

PROFILE

LESA SROUFE:

Contrarian investor reaps dividends

By Jocelyn Milici



When Lesa Sroufe (BA 1980) was in college, her CPA brother urged her to stick with her catering job over a part-time position at an investment firm because the money was better. Sroufe went against his advice. And her decision is still paying dividends.

A contrarian to her core, Sroufe has broken the financial industry's glass ceiling and is redefining her career, and self, on her own terms as entrepreneur. Add that to being mother of three and it is easy to understand why she sees herself as always doing things the hard way in life.

At first glance, her résumé might lead you to think that Sroufe is all business: More than 25 years of securities research and analysis work. Research analyst at Foster & Marshall Inc. Research director at Ragen MacKenzie. Chairman and CEO at Ragen MacKenzie during the brokerage firm's initial public offering. Executive committee member at Wells Fargo & Co.

for a division that managed \$55 billion in private client assets. Today, she is president of Lesa Sroufe & Co., an investment management company specializing in value stocks and securities that are out-of-favor with mainstream investors.

The traditionally male-dominated financial services industry has been challenging for women, but Sroufe has risen to the top. In 1998, as CEO of Ragen MacKenzie, she was one of two female heads of New York Stock Exchange member firms. "It's more than a full-time job and it is hard to stay committed for that many hours for that many years," notes Sroufe.

But she sees things changing. Women are increasingly taking control of finances in their lives. At the same time, many small, woman-owned financial firms are starting up. "It's a very numbers-driven industry," she adds. "So investment performance is what really matters."

After staying on to help smooth the transition when Wells Fargo acquired Ragen MacKenzie in 2000, Sroufe decided that she was ready for a change. "It was time to do something new," she says.

So she took a year hiatus to enjoy her family and discovered the "gift" of teaching, partnering with Paul Malatesta, the Norman J. Metcalfe Faculty Fellow in Finance, to deliver a course at the UW Business School on finance and practical investment. Sroufe says the best part was tapping into her network of Seattle-area business colleagues as guest speakers to spice up lectures and broaden students' horizons.

Recharged, she launched her own investment firm in 2004. "I chose to stay in the industry but take on a different role. I have always taken the harder path; I do have a contrarian strategy," Sroufe says. "Choosing to start over and go on a new path is evidence. My family gave me the confidence to do this."

Husband Matt Barnes (BA 1981), an entrepreneur currently working as a stay-at-home dad to the couple's two teen sons and six-year-old daughter, also provides Sroufe the freedom to pursue her aspirations for the long term.

"I plan to at least be in business for another 15 years," Sroufe says. "My daughter is in kindergarten, after all. Beyond that, I can't predict."

Sroufe is a member of the Achievement Rewards for College Scientists (ARCS) Foundation, one of the largest annual donors of the UW College of Arts and Sciences. This women's organization grants fellowships to graduate students in the

sciences. In addition to supporting the UW Business School's capital campaign, she and her husband have also expanded their reach to the College of Arts and Sciences "to keep the university competitive" and also to benefit future generations. Through ARCS, Sroufe and Barnes sponsor one graduate student every three years. She has enjoyed getting to know the scholars and their research pursuits.

Sroufe's natural interest in the world outside of finance—family, guest lecturing, supporting the arts and sciences, serving on the board of Camp Fire USA in the past (not to mention "learning self-reliance at a young age" as a Camp Fire girl herself)—gives her better perspective for her business.

And about her business. Why the focus on value stocks? "I look for stocks whose price does not currently reflect a better future," Sroufe says. "Clients often respond with, 'Why would we want to own that?' But we measure risk relative to reward potential, preferring not to pay a premium for high expectations.

"This philosophy extends to larger contexts on the outlook of the market. The appreciation of asset classes such as real estate, stocks, commodities and art have been going well. It's been a long bull market due to low real interest rates... resulting in high liquidity."

She's not convinced it will last: "We're due for a period of lower returns."

Always the contrarian. Usually right. ■

PROFILE

LINDA DU:

Language no barrier to world citizen

By Ed Kromer



Even before entering the UW MBA program, Linda (Ling) Du (MBA 2004) had a pretty remarkable career going.

After graduating from Beijing Language University in 1996 with a degree in English language and literature, the enterprising Chinese native landed a job as an account executive with the international public relations firm Fleishman-Hillard Link, followed by a stint as senior manager of strategic communications for APCO Worldwide.

It was a case of being in the right place at the right time and speaking the right language. "I got a lot of big opportunities right out of school because of the big changes in China. The PR industry there needs talented English speakers to work with American clients. They'd rather hire an English major than a business major."

Before her 30th birthday, Du lobbied the International Olympic Committee to help secure the 2008 Beijing Games and worked to gain China admittance in the World Trade Organization. She represented Microsoft, Deloitte, Dow Corning, eBay, Oracle, Estee Lauder, Chubb Insurance, SmithKline Beecham

and Daimler-Chrysler, among a lengthy roster of multinational clients entering the China market. For these firms she did everything from suggesting furniture for their new Beijing office to masterminding publicity campaigns and launch events to consulting on brand positioning and handling crisis management.

"The experiences made me very ambitious," Du says. "But they also opened my eyes that I needed to know more if I'm going to be a really good strategic advisor to business leaders. The opportunity was great, but I wasn't really prepared for it. I needed to know accounting, finance, other disciplines. It was time to get an MBA."

She made the most of her time at the UW, building a solid business portfolio to enhance her linguistic skills. "The MBA has given me enormous opportunity," Du says. "I love Beijing, but the world is so amazing. I have to see more..."

She is doing just that. Now the manager of international public relations for Yahoo!, Du oversees corporate communications between the Internet media giant's California headquarters and 22 key international markets.

"I don't have a big title, but I have a big job," she says, laughing.

That requires a hectic schedule, travel to all points of the globe and a facility with vastly different cultures, sometimes on a moment's notice. Not a problem for a citizen of the world.

"Most Chinese people only get to leverage their own background," Du says. "This job demands that I understand many different cultures and economies. It's an amazing opportunity." ■