

LIVING LEADERSHIP - Curtis Ravenel

[Curtis Ravenel] (0:01 - 0:24)

Never bring your boss a problem. Only bring solutions. And what I mean by that is you bring the problem and you offer three possible solutions and then you tell them which one you think is best because your boss is not there to problem-solve for you.

You're problem-solving for your boss. So never forget that.

[Mike Doyle] (0:26 - 0:54)

Welcome to Living Leadership, a podcast brought to you by the Center for Innovative Leadership at the Johns Hopkins Cary Business School. I'm Mike Doyle, serving as the Executive Director. The conversations in each of these episodes will be led by current faculty and MBA students from the Center, blending academic insight with real-world experiences.

Join us as we uncover the traits that not only define great leadership now but will continue to do so in the decades to come.

[Sarah Adams] (0:56 - 1:46)

Today on the Living Leadership podcast, we're delighted to welcome Curtis Ravenel, a trailblazer in the intersection of business and sustainability. My name is Sarah Adams and joining me today is my fellow Cary Business School peer Priscilla Markin. Throughout our discussion, you'll learn how Curtis navigated his career with a mix of planned goals and serendipitous opportunities and how he used the lessons from an unexpected venture into the brewpub business to sharpen his financial acumen.

He delves into the pivotal moments at Bloomberg, embracing a leadership role in sustainability that fundamentally shifted corporate strategies to not only include sustainable practices but also turn them into avenues for revenue generation. Curtis reflects on handling failure, the value of discipline, and the importance of meeting people where they are.

[Curtis Ravenel] (1:47 - 2:22)

So I'm Curtis Ravenel. I am a Senior Advisor to the Co-Chair and Vice Chair of the Glasgow Financial Alliance for Net Zero, or better known as GFANS. The Co-Chair and Vice Chair that I advise are Mark Carney, the former Bank of England Governor and former Financial Stability Board Chair, and Mary Shapiro, former U.S. Securities and Exchange Commission Chair. And they, alongside Mike Bloomberg, created GFANS, which is the largest group of financial institutions committed to supporting the goals of the Paris Agreement.

[Sarah Adams] (2:22 - 2:28)

Thank you. And do you want to start us along, like kind of how you came to where you are now?

[Curtis Ravenal] (2:29 - 13:56)

Sure. There's a phrase that I love that says, man plans and God laughs. I did not plan any of this.

Let's just put it that way. My career was not a well thought out and straight trajectory by any means. So I'd say that this journey, working in this space, is just a confluence of interest and luck and various other things.

I always really appreciated the environment. I grew up on the water in South Carolina. I played in the mud.

I surfed. And I wanted to work for an NGO. So I went to Washington, D.C. and I got a job that was unpaid for the National Recycling Coalition. And I waited tables at night to pay my way. And they asked me to do...this is what NGOs who don't have a lot of money do. They asked me, the history major, to do a paper on full cost accounting and life cycle analysis.

I didn't even know what any...I didn't know any accounting and I certainly didn't know what life cycle analysis was. But I could write because I was a history major and I was relatively articulate. And I studied and read up on it and wrote a paper that was very well received.

And that was like my aha moment where this concept, this is in the early 90s, was that the environment and the economy are at odds. Then, you know, because I'm not a planner, I decided I should go open a brew pub in South Carolina. So my roommate at the time happened to be a young brewer at this brand new thing called a brew pub at the Capital City Brewing Company in Washington, D.C. This is, again, early 90s. And South Carolina was changing its brew pub laws and I got super interested. And I ended up actually taking night classes at the Northern Virginia Community College on accounting and economics so that I could help begin to write a business plan that had financials in it. And so I did that for several years and it did not work out.

I ended up...that's one of my great failures, which maybe we can talk about later. But at that time, all of a sudden, I realized I actually liked business and I had this full cost accounting thing. And so I applied to business school and I jokingly say maybe I should have gone to business school before the brew pub experience.

But then again, I probably wouldn't have gotten into business school had I not been able to write about that failure, believe it or not. I think that that story was actually resonated.

And I went to Columbia, as I'm sure you'll know from my CV, and loved it and got a job at Bloomberg.

I spent about half my career, you know, doing financial analysis and capital planning. And then I was the financial controller for Asia. But all that time, I was like, I've got to get back into sustainability.

And in fact, I had been pressing the CFO about doing sustainability stuff, you know, looking at creating a sustainability program, and I couldn't get any traction. And then I got, I was doing a good job in Asia as the financial controller, and I got tapped to do this global leadership forum, which is actually a mini MBA, actually, where you spend four days in a room with about 25 other people. And you're going through case studies and doing sort of mini idea generation and sort of leadership training with senior executives.

And one of the things they ask you to do is come up with an idea for the firm. And so I presented the idea that we should create a sustainability group at Bloomberg. And I pointed out to them that Mike was now mayor of New York, he had released this huge NYC 2030 sustainability plan.

And all our customers were now doing sustainability JP Morgan Bank of America, this is back in the carbon trading days and all this stuff. And then I basically said to them, at some point, some reporter is going to come up and say, Mike Bloomberg is Mr. Sustainability, what's the company doing? And they were like, good point.

So I got a call, I was asked to go do a bunch of work for like six months to like really develop a plan. And then I was asked, these are all good leadership stories, actually, you know, do you want to run this? And I said, and this was on behalf of the chairman of the company, Peter Grauer, who I ended up working for.

And I said, no. I said, listen, this is going to be painful for the company a little bit. You have all of these departments, very senior people, who this is going to be seen as a burden on them, they're going to have to do more work than they already do.

And they already are overworked. And they're not going to like it. And so you need someone who is well known to that senior leadership, is respected by that senior leadership, and can bring the gravitas that it's needed.

And Peter said to me, are you sure? And I said, yes. And that was on a Friday.

And I recommended a guy who had been like an early employee at Bloomberg, and had had lots of jobs, and everyone knew him, and I thought he'd be better. And I called him back on Monday and said, I've changed my mind. Because what I realized is when I ran capital planning, it was really was about capital planning.

At the end of the day on the operation side, I knew I did all that work for them when they

needed to do an upgrade to a building or buy a new IT system or improve a data center, like they came to my team, we crunched the numbers, did the ROI, you know, did so I had worked with them. And I was like, actually, I do know these people well enough. And I think I can, I know their pain, I understand their business lines, actually.

So come to think of it, I think I can do it. And I ended up getting the job. And then we expand, I also put a small line item in there, which turned out to be in my plan, really important, which was, there's, you know, we're an information, news data analytics company, there is a lot going on in this space that could benefit from news data and analytics.

And so we shouldn't only be looking at a traditional corporate sustainability, like how do we green our operations? But how do we create revenue generating business opportunities out of it? And I didn't know what the answer was at the time.

But it gave me and that plan was approved, which gave me a hook to begin looking at that. And, you know, we, we developed our sort of greening our operations plan. And we did a great job.

In my view of that, we saved like \$120 million in operating costs. And we did PPA deals and for wind and solar, we retrofitted all our buildings are they're all LEED, you know, certified now. And we've been real innovators in that place.

But at the same time, I started looking at market opportunities and working across the revenue businesses, not the cost center businesses, and saying, what are we going to do here? And this SRI, it was called back then socially responsible investing, was a growing area of interest. And some of the product people in Europe had been wanting to do it.

And I, I just thought about my capital planning days and how I did lots of analysis. And I, and because I had the chair chairman's ear, I started doing some work with them as a partner and helping them build the business case. And that eventually became the ESG product.

And so I worked with the product teams, and we, we co-sponsored the development of our ESG product, and then we bought a clean energy firm, and then we launched Bloomberg Green. And we, so the revenue side became an important component, our strategy. And then lastly, Mike is a very significant philanthropist, and anyone who's a Johns Hopkins probably knows that.

And he had an environment program. But I convinced that team that there was a benefit to, it's not the sexiest types of grants, but that the ecosystem for, for data news and analytics in the sustainability world was woefully lacking. Probably not appropriate for a financial for profit, you know, stands to gain company to own the development of a standard around ESG and that we should look to the NGO community to help support

the, a collective development of a standard to help improve the data.

And that was SASB. That's the first acronym. So SASB had raised \$114,000.

It was a genius idea because it was all about financial materiality. And their breakthrough was the ESG issues are sector specific. And you know, before it was just like, sustainability, same indicators for every company around the world.

And that just doesn't make sense. And they did tons of research, and we ended up, I convinced them to give them a million bucks, and put me on the board and have Mike be the chair, and Mary be the vice chair. And that actually helped, you know, in my view, professionalize the ESG data space, which in turn, allowed Bloomberg, and I don't think there's anything wrong with this and every other Bloomberg's competitors to sell to a wider market because it was this concept that, you know, originally, sustainability was about what is your company doing that is an impact on social and environmental stuff?

Like, that's important to know, but it's financial professors don't actually care about that. What they do care about is if social and environmental stuff impacts the financial performance of their investment. And so SASB flipped that script, TCFD built off that, but it was really SASB's innovation.

And so having formed helped form SASB. And then we're like, wow, we're good at this. So let's do TCFD.

And so we had this three pronged approach around operations, like walking the walk, product development, let's, you know, Bloomberg is so influential in the financial markets, if we build an ESG product, and I had to fight like an animal with the product guys to like, put it, you know, it's like shelf space in the grocery store, like they wanted to bury it in the back. And I was like, we have got to put it up front, telling you this will work. And I got them to do it.

And then it became a big ESG, Larry Fink started writing about it, and all the rest, and everybody was buying our ESG data, and it was all well and good. And then the third, so operations, product, and then Mike's philanthropic giving was like a very powerful combination, to sort of advance this whole concept of sustainability, what I call sustainable finance.

[Sarah Adams] (13:56 - 14:01)

Yeah, no, that's really great. No, no, I do have one question. And how did it feed into TCFD?

[Curtis Ravenal] (14:01 - 17:13)

Well, okay, that's a really good story. This is turning out to be a story podcast, but it's a

good one. So we, we were running SASB.

And SASB had just done a lot of their work, six years, actually, of research. And one of the key, you know, their whole thing was sector specificity. But one of the themes that came out of that was the climate, I jokingly call climate, the big C in ESG.

Climate turns out to be much more cross sectoral than any other sustainability issue. So SASB had something called six, which is the SASB class in industry classification system, which they developed to support their their standards. And across 72 of the 77 industries, they found evidence of financial materiality around climate issues.

So it was the most cross cutting, largest, basically, sustainability issue. And then Mark gave this famous speech, and if you haven't read it, I would encourage you to do so called the tragedy of the horizons at Lloyd's of London. And that was in 2015.

And in that speech, he kind of signaled that the FSB was taking a look at this. And Mary Shapiro, who used to, you know, be the SEC head and was on the FSB when she was part of the SEC said, regulators don't hint at something unless they're doing it. So she actually called Mark a day after that speech and said, I'd like to come see you.

And I want to bring this guy with me with me, Curtis Rabanel, we want to talk to you about, about what you're planning at the FSB. So we literally got on a plane the following day and went to his huge ornate office at the Bank of England, and pitched that SASB could do the job for him on this on this TCFD. And he said, I can't, it's got to be private sector led.

It's got to be for the market by the market, I can't pick favorites of the NGOs, because CDP is going to say, why did you pick that? Or GRI is going to say, why did you pick them? And, or PRI, or at the time, there's UN Global Compact, and all these different frameworks.

And, and so we on the spot without asking Mike Bloomberg said, what if Mike Bloomberg was the chair? Because that actually, he's a, he's first of all, he can pay for it. Second of all, he's well regarded in the financial community and a well known environmentalist and business person.

And you can avoid the problems of picking, because after the financial crisis, they did the Enhanced Disclosure Task Force, which basically brought recommendations around dark money pools. And part of the reason we had the financial crisis, it was called the Enhanced Disclosure Task Force. And he had to pick, he picked a bank, one bank to lead it, I think it was HSBC, and all the other banks were mad at him.

And we're like, you can avoid all of that and just have Mike Bloomberg. And they all like Mike anyway, all these financial institutions, right. And so that's how we became the TCFG.

[Sarah Adams] (17:13 - 17:19)

That is fascinating. There are a lot of acronyms in there that maybe you could just spell out really quickly.

[Curtis Ravenal] (17:19 - 17:38)

Yeah. SASB is the Sustainability Accounting Standards Board. CDP is the Carbon Disclosure, formerly known as the Carbon Disclosure Project.

PRI is Principles for Responsible Investing. GRI is the Global Reporting Initiative. And these are all the alphabet soup of our lovely world that we live in.

[Sarah Adams] (17:39 - 17:47)

That's great. Yes, SASB and TCFG together have really reached such a wide range of capital market users.

[Curtis Ravenal] (17:48 - 19:12)

Yes. That is our theory of change is to develop something that is for the market by the market, get widespread adoption. Regulators are a lot like Goldilocks, not too hot, not too cold.

And what I mean by that is they don't like to be ahead of the market. But what's less well known is they really don't like to be behind the market either. So when these things begin to be widely used, especially used to help inform capital allocation decisions, the regulator and official standard setters like the IFRS and others really are obligated at a certain point to step in and level the playing field, right?

Asymmetric information is, you know, no bueno for capital markets activity. So, you know, voluntary can only go so far. And if there's evidence of utility in new information coming into the market and it's informing the market, the regulators are much more comfortable wading into that time, as we've seen now with TCFG and SASB, right?

SASB was acquired by the ISSB and TCFG has been, you know, used as the foundation for most of the climate related financial disclosure regulation and or legislative policymaking.

[Sarah Adams] (19:13 - 19:22)

So this is great. Thank you so much. I don't know if any of my colleagues here have questions on the narrative so far before we jump into some of the leadership questions.

[Priscilla Markin] (19:22 - 19:46)

Yes, I do. Thank you, Sarah. So as you were speaking, you mentioned TCFG.

So may I ask what the leadership process looked like as your team at TCFG developed frameworks to help public companies and other organizations more effectively disclose on climate related risks and opportunities for reporting certain processes, if you can speak to that.

[Curtis Ravenal] (19:47 - 22:11)

We had this perfect mix of skills and personalities that I think enabled us to land the TCFG in a place where it could become widely adoptable. In my style, I am the negotiator. So we had people, I was very lucky.

And I know it's half luck and half being in the right place at the right time and all these other things. But because I had done all of Bloomberg's sustainability work on the ground, I'd written by myself until I got a team, first few sustainability reports, I'd calculated the carbon footprint, I'd done all the painful work of what it's like to be a discloser of sustainability information. And the TCFG was made up of two groups, issuers, so disclosers of information, preparers, we called them, and users of said information, investors, banks, financial institutions.

And because I had both been an issuer, meaning I developed the report, and I'd helped build product at Bloomberg, like I knew the space really well. So whenever someone would say something I knew not to be true, I was not afraid to point that out. So whenever there was an impasse between, usually it was between a user and a preparer, I was sent in to go offline and get them to agree on stuff.

And we had a lot of big, TCFG was hard fought. Like this did not just be like, hey, we got together, isn't this great? It was really, you know, the Americans thought we went too far, the Europeans thought we didn't go far enough.

That feels about right. And we have some prescription in there, but some principles based flexibility, really prescription around metrics, but principles based around other things, it's intended to be scalable, flexible, and implementable over time. It's not, you know, you can't get widespread adoption, if you make something too rigorous, and too many of the Europeans had wanted us to be much more aggressive.

And I just said, what do you if the goal is to move the financial system? What do you want 10 firms doing this really well? Or do you want 5000 firms doing some of it?

I want 5000 firms doing some of it.

[Sarah Adams] (22:11 - 22:16)

Well, okay. So picking up on some of this, what were some ways that you built trust between these different stakeholders?

[Curtis Ravenal] (22:17 - 26:10)

One way is we required that if you were to do this, this was a serious commitment of time. And every six weeks, basically for two years, we met in person for two days, closed door sessions. And we also had dinner, you know, always and drinks and stuff in between, we tried to build relationships.

But this was special, man, if you got asked by the Financial Stability Board to be on this thing, with Mark Carney and Michael Blum, and you know, it's kind of an honor, right? Like we made it special. You know, we you had to build these relationships and trust and you had to allow this is hard for someone like me who's super impatient.

You had to allow people to vent and and let it out. And like, everyone needed to be heard. We needed to coach people to speak.

We also took these meetings, we went to a different place each time. So we had the Singapore exchange who was on the thing host a meeting in Singapore. We had Ian BW, which is a German utility host something in Frankfurt for us we had.

So we bopped around G20 jurisdictions, I think we had a meeting in Seoul, Korea, you know, Japan, Sao Paulo, like, then so each member got to host one of these meetings, which made them feel special. And there was a lot of that a lot of soft touch going on. And so I think that honestly was really successful.

And Oh, something I forgot because you said stakeholders and that doesn't mean just the TCFD members. The smartest thing we did, which I insisted on was before because no NGOs you can imagine how CDP and PRI and the others felt about this, right? They're like, we've been doing this what's going on.

So on the first meeting that we had in London, I invited those NGOs to an open session where they presented the work that they have done on this issue to the taskforce members. And I got up on the stage and I said, it's not, you know, lost on us that we're here because of you. Because you did all this work.

And you helped elevate this issue to the point where the FSB is launching this. And I had to call them all privately and explain, I said, listen, Mark Carney could barely get this thing through the door, right? This is climate risk, financial people are like, what the hell are you talking about?

Like you guys are don't know this, but like climate risk is financial risk was not a thing 10 years ago, it was just like, that's an environmental agenda. And so he had really more conservative recalcitrant G20 members who were very suspicious of this thing. And so in order for him to get it through, he said it would be private sector only, right?

It won't have NGOs or, or climate people or academics in there. It's just businesses and

investors, and that's it. And they will decide, you know, one, I called them all individually explained why they weren't chosen.

And two, I've invited them to come speak. And then so they felt like they had really helped deliver the TCFD. And then we kept them engaged along the way.

We would have meetings with them and get feedback. And we had two consultations, we had many consultations. And we listened to their feedback.

And you know, we made them feel special. And they all ended up, by the way, raising a ton of money based on the TCFD, because they then went around to help get it implemented around the world. So they ended up liking it.

I mean, I'm giving you kind of the, you know, on one hand, you could say it's cynical, but it's just the way the world works, right? Like, you got to get things done.

[Sarah Adams] (26:11 - 26:29)

For sure. No, this is very real. And I think we really appreciate your candid explanation of how moving such a big project forward gets done.

And that's what we're definitely interested in hearing about. If, if you could look back on your life, what would you do differently in terms of leadership?

[Curtis Ravenal] (26:30 - 27:25)

I, what I would have done, I have some regret that I didn't get my proverbial shit together until later in life. I sort of, I wish that I had developed a bit more discipline at an earlier age. I just didn't have it.

I just didn't. And it wasn't really until I got to Bloomberg, and started on this sustainability journey, where the passion came in. And so, you know, it's easy to work hard when you're doing something you really love.

But if you're unhappy in a job, you've got to get out. And there's no reason why anyone who's going to prestigious school like John Hopkins and getting their MBA in a leadership program should stay in a job they hate. So like, don't do that, is my recommendation.

You don't need to do that.

[Mike Doyle] (27:27 - 27:43)

Thank you for tuning in to Living Leadership. We hope this episode has left you feeling inspired and equipped with new perspectives and approaches for leading others. Stay connected with us at the Center for Innovative Leadership for more.

Until next time, keep innovating and leading the way into the future.

