



BEN GOLDSMITH THE GREEN REVOLUTIONARY

**Entrepreneurship, Environment
& Impressions from Israel**

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BEN GOLDSMITH

Ben is actively involved in environmental philanthropy, as Chair of the Goldsmith family's "JMG Foundation", which funds campaigning and advocacy work on several key environmental issues. He is co-founder of the UK Environmental Funders' Network, which brings together more than 100 grant-making organizations with a focus on environmental issues.

Ben is Chair of the Conservative Environment Network, which seeks to raise the issue of environmental protection up the agenda of the conservatives, broadly defined, and specifically of the Parliamentary Conservative Party.

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Ben Goldsmith is the innovative business tycoon who holds the position of chair of the Goldsmith family group and founder of WHEB, one of Europe's leading specialist "sustainability" focused investment businesses. WHEB comprises a team of 32 people in London and Munich and manages assets totalling approximately €450 million across renewable energy infrastructure, technology private equity, and global equities.

Ben tells with a twinkle in his eye that the catalyst for him starting his business was a pivotal moment back in 2000 when his late uncle Edward Goldsmith encouraged him to dig deep and find a business opportunity that would grow him beyond the rigid constraints of stockbroking.

Ben tells,

“My uncle decided, in '99, 2000, that my job as a stockbroker was not interesting enough for me. He felt that there was a business opportunity available due to the changes that the world was experiencing around people's reaction to the environmental crisis, broadly defined.

“He felt that the changes we would encounter in the coming decades, would present a green industrial revolution with unbelievable opportunities. He didn't know how we were going to make money from it, but he knew that we were, and he asked me to go out and explore ways in which we might do that.”

Edward Goldsmith was a dynamic and eclectic character who was one of the founders of Greenpeace, one of the founders of the Green Party in Germany, France, Austria, Switzerland and the UK. He was also a founder of a number of different organisations that worked in environmental issues.



“My father was the quintessential businessman”

Ben says,

“He was out in the wilderness, involved with the green revolution long before it became popular with the masses. Him and my father were pretty much chalk and cheese. He was an industrialist, as the owner of huge amounts of forest land in the USA. He was involved in the pharmaceutical business, food processing and other retail projects, while my father was the quintessential businessman.”

Goldsmith rewinds back in time with an obvious nostalgia that comes with reflecting back on the journey travelled.

“The immediate sort of reaction of a 22-year-old is to a suggestion of this nature was that it must be venture capital. It’s got to be exciting, tech ideas. We’ve got to go and make 1,000 times our money in this tech idea or that tech idea. So I went out with a little bit of backing from my Uncle Teddy and started meeting interesting entrepreneurs, venture capitalists, and I founded a little consulting business in London, called WHEB, Wylie Heyworth Environment Business.”

Goldsmith tells how he collaborated with two partners who were previously at KPMG.

“One of them was previously managing director of Shell’s I-Can business, the other one was Head of Strategy and Economics at KPMG. Both of them had left KPMG to set up a niche business specialising in helping green tech entrepreneurs, people with interesting environmental technology ideas, to commercialise their businesses. They had already been involved with this area of business for five or six years when I met them in 2002.”

It was then in 2003, that Goldsmith started WHEB. He tells,

“I persuaded them that we should actually build a green investment business, and we should actually start investing other people’s money, rather than advising, in some of these ideas. My rationale was that if one looks at what’s happening in the world today, the price of a barrel of oil is up tenfold over the last ten years, and that’s true across all commodities.

“In fact, Jeremy Grantham writes about this, and he can probably speak about it a lot more eloquently than I can, but during the 100 years prior to 2000 pretty much every commodity, from soft commodities, corn, food, wheat, the hard commodities, metals, oils, plastics, everything declined in price. That’s part of the reason why we’ve gone through more or less a 100-year boom.”

Ben explains that the price of commodities has made an enormous impact on the cost of keeping businesses running. The reason his model has become so appealing to large corporations is not only from a going green point of view but is very motivating purely from a the numbers game. Goldsmith says,

“Most commodities now go through massively volatile periods. They are the procurement of commodities which has started to become an issue that keeps the finance director of most businesses awake at night; their energy bills, their utilities bills, their inputs bills, raw materials, the whole lot.

So for cost and volatility reasons there are now businesses across every industrial sector, who are doing what they can to become more efficient in their use of resources, for me, it's as simple as that. That's the heart of the story.

“If you look at that across Europe, 70% of the new energy infrastructure built this year will be renewable energy. In China it's 55%, and on a global basis it's now more than half. So simple mathematics, over a period of time we're going to get most, and eventually all of our electricity from renewable sources. Solar being the predominant one, but also wind, biomass and, in the future, things like tidal energy and hydro, and all that sort of stuff.”

“So that's the other side of the coin. There is a massive tidal wave of money pouring into renewable energy infrastructure, and mainstream investors and corporations are not quite up to speed yet. If you're running a \$50 billion pension fund, and you know you've got to deliver 4.5% a year, in order to meet your predictable liabilities, you're finding yourselves constrained in terms of the amount of equities you can hold. Since governments are now imposing Solvency II, Solvency III, various rules to say you cannot own this amount of equities, you've got to own a chunk of fixed income and other stuff, they're starting to look outside of the traditional asset classes.”

Goldsmith also tells of his passionate love for Israel and as an ardent Zionist, he has pioneered trips to take delegations to Israel to create business partnerships.

“When you look out of your hotel window in Tel Aviv and every single roof in Tel Aviv has a solar heat panel, it is astounding to think about the inroads Israelis have made in this arena. It's pretty much impossible now, to burn gas or oil to heat your bath water in Israel.

“They're way ahead of the club. They're one of the most efficient water consumers on the planet and truthfully, Israel is at the forefront of the green industrial revolution. In terms of their use of all resources, water, energy, raw materials, agricultural land, and the space, which is not economic to farm they've made the most of it in terms of recreation and wildlife and biodiversity.”

Goldsmith is animated as he tells,

“The most amazing thing struck me the first time I went to Israel in November 2011. I landed at Tel Aviv airport, and the car that transported me from the airport to Jerusalem drove me onto the trunk road, which is shaped like an A road forming a triangle in the middle. In the UK, the land would have been made redundant, but on that seemingly insignificant triangle of land, there was a perfect triangle of orange trees. Perched against the trees were men on stepladders, harvesting the oranges, which had been grown with Netafim, which is the ingenious invention of manufactured drip irrigation. That, for me, is the essence of Israel. It is a country with incredibly efficient use of resources.”

“Truthfully, Israel is at the forefront of the green industrial revolution.”



Goldsmith tells of his recent trip where he took 20 young and wealthy men to Israel to seek out potential business opportunities.

“None of the guys had ever been to Israel before, and that’s why I wanted to take them. They all have a lot of money. They’re generally young. They generally inherited that money and are between the ages of 25 and 40. They are all charismatic people with who hail from Greece, Norway, India, from France, from Italy, and the prime minister of Mongolia’s son.

“And the basic notion was this is a business trip, we’ll look at Israel through a business lens. What I really wanted to achieve is I wanted people to fall in love with the place. And I think... I mean, this is a light-hearted talk, but, you know, I might as well throw one, kind of, heavy, depressing thing in. I think the most moving moment was that there was a guy who I knew because he’d been at Eton the same time as my brother, who I knew had a grandfather who’d been indicted at Nuremberg. And this was a source of family angst.

“With this in mind, I knew that walking around Yad Vashem was going to be very challenging for him but he was not aware that I knew. There was another German there as well and halfway through, someone came up to us with a little clipboard and said, ‘listen; there’s a little ceremony at the end to lay a wreath, would any of you like to do this?’ And before anyone of us had a chance to even answer, he just headed straight to the front and said, ‘I’d like to do this, please.’

So we walked into the remembrance hall and he went up and I escorted him because I was the host of the trip. It’s quite dark in there and no-one could really see. His hands and lips were shaking like a leaf and I was at a loss for what to say to him. He was as white as a sheet and he had tears rolling down his cheeks. He held his face steady, but managed to compose himself when it was obvious that he was breaking down inside.

After he put the wreath on, he stood there for a moment and then managed to pull himself together before he came outside. I had a cigarette with him. He didn’t say a word. But two days later, we were at a nightclub in Tel Aviv and at about two o’clock in the morning, he turned to me and told me that it had been a life-changing experience for him and to be honest it had been a life-changing healing experience for me too.”

Goldsmith is one those rare commodities he talks about so fluidly. And there is no doubt that the “**green revolutionary**” will continue to evoke great change in the world as he marks the planet with his signature footprint. His remarkable solidarity to Israel, to the Jewish people, and to the world at large is awe inspiring indeed.

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