

Interview with Dirk Smillie, author of *The Business of Tomorrow*

The Visionary Life of Harry Guggenheim: From Aviation and Rocketry to the Creation of an Art Dynasty

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Q. The new race for space is driven by billionaires Elon Musk, Jeff Bezos and Richard Branson. You call Harry Guggenheim the original space investor. Why?

A. It's long been acknowledged that Dr. Robert Goddard was the father of the rocket age. To finance his experiments Goddard relied on funding from Harry Guggenheim for over a decade. Harry also provided seed money for a working group that became the Jet Propulsion Lab in Pasadena, California, a key force in the U.S. space program. Harry brought the JPL's first director and Germany's top rocket scientist, Theodore Von Karman, to the U.S. in the 1930s. By funding the work of Goddard and Van Karman, Harry became the original space investor and paved the way for Musk, Bezos and Branson.

Q. Before space investing, your book states that Harry Guggenheim had a greater impact on the development of aviation than the Wright Brothers. How is that possible?

A. The Wright Brothers essentially invented the airplane. Then they did everything they could to stall the growth of aviation by zealously protecting their patents in court. Later, Harry and others jumpstarted the industry by funding aeronautical schools, design competitions, reliability tours and breakthroughs in technology. The former dean of the Harvard Business School co-authored a study of leadership in the early years of the air age and recognized Harry's influence, comparing his role to Jeff Bezos founding Amazon, Pierre Omidyar creating eBay or Larry Page and Sergey Brin founding Google.

Q. Harry Guggenheim made huge sums of money and had an enormous impact across five sectors of business: aviation, rocketry, newspaper publishing, thoroughbred horseracing and the building of the Guggenheim Museum. What were the secrets to his success?

A. Harry often used alternative metrics to assess business strategy. He was a believer in the power of research in business and frequently bet on technology. Harry was a shrewd talent scout who spent lavishly on the best human capital he could find, then found ways to harness the steam of that talent. As a philanthropist, he felt that just doling out money to good causes without significant involvement was akin to being an absentee landlord. Harry felt that a high level of engagement enhanced the impact of his financial gifts.

Q. Your book argues that Harry Guggenheim's decision to rename the family museum from the "Museum of Non-Objective Art" to the "Guggenheim" was one of the most consequential branding decisions of the 20th century. Can you explain?

A. The museum began as a private collection of nonobjective art belonging to Harry's uncle, Solomon Guggenheim. Solomon was deeply influenced by his art advisor, Hilla Rebay, who convinced him to use the term "non-objective" in the museum's title. By changing the museum's name to simply the "Guggenheim," Harry fused the identity of the museum to the family's identity, which most people felt possessed a strong track record of charitable giving and public interest investing. The new museum showcased the art of the future in a building that itself was a work of art. The Guggenheim name became synonymous with both business and cultural credibility, wrapped up in a global art brand. The New York museum (now a U.N. World Heritage site) has a sister museum in Bilbao; the Guggenheim Abu Dhabi is expected to open in 2024.

Q. How did the Guggenheim Museum brand lead to Guggenheim Partners, a \$300 billion Wall Street firm?

A. It turns out that the qualities people associate with the museum and the Guggenheim brand—trust, integrity, competence—are the same qualities people seek from advisors managing their money. Harry built these values into the reputation of the museum and the family name. I doubt he ever imagined they would be used to create a Wall Street firm.