Decision Making
A Process Check for Investment Firms

by Jim Ware, CFA and Brian Singer, CFA

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Introduction

This paper addresses the core of the investment firm: philosophy and process. Investment firms are in the thinking business, their output is decisions. Toyota is in the manufacturing business, their output is cars. Toyota has spent years developing a world class assembly process that results in top quality cars. They constantly challenge it and tweak it to keep it world class. This paper deals with the decision process that investment firms use to create their product: multiple decision-making processes. The intention is to propose a checklist for investment firms to use in creating world class decision processes.

The kinds of decisions that we are talking about include the following, though we are targeting investment decisions:

- Manager selection
- Asset Allocation
- Security selection
- Country/sector weightings
- Buy/sell timing
- Inputs for valuation models
- Business strategy
- Leadership (hirings, firings, new products, compensation, etc)
- Risk management
- Operations
- Marketing and distribution

In our experience, we have found very few investment firms that first design, and then rigorously monitor and evaluate their decision making processes. We propose a checklist of 14 elements that are core to a world class decision making process. The danger of not having such a checklist is what the academics call, “process drift.” In other words, your process could start off very solid, with best practices throughout, but over time it could deteriorate and slowly lose its effectiveness. Some experts argue that the Challenger space tragedy was caused by just such process drift. Errors and mistakes that were not addressed and resolved and over time became “acceptable.” Candid feedback about the concerns was ignored and even discouraged. The result was a tragedy that could have been avoided.
The checklist below can be used in two ways. First, it could serve as a guide for creating or upgrading your current team and its decision process. A “Best Practices” list of items for decision making. Second, it can be used over time as a way to measure and monitor your decision process to make sure that you are continuously improving it, or at the very least not sliding backward. Hence the list is diagnostic and prescriptive. The elements of the checklist can be divided into three categories:

1. **Foundation.** These elements should be decided up front by the firm’s leaders. They are directional and contextual and precede the day-to-day decision making of investment teams.

2. **Interaction.** These elements are “best practices” for decision making. These are the pieces that the team practices and refines over time to become world-class in their decision making.

3. **Reflection.** This phase monitors the first two pieces, provides “after-action” reviews, and strives for continual improvement. The checklist we provide is part of this third category because it is a tool for assessing and reflecting on decision making.

The road map for decision making looks like this:

<table>
<thead>
<tr>
<th>Foundation</th>
<th>Interaction</th>
<th>Reflection</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Vision of success</td>
<td>• Meeting protocol</td>
<td>• Post-mortem/Feedback</td>
</tr>
<tr>
<td>• Investment philosophy</td>
<td>• Candor</td>
<td>• Continual improvement</td>
</tr>
<tr>
<td>• Team members (talented and diverse)</td>
<td>• Curiosity</td>
<td></td>
</tr>
<tr>
<td>• Sufficient trust &amp; respect</td>
<td>• Visual aides</td>
<td></td>
</tr>
<tr>
<td>• Incentives aligned</td>
<td>• Decision traps: avoiding</td>
<td></td>
</tr>
<tr>
<td>• Decision rights</td>
<td>• Use of decision menu</td>
<td></td>
</tr>
</tbody>
</table>
In the next section of the paper, we will describe these three pieces of decision making more precisely. Then we will show how the process works in practice, using real results from a top performing equity team. We contrast the results of the top performing team with an equity team that has average results. In our work with investment teams, we use “remote-clicker” technology so that we can survey the group real-time and anonymously. The immediate and candid feedback about a team’s process often leads to very constructive—and heated—debates!

Foundation Elements

The following six pieces must be in place before an investment team can hope to establish a world class investment decision process.

Compelling vision of success

Members of a team will not perform at their best if the leaders of a firm have not described a vision that is both clear and compelling. The Gallup research shows that team members will engage more fully if they have a strong “yes” answer to: “We have a clear purpose. I know what our team is trying to achieve.”

A well-articulated investment philosophy

The investment philosophy provides clearly articulated strategy for adding value in competitive markets. In short, it answers the question, “what is our edge?” What is it that allows us to win over the long term? When professional investors are asked about their competitive advantage, they universally choose “people” and “ethics” as their firm’s edge. The chart below is from meetings with dozens of investment groups around the world.

What is your firm’s competitive advantage?

Notice that investment philosophy is the response of just seven percent of the audiences. Firms who believe that “people” are a legitimate competitive advantage may well be suffering from the overconfidence bias, as we have yet to walk into an investment firm that is staffed by slow-witted, lazy professionals!

The chart above becomes especially damning when we look at what clients want. A group of 100 institutional clients were asked, “What competitive advantage do you look for in a manager?” Overwhelmingly, the group said, “Investment philosophy and process.”
This disconnect of views about competitive edge between managers and clients is important. The topic of this paper—investment philosophy and process—is what clients are focused on.

**Cognitive diversity**

This foundational element aligns with Jim Collins’ notion of “getting the right people on the bus.” The evidence is overwhelming that teams with cognitive diversity will outperform teams of like-minded individuals. So, if your team is largely homogenous, you are dead in the water from the word, “Go!”

Scott Page in his book on cognitive diversity (*The Difference*), shows convincingly why teams with cognitive diversity outperform homogenous teams. Bill Miller had this to say about Page’s arguments: “Page shows why diversity matters, how it leads to better outcomes, and most importantly why achieving the significant benefits of diversity requires thinking well beyond the traditional categories such as race, gender, or ethnicity.”

Michael Mauboussin and James Surowiecki also have written extensively about the importance of having team members who represent genuinely different mindsets. Surowiecki writes, “If you can assemble a diverse group of people who possess varying degrees of knowledge and insight, then you’re better off entrusting it with major decisions rather than leaving them in the hands of one or two people, no matter how smart those people are.”

Brian Singer states clearly in his new book, “A truly superior CIO must leverage the diversity of the investment team.”

In our work with investment teams, we have found that two personality assessments are especially useful in determining if your team has cognitive diversity:

- **Myers-Briggs Type Indicator.** This assessment reveals how a person processes information: how they take it in, analyze it, make decisions and communicate to others.
- **Enneagram.** This assessment is especially useful with investment firms because many investment professionals are the same Myers-Briggs (INTJ). The Enneagram reveals differences between these seemingly “identical” types. The Enneagram reveals people’s different focuses. For example, what is missing, dangerous, or exciting. Having collected data from nearly 500 investment professionals, we now have correlated Enneagram with various investment skills. Indeed, different types have different skillsets.

**Trust levels**

Another key foundational piece for high performing investment teams is sufficient levels of trust and respect among team members. Trustworthy people consistently possess:

1. **Character**
   - Integrity: lining up words and actions consistently over time.
   - Intention: showing concern for others, win/win.
2. **Competence:**
   - Capabilities: talents and skills needed for the job.
   - Results: delivering on promises.

Trust and respect are the fuel of high performing teams. Without them many of the best practices are impossible.

**Incentives**

Another important aspect of the decision process, which reinforces these other practices, is getting the incentives right. World class decision making in a team setting requires a set of rewards that motivates the group to make the best decision possible. If performance bonus rewards are based entirely on individual results, then there is little motivation to contribute in a group setting. Moreover, a discussion of incentives must include both tangible (e.g., money) and intangible (e.g., approval and recognition).

Far too many investment leaders claim that they want open and candid discussion but only reward opinions that agree with their own. The larger a person’s ego, the more difficultly they will have genuinely welcoming opinions that differ from their own.

The scoring on this factor is important: “Incentives are properly designed and aligned to create the right investment outcomes.” Interestingly, even the top performing equity team that we highlight later in this paper had issues around incentives.

Involving the team in the design of their own incentives is a best practice. Far too many investment firms make these money decisions without proper input from the people who will be affected.

**Decision rights**

Have you established a process for deciding how you will decide? Most teams when faced with a question, just jump in and start trying to solve it. (fire, ready, aim) World class teams first ask, “How will we go about solving this issue most effectively?” Decision rights answer several important “meta” questions:

- Who has the rights to decide how a decision will be made?
- What are the options?
- What is my role as a team member in providing input or in deciding?

Research into decision making shows clearly that some questions are best answered by experts (e.g., how to perform brain surgery), while other questions are best answered by groups (e.g., economic, political, and market forecasts). Still others may be best handled by a small sub-group.

In our view, the appropriate decision making method is situational. In practice, we’ve observed that far too many investment firms are laboring under the “myth of the expert.” Too many decisions are left in the hands of one person—an expert—when a group would be more appropriate. Michael Mauboussin has created the following chart that highlights which decisions should be handled by what method:

<table>
<thead>
<tr>
<th>Method</th>
<th>Decisions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Experts worse than computers</td>
<td>Credit scoring, simple medical diagnosis</td>
</tr>
<tr>
<td>Experts better than computers</td>
<td>Chess, Go (a game)</td>
</tr>
<tr>
<td>Experts about equal to collective</td>
<td>College admissions, Poker</td>
</tr>
<tr>
<td>Only collectives can win</td>
<td>Stock market investing, economic forecasting</td>
</tr>
</tbody>
</table>
Notice that the kinds of decisions that frequently confront investment firms—market and economic—reside in the column in which “only collectives” (i.e. groups) can win. The reader may want to shout, “group think!” when they read anything about collectives. But Surowiecki and others (Justin Wolfers, et al) have written extensively about the conditions for collectives to outperform experts:

- Independence in their thinking.
- A way to aggregate the different views (i.e. an information exchange).
- Decentralization.
- Cognitive diversity.

When these conditions are met, collectives reliably outperform experts.

Returning to the question of decision rights, these are the choices that a team has when deciding how to decide:

1. Leader decides
2. Leader with input
3. Subgroup
4. Subgroup with input
5. Vote
6. Consensus

When working with investment teams, we use the remote “clicker” technology to quiz them on decision making alignment. We give them a hypothetical, like “hiring a new analyst on your team,” and then ask, “How would you advise your team leader (i.e. the person with decision rights) to make this decision?” The result above is from our top performing equity team and, as you can see, they differed on how the leader should make the decision. On this team of 10, six said “leader decide with input from the team,” two said “subgroup” and two said “consensus” (meaning all 10 must agree). This sort of exercise provides excellent practice in constructive debate, that is, explaining the rationale for your choice.
Interaction Elements

Meeting protocol
For teams to function optimally and make excellent decisions, a certain amount of meeting structure must be in place. The following can serve as a checklist for meeting structure:

- The meeting has a clearly stated purpose. Why are we here?
- There are clear outcomes. What will we walk away with?
- There is an agenda, preferably sent around before the meeting.
- Roles are clearly established. For example: decision rights, facilitator, time keeper, presenter, and scribe.
- The room and materials are optimal: plenty of flipcharts and wall space to hang them. Keeping a public record of the conversation is critical. (And rarely done in organizations.)
- Did the meeting start and end on time?
- Next action steps are established in this form: who will do what by when?

Curious attitude
Do the participants practice respectful listening? Adopt a genuine curiosity when others are speaking? Try to understand the other’s point of view before responding? In our parlance, this is called “above the line” behavior. (defensive, closed, and reactive characterizes “below the line”)

Importantly, this form of listening does not preclude debate and differing opinions. Rather, it encourages all points of view. Contrary to most talk radio and TV, in which the participants try to win the discussion by out-shouting their opponents, respectful listening requires participants to relax their egos and let go of the need to “win” the discussion. With curiosity, the goal is to fully vet an idea so that all relevant viewpoints are presented.

Scoring this part of the “checklist” is best done with the “clickers” so that each team member can honestly answer the question, “Was I listened to respectfully in this meeting? Were all points of view welcomed?” One sure way to check if good listening is occurring is to periodically ask the listener, “What did the other person just say?” Simple as it seems, this process check can help all team members learn the skill of listening vs. “re-loading” (i.e. getting their arguments ready to fire back at the other.) On top teams, individuals can paraphrase the other’s position and then respectfully state the counter position.

Candor
When investment teams are asked to score themselves on a scale of one (poor candor) to 10 (excellent candor), the average of all teams is around seven. We call this gap between what is said and what is thought, the “candor gap.” People have varied perspectives, so top decision making teams give themselves an edge by recruiting diverse people who will share their differing viewpoints. Your team could have a wonderful score on “cognitive diversity” (as discussed above), but if the dynamic squelches open dialogue, the diversity score is rendered meaningless.

Fear is the root cause of the candor gap, and varies in individuals. A few examples in a long list include:

- Job loss.
- Saying something stupid.
- Hurting someone’s feelings.
- Making someone (i.e. the boss!) angry.
The assignment of the leader is clear: reduce fear and build trust as much as possible. We have heard far too many leaders tell us, “It’s not my fault. I encourage open discussion, but people just won’t jump in.”

One solution is to realize that most investment professionals are introverts (about 80% vs. 25% in the general population) and treat them accordingly. Introverts prefer to process their thoughts internally and completely before sharing them. To brainstorm, a leader could first provide five minutes to write down thoughts. After this short time, it is fine to then have people discuss openly their views. Too many leaders start a brainstorming session by simply saying, “okay, let’s go!” resulting in the train will leave the station without the introverts aboard!

Another important tip for leaders is to encourage and reward dissenting views. It may be useful to assign a “devil’s advocate” role to someone in the group. Or give the whole group a few minutes to write their dissenting views and then air them. They key is to make it safe to hear all views. Behavioral research has shown us all too clearly that independent thinking and expression are rare occurrences in a group. Leaders and team members need to work continuously to encourage candor.

In our process, scoring for candor is private. Allow each team member to “click” in his score on how candid he was during the discussion.

Behavioral biases/decision traps
Self awareness is an important skill for all investment professionals. Why? Because all day long they must fight human nature! The behavioral scientists have shown us all too clearly that much of our decision making is inherently flawed. We would identify the following as the key behavioral pitfalls that each investment team faces:

- **Perceived reality.** There is no such thing as “objective reality”, but rather each of us creates our own version of reality. Skilled investment teams create collective “understandings that derive from diverse individual perceptions. A small but sufficiently diverse pool of skilled analysts can overcome missteps in the reality construction process. To the degree that a skilled investment team’s diversity is better than the market’s and the competition’s, reality construction becomes a positive investment edge.”

- **Too much information.** Another pitfall is the analysts desire to gather every last bit of information, even though studies show that the 80/20 rule is alive and well! As Singer states in his new book, “the most critical aspect of the decision-making process is the ability to use available information to the greatest degree possible.”

- **Confirmation and perseverance bias.** We all fall prey to this one. Once we form an hypothesis, we go about looking for data to confirm it. Hence top decision processes have built into them a devil’s advocate role: ask the disconfirming questions. Charles Darwin understood this pitfall. While researching his theory of evolution, he kept two notebooks: one that confirmed his hypothesis, the other that disproved it.

- **Hindsight bias.** Related to Darwin and his notebooks, we regularly encourage investment professionals to keep diaries of their decisions. Researchers have shown us that we don’t remember history accurately. In the time that passes, we recreate history over and over based on our subsequent experiences. Hence, real learning will not take place from our experiences unless we carefully note our reasons for making decisions. To put it simply:
if you don’t carefully document your decisions, you don’t have a chance to learn from them!

Creating a scorecard measure for behavioral biases is harder than the other factors. First, the team must discuss and decide which are the relevant biases for them. Then, they can list them and identify ways that they would evaluate whether or not the team has improved, stayed constant, or declined with regard to the behavioral traps.

**Visual aids**

For a discussion to be world class, the participants must understand the ideas and mental models of the other participants. The best way to do this is to make liberal use of visual aids: Powerpoint slides, drawings on flipchart pages, handouts, etc. The rule of thumb is: get as much of your thinking out of your head and onto paper as possible.

The “clicker” technology provides a great example of the power of visuals. For example, with one investment team we were discussing the best way for the sub-teams (all equity but different market caps and countries) to make buy and sell decisions. Prior to doing the “clicker” exercise, the CIO had said, “I imagine that most of the teams see our strategy as a blend of quantitative and qualitative.” The chart below was a powerful visual for this leader. When he saw it, he laughed out loud and exclaimed, “How could so many of you get this one wrong!” At that point, the whole room laughed.

There is no amount of conversation that would have elicited the leader’s passionate response and sparked the heated discussion that followed. Visuals are crucial to world class discussions!

Another example that I frequently use with investment teams is to have each team member illustrate the team’s investment process on a flipchart. Invariably this exercise produces insights and “aha’s.”

Especially when I add the instruction, “highlight in red the parts of your process that add value.” In other words, highlight your competitive advantage. This is an important conversation that all teams should have.

A final useful exercise is for CIO’s (or team leaders) to show the team visuals of his own thought process when it comes to analyzing data, making decisions, and preparing for client meetings. Many leaders have tremendously useful mental models for various tasks yet have never shared them explicitly with their team!

We have many other suggestions for ways to visualize our thoughts, but these give you a taste.

**Monitoring and Reflection Elements**

**Feedback and post-mortem reviews**

The very best investment teams work to create a feedback rich environment. This does NOT mean that the best teams are constantly criticizing each other! Feedback is both positive and negative. In
fact, experts recommend that the ratio of positive to negative feedback be five-to-one. Positive feedback—or appreciation—reinforces the right behaviors and to maintains energy positive. Three rules are helpful in providing this type of feedback:

- Timely (give it as soon as you notice).
- Genuine (never, ever be insincere; it destroys trust).
- Be specific (much better to say, “your comment about the German inflation rate was very insightful” than “you are really a smart guy.”)

On the other side, constructive criticism or so-called “negative feedback” is also essential. Many people believe that providing this corrective feedback has to be unpleasant. It does not. If delivered respectfully and with a genuine intention to help, the response is often gratitude. Investment professionals in general want to improve, and are naturally curious. In our experience, constructive criticism is often greatly appreciated and serves the team by uncovering possible blindspots in behavior. In fact, the best antidote to the traps of behavioral finance is feedback from teammates. Example: If I am continually citing evidence to prove my investment conclusion, a useful comment from a colleague could be, “have you looked for disconfirming evidence concerning your investment thesis?”

Postmortems offer investment teams a formal opportunity to ask the question, “What have we learned from this experience?” A genuine attitude of learning and accountability is key. When these attitudes are present the participants feel safe to answer the question, “How did I contribute to the results that we got?” The wrong question is, “Who is primarily to blame for these outcomes?” If postmortems seek to answer this, then the learnings will be minimal. Participants will quickly learn what the “game” is and cover their backsides accordingly. A key behavior for teams that have successful postmortems is “taking responsibility.” Look in the mirror and ask, “what could I have done differently?”

Leaders must skillfully create a useful postmortem. Any hint that some participants are “gaming” the exercise (i.e. trying to place blame on others) will shut down learning. Instead, leaders must continually highlight the safety for each participant in acknowledging honestly what he or she could have done differently. And, in turn, what their learnings from the investment are. (Note: this is not to say that individuals are encouraged to make the same mistake repeatedly! Rather, postmortems identify process improvements and aim to eliminate future errors.)

The scorecard question for this item is: “Do we regularly provide feedback both formally in postmortems and informally in the normal course of work to each other?”

**Continuous improvement**

The last element of the checklist for decision making relates to postmortems but goes beyond the formal process of discussing past decisions and learning from them. Continuous improvement asks of the team, “have we allocated time to reflect on how we do things and questioned our methods?” Additionally teams can ask themselves, “what is new in the investment world that merits our attention?” Or if Andrew Lo is right, “in what ways is the market adapting and changing, such that we need to change with it?” On a more personal level, investment professionals might ask themselves, “what is my developmental edge right now? What do I need to hone or improve or learn in order to play at a higher level?”
Having described our checklist, we now turn to real-world examples. We won't review all the elements of the checklist, but we will highlight some of them that clearly differentiate between a top notch investment team (i.e., a long term excellent performance record) and a team with an average record.

Checklist in Practice: real time results

Here are some characteristics of the teams we chose to compare:

• Each happens to be non-U.S. based.
• Each is an equity team, though the checklist works fine with other asset classes.
• Each one has a performance track record greater than five years, one very good, one fairly mediocre.
• The top firm is independent (but multi-asset class). The average firm is part of a larger financial organization, and is therefore a “division” of the company, not a separate entity.
• The top team has 10 members, the average team has 19.

All that said, each team's samples below suggest why the one team is fully engaged and successful and the other one not.

1. Compelling vision?

We have a clear and compelling vision of investment success.
2. **Aligned around a well-articulated investment philosophy**

(This “clicker” question is posed after the team completes a survey on their investment philosophy and process, and then discusses any un-aligned aspects.)

![Survey Results Chart]

Based on our survey results, I believe we are closely aligned around investment philosophy, process, and strategy.

3. **Talented team members**

Interestingly, as you see in the slides below, the average team does not believe their talent is inferior. If this were true, then the entire discussion of process might be irrelevant because they simply cannot compete on brainpower. But that is not the case.

![Survey Results Chart]

We have sufficiently talented members on this team to succeed.
4. Cognitive diversity

We have sufficient cognitive diversity on this team.

<table>
<thead>
<tr>
<th></th>
<th>Top team</th>
<th>Average team</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>80%</td>
<td>10%</td>
</tr>
<tr>
<td>2</td>
<td>0%</td>
<td>18%</td>
</tr>
<tr>
<td>3</td>
<td>20%</td>
<td>15%</td>
</tr>
<tr>
<td>4</td>
<td>0%</td>
<td>10%</td>
</tr>
<tr>
<td>5</td>
<td>0%</td>
<td>10%</td>
</tr>
</tbody>
</table>

5. Trust and respect

We have done separate research to show that fund performance aligns with this factor. Teams don’t do their best decision making when trust and respect are low. Notice these scores for the two comparison teams.

We have sufficient cognitive trust and respect on this team to interact well.

<table>
<thead>
<tr>
<th></th>
<th>Top team</th>
<th>Average team</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>100%</td>
<td>27%</td>
</tr>
<tr>
<td>2</td>
<td>0%</td>
<td>17%</td>
</tr>
<tr>
<td>3</td>
<td>0%</td>
<td>17%</td>
</tr>
<tr>
<td>4</td>
<td>0%</td>
<td>17%</td>
</tr>
<tr>
<td>5</td>
<td>0%</td>
<td>2%</td>
</tr>
</tbody>
</table>

Strongly agree. Strongly disagree.
6. **Incentives properly aligned?**

Here is the one area that the top team showed lower scores. This poll result prompted a lively discussion about compensation in which the team leader provided a great deal of additional transparency about how bonuses are calculated. Subsequently, the CIO and CEO have started to redesign the system.

![Incentives are properly designed and aligned to create the right investment outcomes.](image)

7. **Understanding and alignment around decision rights**

This comparison is particularly revealing. Notice that the high performing team aligns almost perfectly around how they choose stocks. (Note: the discussion following the polling cleared up the “misunderstanding” which created two votes for “subgroup.” It was a definitional difference.) The average team was all over the spectrum on this fairly direct question.

![Choosing a particular investment on your team, say, buying or selling a stock.](image)
These comparison slides do not represent the entire checklist, but provide a sense of why a process for designing and monitoring decision making is so important. Good decisions are the life blood of investment firms and the slides above suggest why the “top firm” is succeeding and the “average firm” is not. As the saying goes, “what you can measure, you can manage.” This checklist provides a way to measure the decision making process, and importantly suggests ways to fix current problems and continuously improve going forward.

About the Authors

Brian Singer
Founder and Chief Investment Officer of Singer Partners, LLC., Mr. Singer was the former head of Global Investment Solutions, and Americas Chief Investment Officer for UBS Global Asset Management. He was a member of the UBS Group Managing Board and Global Asset Management Executive Committee.

Brian is a board member and former chair of the CFA Institute Board of Governors and is also a former member of the Research Foundation of CFA Institute Board of Trustees. He was elected to the Board in 2004 and previously served as chair of the Candidate Curriculum Committee. Brian serves on the Exeter College at Oxford University Endowment Investment Committee and is the chairman of the Milton Friedman inspired organization “Free To Choose Network.”

In 1991, Brian co-wrote a landmark update to one of the pioneering studies on asset allocation, ‘Determinants of Portfolio Performance II: An Update,’ with Gary Brinson and Gilbert Beebower. In 2009, Brian was the lead author of Investment Leadership and Portfolio Management, Wiley Publishing.

Jim Ware
Mr. Ware founded Focus Consulting Group, a firm that helps financial leaders understand and leverage their firm’s human capital for competitive advantage. He has written three books on leadership and culture in the investment industry (see below).

Mr. Ware is a Chartered Financial Analyst with 20 years experience as a research analyst, portfolio manager, and director of buy-side investment operations. He has taught investments at the Kellogg Graduate School of Management, and written articles for various trade publications including the Financial Analysts Journal. He is on the advisory staff for Institutional Investor magazine and the CFA Board of Regents. His books have been reviewed in The Wall Street Journal, Pensions & Investments, Forbes, and Canada’s Globe and Mail. He has presented at over 100 CFA events in 18 countries and writes a quarterly column for their website: “Firm Success: Leading the Investment Firm.” Jim has appeared on Fox News, Canada’s “Report on Business” and other news shows.

Books and papers by Jim Ware, CFA, and the Focus Consulting Group:

- High Performing Investment Teams (Wiley, 2006)
- The Psychology of Money (Wiley, 2001)
- “Life Stages of an Investment Firm” (with Jane Marcus, Heidrick & Struggles)
- “Applied Behavioral Finance”
- “Ethical Leadership”
- “Adaptive Leadership”
- “The Trust Project”
- “Culture as a Strategic Advantage”

For further discussion, contact Jim Ware: jware@focusCgroup.com or (847) 373-8853.
Endnotes:


2. *The Wisdom of Crowds*, pg. 31 Brian Singer adds this comment: “Assembling them is one thing, but they need clearly specified authorities and accountabilities. They can't function without these being specified.”

3. *Investment Leadership and Portfolio Management* (Wiley) by Brian Singer, due out Fall, 09.


5. “What Type of Investor are You?” www.focuscgroup.com, in the writings section.


8. Ibid., pg. 11.

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Helping investment leaders leverage human capital worldwide.

Our approach

Jim Ware discusses the engagement with your firm’s leadership, designs a custom approach, and brings in content experts when appropriate. Examples of such collaboration includes work with:

- Adam Barnett, McLagan
- Dave Bauer, Casey Quirk
- Jim Dethmer, Jim Dethmer Consulting
- Jane Marcus, Heidrick & Struggles
- Michael Mauboussin, Legg Mason
- Joe Mazzenga/Kary Miller, Whetstone
- Paul Olschwanger, Olschwanger Partners
- Fran Skinner/Jamie Ziegler, AUM Partners

Services offered

Organizational

- Foundational offsites (vision, values, strategy)
- Succession planning
- Compensation & incentive structures
- Firm integration: eliminating silos

Leadership

- Assessments (360, psychometrics)
- Development & coaching
- Onboarding new leaders
- Personality typing & application

Investment Philosophy & Process

- Assessment
- Applied behavioral finance
- Effective post-mortems

Culture

- Analysis & management
- M&A analysis, integration, implementation

Team

- Enhanced decision making
- Assessments & dynamics
- Conflict resolution
- Personality typing & application

Distribution

- Marketing/Sales strategy
- Branding
- Client service

Jim Ware, CFA

Jim Ware is the founder of Focus Consulting Group, a firm that helps financial leaders understand and leverage their firm’s human capital for competitive advantage. Author of three books on leadership and culture in the investment industry, all in the Wiley Financial Series, his most recent is entitled, High Performing Investment Teams, (February, 2006).

Mr. Ware is a Chartered Financial Analyst with 20 years experience as a research analyst, portfolio manager, and director of buy-side investment operations. He has taught investments at the Kellogg Graduate School of Management and written articles for various trade publications including the Financial Analysts Journal. He is on the advisory staff for Institutional Investor magazine and the CFA Board of Regents. His books have been reviewed in The Wall Street Journal, Pensions & Investments, Forbes, and Canada’s Globe and Mail. He has presented at over 100 CFA events in 18 countries and writes a quarterly column for their website: “Firm Success: Leading the Investment Firm.” Mr. Ware has appeared on Fox News, Canada’s “Report on Business” and other news shows.

His educational background includes a Masters in Business from the University of Chicago and a degree in philosophy from Williams College, where he graduated Phi Beta Kappa.

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