

Enterprise Network October Executive Forum

Determining Businesses Worth Investing In
Featuring former US Vice President Dan Quayle,
Chairman of Cerberus Capital Management
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No one would dispute that today's economic climate is chaotic and stressful. The stock market's current wild roller coaster ride does little to quell these concerns and fears. However, Enterprise Network's recent Executive Forum offered a positive viewpoint in the form of former US Vice President Dan Quayle sharing his international perspective and business expertise. "Even though the economy is suffering and credit is tightening, there are some excellent investment opportunities available," Mr. Quayle stated. "Cerberus is still actively investing in undervalued or distressed companies."

Mr. Quayle is Chairman of Cerberus Capital Management, one of the largest private equity investment firms in the U.S. with assets in the \$30 billion range. Speaking in front of more than 200 Enterprise Network business professionals, Mr. Quayle offered thought-provoking insights on business and economic trends; shared information on how to identify new investment opportunities; and provided practical advice on how to grow these companies after the initial investment is made.

Gregg Ostro, VP Development for Enterprise Network and CEO of GO Media, facilitated this notable event and posed engaging questions to Mr. Quayle:

Q. What are your thoughts on the current economy?

A. Typically with economic instability, political instability is not far behind. Russia is an example as well as China. China is being heavily impacted, as their exports are significantly lower than projected, less foreign capital is available, and there is a huge disparity of wealth between coastal cities and the interior. The U.S. has experienced tough times before, but our strong underlying entrepreneurial spirit should not be underestimated, as it will be one of the keys to get the U.S. back on track. Due to the unfortunate financial circumstances we find ourselves in, my biggest concern is that the pendulum will swing the other way into extreme 'over' regulation flattening the spirit of new and emerging businesses.

Q. Where do you see opportunities for investors?

A. Companies with distressed debt or on the brink of bankruptcy are ideal investment opportunities. Also, look for corporations wanting to shed an underperforming division. You might also look at M&A activity to find bargains. Fundamentally, it is important that the assets are undervalued and can be purchased at a discount.

Q. What steps should be taken after investing in a company?

A. The most critical step is finding and recruiting the best people and empowering them to execute an effective reorganization and results-driven strategic plan. Make sure you also have adequate capital to weather any unanticipated storms.

Q. What made you successful in your career?

A. First and foremost I forged solid relationships with people I wanted to do business with and then grew those relationships. In terms of successful investing, I never risk more than 7% of a portfolio in any one sector. Perhaps most importantly, I am always prepared to walk away even if I was enamored of the business. The best advice I can offer is, if it doesn't make financial sense; don't let your emotions overrule your honed instincts.

Q. All of us are feeling challenged in today's business climate. How should we operate in the next 6 – 12 months?

A. You should absolutely make sure your financing and credit is in order. I would also advise to be on the hunt for unique opportunities while everyone else is taking cover and avoiding risk.

“We were honored to have Mr. Quayle participate in our Executive Forum. This was a rare opportunity for Enterprise Network attendees to listen and learn from a speaker of this caliber,” said Joe Jacober, President of Enterprise Network. “We look forward to many more exciting events throughout the rest of the year and into 2009.