

Chapter 1

Who Says Talk Is Cheap?

You haven't lived until you've had 10 minutes to persuade six total strangers to give you \$40 million.

It's an incredibly intense exercise, one that definitely heightens your senses and crystallizes your thinking. That's because each passing minute is worth \$4 million.

And it's a mission that I'll be embarking on in about thirty seconds.

My name is Eddie C. Brown and I'm in the high-pressure, no-excuses business of managing other peoples' money. Welcome to my world.

Not surprisingly, the eagerness, trepidation, and exhilaration buffeting my innards have me practically abuzz with adrenaline. Even though at the moment I appear to be casually strolling through a Sacramento conference room, I feel like I could just as easily be moon walking across the ceiling!

Onlookers see the approach of a bespectacled, nicely dressed gentleman who is the very picture of competence, confidence, and

probity. At least, that's how I hope the six conservatively dressed businessmen scrutinizing my every move view me. I flew here from Baltimore to impress upon them the following: They can't find a more savvy and level-headed soul to safeguard their \$40 million, while managing it in a way that yields even more money for them.

The year is 1990 and my audience is the investment committee of the California Public Employees Retirement System, or CalPERS. After I take 10 minutes to lay out my rationales and investing methodologies, then I'll have 10 additional minutes to sagely and succinctly answer whatever queries the committee members may have.

My Baltimore-based company, Brown Capital Management, has been in existence for seven years now and has \$80 million under management. In the future, that figure will grow to be billions. But at this point in my corporation's life, I could really use CalPERS' capital, not to mention the credibility that an association with them will confer.

All I need is for the next few minutes to go according to plan.

The CalPERS team regards me with dispassionate, unreadable expressions as I march toward the U-shaped table where we'll be doing business. There's no "Nice to meet you" and "How was your flight?" small talk as I stride toward my fate; only cool, evaluative silence.

Every one of my inquisitors is already seated and ready to get down to business. Wow—these boys are not playing! I can almost hear their thoughts as I smoothly set down my briefcase and prepare to sit myself. *Is he really as good as his financial results indicate? Are we in the presence of a superbly trained, uber money manager? Or a potential time bomb who'll make us look like rank amateurs?*

Numbers don't lie. My clients have historically enjoyed results that have beaten the stock market year after year. However, folks who entrust you with millions of dollars need to be swayed by who you are, as much as by what they read about you on paper. It's time for me to become one of the financial industry's leading purveyors of charm, expertise, and gravitas.

It's time to sell the heck out of my brand.

No sooner does my backside settle into a chair at the conference table than a huge black digital stopwatch with big red numbers on it

starts running. Taking note of that simple fact has eaten up two of my precious 600 seconds. This leaves me with nine minutes and fifty-eight seconds to convince CalPERS that I'm their man.

After the 10 minutes for my presentation have elapsed, the CalPERS committee will get an additional 10 minutes to ask questions. Given the amount of money at stake, naturally I've left nothing to chance. I know precisely what I'm going to say, as well as how and when I'm going to say it. I've rehearsed my lines ad nauseam and have literally timed them to the second.

So I let the verbiage I've chiseled into my brain start to flow, and also make it a point to swivel my head so that I can have eye contact with each CalPERS team member.

I start off by thanking them for this wonderful opportunity to compete for their business, and make it clear that I'm intimately familiar with CalPERS' mission, its unique money-management needs, and am eminently qualified to comprehensively address those needs.

As I stop to take a breath, time continues to tick away. The unrelenting digital clock indicates that I have **8:33** left. So far, my spiel is going exactly as I've rehearsed it. I'm excited and revved up, but not nervous because thorough preparation always puts me at ease. Plus in a manner of speaking, I don't feel like I have anything to lose—I've yet to gain the \$40 million I'm seeking, so it's not mine.

8:31. Time to launch into a brief history of Brown Capital Management and my 13-year background in the financial industry. This includes having worked for T. Rowe Price, having made regular appearances on the PBS program *Wall Street Week with Louis Rukeyser* and having earned an M.B.A. from Indiana University. I even toss in a little Hoosier joke, to show these guys they're not dealing with some humorless financial automaton, but an engaging human being they'll enjoy interacting with.

6:47. Of the six CalPERS committee members, three are nodding and smiling faintly, two are expressionless and one appears to be disengaged for reasons that I pray have nothing to do with me. Without missing a beat I begin pulling out visual aids—charts and graphs—and segue into my investing philosophy, which I call GARP, an acronym for growth as a reasonable price. I've got everybody's attention now, even my disengaged friend's.

:10. After hearing only my voice for the better part of 10 minutes, I'm mildly startled when the investment committee chairman pipes up: "Mr. Brown, you have 10 seconds!" Smoothly summing things up, but at a lightning pace, I bring my presentation to a well-choreographed close. And then I take a much-needed breath.

That's got to be the fastest 10 minutes I've ever experienced in my life. The digital clock is instantly reset to tick off 10 more minutes.

Incredibly, the second 600-second allotment flies by even quicker, as the committee members ask questions based on my presentation. Professional athletes often talk about being in the zone when they're really on top of their game. Well, I'm here to tell you that financial professionals sometimes reach that same exalted place as we go about our business.

Before I realize it, 10 more minutes have flown by. I quickly collect my charts and graphs, give each CalPERS member a quick smile and a nod and walk away from the table.

The CalPERS team has several more money managers to interview who also want CalPERS to allocate \$40 million to their firms. All of the hopefuls have survived a rigorous vetting process to make it to the interview round, and CalPERS has limited everyone to 20 minutes to ensure that interviews are handled quickly and efficiently.

I leave the conference room feeling totally at ease and satisfied with my performance. Whatever happens moving forward, I'll know that I left no verbal stone unturned in pursuit of CalPERS' \$40 million. To use another time-worn phrase from the realm of athletics (my last one, I promise!), I left everything between the lines.

Now that my 20 minutes are over, I feel talked out. I call my wife, Sylvia, to let her know the meeting is a done deal, things seemed to go well, and that I'm on my way to Sacramento's airport for a flight back to Baltimore. And then I get off the phone, perfectly content not to utter another syllable until I'm back on the East Coast.

Bottom line, a few weeks later I get the \$40 million dollars I flew to Sacramento for. It was definitely a satisfying victory, and a well-deserved one for my 10-minute speech. Not bad for someone who used to drive moonshine-laden hotrods through the dusty back roads of rural Apopka, Florida, as a youngster.

As soon as the CalPERS money is wired to Brown Capital Management, I immediately call Sylvia and tease her that my time is now worth \$240 million an hour, and she needs to treat me accordingly. Given that there's no letup in the honey-do lists tossed my way at home, I guess my playful boast didn't impress her unduly.

So was snagging the CalPERS account my greatest triumph thus far? Not by a long shot. My greatest triumph will always be the way my wife, our two daughters, and I were fortified by God's grace to survive a cancer scare that rocked our tight-knit family to its core.

Don't get me wrong—securing \$40 million thanks to a well-executed 10-minute spiel is terrifically gratifying, and I remain very proud of that accomplishment. But money has never been my lord and savior. I've made lots of it in some fairly unique ways and have spent lots in pursuit of altruistic aims and objectives. All over the course of an existence filled with quite a few noteworthy scenarios and challenges.

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