



Chicago Booth Essays 2015

Presentation/Essay: Chicago Booth values adventurous inquiry, diverse perspectives, and a collaborative exchange of ideas. This is us. Who are you?

Presentation/Essay Guidelines

Technical Guidelines

<http://www.chicagobooth.edu/programs/full-time/admissions/apply/essay-questions>



Thomas

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Dear Chicago Booth Admission officer,

I appreciate your concern about introducing the values of Chicago Booth. Actually, I must confess that I was already familiar with such values. From what I observed during my visit to the campus and my previous research with Booth alumni, the school is proud of the combination “**CHALLENGE ASSUMPTIONS / ANALYZE EVERYTHING / LEAD WITH CONFIDENCE**”, am I right? To help you get to know me better, I want to tell you **THREE STORIES** from my life of which I am proud. That's it. No big deal. Just **THREE STORIES**.

The **FIRST STORY** is about defining problems.

I strongly believe that people are prepared to solve their problems if they are better defined. One of my main tasks in the equity department at XXX is to criticize business models. Although I felt bothered by the apparent paradox of being a good analyst and critic, I had never done anything to change my employer's business model (“the cobbler's children go barefoot”, right?) The feeling bothered me, since I grew up in a family that values the transformational power that only Knowledge can provide. Among many examples, I like to mention my grandfather. Since his life-long partner died six years ago, my grandfather decided to leave the city and move into a small ranch up in the mountains. Besides gardening and walking, he studies math. With the support of online courses, he decided he would finally study, something life prevented him from doing. After all, at age 16 he quit school to work and support his mother and three younger brothers. Trying to rescue the time he lost, a couple of years ago, thus, he started his math program by reviewing arithmetic - he will soon get to Calculus. Although many people find this motivation somewhat strange, his effort makes total sense to me. They do not know the history of my family. With quite a few people, my parents included, following the teaching career, I learned through observation something that is very dear to me: the power of Knowledge in changing people's lives. Inspired by my grandfather, I will explain how I proposed and tested new ideas at XXX, my current employer. The probability of increasing the assets under management of XXX, my current firm, reminded of what my previous employer experienced. I had studied the trade-off between liquidity and pricing, so I could predict serious consequences from such unsettling move. Naturally, productivity should soar and demand that we have scalability. No one asked me for it, but for two months, I put aside two daily hours in order to analyze my employer through the eyes of an investor. Hours of extra work enabled me to create a new model to measure productivity. “We have always done that way. Let's stick to it, ok?” - My boss and co-workers' view confirmed that it is just easier to follow what is established. My argument was “what worked in the past may not work in the future - let's define the problem to fit a new reality”. The modus operandi was to play a fire fighter - answer the demands of a problem that had been defined in the past. Finally, my boss welcomed my studies and invited me to test them. He even insisted that I have a junior analyst to help me with what he called “Thomas's Experience.” After successful empirical implementation of my model, I grew further aware of the leader's role in redefining the way team members must define problems.

The **SECOND STORY** is about questioning.

A new situation or an unfamiliar subject always challenges me to get to know first the WHY behind the WHAT. My usual approach is to find out whether the established WHAT makes sense. I also attempt to test its validity through analysis that, I believe, goes beyond the ordinary view. My dad helped me explore my natural creativity as a child. In the backyard, he kept a small study where he did some carpentry work. At age 12, I had already made a few stools and a bedside table. My father's treasured collection of tools always fascinated me. I think one thing of the things that really separates us from the high primates is that we're tool builders. When I was 14, I read a study that measured the efficiency of locomotion for various



species on the planet. The condor used the least energy to move a kilometer. And humans came in with a rather unimpressive showing, about a third of the way down the list. It was not too proud a showing for the crown of creation. Thus, that didn't look so good. Then, somebody at Scientific American had the insight to test the efficiency of locomotion for a man on a bicycle. And a man on a bicycle blew the condor away, completely off the top of the charts. I am fond of the greatest tool so far invented by humans: the scientific methodology in the approach of problems can change the history of mankind. Tool plus imagination equals multiple possibilities. Professionally, I have visited and analyzed companies in diverse industries, and I have observed that people will sometimes overlook an opportunity when they cannot understand how (and WHY) a given company or sector works. That is why I believe in the need to go beyond what the average view on the subject is. At the beginning of my professional path, I used to give too much attention to know how different my view was from the average and why. Gradually, I was able to see that I had to go much deeper into my research. Reaching a few undesirable results, I started to notice the need to follow closely what I was researching. I had to delve into foundations of each company rather than obtain just a superficial view of its business model. I had adopted an insider's view in order to understand how different the company's view was from the general view. What, how, and where the company sold would give me full understanding of the company and its placement in the market. I would also be in the position of enjoying the opportunities coming from misconceptions of the average view. As an example, I studied XXX, a clothing manufacturer, in detail. Its limited distribution and considerable number of stores, this company looked more like a retailer. Although it runs the stores and controls the retail process, this company places itself in the consumer goods category. In my initial analysis led me to look for reasons for the company's low profitability. Scrutinizing the fashion industry, I discovered that the issue was in the clothing collection rather than in operations. I also understood that the problems with the garment models offered had little to do with the company's capacity to see what clients enjoyed. The company had failed to notice that worldwide - the fashion trend had adopted completely new styles (a former high school classmate who nowadays is a renowned clothing designer in Rio gave me this insight). Investigating even more, I realized that this company had clear conditions to manufacture clothes and accessories in a trend other than their core competencies, and that such trend was actually temporary. I have eagerness to "think outside of box" and consider new possibilities.

The **THIRD STORY** is about sharing.

Astronomy is a passion. I still remember seeing the first episode of Carl Sagan's series Cosmos. At age 10, I was fascinated with the sky and the world above. My heroes in childhood were always scientists who used their intellectual prestige to change the world. Ten years later, I would further explore the theme when I signed in to the astronomy club in the college I was attending as an exchange student in XXX, Europe. Through this community, members could share their knowledge with the general public. I was so excited that I sought a similar club to join as soon as I went back home. However, I found nothing similar in Brazil, so I searched the Internet and found like-minded people who welcomed my idea of setting up a club. Working as their catalyst, I founded the Cosmos Astronomy Club. I enticed my new friends to let strangers use our telescopes and be stunned by the wonders of the sky. We also delivered presentations in parks and public schools. We could do more, I thought. The public deserved broader knowledge. I would have to convince others to welcome my idea of teaching lessons on my favorite subject. Despite my slim chance of success, I spoke to the management of XXX, my university. We would provide the community with free scientific education, I explained in order to earn support. They lent us a small classroom on Saturday mornings. As a teacher for the last four years, I have drawn valuable lessons from my classes and learned from my students. Today our more than 60 students per semester can enjoy astronomy and astrophysics courses. To ensure the sustainability of our project, I trained more teachers.

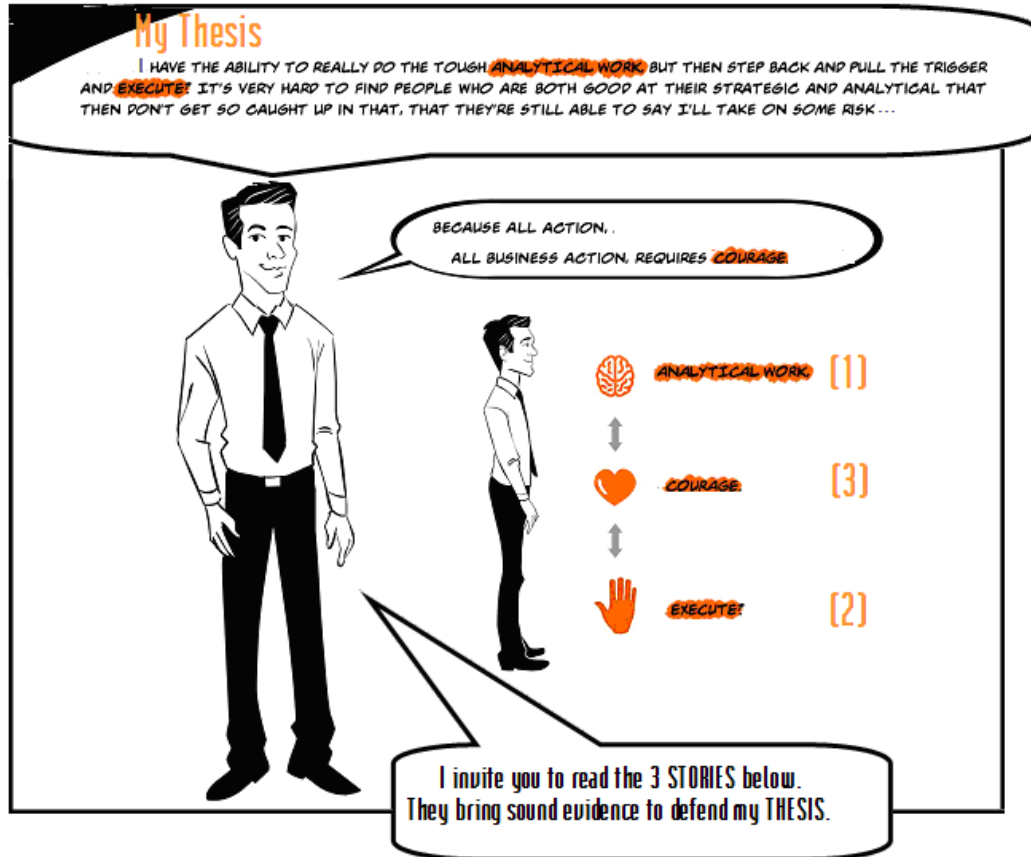
Thank you very much for the opportunity to know each other.

Thomas



William

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Since I was a boy, I learned the hard way about the power of change and the value of adapting. Later, unlike other children, I learned to see that situation as something quite natural. Because of my father's academic career, we kept moving around. When I was adapting to the neighborhood, to the new region and school, my father would get home with the news: "we're moving next month." In the beginning, it was very difficult to leave my friends behind. My father, however, was always there for me. He observed as I felt rejected as a stranger in every new group: "In the beginning, you have to play their game; then, you invite them to play yours." This need to conciliate other people's interests with my need for self-expression often had me try something new while involving everyone around me. Through the years, I learned to take advantage of the power that change brings to people's lives. I go after opportunities. Understanding how business works and keeping both my eyes and my mind open, I can succeed in my findings even when I go shopping. Once, in a hardware store, I perceived something interesting and different - a new brand of special glue for the construction industry was occupying most of the space in that point of sale. Immediately I wondered who the manufacturers were. What else did they offer? I looked around for other products under that same unknown brand and, placing that heavy container in my shopping cart, I began to establish connections. I figured out that with its know-how as well as values as a company, XXX (my PE Fund) might be interested in that new and apparently



groundbreaking company. Meticulous paper work and round figures convinced my bosses, but my challenge lay in approaching the shareholders, Chilean entrepreneurs living in Sao Paulo. As my boss often reminds me, “in our industry the greatest tool is persuasion.” My idea could be brilliant, but it had to sell. I could not just call the shareholders, so I did my research. One of the owners was also an importer of Chilean wines. I needed someone to put us closer, and I remembered a former college classmate who worked in retail. He gave me the phone number of a wine connoisseur who, in turn, told me that a major wine event was to happen. Without worrying about getting a “NO” as an answer, I showed up. Most wine importers were there and so was my guy. I found an occasion to show him the investment thesis that had begun in my mind while I purchased some glue. “Mr. XXX, I know nothing about wines or glues, but one thing I know and that is business. All I ask you for is 5 minutes. I believe that he was caught by surprise by a bold twenty-four-year-old. He smiled, “I’ll give you six, kiddo”. Promptly, I replied, “I’ll be brief, but I must tell you I make no deal under the effect of alcohol”. Every salesman must be friendly, right? I had prepared my three-minute elevator pitch. Our talk lasted 15 minutes and he ended it with an invitation for lunch. Eventually, I convinced him and his partners to study the possibility of a joint venture with XXX. I went far beyond my position, so by working on a systemic perspective, a quick visit to a hardware store culminated in a favorable deal for which I am currently responsible. This experience not only resulted in an accelerated promotion to associate at XXX but also mainly reassured me that I was doing something well aligned with my personal values. As the son of a professor who quit his job in a college in order to set up a small biotech company, I learned to value the combination of complementary skills: the ability to do the tough analytical work, but then step back and pull the trigger and execute.



I was lucky to have had a father who left his job as a professor at University XXX to become a biotech entrepreneur. Although he really enjoyed the Academia, he believed that as a professor in his lab, he could easily become alienated from reality. Always observing his adventures as an entrepreneur, I learned that in the business world there is a gap between theory and practice. It is the role of a leader to fill out this empty space and he has to rely on people surrounding him to do so. According to my father, there are many leadership opportunities in the business world and in the gap that exists between “having a good idea” and “having the attitude to take that idea off the paper”. “There are many excellent professionals in both ends, but few trying to link them.” Working for the PE Fund XXX, I read those endless reports and my instinct would tell me that something was wrong. Despite my busy life in the office at Faria Lima, I insisted that my boss let me go to the battlefield. He resisted. He did not see the need to allocate me in the war front. I asked him for a week. I had to test my hypotheses. On the very first day in a sell-side procedure, I confirmed what none of those reports had ever shown. The person chosen by my employer as new CEO had brought his own team along and turned old and experienced employees into reports. I met both teams amidst war: young directors against seasoned managers. Obviously, that situation favored no sale. I recalled the old days of basketball to solve our issue. Awareness of our differences, weaknesses, and strengths, I imbued in our team a sense of belonging. We ended up taking part in a tournament for all other schools in the state. Nevertheless, my job now was to turn experienced yet reluctant professionals into an aligned team. I put them all together and proposed not leaving the meeting until we had a sturdy plan. I saw the need to be assertive when my project required. I had to say NO to many people. My father’s words came to mind: “learning to say “no” can earn you respect from those around you.” By communicating goals clearly and recognizing everyone’s talents, I built rapport. With a different attitude, everyone worked effectively on delivery. When all those senior executives showed they trusted me, I felt confident to move on. I turned a war environment into a pleasant atmosphere of collaboration.



My father was a pioneer. Despite the abyss in Brazil between scholar research and society, he identified an opportunity and was brave enough to leave the academic environment and build his first company in the biotechnology industry. In his fondness of challenges, he quit a safe and promising career. I witnessed his restless dedication to each of his ventures. When I was in doubt whether to quit my consulting job, my father convinced me to do so. I remember the details of our chat in the kitchen in the middle of the night. I had just arrived and I was exhausted. The engagement was tough and, honestly, I was not fond of what we were recommending to the client. I just did not believe in my actions. Interrupting my complaints, he was serene as he said: “a ship is safe in harbor, but that’s not what ships are for, huh? How about some action? How about that opportunity in PE you told me?” I went on with my crazy life as a consultant, to which I added countless interviews and innumerable financial books. Four months later, I quit my consulting job and officially became a PE guy. As I said before, most people think too much about what’s there for them to lose when they start something new. Thanks to the examples that I witnessed at home, I focus on what I can gain. Having a pragmatic attitude before life is part of living fully. Deep discussions on businesses, values, strategies, operations, profits, and losses have taught me a lot about companies. At XXX (PE Fund), I evaluate companies, interact with their owners, and learn from the mindset of experienced professionals. This routine encouraged me to seek my father and offer him advice on his company. I have always admired my father as a natural leader who handled his company well. Nevertheless, my PE experience allowed me to see a few issues in the company’s business model. This business had one client and operated without long-term contracts - high risk and low revenue predictability. In childhood, we lived this instability: seasonal economic crises would deeply affect family income. At the time, I had some ideas how to help my father, but I always believed that one must gain credibility in the real world before one can make some practical recommendation. Years later, more experienced, mainly after working with PE, I felt I was up to the challenge. I offered to help my dad shift the company’s direction, but I did not succeed in my advice. Without giving up my idea, I approached my brother, who had been helping dad for years. I shared my idea of diversifying the client base and assuring a few business contracts. Initially, my brother was reluctant: “It is easy for you to come and say that.” I knew he was right. How could we find new clients? I offered assistance. Together, we identified potential clients and researched client base to choose the best “candidates” for long-term negotiation contracts. Naturally, we also worked together to obtain my father’s authorization to run the company in a different way. My dad acknowledged our success when revenues increased dramatically. In a reunion, I heard dad call me an amazing entrepreneur. He acknowledged my persistence and strategic vision. Changes require courage. Any wrong suggestion might have harmed the economic situation of my family. More than once, while discussing with dad, I felt nervous and anxious: I was, after all, responsible for their future. Looking back, despite my fear, I can say that the ability to make decisions amidst uncertainty will underlie my professional choices.



My father has taught me that **COURAGE** is the first of human quality because it is the quality that guarantees the others. **COURAGE** is what I will need when I graduate from MBA Chicago Booth to follow my career in the PE industry in Brazil.