

Joël André Ornstein, SM '78

President, Majorn Corp.

- Pioneer in alternative asset and private equity investing
- Significant focus on energy investments
- Member of two MIT Sloan Executive Boards



In the next 70 years, as much as 70 percent of the world's energy could come from solar technology deployed in space.

That may seem like sci-fi, but it's not, said Joël André Ornstein, a private investor who works with a long view of the world's energy needs and technologies. According to Ornstein, space-based solar power is a reality and is on the radar for "substantial countries."

"The technology exists," he said. "The implementation is another story, to do it on a global scale, but the actual technology, which is microwaves, is not sci-fi."

Then again, said Ornstein, who has invested in the Switzerland-based Space Energy, that idea may not turn out to be central to the future of energy. The future may be in clean coal, natural gas, or any one of the marquee alternative energy sources—solar, wind, biomass—or in something else, entirely.

"The world really needs to continue to develop all of those," Ornstein said of alternative energy sources, pointing to natural gas and clean coal as promising energy sources. And he believes how energy is delivered will be just as important as how energy is developed.

"Eventually, there will be some winners, but we don't know yet," he said. "The key will be the energy delivery system to end users, not unlike social media Internet platforms of today."

The French-born Ornstein is president of New York City-based Majorn Corp., his private investment group formed in 1989 as a joint venture with the then-nascent Carlyle Group and a Paris-based holding company, which now controls, among others, the global Casino Group supermarket chain. Majorn works on a global basis backing Clermont Energy Partners, an oil and gas merchant banking team in London; New York-based MerSan Capital Holdings; and Paris-based investment bank, ACXIOR Corporate Finance. The corporation is also involved with a clean coal effort in China, a biomass company in Germany, and a wind power project in Europe.

Ornstein came to MIT Sloan as a research fellow just after the 1970s energy crisis. His research focused on the recycling of petrodollars, a timely topic in the early years of OPEC. At MIT Sloan, he worked closely with economist, Nobel laureate, and Institute Professor Franco Modigliani and Epoch Foundation

Professor of International Management Donald R. Lessard.

His work at the School was a launching pad for private equity-focused investing with a then-pioneering specialty of backing emerging teams, such as Carlyle and Apollo Global Management, and co-investing with them.

"I was completely fascinated with modern portfolio theory as a student, and of course it became an important part and basis for my future work and professional investments," Ornstein said. "At the time at MIT Sloan, the key subjects were option pricing, capital asset pricing, and modern portfolio theory."

Ornstein was an "old-line" investment banker for 10 years after leaving the School, working at Dean Witter Reynolds and First Boston Corporation, now Morgan Stanley and Credit Suisse, respectively. He switched to work in private equity and alternative asset investment.

In 2008, John C Head III Dean David Schmittlein created the MIT Sloan Executive Boards, four regionally based groups of alumni, friends, and business and government leaders from around the globe. The boards provide leading discourse on the issues surrounding management education.

Ornstein sits on two boards: the European, Middle Eastern, South Asian, African Executive Board and the North American Executive Board. He believes that the executive boards help the School maintain its competitive edge in a rapidly globalized world.

"As we sort of all predicted, the famous integration of globalization is probably one of the most significant changes that have been occurring in the past 30 years," he said. "We see it, of course, in any situation, whether it's a war, it's the energy sector, it's education, or any business."

"It's complex, and the rate of change is accelerating," he said. "One of the critical challenges is to overtake the limits of one's own vision beyond the limits of the world, and at the same time recover one's innocence, find in oneself the candid child—and maintain sort of a relative leadership visionary position."