on August 10. By early September, I was already enrolled. And I had no idea what Cornell meant. But a Master's degree at an Ivy League School! So I won the lottery, in hindsight."

Pérez kept moving quickly, training in accounting and finance while studying at Cornell in upstate New York, getting an investment banking job on Wall Street despite "I don't know how many rejection letters," working in New York for two years and London for a third before getting into Harvard to study from 1994 to 1996 for a Master's in Business Administration.

"I think that what I realized after I came to this country was that graduate schools in this country are not so much about studying - in fact very little about studying and true knowledge from a scientific point of view. I had plenty of that," he explains. "The top graduate degrees in this county are, in my opinion,

50 percent studying and 50 percent 'other.' It's that 'other' that I was lacking dearly. And I realized that. I hadn't gone to college here; my parents were not in the country club with so and so. Even though it meant going back for yet another graduate degree, it was great. I tell people that I made up to some extent for not going to college, not growing up here."

Steady advancement continued after graduate school, as Pérez worked at the private equity arm of Chase Capital. "I took advantage of some opportunities to play a more interesting role in some transactions," he says. "I went to Latin America almost every week. I met my now wife. She had applied with my encouragement to business school and got into Harvard too. She started in the fall of 1999."

He quit his job to move to Boston, where he worked for a private equity firm while his wife studied, then moved to another firm in the New York metropolitan area for a couple of years until Marcos asked him to join Palladium in 2003. "Here we are, almost two and a half years later, almost finishing what we started building," he says.

Pérez says he brings intensity to everything he does. "At the end of the day, this is a competitive society," he says. "Unless you're willing to work harder, you're not going to get very far. That helped me in Cuba, it helped me in East Germany, it's helped me here."

"If anything, I am competitive with myself. I think it's helped me, it's also hurt me," he says. "I can be an impatient manager at times, and you need to balance that and become more human at times."

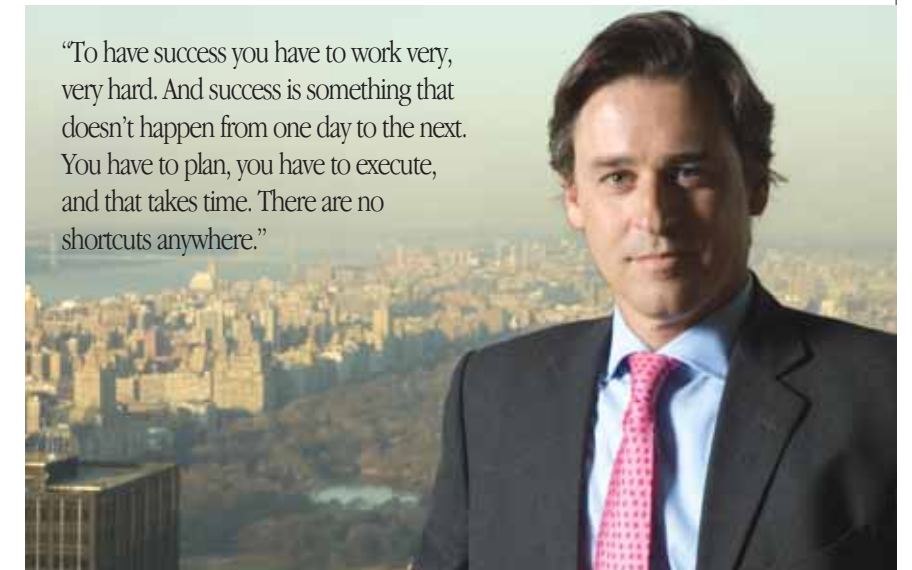
He credits the human side to his family in Cuba, where the norm when he was not away studying was to be surrounded by family and friends. He realized the difference when he and his wife, whose parents are Chilean but who grew up in Bethesda, Md., went to Cuba to visit.

"I remember when my wife came to see us in Cuba, a small gathering for us would be 25, 30, 40 people," he says. "You get used to it, tell jokes, you get used to joking around. And I think that maybe helps you socialize. Intensity, work ethic - that maybe comes from my mother - and the socializing part, that frankly comes from both of my parents."

"People want to know where you're from, what you've done. My story with all its quirks has been of interest to some people. I make sure I reach out to them. I wouldn't consider myself a professional sales person, but I think at the end of the day you're selling to some extent and being comfortable with people."

The Diplomat

Alex Ventosa: Handling Relationships



"To have success you have to work very, very hard. And success is something that doesn't happen from one day to the next. You have to plan, you have to execute, and that takes time. There are no shortcuts anywhere."

Alex Ventosa remembers that, when he was growing up in Spain, few things seemed more fascinating than seeing his father check the newspaper to keep track of his investments.

"Since I was very young I knew I wanted to work in the stock market. I saw my father. He has been an investor all his life," he says. "He was reading the paper all the time — there was no Internet — he explained to me what he was buying, why he was buying it. He taught me about dividends, all those things, and I thought it was the most fun thing to do."

His father was an engineer, working on nuclear plants in Spain. "My father is an engineer, and he wanted me to be an engineer. When I told them when I was 15 that I wanted to study economics it was a huge issue in my house," Ventosa says.

His education and his career path have been just as focused en route to joining Palladium as a managing director in 2004.

"To have success you have to work very, very hard. And success is something that doesn't happen from one day to the next," he says. "You have to plan, you have to execute, and that takes time. There are no shortcuts anywhere."

"I was very lucky because I knew what I wanted to do, and I had the possibility to start working the day after I graduated in what I wanted to do, so I didn't have to go through that process in which you have to taste this, see if I like that," he says. "I knew what I wanted to be. I think that helped me in my career."

The 38-year-old Ventosa spent 12 years with Banco Bilbao Bizcaya Argentaria (BBVA), a multinational Spanish banking group, the last five of them based in New York with BBVA Securities, where he was responsible for the equity units in New York and London, Latin American research, and the branches in Latin America.

"I had known Marcos for a long time. We are neighbors in Greenwich, in Connecticut. He was telling me about his exploring of the Hispanic minority," he says. "I realized that everything we were looking for in Latin America was here in the U.S. We had the same cultural affinity; we have the same kind of people. We didn't have the currency risk. For me, it was the perfect environment."

BBVA wasn't quite as convinced and wanted him to move to Mexico, so Ventosa decided to leave and join the New York firm with its focus on the Hispanic market in the United States.

"I have been learning. Every time you go to a new job and you start learning, days go by very fast," he says. "Every day is very...enriquecedor,

como dices — fulfilling. I haven't had time to get bored since I arrived to Palladium."

Ventosa had been going abroad since he was a teen-ager, when his family started sending him to England to learn English in the summers. He studied business administration at Richmond College in London and was ready to get married by the time he graduated.

"Basically, I got married when I was 22 years old, very young. My oldest kid right now is going to be 16. So I had lots and lots of fun. And studying for two years in the U.S. and two years in London without family - that gives you an opportunity of having fun," he said. "Then at some point I said, 'like this I'm not going anywhere. I need to calm down and start thinking about my future.' So I got married to Cristina - my present wife and I hope my wife for years to come."

Ventosa's mother was from Germany, and he believes that caused his family to be more open minded than the other Spanish families he knew. His father was Spanish, with a view that his three sons — Alex is the oldest — would all benefit from living and studying outside of Spain.

"The view that my father has, what he wanted to give us, is education. That's the herencia he wants to leave with us. He doesn't want to talk about money, he doesn't want to think about material things, but what he wanted to leave us with was education," Ventosa says.

None of the three sons chose their father's engineering career. The younger brothers, who both went to college in the United States, followed Alex into careers in business as well.

Ventosa plans to follow his father's example about living and studying abroad for his own children. "My kids are completely bilingual, and I think they have an advantage over the other kids because they have the Hispanic perspective of life in them, and they are living in the U.S. environment. I think if you are able to combine those two things, you are giving them a huge advantage."

He said the time he spent in recent years traveling in Latin America convinced him that the region has a promising future because of the bright young people there.

"There is plenty, plenty of talent. They look at things differently than you do, but if you are able to combine the way they see things, the knowledge, with yours, it's a huge advantage," Ventosa says. "One thing is to visit as a tourist, but when you get into a room and you sit with a team of people from Mexico, Argentina, Brazil, whichever, and you spend 10 hours with them, it's very obvious that there is lots and lots of talent in these countries." "I think those countries are going up - big time."

Ventosa says one of his roles at Palladium will be to take an active interest in the people aspects of the business.

"I have been taking a very active role in managing the relationships between the partners and the rest of the staff, because I think what I'm good at is reading people and knowing how to interact with people — and common sense," he said. "Believe it or not, not everybody has common sense." ■

"At the end of the day, this is a competitive society. Unless you're willing to work harder, you're not going to get very far. That helped me in Cuba, it helped me in East Germany, it's helped me here."