



## Entrepreneurial Spirits



### **Roger BAUMANN**

*Roger Baumann, Alumnus of Economics at HSG (Doctorate in 2005, Lizentiat / Masters Degree in 1999) is a founding partner and CEO of c-alm, a St. Gallen based firm specialized in Comprehensive Asset Liability Management. You are worried about risk and return in your investment portfolio? He is the man. Besides, he also shares his experience in founding a start-up, why he hires 40 economists in a team of 50 to expand the business, and how he finds time to teach pension economics, finance and insurance at the University.*

#### **What is the business of c-alm? Who are your clients?**

The business of c-alm is consulting institutional investors such as pension funds, public insurance of buildings, nonprofit organizations and private insurance. Originally, the focus was set on asset liability management (ALM). In doing so we developed a modeling infrastructure to simulate the relations and the risks of assets and liabilities. Meanwhile we work on regulatory tasks, do plain investment consulting, risk management and controlling. Last but not least, we design software solutions for our clients.

#### **What makes a good investment strategy, and what are common failures in managing wealth?**

Particularly for institutional investors, a good investment strategy in the long-run must consider the economic structure of the investor's liabilities and focus on the fundamental economics of the investments. Unfortunately, wealth management is often based on purely technical optimization and lacks understanding of the underlying economics.

#### **When did you decide to test your entrepreneurial spirits? Isn't it a bit risky? What is your key motivation?**

My motivation was my fascination for the subject. I had an idea and there was an opportunity. After my theses, I had the privilege to do some sponsored research, which provided me with a small income. A professor of the economics department, my founding partner, provided the very important first contacts to clients. I was confident that if my own business would fail, I could switch to a normal career. Money was not really important at that time.



**Did you miss management training?**

Not at all. I had no business strategy in mind but a passion for the subject. Passion grows from knowledge, which I gained from studying economics. In my opinion, entrepreneurial spirit and nursing a corporate culture are essential but not teachable.

**You hired about 40 economists in a team of 50, and quite a number of HSG bachelor students. Why do you prefer economists? How do you make students learn so fast to add value to your firm?**

Firstly, economic thinking is very valuable in business. In addition, economists have a technical understanding. In my experience, students in economics with at least a glint of entrepreneurial spirit learn very fast, if you give them responsibility and challenging work.

**You are also teaching some economics courses at the University of St. Gallen. How does this combine with your priorities in managing the firm?**

First, I enjoy and appreciate teaching. It is also a good opportunity to recruit talented students. Moreover, it forces me to be up to date in economics, apart from reading the Econ @ HSG Newsletter...

**What is your vision? Where do you see the firm in 10 years?**

Honestly, I never planned more than 1-2 years ahead. The first 12 years were a sequence of opportunities and with a team of smart people, we were able to create new opportunities. My purpose is to keep the passion for the subject and maintain a pleasant and resourceful working environment.

**What do you do when the next financial crisis comes? Just keep c-alm?**

Definitely keep c-alm... Besides, the financial crisis 2008 was the breakthrough of our economic-based consulting concepts.

For more information visit [www.c-alm.ch](http://www.c-alm.ch) or write to [roger.baumann@c-alm.ch](mailto:roger.baumann@c-alm.ch).