



Secrets of Successful International Investments

Speakers:

KV Rao, Resident Director, ASEAN – Tata Sons Limited

Jungho Cho, Senior Principal, Ontario Teachers' Pension Plan (OTPP)

Dr. Hwang Sei Woon, Chief Economist, Korea Capital Market Institute (KCMI)

Moderator:

Subrata Bhattacharjee, Partner at Borden Ladner Gervais

An ensemble of financial elites from the Asian market gathered at the panel “Secrets of Successful International Investments” during the 2015 World Knowledge Forum on October 22nd in order to share effective principals and strategies that have helped them to achieve success in their respective industries.

To start the discussion, KV Rao, Resident Director for ASEAN Tata Sons Limited, began by giving his advice on successful mergers and acquisitions in today's global market. His holding company has generated a group revenue of over \$108 billion and currently operates over 100 companies in 150 countries. “The most important thing is to build trust,” he stressed. “You have to build pride into the people—that it is not an invasion; it's an acquisition. In an invasion, you completely destroy the culture, the values afoot.” Mr. Rao further added, “You don't throw the baby along with the bathwater. Keep the good values in; and [as for] the initiatives, teach them and give a lot of confidence to people.”

This message was echoed by Jungho Cho, Senior Principal of Ontario Teachers' Pension Plan (OTPP). Mr. Cho credits his organization's success, which manages \$154.5 billion in net assets for more than 381,000 members, to its rapid approval process and delegating of authority for decision making. He stated, “What is critical for us is to be able to seek and then act upon some of these opportunities...and to rapidly execute when we see a deal and quickly say yes or no.” By doing this, Mr. Cho explained that his financial advisors are able to take quicker advantage of lucrative opportunities in the marketplace that could have been missed if the process had been delayed.

Furthermore, Mr. Cho credits OTPP's supportive minority partner model, which is less intrusive than typical private equity, as another key to the organization's success. According to him, this model “allows a family to continue to exercise control over its business.” Additionally, if business owners need help with such things as shareholder relations or global expansion, they can look to OTPP as a main resource. OTPP's supportive model, he argued, is effective for South Korea, as many businesses are family owned.

While on the topic of the Korean market, Dr. Hwang Sei Woon, Chief Economist of Korea Capital Market Institute (KCMI), a leading capital market think tank, gave his outlook on foreign investment in Korea. “The attractiveness of the Korean market is pretty high,” he emphasized. “For foreign investors, there are no official restrictions sending their money into the Korean market and taking their money out. This is quite convenient for foreign investors.” In addition to its liquidity, the openness and maturity of the financial market has made Korea highly valuable for investors compared to other regions in Asia. Dr. Woon concluded, “The financial soundness [of] many Korean companies, in comparison to emerging markets, is in good shape.”