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Lean on experience

Smaller firms gain edge by hiring from all age groups

Derek Sankey, Canwest News Service



Colleen de Neve/Canwest News Service

When the sibling entrepreneurial duo of Arti and Jay Modi decided to launch a boutique private equity investment firm in Calgary about four years ago, the ambitious twentysomethings knew they needed some big guns on board.

Starting a firm on the leading edge of a new school of investing required a thorough understanding of the old school -- Wall Street -- despite having done real estate deals in their mid-teens with help from their father.

They began OmniArch Capital Group with three founders -- a friend Raj Singh, also in his twenties -- and sought out experience. Now, they have 30 partners who range from the founding executives up to a 70-year-old and every generation in between. "That really gives us our edge," says Mr. Modi, chief executive of the firm. "We made it our strength."

Large corporations have struggled in recent years with how to effectively manage the generation gap in the workforce -- from so-called Traditionalists to Baby Boomers, from Gen X to Gen Y. For entrepreneurs, that gap can become a competitive advantage -- if executed well.

"My advice is to put your ego aside [and] make sure you're partnering with successful people -- older people that ... have proven themselves," Mr. Modi says.

A lot of large companies see the generation gap as an obstacle. Transfer of knowledge initiatives and mentoring programs are common and have been met with some success, but the challenge is different for a startup firm. OmniArch turned that gap into an opportunity and a cornerstone of their business strategy.

"We needed to source out and cherry pick the best of the best in their industry ... so when we came out into the marketplace, we were strong, fierce and bulletproof," Ms. Modi says.

The firm attracted investment players from Wall Street and around the world, who have been around the block, and seen all the mistakes. In the midst of a recession, while other financial firms were struggling, they leveraged partners with 25 or 30 years of experience each. Their goal was to shake up Wall Street by bringing those investments to everyday investors at a retail location.

"We're carrying forward the things that worked [in the past] and mixing it with the things we know are going to work in the future," Ms. Modi says.

Entrepreneurs can avoid costly mistakes as they grow their firms by turning the generation gap on its head, says Greg Pocherewny, vice-president of Robert Half Canada.

"There's plenty of tenured workers out there that have a great deal of knowledge and skill, so if you're willing to engage them, you can absorb a lot of that knowledge," he adds.

For startups, the benefits work both ways. People came out of retirement to join an approach to a "fast-forward, new school of equity," Ms. Modi says. "It's been mutually beneficial."

The entrepreneurial approach to the generation gap has paid off for the partners. In about two years, they have increased to more than \$100-million in assets under management with strong double-digit growth and offices in the United States. The group plans to continue to hire well-known, heavy hitters with experience.

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