



## **Oral History with Peter A. Brooke**

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National Venture Capital Association  
Venture Capital Oral History Project

**Peter A. Brooke**

Interviews Conducted by  
Carole Kolker, PhD  
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This collection of interviews, *Venture Capital Greats*, recognizes the contributions of individuals who have followed in the footsteps of early venture capital pioneers such as Andrew Mellon and Laurance Rockefeller, J. H. Whitney and Georges Doriot, and the mid-century associations of Draper, Gaither & Anderson and Davis & Rock — families and firms who financed advanced technologies and built iconic U.S. companies.

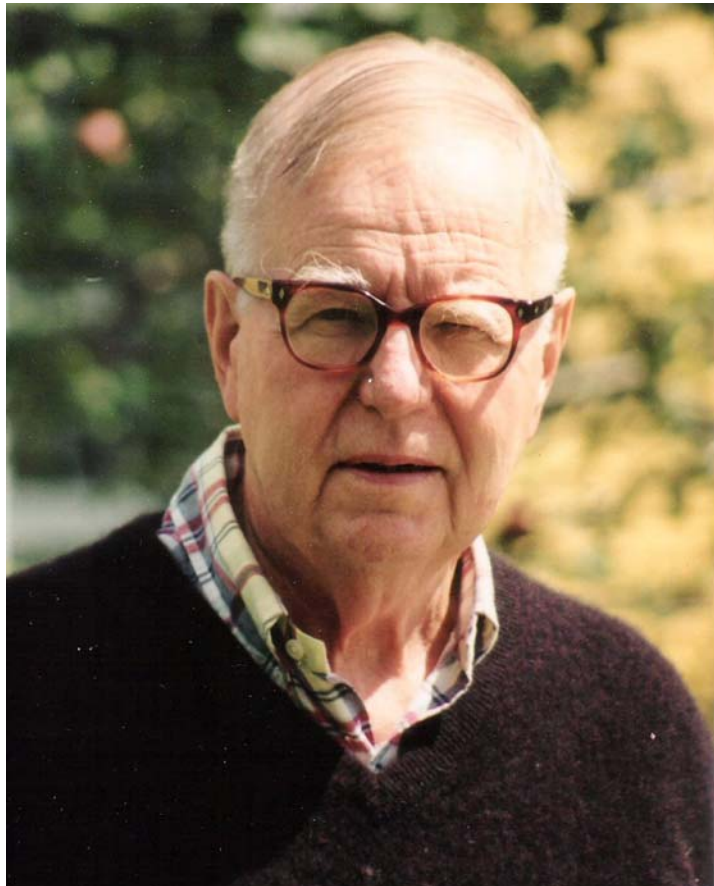
Each interviewee was asked to reflect on his formative years, his career path, and the subsequent challenges faced as a venture capitalist. Their stories reveal passion and judgment, risk and rewards, and suggest in a variety of ways what the small venture capital industry has contributed to the American economy.

As the venture capital industry prepares for a new market reality in the early years of the 21st century, the National Venture Capital Association reports (2008) that venture capital investments represented 21 percent of U.S. GDP and was responsible for 12.1 million American jobs and \$2.9 trillion in sales. These figures, while significant, greatly understate the collective accomplishments of the venture capital industry.

I'm pleased to have initiated and given my early support to this project, which is now receiving support and funding by NVCA. I believe these oral histories will advance the understanding of the venture capital industry. This collection, along with Paul Bancroft's Bay Area oral history project at the Bancroft Library at the University of California, Berkeley, and Paul Holland's Silicon Valley project for the Western Association of Venture Capitalists, will add significantly to a growing body of venture capital memoirs available to the public sector.

A special note of gratitude goes to each interviewee who generously gave of his time while candidly sharing his memories. Their recollections bring to life the dynamic story of venture capital in the 20th century, providing a powerful perspective on the history of this industry.

## VENTURE CAPITAL GREATS



A Conversation with Peter A. Brooke

Peter Brooke, a pioneer in global investments, founded Advent International, the first global private equity firm, in 1984, and led it until his retirement in 1996. As CEO of Advent for eleven years, he helped establish affiliated venture capital and private equity firms in Europe, Asia, Latin America, and Israel. Today, Advent ranks as one of the world's largest private equity investors, with more than \$24 billion under management and offices stretching from Boston to Mumbai.

In 1968 Peter founded TA Associates, a Boston-based private equity firm. As managing partner, he established a unique network of affiliated VC operations, initially in Europe, Southeast Asia, Australia, and Japan. From 1963 to 1968, he worked for Tucker, Anthony and RL Day, in charge of its corporate finance and venture capital activities. Prior to that, he headed the venture capital department of Bessemer Securities Corporation. Peter began his career as a lending officer at the First National Bank of Boston, where he founded the High Technology Lending Group, making FNB a major player in the recovery and repositioning of the Massachusetts economy.

Inspired by the Marshall Plan, Peter's career reflects a worldview that venture capital should serve as "an effective economic development tool." His ventures have been guided by his passionate belief that "making a contribution to industrial growth, employment, and society is what will distinguish an industry and sustain it over a long period of time." Peter has also devoted time to his community, including his tenure as chairman of the Board of Trustees of the Boston Symphony Orchestra and as an Overseer of Harvard University.

Peter is a member of the Private Equity Hall of Fame and a recipient of both the Harvard Business School's Alumni Achievement Award and the National Venture Capital Association's Lifetime Achievement Award. He is also a Fellow of the American Academy of Arts and Sciences. The Boston Business Journal named him one of Greater Boston's 100 most influential business people of the 20th century. His book, *A Vision for Venture Capital: Realizing the Promise of Global Venture Capital & Private Equity* was published in 2009. Peter served in the Army from 1954 to 1956. He is a graduate of Harvard University and holds an MBA from Harvard Business School.

The following is an interview with Peter Brooke of Advent International. This interview is taking place at Mr. Brooke's office at 75 State Street in Boston, Massachusetts. Today's date is April 6, 2010. This interview is being conducted for the National Venture Capital Association's Venture Capital Oral History Project. My name is Carole Kolker. [A brief follow-up phone interview, which took place on September 1, 2010, is included in this interview. The interview is lightly edited for clarity.]

**Carole Kolker:** *I say, let's get started. Thank you very much for setting aside this time; I know you're busy. I want to add how much I enjoyed reading "A Vision for Venture Capital," your recent book. Let's start for the record: Where were you born, when?*

**Peter Brooke:** I was born on October 6, 1929, in Worcester, Massachusetts.

## THE EARLY YEARS

**CK:** *How did it happen that you were growing up in Worcester?*

**PB:** My father emigrated from — actually he ran away from home in England in, golly, I think it was probably around 1913, '14. And for that particular show of independence he was cut off from his family. They tried to use money to force him to come back home by not funding his transition to the United States. My father was a very determined fellow. He was a mechanic, worked his way through high school into Harvard College, and then through Harvard College into Harvard Medical School, where he graduated in, golly, I think it was probably in the early 1920s. And then he did his internship and his residency

at Worcester Memorial Hospital in Worcester, Massachusetts, and that's where I was born and brought up.

**CK:** *What was his family doing in England?*

**PB:** Well, they're just a family in Wiltshire and Somerset and Gloucestershire, in that little corner above Bath, an old, old farming family. They were nonconformists, dissenters. A very interesting part of the Glorious Revolution is the fact that that area of England was a hotbed of opposition to the Anglican Church and to the crown. So the Brookes have always been shaking things up. The family has been there, as recorded history attests, back to 1412. I'm going back next week to visit cousins in Wiltshire and in Gloucestershire. It's wonderful to be able to go back and reacquaint myself with the country.

**CK:** *Your father's name?*

**PB:** Percy, Percy Albert.

**CK:** *Your mother?*

**PB:** My mother, her family emigrated from Sweden. She was born here, but her family emigrated from Sweden in the late 1800s. There was that massive famine, where about a third of the population left Sweden and Scandinavia. They were granite cutters, and came to the United States and settled in Cape Ann in Massachusetts, which had a rather robust

granite industry. And she became a nurse and met my father — a lot of things happened between doctors and nurses — so my mother and father met and married.

**CK:** *Do you have any siblings?*

**PB:** No, I don't — an only child.

**CK:** *You didn't have anyone to fight against.*

**PB:** I had my father to fight against, which was enough of a challenge.

**CK:** *What were your interests as a child?*

**PB:** I loved sports. I loved sports. I loved baseball and football, and anything that had to do with competition I enjoyed. I can't remember anything else except my love of sports. I was sent away to school — my father's background being so. I was sent away quite early to boarding school when I was ten years old, and that fulfilled all of my desire for sports because it was organized, and I just had a wonderful time. A little school called Fessenden School, which is an important primary school here.

**CK:** *I think that's a military name.*

**PB:** It's an old New England name, well, an old Pennsylvania name, too.



**CK:** *Were you a tinkerer? Did you read books?*

**PB:** The intellectual switch did not get turned on really until I was in college. I fought my way through Exeter Academy. I was a very good athlete. It was an unusual thing of lettering in three sports, and I worked hard academically and did passably well, well enough to get into college. But I didn't really become intellectually engaged until my first year in college, and then somehow things became important to me.

**CK:** *You were playing football and—*

**PB:** In college I played football and lacrosse.

**CK:** *At Exeter?*

**PB:** At Exeter I played football, lacrosse, and track, and I was captain of the track team there.

**CK:** *Did you have a mentor or anybody at Exeter that influenced you?*

**PB:** You know, it's a funny thing, I've been asked that a lot. I really was pretty much an iconoclast. I tended not to model myself on anyone. At an early age, I just put one foot in front of the other, trying to figure out just what the world was all about. Now, even though I had boarded at a primary school, Exeter was a much bigger place — a very hard place in virtually every way; it was unforgiving. If you did something wrong, you were fired. There was no recourse. If you broke the rules, you went to the dean's office and you were given a one-way ticket to the North Station in Boston, and then you went home.

And academically it was extraordinarily rigorous. It's a funny thing, I've always thought of it as a rather austere place, but the more and more I look back on it, the more and more I realize how much it forged important things in me. It taught me discipline. And when I got into college I had a very good foundation and was able to move into subjects that then interested me. But when I was in high school, I was absorbed with two things: getting through my academic curriculum and sports.

**CK:** *What were the values in your home when you were growing up?*

**PB:** My father was strict. In the West Country in England, there's a strong Calvinist tradition, and my grandfather was a lay preacher in the Presbyterian church in Bath. My father came from that very hard, unforgiving, Calvinist tradition. He was stern himself; he was dedicated to medicine; he was quite demanding of those in the hospital to give the service he thought the patients deserved. He set quite an example. He never charged a patient anything more than the patient could afford. He was a general surgeon, and if someone couldn't afford to pay, he would take what Blue Cross would pay him. But he loved the United States, he loved medicine, and he also loved Harvard College. But he was a stern and somewhat unforgiving man. But I always knew that I had his support; it was just that he had very high standards for himself and very high standards for me. But through all of this my mother always shielded me from the worst outbursts of my old man. But out of it, I seemed to keep my balance and got through it all.

**CK:** *Early on, how would you have described yourself— you said you were competitive—*

**PB:** I loved team sports, and I think to a degree that loving team sports, and actually coaching team sports after I got out of college, I developed a real sense of what a well-coordinated team could do if it worked together, and how one had to manage the expectations of teammates that you were coaching or people that you were coaching. Chemistry was so important between the teammates. You could do a great deal with a dysfunctional group of players if they played together and had a common objective. And I really bought into that quite early. I know that some of the teams I played on at Exeter and at Harvard had that right chemistry and some didn't. It was remarkable if you had the right chemistry how much the team could accomplish. And likewise, if you didn't have that chemistry, no matter how good you were, you wouldn't fulfill your promise. That happened on occasion, too.

**CK:** *I hear a certain amount of passion. Were you a risk-taker at that time?*

**PB:** I would never claim that I was a risk-taker. Every risk I've taken, I think I've been pretty judicious about the level of risk. When I started TA Associates, I started it from a base at Tucker Anthony & R. L. Day, which is a stock exchange firm where I was a partner; and I didn't move from Tucker Anthony, and my position there, to TA Associates, until TA Associates was well on its way. I mean, was on its way, because there were hazardous times in the early days.

**CK:** *So keep your feet on the ground.*

**PB:** Yeah. We had some very, very ticklish periods in the early days of TA Associates. So I didn't just plunge into the great unknown without any support. I had a wife and three kids. I wasn't about to take a risk that would expose them to hardship.

**CK:** *Have you always been high-energy?*

**PB:** Yeah, I still am. I just like doing stuff.

**CK:** *Would you ever characterize yourself as exuberant?*

**PB:** I think when I'm into a subject, I am exuberant. When I was into the internationalization of the business, which, as the book says, had never been tried before. We're talking about the idea of a global company in 1974, when the world was split in two. I just had a belief that things would change, and that belief wasn't really apparent until the mid-eighties when I could see what was happening in China and the Far East, and I could see what was happening with the Warsaw Pact nations, and I knew then that that was the appropriate time to really start moving forward. But I was exuberant about the opportunity; there was no one else that was spending any time thinking about it.

**CK:** *So you were high on all—*

**PB:** I was high. You read the book. [*A Vision for Venture Capital*, 2009] All of those things that were accomplished there, traveling all around; you had to be on a high. Let me tell you, the adrenaline was pumping pretty hard.

**CK:** *Did you ever earn money when you were going through school before you went to college?*

**PB:** I had summer jobs, mostly because I was trying to stay in shape. We didn't lift weights back in those days when we were football players; we worked for construction companies. So I did that in the summertime, and stayed in shape for football. And I made money, but my father made a good living. I didn't have to earn money to contribute to my tuition, so I didn't have that pressure on me. But I did work, but it was to put some muscle on.

**CK:** *You're graduating from Exeter in '48; what are your goals at this point?*

**PB:** Getting into college was the goal; getting through Exeter to get into college. My father went to Harvard. He loved Harvard. He was a very good athlete, and he wanted me to go to Harvard in the worst way. So the question is: How was I going to get prepared to get into Harvard? Fessenden, Exeter. The reason I went to Exeter was because my dad ran track, and on the relay team there were three Exeter people and my father loved the Exeter guys. He said, "This is where you're going to go." But, you know, I didn't really

have any core belief of what I wanted to do or where I wanted to go until I got into college and I got involved in history. Actually, as I say somewhere in the book, I wanted to go on to the graduate school of arts and sciences and get a degree in history, but my father would have none of that.

**CK:** *Did you stay in touch with any of your Exeter classmates? Have they been a network for you?*

**PB:** Absolutely. And this is the most intriguing thing. This happened ten years ago. One of my classmates said, “When we first went to Exeter, the first year, we forged some wonderful friendships that in three years dissipated as everyone went on to do different things at the academy.” He went on to say, “You know, we should get that group together.” When you went to a big school like that, you were clinging to people who you could relate to, just to get through, because it was a big place; upperclassmen were so confident, and we were so at sea about who we were and what we were there for.

So this fellow got us together ten years ago, and every year we’ve done something different. Last year we were in Florence, Italy, because one of our members lives in Florence, and we spent five days in Florence; this year we’ll be in Washington, actually; the year before that, we were in Florida, in Hobe Sound; the year before that we were in Vermont, at our farm in Vermont; the year before that we were in Santa Fe at a fella’s place.

**CK:** *Have they become a part of your business network in any way?*

**PB:** Well, one of them I've done some business with, but basically not. It's those people who shared all that uncertainty when we were in our first year.

**CK:** *Your early band of brothers.*

**PB:** That's exactly it.

HARVARD COLLEGE 1948-1952; HARVARD BUSINESS SCHOOL 1952-1954

**CK:** *Were there any mentors when you were at Harvard, either at Harvard College or in graduate school?*

**PB:** No. I can't say that there were. I tell you, I was pretty much a loner, even though I had friends. I had a roommate at Exeter my first year and my third year, the other two years I roomed alone. At Harvard I had roommates for the four years, but basically I was trying to figure things out on my own.

**CK:** *It could be an only child kind of thing.*

**PB:** Could be. You are left alone as an only child. And I think even today I rather enjoy being alone. I wish you had a chance to meet my wife. You'd a learned a lot about me from her, what she's had to put up with.

**CK:** *Just having read your book, I have to think: Seeing all the ground you covered and all that you did, all the frontiers that you'd crossed, that there had to be a very special person behind you.*

**PB:** It's hard to express, really, because there was nothing but support. Anne's that type of person. She's very wise, extraordinarily pretty, but very wise, and sort of keeps me on the straight and narrow. A great judge of people. She'd always ask me the question "Why would you ever do business with a person like that?" And, she'd invariably be right.

**CK:** *I do have to mention General Doriot, because everyone seems to have something to say about General Doriot, and there's been a recent biography about him. Could you quickly describe your experience in his class?*

**PB:** I really had a problem with Doriot. He was an extraordinarily charismatic character, and there's no question that he was the one that established the tone for the industry, and started the first great company. No question that he was the father of the industry. But he was also a showboat. He was quite dramatic. And even when he was making investments, he always ascribed a lot of credit to himself and his team for how successful they made entrepreneurs. And I don't believe that any venture capitalist does that. I think the entrepreneur is the hero; we're enablers. The thing we can do is to be useful in helping the entrepreneur realize his dream. That's our role. I think that you learn a certain set of skills as you're reviewing somebody's business plan; but the thing that we



add the most for our investors is the ability to select those who can execute the plan, that have the intestinal fortitude to carry out what is going to be a very difficult task.

The fellows that start a business and suffer through the development of a business are putting everything at risk. Their money, their families, everything. And I've always thought our role was to give them helpful advice and stay out of their way. Now, Doriot always felt that we were adding so much value. To me success is a random event. Sometimes you'll hit it right and sometimes you won't hit it right. If a technology goes wrong, if an industry becomes irrelevant, there's nothing you can do. You've got to diversify your risk, and you've got to pick the right people in the right sectors and let them do it.

**CK:** *I understand you didn't finish his manufacturing class.*

**PB:** I left; I couldn't. I listened to all the things that he was asking us to do, and I just couldn't do them; I didn't want to do them, so I got up and left. I ran into him, of course, many, many times in business, afterwards, especially in France when he started the European Economic Development Company. And then I was one of the co-founders of Sofinnova. Now, Sofinnova today is the oldest and most successful venture capital company in France, after a long, long period of time. And I think that one of the reasons for our success is that we gave our entrepreneurs a lot of rope. We didn't interfere with what they were doing. We gave them advice in the areas that we were competent, like in

finance. But in essence, we let them free. And the result was, we succeeded, probably for a number of reasons. Timing, of course, could have a great deal to do with it. But during our starting Sofinnova, the General was always quite dismissive of our activity. I was not a notable student at the Harvard Business School, I'll tell you.

**CK:** *So you didn't find a mentor at Harvard?*

**PB:** Oh no. I stayed as far away from the business school as I could. That's true. I found out how to beat the system the first year, and the second year — I mentioned it in the book — I coached the Elliot House football team, the house football team at Harvard, and the Boston Lacrosse Club, and I chased my future wife. I didn't live on campus; I lived on the other side of the river. I was at the business school under duress; I didn't want to be there. As I have said in the past, I didn't get anything out of it, but I think that's a bit harsh.

**CK:** *You married Anne Russell in 1954, and I want to add here that you have three sons. Sam, Peter, and John. Sam is an architect and Peter's an artist.*

**PB:** Peter is an extraordinarily successful artist. When we go out here, I'll show you some of his paintings. I think the best gallery in New York has taken him on; he had an opening in January that was enormously successful. He's a terrific painter. John and I started another company together, Brooke Private Equity Advisors. John wanted to leave Advent because he said, "Pa, this is your business, and anything I do that I succeed in is

going to be credited to you, so I want to start something on my own.” And that’s what he did. He started Brooke Private Equity Associates. It is referred to as Brooke Private Equity Advisors in the book, because that’s what it was called at that time. But since the book has been written, it’s been changed to Brooke Private Equity Associates. John felt it was better to do it that way. He started that activity almost ten years ago, probably eight years ago. Sam is an architect in Washington, D.C. He’s a very, very competent architect, and very, very busy at a time in life when most architects aren’t busy, because his firm has a number of clients, global clients who are in economies that are expanding rapidly, so he has a lot of work to do for projects in Indonesia and in Saudi Arabia. He is very active and just loves the field of architecture. So I’ve got one artist and one architect out of three.

**CK:** *So everyone’s doing well.*

**PB:** Well, everyone’s doing well. You know, with John, this is a tough economy for a start up in private equity/venture capital, because there’s not as much capital in play — institutional investors are allocating less to this sector, but we seem to be getting our piece, so I’m very encouraged with the progress he’s made. And you know, I try to be helpful to him on occasion, and it’s just great fun to watch him build the thing.

**CK:** *And follow in your footsteps, I'm sure.*

**PB:** But doing it on his own, with his own ideas. It was his idea from the beginning. And so he — and it's good to get him away, you know, get him on his own, establishing his own identity, making his own record, and not always being Peter Brooke's son. That's a tough thing. Happily, we have a wonderful relationship together. I do with all my sons. But working with a son, it either works or it doesn't work. This has been a very happy relationship I've had with John in this new venture.

US ARMY 1954-1956

**CK:** *Well, you're both fortunate because it isn't easy.*

**PB:** Yeah, we have a lot of fun.

**CK:** *You said you had a kind of cushy military job for two years when you got married, '54 to '56.*

**PB:** That's right. I was with the Army Audit Agency, which audited government contracts. I was first located in Baltimore, but soon after I was transferred to Boston. We audited government military contracts with Raytheon and Sylvania, companies like that that had contracts with the federal government. So our job was to make sure that the government was getting the stuff that it contracted for, and that the prices that were being charged were in line with the contractual terms.

## FIRST NATIONAL BANK OF BOSTON 1956-1961

**CK:** *By 1956, you're gainfully employed in the credit department of First National Bank of Boston. How'd you get this job?*

**PB:** It's quite interesting. I was thinking of going back to Worcester and working at a bank there. When my wife heard that, she didn't necessarily think that was a good idea. So her father introduced me to the head of the trust department of the First National Bank of Boston, and he made a comment — I'll never forget the comment: "I've always thought the Worcester County National Bank would've been a wonderful place to retire to." So that got me thinking, Well, maybe I better try something else. So I was introduced to the First National Bank of Boston, and that's where I started.

**CK:** *What was your ambition? You've just finished Harvard Graduate School.*

**PB:** I tell you. Going back to my interest in the Marshall Plan — that was a really pivotal thing for me when I was in college.

**CK:** *Tell me about that; you have an interesting story here.*

**PB:** Reading history at that time, and being concerned with economic development in Europe because of family in England, I thought it was just a wonderful example of what we as a country could do to, in effect, rebuild our friends and our enemies who were devastated by the war. A lot of this was in our own self-interest, but the fact is, that in setting up the system we gave the money to the French, we gave the money to the Germans, and we let

them make up their mind how they would employ that capital. We didn't sit over them and tell them what they should do. Some of them made enormous mistakes. The British took the money and invested it in industries that were dying and could never be competitive. The French objected to taking the money, but eventually did, and, of course, the Germans used the capital wisely. The money from the plan was the engine that rebuilt Germany, and it became the engine for European recovery.

So I had a great admiration for Marshall and what he had done and our management of that program. So when I got to the First National Bank of Boston, I thought that using capital to invest in those areas of excellence that we had here was critical to the development of the economy of Massachusetts and New England. The economy was in deep trouble, because the textile industry had left, the shoe industry had left. We had 13 percent unemployment, and the only assets that we had in the region were brains. How were we going to finance those brains to create new companies that could be the birth of a new economy? So I really got into that.

**CK:** *How come nobody else saw this?*

**PB:** The First National Bank of Boston then dominated the banking scene in New England. Half of the assets of the banking industry in New England were in the First National Bank of Boston. It was the thirteenth largest bank in the country. There were people in the bank that saw that technology would be an important part of recovery. I got to know

them and then wrote a paper — I wish to hell that I still had a copy of that — that concluded that a small amount of money, segregated from the loan account of the bank, could make an impact on starting and building new technology-based businesses. It was really using the bank's money like it was venture capital, because there were hardly any assets to secure. The only thing that we had to take as collateral were the contracts from these small companies that were supplying research to the federal government.

**CK:** *What questions were you asking yourself in regard to the situation in New England that perhaps other people weren't asking?*

**PB:** Well, I don't know how to answer that. It was so obvious to me that there was nothing else that was going to provide job creation unless it came out of something entirely new. And it didn't make an awful lot of sense to lend money outside the region that would create jobs in Cleveland and San Francisco or the Southeast or the Southwest. What we had to do was to lend here, so we could get the multiplier effect of that money within our local economy. This is not just lending a spinoff from MIT. The spinoff would be hiring locally, certainly, but would also be buying other goods from people in the local community, and that would itself lead to job creation. It is pretty obvious, isn't it?

**CK:** *Obvious to you. That's why I'm questioning that—*

**PB:** I think that the bank was concentrating on being a national bank, and it was not spending much time thinking of how to rebuild the region. This was a really moribund area after

the war; it was a dead, dead area, and the people were dead. The young people coming into the banking industry didn't want to think outside the box at all. They were going to find a loan officer that they could do some work with, and then gradually move up that ladder and become an officer. I had no interest in that. That's what I describe in the book. I just simply did an end run.

**CK:** *What gave you the gumption to do that?*

**PB:** I think I was failing. I was failing because I didn't line up behind people well. I found it rather distasteful to follow in the footsteps of somebody that had been doing the same thing for a long period of time; I just was bored. It was a bleak future, if that's what you had to do. I saw all this other stuff that could be done, so why not give it a try? I was not highly regarded in the bank at that time. Interesting, I was told by the fellow that was the head credit man at the bank, dealing with the credit department, that I had a limited future in the bank, and that I should start thinking about doing something else.

**CK:** *How did you react to that, emotionally?*

**PB:** I was already doing my end run and was about to succeed. It was interesting, because six months later I was made an officer of the bank, after he made that statement. He was a guy who had no imagination. So I convinced a few others through this paper that it would be good to segregate some capital — only \$20 million of the loan portfolio — for



these new and emerging startups. That project turned in to be a major division of the bank.

**CK:** *This was unsolicited advice from you.*

**PB:** Well, two people in the bank that got the paper were susceptible. A fellow who was the head of our — we called it the Western Division — was a guy named Bill Ray, and under him was a young fellow by the name of Bill Brown, a very ambitious guy. I knew they'd be receptive. I thought that they needed, in a way, some kind of an intellectual underpinning for the program. That's what the paper was all about.

**CK:** *I'd love to have you tell the story about Pratt & Whitney Machine Tool, because it seems to have—*

**PB:** That was entirely different than the high technology lending group. That was my first opportunity, that Pratt and Whitney thing, to work for [Serge] Semenenko, but that really is a different story.

**CK:** *The reason I cite that story is because it seems to have turned you around in some way. There's something about that story.*

**PB:** I'll tell you, you're dead right, Carole. It was just after I was told that I wasn't going to make it, or there was a chance that I wouldn't make it, that I was assigned to this group, Serge Semenenko's Special Industries Group, and I was given the assignment of doing

the analysis of Penn-Texas's acquisition of their machine tool division of Pratt & Whitney. When I was told that by this guy, that I didn't have it, it really did turn on all the competitive juices. "I'm going to show these guys," and I did it. It was a really good piece of analysis. But at the same time, I was working on the technology thing as well. I really enjoyed that piece of work, too. It was good, deep analysis.

**CK:** *It sounds like it lit a fire under you in some way.*

**PB:** When the guy said I wasn't going to make it, that sure as hell did light a fire.

**CK:** *Why did you leave the bank in '61?*

**PB:** I had been lending these high technology companies, and when they came up to the loan limits that were then higher than they should be— In other words, I might've been lending three or four times the underlying equity value of the company if there was good technology and the company was progressing well. I would take these companies down to New York to get financed by the venture capitalists there, the Rockefellers, the Whitneys, the Phippses, and a few others. And in doing that, I recommended a lot of good companies that these families invested in, which were successful. One of the families was the Phipps family in New York. They were impressed with what I brought down and my analysis and asked me if I'd like to run their venture capital operation. I accepted.

## BESSEMER SECURITIES CORP 1961-1963

**CK:** *So now you're going to work for the Phipps—*

**PB:** Right, Bessemer.

**CK:** *What made you feel that you were well suited for venture capital?*

**PB:** I was good at reading people, which is really the job. That's the job of the venture capitalist — is to, as I said earlier, to read the business plan; to look at the assumptions in the business plan; to test those assumptions out with the entrepreneur; to see the way he responds. It's easy to pick out guys who are kind of glossing through things. I find often that I'd ask a guy a question and he'd give me some kind of answer, and I just had a feeling the way he answered the question that the answer wasn't maybe true. He was embarrassed to say he didn't know. Whereas, somebody who said — You know, I really don't know the answer to that question, but I'll get back to you with the answer — that kind of honesty and candor is what you need in an entrepreneur, because if you're going to invest in the entrepreneur, you're his partner. You're in there to help him fulfill his dream of building a company. So there has to be that feeling of candor between the venture capitalist and the entrepreneur. And a lot of times the company gets in trouble, and if there isn't that close connection of working through the problems, it'll fail. I think I was good at picking out phonies, or not doing business with phonies.

And then there are a lot of times you fail in this business, so you've got to diversify your risk. You had to have a plan to invest the money that made sense. I get into it a bit in the book, the difference between the East Coast and the West Coast venture capitalists, and how we here developed a portfolio approach to venture capital in order to attract capital. When I went to get money from Harvard or BU and tried to get them to deal with the "prudent man rule," I had to have a plan that could prove to them that the risks that I would take would be diversified; that there would be diversification for companies at very early stages of development, emerging companies, companies that needed expansion capital, and companies that were buyouts. I had to prove to them that this diversification would mitigate the risks that you would ordinarily run into investing in small companies. The West Coast guys were going for the fences from the beginning. And theirs is a different culture; it's just a totally different culture. We are in an old and conservative part of the country here, and we could not introduce something here as free-swinging as they were able to do out there. And then there were differences in the academic environments of an MIT and a Harvard and a Stanford and a Cal Berkeley. Anyway, I'm straying—

**CK:** *No, that's interesting. I was going to ask: You said that "venture capital is an art, not a science." Can someone learn to be a good venture capitalist?*

**PB:** I don't think so. I think a guy can come in here with all the credentials in the world, and you won't know whether he's going to make it or not until he gets in the field. It's how a

venture capital investor reacts to problems, whether he's a problem-solver by nature, whether he can distinguish between what is able to be solved, what is saveable, or what is not. I just think it's hard to teach. If someone doesn't have those skills or that judgment, he's never going to make it. It's different in the private equity business when there's more to hang your hat on in terms of background, more in terms of statistics, background, management, and so forth. But pure venture capital, a guy that's good just has a set of skills that is unique to him. And you'll never know until the guy gets out in the field and gives it a try. These are my observations, which might be entirely different from other people you talk to.

**CK:** *It's your story. What excited you about venture capital?*

**PB:** I think that the success of the entrepreneur excited me. When something actually worked, it was a great day. I think what excited me about it was the ability to use venture capital as an economic development tool. I constantly go back to that because that was my kick, doing it here in New England, and then seeing where it could apply outside of New England, outside New England in this country and then in Europe and Asia.

I always thought that if we could start a global company we could be a sort of private sector Marshall Plan. When we went to Southeast Asia, we would first study the area's comparative advantage. Malaysia, what would you do in Malaysia? Well, they had palm oil production, they had tin production, they had iron and steel production. What would

help define them as an industrial country? And, how would you invest in those specific industries and help them add value to those industries so they became more efficient and could stand on their own feet? I always had the feeling that it was never good to have our allies or people with whom we were developing relationships as dependencies of ours. I always felt that if we could give people the dignity of running their own affairs effectively, in the end they'd be better friends, and that if we could help in the process of their becoming successful, this would lead to a stable relationship between us, our country, and the country with whom we were dealing. To that degree, what I had in mind was to replicate the Marshall Plan in a very, very small way.

**CK:** *If I had to ask you for a mentor—*

**PB:** George Marshall would be the mentor. He was a wise man.

**CK:** *Did you find any mentors at Bessemer?*

**PB:** No. That was funny at Bessemer. There were about five people in the management group, and each one was on his own and doing different things.

**CK:** *You were only there two years.*

**PB:** I was there actually short of two years when I came home. That was the wisest move that I made.

TUCKER ANTHONY & R L DAY 1963-1980

**CK:** *You moved back to Boston and went to work with Tucker Anthony & R L Day. What enticed you?*

**PB:** I needed a job.(laugh) When I quit at Bessemer, Ogden Phipps, who was chairman, said, “What are you going to do? Who are you going to work for?” I said, “I don’t know, I don’t have a job.” He said, “Are you out of your mind?” What Ogden Phipps didn’t understand, I wanted to go back home. That’s where Anne was happy; that’s where my three children were alive and kicking, and I knew it was an environment that we both loved and that that’s where we wanted to be. Ogden never cared where the hell he lived; he lived in Palm Springs, or wherever he lived, and he had a lot of homes; I only had one. But he was very good to me. He gave me a contract to manage the investments I had made that were in the region. I used a lot of Bessemer’s money to invest in New England, and it worked out well. They wanted me to come down actually to take on more responsibility. Funny, Pete Bancroft did not succeed me, but he succeeded the person who succeeded me at Bessemer. That’s interesting. I think people forget that he was at Bessemer. I think probably in 1967 to— [1988].

**CK:** *You succeeded Charlie Lea.*

**PB:** I succeeded Charlie Lea, and a guy named Don Seibert succeeded me, and Pete Bancroft succeeded Don Seibert.

## TA ASSOCIATES 1968–1985 and THOUGHTS ON VENTURE CAPITALISM

**CK:** *The connections between these interviews are starting to come together. So after five years you founded TA Associates.*

**PB:** I did. We started with a shell of a company that Tucker Anthony had called Tucker Anthony & Co. Inc. I became the head of that, and my job was to organize private placements in emerging companies, and then sell those investments to institutional investors and be paid a fee for doing it. I was very good at that, because I took the fee in stock of these small companies and not in cash. And some of those companies worked out extraordinarily well. So after three years of doing that, we wound up Tucker Anthony & Co. Inc.; I passed the money back to the partners — I was a partner at that time. But I said, “Look, what I’d like you to do is pay the taxes you need to pay, but let me keep the rest of the money and use that as capital for a pure venture capital company.” We formed a new management company called TA Associates to manage that pool of capital. Tucker Anthony & Co. Inc. was liquidated; the proceeds from the liquidation were invested in a fund called Advent Company, managed by TA Associates.

**CK:** *Could you select an investment that you were in, with TA, that was memorable and walk me through—*

**PB:** It’s a funny thing. I was so busy building the company — I did deals, but— I can give you a company, Wang Laboratories, that I invested in very early on and was very successful. But the fact is that I turned the investment operation of TA Associates over



very quickly to one of my early associates and then started to build up the international network of companies. Most of my time was spent in building the affiliate structure that then became Advent International.

**CK:** *You started to mention Wang Laboratories. You said that would be certainly a good early story, and a company that you were involved in. This was when you were at First Boston.*

**PB:** Have you read that section in the book?

**CK:** *Yes, I did. And I'll want to reference your book in the introduction. But, for this record, in your own words, could you talk a little more emotionally about that experience and what it meant to you.*

**PB:** Well, sure. I was a young cub aspiring to be a loan officer at the First National Bank of Boston, and I had picked the high technology sector as one that I thought would be the source of growth for the bank. And so I made a point of calling on virtually all of the companies in the technology area in the greater Boston area. I did that by accessing the SIC codes, the industrial codes of various companies in the electronics business, because that's what it was: the electronics industry was the industry that was springing out of MIT and Harvard in late '59 or '60 when I was able to win the account of Wang Laboratories for the bank. And I describe in the book how long it took me to make a connection with Wang. I'd visit his office constantly, trying to see him and give my respects from the

bank and ask what we could do to establish a relationship. I had done a lot of research on the company that was available through Dunn and Bradstreet and also product literature. So I knew a little bit about it when I made those calls, but I could never get in to see him because his secretary was really a stone wall. There was no way I could penetrate that office.

So the third time I visited the company, there was a problem in one of the rooms: a large piece of equipment was being assembled. It was being moved to the shipping dock where it was to be loaded for shipment to the federal government. I can't remember the exact description of the equipment, but it had something to do with measuring various components of weather: temperature, wind, and so forth. It was a huge piece of equipment that had been assembled at Wang's premises, a small little building in Cambridge, Massachusetts. The employees were moving this equipment on a dolly to be loaded into a truck when it came off its track. Everybody was called into the room to help steady this piece of equipment and get it back on the dolly and get it appropriately loaded. So I went back and gave everyone a hand, and I happened to be standing next to Dr. Wang.

I was the only guy that he didn't recognize. He said, "Who are you and what are you doing here?" I said, "I'm Peter Brooke from the First National Bank of Boston, and I've been wanting to talk to you about a banking relationship with your company." And so

we went back to his office, and in five minutes he said, “Well, you should call our corporate counsel” — a fellow by the name of Chuck Goodhue at a firm called Goodwin, Procter and Hoar. I called Goodhue, and I said, “I'm going to make an offer to the company, and this is what it is.”

I doubled his line of credit, it was a small line of credit anyway, and I did not insist that Dr. Wang endorse the note. In other words, I didn't have him countersign the note. This was strictly a company obligation. And then I gave him a very favorable rate. And so Goodhue said, “Well, I can't argue against that. I'll advise Dr. Wang to move the account from the Merchants Bank to the First National Bank of Boston.” So that's how I got the business. I got the business because I helped put the thing back on the dolly. That was how I got one of my very, very good accounts.

**CK:** *Were you involved in Wang at all in terms of its development?*

**PB:** Well, you know, I made that loan, and then I went to work for Bessemer Securities of New York. When I came back, Dr. Wang offered me a position on the board of directors, and that was in, I believe, 1963. I left the bank to go to work for Bessemer in 1961. It was early in '63, I believe, when he asked me to join the board. So I went on the board then. And of course I was on the board through all those wonderful, successful years and those years of decline. Eventually I went through its time in Chapter 11, its emergence from Chapter 11, and its success afterward and its final sale. I wasn't there at the very,

very beginning, but I was there when the company was doing \$150,000 in sales, and modestly profitable. So I went virtually the whole route.

**CK:** *That leads into my next question about board membership and your time, because it seems that people don't understand how involved a venture capitalist can get on a board and how much time it takes. So I'm wondering if, in any way, you can think of either the Wang board or some boards you've been on—*

**PB:** I'll tell you, in the Wang situation, as I say, I was an early director and there were a lot of things that I disagreed with Wang about. Nothing technologically or about his market, which he knew a great deal about, but it was more about the management structure of the business. He very badly wanted his son to be, and he made him the chief executive officer of the company. I and some of the other directors did not think he was ready for that job, and as a matter of fact, two of the directors resigned because they did not believe Fred Wang should run the company. I stayed because I felt I owed Dr. Wang a lot, and that I would continue to work to try to convince him that he needed someone with more industry expertise.

It was at a time — Wang had developed a simultaneous calculator and then a word processor that really led straight to the personal computer. Unfortunately, he didn't make that last move, which would really have made the company — eventually it probably would have to have been sold — but the fact is he didn't take that final step. If he had

had somebody in the management structure that really understood the industry and could have become his confidant, it would have been useful. But Dr. Wang always had the idea that his son would succeed him. It was a typical Chinese feeling, of the son succeeding the father and the founder.

I worked on that issue until Dr. Wang died. So I was extraordinarily involved in that, not only the success of the company, and then trying to patch it together until it could move on. So it was, for me, a very emotional period because we were right on the top. We were in a leading position, certainly the leading position in word processing; we were way ahead of IBM. It could've been a platform to go further, and it was sad that it didn't. But I was very much involved in that.

Virtually, in every company on whose board I served, I was an active director. I mention in the book a company called Unitrode, which was a power integrated circuit company. Unitrode went through a management change that I with another board member had to engineer in a very careful way. And we did, and came up with a wonderful CEO who took the company forward, made it very very profitable, growing rapidly and sold eventually to Texas Instruments.

There were a lot of cases like Wang and Unitrode. Adams Russell was another case, a company that was both in the cable TV business and in defense electronics. I suggested a

strategy of splitting the company in two, going public with the defense side of the business and then selling the cable business to a large cable operator. I was very active as a board member and probably spent a good quarter to — that’s not fair to say, really — let’s say I spent a fair degree of time. I was going to say a quarter of my time, and then I think back on all the things I spent my time on. I must say, I seem to have worked over 100 percent of my capacity. When you add up all the other initiatives, a quarter of my time might be a slight exaggeration; however, I think I made a useful contribution as a board member. You know, the contributions we make is general wisdom about business and people. That’s what I conveyed as a board member. Now, other board members have specific skills that you would want represented on the board — skills say in marketing or technology. But since I wasn’t a technologist or a marketeer, the advice I gave was more general.

**CK:** *How about your role in selling a company?*

**PB:** Well, I obviously took part in the negotiation, but the fact is, the companies that we sold were a result of us having something that other companies wanted. Unitrode is a good example. We had no intention of selling that business until Texas Instruments said, “You have a position in power integrated circuits that we need.” So they came in and made an extraordinarily attractive offer. Most of our acquisitions went that way. We had something that somebody else wanted. So it was just a matter of negotiating the right price.

**CK:** *So when you say a quarter of your time, it was more in the strategy and—*

**PB:** A quarter of my time would've been involved in any number of things — in strategy, and if a company was approached by an acquirer, I'd be involved in that. You know, I was building an international network; I was building a series of management companies around the world; I was looking for investment opportunities; I was giving advice as a director; I was a busy boy. I think I'm being accurate in saying probably a quarter of my time was spent as a director, dealing with all the things directors do.

**CK:** *That's what I wanted to know, was how much time was allocated to this, because you're looking at strategy and finances, and then it sounds like a little psychotherapy.*

**PB:** Absolutely. And you know, you're right in saying psychotherapy because — and I go into this in the book in some detail. At the early stages of venture capital, at least in the East, the spinoffs of technology from MIT to start up companies were run by associate professors or professors who didn't understand much about business and felt it was a rather simple thing: one introduced a product, it was immediately accepted, and one would go on to great and glorious things. You had to really educate these people that the process of building a business was a very difficult one and it took many different skills to do it. Well, the psychotherapy in getting that message across, let me tell you, was intense.

Now, after a period of time, the work that the venture capitalists did, the good constructive work in building businesses became well known, and the technologist who spun off the startup business appreciated that skill. So as we went on, we had much less hostility to some of the business ideas that we were interjecting. But it took time.

I think in this business you've really got to like people, and you've really got to know how to establish a partnership with the entrepreneur. That's essential, and that takes a lot of time to gain the entrepreneur's trust. When the entrepreneur begins to trust you, you can build a partnership that can really be quite productive. If there's distrust from the beginning, it'll never work. So understanding, liking people, understanding human nature, and realizing, I think, to a degree, realizing who you are as a venture capitalist.

The venture capitalist is not the star of the play. The star of the play is the entrepreneur. He's the one with the idea; he's the one that's going to drive the business forward. The venture capitalist is an enabler. I think that a lot of venture capitalists credit themselves a great deal to what they add to the picture. They certainly can be useful, but probably at the margin. A venture capitalist can seldom turn a bad idea, a bad management, a bad company around. I think what a venture capitalist can do is to pick a good industry, pick a good management, pick someone with whom he can build a relationship who understands the skills the venture capitalist can bring to the picture, and then go forward. I mention that, again, in the book. I think venture capitalists can do a good job, but they can't give themselves too much credit.



**CK:** *I think you're saying it's a partnership, but it has to have the right foundation.*

**PB:** It does, and the right relationship between the parties. And you know, in fact, a good venture capitalist is somebody who has got to control his own ego. He's working with entrepreneurs, high-energy people with a great deal of ego. You've got to sublimate your ego, the venture capitalist does, to an entrepreneur, and as I say, gradually build trust and a sense of partnership. Then it could be the most productive thing and the most fun thing in the world.

**CK:** *Well, it sounds like you certainly enjoyed it.*

**PB:** I did.

**CK:** *You were always moving?*

**PB:** I was always moving. I started TA Associates in 1968, I believe it was. In 1973, I established Sofinnova in France, and that was five years after starting the company. That led to developing a series of affiliates in Europe and Asia. So by the time we got up to the formation of Advent International, we had twenty-three affiliates around the world.

**CK:** *What I was interested in getting at was, when you go to vet a company, what are you looking for?*

**PB:** You're looking for a company that has some competitive advantage over others in the sector. You look at a sector that's growing, number one. You look for a company within

that sector that has a competitive advantage because of something it does better than its competition. And usually that would be the technology center, some piece of technology that they have that others don't have. That's what you're looking for. Then you're looking for a management that can not only manage the technology but manage the business that comes out of that technology. That entrepreneur has to be one who can manage both things — the technology and the development of the business. And that's the difficult thing, because way back then very few people in the academic environment that were spinning off to do something knew how to run a business. They understood the technology; they understood what they were going to do to develop that technology into a product; but to make a business out of it, that was something that they had never been involved in, in their life. So it was very important for us to be useful in — not necessarily running the enterprise, because we didn't get involved in operating the enterprise, but in introducing the entrepreneur to someone that could help in that process, that would come into the company and really help in the process of building it out.

**CK:** *Could you say what's more important, technology or management?*

**PB:** They're both critical, but a good management can sometimes manage a company whose technology has missed the intended market but possibly useful in other markets. If you have good management, it can reset the plan for the company and carry it forward. But if you have a great technologist who doesn't have a clue about how to run a business and doesn't want the advice of someone who has run a business before, that's going to be the

end. You can count on that company failing. So there is some hope if you have good management for resurrecting something that might be going the wrong way.

**CK:** *What guides you in deciding that this technology is going to be successful when it's ready? Because I know these things take time, and you're on the frontier, more or less.*

**PB:** The thing is that none of us, in that age— It's important to make a distinction between the venture capital industry then and the venture capital industry now. Most of the people that were in venture capital, especially on the East Coast, were financially oriented. They worked for banks; they weren't technologists themselves; they were attracted to the industry because of the excitement and the adventure of venture capital. So what they had to do was to make sure that their contacts in academia could help them analyze the relevance of the technology, and whether that technology had the capacity to be made into a product that would be competitive. And so what you'd do is develop a stable of people at MIT, or Harvard, or in industry that could help you reach the right conclusion about that relevance of the technology. So it was very important that you have the contacts that you could rely upon to help you come to the conclusion about the technology.

We were good at determining the roll-out of the business — whether the company, if run properly, would be on the right track. We had enough knowledge of business to be able to reach a smart conclusion about that; as for the technology, we had to rely upon others.

As the industry's evolved over the years, more and more technologists have come into the venture capital industry, so you have an in-house capacity to evaluate technology, and you refer less to outside advisors, although I think that's a mistake, because technology moves so rapidly, you've got to have somebody who's really on the cutting edge all the time.

**CK:** *How do you see around the corner?*

**PB:** You've got to have somebody help you see around the corner, because you never know what's happening in a laboratory that might make today's products obsolete.

**CK:** *Who would be your partners with TA? Was it a network? Other venture firms?*

**PB:** In the syndicate? It's a funny thing about the industry. Although we syndicated a lot, there are a very, very independent, competitive group of people in the venture industry. The egos are immense. In a syndicate, you have to have people who have mutual respect for each other and don't think they're the hottest thing in the world. A lot of times you have people who think they know so darn much, they know more than the next venture capitalist sitting next to them, and if you have that kind of relationship within a syndicate, it can be a disaster. You know, if Charlie Lea hadn't been a strong, strong leader of that syndicate, the Federal Express financings would not have been completed. There were a lot of people that would disagree with Charlie, but he stuck to his knitting. We participated in the Federal Express deal, and when it got up to the last round, which was a

knockdown round, the guy that worked on it here, tripled up, and we made a very good investment out of it. Everyone claims success, but Federal was Charlie's deal. Charlie Lea was the guy that kept a very unruly group of investors on the same page. He's very good at that.

**CK:** *How does someone like that — Charles Lea is an example — make these decisions to stick with something when it's—*

**PB:** It's a matter of faith in the concept and a matter of faith in the guy running the company. Fred Smith at Federal Express was one of those guys that was very convincing. He had this dream, and he convinced people that they should stick with it, and by God, if they did, they were well rewarded. But it was his belief in his own concept and Charlie's belief in him and the concept that made the thing work. It was a great story.

**CK:** *Is it intuition?*

**PB:** Of course it is; it's all intuition. Yeah.

**CK:** *You don't want to throw good money after bad.*

**PB:** No. Well, that's the thing. You never know. When you're sitting there writing that last check you say: Oh my God, another round? But you see, in that last round of Federal Express a lot of the investors were simply exhausted. They had ponied up maybe three or four rounds before, and they just emotionally couldn't go any further.

**CK:** *You're talking about competition, so I don't think you would talk about these partners, so to speak, the syndicate, as a band of brothers.*

**PB:** No, and every venture capitalist likes to think he's smarter than the next one, and so this is why when money became plentiful to the venture capital industry, managers started to take 100 percent of a deal rather than syndicating it to prove that they were the brightest people in the world; in many cases that was not useful, because it's good to have others in a syndicate who, if they're good partners, bring other views of whether it makes sense or not to do something. So it's very important, in a syndicate, to have those people who are good partners, who can listen carefully and disagree, but come together with a consensus at the end that something should be done. That's the best world to be in. When capital was available, there wasn't that much syndication anymore. It was, I think, a very valuable thing to have partners in a deal that could bring a different view to whether an investment makes sense or not.

**CK:** *You say that you had high energy and you were very passionate, certainly, about what you were doing, but I'm sure there had to have been a lot of tension along the way. How do you handle your tension?*

**PB:** I'll tell you, there were times at TA that were difficult. When I saw that my partners would not follow my global idea, and that I wasn't going to achieve the objective that I wanted there, I had to do something else. I came to an arrangement with them that took the international assets out of TA Associates and put them at Advent International; that

was an extraordinarily difficult thing. The trauma and the tension in that separation, because I started TA Associates from scratch, was almost unbearable. That was an extraordinarily difficult thing, emotionally, for me to handle. I was talking at lunch yesterday — Anne was at the lunch — about the amount of tension and heartache that that brought me. But you know, maybe my reaction at that time is the difference between someone with an entrepreneurial style and background and someone without that drive. There was no use in looking at the past; the only thing to do was to go forward. And so the question is: How could I go forward with what I had in hand. I lost ten years, I think, in terms of timing, because I had to build an investment team in the United States all over again. I had the affiliates abroad that I could draw upon to be the managers of the various countries. But it impeded the progress of Advent. Now, here it is, twenty years, what are we, twenty-five years later? Everything has worked out fine. But at that time the tension was just immense, and I remember taking walks at night, after I'd come home, with Anne, and we'd walk to the top of our hill, and I'd just let everything just drain out. But you know, if you're a positive person, you drain it out; the next morning you're up and at it again, and you're just taking another step forward. That was a tough one. Building the network and Advent itself was ahead of me.

## FOUNDING ADVENT INTERNATIONAL CORP 1985

**CK:** *Now we're talking about Advent International that you started in 1985.*

**PB:** Yeah. Kevin Landry was the fellow who took over TA Associates, and he has been a terrific manager and a great guy. At that time, when I left, though, there was a lot of fear on their part that they couldn't raise money, because I raised all the money. There was fear that I was going to compete against them. And so it was a very edgy time. Landry was the only fellow there, really, that said, "Forget it. Peter's going to do what he's going to do, and he'll succeed, and he'll compete with us, but we shouldn't fear competition." And Kevin had it right.

**CK:** *One person said to me that it wasn't like working for a company where when something went right you got an "atta boy." I had a sense that there's a little loneliness in what you're doing.*

**PB:** The managing partners or the senior partner in a venture capital firm has to pick up people when they're down; for example, when somebody makes a mistake and does a deal that doesn't work out. He's got to have the capacity to, if he really thinks the person's a good person, to put him back on his feet, give him another opportunity, give him some advice and work with him until he succeeds or proves that he can't do it. Then you take the opposite case of some young fellow who makes his first investment and it is a great, great success. He immediately thinks he's a genius. You've got to temper that



enthusiasm, and ride him to make darn sure that he doesn't get swell-headed and get ahead of himself.

So the manager has to do a lot of stuff, but he has to really like to work with his people. And that to me was the part of the business that I liked the most. Whether it was someone here in this country or someone in Singapore or someone in Hong Kong or someone in Munich, or wherever it was. You've simply got to like to work with people and help them improve how they do the business.

**CK:** *Did you just take off and play tennis at times?*

**PB:** No. My time off was with my family. We skied a lot together; we did a lot of things together; we genuinely like each other. A lot of pressure was taken off by that. I concentrate on them to help them to achieve their objectives, whatever I could to be useful. There's nothing like being able to come home at night and be greeted with another set of problems that immediately takes you out of the ones that you were confronted with during the course of the day. If you're really close to your family, you're interested in helping any way you can to sort things out.

**CK:** *What made you think you'd be successful on the global scene?*

**PB:** We were so much earlier than others, and established our relationships long before others thought about it. So when the world changed, say after Tiananmen Square, and well before the collapse of the Soviet Union, we were really in place with a group of affiliates

and our own infrastructure to be able to participate in a changing world. And we didn't have any competition, because no one ever thought it would happen. We established a global company when it wasn't sure that a global economy would ever occur. So when it did happen, we had an infrastructure established and we were ready to do things. Now, we never tried to be a Carlyle or a Blackstone or one of these big, huge things; we wanted to be a middle market private equity firm only that was strongly, operationally inclined. In other words, the people that we had working here had run companies, had done things to add value to companies.

And we had a series of affiliates who were successful and provided us a platform. So we were able to raise money and move the thing forward. But I think that the timing of establishing Advent International was dead right, because the world was changing. For example, the negative effects of Tiananmen Square lasted only three to six months. Everyone here was up in arms. However, China is always going to be China; China is going to do what China wants to do. History tells you that. All of a sudden the feeling that the Chinese were bad people at Tiananmen Square, coming down hard on the dissidents, dissipated. That's what told me that the world's attitude to China was changing and that China was changing. China moved rapidly to the south during that period of time to let Guangzhou Province go free and to make those connections between Guangdong and Hong Kong. We were doing business in 1984, 1985, without any trouble, in mainland China. We were very careful in what we did, because we didn't

want to invest heavily in fixed assets. We invested in people and production facilities. But the production facilities were mostly man-run. But it was the same thing in Europe in 1985.

From Vienna we were subcontracting our software work to Hungary, which was a Warsaw Pact nation. Supposedly you couldn't do business in Hungary; well, you could. It was a sign that some of these old structures were crumbling. And when that became obvious, we were firmly entrenched and able to carry out our job of raising money and investing it in these various parts of the world.

**CK:** *In your book you write about the importance of change, saying: “change — whether in markets and products, or in entire economic structures — is the only condition that interests venture capitalists, or in which they can thrive.” How did you recognize or anticipate change before anyone else?*

**PB:** You've got to remember the only technology investing we did outside the United States that worked was in Israel. The work we were doing in other parts of the world was really expansion capital for already-existing businesses that were using technology to improve the way they were manufacturing their products. As I say, Malaysia would be a set of things, or Singapore a set of things that Singaporeans were particularly good at. We provided capital for and advice to the companies that were in these sectors; that's where we made our impact. I don't know if I answered your question.

**CK:** *It's almost as if there's a paradigm shift in investing when there's a change—*

**PB:** There was awareness in the rest of the world what venture capital had done to create innovative companies in this country. So it became an important word in economic development, say in Singapore, back when we went in Singapore in 1983. They were aware of what was happening in Silicon Valley and Route 128, and they were ready to try things out. The Development Bank of Singapore and the Economic Development Board were aware that innovation could remake their industrial society, could make it a knowledge-based economy. That's what they, very early on, concentrated on. Singapore was an unusual case. It was way ahead in building a knowledge-based economy than other countries in Southeast Asia. We had a lot of trouble in Japan. We could not do with the Japanese what we had done with the Singaporeans, or what we had done in Hong Kong, because of the structure of their industrial society. They simply didn't believe that important innovation would ever be achieved by an individual entrepreneur. It would always be institutionally based, whether it be corporate or government. Their institutions were very well organized and very smart and did a wonderful job in many cases. But venture capital was a distinct failure in Japan, and that was probably the only time we couldn't make our model work.

**CK:** *So it's all about culture.*

**PB:** You know it's interesting how fast the Chinese adapt themselves to our technology. It doesn't take a Chinese immigrant more than three years to learn how to speak our

language, to converse with us in a way that there's no barrier in our conversation; we understand each other. In Japan, it's just not there. We had the best connections in Japan you could possibly find, and we were supported by the establishment, but there was just a lack of understanding. It was a different world.

**CK:** *That's fascinating. It's different East Coast/West Coast; it's different in Europe. The culture seems to be—*

**PB:** That's the fascinating thing about history and geography — that within a country that there are such vast differences. Say in Germany, the differences between a Bavarian and Hanoverian are considerable; it depends on where you're located in the country. If you were at the source of a river, or the delta of a river, the behavioral changes in the course of that river are immense. To me, that's the fascinating thing about the international side of the business. I learned so much. I wanted to know the differences, the cultural differences; I was curious about them. And that curiosity, I think, led to the success of the company; because when we went to new places and I dealt with people, and they were people at the highest level, they were amazed that I was so interested in who they were, where they came from, what they did, what they thought. I was like you, an historian. I wanted to know why they ended up where they did on certain subjects and why I ended up in a different place. If you don't have that curiosity, I think you will miss something.

**CK:** *I want to keep my word and make sure we finish up in twenty minutes. We've touched on so many things that answer the question: What makes a successful venture capitalist so smart about what they're doing? You have to be smart about certain things. As you said, certain people can do it and certain people could never learn to do it. And you're answering many of those questions.*

**PB:** I'll tell you one thing, though. I approached the industry from a different basis than any one I know. I looked at it as an industry that could create better conditions for people. I looked at it as an economic development tool to improve the way people did things. And I thought about that in the global setting, as I mentioned before, a private sector Marshall Plan. The guiding philosophy was that if you could help people improve the way they do things it would create a better environment for a rational discussion about life in the future. I don't think anyone else in the industry necessarily thinks of it that way. So I'm probably an aberration.

**CK:** *Do you think that's helped toward your success?*

**PB:** I think it helped internationally. There's no doubt. Because when we went to a country and we said, we were going to do this, they were skeptical. Are you here to exploit us? Are you here to help us? Our model helped convince people that we were there to make a contribution. We would be paid enough to cover our expenses; we would make money at the end of the day if they made money, and we'd share in that. Take Singapore and

Malaysia — after six years, our partners said, You really did what you said you were going to do. So there was skepticism, but we were able to overcome that and gain trust.

**CK:** *And mutual respect, it sounds like.*

**PB:** It is. And this is why — and all these characters will come to the London [celebration] and talk about these things — there's just a wonderful friendship that's been forged over the years.

**CK:** *It sounds wonderful and deserving. I hope somebody records the toasts.*

**PB:** We're going to have a lot. The thing is to challenge my recollection of what happened. I want them to say, "Did I get this right?" So it'll be a lot of fun.

**CK:** *You were most fortunate in finding a life that was good for you.*

**PB:** Well, I'll tell you, I worked with some wonderful people. I think it was the environment and the culture gave them the capacity to grow. That's why we've had so many successful people come out of Advent or TA Associates and start their own firms, and really be powers in the industry. It was really a good environment for people to learn the business and grow. I think that gives me more satisfaction than anything. When I left TA Associates, the culture had been established, and Kevin Landry, my successor there, has just done a magnificent job of building that enterprise and sustaining the culture.

## REFLECTIONS

**CK:** *Now, I'd like you to do a little reflecting: Chuck Newhall sees venture capital as a romantic quest. Would you agree?*

**PB:** Yes. There's got to be some romance in life, doesn't there? Other than your relationship with your wife and your family, you have to have a dream. I assembled a group of people together from all over the world, and we built something together. There's such a bond of friendship between us; it's really exciting, it's really exciting. That's one thing that I'll always remember. It's just been a great— That's why the book has been so much fun, because all the people that have come back with some very nice comments; it's been worthwhile.

**CK:** *You've mentioned George Marshall and how he influenced you, but the one story you didn't tell was how you first were introduced to General Marshall.*

**PB:** I wasn't introduced. My old man took me down, hauled me out of Exeter and went down to Harvard to commencement.

**CK:** *Why?*

**PB:** He knew what was happening in England; he wanted me to hear what this guy had in mind for rebuilding Europe. Dad was extraordinarily well read and public policy-oriented, and he knew that this was going to be an address that dealt with rebuilding Europe, and he thought that his only son ought to hear it.



**CK:** *Was he concerned?*

**PB:** He was concerned about what would happen. My father was a strong believer in capitalism. He loved the freedom in this country, and he had some serious doubts about what would happen in England in the recovery, because a conservative government had been replaced by a Labour government. Before the war there was a great deal of labor unrest under the Baldwin and Chamberlain conservative governments. When Britain came out of the war, Labour was going to have its day. Churchill was thrown out of office and Atlee entered. Labour embraced upon an immense reconstruction plan without any thought about what they could do that made sense. One of the ideas was to move the production of steel from Birmingham to Rutland, so that people in Rutland could be employed. Well, the people in Rutland didn't have the skills, and how would you get coal to Rutland efficiently? They'd never thought about the sense of what they were doing. My dad saw this thing happening and said, "There has to be some rationality in this thing." So he became interested in studying that and talking to people about it. And he got me, even though I was a junior and not concentrating on the subject, interested. It was not until later that I realized how much of his thinking had become embedded in me.

**CK:** *Because I see a parallel between that one incident — your father's concern, his desire for you to hear Marshall's speech, and the message of that speech — and the concern you had initially for New England, and then applying that same attitude—*

**PB:** It was. Tony Judt wrote that book, *Postwar*, which I think ought to be used as really a major part of a syllabus for anyone doing postwar history — terrific book. He talks a lot about the concept of the Marshall Plan and the wisdom of it: not to force — let people make their own mistakes with what we're giving them, but if they're smart enough, they'll be able to adjust to something that makes sense. Well, some people adjusted. The Germans adjusted and the French adjusted; the British never adjusted, and didn't really adjust until Margaret Thatcher, when all of a sudden knowledge-based projects were of interest.

**CK:** *Do you think the romance has left venture capital? You say there's been a change.*

**PB:** I listen to all this gloom and doom and everything; it just doesn't make sense. There's so much opportunity around, and there will be people who respond to opportunity, young entrepreneurs and venture capitalists. There are cycles in our industry. Sometimes we've had too much venture capital, other times we haven't had enough. So this is a cyclical thing. I think capital will flow back into the industry, and I think there'll be great opportunities for people to invest, and I think there's a desire for people to get into the industry and to do things. I've seen so many cycles — the seventies was just an awful period: Watergate, post-Vietnam alienation, inflation, recession. And yet we came out of that period just full of life and ready to proceed. I feel the same way that— Did you read David Brooks this morning? [*New York Times*, April 6, 2010] Read his article, because I

feel the same way he does. He just says, Look, this is going to be a great period. We've got to work our way through it, but—

**CK:** *What has given you your self-confidence?*

**PB:** I just always had a positive attitude, I think. Anne will say that my father was an extraordinarily tough taskmaster. He really was kind of mean in some ways. I never saw it that way. I thought I deserved everything he was giving me, that there were a lot of things that I could do better. It didn't bother me; I thought he was doing it to improve me. I was being given a lesson I richly deserved and that I would improve because of this lesson. It took an optimist to feel this way.

**CK:** *There's always room for improvement?*

**PB:** Where did I get that optimism? I don't know. It could be a combination of things. I was very good at sports. I learned a lot in sports about teamwork and friendship and relationships with my teammates. It's important. This sense of friendship and teamwork is deeply embedded in TA Associates and Advent. We don't lose people, and we have a succession plan that younger guys here know that there's mobility to move up. Very important. And rewards are spread; it's a very flat organization in terms of compensation.

**CK:** *Did you ever have any moments in your life that you thought you could've done something else that you would've enjoyed?*

**PB:** No, it was too much fun. You're always living. The days when we didn't have enough money in management fees to keep the team together, I was out consulting, doing merger and acquisition work, doing anything that I had to do to keep the people employed and paid. That was the most fun period.

#### PHILANTHROPY AND OTHER PURSUITS

**CK:** *We have a few minutes and I do want to touch on something that you write about: new frontiers, and non-profits, and Endeavor. You talked about Endeavor, and I'd like to hear how that came to you.*

**PB:** Endeavor is in the business of building high-impact entrepreneurs in emerging markets.

**CK:** *How did this come to you?*

**PB:** Linda Rottenberg started a company with a fellow whose name I don't remember. She knew she wanted to put together an advisory board, and she went to the Harvard Business School to ask the head of entrepreneurship who should go on the advisory board and chair the advisory board. She asked this fellow that wrote the foreword of my book, Bill Sahlman. And Bill said, "Listen, I'll do this if Peter Brooke will do it." So Linda trotted down here, and she convinced me in a minute that what she was trying to do was very, very worthwhile. So she went back to Sahlman and said, "Look, Brooke signed up," and

Sahlman said, “God, that was a quick sale.” She was a very convincing person. She had the wrong structure of how to develop the business. She was raising money in the core, and then distributing and then delivering services to the various affiliates. It was a much better idea to raise money at the local level, so you could have buy-in by the local business community, say in an Argentina or a Brazil or a Mexico.

A better model would have them financed locally, and then have them pay a stipend to the core company for the services the core company provided. That was a model that’s really worked. And it only makes sense, because you don’t want the local affiliates to receive money; you want to have them raise the money themselves and become invested in the process. So I was helpful in introducing that system, and that’s worked quite well. The only problem that Linda has is that a lot of people on her board get in her way. Jim Wolfensohn, who wrote a blurb on the back of my book, is on the board and is terrifically helpful. And he knows when to shut up, but some of the other board members do not. I went to one meeting because they asked me to be a board member, and I listened to these guys and I said, Well, I’m not going to listen to this stuff. I’ll be an advisor to Linda, an advisor to the board, but I’m not going to spend my time having people show off. Linda needs more practical help on that board level. But she’s such a competent lady, she’ll figure it out.

**CK:** *You haven't changed, for sure.*

**PB:** Probably not.

**CK:** *When you're not doing venture capital, what are you doing, what are you enjoying?*

**PB:** Well, I'm going to be going to lunch with the managing director of the Boston Symphony Orchestra — I used to be chairman of the Boston Symphony Orchestra — to review plans for the future. We have an organization that's playing music at the very highest levels — never played better since the Koussevitzky era, at the end of the war. We have financial challenges, but we have a musical challenge also. James Levine has done a wonderful job for us, wonderful job, but he is not well. He's had this sciatic problem and other health problems as well. So I'll spend the greater part of the afternoon finding out what is happening, and then going to a symphony around dinnertime.

**CK:** *You didn't mention that you had taken piano lessons.*

**PB:** Oh, God. My father would play the organ and the piano, and I played the piano a bit, but not now. It's *amazing* how many things occupy me during the course of a day. I've got grandchildren who I like to watch play lacrosse. That's what I'll do tomorrow afternoon.

**CK:** *How many grandchildren?*

**PB:** I have eight.

**CK:** *I know you brought James Levine to the orchestra, and that you were very successful in a capital campaign, Artistic Initiative Campaign. I thought that was an interesting story about translating your success in business to—*

**PB:** That's one of the things about the application of a problem-solver, which you are in the venture capital industry, to a not-for-profit. There has to be so much rationalization done in the not-for-profits in this city. You have to find a way to merge some of them together to make them more effective, and then manage that type of a transition; it'll take a lot of skill. And I think venture capitalists are uniquely qualified to make that kind of a contribution. A great many venture capitalists are quite charitably inclined. So what I try to convince them to do, not just with their money, but with their time, is to help these organizations that are facing challenges now with the economy down and their support levels decreasing. So I do a lot; there's a lot of stuff to do, there are a lot of problems to solve.

**CK:** *I'd like to know what have been your personal rewards in your work in venture capital.*

**PB:** I've never made as much money as the guys that have worked for me have made, because — you see, I left TA Associates just as it was getting very, very profitable, that was 1985. I left Advent as CEO in 1997, just as it was getting very profitable. So the people that have succeeded me have made a lot more money than I made. But I'm very happily off. On the other hand, if I had been a little bit more greedy, I could've given more away. That's the only thing. I could've given more away, because there's so many

organizations I'd like to give money to. I have no complaints. I live in a wonderful apartment in Boston with a collection of 17th-century Dutch art that Anne and I have given to Harvard. We've got a wonderful farm up in Vermont.

I want to show you some of Peter's paintings. Peter, my artist son, is on one side of the hill, and we're on the other side of the hill. You sit in both these places and you just reflect upon how lucky you are. Lucky that you're born in this country; lucky you were born at a time in this country that allowed you to do what you could do, have a family that you are very close to. I'll tell you, I am pretty damn fortunate.

**CK:** *I do want to congratulate you as a recipient of the National Venture Capital Lifetime Achievement Award in Venture Capital.*

**PB:** Tom Perkins and I got the award the same year. The first guy to get the award was Dave Morgenthaler in Cleveland, and the second guys to get the award were Perkins and myself. I think that's probably — I don't know. [1999]

**CK:** *It's nice to be recognized by your peers. Also, you were initiated into the Private Equity Hall of Fame, and named a Fellow of the American Academy of Arts and Sciences.*

**PB:** That's important. I wish it was because of my knowledge of history, but, I'll take it.



The following is from a phone interview of September 1, 2010.

**CK:** *When we met in April, you mentioned that you were going to London. You said it was going to be a warm celebration, but you didn't tell me why you were gathering,*

**PB:** Well, it's a nice story, so I'm happy to tell you. You know, it's funny. As I say, I'm sitting at my desk here in Vermont, and I have right in front of me an invitation to that event in London. The event was on the thirteenth of April. Let me just read you the invitation. "Dinner with Peter and Anne Brooke," and then under it, "A gathering of old friends," and then, "A retrospective of the early years of Advent International and the development of the venture capital industry, celebrating the publication of *A Vision For Venture Capital* by Peter Brooke, Tuesday, thirteenth of April, 2010. Drinks, 7 p.m., dinner 8 p.m., at the Wallace Collection, Hertford House, Manchester Square, London, England."

So that was the event. We invited — all of the people mentioned in the book were invited, and they all came to this wonderful reception and dinner, and as I said to everyone, I wanted them to comment about the book and see if they agreed with my recollection of what happened. So it was a lot of fun. People would stand up and say, "Well, Peter, you didn't get it right on this one. This is actually how it happened." So we had about two hours of just wonderful discussion and friendship at that dinner. That's what that was all about.

**CK:** *Was this recorded or was a video made of the event?*

**PB:** No, there wouldn't have been.

**CK:** *I couldn't have gotten this part of the story on April 6, so I'm kind of glad we had this opportunity.*

**PB:** Well, let me tell you, it was an absolutely wonderful evening, and you know, the warmth of everyone there, and it's a long history, and they all played a role in it. And you know, we had people from Asia and Latin America and Central Europe and the United States. It was just a terrific gathering, as I say, gathering of old friends.

**CK:** *Were there any comments about your book that surprised you?*

**PB:** No. There was only one fellow that had a problem with the book, and that was Sir David Cooksey, who was mentioned in the book as my partner in establishing the network, the Advent network in Europe. He felt his characterization of how he left Advent was not fair to him. But you know, that was the only person that felt that they weren't treated fairly by me in my description of what happened.

**CK:** *Well, then I guess he was glad to have his say.*

**PB:** Well, he did, and it was disappointing to me because he was a very valuable person, and a person that I had come quite close to. But there you go.

**CK:** *Well, you never know whether it's about you or about him.*

**PB:** Well, you know, David has become a very big man in the city of London. He was knighted. I don't know if he's still a director of the Bank of England, but he was for a number of years. He's still in the news as somebody useful to the government, and sorting out the financial troubles that they are involved in. And I think that David has a view of himself that those who work for him don't have, and I think that was a bit of a problem. There we go. I always agonize about these things, Carole, because I really do like to have everybody happy. I like to have everybody feel that they are treated fairly, and I think the vast and overwhelming number of people feel they were, so I guess that's got to be good enough.

**CK:** *It's a wonderful book, and everybody has their sensitivities, and it's really hard to get it just perfect.*

**PB:** That's right. You know, the problem is you've got to tell the truth.

**CK:** *Well, it's history.*

**PB:** Right. And if I had encoded this in any other way, all the other people that knew the evolution of this relationship would have been offended. So you try to balance things as good as you can, and so there we are.

**CK:** *And it's your story. When you write it, it's your story, so it's your truth and how you saw it. And I guess somebody else can write a different version if they—*

**PB:** And he very well might. And of course, Anne was with me. Everyone paid their respects to her, because the fact is in building the network and the company, she had everything to do with creating the atmosphere that was important and conducive to partnership and friendship and working together. When we had people from London or Europe and Asia come and visit us, often, and most times with their wives, Anne was the one that kind of created this wonderful, warm, receptive environment for them. And so she was recognized for her contribution at that dinner, and it was really quite wonderful what people said about her.

**CK:** *I'm glad to hear that. It sounds like she was the woman behind the man in giving you support and she was the ambassador there.*

**PB:** She was a big part — we were partners in this thing, for sure.

**CK:** *A distinguished and rewarding career.*

**PB:** Thank you very much. Coming from an historian, that's a very great compliment.

**CK:** *I've enjoyed getting to know you. And I thank you for the National Venture Capital Association, and also for Chuck Newhall, who has been the guiding spirit behind this project.*

**PB:** I knew NEA when it started, the guy that I knew long before NEA, a guy named Frank Bonsal. Bonsal, I just loved Bonsal. He just is a great character. We were doing deals before TA Associates. We were doing individual deals together.

**CK:** *So there is a network here.*

**PB:** And Dick Kramlich here in Boston, before he went out— Well, he went to work for Arthur Rock, Kramlich did, and then he went with NEA.

**CK:** *He's on the West Coast. He was interviewed earlier for the project.*

**PB:** He's a good guy. He just loved it out there. He just loved that whole scene.

**CK:** *Well, again thank you.*

**PB:** Please feel free to call anytime.

**CK:** *I'm grateful for this time*

**PB:** This has been fun.