

A COMPETITOR'S PERSPECTIVE

Recently the accounting firm of Ernst & Young commissioned a global online survey to investigate the important role of sports in the development of business executives.

Beth Brooke, *Global Vice Chair, Public Policy for the firm* is quoted as saying “I find it fascinating that sport has such a strong connection to success in business,” I have also found this connection fascinating and an important source of learning.

Around October of 2006 I received a phone call from my older sister. She called to let me know she had just finished a marathon. My first reaction was why would you want to run that far? My second and quieter reaction was well, if you did it then so can I. I looked up a few ideas on the internet on how to train, bought a pair of shoes and started to run.

I ran a mile then a few more until I was ready for 13 and then 26. The day came and I ran my first marathon. It was a great accomplishment. I enjoyed my participation in the event and I continued to run and participate in other events. I remember telling my wife that I enjoyed the events and that as long as I did not finish last I was happy. Participating in these sporting events became important.

One day I was introduced by a friend to a group out of southern California. This group of active and former Navy seals train civilians through a camp very similar to the famous Navy Seal Hell Week. The goal of this camp is to teach mental toughness. The name of the camp is Kokoro camp. Kokoro is a Japanese word for warrior spirit.

This camp generally consists of 50 hours of constant physical training. Very little food, no sleep and all the “verbal encouragement” you could ever want.

During my first hours at Kokoro we played beach games. They would have us carry our classmates for time, run up and down the beach and other very strenuous activities. During these beach games I quickly started relying on my normal attitude of being happy to finish the evolutions so long as I did not finish in last place. One of my instructors, Coach Smith, took a few minutes of his busy coaching schedule to notice my complacency with not finishing last. Coach Smith had me turn around and look at all the people sitting around the beach enjoying the

warm afternoon sun. Coach Smith asked me, “Do you want to be a participant or a competitor?” Do you want to sit and enjoy the view or do you want to be better than the rest?

It took me about 38 years to figure this one out. There is a difference between a participant and a competitor.

A competitor by definition is someone who is TRYING TO WIN OR DO BETTER THAN ALL OTHERS ESPECIALLY IN BUSINESS OR SPORTS.

That day at the beach I had an epiphany; there is a big difference between being a participant and being a competitor. All of my prior experiences in sports were as a participant. I entered the event, ran so that I did not finish last and was satisfied with the result.

From this perspective I wish to review Anguilla’s place in the captive and financial services industry.

In the world of captives Anguilla has grown and taken a significant role in the industry. However, if Anguilla is going to advance its place in the industry and really develop it must transform itself from a participant to a competitor.

In a recent article I wrote for Captive Review entitled **Anguilla – Growing in International Prominence** I wrote the following about Anguilla:

Anguilla is the fifth largest captive insurance domicile in the world, and given its pace of growth, could soon close the gap on Guernsey to become number four. How Anguilla is earning the trust of risk managers all over the world may surprise people. Anguilla may be known for its beautiful beaches and friendly people, but the key to its rise in prominence as a captive domicile can be traced down a different road of strong regulation, thorough monitoring and gaining the confidence of international markets.

In this Article I proposed that Anguilla’s strict adherence to anti-money laundering policies and experienced staff have helped Anguilla positioned itself as a participant in the captive insurance industry.

However, what else does Anguilla need to transition into a competitor or in other words try to do better than others?

In the famous book about philosophy and strategy *The Art of War* Sun Tzu describes five essentials for victory:

1 He will win who knows when to fight and when not to fight.

We, Anguilla, need to understand what we are good at and what our market is. We need to understand where the market is and how we go after it.

We should understand how we obtained the business we have, who is sending it to us? Are there others like Artex in the industry? How do we bring them here?

2 He will win who knows how to handle both superior and inferior forces.

Sun Tzu further states:

“If you know the enemy and know yourself, you need not fear the result of a hundred battles. If you know yourself but not the enemy, for every victory gained you will also suffer a defeat. If you know neither the enemy nor yourself, you will succumb in every battle.

We need to understand who our competitors are and what makes them good. What is helping Utah or Cayman achieve success and how do we improve on their achievements.

3 He will win whose army is animated by the same spirit throughout all its ranks.

As an industry we all need to be animated by the spirit and desire to continue to compete in market. We all depend on the financial services industry to flourish. We should all collaborate for the common good.

Get excited; get involved in teaching and learning about the industry.

“We can complain because rose bushes have thorns, or rejoice because thorn bushes have roses.” Embrace the many positives and Anguilla’s place in the industry and work to improve it.

— Abraham Lincoln

4 He will win who, prepared himself.

There is a saying that goes something like this “Chance favors the prepared”

When I started participating in running events I did not have a plan, did not understand the skills required or had the right equipment. Even if I wanted to compete without these tools I would have gotten crushed.

In the business world it is the same. We need to learn about our competitors, learn about ourselves, learn about our clients and the issues that are important or affect them. If 90% of our clients deal with a foreign taxing authority we need to learn how it affects them how we can help them. What impediments do our clients have in bringing business to us (how do banking requirements, or taxes ((FATCA)) or regulatory deadlines affect our clients? How conducive are these to the creation of new business?)

Here is a list of items we are doing or should consider as suggestions for improvement.

We are preparing through strong ICCIE participation 16-17 strong.

Attend conferences-go to ballpark if you want to be a ballplayer. Let the world see who we are and what we are doing.

Continue to adopt clear standards-solvency calculations that are clear and work for and with clients.

Adopt captive specific legislation.

Set standards and make available examples of calculations, letters of credit, frequently asked questions on website (deadlines, fees, taxation, forms)

Become more engaged with the clients through approval of material transactions-regulation is welcomed as it helps managers be your watchdog and adds clarity of expectations.

5 He will win who has military capacity and is not interfered with by the sovereign.”

It is a fine line that we walk. We want to invite business and make Anguilla as friendly and easy as possible but we can't afford to be perceived as anything goes domicile. Communication between the private sector and government/regulators is key to make sure that business is being facilitated without compromising standards.

I recently read the story of Markus Luttrell a former Navy Seal and Lone Survivor of a mission gone wrong in Afghanistan. In describing part of his initial Navy Seal training Markus Luttrell quotes Chief Bob Nielsen a veteran of many deployments and first phase instructor to Navy Seal hopefuls.

Chief Nielsen set the expectations of his soldiers as follows: Real battle is won in the mind. It's won by guys who understand their areas of weakness, who sit and think about it, plotting and planning to improve. Attending to the detail. Work on their weakness and overcome them. Because they can.

Your reputation is built in phase one. You don't want people to think you're a guy who does just enough to scrape through. You want people to understand you always try to excel, to be better, to be completely reliable, always giving it your best shot. That's the way we do BUSINESS here."

I hope that as competitors in the financial services industry we adopt the same perspective.

We want the world to know that Anguilla is a place where we try to excel, to be better, to be completely reliable and always give our best shot. We want the world to know that that is the way Anguilla does business.