

Objective, Sound Advice

**An Interview with Christopher J. Williams,
Founder, Chairman, and Chief Executive Officer,
The Williams Capital Group, L.P. and Williams Capital Management, LLC**

EDITORS' NOTE Christopher Williams began his investment banking career with Lehman Brothers in New York, where he rose to the level of Senior Vice President before leaving the firm in 1992. Williams subsequently founded Williams Capital in order to serve the capital markets and investment needs of corporations and institutional investors nationally. He serves on the board of directors of Wal-Mart Stores, Inc. and Harrah's Entertainment, Inc. He is also an active board member



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of several not-for-profit organizations including Mt. Sinai Hospital, Alvin Ailey American Dance Theater, Teachers College at Columbia University, Lincoln Center for the Performing Arts, and the Tuck School of Business at Dartmouth College. Williams and his wife also support Women in Need, Partnership with Children, and the Harlem School of Arts. He holds a Master of Business Administration from the Tuck School of Business at Dartmouth College and a Bachelor of Architecture from Howard University.

COMPANY BRIEF Based in New York, The Williams Capital Group, L.P. (www.willcap.com) is a full service broker-dealer, and provides equity, taxable and tax-exempt fixed income, corporate finance, and investment management services to institutional investor, corporate, and municipal clients. Williams Capital has consistently ranked as either the first or second most active underwriter among minority-owned investment banks for each year throughout the past decade.

Did the severity and speed of the economic crisis surprise you, and where do you see us today on the road to recovery?

The severity of the crisis surprised me more so than the speed. I would argue that the crisis evolved, and worsened over a two-year period. There were a number of cases where illiquid and volatile market sectors showed signs of vulnerability long before the crisis became evident. I believe that we must prepare for a slow, uneven recovery.

Can recovery happen without jobs and are we on the right path to recovery?

I am not sure how a jobless recovery looks, and without jobs, any potential recovery will be weak. Industries that are most likely to remain stable are those that provide services or

products to global industries that are capital-intensive and benefit from long-term corporate or public investment. Companies that have a role in the global infrastructure development process should show relative strength.

Manufacturing jobs that are tied to consumer products will likely be vulnerable until consumer confidence, consumer credit worthiness, and availability of credit return.

In making the decision to build Williams Capital, what made you feel the timing was right?

I had been with Lehman Brothers for eight years and had developed a broad set of industry and client relationships because I was fortunate to have worked in numerous areas. I had a sufficiently broad perspective to identify opportunities to make money. I also believed that there was business opportunity in helping clients obtain attractive pricing on their financings by helping them understand and value the components of their transactions.

Our business model has continued to evolve. The service that we offered when we first started Williams Capital was focused on structuring complex derivative-linked transactions. As a result of certain events that took place in the market, we had to alter our model and began to focus on less complex and lower margin businesses that had a higher frequency of occurrence. The challenge with these lines of business is that the more generic the service, the more difficult it is to distinguish one's capabilities relative to the competition.

Most companies talk of their great service, but is it difficult to show what makes your brand unique?

That continues to be a challenge for everyone. I believe that many clients use Williams Capital because they get very objective and sound advice as well as the complete attention of our most senior professionals. We try to give our clients our honest opinions on market conditions in the competitive environment even if it means recommending against embarking on a deal that is being contemplated. A reputation for providing objective advice adds to our credibility.

While we love high margin, and high value opportunities, we also give our full attention to small, low margin, business that might be considered inconsequential to the larger firms.

The challenge that all firms face is capturing a meaningful share of a client's business when there are so many other service providers that are also pursuing the same limited pool of business.

Have you been happy with the type of talent you have attracted as well as the ability to retain that talent?

We are fortunate to have a very good and loyal core team of professionals, but it's a challenge to retain people during periods of strength and growth in our industry. Small firms often find it difficult to compensate at levels that are competitive with the major firms. However, we offer opportunities to grow businesses, assume greater levels of responsibility, gain broader experience, and achieve professional growth. In addition, the individual often has a greater ability to impact his or her own compensation at a small firm.

Is there merit to the suggestion that New York is losing its edge as the financial capital to emerging markets, and will we be seeing that emphasis going to other major cities?

The current state of fiscal affairs facing the city and state could potentially make New York an unattractive place for business to operate. When one adds the potential impact of increased regulation, which may be unfavorable for certain businesses, New York's ability to remain competitive becomes uncertain. Although New York is still the global financial capital, the city is more vulnerable to any jurisdiction that offers a quality infrastructure, educated work force, and accommodating tax structure.

We are in a fully connected working environment, businesses are more transportable than ever, and that means that New York will have to continue to earn the moniker of "Financial Capital."

Has the company evolved the way you had expected, and did you always know it would be successful?

I always had confidence we could succeed, but in a dynamic environment, every business is a work in progress. We constantly assess the market opportunities and our client needs. Our goal is to constantly reposition our team and capabilities in a manner that fits the requirements of our clients.

I'm always looking for new business lines where we can provide a unique service for which there is demand. Many of these new endeavors won't yield short-term profits, or could even prove not to be viable, but in business, one must often be willing to take a number of shots in order to hit the target once. ●