



Ron Huberman, MBA '00, AM '00



Matthew Li, '91



Ronald Packard, '89



Paul Purcell, '71

DAA09

How four Chicago Booth alumni beat the market downturn, returned a firm to employee ownership, tackled government corruption, and changed public education through technology to win the **2009 Distinguished Alumni Awards.**

Edited by Patricia Houlihan
Photography by Matthew Gilson

Chicago Booth faculty use their expertise to pose questions to this year's winners.



An investment banker,
Paul Purcell, '71, led capital
markets at Kidder Peabody
before guiding Robert W. Baird
to employee ownership, a move
that put Baird on *Fortune's*
list of the 100 best firms
to work for.

Feature 2009 Distinguished Alumni Awards

In 2004, Robert W. Baird made *Fortune*'s list of 100 best companies to work for. It also was the year employees purchased the middle-market financial services firm, the culmination of a project **Paul Purcell, '71**, began when he joined Baird in 1994 as senior vice president of corporate finance. The leadership he exhibited earned him several promotions, including chairman in 2006, and has also won him the 2009 Distinguished Corporate Alumni Award. He recently fielded questions from **James Schrage**, clinical professor of entrepreneurship and strategic management, who's often sought out by media reporting on corporate culture.

Schrager: What is there about the team at Baird that allows you to prosper in these tough times?

Purcell: It's a couple of things. As a firm, we are focused on delivering investment performance for our clients. Second, we own our own firm. We are privately held and employee owned, and we are very much aligned financially and strategically in how we run the firm. We have 2,500 employees, and every single person benefits from the fact that we own our own firm.

Schrager: Tell me about two instances of outstanding successes for your team and trace for me how those wins developed.

Purcell: We have now been on *Fortune*'s list of the "100 best companies to work for" for six years in a row. It is 100 phenomenal and great companies, and we're number 14 this year. The only other financial services companies on that list are Goldman Sachs and Edward Jones, so we're in pretty good company. This is an award where two-thirds of the scoring comes from a blind employee survey, so it is how our associates and partners of the firm feel about the firm and how the firm views them. We think it's recognition that we run the firm as a partnership, where everyone enjoys success and every person contributes to making Baird a great place to work. We're very proud of being on that list, and being number 14.

The second accomplishment is that we positioned the firm successfully to return to its roots of being privately held and employee owned. When I joined Baird in 1994, the employees owned 20 percent of the firm, and Northwestern Mutual

owned 80 percent. From 1998 to 2004, we essentially bought the balance of the firm back through a leveraged buyout. Clearly, the firm and everybody in it helped position Baird to be in a strategic financial position where we could take the firm back into privately held and employee hands. I'm very proud of that.

Schrager: What event on the way to being CEO most influenced you as you developed your leadership style?

Purcell: I don't think there is a single event, to be perfectly honest. Over a number of years, it became very clear to me that to be a great leader, people need to trust you. It is really hard to

lead and inspire people if they don't believe that you're honest. Ultimately, what most influenced me is building trust within our organization among its people and senior leaders.

Schrager: Outside of your own firm, what business leader or thinker is most interesting to watch when developing the strategy of the firm?

Purcell: Jamie Dimon of JPMorgan. He is incredibly focused in how he goes after everything, with great discipline and a no-nonsense lack of politics in how he runs the firm. He's a great CEO.

**"We are benchmarking fools. If it can be measured, we measure it."
—Paul Purcell, '71**

Did You Know?

When Robert W. Baird associates acquired the firm from a former parent company in 2004, Purcell and his executive team wanted as many associates as possible to become direct shareholders rather than concentrate ownership among top executives. As a result, more than half the associates are shareholders in the firm.



Schrager: What data do you watch, inside or outside the firm, other than your own financials, to get a sense of how well you and the firm are doing?

Purcell: We are benchmarking fools. If it can be measured, we measure it. We have five different businesses, and we benchmark the best competitors—and only the best competitors—in each of our businesses. We've been doing it for at least 10 years. It's all about being best in class and best at what you do.

Schrager: What patterns, both outside and inside the firm, drive your business?

Purcell: It is primarily the equity and the fixed income markets, globally. And then how assets are being allocated globally, and how that impacts the whole funds flow in the financial system.

Schrager: What tools do you use to develop the brand for Baird?

Purcell: We are very big on things like client surveys and focus groups, both internally and externally. We ask our clients and our associates three or four important questions: "How are we doing? How do we compare with the other

world-class providers? What can we do better, and how can we do it better?" And we mean it. We do that both internally and externally.

Schrager: What advice would you have for anyone starting out in a career in a professional service firm?

Purcell: Work hard. Have great integrity. And be a team player. You do those three things and you'll be successful. If you can convince others that you're going to be fair in dealing with them and help them succeed, you succeed as well. But it also takes others to help make you a success. The teamwork is a missing piece, usually. You can't build a great firm without great team players. ■

Five minutes with Paul Purcell

What do you consider your greatest accomplishment?

Engineering the buyback of Baird so that the employees could take control of the firm and really control our destiny as a partnership. It took 10 years. We did it in three stages, but we got it done. It's gone very well—even better than I thought it would.

What has been your most humbling experience?

Being a father. I have four children. Right now they're 34, 30, 24, and 22. Two are through school, and two are still in college. Being a father is humbling. It's hard. You find out that you don't have all the answers. It's really different from everything else. It's much more rewarding, but it's also much more challenging in its own right, I believe.

What do you wish you had known at the start of your career?

That I knew absolutely nothing. I was a typical, pretty bright, smug graduate student coming out of the University of Chicago and thought I had a lot of answers. I had a lot of potential, but I really didn't know very much. If I would've known that I didn't know that much, the learning process would've been easier. I think everybody goes through that. If I had been a little humbler, it probably would've been easier.

What course or faculty member affected you as a student and still affects the way you do business?

It was a business policy course that **John Jeuck** taught that was a combination of the case study and the "In Top" game, a computer business simulation game. For an entire quarter, you were part of a four-person team that ran a company that built and sold radios and vacuum cleaners. This galvanized my view of how important teamwork was. One person had to do marketing, one person had to do

finance, one person had to do production, and we all had to rely on each others' skills in order to run this company well. How well you functioned as a team had a very direct bearing on how well you did in the course. It was a fascinating way to look at human nature while you're running your own company. It was the best course I've ever taken.

What is the hardest part of your job?

Just living up to my own expectations and standards, to be perfectly honest. They are very high, so I push myself pretty hard.

What's the best part of your job?

The best part for us—and I really do mean us—is that we're building a firm and it's our firm. Everything we do is for us. We don't have to rely on other people. We don't have anybody else to blame. And we don't have anybody else to credit. We have all that we need to succeed or fail within our own domain because it's our own partnership. It is absolutely as good as it gets because everything you do every day matters.

If you had to choose another line of work, what would it be?

I'd be a teacher. I love teaching. If I taught now, I'd probably try to teach something along strategy and leadership, but otherwise it might be math. I think the highest form of giving in the world today is teaching. I have incredible admiration for great teachers who have a profound impact on people's lives.—P.H.



Career Highlights

Robert W. Baird and Company

2006–present Chairman, President, and CEO
2000–06 President and CEO
1998–2000 President and COO

1997–98 COO and Managing Director
1995–97 Managing Director, Capital Markets
1994–95 Senior Vice President, Corporate Finance

Kidder Peabody and Company

1980–94 Managing Director, Chicago Office
1978–80 Senior Vice President
1975–78 Vice President, Investment Banking
1971–75 Associate, Investment Banking

800-RW-BAIRD
 www.rwbaird.com

BAIRD

Great outcomes.
 Done well.

©2009 Reprinted with permission from the University of Chicago Booth School of Business by Robert W. Baird & Co. Incorporated. Member NYSE and other principal exchanges. Member SIPC. Robert W. Baird Ltd. and Baird Capital Partners Europe are authorized and regulated in the UK by the Financial Services Authority. International office locations are affiliates of Robert W. Baird & Co. First Use: 10/2009 MC-26616