As a partner at Narragansett Capital in 1987, Jonathan Nelson was unable to convince his colleagues to invest in a regional cellular company. “I knew it was a good investment, but I had no idea mobile would reach 100 percent market penetration,” he says. Interested in building media companies with like-minded partners, Nelson branched out on his own in 1989, forming what has become one of the world’s leading private equity firms.
TIMELINE

1956 Born, Providence, Rhode Island
1977 Earns BS, Economics, Brown University
1977 Joins Wellman International to work in China
1983 Earns MBA
1983 Joins Narragansett Capital
1989 Founds Providence Equity Partners
1999 Begins office expansion to EU and Asia
2008 Providence expands into credit business
2014 Providence has 275 employees and $40 billion under management

The decision to specialize in media and communications in 1985 might seem prescient, but the low-key Nelson claims he was merely following his passion. “I’ve always been drawn to it,” says Nelson, who majored in economics at Brown University but also studied music and hosted a late-night jazz radio show.

When he graduated from college, Nelson took a job with Boston-based Wellman International and immediately set off for China. “I had no idea what I was getting into,” he says. “But it was a chance to cut my teeth in business and to see the world.” At the time, Deng Xiaoping was beginning to modernize the Chinese economy. “I was there about 30 years too early,” says Nelson, who left in 1980 to move to Sweden, where he married his girlfriend.

Nelson came to HBS to gain the tools to transition into the industry now called private equity. “I learned some business skills, but more importantly, I learned about people,” he says of his time at HBS. With his new MBA, Nelson joined Narragansett, one of the few firms in the burgeoning industry—and the only one in his home state of Rhode Island. “Most people didn’t even know what private equity was,” he says. “I had no idea that it would mushroom the way it did. I was just doing what I wanted to do.”

Six years later, Nelson launched Providence Equity. Over the last 25 years, he and his partners have earned and sustained a reputation as brilliant investors with a remarkable ability to build successful companies. While Nelson tries to keep a low profile, Providence, with offices around the world, competes with larger, global firms. With the success of the firm and $40 billion under management, staying under the radar isn’t as easy as it was in the early days. Providence’s current investments include wireless towers in India, Brazil, and Africa; digital television in Turkey; Hong Kong’s largest broadcaster; an award-winning video game developer; and the biggest name in endurance sports, IRONMAN, to name a few. In the United States, Nelson helped create one of the largest wireless companies, VoiceStream Wireless (now called T-Mobile USA), and also launched Hulu and the Yankees Entertainment and Sports Network (although Nelson admits to being an avid Red Sox fan).

By following his passion, Jonathan Nelson has achieved extraordinary success. He has also generously donated to causes dedicated to education, arts, health, and the environment and has agreed to give away half his net worth by committing to the Giving Pledge. His support for health and research reflects the significant challenges he has faced. The discovery and treatment of a benign brain tumor dominated his second year at HBS. A decade later, his wife died of cancer, leaving him to raise their three young daughters. “I am enormously proud of my daughters,” says Nelson, a devoted father who served on the school board and came home in time to put the girls to bed when they were young. “They are grounded, smart, and kind—and far ahead of where I was at their age.” His love and respect for Judy, his second wife, also brings him great joy. “In marriage, I’ve been lucky twice. This is something to be thankful for.”

Nelson grew up in a middle-class family in Providence. “As a kid, I wanted to be a carpenter,” he says, noting that “long-range plans don’t usually work out,” and observing that in his career he has focused on building things in a different way. “I have spent 30 years working with some of the most talented people in industry—our CEOs and their teams as well as my own partners. It’s been fun, productive, and rewarding.”

“In a music course at Brown, surrounded by classmates with perfect pitch, I came to appreciate the power of distinctive competencies.”