Centre for Jewish Life - Bank Leumi (UK) Business Forum
Sir Ronald Cohen - 10 March 2010

Speaker key

RC	Ronald Cohen
LW	Laurence Weiss
RS	Ruven Shafir
AL	Alistair
UM3	Unidentified Male Speaker 3
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RS Welcome to the CJL. Just quickly, before we begin a word from our sponsor, the head of Bank Leumi UK, Laurence Weiss.

LW Good afternoon and thank you for joining us at this event. As some of you may know, Bank Leumi UK has recently sponsored the CJL and we are delighted to have a leading business figure such as Sir Ronald Cohen to share with us some of his considerable experience and valuable insights.

LW All right. The relationship between Sir Ronald and Bank Leumi goes back a number of years when Apax and Leumi formed a joint fund in the 1990s. So, it's most appropriate for the leading bank from the land of venture capital, Bank Leumi, to host the father of European venture capital at today's event. For those of you who are less familiar with Bank Leumi UK's operations in the UK our core areas of business are commercial finance, international trade finance, a specialist commodity finance group, property finance and Israel related finance. We also offer comprehensive private banking services both here, across the street, and in our subsidiary in Jersey. Finally, and certainly not least, the bank owns an asset backed lending business, Leumi ABL, which provides factoring and invoice discounting and, in fact, last year was voted UK asset based lender of the year by ACQ Finance. So, if you're interested in learning more about Bank Leumi UK's services here please feel free to speak to me. My colleagues are here in the room today. Or look at one of our leaflets. And, on that note, it's a pleasure to introduce you. Do you want…?

RS Oh, thank you. The CJL would like to thank you for joining us here today. As part of the CJL Business Forum we are honoured to have Sir Ronald Cohen speaking to us about his life, his experiences, his learning's and, most pertinent to the current times, capturing the second bounce of the ball, turning risk into opportunity, which is his, the title to… also to his autobiography and book. During his remarkable career as a pioneering VP private equity and venture capital investor in Europe he was the founding partner and former chairman of Apax, managing funds, by the end of it, of over $35 billion across nine countries in Europe, Israel and Japan. One of the greatest lessons from Sir Ronald's illustrious career is to have the vision and the guts to drive into new territory, the foresight to capitalise into the future and the drive, endurance, perseverance, will power and leadership to not only execute but stay on the course, which are some of the learning's I learnt from reading his book. Oh, and, most importantly, check your ego at the door if you could.

And another great lesson is his grace from stepping down from the company he co-founded in retirement, Apax. And one of the most important lessons I've learned is to balance between what you do for yourself and what you do for others. And I think he practices what he preaches.

Since his retirement from Apax Sir Ronald has continued to be very active in business and philanthropy. He's currently chairman of Bridges Ventures, a leading VC firm, and of The Portland Trust, a not-for-profit organisation devoted to promoting peace between Israelis and Palestinians through economic development. In 2007 he co-founded and became a non executive director of Social Finance Ltd, an innovative enterprise founded on the intersection of free market and social programmes and what one would call an amazing social investment bank, which is pretty innovative.

He's also a trustee of the British Museum, serves on the Harvard Board of Overseers, and is Vice-Chairman of Ben Gurion University and a member of the University of Oxford Investment Committee. He's a graduate of Oxford University where he's president of the Oxford Union. He has an MBA from Harvard Business School and is the recipient of an HBS Alumni Achievement Award, as well.

Today, Sir Ronald will be joining us to speak about his book on entrepreneurship, The Second Bounce of the Ball, Turning Risk into Opportunity, which has actually been translated into various languages, including Hebrew, and his wealth of experience in business, finance and his life. So, please, thank you.

RC Thank you, Reuben. How many of you here are entrepreneurs? Did you just raise your hand? My gosh, a big percentage. How many are aspiring entrepreneurs? So, that's just about all the audience. Who never wants to be an entrepreneur? No-one, okay, well, that gives me my bearings in terms of my comments.

First of all, may I say how delighted I am to be here with you all today
Basically, I'd like to leave time for questions and answers, so I'll speak for about 20 minutes and just give you some elements that I have developed an insight into over the years of my career.

Many of you will know that I started life in Egypt, of all places. We got kicked out of Egypt when I was 11. We left with a suitcase and ten pounds sterling each, my parents, my brother and I. Another brother, older, had already gone to Australia, as it happens. And we were actually on our way to Brazil but we ended up in the UK. It's another story.

And one of the things that that experience did for me, obviously, was to force me to think about making money. **You need it to get an education. That's the big Jewish principle. I heard that every day of my life.** It's the one thing that no-one can take away from you. You've got to get an education. You're all smiling. You've all heard it. The message continues to go on to my children and their children, I hope, and so on.

After I made my way through a grammar school called Orange Hill in North West London, which had only in its history sent two people to Oxford, I happened to connect with a teacher called Richard Farley, whom I sought out and found 40 years after I left Orange Hill. And that teacher was really a turning point in my life because he prepared me for my entrance exams at Oxford. In those days you had entrance exams which I had to get through. And it's really thanks to Richard Farley that I made it to Oxford.

And when I graduated from Oxford I had a conversation with my father. As you'll see, my parents had a big role in the decisions that I made in my life. I had a conversation with my father on these lines. I said, look, you know, here I'm going to graduate in three, five months, or whatever, I don't know what the hell I'm going to do. I studied philosophy, politics and economics. What am I going to do with that? And he said to me, why don't you go to Harvard Business School? In those days very few people thought of going to Business School, let alone Harvard Business School. But, luckily, I got into Harvard Business School. And when I got to the Business School in 1967 it just happened to be a climactic time in terms of entrepreneurship and technology. In 1968 Intel was founded, the father of the technology revolution. And in 1968 Deck went public. The mainframe computer manufacturer went public and one of the backers made $100 million out of backing them at an early stage.

And so, with friends I began to think about doing our own thing, which was always **something that I had been brought up to think about, that it was much better to do your own thing than to work for somebody else.** And we started to think of doing our own thing and helping others do their own thing, in a way, which was to get involved in backing those who were creating businesses and which were the very early days of the venture capital industry.

In 1969, as it turns out, the first venture capital funds started in the United States. And so, imbued with sort of spirit, and very much contrary to the values of the time, which were that you were better off working for a large firm, having the security of working for Rolls-Royce or ICI[1] or Courtaulds[2], companies some of which have disappeared now, was infinitely preferable to trying to do your own thing in those days. Contrary to that spirit we decided to create our own firm which would provide advice and finance to entrepreneurs seeking to develop international businesses.

And so, in 1972 at the age of just 26 and a bit I launched out having to make a salary for myself. And it took us actually nine years before I raised the first venture capital fund of our firm and in those days, 1981, a £10 million fund, the largest venture capital fund raised in Europe at that time, the same time as Advent International who raised also £10 million. And from 1981 onwards we had the stream of revenues that came from managing venture capital funds and, of course 20% of the game, which is what I was able to build my wealth

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[1] Imperial Chemical Industries (ICI), acquired by the Dutch conglomerate AkzoNobel, in January 2008.

[2] Founded in 1794, a UK manufacturer of fabric, clothing and chemicals. In 1990, severely beaten by competition from China, it split into two companies and the textiles business became Courtaulds Textiles and the chemicals business Courtaulds Plc. In 2000, Courtaulds Textiles became part of Sara Lee and Courtaulds Plc part of AkzoNobel.

and many of my partners were able to do the same on. And I spent basically 33 years working as an entrepreneur and backing entrepreneurs.

Taking Advantage of Uncertainty

I've given you all of this background because the first thing that you have to learn to cope with if you're going to be an entrepreneur is risk. And risk is not a four letter word. It really isn't a four letter word. It isn't a four letter word in the sense that if you want to make a success out of an opportunity, a spectacular success out of an opportunity, or a great success out of an opportunity, then you cannot do it in situations of certainty. The word risk has a negative connotation for a very simple reason. It comes from an Italian word which meant to run into danger. So, if I say to any of you, do you want to take a risk, you'd say why would I want to take a risk? It's negative. Why would I want to run into danger? But if I frame the question differently and say would you like to have a great success by taking advantage of uncertainty, then you'll begin to think.

And that is the first basic lesson that I learnt. Situations of certainty do not give you the scope for making a significant profit. So, you have to seek out, not avoid, situations of uncertainty when you think about a venture. You can only get inordinately high profits if very few people are trying to do the same thing and if you manage to develop a competitive advantage over them in doing it.

And so, you need to begin to like uncertainty. You need to be capable of exploiting it. You need to view it as your friend. You need to view it as the indicator of whether or not you're likely to be able to make a significant profit out of an opportunity instead of the conditioned reflex of saying, you know what, this is too uncertain, I don't want to do this, it's too risky. And, of course, you do get situations which, after you've analysed them turn out to be so uncertain that you don't want to touch them with a barge pole. It happens all the time. But it's not by avoiding looking at those situations that you're going to connect with a great opportunity. So, **the essence of entrepreneurship is exploiting uncertainty**. And I can't tell you just how important that insight was in my career.

I found myself trying to practice the art of the impossible. I found myself meeting entrepreneurs who were saying, you know what, I want to revolutionise this and I want to revolutionise that, I want to turn this industry upside down. The first category would be Dolly the sheep, you know, we're going to be able to clone. The second category would be Tim Waterstone saying you know what, these little book shops, open for a few hours a day and closed on Sundays, make no sense you want a warehouse-like retail outlets where all of the books are on the shelf and they're open seven days a week. You know, those types of things, those types of investment opportunities, were the ones that we picked out. And we made some mistakes along the way, from the ones that we picked out.

Why Vision Matters

The second insight that I would like to share with you is that whatever your **vision for the business is, that is likely to condition the size of your business**. So, if you start out with the vision of wanting to become the largest retailer in the UK you're much more likely to achieve it than if you started out saying, I want to start making money out of being a bookseller. And the reason isn't as obvious as it may seem, you know. A business grows to your vision. Why does it grow to your vision? It grows to your vision because if you're building something which has to support a huge edifice then you put foundations that are different than if you are building something that needs to support only a small edifice.

For instance, you begin to recruit a completely different type of executive, or partner in my case in a professional firm. You begin to recruit people who are capable of leading a major business, rather than people who are capable of running a small business. And that ends up conditioning your ability to stay ahead of your competition. If you've got the best people you'll spot the opportunities earlier, you'll take advantage of them sooner than your competitors.

So, you might say, well, how did this apply to my case? How would it apply today? Well, in my case I thought we should become the leading international private equity firm. So, I was the first to start off with operations in several countries. Actually, there might have been two or three others. Advent started off in the United States and expanded pretty quickly afterwards. But we started with operations in the United States, in France and in the UK on day one. I built up offices ahead of my competitors. I went into industry specialisation ahead of my competitors. I realised in the early 80s that once the first wave of software and hardware had come and gone you really needed to be an expert in order to know what you were going to do in the computer area or in the telecommunications area or in medical devices or in biotechnology, or in media.

And so, I kept investing ahead of my competitors and my partners were able to carry the load of running an organisation that was investing in several fields instead of just one, through many different offices in different countries instead of just one. So, the second insight has to do with the fact that your vision will constrain the size of your business.

<u>Cashflow is critical to successful business launch</u>

The third is that businesses fail always for the same reason. What is that? They run out of money. The one thing every business that I've been involved with that has failed had in common: it ran out of money. Could have had a better product, could have had a better management team but they ran out of money. And you realise that, in taking advantage of uncertainty, you have to have an X-ray vision of your business that gets right down to the financial structure of your business. And you need to understand exactly what cash flows are being generated and are being absorbed by your business so that you don't find yourself in a situation where you run out of money at a time when you might have been superbly successful. I describe it in the book as the length of the runway.[3] You don't want to find yourself accelerating down the runway before you take off and then find that you're running out of fuel and you crash into the barriers at the end of the runway.

If you look at some of the great entrepreneurs that I've been lucky enough to back they've been able to do more than just look at their product or their service and do that well. They've been able to control the financial dimension of the business. And those who failed were unable to do that. I'll give you just two spectacular examples, one of each.

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[3] See The Second Bounce of the Ball by Ronald Cohen (Weidenfeld & Nicolson), Chapter 6: "Smart Money."

Case Study: Autonomy

Mike Lynch, son of a railwayman, came to see us when he'd built up a business which subsequently changed its name to Autonomy, which is today a $4 billion business. He had a business with just over $1 million of sales, having developed technology to recognise number plates and selling that service to the police. We asked Mike "well, how did you start?" and he said "well, I was in a pub and I asked the bloke drinking next to me whether he'd help me and he lent me £2,000 and I've developed this business, I've got an offer to sell out to Racal (now Vodafone) and I'm hesitating about accepting it." We said to Mike "You know, your technology's amazing, it's got huge application outside of what you're doing. Don't sell out to Racal." Subsequently he applied it to recognising patterns in language that enable you to sift through massive information, written information, and answer a simple English language question. Within BP, for example, what issues have we found with shale exploration in Indonesia, and it'll sift through all the documents at BP and come back with the answer.[4]

Well, Mike Lynch is a guy that we backed with $2.5 million and we took out $750 million. Now, the guy didn't disappear after that. He wasn't a fly-by-night. He still runs a $4 billion quoted company. Why is he still there in contrast to others like Dolly the sheep, who were the first in the area of cloning… why is he there? Because he understood his business and the financial structure of his business; he knew how to stay alive long enough for his product to get to the market and so that he could exploit it. And the management team at PPL[5] didn't. It didn't.

Case Study: PPL Therapeutics

That brings me to another very important insight and that is the role of ego, intellect and intuition. The reason the guys at PPL didn't get it was partly ego. I say in the book ego is a turbo charger.[6] Every entrepreneur has ego, some of them indomitable egos, which their spouses usually complain about, and you can't really be a successful entrepreneur without it. But it's a turbo charger; it shouldn't be a navigation system. When your ego begins to dictate what your next move should be, whether you should continue to plough more money into research instead of being able to generate a source of revenue then you get into trouble.

And the difference between a Mike Lynch and I won't mention the name of the person at PPL, was ego. And we've got plenty of examples up and down every country of people who have failed because they were unable at the end of the day to separate themselves from the drivers of their ego to do certain things. And it can reflect itself by an acquisition too far, it can reflect itself by a product too far or it can reflect itself by a brand new direction whose objective isn't so much a business objective but, in some way or other, a way of gratifying yourself.

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[4] See ibid, p.73.

[5] PPL Therapeutics, the bioscience venture that cloned Dolly the sheep.

[6] See ibid, Chapter 7: "Ego, Intellect and Intuition."

Ego, Intellect and Intuition

Intellect is crucial because you cannot really be successful unless the opportunity that you have connected with is large enough. You can have the vision but if you define your field as early stage venture capital, the largest early stage venture capital fund in the world today is probably $400 million. If you say, I want to be an all-purpose fund, mainly investing in buy-outs and doing some early stage investments - the largest funds that were doing that when I left were around about the $5 billion area. And if you say to yourself I just want to be a buy-out fund - the largest funds are at $15- $18 billion. So, your intellect is necessary for you to keep examining the question which I describe in the book[7] as whether you're opening the door to a ballroom or whether you're opening the door to a cupboard. You'll be amazed how many people launch out without much thought at what seems to be a massive opportunity and after three or four years of very hard work sit down and start to say, my God, I really can't grow in this business, I have to go outside of the market that I have defined in order to be able to develop a significant business. You'll be amazed. And it's your intellect which keeps you constantly worrying about what your competitors are doing, what your market's doing and how do you get yourself into the segment of market that's going to enable to sustain a very significant business.

If so, then what is intuition? Well, I mention in the book[8] that intuition is a quality that somehow transcends your ego and your intellect. And in the case of Apax it translated itself in being able to sit around the table, having discussed umpteen transactions in the past, and saying, you know what, taking everything into consideration, this thing's just not going to work out. It's that gut feel that is crucial. It can be a gut feel in assessing a person's personality and ability and reliability or it can just be a gut feel that subsumes all of the analysis that you've done. At the end of the day you say, you know what… it's not going to happen.

At Apax we managed to develop a collective intuition about things that would work. And, I think, most successful businesses get themselves into the same place… and you're able to analyse everything. You understand why you're doing things and at the end of the day there's a, sort of, gut feel that comes on top of it.

Leadership

I want to mention one more factor that has distinguished those who've succeeded from failed and then I want to come to social entrepreneurship. I think those who have succeeded very often have been able to see themselves as leaders of a business who needed to change their role in order to adapt to the needs of their business. And those who have failed have been people who felt that they wanted to play a certain role and the business suffered. What do I mean by that?

When you start a business you're at the centre of it. It's like a wheel and every spoke comes into you. If you have a team of ten people, some of you may be in that situation, you're leading the operation and people come to you for every decision. If you go to 40 people it

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[7] Ibid, p.71

[8] Ibid, p.196

becomes very difficult to run a business on that basis, doesn't it? And you need to begin to move to a different type of organisation where you're the leader and you delegate to people who, hopefully, are as bright and as entrepreneurial as you and can do some things better than you can, who take responsibility for making all sorts of decisions beneath you. You're not in a position to know everything that's going on in the firm. Nor do you get the psychological gratification that comes from having evidence of your power every time you give a command and somebody obeys it.

That is a much bigger hurdle for a lot of people to transcend than you might imagine. There are lots of people who continue to run small businesses because, as they might express it, they really want to know what's going on in their business. They basically cannot let go of the reins because the gratification that they get from being the most important person in the firm, without whom the firm, very clearly, could not function, is what keeps them there.

Social Entrepreneurship

These are some of the insights. Obviously, there are many more that we can discuss in questions and answers. But I just wanted to explain another thing, which comes back to my background in some ways. It's part of the Jewish tradition that you give as well as make your own living, as it were. It's a moral obligation to help those who are less well off. In my family if you were lucky enough to have a break of some kind, you made money out of something or you had a success, then you gave money to the poor.

Always in the back of my mind was the fact that I was never of a view that what I was doing professionally was all I was meant to do or should do, that having as my epitaph he was a great private equity investor with a 30% net IRR over 15 years was not really what it was about.

I had decided at the age of 53 that I would leave Apax at the age of 60 because I wanted to try to address some of the social issues that had perturbed me, frankly. I had been aware of the fact, as an entrepreneur, that every time we created other millionaires, somehow the gap between rich and poor was getting bigger and bigger. The standard of living was going up but the difference between the very wealthy and the very poor was getting larger and larger. And that had always concerned me. Secondly, with my background, being Jewish, a Cohen, getting kicked out of Egypt, married to an Israeli, whose father Yossi Harel was very deeply rooted in Israel and one of the founders of the state and commander of the Exodus - I felt that perhaps my destiny was to try to help find a different approach to resolving the Palestinian/Israeli issue.

In the former area, the area which I now call social investment, I set about trying to do what I had been fortunate enough to be able to do in private equity, which is to bring a professional approach and great capital to business entrepreneurs. I then set about trying to do that for social entrepreneurs. I came to the conclusion that governments cannot deal with social issues effectively, that very often they perpetuate the social issues that they're trying to solve because they create dependency, and that actually, by doing a number of different things, like creating private equity funds that invest only in the poorest 25% of the country, by creating a social investment bank, by developing social impact bonds, by doing things that have now become bread and butter in the normal financial or business marketplace with the specific purpose of addressing social issues, you could manage to get a lot further than philanthropy alone could get. And so, I've spent since 2000, really, heading up the social investment task force which has laid out a basis for developing this into a sector similar to private equity.

I mean, I wonder how many of you know how much microfinance is around in the world today. Microfinance is a 20, 30 year old phenomenon. Do you know how much? $29 billion of microfinance around the world; that is changing people's lives everywhere. And I think we can do the same thing with social impact bonds. And I think social investment banks will become an accepted part of the architecture of trying to fund social entrepreneurs who want to make a difference to other people's lives.

In the Middle East, I know nothing about politics, but I do know something about creating businesses and entrepreneurship, and we set up a foundation, Mr Harry Solomon and I, of which Sir Martin Gilbert is the third trustee and David Freud, now Lord Freud, is the fourth trustee, called the Portland Trust. We have offices in London, in Tel Aviv and in Ramallah. And we've been working on the Israeli side on social investment initiatives of the kind that I've described. And on the Palestinian side we've been working on developing the Palestinian private sector. Growth on the West Bank this year was 11%. Two thirds of employment on the West Bank is private sector people. That says to me it's possible to get to an agreement. If you look at Gaza, where less than 10% are employed in the private sector, you've got a completely different kettle of fish.

Anyway, I've spent a lot of time and what I can tell you is this. If you only focus on your professional lives you're wasting part of your time and you will not get the fulfilment that comes from doing things for others as well as for yourselves. You can apply it in whatever way you want but it is something that each of you has an aptitude to do and, I think, when you get to the right stage in your life it is something that, as a Jew and as a human being, becomes an important obligation.

So, I'm happy to answer any questions that you have. I think we have about ten minutes for questions. Thank you very much.

Q My family have been venture capitalists in Israel for almost 20 years. Do you think there's a fundamental change in the venture capital model that's going on or is it part of a cycle?

Ronald Cohen: I don't think the venture capital model has fundamentally changed. I do think it's a change in the cycle, rather than a change in the trend. However, there are challenges. Technology doesn't just sprout on trees and there are cycles in innovation too. It's been quite difficult for early stage funds to deliver returns in a predictable way. What I found at Apax was over ten or 15 or 20 years you could develop a great return but some funds were great, seven times the money, and some funds you, you know, made 50%. We seldom made less than twice our money over ten years. In buy-outs you could do it much more consistently. So, there are issues about how easy it is to develop returns. But has technology gone away? No. Has inventiveness and improvisation in Israel reduced, relative to previously? No. Although I think there are major challenges in the education system that we need to deal with.

Q. Are you pleased with government policy over the last five years or so with regard to entrepreneurship and particularly with taxation and to what extent is it a change in the trend?

RC Again I think it's a change. The question was directed at Britain, really. You know, I'm not a Minister, so I could speak freely. I don't think it is a change in the trend but it is a change in the cycle. Governments are short of money and it's crucially important that we do not throw the baby out with the bathwater. So, if we start to see significant increases in capital gains tax now, which are a crucial aspect, I don't mind what anybody has to say about it, I've lived through it, a crucial aspect of giving people a signal and an incentive to go out and take risks, or take advantage of uncertainty, to go out and take risks. If we start to narrow the gap between income tax and capital gains tax, you know, that'll be a problem.

I don't think it's a change in the trend but governments are under huge pressure to reduce deficits. And when the pressures get so large, you know, as they are now then sometimes what I would consider to be unadvisable gets done.

Q How much can be done in the entrepreneurial market just for entrepreneurs who are looking for venture capital? The statistic was about 90% business plan signing off, but just never get funds. What can be done by people like you to try and help increase the percentage of successful deals from, say 2% or 3% to 5%, 10%, 15%? And what can the community do communally to try and upgrade the percentage rate?

RC Well, first of all, there's been a world of improvement relative to the investments that we made and the business plans that we saw in the early 80s. The reason is that it's become accepted now what a business plan should look like. It's not something on the back of an envelope and a prototype, you know.

The difficulty today is partly that the amount of venture capital around is a fraction of what it used to be. And so, venture capitalists are, you know, becoming a lot choosier than they were, say, in the years of the bubble, 1998, 1999, beginning of 2000. Second of all, it is very difficult to have a start-up company succeed. It really is very difficult and it's tough for people to get funded. And very often they are justifiably turned down. Because, although they have invested everything they've got, financially and intellectually, in coming up with a business plan, the business plan actually is just not solid enough or ambitious enough, you know, to justify an investment.

So, I think it's in the nature of entrepreneurship that only a small percentage will end up getting funded and the others will go back and think harder and, you know, eventually perhaps connect with a major opportunity, which is not to say that venture capitalists don't make different judgments on the same opportunity and they don't all make mistakes. We turned down Dyson, for instance, you know. A guy came into my office, one of my partners' offices, and said I'm going to revolutionise the vacuum cleaner industry, I'm going to take on Hoover, and all the rest of it, with good design. And we said, you know, good luck. I mean, that's a big mountain to climb.

So, I think the level of entrepreneurship sophistication has increased a lot. What my book tries to do is... there's only one chapter which is autobiographical in it, which is the first one, which just says, you know, I'm the witness, type of the thing; the other nine chapters are trying to put together a strategy of entrepreneurship. And, you know, before Clausewitz wrote his treatise on war people thought you just analyse different battles and then you go into battle and you're successful. And then he came up with general principles. Surprise is the best form of attack or surprise is the best form of defence; principles of that kind. And

I've tried to do the same thing. And I think entrepreneurs who can manage to absorb the sorts of things that we've talked about today will stand a much better chance of raising capital from a venture capital firm. Because if you come with a small market opportunity, an incomplete team and very little understanding of the financial dimension of your business plan, you're very unlikely to get funded.

Q I'm intrigued. Do you see any markets now that are as exciting perhaps as the markets you were operating in and maybe sector, as well?

Ronald Cohen Yes, the question is do I see any markets now that are as exciting as those that I was in. And I think one of the lessons of the book about the bounces of the ball is that the highest periods of uncertainty really come when there's a change in the trend or a change in the cycle. And we've seen a massive change in the cycle now. Everybody is running scared. But it is, in fact, a time of high uncertainty where there are fantastic opportunities that can be taken advantage of. I mean, that applies throughout the whole financial services area, for instance. Clearly the financial services area is going to be completely different after this crisis. And there are new types of lenders who are coming into being. There are new forms of financial structure that are being considered. Some people are going to make a huge amount of money out of it.

Now, if you are at 30,000 ft and you say, what are the massive opportunities, obviously healthcare continues to offer massive opportunities. The problem with healthcare, as we discovered, is that the timeframes are so long. So, medical devices, which Israel is actually becoming very good at now, like Given Imaging[9] which is the camera that you swallow, medical devices have been an easier thing to achieve as a financial success than a biotechnology company. So, you've got an aging population, you've got all of the things that go with that, medically, and facilities that go for the aged, so health and things around health are massive.

The other area is energy. Clearly the dependence of the world on oil is something that governments are trying to reduce now. And you've got in Israel, interestingly, the new electric car project, Better Place, which is an attempt, with a couple of hundred million dollars, to change the structure of the motor industry. Renault and Nissan are coming out with electric cars. You'll be able to change your battery in a petrol station instead of, you know, filling your tank up. That world is going to change, too, and the world of solar energy; all alternative forms of energy are massive opportunities.

And technologies converge. You would not have been able to decipher the human genome if computing had not made huge strides ahead. In the same way that when the elevator was invented in the 1890s it would have been difficult to predict that skyscrapers would result in Manhattan, so the creation and convergence of these different technologies today create even greater opportunities than when I started.

Thank you very much.

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[9] See http://www.givenimaging.com/en-int/Pages/GivenWelcomePage.aspx

Rabbi Vogel On behalf of everyone gathered here today we would like to offer our thanks again to Sir Ronald for that wonderful, fascinating story and insight. As the Talmud says, the greatest wisdom is that gained by experience. And clearly there's a lot of that and we thank you very much for your time here today. I think we could best sum up Sir Ronald's life story and, I believe, his message here today, and if I can quote from your book, wisdom leads eventually to fulfilment which is ultimately about achieving a health balance between what you do for yourself and what you do for others.

We thank you again for your fascinating story. There's probably the summation or the summary of Jewish experience and Jewish history over the millennia. As Hillel famously said, and I heard this from Sir Ronald before, "If I'm not for myself, who will be and if I'm only for myself what am I? By the way, the third part of that statement is when to begin "if not now, when?"