

Lucy Duncan

The Next Flywheel

In February of 1992, Lucy Duncan left a life and marriage behind in Venezuela to move to Washington, DC, with her two dogs and an idea. Fresh off resolving her husband's myriad troubles with the Venezuelan government, she had decided to try her hand at international conflict resolution professionally and founded Diplomatic Resolutions.

Lucy made up brochures and business cards, registered her company, and looked for an opportunity. That opportunity came mere weeks after the company's inception at a meeting of the American Association of Chambers of Commerce of Latin America (AACCL), where delegates from all the countries of Latin America gathered. A man representing Tandem Computers approached her and asked if she would consider consulting for his business to resolve a payment issue with Venezuela. Tandem had shipped several millions of dollars worth of computers to the Venezuelan Ministry of Health but could now neither convince the government to pay them, nor get the equipment returned. "I said 'Well, that's a piece of cake,'" Lucy recalls. "I'd never been a consultant and I had no idea how one charged for that sort of thing, but I said, 'Let me work on it.'"

The next day, Lucy called the former Minister of Development of Venezuela, a man she had dealt with during the resolution of her husband's problems who had become the Venezuelan Executive Director at the World Bank. He agreed to meet with her, and after some small talk, she professed her true purpose—the missing payment for Tandem Computers. "All of a sudden his face turned white," Lucy remembers, smiling. "He picked up the phone, called someone in the office of the President down in Venezuela, and uttered a string of swear words in Spanish. He said, 'La bruha esta qui,' which means, 'the witch is here!'" And within a week, we had the problem

resolved. So that was the beginning of Diplomatic Resolutions, and we went on for the next eight years to represent the top tier of Silicon Valley. "

When asked if her inexperience led her to undervalue her services as she started out, Lucy laughs, "You tell me. You're trying to get several million dollars of equipment back that's been held hostage for a while, and I charged \$2,500." She acknowledges today, however, that the low fee she assessed may have been the smartest business decision she ever made. After all, she completed

the work quickly, she did her job well, and to top it off, she'd charged practically nothing. This did not go unnoticed by senior Tandem management, and led to a productive relationship with CEO Jimmy Treybig. Her work in Venezuela led to more work in Latin America, particularly Brazil, which led to work in Russia, India, China, Egypt, and beyond. "Once we had a foothold in those countries, we started working on smaller transitional governments, and the practice just mushroomed," Lucy

recalls. "Tandem thought we walked on water for solving their problem with Venezuela, so they gave us a lot more business, either directly or through referrals. I began hiring people, and those individuals were career Foreign Service diplomats. We had the right people on the bus to get us where we needed to go."

That mushroom effect is a prime example of what Lucy terms "the flywheel." By this, she recognizes that the projects she undertakes aren't means to an end—rather, they're means to beginnings, to results that breed results, to projects that take off and become something more than the sum of their parts. "If I push a flywheel by myself, it's not going to go any faster than I can push it," she explains. "But if fifty of us are pushing on it, before we know it, it's gained momentum and we have to let go of it because it's going to burn our fingers." Professionally, Lucy's goal has been to



tackle problems whose resolution will have far-reaching effects long after her work is done.

"The idea was to find the one thing that needed to be done in a country so that everything else could flow," Lucy explains. "In Brazil, it was the privatization of Telecom. In Russia, it was a satellite clearing and settlement system for all eleven time zones and for their central bank. For China, it was the opening of the first stock exchange, which then morphed into working closely on the development of the World Bank project to modernize their central bank, etcetera. Ultimately, we were involved with the modernization of over forty stock exchanges worldwide." Thus, working with the top companies in Silicon Valley to enable electronic payments, mobile networks, and equity trading became Diplomatic Resolutions' wheelhouse.

Today, the name and mission of Lucy's company have changed. Now called Safe Ports, Lucy, as President and CEO, has prudently redirected the company's trajectory in response to the global environment. By the late 90s, more competitors were entering the picture, many of whom were huge, established consulting firms such as Deloitte, Price Waterhouse, and Arthur Anderson. Reading the writing on the wall, Lucy packaged up most of Diplomatic Resolutions and sold it to a venture group, keeping its core assets and a reduced staff. As well, the decision to refocus Diplomatic coincided with 9/11, when she recognizes that international security would be the next wave of demand her company would be equipped to meet.

"We needed to move into the world of security in the same markets, where our value was our relationships once again, like the fact that we could talk directly to the President of the Central Bank or the Minister of Finance," Lucy explains. "Instead of working on behalf of the US technology industry to get a foothold in big centerpiece projects, we decided to start looking at how we could help our country deal with this threat with the global War on Terror, and how we could be of value to our government and the companies that want to perform for our government. These questions are what led us to work for defense giants like L3."

Today, Safe Ports has a staff of about 100 and is experiencing rapid growth. In fact, despite the struggling economy, Lucy and her team have doubled their top line revenue consistently for

each of the past three years, with no intention of stopping anytime soon. Safe Ports operates the Defense Logistics Agency's depot for Kandahar Air Force Base and is contracted to deliver fuel to U.S. assets in Colombia. "We're also focused on three other big contracts with defense contractors right now," Lucy reports. "Safe Ports is somewhat unique in that it is both a small business and woman-owned, and we have so far been able to compete openly with success."

Lucy's ascendancy in the world of business is a far cry from the life her mother had planned for her, growing up on a 20-acre estate in Charleston, South Carolina. Her privileged upbringing, attending a private girl's school and riding horses, kept her from much consideration of development or poverty until a trip to the Caribbean in her early twenties. "That exposure truly opened my eyes to a new world," she acknowledges. "The more I stepped out of my comfort zone, the more that awareness grew." While her mother, married at 17 and a debutante through and through, would've had young Lucy joining the Junior League and returning to Charleston to be a career housewife, Lucy's father saw her potential and pushed her to be more. "My father was not an easy person," she laughs. "His idea was, if you're going to take up a sport, you have to be a champion. Don't waste your time just being mediocre."

One anecdote that illustrates this reality particularly well came when Lucy was in high school and asked her teachers for permission to leave school early every Friday to practice for her horse shows on Saturday. She had studied her Latin textbook thoroughly and asked to take the exam during the first week of school to prove she could keep up with the work in spite of the absences she had requested. Her teacher and the school's Head Mistress were both incensed and refused her request, punishing her boldness by demanding that she come to school on Saturdays to polish the Chapel furniture. Distraught, she explained what had happened to her father. Her father called his friend at Citadel who was in charge of the physics department and informed him that Lucy was actually ready to do college-level work, requesting that she be enrolled in physics and calculus. Thus, at age fifteen, she began taking the college-level courses and acquitted herself enviably. She was able to finish high school early and immediately went on to the

College of Charleston. "It was about the challenge and my father telling me, 'you can do this,'" she recalls.

After college, Lucy left behind her mother's dreams of domesticity and set out to have a career. Beginning as a consultant for the Port of Miami in the early 1980s, she had her work cut out for her as the public image of Miami crumbled. "In 1983, the cover of *Time* magazine was 'Paradise Lost,' showcasing Liberty City in flames as it highlighted racial tensions." While her coworkers scrambled to address the nation's concerns, Lucy, ever the visionary, took a different track. "You don't lower the argument down to the trench level, always on the defensive," she explains. "Rather, you focus on creating more jobs. And you do that by bringing glamour back to Miami. We had Michael Jackson come down, and we did all sorts of fun things. We managed to bring in Miss America and had the Miami Grand Prix." Her PR coup brought a sense of romance and adventure back to Miami that remains today, 30 years later, a perfect illustration of the flywheel effect she strives to create with all of her projects.

In Miami, Lucy met her former husband, whose eventual difficulties in Venezuela propelled her into her current career. When the government of Venezuela illegally seized the couple's assets, bankruptcy loomed on the horizon and sent him into a spiraling depression, during which he seriously considered suicide. After two years of legal wrangling, Lucy came back to the U.S. and pulled out all the stops. "I hired a law firm and then a PR firm," she says. "I made up a mock version of the *Wall Street Journal* with the headline, 'American investor lambs being led to slaughter.'" She talked to the Council on Foreign Relations, the Senate Foreign Affairs Committee, and the Senate banking members. Finally, she tracked down the Venezuelan cabinet members at a meeting with the IMF in Detroit. She called each one of them, brandishing her phony copy of the *Wall Street Journal* and creating enough anxiety and political heat to get the assets released. The President of Venezuela personally cut the ribbon to reopen their seized factory.

Unfortunately, her partner's pride could not stand the ease with which Lucy had accomplished the feat, which he himself had struggled over for years. Though the marriage didn't last, Lucy's newfound skills did. The idea

for Diplomatic Resolutions was born.

Lucy's accomplishments over the career that followed are as vast as they are varied, and when asked which she is most proud of, she says, "I think it's the whole tapestry. Yes, we could look at the World Bank project in China, or we could look at forever changing the face of Orangeburg, South Carolina, with the inland port that's being developed. That's all great, but where is it going? I like to think that I've been building these accomplishments, experiences, and networks to contribute toward some ultimate achievement, though I have no idea what it will be yet." Her work, in other words, is greater than the sum of its individual projects. Lucy has undertaken to effect major change by finding the problem that can most quickly and most comprehensively transform the face of a city, a state, and a nation.

The most important thing, says Lucy, is to create prosperity, and that is what she'd like young people to keep in mind as they enter the business world today. "These days, there's a lot of confusion over what happened on Wall Street," she acknowledges. "There's a lot of confusion with what's happening in the global economic arena, and within all that confusion, the message that seems to be getting lost is that it's a good goal to try and create prosperity." Lucy's efforts to modernize central technologies in countries around the world have done just that, and she continues to keep her eye out for the next flywheel that only needs a push.

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