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Failed Bail-out Needs Leadership 'Dream Team'

Build a team of management 'virtuosos' to guide historic change

CHESTNUT HILL, MA (September 30, 2008) – Following the stunning defeat of the proposed \$700 billion bail-out, the nation needs a “virtuoso team” of leaders to guide the overhaul of the US financial system, a group much like the scientists of the Manhattan Project or the policy experts who crafted the Marshall Plan, according to Andrew Boynton, dean of Boston College’s Carroll School of Management.

The failure of Congress to unite behind the proposed \$700 billion bail-out means a dramatic new approach is required to bolster confidence in the country’s financial institutions and regulatory structure, said Boynton, co-author with Bill Fischer of the book *Virtuoso Teams* (Prentice Hall, 2005). Enacting the most significant economic reform since the Great Depression demands a team of business superstars.



Andrew Boynton

“We’re talking about changing the rules of the game about how the US financial system works,” says Boynton. “That job needs a team of superstars unleashed on this single mission and unafraid to consider ideas and potential solutions without regard to politics, clashing market philosophies or Wall Street cliques. That’s what a virtuoso team can do.”

Policy makers have sought out a few virtuosos already. Treasury Secretary Henry Paulson has enlisted the help of his former Goldman Sachs colleague Edward Forst, now Harvard’s executive vice president. PIMCO’s chief investment officer Bill Gross has offered to manage the job. U.S. Sen. Ken Conrad (D-North Dakota) said he was taking counsel from Berkshire Hathaway’s Warren Buffett.

The Fed’s Benjamin Bernanke and Treasury Secretary Henry Paulson make the team. According to Boynton, the list of virtuosos could include:

- Charles I. Clough Jr., founder and CEO, Clough Capital Partners – “When he was at Merrill Lynch, he was one of the few to call it before the bubble burst.”
- E. Gerald Corrigan, managing director, Goldman Sachs – “His bank’s survival reflects a shrewd understanding of securities.”
- Bill Gross, chief investment officer at PIMCO – “Bill’s grasp on the bond market is second to none.”
- Stanford’s Chip Heath, co-author of the best-seller *Make It Stick* – “What this team needs is someone who can make this plan ‘stick’ with people from Wall Street to Main Street.”
- Boston College Prof. Ed Kane – “There’s no clearer voice on the need for real accountability than my guy.”
- Fidelity Investment’s Peter Lynch – “One of the most highly-respected minds in market analysis.”

- Xerox CEO Anne Mulcahy – “Rescued Xerox, could help rescue the rest of us.”
- Fordham’s Fr. Paul McNelis, SJ – “A leading Jesuit economist to give policy a needed focus on social justice.”
- Walker Todd, American Institute for Economic Research – “He’s focused on foreclosure solutions that help homeowners and lenders.”
- Former Fed Chairman Paul A. Volcker – “Huge credibility spans Manhattan to Washington.”

Virtuoso teams have changed industries and history. Time pressure and world war drove the Manhattan Project scientists in the race to build the atomic bomb. The Whiz Kids – a team of 10 US Air Force officers recruited in 1946 – resuscitated Ford Motor Co. More recently, Microsoft’s XBox team did the unthinkable by creating a game console that struck immediately at the market dominance of competitor Sony’s PlayStation 2.

A virtuoso team is:

- Assembled specifically for creating big change.
- Composed of individual superstars, or virtuosos, in each position.
- Led in a fundamentally different way from a normal team in order to yield maximum contributions from each member.
- Includes members who are ready for a career-defining moment.
- Built for a single mandate, not to function indefinitely.

“The critical task right now is to assemble our virtuosos – even if it costs money. Get the best,” says Boynton. “They need the best team and a conduit to the best ideas out there. The last thing they can afford to do is hunker down surrounded only by people they’re comfortable with.”

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