

Building Relationships

An Interview with David H. Komansky

EDITORS' NOTE David H. Komansky is Chairman Emeritus of Merrill Lynch & Co., Inc. He previously served as Chairman from April 1997 until April 2003 and as Chief Executive Officer from December 1996 until December 2002. Prior to being named Chief Executive Officer and Chairman of the Board, he served as President and Chief Operating Officer. In his 35 years at Merrill Lynch, Komansky held a succession of management positions in the company's major business areas. He is active in many civic and charitable activities and serves on the board of trustees of New York-Presbyterian Hospital. Komansky attended the University of Miami and completed the Advanced Management Program at Harvard Business School.



David H. Komansky

Where did your interest and passion for philanthropy develop?

I come from very modest means. My father worked in the post office and my mother was a bookkeeper. We lived in the Bronx. While they were never in a position to give money to causes, they gave their time to everything they could. My mother was the head of the PTA, the head of the Boy Scouts, and the head of many other organizations. She was selfless with her time. My mother and father in their own ways devoted time and leadership to their causes.

The first year I was on Wall Street someone invited me to a fundraising dinner downtown which was new for a kid from the Bronx. There were guys donating half a million or a million dollars and this was around 1970. I was amazed at the way they were pledging all this money.

Over the next couple years, unfortunately, we had a lot of illness in our family. My in-laws, my parents and my child all had needs. They were all treated at New York Hospital. My career gave me the wherewithal to do the things that innately had developed in me about emulating what I saw other people had been doing and I wanted to repay New York Hospital for all that they had done for my family. That is really how this came about personally. It was the influence of the environment that I lived and worked in and the personal experiences I was going through.

You were results-oriented and metric-driven in your business career. Do you approach your philanthropic work the same way?

That's an interesting point. Metrics obviously in business, particularly the one I was in, are very important because you can be killing yourself and not knowing it if you don't have the information. In philanthropy, I found out about the importance of metrics from the school of hard knocks at least as I'm personally concerned. Before my New York Hospital involvement, I gave much smaller sums of money, but money that was important to me at the time, to collective type causes where you didn't know exactly where the money was going. It was going into the pot, but you were relying on other people to distribute the money and use it well. I would come to find out afterwards that in some cases the money never did what it was intended to do.

This led me to the philosophy that I would focus my involvement on projects where I could see what was being done. If I donated money to send ten kids to college and eight of them graduated, that was what I wanted. I wanted to donate and support causes where I could see the results.

cared for my daughter. I can't take credit for having the idea, but it has worked out great and I am proud of what we built.

What were the keys to your successful business career?

First of all, during my career I wasn't looking ahead from the point of view of the next job or the next promotion. My basic philosophy in my career was that whatever job I had at that time, I wanted to do that better than anyone else ever did and ever could. That's how intent I was on every position that I had. At the same time, I was a student of the political hierarchy of Merrill Lynch and I knew what made Merrill Lynch and other corporations tick from the political side. I did not allow myself to be fooled by being naive.

What advice do you offer to young people beginning their careers?

My mantra to all of these kids and even adults, since I get a lot of people coming to talk to me about their second careers, is that the necessary ingredient for real success is that people will do business with you if they know you, if they trust you, and maybe most importantly, if they like you. Think of all the people you have a relationship with. There's not



Has the New York-Presbyterian Komansky Children's Hospital achieved what you had hoped?

It has been more successful than I ever dreamt it would be. When we started this project, the hospital's pediatric service wasn't even ranked in the country. I think last year we were ranked sixth in the country. I got involved with this effort when the CEO of the hospital at the time, Herb Pardes, and his partners came to me with an idea. He knew that I was looking for a cause within the hospital, but it had to be something that related to me and pediatrics clearly did because they had

too many of them you don't like. You wouldn't do anything for anybody you don't trust. Somebody who just talks to you on the phone and doesn't ever sit down with you or visit with you, they're at a disadvantage. Think of those three things.

That is what I tell young people. If you can take those three traits, I believe personally I could disintermediate any relationship built on technology with an individual. If some firm is going to deal with you through the machine and you've never tasted their blood or seen the color of their eyes, I'll take the business away from them. I'll take the relationship away from them. ●