

Peer Insights

R E P O R T

Q&A with Mary Kopczynski

Founder of 8of9

Principle Series:

Family Office Insights sits down with Mary Kopczynski, the founder of 8of9, to discuss how she and her team breathe new life into regulatory issues for the financial services sector.



Family Office Insights is a voluntary, “opt-in” collaborative peer-to-peer community of single family offices, qualified investors and institutional investors.

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Q: You went from an “outsider” of the financial industry to a well-known “fixer.” Why do you feel the financial services industry is in need of disruption?

A: Even after 8 years, I still consider myself an outsider in the financial world. I stumbled upon it accidentally, only having a nonprofit background. I was living in a world where if we gave pencils to children in Bolivia, our customers needed to have a full understanding of the impact of that money and how it was spent. When I arrived in the financial services space, I realized it was a totally different world. I was stunned at how many data errors there were, even given the fact that the financial service firms had hundreds of millions—if not billions—more in resources behind them than the entire nonprofit industry.

Take for instance a simple Snickers bar. You can look up a UPC symbol on the candy bar and zap it on your iPhone to see how much it is and the closest store you can buy it in. In stark contrast, banks can't seem to do that for million dollar transactions, which is a real problem.

Underlying data needs a better solution, and in many respects the questions that the regulators are asking are fair. Those questions are hard to answer because one bank may be comprised of multi-thousands of legal entities. Overall, there's a need for infrastructure that brings it all together.

Q: You went from a nonprofit fundraiser to derivatives banking. How did that happen?

A: I was out to save the world and by the time I was 25 years old, I was at the top of my game at an international humanitarian organization with a team of 65 direct reports. I've always been very good with people and I had reached this point where I felt like nonprofit fundraising was begging for money for a living. I wanted to learn how to spend the money. So, I got a JD and PhD and thought I would knock on the door of the United Nations to tell them I can save the world. Instead, I had so many rejection letters saying if you want to be a fundraiser, come on board. But if you're looking for something else, we're not interested.

I decided to take an internship at an investment bank at a time in my life where I wasn't even sure what a bank did. I was assigned to CDOs in the summer of 2007. I walked in knowing nothing and overnight I found myself triaging billion dollar deals. I was very well-suited to handle intense emergency project management given my prior career.

In 2009, I launched my own company called 8of9 because I am the eighth of nine children. I realized I had something to offer this industry and it's only because I'm not a member of it that I can see what it needs.

Q: What is it really like inside the banks when a crisis happens?

A: It's surprisingly both calm and stressed. The calm is the fact that people at this point are despondent and have reached a

point where they say: “It’s not my fault, it’s the system and it’s an organism bigger than you and me and anybody else.” At the same time, it can be incredibly stressed when you realize something needs to be done and there are limited people who can do the job. Sometimes you find that it’s you who can’t stop because you need to do it. Generally, the teams of people who will pull all-nighters are always in the lower trenches. It’s a lot of work and not necessarily anybody’s fault. It’s almost like all the regulators saying, “We’d like all regulators to cure cancer by January.” Just because we have money doesn’t mean we can solve this problem that’s bigger than you and me.

Q: Your website and company culture is very fun. How does that go over in such a serious industry?

A: The joy we bring to this industry is very much-needed and is in short supply. We need some happiness in the space. Life is short. We need cultural norms in business to be more playful. Think of the new error messages on your iPhone apps or on websites that will say something like “Oops.” It’s all part of the whole movement toward authentic marketing and I don’t see any reason why banks shouldn’t be joining in as well. The way I see it is, we’re 70% serious and 30% fun. I hate it when I see a document that is super serious so I make sure that it feels lighthearted at the same time.

Q: How do you stay true to your nonprofit roots?

A: 8of9 has a division called The 9th Element because I simply couldn’t have a company that wasn’t pushing the envelope. If by servicing financial institutions we’re helping provide liquidity to the market, we want to help that money flow even farther. We created a product called T9E ratings that gives a score card to potential impact investments. Unlike other ratings, it has the ability to show a company’s commitment to financial returns as well as their return on impact. Our goal is to catalyze the impact space so money flows to companies that are trying to make a difference in underserved markets.

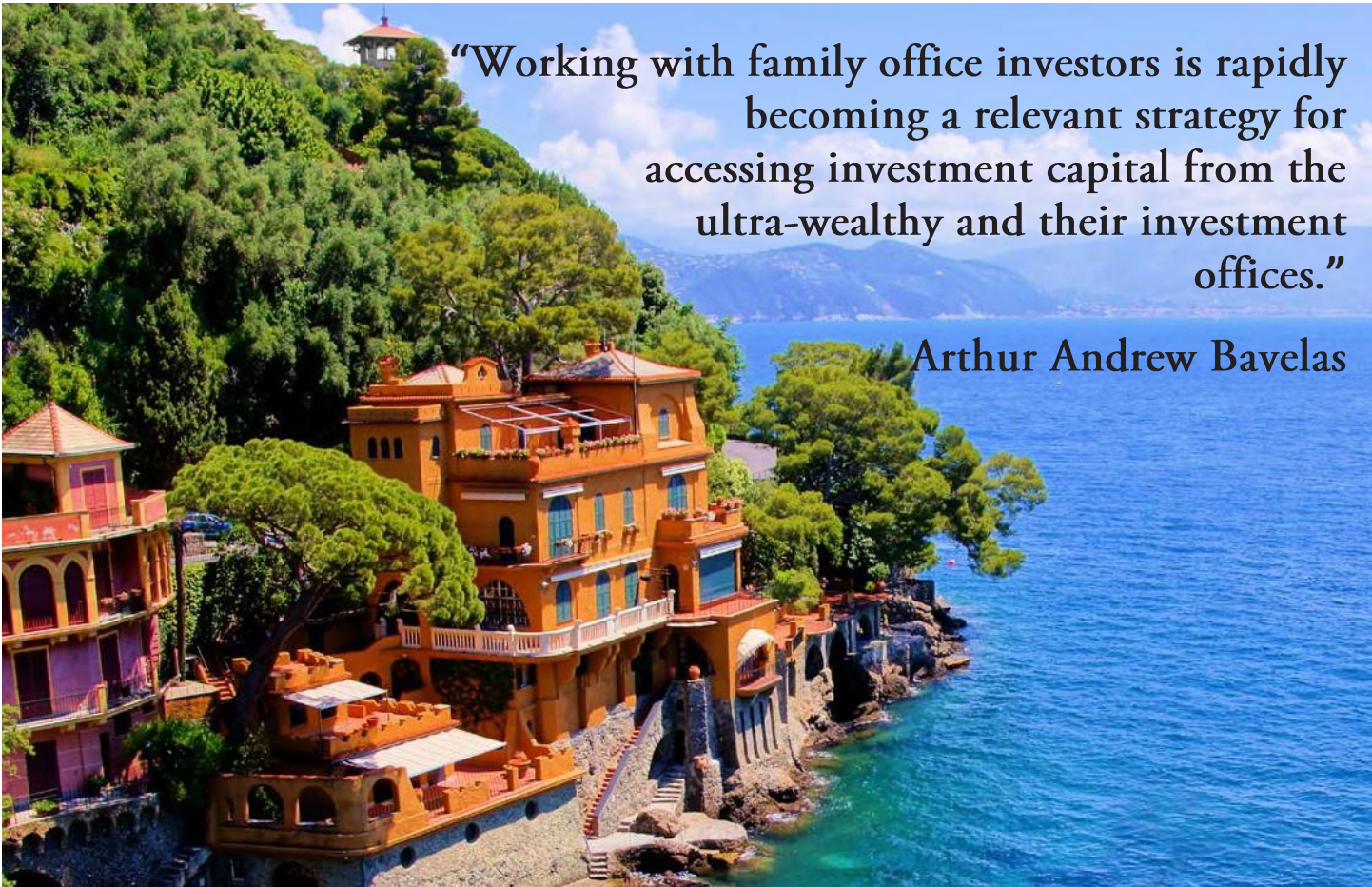
Q: There’s been a lot of talk about the lack of women in finance, technology and entrepreneurship and you seem to be in all three. What is your take on that?

A: I had no idea that I was a victim of an epidemic called “Imposter Syndrome” until 2013. I was frustrated and thinking of shutting down my company when I was introduced to an investor. He shared with me that he had a mandate to invest \$500 million in women owned business but couldn’t find many that served the markets he was looking at. That was a big moment for me and after investigating the data, I realized women founders are likely to bootstrap instead of raise capital. I also had a similar experience at a hedge fund conference where the organizers could barely find any female panelists. I asked the conference producers why and they told me that when they asked women to participate, they kept saying they were not qualified. The imposter syndrome is real and we need to Lean In, Sheryl Sandberg-style.



Mary Kopczynski

Mary Kopczynski, J.D./Ph.D. is CEO and founder of 8of9. Mary is recognized as one of the country's leading financial regulatory consultants, having advised some of the world's largest global investment banks in navigating through regulatory change. 8of9 is a nerdfarm of charismatic leaders who make []it happen who focus tirelessly to simplify complex requirements to make compliance with Dodd-Frank, FACTA, Resolution and Recovery Planning, Basel Accord/Capital Requirements and a whole host of complicated regulatory rules. Before founding 8of9 in 2009, Mary spent four years fundraising for Santa Clara University, followed by a further four years fighting poverty and devising fundraising strategies for World Vision, the international relief and development agency. She also worked in various areas of the legal field, including derivatives law, energy and immigration. For more information, please visit, <http://8of9consulting.com/>.*



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Arthur Andrew Bavelas