

The double life of Derek Han

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By Andrew Moody (China Daily)



Derek Han says having intense exposure to the more practical financial world gives him a deeper appreciation of music. Liu Zhe / China Daily

Chairman of institutional securities firm is also acclaimed international concert pianist
Unlike many business leaders, Derek Han is unlikely to get nervous speaking in public or appearing on television.

The 54-year-old Chinese-American chairman of North Square Blue Oak (NSBO) has another life: he is an international concert pianist who has played at the world's greatest venues and given private performances to no fewer than three US presidents.

"I was with a colleague the other week about to appear on Bloomberg and she asked me whether I was nervous. I replied 'when you have walked out in front of more than 2,800 people at the Carnegie Hall, you can face almost anything!'"

His office in Beijing in the Nanxincang Business Tower in Dongsishitiao is certainly a slightly more cramped stage than that of the Carnegie.

It is one of the bases - the other being in London - of NSBO, the global institutional securities firm. It provides research to clients around the world and one of its key specializations is China.

Han, who graduated from The Juilliard School of Music in New York and won the Athens International Piano Competition in 1977, would have probably just been a musician, if he had not inherited \$50 million (40 million euros) in the late 1980s.

His Italian first wife's father was the founder of Nordica, the ski boot maker, which was sold to the Italian fashion giant Benetton.

"I ended up with a barrel of cash that I had to start managing. I became one of the founding partners of a new private bank in Switzerland," he says. The bank was PG Partner Bank, based in Zurich, of which he eventually became chairman.

NSBO's origins began when he was asked to join a small London brokerage called Blue Oak Capital in 2003. He became Chairman four years later, and remained in that position through an acquisition and restructuring which resulted in the current business with its focus on China.

"They had started doing research on China in a small way and I wanted to build on this." The business now employs about 40 in London and 10 in Beijing and carries out research for a number of institutional clients, hedge funds and those involved in private equity.

Han, who is open and unassuming, divides his time between his home in Sarasota, Florida; London, where he mainly stays in hotels; and Beijing.

When he is on business, he is constantly having to practice the piano. "If a professional basketball player doesn't warm up before going to play a game, he will probably get injured. You also need to keep your hands in shape."

Like many, Han is pre-occupied about the euro crisis and the impact it is likely to continue to have on China and the rest of the world. "I think it is just an unthinkable mess. It is not clear whether it will unravel and everyone will go back to their own currencies or we will have a smaller stronger euro, perhaps with Germany, the Netherlands, Finland, Austria and France tagging along," he says.

He believes this year will continue to remain challenging for China but there remains a good chance it will emerge relatively unscathed. "I think China is the only large economy that will be able to come out from an economic perspective in good shape," he says. "When we still look at China, we are still seeing rapid development that is almost unprecedented. We are still seeing a huge migration from rural China. I think that is going to be sufficient to maintain growth here."

Han says one of the strengths of China is its stable government and long-term sense of direction. "China has a clear system, a clear leadership and clear policy and all the tools at its disposal to enact that policy. It is a big contrast to the catastrophe that is currently in Europe, where there is no clear political leadership or economic direction and there are various elements pulling in different directions."

Han's parents left China in the 1940s but only met in the United States on a PhD program at The Ohio State University. Brought up in Columbus, he learned to speak the Shanghai dialect at home.

He is not sure how authentically Chinese he is. "I came here a couple of times as a musician before working with Blue Oak. Occasionally, when I was growing up we used to go to the local Chinese restaurant on Sundays but you can imagine how authentic that was in Columbus," he says.

"I have lived around the world, including 20 years in Europe. I can therefore understand and see areas where there can be misconceptions and misunderstandings between an American, European and Chinese mentality."

He says some of these misunderstanding often spill over to businesses when there is often a clash between Western directness and what seems like Chinese "opaqueness". "Even for me Chinese protocol can seem a bit strange. You go to lunch and talk about everything but the key matter at hand. At the very end when the fruit comes, it is like okay, pay attention, because we are going to get an answer now," he says.

"When I think in Western terms I wonder what is going on. Yet when I remember back to my parents and being a kid a lot of the things I thought then were strange I can now see are quite normal in China."

Music remains a major driving force in his life. He tours extensively and has recorded all the Mozart, Haydn and Beethoven concertos. "I started when I was seven and literally practiced seven or eight hours a day. There is this fallacy that someone can do this because they are exceptionally talented. You can be as talented as you want but you really have to work at it," he says.

Han admits that performing his two current roles is a somewhat bizarre combination. "There are other musician colleagues who have important aspects to their non-musical life but this happens to be a sort of high-energy activity," he says. "In some ways, however, having this intense exposure to the more practical financial world gives me a deeper appreciation of music and a real solace from it also."

Darnell Gardner Jr contributed to this story.
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