

Bankers Ball

July 2, 2007

Interview: Leaving BigLaw (or Goodbye White Shoes, Hello Havaianas)

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This week we interview professional beach bum **Hans Keeling**, who said goodbye to a life of corporate drudgery a few years ago, started his own business in Brazil and never looked back.

Q: To make a long story short, you used to be a lawyer at Sullivan & Cromwell, but now you own Nexus Surf, a surf/adventure travel company based in Florianopolis, Brazil. Tell us about how you went from an idea to something concrete.

A: Wow, where to start... Well, I took a job at S&C as a summer associate in 1999 and stayed on full-time until early 2004, so I had a couple years under my belt to get a good feel for the industry. I worked in M&A and securities,

which as everyone reading this knows isn't an easy field to be in. But in a weird and semi-sadomasochistic way, I enjoyed my work and definitely feel like I learned a lot about discipline, multi-tasking and professionalism (which I basically define as managing to successfully waking up at 6am after less than one hour's sleep, shaving without cutting your own throat and making it to the airport in time for your flight out to the next due diligence or printer's session on a semi-regular basis). Most important of all though, I learned what I didn't want out of a career and work/life balance in the long run, and this gave me the resolve to actually make a change in my situation. Re: the change itself, the real difficulty in going from idea to action is overcoming the mental roadblocks that make getting started so difficult. We've all heard colleagues (if not ourselves) bitch and moan about the downsides of the job, or day dreaming about a million odd-ball occupations that one "might" be able to do well.

There are a lot of factors that contribute to making the transition difficult in practice – pressure from family and friends, camaraderie with colleagues (misery loves company?), financial pressures, and of course the fear of failure itself. The most important realizations for me along these lines was that (i) you don't live your life to please your family, friends or colleagues (in the end they'll be happiest if you are content with your life, so better not to let the tail wag the dog in that department), (ii) the amount of money you really need to live a decent and happy life is much less than you would be led to believe listening to the talk around the average water cooler in the finance industry ("Man, I need to trade in this damn M3, the SL is just so much cooler, damn!"), and (iii) odds at "failing" are truly miniscule given the work ethics of most bankers, lawyers, etc., particularly if they're going to be doing something they're passionate about and enjoy spending time working on (as opposed to crunching excel models and drafting monotonous indentures). All sounds like pretty obvious stuff now, but for

some reason I had the blinders on and struggled to see things that way for a while. But it's really not that complicated once you commit to making a change.

Q: What was the hardest part about leaving your job — the prestige, the security, being “on track” — or was it something else?

A: The “on track” idea definitely hit a chord with me, as all my life up until the point of quitting I had done things the “right” way (at least as defined by how my parents would have wanted to steer me) – graduating high school with straight A's, going to a well-known college, finishing at the top of my class in law school, and taking a job with a “prestigious” law firm. This led up to about age 25, and from there on out the only thing missing was making partner, buying a fancy home in a “prestigious” neighborhood and putting up the white picket fence. For whatever reason doing well in school came rather easy for me and I still managed to travel, party, play sports, etc, so it hadn't been a huge sacrifice to do the “right” thing while still in the academic world. But with corporate law I was hit with the reality very quickly that this life meant trading off just about everything else I enjoyed in order to be good at what I was doing. And while the money was good (for my age group in particular), it quickly became clear to me that it wasn't worth the tradeoff.

So while I for sure worried about giving my parents heart attacks, I realized that this mythical “track” wasn't making me happy. I looked at my bosses and while I respected them a great deal for what they had accomplished, I didn't want their lifestyle in 15-20 years. I think that was a big enlightenment point – realizing that even if all went perfectly and I worked my butt off, the “prize” at the end of the rainbow was one I didn't want. That's when you really know it's time to make a change.

Q: Why do so many people do jobs they hate? And can you comment specifically on corporate lawyers?

A: I think one reason why many super bright and well-accomplished (academically speaking) people stick with jobs they aren't happy with is because they feel they have so much to lose. Lawyers, bankers and consultants are for sure some of the smartest people around in terms of IQ scores and raw intellect, and how many times have we heard finance industry professionals leave meetings with company execs saying things like “man, these guys are morons, I could run that company 100 times better!” In fact most successful entrepreneurs didn't have the stellar academic pedigrees to give them the option of earning \$150,000-200,000 in a job right out of school. That takes a lot of cajones to pass up, particularly with everyone (family, friends, society) telling you that making that much cash at a prestigious job is as good as it gets.

So, result is a lot of really bright people stick with jobs they don't like (and doing things that are below their intellectual capacity, i.e., changing periods to commas in SEC disclosure documents or changing spacing in pitch book presentations) because they're afraid to risk losing the security (real and imagined) that they have. I guess for me personally I just hit a breaking point – it was the third time I pulled an all nighter and was forced to catch a few precious Z's under my desk before starting another workday. I was never a baseball player, but believed in the analogy “three strikes you're out” – this was my third strike.

As far as corporate lawyers, in my experience they are generally less happy than their litigation counterparts, the latter of whom are true experts in their field. Clients come to them with problems (wanting to sue or being sued) and within the realm of the courtroom, the litigation attorney is a knight in shining armor (ok, maybe a little exaggeration, but you get the idea...). On the other hand the corporate lawyer often feels like a pawn in the business world, sometimes looked at by business

counterparts as merely a necessary evil to getting the deal done. Whether it be documenting the terms of a financial transaction or drafting the disclosure statement for the sale of securities, the business people tend to tolerate, rather than truly value, the lawyers' contributions. And this difference in how they are viewed or treated I think makes a big difference to how corporate lawyers' psyches hold up. Then of course there's the actual work. I think all human beings crave a bit of creativity and autonomy. The litigators at least are dreaming up arguments and telling stories to support their causes in their briefs, with actual "good" and "bad" guys (depending of course on who is paying the bills, but still...). In the world of corporate law, creativity is shunned and the recommended course of action is most always to find as exact of a precedent as possible and start changing names and dates. Hard to get too excited about that, particularly if you're doing it for 80+ hours a week and at the expense of sleep or seeing your kid's little league game or whatever.



Q: Do you think it's easier to start your own business these days than it was, say 5, 10 or 15 years ago? Or is it just a state of mind?

A: Most definitely. It's really amazing what technology allows you to do these days. I work from a home office in a foreign country, yet I have high-speed wireless internet, a local US phone line, a full back office set up complete with printer/fax/scanner, and even US cable TV if I want to take a break and catch the news. These days you can set up a corporate, throw up a website and

be running your own business in no time. I often marvel at the fact that I am able to attract people from all over the world (mainly the US, but also Italy, the UK, South Africa, Australia, New Zealand, etc.) via the internet, it's really such a powerful tool that makes the world a much smaller place. A business like mine never would have functioned in the old days because it would have been so tough to get the word out to potential clients. All the more reason for people with ideas for their own businesses to get cracking! But one quick word from the wise on that point – these days everyone seems to glamorize the entrepreneur and the concept of "running their own show". While it is a great feeling and one that I personally would never trade back for being an employee, it also means a ton of work and responsibility. No more punching the clock when you don't feel like working or calling in sick when you're hung over. Not if you want the bills to get paid, at least.

Q: My impression of the economy today is that there are more ways of making money, and that perhaps some of these new ways are somewhat easier. What do you think?

A: I think that's true to a certain extent. Living here in Brazil I have actually become familiar with quite a few creative entrepreneurs who want to live here because of all the lifestyle benefits and have found ways to still make a nice living. From online ForEx trading, to import/export businesses, there are tons of opportunities out there that can earn good money and also provide a great quality of life. It's just a matter of people getting out there and trying new things, have the courage to make the jump and confidence that they'll swim not sink. A great book I'd recommend in line with this subject is the Four Hour Work Week by Tim Ferriss. It's filled with tons of creative insights and concrete tips on ways you can get started on designing a lifestyle friendly work life, a really fantastic resource.

Q: Do you think there's any value to be had by working for a big firm? What advice would you give to someone straight out of school?

A: I think so, definitely. The large firms are the place if you want to get thrown in the fire and learn from experience, which of course is really the best way. I learned a lot from the partners at my firm, who were really intelligent and savvy, including many things I am able to use today, from negotiating to motivating employees. Another advantage of working for a big firm is that you can always downsize later if you choose to, but going the other way isn't so easy. I think getting experience working at a large firm and for the biggest clients on the biggest deals you can make a lot of sense.

The other thing I seemed to discover from experiences of friends of mine was that small firm life wasn't so great after all. Many have the reputation of "lifestyle" firms, but in reality it's all the same game, just that the expense accounts aren't as big, no first class trips, and the deals you work on won't be written about in the financial press. As for advice for people still in school, I would say try and make the most of your time. I, like most of my contemporaries in school, spent most of my free time traveling, partying and chasing girls.

Somewhere in there I managed to get graduate and find a "prestigious" job. But once I got out of school I had the brutal wake up call that this job was going to be a very harsh reality for a very long time. Had someone told me to make use of my time as a student to really explore different options and see what type of work I might enjoy doing (rather than just going by the law firm rankings and picking the best one I could get a job at), I think I might have saved myself a lot of pain along the way.

Q: Speaking of school — you went to Princeton. What do you think it is about these Ivy League schools that is so enfeebling?

A: I went to Princeton, but only for my freshman year. It was a lot of fun for me because I got to play varsity basketball, something I had always dreamed of doing. But I was from California originally and didn't much like the freezing New Jersey winters, nor the prep school atmosphere that permeated the campus to an extent. Keep in mind I had never seen anyone my age with a button down shirt and tie on (excluding at weddings and funerals) prior to arriving at Princeton, so it was a bit of a shock! I ended up transferring to and graduating from Stanford, which was similar but a bit more laid back.

Stanford was hard to get into, but then relatively easy going after that, while Princeton seemed to be pretty intense the whole way through. I really enjoyed both schools though, and so really can't complain. The only enfeebling thing may be the pressure that many of the kids have always been under from themselves or family to be successful all the time. Being trained to fear failure is no fun, as it breeds inaction and insecurity.

Q: Would you send your kid to an Ivy League?

A: Hmm, interesting question. By the time I have kids that age college will probably cost \$1 million dollars per year at the rate things are going, so I'm not sure. I may stay in Brazil, to be honest, because I see the way kids grow up here and it's a really wholesome, low-key life that appeals to me a lot. If not, I think I might opt for a state school (if I had the choice), which in my view enables an equally good education for those willing to work hard and carve out their own niches. I went to law school at UCLA, tuition was a fraction of what a private school would have been, and I felt like I got an excellent education. Nothing against the private schools, but it is an awful lot of money to spend on more or less the same thing in my view.

Q: So let's talk Brazilian nightlife. Compare it to a few cities for us.

A: Really no comparison. Brazilians know how to party like no one else in my view – their whole culture is about celebrating, holidays, having fun and living life to the fullest in the moment. People in the US have a lot to learn from them (and vice versa of course – I try and seek the elusive golden medium). I'd put an average off-season (winter) Sunday night in Florianopolis up against the best holiday weekend in the US in South Beach or Vegas, those being the only two cities that in my view even come close.

And if you're talking the peak weeks of New Year's or Carnaval holidays, definitely a whole different world. Not sure exactly how the Brazilians manage to pull it off and still get to work the next day, but they seem to party the night away more often than not. Mark my word, while Brazil may be a very successful and up-and-coming emerging market economy, it will never be on par with, say a China, for this simple reason (this of course doesn't mean it isn't a fantastic place to live!). Women love to visit Florianopolis because it's beautiful, safe, there are tons of fun activities to do during the day (including great shopping) and really high-end restaurants and places to go out.

There was an article in the June issue of "W" magazine on Florianopolis touting it as the new hot spot for female travelers. Guys on the other hand are the ones that really get spoiled here. For some reason the girl to guy ratio here on the island is ridiculously high, and of those numbers, a majority of the girls are drop-dead gorgeous. Add to the fact that the girls are unbelievably friendly and low-maintenance, and that champagne bottle service at the best clubs starts at \$35 a pop, and you can see why guys love visiting this place!

Q: What are two or three things someone who wants to start their own business can do, right now?

A: The most important thing is starting to take action, however small or insignificant that action might be at first. You can't wait for all the stoplights ahead of you to turn green, it won't happen. If you want to start a company in X industry, read up on it as much as you can, take a relevant course at a local community college to get your feet wet, and go see if you can volunteer in some form or fashion for an existing company in your spare time to learn the ropes. The bottom line is you won't really learn until you do (just like what happened with law school or your economics degree and law or banking), but at least these small steps get the momentum starting to build.

SAVE YOUR MONEY. It's easy to get sucked into the "gold handcuffs" of the corporate world – fancy dinners, designer suites, convertibles, 5 star hotels and debt on your credit cards. But if and when you're ready to make the jump to your own gig, trust me you'll be glad to have the extra start-up capital and financial cushion to get you off the ground.

Finally, just don't be afraid. Rather than let the fear of getting "off track" or "failing" be a monster in the closet, identify your fears (as in, what's the worst thing that could really happen to me?) and you'll quickly see they are not that terrible. Not everyone who doesn't work at Goldman Sachs or Sullivan & Cromwell is a miserable wretch. You have to have the confidence that your intellect and work ethic got you this far in a very competitive field, and there's no good reason it won't continue to take you above and beyond in a career or business that you choose for yourself. Again, hopefully you'll choose something you enjoy doing, then the work doesn't feel like "work", even if you spend lots of time doing it. I'm living proof that this is true!

Q: Thank you for speaking with us.

A: Thanks for having me. And for anyone who needs to blow off some steam, please feel free to drop me a line, would love to have you down to Brazil for some beach time, a bit of surfing and some amazing nightlife! Check out Nexus Surf.

Comments

July 4, 2007

Alexander said:

Amazing interview! I just emailed it a few friends...thanks!

Dan Ghiassi said:

Good read, Keeling is a smart man.

Sabin Shrestha said:

I've been down to Floripa as a Nexus Client, twice actually. I'm sold on the place for life. If you're in the market for hot weather, hotter women and amazingly nice people this winter, there is no other place to be. Last NYE, Hans personally took us to this party on the beach in Jurere. My friends and I were in shock by all the drop dead gorgeous FRIENDLY girls we met. We were all literally crying and depressed on the plane ride home back to freezing NY.

And in terms of cost, figure about 1/10 the cost of Marquis, 10 times the talent level, and 10 x more likely to bring home a new "surfing partner".

July 5, 2007

dontworryboutit said:

This guy is living the life. Damn, surfing, hot girls, and living on a beach, sounds little better than biglaw. long term, this guy wouldnt have lasted at biglaw, so its good that he figured this out early and left. too many people fall into the trap of picking a career on elitism, its refreshing to see someone opt out.

July 6, 2007

dirtchutewarrior said:

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Playa Hata said:

No doubt Im jealous!!! Awesome life this guy has!!!!Kudos!!! However, Im from Queens, City College, and kill myself daily at my bond desk with diminishing spreads to make my \$\$\$\$.....Hans (hmmm, wonder why he's fluent in German), from Tiburon aka Sausalito the richest community in the US of A, Stanford & UCLA grad....lets just say Id bet this guy got a little help aka funding along the way to make this dream come true....anyways, Cheers Hans.....at least you didnt piss it all away on bottle service at Marquee....

Fanker said:

My key takeaway from this article:

GET THE F*CK OUT OF BANKING! You are wasting your precious life away to gain things that at the end of the day...are insignificant!

Let's see: beach, free time, girls, friends, more girls vs. 80-100 hour work weeks, bottle service at some lame pricy club hanging out with other loser bankers while trying to attract hot girls.

Get out now - I did.