

KAIZEN

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Newsletter of the Center for Ethics and Entrepreneurship at Rockford University

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INTRODUCTION: LALL SINGH

Lall Singh is CEO of Capital Instruments based in London, England. Capital Instruments is an investment consulting firm that provides finance, management, and marketing expertise in several European companies as well as projects in Canada and Dubai.

Education and early career

Kaizen: Where were you born?

Singh: I was born in England in a little town called Solihull back in 1969. That makes me 44 this year.

Kaizen: Where is Solihull?

Singh: It's near Birmingham, which is the second largest city after London. It's between there and Manchester—there is always a competition between Birmingham and Manchester about which is the second largest city. But

both are growing cities. Solihull is just on the outskirts of Birmingham, which is located in the west midlands. We aren't too far from Meriden, which marks the center of England.

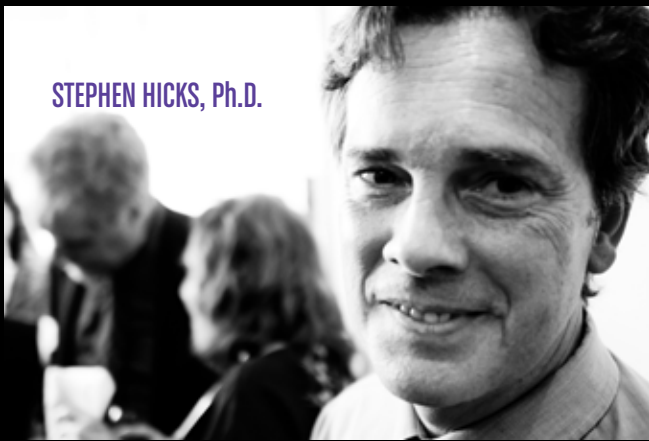
Kaizen: Your parents came from India?

Singh: That's right. They emigrated back in 1960 from Punjab, which is north India, from a little town called Jalandhar.

Kaizen: What brought them here?

Singh: Partly it was the farming communities and partly the attraction of increased income, the ability to work and make a living. And with the prospect of returning to India after retiring, which was the case. My parents did indeed

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FROM THE EXECUTIVE DIRECTOR:

Our feature interview is with entrepreneur Lall Singh. We spoke with Mr. Singh in London about his firm's international projects and the state of entrepreneurship in England.

In this issue of *Kaizen*, we also report on our recent guest speakers from New York and China, as well as last year's Entrepreneurial Education conference with speakers from Poland, Guatemala, the U.K., and Chile, as well as the United States. Plans are in the works for our second Entrepreneurial Education conference on Entrepreneurial Education, so mark your calendars for March 31-April 1, 2017.

At the Center's site, we continue to build up our collection of resources on entrepreneurship and business ethics. All previous issues of *Kaizen* are available there featuring our news and extended interviews with entrepreneurs in a wide variety of exciting fields—from architecture to technology to marketing to venture capital to sports and more. So please feel welcome to visit us online at www.EthicsandEntrepreneurship.org.

PUBLICATIONS:

Stephen Hicks's article "What Entrepreneurship Can Teach Us About Life" was published by *The Wall Street Journal* in May, 2016.

Stephen Hicks's book *Nietzsche and the Nazis* was translated into and published in Ukrainian and Spanish in 2016.

Stephen Hicks's book *Explaining Postmodernism* was translated into Polish and was published in November, 2016.

decide to retire early and head back to India. You know, you always heard the old record that once you come here, you're stuck here. This isn't the case, of course. There's nothing stopping them from going back. We suggested that they take an early retirement and go back to India. The funny thing is that they stayed there for about nine months and decided that "home" is where the heart is. They decided that they would spend most of their time here in England and perhaps two or three months a year in India.

Kaizen: What was your schooling like?

Singh: My schooling was predominantly here in England—in and around Birmingham, the major city. You start with nursery here, equivalent to your kindergarten; then junior school, and then secondary education.

Kaizen: By the time you were into secondary education, did you have some career ideas? Or were your parents nudging you in a direction?

“Business in general or some money-making aspect was attractive to me. We came from a very poor family here in England—general working class, with my parents being immigrants.”

Singh: At that stage, I would say about the age of 11, I wasn't probably thinking about any careers or definite decisions about them. But business in general or some money-making aspect was attractive to me. We came from a very poor family here in England—general working class, obviously—with my parents being immigrants and starting off on the first rung of the ladder, so to speak. My father worked as a dress welder, as it's called, for one of the aerospace companies here in England. It was really economizing and watching the pennies. So in those days, I suppose, I was attracted more toward business as a means of making good money and living a lifestyle most people cherish.

Kaizen: Were particular types of businesses attractive?

Singh: Originally I was interested in economics. It was essentially looking at current affairs and looking at the micro and macro perspectives.

Kaizen: This would have been when you were a little older?

Singh: A little older, from age 12 and into my teenage years—when you are really trying to decide what it is you really want to do. I suppose the people around me were more interested in the sciences. I was a bit different. I remember that of most of the options that you have when you are about 14, the ones I leaned toward were more of the mathematical type, probably at that stage heading more toward a career in accounting.

Kaizen: You were good at math from a young age?

Singh: That's right. Yes.

Kaizen: You went to King Edward VI grammar school in Birmingham. What kind of school was that?

Singh: It's referred to as a select education, so it is endowed with quite generous funds. However, they tend to restrict the number of entrants, and they have an entrance test. In those days, it attracted about 2,000 people, but they could only offer 200 places. So if you were in the top 200, you would get in.

Kaizen: Did you get a good, basic education?

Singh: I was very privileged to have made the place. It was rated something like fourth-top in the U.K. It is still, I believe, one of the top schools in the country.

Kaizen: You went through A-levels, which is the equivalent of high school in the U.S.?

Singh: It's actually the continuation of secondary education, which is referred to here as sixth form college.

Kaizen: College prep years.

Singh: That's right.

Kaizen: Then you went to Birmingham University. How old were you when you started university?

Singh: About 18.

Kaizen: You mentioned an interest in business and economics in your teens. Did you go in with a firm major in mind?

Singh: I had done economics and accounting at A-level, so at that stage I opted for a broad major in accounting and finance. With the view to perhaps combine it with economics at a later stage. But my major was essentially in finance.

Kaizen: Accounting and finance?

Singh: That's correct.

“At that stage, it was one way to get into looking at business from an accounting perspective. It gives you an appreciation for how businesses function.”

Kaizen: What was the attraction of accounting?

Singh: At that stage, it was one way to get into looking at businesses from an accounting perspective. It gives you an appreciation for how businesses function. My attraction was more toward management accounting as opposed to accounting in practice. The difference being that accountants in practice tend to compile numbers in order to fulfill statutory obligations of compliance; whereas management accounting has more to do with management



Lall Singh in London, United Kingdom.

decisions, where you are looking at investments, ways to reduce costs, and it is essentially looking at a business and how better it can function in terms of productivity, operations, how it can utilize its own funds better.

Kaizen: So using the accounting as a set of tools for management decisions?

Singh: Accounting as a feedback tool as well as looking at what options are available to you given the financial restrictions.

Kaizen: The other side was finance. What was the attraction of finance as a major?

Singh: I was interested in capital markets, looking at ways of leveraging different types of gearing ratios, and how businesses can function and grow through the use of finance.

Kaizen: Is “gearing ratio” a technical term?

Singh: It's the debt-to-equity ratio. You look at your own capital you are putting into the business, or shareholders are putting in, in proportion to what sort of debts the businesses are taking on. And over the years, you find different gearing ratios tend to be better given high interest rates—you want to have high debt with low equity; given low economic times, such as now, you tend to have a high gearing ratio, which is easily at one or two percent.

Kaizen: At university, did you take courses in the sciences, arts, or humanities? Or was it a more narrow education?

Singh: When you are in England, up until the age of about 14, you take a very broad range of subjects, which tend to cover what is called O-levels, which is the precursor to A-levels. Across those, in fact, I took a lot of the sciences: chemistry, physics, math, English, of course, and geography. After that, with the A-levels you can start specializing. So at A-level I went for more of a math, accounting, economics route. But we also do a

ENTREPRENEURIAL EDUCATION CONFERENCE



The conference being held in Regents Hall



Speakers Piotr Kostylo and John Chisholm



Speaker Terry Noel with students



Bernardita Jensen giving her presentation

Over 100 students attended our first annual conference on **Entrepreneurial Education** in March, 2016. The all-day conference featured seven speakers who are educators and entrepreneurs from Silicon Valley, Texas, Wisconsin, Illinois, Poland, Guatemala, and Chile. The conference was made possible in part from support from the John Templeton Foundation and the Institute for Humane Studies.

CONFERENCE WITH THE AUSTRIAN ECONOMICS CENTER



Panelists Bob Evans, Karl-Peter Schwarz, Barbara Kolm, and Jules Gleicher

The Center for Ethics and Entrepreneurship co-sponsored an event with the Austrian Economics Center featuring international academics and intellectuals and Rockford University professors. Around 75 students attended this conference which included two panels on ***The Role of the State: the American Dream? Socialism?*** and ***Immigration: Controlled or Free?*** and featured seven speakers from five different countries including The United States, Austria, Germany, Iceland, and Argentina.

general studies course as well at that stage. So that was my combination. I suppose it gave me the platform to look towards specializing further in accounting and finance. At that stage, I chose accounting and finance, but later on I decided to undertake an MBA where I got more interested in the marketing side. And once you actually work for companies, you get an appreciation for it.

Kaizen: What was your first job after graduating from Birmingham?

Singh: My first job was actually for a publishing company. In fact, before then, I did work for an accountancy practice, Coopers and Lybrand, which is now part of PwC (PricewaterhouseCoopers). I had shied away from that, knowing that practice accounting would mean laborious three-year contract, looking at mainly statute reporting. Instead, I looked to publishing as a training accountant, and I specialized in management accounting as opposed to practice accounting.

Kaizen: Then you decided to go for an MBA?

Singh: That's correct. I worked for a few years and then I opted to go for an MBA at Aston Business School. Given that I had already experienced accounting and finance, I decided—I was self-funding at this stage—I was going to make the most of the whole course and decided to specialize in marketing, which was something I didn't have that much exposure to. I became particularly interested in market segmentation.

Kaizen: What was interesting about marketing to you?

Singh: I have always felt that accountants are shielded from looking at ways of moving business forward in terms of how to innovate and how to generate more business. Yet they're more in-tune with costs and how to reduce costs. And I think accountants sometimes get blinkered, but combine it with a marketing approach, where you know it is essential for a company to breathe and grow by looking at different markets, how to nurture them, how to grow them, how to invest money in order to get returns on your capital. I think that's a skill where, with any company

“I think what that gave me was a unique insight into both areas where you could actually have a cross between knowing the accounting function as well as the marketing function.”

with corporate governors and a board, you find that the accountants and the marketers are always at loggerheads given that accountants want to reduce costs and keep everything contained and marketers want to spend more and have a marketing campaign in order to generate business. I think what that gave me was a unique insight into both areas where you could actually have a cross between knowing the accounting function as well as the marketing function.

Kaizen: At this point, still in your twenties, were you thinking that you would be working independently or within existing firms?

Singh: I couldn't imagine myself, at least at that stage, working independently. I was really trying to build a career and to align myself with better qualifications so I could offer that little bit more in general management for some of the larger corporations.

After my MBA, I ended up working for a conglomerate, which was looking to create companies from the old East European block where, for instance, in Romania they were privatizing a lot of the state-owned assets. Some of them were quite large: pharmaceutical companies, aviation companies, engineering companies, etc. We looked to acquire these companies and put Western-style management in there. For instance, we looked to bring a pharmaceuticals company we bought up to Good Manufacturing Practice (GMP) status. That allowed us to subcontract to some of the majors like SmithKline Beecham, producing some drugs in a very cost-effective way.

Kaizen: What years were you working in Romania?

Singh: That was from about 1998 onward. I worked for a company called Litchfield Continental. Eventually it was reversed into a shell company on NASDAQ, and we floated the whole structure. That gave us access to capital markets and a shareholder structure with institutional investors, which allowed us to expand and continue to the next stage.

Kaizen: At the point that you were working for the conglomerate, what was your function, in particular in the Romanian operation?

Singh: I originally was the head of finance, but then it became more of a strategic role as the Chief Financial Officer. I oversaw all of the subsidiaries, and I was responsible for raising the financing in order to continue to acquire other companies. Also, we were restructuring a lot of those companies in terms of making them more efficient and making sure that we could produce goods, such as aircraft, at a price that was quite competitive.

Kaizen: That requires a number of skills, including finance and management. How did you acquire the management skills?

Singh: With Energy Publishing, once I qualified, I moved as an accountant to general management. That's when I felt that I needed to sort of prop up my skills with an MBA to get more broad experience in operations. It was after the exposure to a lot of the conglomerates and looking at turning around some of those companies that I actually learned some general management. I also studied a qualification we have in England, which is an economic chartered director, which is mainly corporate governance. It was a new qualification in those days, but now it is quite popular here in the U.K. as a means of showing that you have the corporate governance skills that is required to govern from a private to a public company. I was one of the first handful of chartered directors in the U.K.

Kaizen: What is a chartered director?

Singh: It's a qualification. Anyone can start their own company as director of the company; but to standardize



Lall Singh in front of the London Eye.

the qualification, they put together the program. We have a well-established institution here in the U.K. called the Institute of Directors. They decided to produce a qualification very much like being a chartered accountant or chartered engineer. To be chartered means you have your own set of by-laws.

Kaizen: This would be like a managing director's position—acquiring the skills and knowledge to do that?

Singh: Yes. It gives you the whole breadth of skills. There is also a panel interview where they assess whether you have the skills.

Kaizen: How does that compare to being a company president in the United States? Or a CEO?

Singh: A company president or CEO would give you the basic skills in corporate governance required for people management, managing a board, finance, operations, and

“One of the engineering companies we took over had something like 4,000 employees. It was almost a town in itself with its own little railway station.”

marketing. This would bring them together in coordinating activities.

Kaizen: To go back to the Romanian operation—in addition to the management and finance skills, there were also cultural issues.

Singh: Yes. Also language barriers.

Kaizen: Also political issues: dealing with people who have been trained under a communist regime and trying to change their culture to be more market-friendly. How did you handle that?

Singh: In fact, we had nuclear scientists who were working

on the shop floor because hard currency was hard to get in those days in Romania. We had a surplus of skilled labor. To manage that, we had our own operations people. Most were from London and some of our own people in Bucharest. We had translators to assist with the cultural differences.

In terms of dealing with the politicians, at that stage, Romania wanted to become part of the EU, so it was obligated to privatize a number of their industries. In fact, that is one time where the state was actually trying to help us. *[Laughs]* They helped us with introducing Western-style management

and practices, making the companies competitive, and embracing Europe as an open-market. It was really introducing a capitalistic extension into Romania, which helped the economic circumstances by employing a lot of people.

One of the engineering companies we took over had something like 4,000 employees. It was almost a town in itself with its own little railway station. They made clutch parts for Mercedes-Benz and, obviously, Mercedes-Benz controlled the quality. They rubber-stamped them as Mercedes parts, but they were actually manufactured in Romania. So we were quite impressed with the quality they were bringing out.

It was essentially turning that from a communist regime to where they have the normal, more profit-oriented objectives: generating profits, keeping business goals in sight, having a vision of the company in terms of quality, where they position themselves in the market, and looking at values that they deliver and how they are going to deliver that. The people are a huge aspect, and for them it was quite a privilege working for a Western company—and one of the forefront companies, especially in the pharmaceutical buyer's market. It was one of the more prestigious pharmaceuticals that had been long-established. We also bought Romero, which is part of the aerospace company that was part of Bucharest Airport at that time. That brought in a lot of joint-ventures. For instance, we had an Israeli company that was interested in importing MiGs from the Russians, putting in an electronic platform, and then selling them off to the Romanian Air Force.

Kaizen: Did you say Russian MiG airplanes?

Singh: Yes. Obviously, putting in a lot more technology. And they sort of bought in to Bucharest Airport and some of the hangars there in order to process the orders.

Kaizen: So the British conglomerate that you are working

for is running a number of operations in Romania: pharmaceuticals, some biological enterprises, Mercedes parts, and so forth.

Singh: That's correct. It was also a U.K. operation that was mainly insurance-oriented. Lloyd's of London, a subsidiary we bought called McCall's, and also biotechnology, which was more in Manchester and included looking at different ways to use innovative biotechnology.

Kaizen: And the overall company was Litchfield?

Singh: It was originally Litchfield that bought the assets; but once it was floated, we used a NASDAQ shell. You can buy a shell on NASDAQ where you can actually clean up and then you can get that to take over your company, which was Litchfield. And what Litchfield would do in exchange is to have a convertible debenture over the stock of the company, and eventually it buys out. The debenture is converted into stock. So we had a controlling stake in the shell company, which is a little easier to list on NASDAQ than having to go to the traditional IPO structure, which means you have extensive up-front costs in terms of producing the prospectives and complying with all of that.

Kaizen: How many years were you with this organization?

Singh: A good four years.

Kaizen: In the late 1990s?

Singh: That's correct. Into 2000.

Kaizen: At some point you left there. Is that because the Romanian operations were finished? Did other opportunities come along?

Entrepreneurship

Singh: There were a lot of opportunities that I was faced with, and a lot of them were smaller projects that got me really interested. Many of my colleagues left to look at financing different projects, and I saw their success mushroom. I thought that I should try a hand at it. So I left that company to move on to Capital Instruments.

Kaizen: In 2001?

Singh: That's correct.

Kaizen: Is this an entrepreneurial firm?

Singh: Yes. We specialized in raising funds for small-to-medium size companies looking to grow. We have a number of investors that we have who are looking to invest in small-to-medium size enterprises with the prospect of growth. We essentially marry the two.

To read the full interview with Lall Singh, visit www.ethicsandentrepreneurship.org/kaizen/. This interview was conducted for Kaizen by Stephen Hicks.

GUEST SPEAKERS



Guest speaker:
Robert Garmong

Dr. Robert Garmong visited Rockford University in February, 2016. He gave a talk titled "What's Wrong With China?" Dr. Garmong is Lecturer of Business Ethics at Dongbei University in Dailan, China.



Guest Speaker: Douglas Rasmussen

Dr. Douglas Rasmussen visited Rockford University in August, 2015. He gave talks on the importance of philosophy to understanding political and economic movements and morality in the capital versus socialism debates. Dr. Rasmussen is Professor of Philosophy at St John's University.



Guest Speaker: Piotr Kostyło

Dr. Piotr Kostyło visited Rockford University in March, 2016. He gave talks on the subject of William James on ethics, war, and pacifism. Dr. Kostyło teaches at the University of Kasimir the Great in Bydgoszcz, Poland.

In the next Kaizen



Feature

Interview with
**Roberto
Salinas Leon**

Also

Guest Speaker
Gregory Sadler
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Education

Kaizen is published by Center for Ethics and Entrepreneurship at Rockford University. Founded in 1847, Rockford University is a four-year, independent, coeducational institution offering undergraduate and graduate degrees in traditional liberal arts and professional fields. The University offers over 80 majors, minors and programs, a return-to-college program in management studies, and masters programs in business and education. For more information, please visit us at Rockford.edu