

Tim Collins

Sr. Managing Director, Chief Executive, **Ripplewood Holdings**

What makes him so influential: By pioneering the American-style leveraged buyout in Japan, Collins, 47, has opened up all kinds of possibilities for U.S. companies and portfolio managers. Ripplewood, a \$4 billion private equity fund in New York, buys distressed assets with growth potential, grafts on U.S.-style capitalism and, so far, has reaped outsized returns. It bought the shaky Long-Term Credit Bank of Japan in 1999, renamed it Shinsei Bank and now plans to take it public. In August, Ripplewood announced it would buy the fixed-line operations of Japan Telecom for \$2.2 billion.

Outlook for 2004: "Great. We've pumped so much money into the U.S. economy. Japan is coming back; China's a huge engine for growth. What I worry about is 2010. That's when we'll be facing the consequences of these budget deficits."

Billy Beane

General Manager, **Oakland A's**

What makes him so influential: Beane, 41, shows how to be a great value investor—never mind that his portfolio consists of baseball players. Despite a woefully low budget, he's made the A's perennial contenders by cannily identifying quality players whom other managers have found wanting, signing them cheap and letting them excel. His tactics are recounted in Michael Lewis's 2003 book *Moneyball*, and now he's become something of a hero to value managers.

Person who influenced him most: Warren Buffett. "I read Buffett books not for investing, but for my own business."

Wal-Mart or Costco: Costco's discounts on bulk goods mesh with Beane's value discipline. Unfortunately, he says, "try telling my wife that."

Outlook for 2004: The A's "Big 3" pitchers will "make me look smarter than I am."



Billy Beane

Stanley O'Neal

Chairman and CEO, **Merrill Lynch**

What makes him so influential: "I get a picture of myself," said Stanley O'Neal in a speech this past spring, "... prowling around the dungeons of Merrill Lynch, torturing costs out of the system, dragging a leg: 'Bring me more costs! Bring me more!'" O'Neal, 52, was zinging the press coverage he's gotten since becoming CEO of the country's biggest brokerage last December and then chairman in April. But prowl he has: Budgetary and personnel cuts have been quick and deep. He's replaced nearly all of the firm's management committee members. And he's redefining Merrill by focusing on its richest clients while serving others with a call center rather than with individual brokers. The Street will watch closely as O'Neal tries to make a formidable competitor even more so.



Stanley O'Neal

David Salem

President and CEO, **The Investment Fund for Foundations**

What makes him so influential: Four times a year, money managers running billions for foundations and endowments comb Salem's wide-ranging commentaries on the markets, the economy, politics and even the global clash of cultures—and somehow come away with good investing advice. At times whimsical, at times caustic, Salem, 47, has given good counsel on "alternative" investments—private equity, venture capital, real estate and the like. He holds a Harvard J.D. and MBA and runs \$2.8 billion at TIFF, the non-profit investment cooperative he cofounded in the early '90s.

Biggest disappointment in 2003: "That people in prominent positions haven't had the backbone to speak out against the more perverse aspects of the Sarbanes-Oxley Act. It has taken expert people off boards and replaced them with dilettantes."

Outlook for 2004: Stock values are better overseas, though Salem never recommends investing only for the short term.

Daniel Kahneman

Professor of Psychology and Public Affairs, **Princeton University**

What makes him so influential: This Israeli-born psychologist, 69, studies how irrational impulses affect financial decision making. So it's apt that Kahneman, who told SMARTMONEY that he has never taken, much less taught, an economics class, defied logic by winning the 2002 Nobel Prize in economics. "He explains why... investors tend to project bad news far too far into the future," says David Dreman of Dreman Value Management. "That's what we capitalize on." Vanguard is rolling out a Kahneman-inspired, tie-me-to-the-mast retirement-savings plan called Save More Tomorrow, or SMarT. And proponents of privatizing Social Security are drawing on Kahneman's insights, a twist that could someday add a touch of Kahneman to every retiree's portfolio.

PHOTOGRAPHS BY EVAN KATKA (CHARLES ELLIS), ANDREW FRENCH (JEREMY GRANTHAM), MICHAEL ZAGARIS/SI (BILLY BEANE), EVAN KATKA (STANLEY O'NEAL)

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Jeremy Grantham