

THE 3 'I'S OF LEADERSHIP: VICTOR CHU

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Victor Chu is an old school entrepreneur with many strings to his bow outside of his main day job - chairman of Hong Kong's First Eastern Investment Group. But he received his first lessons in business leadership as a trainee lawyer at Herbert Smith.

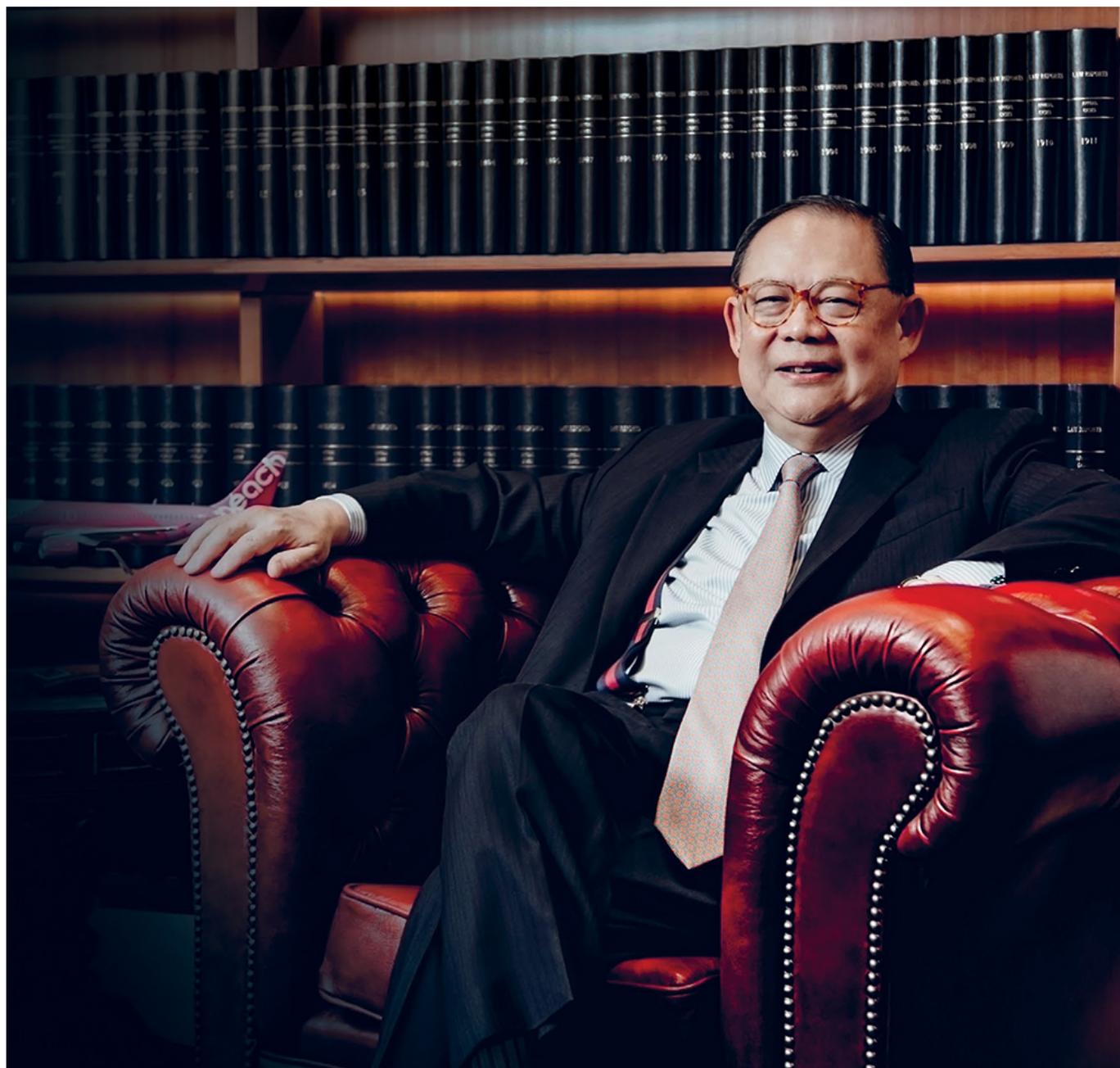
Warm and extremely affable, Victor Chu is in demand across the world - both for his business acumen and his personal wisdom and experience. Along with founding his own airline, he sits on various university and business councils, as well as advisory boards and those of philanthropic organisations across the globe. He has enjoyed a stint as director of the Hong Kong Stock Exchange and in 2011 was awarded the Global Economy Prize (jointly with former US Treasury Secretary Larry Summers and former European Central Bank president Jean-Claude Trichet) by the Kiel Institute for the World Economy.

He's come a long way in his career, but Victor is quick to praise his own father for helping him along the road to success. Indeed, First Eastern Investment Group is an offshoot of the company Mr Chu senior started in the late 1950s. But Victor stresses that his early days as a fledgling lawyer also gave him a unique experience of the business side of law.

He started working for Herbert Smith (legacy) in 1980, straight after graduating from University College London, attracted to the firm by its reputation in the field of trusts and litigation, as well as its "strong public duty spirit".

Two years later he was one of three lawyers sent to Hong Kong. "It was quite unusual for a trainee to be able to persuade the firm to open the first office in Asia," he recalls, adding that the very act of setting up an office was an invaluable experience. "When you open an office you get exposed to lessons that are more than just the practice of law. You learn how to start the firm. We had to go out and buy dustbins and pencils, engage architects and apply to the Law Society for permission to open."

Compounding his training in the corporate side of law, where he was helping companies to raise funds and issue shares, starting the venture capital and private equity firm First Eastern was a next logical step.



It would be fair to say he wasn't an overnight success, though. "I can admit to you that my first three deals were almost disasters," he laughs. But fortunately the embarrassment was fleeting, as he learned some important lessons. "My father later told me that it was probably the best thing that happened to me, because had it been a home run, I would have thought it was so easy.

"It humbles you transitioning from a professional adviser into an investor, because as a lawyer you do your best to advise your client. But at the end of the day, the risk is with the client," he says. "When you become an investor, you're taking your own risk as well. You need to be a lot more discriminating in what you do, who you meet and how to bet the house."

Those early days gave Victor the solid grounding that has seen him thrive and gain valuable insight into how to lead a successful business. When asked the secrets of effective leadership, he has his answer down pat.

“There is no one size fits all, it depends on generations and circumstances, but I would give three ‘I’s – the ability to inspire people around you, the ability to innovate, because if you just do what everybody else does, you don’t differentiate, and the ability to instil integrity.”

With these firmly in place a leader should be able to negotiate the pitfalls that come with the territory. Today, Victor points to “speed of change” as one of the greatest challenges the modern business leader can face. “When I first started at Herbert Smith, when you sent a letter out, you didn’t expect a response for at least three or four days. Today when you send an email you get a response in five minutes. And also we are in a global village, you know your competition is just one click away.”

The other important thing to consider is being culturally aware. “We are lucky in the English speaking world,” he says. “There’s a medium of language. But culture is still different. There’s a diversity of culture there. So when you’re in global business, one has to be up to speed on risks. Up to speed on the political change. But also, you have to be sensitive to cultural diversity.”

You also have to be sensitive to the zeitgeist and constantly look for opportunities. “You don’t want to be sleepwalking in strategy,” he warns, adding that he invested in the new airline because he saw a chance to disrupt the industry. “Disruptive factors in the market are real,” he says. “Our airline was a disruptive influence in the Japanese aviation market, but the interesting thing is that the number one airline there partnered with us so it could disrupt itself!”

A global business that includes an airline also implies plenty of travelling, something the Hong Kong-based Victor is trying to reduce. The man known for circumnavigating the globe twice in one month says maintaining a healthy work-life balance is an ongoing challenge. His wife was an international banker and understands the pressures, but the travel is still “really eating into my family time,” he says. “I’m not very popular at home right now.”