

Powerbroker in the Making - Hawaii Business - November 2003

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Gwen Watanabe works for two of the state's top powerbrokers, local developers Bert Kobayashi and Duncan MacNaughton, so it doesn't surprise her when people ask if she's related to a third. "Ever since I moved back to Hawaii, everyone asks me if I'm related to Jeff Watanabe [managing partner of Watanabe Ing Kawashima & Komeiji LLP and a highly influential businessman]," she says. "I'm sure that's not a bad thing, but no, we're not related. My great-grandfather came here in the late 1800s from Japan, and my grandfather's brother was a physicist. The physics building at UH is named after him. So I'm from the Watanabe Hall Watanabes."



A bit of a brain herself, it wouldn't be a surprise if one day Gwen had a building named after her as well. A Punahou graduate and dedicated student, she breezed through college, earning a bachelor's degree in mechanical engineering from Massachusetts Institute of Technology, a master's degree in mechanical engineering from Stanford University, and later, an M.B.A. from Harvard University.

HIGH ON TECH: Gwen Watanabe returned home with a desire to grow a prosperous biotech industry in Kakaako. Photo: Kent S. Hwang

But it wasn't so much her erudition, as it was her versatility that caught

the attention of the aforementioned Kobayashi and MacNaughton, respective chairmen of Kobayashi Development Group LLC and The MacNaughton Group. Kobayashi, whose son, Bert Jr., has been a close friend of Watanabe's since high school, saw that the young engineer possessed a rare, vast skill set. Over the course of her career, most of which was centered in, or around, Silicon Valley, Watanabe has done marketing, business development and research for major medical corporations, raised venture capital, and has been issued five medical patents for technologies she helped create.

Searching for a way to harness Watanabe's varying skills, Kobayashi approached MacNaughton with an idea: Lure Watanabe back to the Islands with a unique position created specifically for her. MacNaughton assented, and the duo, which has worked on several development projects together, offered Watanabe the rare chance to work collaboratively for both companies.

"It's a complicated position," says Watanabe. "Officially, I'm senior strategist with The MacNaughton Group, and senior advisor with the Kobayashi Group, and I work for both companies 50/50."

Watanabe was initially brought on board to help Kobayashi and MacNaughton get a biotech project off the ground. "We want to develop a biotech research facility jointly in Kakaako, in partnership with Kamehameha Schools. We wanted Gwen to head that up, because of her tech and business experience," says Bert "B.J." Kobayashi Jr., president of Kobayashi Group. "But Kamehameha Schools didn't want to move forward as fast we thought they did. So we quickly moved Gwen into other real estate projects, and she adopted very, very fast."

One of Watanabe's newest responsibilities is managing a small angel fund for her bosses, called Lava Ventures, which invests in life-science startup companies. "My role is to find deals, do due diligence and present deals to the investors," says Watanabe. To date, Lava Ventures has invested in three companies (one each in Maryland, California and Hawaii) and has just over \$3 million in assets under management.

Between managing the fund and learning the real estate ropes, Watanabe considers herself the companies' jack-of-all-trades. "I'm very fortunate, because this position allows me to wear many hats. I guess right now, I'm a real estate developer in training," says Watanabe, who aspires to one day be a partner at both companies. "But technology was my foundation and I don't ever see myself moving away from that. I see a huge window for an explosion in life sciences and biotech, and now is the time to build momentum for it. That's why Duncan and Bert brought me on when they did. They're very serious about creating a viable biotech and life-sciences industry in Hawaii, and they also think the time is now."

Watanabe expects it will take a lot of hard work to get the industry going, but she is certain it will all pay off. Perhaps she'll even have a building named after her.