



Jacqueline Novogratz, founder and CEO of Acumen



Art of Leading

Powerful insights from top leaders.

"Crises Present Enormous Problems That Can Also Be Extraordinary Opportunities."

Published on June 29, 2020



Adam Bryant [in](#)

Managing Director at The ExCo Group (formerly Merryck & Co. Americas)

*I always learn a ton from **Jacqueline Novogratz**, the CEO and founder of Acumen, a non-profit global venture capital fund, whenever we talk about leadership. She's just published a new book, "**Manifesto for a Moral Revolution**," and I was eager to catch up with her to get her thoughts on leading during this historic year of upheaval.*

Q. What lessons have you drawn on to lead this year?

A. Crises present enormous problems that can also be extraordinary opportunities to bring your best self to the world. Don't react, but respond. Be willing to change, and understand that as you change, you will be changed along with the pivot that you are making. We change in the difficult times, not the easy ones. In fact, I've come to see discomfort as a proxy for progress.

We started Acumen in 2001, and we were just a team of four when 9/11 happened. I learned to respond with who you are and what you have in that moment. We pulled together a group of people with deep knowledge about the Taliban and extremism. We had an extraordinary conversation for about six hours. At the end of it someone said, "Jacqueline, what would you do if you were king of the world?"

It was a question I wasn't expecting. We hadn't raised all the money we needed for our work in India and East Africa and we'd not yet made a single investment. Yet I instinctively answered, "I would go to the Muslim world. I would invest in those individuals, building institutions of civil society and celebrate them inside and outside." The lesson? Be

careful what you say out loud. Someone sent me a \$1 million check to fund the work.

*"I've come to see discomfort as
a proxy for progress."*

I arrived in Pakistan in January 2002, and I was lucky to meet someone who said, "If you make the decision to stay, keep your head down. Do the work. Don't tell anybody about it until you've actually done something. Make a commitment to be here." If you do that for ten years, you're going to know more than anybody else. And 18 years later, this is a part of the world where we have deep roots and where we have built real trust.

Q. And how is Covid changing your organization now?

A. Many of the companies that we invest in, which account for tens of thousands of jobs that are literally helping their workers survive, were at risk. Acumen is not a grant-giving organization, yet the crisis required emergency relief for fragile companies employing people from very marginal communities. Within a few days of the lockdown, my team and I approached our community and raised significant grant funding to support our companies.

When I announced the emergency facilities, I said to our board, "I don't know *how* this will change us as an organization. I just know now that it *will* change us." We've never given grants before, as I said, and we

have an investment process that tends to mirror classic investing; a process that can take three to six months to make a decision and do the proper due diligence.

We knew in this moment that we didn't have three to six months. We had weeks. Within a week, we changed our systems. We decentralized. We pared down the documentation that was needed. We've learned that there is a place for very early-stage, rapid decision-making and deployment.

Q. So much of leading in a crisis is being able to see the challenges as opportunities.

A. It's the power of being open to all possibilities, and that's part of what we call moral imagination. That means seeing the world for what it is without sugarcoating, and having the humility and courage to speak truthfully about the situation. You have to recognize the pain and the fears, but have the audacity to show them what a new future could look like. You have to hold both those ideas together the whole time, going back and forth between the reality and the humility and the audacity.

Q. What are the other balancing acts of leadership?

A. Another is generosity and accountability. You have to start with understanding what others need, but you can't just throw stuff at problems to make people feel good. We had to make a decision early on that some of our companies weren't going to make it in the long-term,

pre-COVID. Our mission, to change the way that the world tackles poverty, would be better served by letting some of those companies go, which is hard and counterintuitive in a time of crisis.

There's also the tension between listening and leading. Of course listening is part of leading, especially in this new chapter of the crisis when systemic racism has been laid bare. But we are here to listen, and we're not afraid to lead.

Q. How did you come up with this insight of balancing values?

A. It was an evolving story for me. Working on Wall Street and seeing the power of the markets taught me how effective yet one-sided they can be. Focusing on efficiency, freedom and profit by itself can be super powerful. However, it excludes larger, more vulnerable parts of whole communities. And left unbridled, it leads to extreme inequality.

*"The potential resides in
insisting on greater
inclusivity."*

Then I worked in international development, and I saw how inclusive and equality-oriented top-down government can be, but I also saw how it could crush the individual, reduce innovation, and be inefficient. Many people can be uncomfortable with holding the tension between the *power* of markets while recognizing their limitations and *perils*. The potential resides in insisting on greater inclusivity –

that requires balancing profit and purpose.

One skill I've learned when you're trying to negotiate opposing truths would be to acknowledge a truth or half-truth in what one side is saying and take a figurative step toward that person by acknowledging that partial truth. That may open a space to allow for a different kind of conversation than what we too often see inside organizations - and certainly in the world. One of my mantras is from the Sufi poet Rumi, who says, "Out beyond wrongdoing and right-doing is a field. I'll meet you there."

Q. I imagine you look for that ability to balance opposing truths in job candidates. How do you hire? What questions do you ask?

A. One approach is to try to get an understanding of whether they really know themselves. I will ask them to tell me their story in ways that might surprise me, and if I get a sense that they've told the same story a hundred times before, I'll ask them to tell me a different story that will show me who they are.

It's surprising how many people are flummoxed by that question, because they have gotten stuck in one story about themselves. Given that Acumen works with some of the poorest people on the Earth and interacts with some of the wealthiest people on the Earth, we need people that are on that journey of true self-knowledge, because I think that's the first step in real leadership.

Q. When people are flummoxed, what do you say to prompt them?

A. I might say, “It sounds to me like you’ve told that story many times. Could you tell it to me again with a different set of stories to describe the narrative of your life in terms of turning points?”

If they don’t understand what I’m talking about, I will say, “At Acumen we have an experience that we do with our fellows. We call it the river of life. Imagine a river that has many turning points. Some of those turning points represent extraordinary moments in a positive way; others represent terrible experiences or times that impacted you. Describe the different bends in *your* river that, over time, made you who you are.”