

## T&I: LP Interview

Veronica John, CEO, IDFC Capital

Veronica “Ronny” John grew up on a dairy farm in up-state New York, where after school homework was mixed with chores on the family farm alongside a brother and two sisters. Ms. John attended Elmira College in New York, with dual majors in international studies and political science. She knew from an early age that she wanted to work overseas and by the age of 10 she had an interest in the Soviet Union. Her senior year in college was spent in a “United Nations” semester at New Jersey’s Drew University, for which she traveled to New York City two or three times a week to visit the UN or other international organizations. Her college internship at the International Law Institute, in Washington DC, turned into her first full-time job after college

The International Law Institute (ILI) is a non-profit organization that provides training and technical assistance, to find practical solutions to the legal, economic and financial problems of developing countries founded in 1971. Since 1981 ILI has been an independent, non-profit educational institution serving an international constituency of government officials, legal and business professionals and scholars; it has trained over 12,000 government officials, managers, and professionals from more than 180 countries, since its first seminar in 1971.



Ms. John's work at ILI was followed by a two years at Washington based, Management Alternatives, which specialized in helping private and government firms with re-location or consolidation efforts. After that Ms. John went to APCO Worldwide (formerly APCO Associates), a global communications consultancy, then a subsidiary of the law firm Arnold & Porter, where Ms. John provided strategic and research to Fortune 500 and multinational companies who wanted to do business in the Soviet Union.

John had begun an MBA at George Washington University while working at Management Alternatives. After graduation she joined, Graham, Rogers & Co, a boutique investment bank specializing in middle market private placements, where she undertook due diligence, financial analysis, deal structuring, memoranda offerings and other investment banking related work. Ms. John worked at Graham, Rogers for over two years, until 1993 when she went to work for Central Europe Capital, another Washington based group that specialized in financing deals in the former Soviet Union. There she wrote two business plans; one for a Hungarian another for a Romanian startup, that wanted to raise money to start businesses in the telecom industry. In 1994, John went to American Management Systems in Fairfax, Virginia where John was primarily a financial analyst for the company's international operations responsible for developing international tax and transfer pricing strategies. In 1994, when Ms. John was offered the opportunity to work for Arlington, Virginia's Carana Corporation, in Kazakhstan, she jumped, finally able to realize her goal of working overseas.

The Carana experience settled Ms. John in Central Asia. She spent over three years working for Carana, eventually managing Carana's contracts with The United States, Agency for International Development (AID) in Kazakhstan, including 20 offices and over 100 local staff, to privatize Kazakh former state owned, small and medium size enterprises in ten industry sectors. She spent 1994 to 1997 in Kazakhstan's capital, Almaty, but worked throughout the country helping to privatize about 2,500 local businesses. It was the start of her love affair of Central Asia and led to a contact and her offer in 1997 to join Foyil Asset Management, based in Nassau, Bahamas, but which planned to establish a Central Asian Opportunities Fund similar to a Ukrainian Opportunity Fund that had already been

established. John spent much of 1998 helping to raise the fund, but the 1998 financial meltdown in Russia meant that there was no possibility of starting a new fund for Central Asia at the time. From 1998 to 2001 John worked for the U.S. government's Central Asian America Enterprise Fund, facilitating private investment in the former Soviet Republics, and where she also managed the fund's Kazakhstan and Kyrgyzstan portfolio investments.

Those three years sharpened Ms. John's skills, as she had to restructure and or reorganize a non-performing portfolio of local companies in the frontier republics, where physical threats to the investment team were not uncommon. Recovering invested capital from businesses, or taking over assets pledged as collateral, was "tough," she says. It's where Ms. John learned the trade of investing in developing economies. And Kazakhstan is where the ADB found Ms. John, and asked her to help with the ADB's planned investment operations in Kazakhstan. Circumstances changed however and in 2002, Ms. John was instead asked to go to ADB's Manila-based headquarters to join the division of the Private Sector Operations Department responsible for capital markets and financial institutions investments, which includes the private equity investment funds group. In 2004, Ms. John was made responsible for ADB's investments in private equity funds, although on occasion she led direct investment transactions into banks and non-banking financial institutions in South and Central Asia.

It was at the ADB that Ronny became a fixture in Asia's emerging private equity markets scene, becoming over her six years with the bank, one of Asia most active, most experienced investors and where from the ADB's headquarters in Manila, she oversaw the private equity investment funds program in the 37 developing member countries of the ADB's Asian membership, from the former Soviet Republics in Asia (Kazakhstan, Kirghiz, Azerbaijan) to South Asia (India, Pakistan, Bangladesh), to Southeast Asia (Thailand, Vietnam and the Philippines), to the tiniest islands of the Pacific.

ADB began investing in private equity funds in 1984 and by the time that Ronny left ADB in March 2007, ADB had invested in a total of 39 funds with total committed capital of \$3.7 billion of which 27 funds remained active. While at ADB John oversaw the commitment of over \$400 million into venture capital and private equity funds in emerging Asia, investing from \$5 million to \$45 million, averaging about \$20 million per commitment, to over 30 funds. That experience is appropriate to John's latest role. She acted and invested while at the ADB as a fund of funds, where her daily work saw her writing and reviewing concept papers, performing due diligence, liaising with other fund managers, networking, prospecting for funds in the region, identifying new managers and new funds in countries in Asia where the ADB had an investment mandate.