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## Interview: Jon Moulton talks about his career in finance

Dina Medland April 18, 2013

Jon Moulton is happiest when there is a tough decision to be made and his sharp judgments have resulted in personal wealth estimated to exceed £100m.

He has invested in turnaround businesses for more than 30 years – including a failed bid in 2000 to buy MG Rover, the carmaker – and he is the founder of Better Capital, an investment firm. “I enjoy making decisions – even if they are by no means always right. Turnaround is an area where making a lot of decisions quickly is a better bet,” he says.

We are talking in Better Capital’s unpretentious offices off London’s Leicester Square, next to a betting shop and opposite Wyndham’s Theatre. For him, relaxing involves yet more decisions: “I play a lot of chess, which has a human dimension – but I prefer 10 minutes a side to the four- hour version.”

He began acquiring his business skills by handling corporate insolvencies in Liverpool, as part of his accountancy training with Cooper Brothers, which eventually became part of PwC, one of the big four accountants.

Accountancy had not been his first choice. During school days he had conducted “fairly advanced chemistry experiments” in a laboratory at home and had gone on to study for a chemistry degree at Lancaster University.

“My views on the chemistry industry didn’t make me popular with the professor,” he says with relish, recalling an early example of his inclination to speak his mind, which has become a hallmark of his career.

He was similarly unattracted to other jobs with organisations ranging from British Leyland to the Bank of England. He settled on accountancy out of a practical “need to earn”.

Born and bred in Stoke-on-Trent in Staffordshire, an area known as The Potteries for its concentration of pottery manufacturers that filled the air with coal smoke, he grew up in an unhealthy environment.

He describes himself as “a very sickly child” but quickly adds: “It gave me one attribute which has come in handy over the years – I have a very good reading speed. “As I wasn’t very well, I saw a lot of my maternal grandfather, who was an engineer, and

followed him around,” he says. Working hard, he did well at school and after completing his chemistry degree, he was surprised to find how much he enjoyed his accountancy training: “Accounts came to life – insolvency was great. You had huge amounts of power and virtually no responsibility in those days. It was a very popular business for the company and it made money,” he says.

Following a spell in New York with Coopers & Lybrand, he moved into the leveraged buy-out business with Citicorp Venture Capital and, in 1981, returned to the UK. In 1985 he moved to Schroders to set up Schroder Ventures, with a strong life sciences interest – “probably because of the sickly kid routine”.

He says his relationship with Schroders eventually ran out of steam, and when it did he set up Amity Capital, which became very profitable. He then moved to Apax Partners, where he became director in charge of leveraged buy-outs in 1994, and three years later, he founded Alchemy Partners, his own business.

“It ran very well for five to six years. It then came to a grinding halt largely because I hadn’t been good enough at selecting staff. To this day, I’m not sure what happened – but the firm failed to prosper.” In 2009, he left.

He recalls that the Financial Times “got hold of my resignation letter about 30 seconds after I wrote it”. The last line read: “I would do it again but better” – which is why he called his new venture Better Capital.

His resignation from Alchemy shocked the private equity industry but looks less surprising in the context of an eventful career and a set of personal characteristics that include refusing to suffer fools, becoming bored easily and always looking for the next intellectual challenge. He can also be outspoken about his colleagues in business. “Leaving Citicorp and Schroders was not planned. But leaving Apax and Alchemy was,” he says. “I got better at planning as I went on.”

Married for almost three decades, he has dual tax residency in Guernsey and the UK and has spoken out on many issues, including what he sees as the overly favourable tax treatment of private equity ventures

A long-standing Conservative Party supporter – but with “varying degrees of conviction” – he is openly depressed at what he is seeing in business today. He is very negative about the prospects for the UK economy: “Fundamentally, I don’t believe that the UK economy will do well until the public sector shrinks. Cuts are very painful, but you have to do them voluntarily or it will be forced down our throats in a crisis,” he says. He is not a fan of the UK staying in the European Union.

“I have a reputation for being negative,” he says, “but I make a lot of money out of being positive. I back a lot of ventures that succeed.”

The once “sickly child” also backs stem cell research, and his JP Moulton charitable

foundation funds non-commercial clinical trials. He is non-executive chairman of FinnCap, a City broker, and a member of the advisory board for the £2.4bn UK Regional Growth Fund.

Would he have done anything differently?

“I would have liked – in a general sense – to have been loved more,” is his surprising response. Jon Moulton, it would seem, is mellowing.

## **Secret CV**

### **Your first big break?**

The biggest break was the ability to set up Schroder Ventures in 1985 – my career could have been much duller otherwise. Happenstance played a big part in it.

### **What else might you have done?**

I could easily have been a partner in an accountancy firm.

### **Who were your mentors?**

When I was very young, my grandfather was influential – but otherwise, no one.

### **Best career advice to others?**

If you can, do something you enjoy. At the end of the day, money isn't happiness and happiness should be your objective.