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A Discussion with FASTCO's Hernán Leal



Hernán Leal

Boyden's *Leadership Series* presents discussions with business and thought leaders from organizations across the globe. The series focuses on topical issues that offer executives, political leaders and the media insight into current trends in business and talent management in the global marketplace.

This issue features Hernán Leal, Founder and Chairman of FASTCO. In the interview, Leal discusses how mountain climbing has shaped his approach to business, the importance of networking, how technology provides better client service, and the Latin American talent landscape.

Leal founded FASTCO, a collection and financial services company employing nearly 2,000 workers across Latin America, in 2001. Before founding FASTCO, he held positions at Costa Company, Hoechst Chile, Hussman and Dávila Clinic.

Leal studied business administration at the Pontificia Universidad Católica de Valparaíso and completed an MBA at the Universidad Adolfo Ibáñez. He also participated in the Owner/President Management Program at Harvard Business School.

In addition to his business achievements, Leal is also an accomplished mountain climber. He has climbed the highest mountains on six continents and both poles, including Aconcagua in South America, Kilimanjaro in Africa, Denali in North America, Elbrus in Eastern Europe, and Carstensz in Oceania. In 2017 he became the first South American to climb Mount Everest and Lhotse in a single expedition.

Boyden conducted this interview a few weeks before Leal began his climb of Kangchenjunga, the world's third highest mountain, perched between Nepal and India at 8,586 meters (28,169 feet). Few professional climbers will attempt the same feat this year. If he completes Kangchenjunga, Leal will become the first Chilean to reach this summit. Boyden and FASTCO sponsored Leal's mission.

Boyden: You've reached seven of the highest summits in the world, which is an incredible achievement. How did you get interested in mountain climbing?

Leal: I started my company 18 years ago. The first five years were incredibly difficult, but then I found myself in a period where I wasn't being challenged. That's why I decided to go to Nepal to learn about different religions, yoga and meditation.

It was there that I started trekking in the Annapurna Valley and really fell in love with the people and the environment. When I returned to Chile, I decided that I wanted to climb Everest someday. Since then, I've done it twice.

Boyden: What does the training and preparation involve?

Leal: I've never been a particularly talented athlete; in fact my mother often had to write me certificates to skip physical education when I was in school. In the beginning, I started climbing with small peaks in the Andes and began to work my way up. The preparation involves many different kinds of training. In addition to climbing on a regular basis, I go to the gym between five and six times a week, and only rest one or two days

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depending on my schedule. It's very demanding physically.

Every time I go to the gym I spend between one and a half to three hours there. While climbing has a lot to do with developing an ideal balance between muscle and fat, the preparation isn't just physical. You also have to understand how to eat, and you have to prepare psychologically, because you need a special strength to see things you might not want to see or that you're not used to.

Boyden: How does your experience in mountaineering inform your work in the business world?

Leal: In a way, business and mountaineering are very similar. You have to develop a strategy, think about the forecast, and understand the logistics. In my mind, every business man or business woman is a potential mountaineer. If you can manage a company, you can manage well on a mountain.

The stakes are slightly different, though. If you make a mistake in business, you lose money. If you make a mistake on the mountain, you could lose your life. Mountaineering is certainly more extreme, but in many ways it's similar to business. Both demand strength, mindfulness, teamwork and passion.

Boyden: You talk a lot about how mountain climbing has helped you overcome professional obstacles as well. What was your biggest professional obstacle?

Leal: When I started FASTCO, my biggest obstacle was networking. I used to be a CFO, working with banks and account management. I didn't understand P&Ls and bigger-picture things. I knew I needed people with more experience in this area, but I didn't have the network needed to build out a team.

Networking can be hard. You have to be open to different kinds of people. You have to be willing to share your knowledge in order to build win/win

relationships that benefit not just you, but the other person as well. Learning to be giving is what helps you build connections while also getting something out of the experience for yourself.

My first obstacle in climbing was actually very similar. I wasn't a known climber, and I had to convince mountain guides to be a part of my team even though I hadn't reached the summits of any important mountains. I started climbing after I started my company, so I brought my experience from business over to the world of mountaineering. In business, and on the mountain, you have to give back to others.

Boyden: You're very interested in Tibetan culture. How has that interest shaped your approach to your career?

Leal: I have a deep respect for the Sherpa culture. They moved from Tibet to the mountains of Nepal and they're a very interesting group of people. They practice Buddhism, they have their own language – but what I respect most is their lack of interest in material things.

To be honest, I'm a fan of luxury. I like to travel in business class, stay in nice hotels, and drive a nice car. But I learned from my time with the Sherpas that I can live without all of these material things. I've spent months on mountains without a toilet, without a comfortable bed, without fancy food. I learned from the Sherpa and from Tibetan culture that you can live a fulfilling life and be happy without any luxury.

Boyden: You started FASTCO in 2001. What inspired you to start your own business?

Leal: Before I founded FASTCO, I'd served as CFO at several different kinds of companies. In my time at these companies, I learned that debtors were not managed as customers. When someone with a company owes money past due to an organization, they are immediately marginalized. I wanted to build a new business model focused on managing debtors as customers.

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Debtors have been mistreated historically, but with FASTCO I focused on the customer interaction side of this relationship. We're working to build connections, good relationships, and change approaches to managing debtors.

Boyden: You have experience in the finance world from your time at Hussman and Dávila Clinic. How did your work there inform your approach to FASTCO?

Leal: My background in engineering was actually very important to starting FASTCO, because of the central role technology plays in the business. For the past 20 years in Chile and other countries in Latin America the debt collection process was managed by human beings.

At FASTCO, I'm working to introduce technology to the business. Using new technology doesn't just allow you to lower your costs; it lends standardization to your level of service. I think my background in engineering played a big role in the thinking behind this approach.

Boyden: You've shared some of your professional learnings in your book, *The Mountains We Carry Inside*. What's the most important piece of advice you would give someone thinking about starting their own company?

Leal: I'm really focused on three key pillars, and I have developed a method around them. Each step is outlined in my book. First of all, you have to dream correctly; that is, you have to enjoy your dream. So, if your dream is climbing mountains, for example, your love of the sport means that even though you may be lacking certain things many consider ordinary, such as the basics of everyday life, including a comfortable bed, you're not suffering at all.

Secondly, you have to consider your abilities. You can do anything you want, but it's important to consider your own strengths and weaknesses. Finally, you have to be aware of the obstacles you might face. Visualizing these obstacles in advance

and having a backup plan will help prepare you to overcome anything that stands in your way.

Boyden: You spent some time at Harvard Business School. What was most important about your time there?

Leal: I learned a lot during my time at Harvard and gained a lot of practical knowledge. But the most important thing I took away was the network. Today, I have a WhatsApp group of more than 100 people from around the world who run or work in different kinds of businesses, and we're all connected. These people come from different backgrounds, we're different ages, but we're all constantly looking to grow ourselves and our careers together. In fact, in a couple of months, 50 of us are going to meet in Moscow to catch up and share new approaches to business.

Boyden: You have over 2,000 workers in several countries across Latin America. What is your approach to hiring?

Leal: These days, due in large part to the speed of new technology, I always look for people who are flexible and capable of adapting to totally new situations. About six months ago, when I was on a mountain, I was reading an article by Bill Gates. He said, and I fully agree with this, that because change is happening so quickly it to some extent doesn't matter what you've learned in the past. You have to be prepared for new technology and for new ways of doing things.

Boyden: In developing your leadership team at FASTCO, what was most important for you? What do you look for in a leadership team?

Leal: The first thing I look for is ambition. Leaders have to set an example for the people they manage. As a leader, I can't ask my people to work hard if I'm off playing golf the whole day. You have to show people that you are ambitious and hardworking. The second thing I look for is consistency. I want someone who shows up day after day and always sets a good example for the

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rest of the company. And finally, commitment is a very important value when it comes to facing new challenges or difficult moments.

Boyden: What's unique about the talent landscape in Latin America? And what stands out in Chile and Latin America compared to other regions when it comes to education, training or management?

Leal: I'd say Chileans are extremely resilient. As a country we face disasters almost every year, especially things like earthquakes, and we have to be able to get up and overcome these disasters. More generally, I'd say that Latin American people are very friendly, but can sometimes lack discipline. I've learned discipline from my experiences both in and out of the office, and I also come from a German company. I try to bring this experience to my work at FASTCO to drive productivity.

Boyden: What is the best management lesson you've learned?

Leal: You have to surround yourself with positive people. For me, success is a combination of happiness and achievement. In mountain climbing, for example, it's important to enjoy the whole trip. The summit is critical, of course, but you have to enjoy the whole expedition, the whole journey. This happiness is especially important when you consider that most climbers don't actually make it to the summit. If you don't make it and you've placed all your focus on the summit, as opposed to the journey, you're setting yourself up to be unhappy. It's the same thing with a business – you celebrate a day or two, but you need to be able to enjoy the journey throughout the entire year in order to actually be successful.

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The views and opinions expressed here do not necessarily represent the views of Boyden, only those of Mr. Leal.