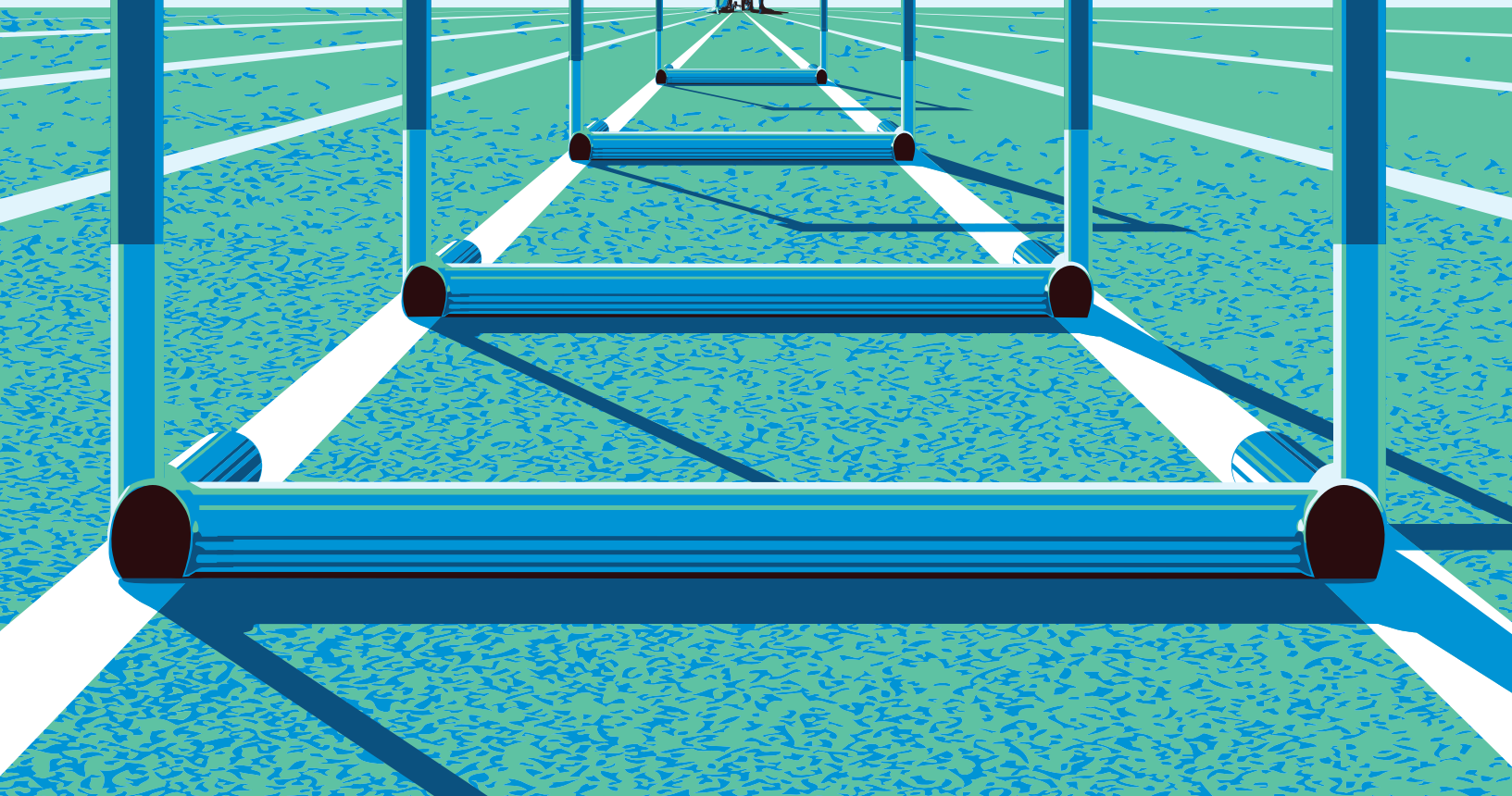


BRUNSWICK REVIEW

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FACEBOOK • MATHIEU FLAMINI • ALIBABA • DOMINIC BARTON • MARY KAY'S COCO ZHANG • DAVID RUBENSTEIN

THE ENDURANCE ISSUE



BRUNSWICK

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SIR ALAN PARKER

CHAIRMAN,
BRUNSWICK GROUP

ERNEST SHACKLETON'S CENTURY-OLD MISSION TO CROSS THE SOUTH Pole is a popular case study in business school these days, in spite of the colossal failure of that expedition. What students find inspiring is how Shackleton led his men to safety across frozen terrain through two grueling winters.

This newfound admiration for Shackleton reflects a growing appreciation of the importance of endurance, a virtue that is researched, analyzed and celebrated in this edition of the *Brunswick Review*. Of all the components of success – talent, creativity, intelligence, luck – endurance may be the most vital. For most of us, failure at some point is unavoidable. What will distinguish us is how we overcome it.

Endurance conjures up the concept of what endures. Technology, processes and systems seem to have shorter and shorter life spans, whereas beliefs and philosophies seem to endure as powerful forces that drive the survival of many organizations. They can form the basis of creativity and agility, which in turn are the key elements in innovation, wherein change becomes something exciting, to be embraced rather than feared and resisted.

So many of the great, change-welcoming organizations have managed either to walk toward problems or to respond radically to their effect. Clearly you can't stop disasters happening, but you can in many cases determine whether they will be terminal or the trigger for a new generation of development in an organization.

For many of us, the big issues that can cause enormous challenge or threats are perfectly clear. We see them all around us and talk about them. The real question is whether we can effectively adapt rather than attempt to resist and if we can see the opportunity in something that looks like a threat.

In these pages you'll find a hotel in Japan that dates back to 705, a German winery that started in 862 – and a Chinese tech legend named Alibaba that explicitly states its intention to last at least until 2101.

Many executives today endure pressures of a particularly modern sort: investor impatience. Despite growing evidence that so-called long-term capitalism produces greater prosperity, obsession over quarterly targets remains a threat to the future of companies and societal stability, McKinsey & Co. Managing Director Dominic Barton argues here.

If endurance sounds depressingly Sisyphean, bear in mind that persistence can lead to unforeseen wonders. Kansai Paint's century-old pursuit of ever-better paint unexpectedly produced new weapons in the public-health battle against malaria and viral infection. By making public appearances on behalf of private-equity firm Carlyle Group, David Rubenstein wound up developing a late-life career as a television host interviewing brand-name chief executives.

Some things that endure are surprising, delightfully so. As Brunswick's Khozem Merchant reports out of India, technology is yet to displace that nation's love affair with the manual typewriter.

Long may you run!

For most of us, failure at some point is unavoidable. What will distinguish us is how we overcome it



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 – Samuel Beckett

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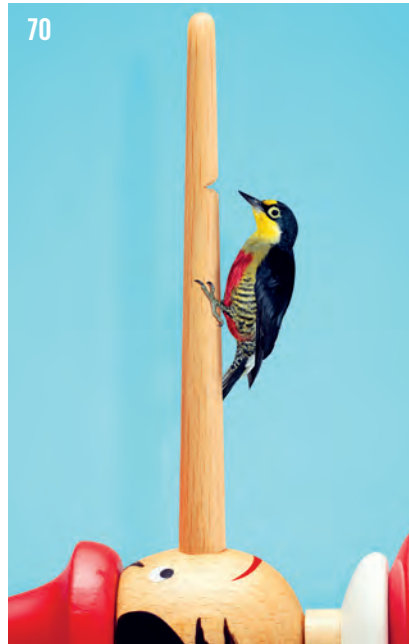
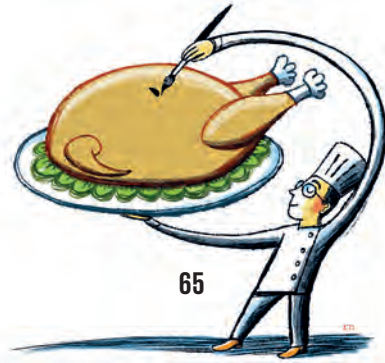
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QUOTES

"This is no time for ease and comfort.
It is the time to dare and endure."

WINSTON CHURCHILL

"People at the top usually struggled in life, and maybe
that struggle toughened them, and that's why they
became a leader."

DAVID RUBENSTEIN, PAGE 69

"I do not think that there is any other quality so essential to
success of any kind as the quality of perseverance."

JOHN D. ROCKEFELLER

"You cannot choose the time you are born in,
but you can control how you experience it."

COCO ZHANG JING, PAGE 16

"In the realm of ideas, everything depends on
enthusiasm; in the real world, all rests on perseverance."

JOHANN WOLFGANG VON GOETHE

"I'm convinced that about half of what separates the
successful entrepreneurs from the non-successful ones is
pure perseverance."

STEVE JOBS

"Have a long-term strategy and go forth simply and
honestly without betraying trust. That's it."

HIROSHI ISHINO, PAGE 42

"Persistence is what makes the impossible possible,
the possible likely, and the likely definite."

ROBERT HALF

"Genius is perseverance in disguise."

MIKE NEWLIN, FORMER NBA STAR

"Being fit makes a huge difference in your
endurance and resilience in the workplace."

MARY WITTENBERG, PAGE 58

"Ever tried. Ever failed. No matter. Try again.
Fail again. Fail better."

SAMUEL BECKETT

"It is easier to find men who will volunteer to die than to
find those who are willing to endure pain with patience."

JULIUS CAESAR

"If you're not demanding more from yourself - expanding
and learning as you go - you're choosing a numb existence."

DEAN KARNAZES, PAGE 80



SPOTLIGHT

NEWS & TRENDS

M&A SURVEY: Dealmakers see activity on the rise in Trump era

OP-ED: The African continent is still viewed by many as a country

SILICON VALLEY: Self-driving cars face a few speed bumps



INDIA'S PRIME MINISTER Narendra Modi walks with Indonesian President Joko Widodo in New Delhi, in December 2016.

Cashless

IN NOVEMBER 2016, INDIA'S Prime Minister Narendra Modi signed an executive order that removed 86 percent of bank notes in circulation — more than 22 billion notes in total. It was a bold move, given that the economy largely runs on hard currency; in India, cash accounts for 78 percent of all consumer payments by value.

With his signature, Modi simultaneously looked to rid India of off-the-books, illegal wealth and help modernize the economy.

In India, cash is king — but, it is on notice

For India's financial services technology industry, or FinTech, Modi's intervention was welcome. FinTech encompasses a swath of products and services, from digital payments to insurance. Less cash in circulation bodes well for the sector, creating greater demand for mobile payment apps and digital wallets.

Venture capitalists, who had pumped money into FinTechs for years, had become more conservative in 2016 — investments in the sector had fallen nearly 75 percent in the

space of a year. This capital drought had pushed FinTechs to collaborate with the very institutions they had been trying to unseat — established banks.

While seemingly unlikely, the partnerships were mutually beneficial. FinTechs brought speed and agility, a focus on product design and customer experience, and fresh thinking. Banks contributed their massive scale and reach, rigorous compliance and back-end processes, and the credibility that comes from being around

for decades. Not all partnerships were harmonious; some banks have complained about a lack of security among some startups.

The FinTech sector is being reshaped in part as a result of significant structural reform and modernization in India's banking system as a whole. India's unbanked population has been drastically reduced, to around 133 million at latest count, down from 415 million in 2014.

New categories of financial institutions are part of this reform effort. "Payment banks," for example, officially began operating in early 2017. These are essentially stripped-down versions of a bank, reaching customers mainly through mobile phones rather than physical branches. The recipients of payment bank licenses hail from a range of sectors, including micro-finance, telecoms and online payments.

Government-sponsored platforms – some of which build on the national biometric identity system, Aadhaar – allow for easier online payments and money transfers, helping to create a strong infrastructure to support India's FinTechs, while fostering financial inclusion.

Behind all these changes are broad trends in increasing digital connectivity. By 2020, the number of smartphone users will more than double, and an additional 250 million Indians will be able to access the internet, according to research by Deloitte. As they go online, projections suggest that their payments will as well: Google and Boston Consulting Group forecast digital payments will grow tenfold by 2020.

Yet for all of the strengths of this new service landscape, FinTech is still in the early stages of developing its market (see "India unplugged," Page 46).

For a start, India has a long way to go before it consigns cash to the history books. Two-thirds of India's 1.3 billion population are under the age of 35; they will remain reliable early adopters of tech innovations. But India as a whole remains a stubborn



user of cash. An initial spike in the number of digital payments followed Modi's purge of high-value bank notes, but then the volume of online transactions fell back in early 2017, as new notes replaced the old ones.

Building trust in the security of digital transactions will be a big step in weaning India off cash, but a number of high-profile cyber incidents have hampered that effort. In 2016, 3.2 million bank debit cards had to be blocked or recalled after a breach. From private sector startups to large government agencies, those responsible for data will need to be better prepared for the fallout from such incidents, and do more to educate employees and customers on how to avoid them in the first place.

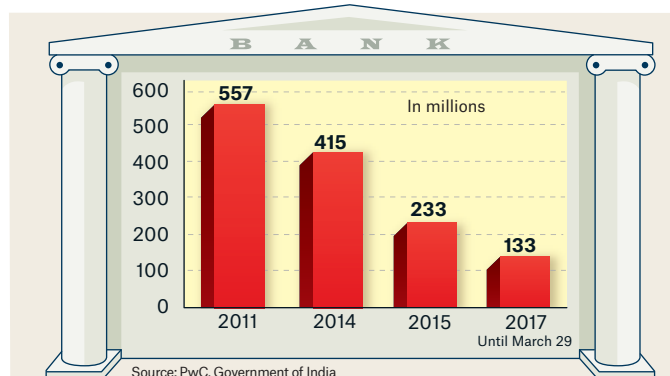
Regulation will also need to keep pace with change. So far, the approach has been to do as much as possible to enable the domestic FinTech industry to blossom, especially in the payments space. Other areas, such as disbursing loans, peer-to-peer lending and blockchain, are more complex and will require firms to engage regulatory bodies in a conversation about the rules needed for effective governance.

Finally, whether competitors or collaborators, newcomers or incumbents, organizations will need to be prepared for the next disruptive innovation or bold idea. We can be certain Modi's assault on cash isn't the last word.

Azhar Khan is a Partner in Brunswick's Mumbai office.

INDIA'S UNBANKED POPULATION

Since 2011, more than 400 million have joined the country's banking system.



600

MILLION

Internet users in India by 2020; currently around 350 million

Source: ASSOCHAM; Deloitte

520

MILLION

Estimated smartphone users in India in by 2020; currently around 240 million

Source: ASSOCHAM; Deloitte

1.1

BILLION

Registered with Aadhaar (national biometric identity scheme); includes 99% of India's adult population

Source: UIDAI, Government of India

500

BILLION

Forecasted US dollar value of digital payments in India by 2020, a 10x increase from 2016

Source: Google and Boston Consulting Group

Next-gen CAPITALISM

We need a reboot, for goodness sake

IF THEY ARE TO ENDURE, CAPITAL AND CAPITALISM NEED TO SHOW flexibility. Nothing lasts forever. The marathon runner must eventually rest; the mightiest war fleets wind up scuttled, rotted and replaced; empires fall more easily than they rise; even the Great Pyramids of Egypt have eroded, on their long return march into sand.

Strength and stamina have limits. To push further requires something more: flexibility. The British monarchy and the churches continue to prosper only by adapting to the time. Henry VIII authored an early soft Brexit by dissolving the monasteries, helping ensure the survival of the Crown. And in the end, even the monarchy had to yield to the Rule of Law.

Now capital and capitalism find themselves similarly challenged. The power of the current system is made manifest only through the willing participation of workers, consumers and investors. If business institutions no longer command the trust of the public at large, they cannot endure.

We have seen great changes to corporate structures, ethics and behavior. The robber barons – those swashbuckling Rockefellers and Vanderbilts who saw business as a war where all was fair if it ended profitably – are gone. A socially conscious class of industry captains has risen up: Bill Gates, Richard Branson. Yet the corporate landscape is hardly benign.

Vast funds roam the prairie like lions and can devour almost any prey that comes into view. Rarely do they hunt long-term value – more often they target “efficiency,” over the short term – the lion loves a quick buck.

An aircraft builder or nuclear power station with a 30- or 100-year payback simply can’t survive these hungry investors, if selling the factory to a residential builder can return the same money in five years. The result is a world of two-bedroom flats, with no flights and no lights.

The system still works but its heart is faltering. Quick profit wins, short-termism prevails – trust vanishes. Technology adds inhuman speed to the hunt for vulnerable shares, worsening the problem. Business needs the support of the people – and for that, it needs to change.

In the UK, Unilever has made a start by calling for reform to the Takeover Code. Limiting executive pay and increasing diversity on boards are also worthy, if tedious, initiatives. But these are not enough.

The search is now on for a more complete, new structure that delivers something beyond the accretion of capital. When the benefit to society is clearly visible to all – as clear as the benefit to the capital provider – then endurance will be assured. Think of this as a built-in mandate for some radical reform – not something that comes easy to legacy institutions.

Good and thoughtful ideas are being aired. They need a fair hearing.

Rob Webb QC is a Brunswick Senior Adviser based in London.



AFRICA is plural

The continent continues to be discussed like a country

AFRICA RISING? ‘AFRICA reeling’ may be more fitting now.” Who can pass up a good headline? Apparently not *The New York Times*.

To be fair, the sentiment of the headline is “a thing,” as Americans might say. According to a senior banker, “serious investors are no longer talking about the continent.”

But inevitably, some still are. The CEO of one of the largest conglomerates on the continent tells delegates, at a networking event at World Economic Forum for Africa in Durban, he sees great opportunity on the continent. His headline would be: “Africa’s economic growth is resilient, despite the slump in commodity prices.”

As ever, there is some truth to both. The real issue: *Africa is not a homogenous market*. That is probably the single most boring and repeated truism about the continent. Yet it rarely sticks – and that is understandable.

While Sub-Saharan Africa has been the fastest growing region in the world after Asia Pacific for some years, the real appetite is for a number; population 1.5 billion, likely 2 billion before 2050. Rather than frighten people, those numbers seem to promise the possibility of a new mega-product-market frontier.

A lot could go right. A lot could go wrong. The biggest mistake would be homogenizing the continent because of the allure of big numbers.

The significant slump in the price of oil and commodities has exposed the fragility of West African petro-economies, most notably Nigeria. Fortunately, it is forcing an important reappraisal that requires seeing the continent in terms of regions and thematic economic structure, both of which are much more useful indicators.

The result is sobering but encouraging. Market structure is broader than a simplistic idea of economic diversity. Factors such as the potential for trade and the orientation of exports are critical.

The real issue: Africa is not a homogenous market. That is probably the single most boring and repeated truism about the continent. Yet it rarely sticks

One of the biggest contributors to Nigeria's economic slump was the currency crisis, which was triggered by a significant decline in revenues from exporting crude oil, which makes up more than 90 percent of Nigeria's exports. That crisis slowed business activity and perpetuated declining output. Whole business models have been laid to waste in that country in the past 30 months.

Without hard currency, companies in Nigeria that rely on imported goods have been unable to allocate capital to projects, while other multinationals have been unable to repatriate earnings. It is now clearer that it takes deep pockets and fastidious discipline to position oneself for the economic promise of the

development of the continent's most populous country.

This forex quagmire has had a more intense impact on Angola, another petrodollar economy with little export diversity and foreign currency reserves. The story is similar in Ghana, although that is a less predominantly petro economy. On the other hand, major East African economies have demonstrated more resilience because their growth has been largely driven by increases in fixed investment as well as growth in the industrial and services sectors.

Actually, the real story is one of fiscal management. Alarm bells about debt are ringing across the continent. Expect increased focus on base erosion and profit

1.5
BILLION

A conservative projection of Sub-Saharan Africa's population by 2050. Other estimates say the region will surpass 2 billion by that time

Source: United Nations, Population Division

shifting as revenue mobilization becomes a priority.

South Africa, so often looking like a train wreck, continues to confound with its resilience. The answer is simple: two decades of world-class macroeconomic governance, as well as consistent fiscal, monetary and exchange-rate policies, combined with strong institutions. These have proved to be the pudding of external shocks.

Given current geopolitics, it turns out the story of South Africa is not quite frontier market returns, but better than emerging-market yields, with near developed-market risks.

Itumeleng Mahabane leads Brunswick's South Africa office.

Dealmakers see "TRUMP BUMP"

Brunswick's 10th annual global M&A survey found guarded optimism in the early days of the Trump administration

DEALMAKERS POLLED IN BRUNSWICK'S 10TH ANNUAL M&A SURVEY were more optimistic about the outlook in 2017 than in the 2016 election year, signaling the Trump administration could be positive for deal activity.

The survey, conducted in March, polled leading M&A practitioners including lawyers, investment bankers and advisers. Respondents have correctly predicted deal activity for years, but the uncertainty of the political environment may turn the tables.

The effect of the "Trump bump" since the election was evident not just in the performance of equity markets, but in overall deal levels. During Trump's first 100 days, global cross-border M&A surged despite concerns regarding protectionism through a border adjustment tax and greater scrutiny from the Committee on Foreign Investment in the US (CFIUS).

Global M&A activity for the first quarter of 2017 totaled \$678 billion, outpacing Q1 2016 by almost 9 percent, according to MergerMarket. US inbound and outbound activity hit record levels, driven by the promise of corporate tax reform and new appointments to the Federal Trade Commission and Department of Justice, which handle antitrust reviews.

Dealmakers also predicted high levels of activity in the energy and consumer goods sectors; energy deals are up 72 percent in Q1 from the prior year, and a slew of consumer deals have accounted for the largest transactions unveiled in 2017.

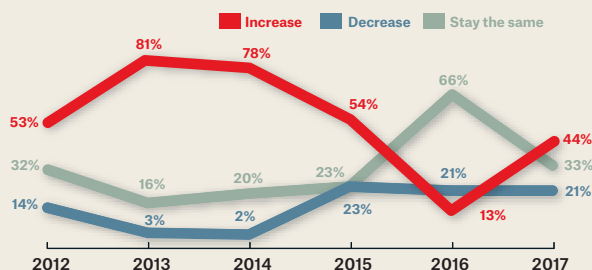
Though the Trump administration promises to deliver policy changes in favor of M&A, unpredictability remains the rule in 2017. In fact, most dealmakers (61 percent) don't expect meaningful corporate tax reform to be implemented until 2018. Year-to-date, the number of deals has dropped while the total value of deals has grown, suggesting a fickle M&A market with some bold companies pursuing large transactions on the bet that Trump will align himself with financial and corporate interests.

Katherine Kim is a Director in Brunswick's New York office, specializing in M&A and shareholder activism.

A BRIGHT M&A OUTLOOK?

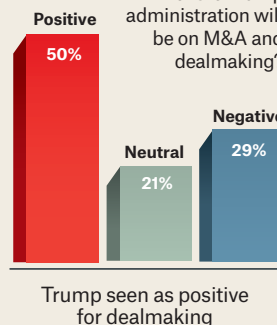
Dealmakers are more bullish on a resurgence in deal activity in 2017 after a slower year of M&A in 2016

Compared to the level of deal activity in 2016, do you expect that the level of global M&A will increase, decrease or stay the same in 2017?

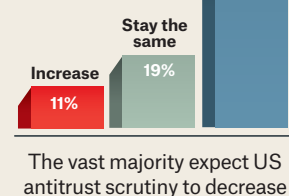


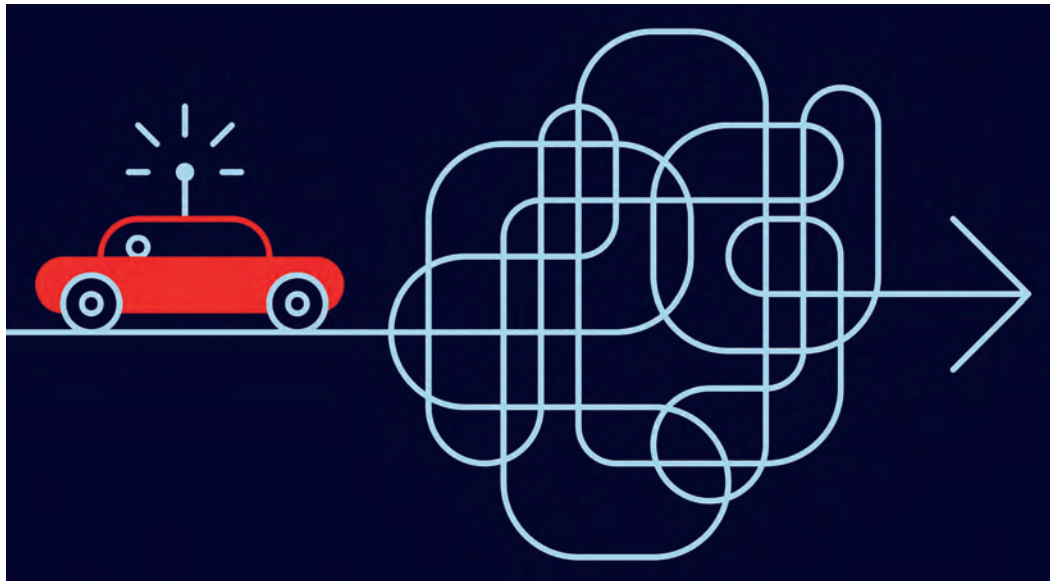
THE TRUMP IMPACT

What do you expect the overall impact of the Trump administration will be on M&A and dealmaking?



Compared to 2016, do you expect the level of antitrust scrutiny for deals to increase, decrease or stay the same in 2017?





Potholes ahead for **AUTONOMOUS CARS**

Investor engines are revving, media buzz is at fever pitch, but society is not ready

Wired RECENTLY POSTED an astonishing infographic detailing the “top 263 companies” working on autonomous cars. (Just the “top” ones, remember.) In addition to carmakers, the group includes specialists in sensors, navigation systems, safety gear, mapping and other esoterica. Nonetheless, the list underlines what you probably already knew: Silicon Valley’s chattering classes have gone gaga over self-driving cars. They see a transportation revolution ahead, one that will change the daily lives of everyone in the known universe. And of course, they imagine heaping Smaug-sized piles of treasure.

No question, a lot of super-smart Stanford and Berkeley MBAs and engineers are betting that in the not-too-distant future, we’re all going to be driven by robo-chauffeurs. The promised benefits are massive: no more traffic accidents; no more speeding tickets; the costs of transporting goods will fall; we will have less need for body shops, emergency rooms, traffic school, personal injury lawyers, the DMV and the California

Highway Patrol. Instead of guzzling coffee to keep alert, people will sip for distraction in sleek electric Waymos and Teslas and Applemobiles, reading social media, reviewing email or simply napping. Morgan Stanley has estimated that there could be more than \$500 billion from productivity gains alone, given that Americans spend 75 billion hours a year driving. We’ll be productive, safe, relaxed and happy, free to count our enormous profits from investing in autonomous driving shares.

At least, that’s the theory. But as Yogi Berra once said, “In theory there is no difference between theory and practice. In practice there is.” He had it right. The potential is vast, but autonomous cars also would disrupt the structure of American society in profound ways. People will push back, and push back hard.

Let’s take a brief look at where some of the complications lie.

MASSIVE JOB LOSSES

Driving – 18-wheelers, trash trucks, taxis, Oscar Mayer Wienermobiles, Ubers, delivery vans, buses, Zamboni machines, whatever – accounts for millions of US jobs. There are 3.5 million US truck drivers, according to the American Trucker Association;

another 5.2 million people work in non-driver jobs in the trucking industry. A recent NPR report noted that truck driving is the single most common job in California, Texas and many other states. That’s millions of truck-driving voters likely to pressure Congress to throw roadblocks in the way of self-driving vehicles. And it isn’t just driving jobs at risk – also vulnerable are jobs at trucks stops, gas stations, motels, greasy spoons and others who serve professional drivers.

POLITICS AND REGULATION

A few aggressive cities have taken a stance against car-sharing services such as Uber and Lyft; imagine the reaction when people figure out that self-driving cars are potentially going to drive millions into unemployment. (Uber and Lyft have abandoned Austin, Texas, for instance, in the

The world of self-driving cars is on the way, but it might take longer to get here than you think

face of regulations that require drivers to be fingerprinted.) Who is going to make the rules about liability, insurance, safety and the like? How will Congress react to the threat of massive potential job losses? The lines aren’t clearly drawn, but expect a battle royale.

INSURANCE AND LICENSING

Widespread adoption of self-driving cars will require a massive rethink about how we handle auto insurance. Current practice is to rate licensed drivers based on their age, driving history and other data. But if the “drivers” aren’t actually driving, should consumers bear responsibility when some algorithm goes kablooey and runs over Fluffy – or gets into a wreck? Should the automaker be responsible? The underlying software vendor? And by the way, what’s the point of getting a driver’s license if you don’t have to actually drive? That sounds trivial ... until you go try to get through airport security without a driver’s license.

How good do they have to be? Given the stakes in any trip by a self-driving vehicle, the inherent error rates by the underlying software need to be small. Like really, really small. According to IEEE Spectrum, companies testing autonomous driving in California last year reported 2,578 “disengagements” – moments when a human being needed to grab the wheel. That’s about one every three hours – a significant amount of human oversight for an automatic machine.

The bottom line is that the world of self-driving cars is on the way, but it might take longer to get here than you think. One magazine article on self-driving cars suggests you will “settle back to enjoy the ride as your car adjusts itself to the prescribed speed.” That’s from *Electronic Age*. Published by RCA. January 1958.

So, yeah autonomous cars are coming. But don’t rip up your driver’s license just yet.

Eric Savitz is a Brunswick Partner in San Francisco and co-leads the firm’s technology practice.

Underwriting the unmeasurable

Risk Cooperative CEO **DANTE DISPARTE** sits down with Brunswick's **SIOBHAN GORMAN** to discuss how cyber attacks are redefining what "risk" means for M&A

THE INFAMOUS POLITICAL ADVISER Niccolò Machiavelli wrote, "Never was anything great achieved without danger." Sage words for an aspiring politician, but not comforting for CEOs leading what they hope are transformative mergers or acquisitions.

Executives overseeing deals have undoubtedly heard that their businesses are vulnerable to cyber attacks. But how much more vulnerable are they when hosts of advisers and third parties are involved, millions – or billions – of dollars are at stake, and employees, customers, regulators, investors, and even the media are watching closely? The fallout from a 2016 cyber attack on Yahoo!, as it was in the process of being acquired by Verizon, lowered the deal's price tag by \$350 million.

In response to this growing threat, and amid an uptick in global M&A activity – which climbed almost 9 percent in Q1 2017 (see "Dealmakers see 'Trump Bump,'" Page 10, for more insight) – a niche solution to manage cyber risk is gaining popularity: insurance policies tailored to cover the damage caused by cyber attacks during M&A.

Dante Disparte is CEO of Risk Cooperative, which operates at the intersection of three complicated, technical fields: insurance, risk management and cybersecurity. In a conversation at Brunswick's Washington, DC office, from which this interview is excerpted, Disparte acknowledged the challenge of quantifying the risk a cyber attack poses. "The events that are much harder to measure are the ones that scare us: the theft of IP, crippling of systems, permanently rendering data useless."

Today, having cybersecurity policies during an M&A, or even conducting basic cyber due diligence, aren't regulatory requirements. Disparte thinks that's likely to change. But rather than simply a compliance box to tick, Disparte believes the best practices and transparency involved in insurance have a much broader role to play, acting as "a catalyst for business rather than a cost of business."

"This is a risk for which there isn't singularly a technological solution"

What cyber threats are unique to M&A?

One big one – we actually call this kind of concept, "cyber-cultural assimilation." To use a metaphor: in a car with all the safety technology in the world, the best defense is a well-trained driver. We think that the human factor in cyber risk is an enormous gap.

And clearly in an M&A scenario, you run a very high risk of alienating staff in the acquired company. People might think through what role they have in the post-merger world, if any. That's an enormous area of opportunity for improvement: in any M&A transaction, how do you get the human element brought into light and focus?

How can businesses manage the flood of cyber risks that accompany a merger?

I think step one is to never assume that the current due diligence frameworks pick up cyber risk.

Why?

When companies go into an M&A scenario, oftentimes for regulatory reasons or competitive reasons, it goes into a very silent, hermetically-sealed black box. And the tools that we currently have in our arsenal today – legal background, financial due diligence – often only the board or the C-suite will



ILLUSTRATION: ROLAND SÁRKÁNY

know about these possible talks. Any leak will have potential damage. So, the toolset really is not picking up cyber exposure. We need a slightly more invasive process, which will create some discomfort and transparency, but will ultimately enable M&A.

How do you create more transparency, and how do you get both companies on board?

I think you need to have a model in which the acquired company and the acquirer are coming into this under the view that, absent a deeper level of due diligence around cyber risk, the deal may not go through – almost a good-faith mechanism.

Can insurance help solve such a big problem?

In the insurance and technological industry around cyber risk mitigation, we most often get called almost like the fire brigade – when there’s a problem. Many of the tools that we rely on, whether it’s endpoint threat detection systems or crisis management, are of the “break in case of emergency” variety.

But imagine if you brought that capability into the deal room, if you will. Now instead of waiting for a crisis to emerge before you’re addressing it, you’re embedding that capability as a part of the investment review process. Suddenly, you now have a mitigation strategy around different scenarios. It’s an issue, in my mind, of enabling these deals to go through in the first place at fair market value – as opposed to stopping them altogether or, worse yet, having the market decide how to price these risks.

Insurance in cyber is harder to gauge than, say, health insurance, where you have a track record and a lot of data you can point to.

In my view, cyber is more akin to life insurance; if you’re buying a high-value life insurance policy, the underwriter doesn’t just take your word for it. They actually go check your blood.

I think it’s critically important for insurers, people like myself and companies like ours to not just take the customer’s word for it, but to do endpoint-level threat detection to understand the hygiene of an enterprise and how it evolves over time.

Then we underwrite cyber risk using an evidenced-based approach. Two houses are insurable, but the one with smoke detectors, sprinklers and an alarm system is a better risk. We apply a system of credits and debits to cyber risk as we’re working through underwriting them. We see cyber as a standalone risk. It needs a standalone solution – that only makes up

“Cyber is more akin to life insurance; if you’re buying a high-value life insurance policy, the underwriter doesn’t just take your word for it. They actually go check your blood”

DANTE DISPARTE

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 Founder and CEO of Risk Cooperative, a strategy, risk and insurance advisory firm founded in 2014, Dante Disparte is also a strategic adviser to Rezon8 Capital, a US private equity firm. He co-authored the book *Global Risk Agility and Decision Making*, published in 2016.

5 percent of the market today. The rest is what I call a “Frankenstein policy,” it’s bundled alongside other classes of insurance.

Cyber risk is woefully underfunded and unhedged – to the tune of trillions of dollars of market value. A lot of firms are going to find themselves either in courtrooms or getting short shrift when it comes to this exposure and a similar number of investors may find themselves facing unforeseen losses.

What is the biggest misconception you see with cyber insurance? What are people not getting?

Well, one, they’re not getting it enough. Because in part there’s the placebo effect. Many believe that this risk may be covered elsewhere in their insurance and risk management framework.

A lot of it is also internal; if you’re the chief information security officer of even the very biggest companies on the planet, you have a powerful inducement to say “It’s all fine.” It’s called paycheck persuasion, hubris, organizational silos and territorial defense.

Cyber does not singularly reside in IT. It’s a governance issue, it’s an enterprise issue. And it starts at the C-suite and board levels. They’re the ones who own the risk at the end of the day, not the IT security professionals, not the marketing and public relations professionals. There we find that there’s a lot of work to be done yet. If you need help with your iPad, you are going to have a hard time in a boardroom asking questions and querying the state of play inside an organization’s risk management frameworks.

What do you say to leaders who say: “I get that cybersecurity is an issue, but I’m going to invest in better, secure systems, not insurance?”

I would say, “Great, prevention is often better than cure. But I think a part of the whole spectrum of solutions needs to incorporate equilibrium.” All too often you have enormous financial institutions spending hundreds of millions of dollars on cybersecurity, and it is easy to gravitate toward spending money on technology.

But this is a risk for which there isn’t singularly a technological solution. Cyber risk advances according to Moore’s law; bad actors have the benefit of patience and the organization and staff are the first lines of defense.

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SHOBHAN GORMAN is a Director in Washington, DC and advises on public affairs and crisis, with a focus on cybersecurity and privacy.



Pain perks

AS A LONGSTANDING TRADITION, MANY companies reward prized clients and employees with a golf outing or seat at the Super Bowl. Now there's another reward — one that might be called a first-class ticket to misery. The muscle-aching sort of misery beloved by those who would rather play than watch, and for whom golf barely registers as exercise.

Companies are rewarding executives by buying them slots at marathons and triathlons. The value of the slots themselves is only \$200 or so. But these slots come free of the hassle of registration — at major marathons and triathlons, battling through registration checkpoints can leave you longing for the ease of airport security.

That isn't all. The service that provides these slots, CEO Challenges, adds other amenities, such as luxury hotel rooms and dinner ahead of the race with a few professional competitors. On the eve of an event, nothing calms nerves like a few words of reassurance and advice from a real star of the sport. On race morning, CEO Challenges provides a sunrise perk, by securing for its clients an early "wave" — meaning they don't have to sit around for hours waiting to jump in the water and start their race. Another amenity comes at the end of the swim. For the average competitor racing barefoot toward his bike, the sight of five thousand of them induces a bit of panic (Yikes! Which one's mine?) But clients of CEO Challenges can calmly proceed toward a premium spot (with easy in-and-out access) that the firm has secured for them.

The business isn't for everyone. "CEO Challenges is designed for business owners, Presidents and

Endurance trials are the new executive incentive, says Brunswick's KEVIN HELLIKER

FITTEST CEOs

At the 2016 Island House Triathlon in the Bahamas, executives endured three grueling events: swim, bike and run.

THE WINNERS:

1. Shannon Horn, First Response Fire Rescue - 2:24.20
(third from right, above)

2. Brent De Jong, Castlake LP - 2:25.55
(third from the left)

3. Anthony Sullivan, Sullivan Productions / OxiClean - 2:26.26
(far right)

KEVIN HELLIKER is Editor-in-Chief of the *Brunswick Review*, and a former journalist for *The Wall Street Journal*.

C-level executives of companies with at least \$1 million in annual revenue," says a statement from Life Time Fitness, a Minnesota-based operator of health clubs, endurance races and other fitness concerns, including CEO Challenges. "Participants enjoy VIP access and stay in five-star accommodations when available. All arrangements are made with incredible attention to detail, and constant care from CEO Challenges staff."

Marketing executive Ted Kennedy, a lifelong endurance athlete, founded CEO Challenges. "Last year, Microsoft paid to have 35 people receive free weekends at the New York City triathlon," he says.

For Alain Villeneuve, a partner in Chicago at the law firm Vedder Price, the value isn't limited to the amenities CEO Challenges provides. "By joining CEO Challenges, I wind up in a room with other people who share my frustration that I don't perform athletically at the level I could, because I'm either working all the time or having dinner with clients every night," says Villeneuve. Villeneuve once finished an Olympic-distance triathlon in 2:07 — lightning fast for an event encompassing a 1-mile swim, 25-mile bike ride and 6.2-mile run.

CEO Challenges has helped more than 600 executives to the start line. Since Kennedy founded the service 16 years ago, endurance racing has won widespread approval in the C-suite. Kennedy recalls a chief executive many years ago asking that no photographs be taken of him on the race course. "He said, 'My stockholders will wonder why I'm not working,'" recalls Kennedy.

"Today's shareholders want their CEO to be healthy and fit," he says.

Finding beauty in adversity

COCO ZHANG, Vice President of Mary Kay China, tells how her life story drives her career. Brunswick's **DR LU JIANZHONG** and **BAIJIA LIU** report

BUSINESS LEADERS RARELY TALK CANDIDLY about their personal lives. But Coco Zhang Jing, Mary Kay China's Vice President of External Affairs, doesn't hesitate to begin a speech to a room full of young professionals with a story of personal heartbreak.

At 25, on the path to marriage, she almost quit her job as a secretary to focus on supporting her future husband and his career. Instead, she was blindsided by his decision to break up with her. Deeply wounded, Coco realized she couldn't afford to sell herself short. She had a choice: idealize someone else's success or take control of her own. In a recent TED Talk, Zhang said, "Your attitude in these specific moments determines who you will eventually be." She chose self-determination and it became the foundation for her growth and success as a business leader.

Born near the end of the Cultural Revolution – a decade from 1966 to '76, when government-led policies kept much of the society in a state of upheaval – Zhang came of age during the unprecedented socio-economic recovery of the subsequent era. Retaining a strong loyalty to Chinese culture, hers was one of the first generation of Chinese executives with international vision and experience.

Zhang joined Mary Kay's logistics department, moving away from her hometown for the first time. On her first day on the job, she wrote down everything her manager told her and carried that piece of paper with her for a year, referring to it regularly until she had it memorized. Today, she is a crucial member of the company's leadership and, among her other responsibilities, is the architect of its award-winning corporate social responsibility programs.

The members of Zhang's generation share an outlook marked by equal measures of tenacity, empathy and a drive to succeed. The Chinese expression *chi ku* ("吃苦") – "eat bitterness" – defines their attitude: they are survivors, set to persevere through adversity. In our interview, Zhang says that if you are willing to "eat enough bitterness," you will be able to overcome challenges.

While working toward her individual success, Coco also learned to take pride in her role as part of a collective. Success, she says, must be shared. Every day, walking the halls of the Shanghai headquarters, Coco says, she is reminded of the hundreds of thousands of women across China whom Mary Kay employs and provides with opportunities. Her goal now, Coco says, is to "be a role model and a mentor," showing women how they can be influential within and beyond the organization.

How did your upbringing affect your success in business?

Growing up, I heard a lot of stories about how the life of my parents' generation was turned upside down by the Cultural Revolution. My father was a businessman and had to endure criticism and prejudice. My mother was a good student but could not continue her studies. Both became laborers, but they kept a sense of responsibility and dignity.

COCO ZHANG

Coco Zhang Jing is Mary Kay China's Vice President of External Affairs and oversees government affairs, corporate communication, social responsibility and customer services. As a member of the leadership team, she established the company's corporate social responsibility system that supports women's rights and environmental protection. It has spent more than RMB160 million (\$23 million) and provided nearly 400,000 hours of volunteer services.



And they tried their best to give me a carefree childhood. I didn't even realize that my family's financial condition wasn't good until I graduated from college. My childhood taught me that all of us are a product of our time. You cannot choose the time you are born in, but you can control how you experience it.

Over your 20 years with Mary Kay in a variety of different roles, what has changed?

One thing that never changes is our mission – to enrich women's lives. We want each of our sellers to have the opportunity to achieve financial independence. But for that we have to make sure our business is relevant and successful.

As a result, change is constant. When I joined, sellers had to pick up their orders from our branch offices. We introduced online ordering just as the internet arrived. I personally visited many small cities to show our sales representatives how to order with the computer. Within a year, online orders made up 70 percent of all orders. We visit startups each year to get inspired by their creativity and to make ourselves bolder in our work.

How do you initiate such change at a business the size of Mary Kay China?

My motto is, "I cannot lead people to a place where I have never been." We are now leading the team into an unfamiliar area as Mary Kay China enters the nutritional food business and moves from a beauty company to a beauty/well-being company. As leaders, we decided the change should begin with ourselves, leading healthy lifestyles. I had never been a fan of fitness. But I made up my mind, bought my first pair of running shoes since college and started working out every day. Now I've lost 6 kilograms and am more fit. And I am now truly an expert on well-being and nutrition.

When you face a tough decision, what do you do?

I rely on my team. As chief commander, I may not be the best soldier. My job is to see that my team obtains their objectives. I must stay humble and listen. They are experts in their fields and more capable than I am.

Mary Kay also encourages women to start their own businesses. How do you support them?

They need the skills and capabilities for long-term success. In Yunnan province, we help a group of women who make embroidered products. It is a traditional craft that was vanishing. Each year,



we bring in experts, such as our Vice President of Marketing and a Professor from the China Art Academy, to talk to these women on topics ranging from brand building to fashion design.

I have been visiting them each year and it is incredible to witness their transformation. When I first met them, the women did not look me in the eye and we could not communicate. Now, they proudly display and sell their products to tourists and they speak to me confidently in Mandarin.

Top management in China is still dominated by men. Has this affected your career?

Mary Kay was founded by a woman, which definitely makes it easier. As a career woman, it is important to define priorities, as we can't do it all. I don't think we should try to act like men though. We need to embrace our skills and use them to our advantage. We are good listeners and team players and approach situations with more empathy.

Beyond Mary Kay, do you see more women being promoted to top positions in China?

A recent report by Grant Thornton found that globally, 25 percent of senior roles are held by women, up slightly from last year. China is above that with 31 percent. As a woman-friendly employer, Mary Kay outperforms the average – 64 percent of our leadership roles in China are held by women; I'm proud to be one of them.

DR LU JIANZHONG is a Brunswick Partner specializing in social responsibility and sustainable practice.

BAIJIA LIU is a Director and a former journalist with *China Daily*. Both are based in Shanghai. Former Account Director **NAOMI TUDHOPE** also contributed.

A retired Dallas saleswoman founded a global beauty company to empower women

In 1963, with \$5,000 in savings from previous door-to-door sales work, Mary Kay Ash (1918–2001) set out to write a book on the best way to earn money in direct sales, aimed at helping women become financially independent. But in examining the lessons of her experience, she decided on a different plan: to launch her own business, based on fair, rigorous policies regarding sales and commissions to her "beauty consultants" and a clear priority to make each customer feel important. In its first year, the Dallas-based Mary Kay Cosmetics sales were nearly \$200,000 and it employed 318 consultants. In 1969, the company began awarding pink Cadillacs to top sellers, giving away 6,500 cars by 1993. Today the company is global. Mary Kay Ash won numerous recognitions, including Baylor University's posthumous designation as the "Greatest Female Entrepreneur in American History."



SUSAN GILCHRIST CEO, BRUNSWICK GROUP

NO SPORT IN THE WORLD HAS GROWN FASTER IN RECENT DECADES than triathlon, and fueling that explosion have been white-collar men and women. • When these executives talk about triathlon, you often hear a note of disbelief. The feat they accomplished did not initially seem possible. Many will acknowledge that their doubts persisted through months of training, through every mile of the event itself, vanishing only on the other side of the finish line. • Is it any wonder that that experience is appealing to corporate leaders? To the world at large, business triumphs may appear inevitable. But privately, many executives acknowledge that the threat of failure haunted them every step of the way. Did they prevail because of their extraordinary talent and intelligence? Or are winners also distinguished by an ability to endure? • “Grit is the thing that matters,” Andrew Messick, Chief Executive of World Triathlon Corp., owner of the Ironman brand, argues in these pages. • In this edition of the Brunswick Review, a chorus of esteemed voices sings the praises of endurance. In one article, leaders in Silicon Valley embrace and preach the ancient grit-loving philosophy of Stoicism. In another, prominent French

psychiatrist Boris Cyrulnik, a Holocaust survivor and scholar of endurance, offers companies tips on how to thrive amid adversity. Then there is Facebook executive Craig Mullaney—a battle-tested former Army Ranger—arguing that top executives wanting to make a social-media mark shouldn’t obsess about “going viral.” His recommendation: slow and steady. • If launching a company sounds like an endurance event, imagine doing it while performing as a world-class professional soccer player—an achievement that Mathieu Flamini describes in this edition. • Brunswick’s own Scott Durant recounts in this edition how he managed to persevere as a rower even after his primary training partner—his twin brother—fell victim to a career-ending injury. Scott’s reward: an Olympic gold medal. • True to her unusual title – Chief Exercise Officer – Virgin Sport’s Mary Wittenberg reminds us in these pages that exercise is more than just a metaphor for professional endurance. It’s an essential ingredient. “Being fit makes a huge difference in your endurance and resilience in the workplace,” says Wittenberg, herself a former elite marathoner. • It’s no accident that Brunswick Group is thinking

ENDURANCE



DOMINIC BARTON RUNS SIX MARATHONS or half-marathons a year, a regimen that requires constant training. At least four days a week he logs six or seven miles, despite traveling about 270 days a year. Within a few minutes of departing a plane, he likes to don his sneakers and hit the pavement, finding that it re-energizes him. He's not pursuing athletic prizes. Research, Barton knows, shows that runners tend to live on average three years longer than non-runners.

As Managing Partner of McKinsey, Barton stands out as an authority on long-term benefits. He is lead author on a 2017 McKinsey Global Institute research paper showing that companies that are managed for the long term post extraordinary growth in earnings, revenue and market value. That conclusion emerged from his study of the performance of 615 non-finance companies from 2001 to 2015. On average, long-

But the stakes are too high to stop pushing for reform. Managing for the short term has played at least an indirect role in rising income inequality, rising populism, rising unemployment and growing distrust in business, Barton believes. Calling for "a shift from what I call quarterly capitalism to what might be referred to as long-term capitalism," Barton said in a 2011 *HBR* article that "we can reform capitalism, or we can let capitalism be reformed for us, through political measures and the pressures of an angry public."

As a consulting firm, of course, McKinsey doesn't generally advise clients how to maximize profits during the current quarter. Instead, the firm analyzes deeper, longer-term questions. That emphasis prompts some critics to suggest that Barton's arguments and research in favor of managing for the long term may be self-serving. But his views are mirrored by industry titans from Warren Buffett to Lord Jacob Rothschild.

McKinsey's **DOMINIC BARTON** tells Brunswick's **KEVIN HELLIKER** how long-term investing gives companies a competitive edge

THE LONG

term companies in the study increased revenue by 47 percent more than others in their industry group, and earnings by 36 percent more.

The research put meat on the bones of an argument many business leaders have been advancing for years. "Finally, Evidence That Managing for the Long Term Pays Off," read the headline on a *Harvard Business Review* article about Barton's study.

Of course, it isn't for lack of such evidence that many executives manage for the current quarter. Their financial incentives often are based on meeting short-term goals. Their job security may be based on that too, in a climate where analysts and investors apply pressure on companies to match or exceed Wall Street's quarterly earnings expectations. So Barton has no illusions that McKinsey's research will induce an immediate, massive change in corporate behavior. He knows that chief executives generally aren't proud of decisions to cut research and development spending in order to satisfy the Street's demands of the moment.

RUN



For their study, Barton and his co-authors devised an index of five quantitative indicators to identify long-term from short-term management strategies or orientations, relative to their industry peers. The indicators include how much investment a company makes, whether it utilizes accounting decisions to boost earnings, whether it repurchases shares to increase earnings per share and sustainability of margin growth (that is, cost-cutting), and whether it engages in “quarterly targeting.”

Of the 615 companies Barton and his co-authors examined, only 164, or about 27 percent, engaged in what he calls long-term capitalism. But he expresses hope. “People are listening and momentum is building,” said Barton. In a phone call from Lisbon, Barton discussed with the *Review* his thoughts and research on long-term capitalism.

Among the volumes of research that McKinsey publishes – for that matter among investment research published anywhere – does your recent long-term capital study stand out?

We don’t rank our research. But this is a tremendously important topic for all our clients, and a strong contribution to investment research. There was a lot of existing research that focused on one or two key markers of short-termism, but this work takes a holistic view.

Can your study have much impact? Or is it getting lost amid the din of an extraordinary global news cycle?

It has generated a useful discussion within our firm, with pension funds, asset managers and our clients, as well as with people in the outside community – for example, Larry Summers. And we’re still fielding follow-ups from academics and researchers who want to work with us to advance this research. But this is just a start. We plan to expand our research scope beyond the US and toward deeper drivers of short-termism.

What was the view of Larry Summers (former Harvard president, World Bank chief economist and U.S. Treasury Secretary)?

[Laughs.] What Larry was saying, which I think is a good argument, is that there are some CEOs who are not good long-term players, and they shouldn’t be in there for the long term. His analogy was there are some golfers that are very good at hitting long shots. As he said, if Larry Summers tried to do it, he would flip over backward just given his body type.

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PERCENT
OF EXECUTIVES
AND DIRECTORS
FEEL MOST
PRESSURED TO
DEMONSTRATE
STRONG FINANCIAL
PERFORMANCE
WITHIN TWO YEARS
OR LESS

SOURCE: “Rising to the challenge of short-termism,” FCLT Global, September 2016



We’re not arguing that you shouldn’t have any short-term focus. If you don’t think about the short term, you’re not going to survive in the long term.

But the short-term player is problematic. If you’re a short-term player, there’s a way that you can game the system. If you get a company to cut its R&D significantly, the cash flow implications of that would be very significant – you could pop the share price very quickly and the impact of that pop wouldn’t be felt for four or five years. By then, the short-term activist could have taken their money and run.

You see the effect of the short-term investor in the average holdings of stock in the New York Stock Exchange. The proportion of shares that are traded almost on a second-by-second basis has gone way up, while multi-year holdings have declined.

If you go back to the origins of the philosophy of capitalism, Adam Smith talked about a much longer term, inclusive approach. But it seems to me that we’ve kind of lost our way – for the last 30 years or so, going back to the seventies.

One criticism of your study is that while it showed an association between long-term corporate behaviors and better outcomes, it didn’t prove causation. How serious a limitation is that?

We were very upfront about what our study did and did not accomplish, and it did not establish causation. But we did identify a few thought-provoking indicators that can be used to differentiate between short- and long-term companies. We found that they had a striking relationship to outperformance when we used them to classify companies, but this conclusion stops well short of causation. Very possibly you can’t prove causation. But that doesn’t mean there’s not a link. This isn’t 100 percent proof, but we think it is pretty compelling evidence.

In the 14-year period you studied, why was the long-term advantage most pronounced after the recession?

The outperformance of long-term companies reflects the benefits of investments that they made at a time – 2007 to 2009 – when other companies were decreasing investment. Many companies were worried in the crisis and decreased R&D spending. By contrast, the long-term ones held it steady or increased, thus widening the performance gap.

In your 2011 paper, you mention a measure at some French companies that gives two votes per share to shares held longer than a year. Are any companies elsewhere adopting such a measure? Yes, Aflac, Carlisle, J.M. Smucker, Quaker Chemical, Synovus. But SEC rules make it difficult for an existing public company to change voting structure. There's a good article on that, called "Tenure Voting and the US Public Company" in *The Business Lawyer*, Spring 2017.

In a 2011 article, you cite populism as a possible consequence of short-term corporate behavior. Did you foresee Brexit and Trump? Did corporate short-termism play a role in either one?

I did not foresee Brexit/Trump, but I did worry about populism and the backlash that we might see. Short-termism had an indirect impact in that the same things that drive corporate short-termism are driving a disconnect between society and CEOs. For example, an excessive focus on earnings instead of taking care of your employees. That is creating a disconnect between "elites" and society. Trust in CEOs has fallen precipitously lately – now hovering just above the level of trust in government.

In its work with public companies, does McKinsey meet resistance in shifting from short-term to long-term thinking, investment and behavior?

It varies from company to company, but people recognize the value in focusing on the long term. Most pressure for short-term results comes from some investors – particularly activists – and boards. What we found interesting was all the short-term pressure that was felt from boards – the boards are obviously feeling pressure from asset managers and they, in turn, are putting a lot of pressure on CEOs.

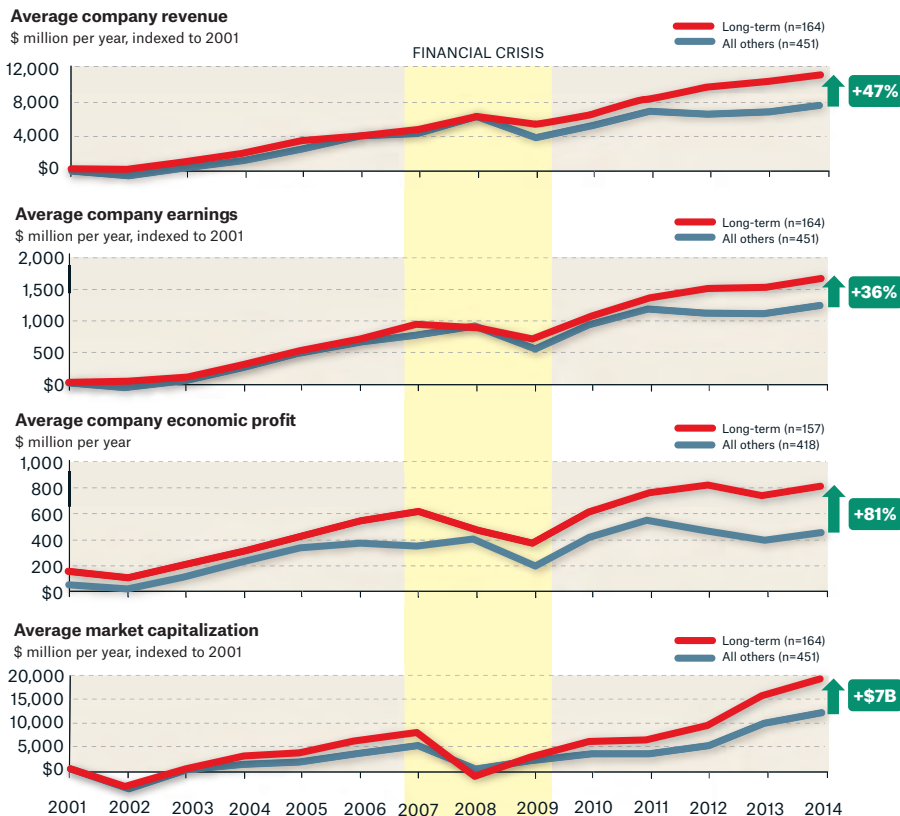
Boards are spending a lot of time on performance issues rather than on the quality of the talent pool, innovation rates, the trust we have with the communities that we're operating in, our brand strength. Changing their focus is a critical first step before tackling external factors.

What are the external factors?

The market itself is sometimes the most important short-term player and CEOs are getting a lot of pressure from the market. Within that, it's a lot of the smallest investors that have the loudest voices. Clearly activists are one group. But there are also asset managers who need to deliver results on an

LONG-TERM COMPANIES exhibit stronger fundamentals and performance

Over 14 years, long-term companies show a big boost to their bottom lines



Long- and short-term companies suffer from the same market pressures, yet rebound very differently. While both suffered similarly in the market crash of 2008, for instance, the long-term companies surveyed retained their investments and actually regained market value faster than their short-term counterparts.

annual basis or they're going to lose mandates from some of the long-term investors. It's my view that only about 5 percent of the so-called long-term funds are actually long term. You've got quite a lot of pension funds that incentivize their asset managers on an annual basis. That's not very long term.

So the key part of this is getting long-term investors, particularly the pension funds, the sovereign wealth funds, to really focus more on the long term.

Are you seeing progress?

Yes. You see it in some US funds. You see it in some of the European, the Dutch pension funds. GIC in Singapore I think is a leading example, also the Canada Pension Plan, and some Australian and Norwegians funds.

In these cases, pension funds behave with a much longer timeframe than a typical asset manager does. It's invaluable the role modeling that these players are doing.

But it's not easy. Larry Fink, for example, is trying to drive this at BlackRock, through the letters

he's been sending to CEOs, saying, "What is your long-term strategy? What are the parameters or metrics that you're aiming for?" But as Larry Fink says himself, some corporates will turn around and say, "It would be great if some people within BlackRock read those letters as well."

Another example is Mark Wiseman, when he was at Canada Pension Plan. He was the one who pushed me in, saying, "My quarter is not three months. It's 25 years."

But he also said there were some people within his organization who didn't behave that way. He gave me the example of Tim Hortons, the Canadian coffee-and-donuts player that he enjoyed focusing on. He joined an analysts' call just to listen in. At the time, Horton's biggest strategic issue was how they were going to expand into the US. And yet he heard his own analyst on that call challenging the CEO on why the coffee-to-hash-brown cross sales last week dropped from the week before.

Can government help encourage more long-term investing?

Governments in general are coming to see that those who have more long-term money are going to have the advantage. So how do you attract more of that, or encourage more of that capital to be formed? The British government has an initiative they're calling the Patient Capital Review. Canada is also looking for ways to get more long-term money into the system. There may be some regulatory things we could be doing to encourage this. I would be excited if there were some regulatory shifts toward incentives for people

DOMINIC BARTON

The Global Managing Partner of McKinsey, Dominic Barton leads the firm's focus on the future of capitalism and the role business leadership can play in long-term social and economic value. He served as McKinsey's Chairman in Asia from 2004 to 2009.

MCKINSEY & CO. is a global advisory firm comprising 1,500 partners, more than 16,000 consultants and nearly 2,000 research and information professionals.

For its survey, McKinsey identified 164 companies engaged in long-term planning, out of a field of 615. The results of those 164 companies were then compared to the rest of the pack. Long-term companies outperformed the others in most cases, including the area of job creation, shown below.

to hold capital for a longer period. Governments could also step up infrastructure investments.

Is there a political component to this issue? Is either the left or the right more concerned about the costs of short-termism?

I think it's apolitical in terms of left or right. The left is probably more concerned with inclusive capitalism, right? What are companies doing in the community in which they're operating? Are they thinking about a broad enough group of stakeholders? But the right is doing that as well. In the US campaign, Hillary Clinton was talking about incentives for investors to hold their shares longer. And Trump was not saying, "That's a stupid idea."

What regulatory measures would you welcome?

Regulators have a very important role to play in re-focusing businesses and capitalism, in general, on the long term. For example, regulators could re-work "mark to market" rules [for establishing fair market value] so that valuations could vary by holding period; remove quarterly reporting requirements and taper capital gains taxes so that longer-term investments attract a lower tax rate. In Europe, they could scrap Solvency II for insurance companies, which incentivizes insurance companies (one of the largest categories of institutional investors) to act very short term.

What's your secret for staying fit on the road?

For me, traveling and exercise are two things that have to go together – because if I'm not exercising, well, I can't take it. [Laughs.] So my rule is, wherever I land I go for an hour run. If I can do it outside, it's all the better. I don't care if it's raining, because it acclimates me to the place really quickly. I don't want to come across like I'm some sort of athletic freak. I'm not. And I'm not fast. There are just some things I want to be tight on, because it helps me be alert. A mentor from way back told me something I choose to believe even though I doubt it is true, which is that one hour of running is like eight hours of sleep.

(Editor's note: Two days after this interview, Barton ran a half-marathon in Geneva in 1:49:05, placing in the top 40 percent of men aged 50-59. He also finished ahead of his two adult children.)

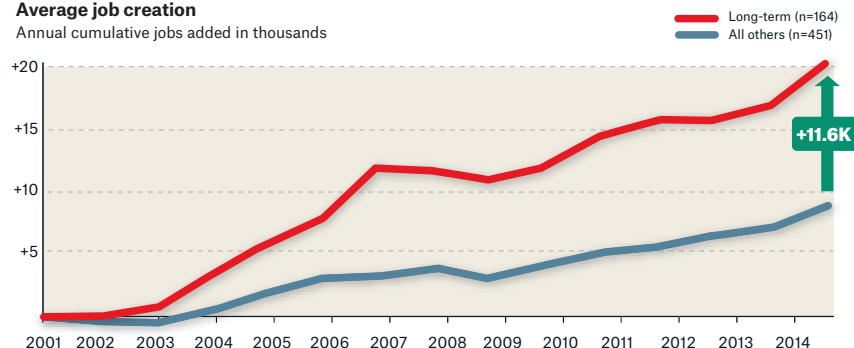
KEVIN HELLIKER is the Editor-in-Chief of the *Brunswick Review* and a former Pulitzer Prize-winning journalist for *The Wall Street Journal*.

LONG-TERM COMPANIES contribute more to employment and economic output

Over 11,000 more jobs were created each year by long-term businesses surveyed

Average job creation

Annual cumulative jobs added in thousands



SOURCE: McKinsey Corporate Performance Analytics; S&P Capital IQ; McKinsey Global Institute Analysis

BRUNSWICK 30

DURING AN INTERVIEW AT WILTON'S, A 275-year-old dining establishment in central London, Alan Parker deflects question after question about his accomplishments. He is the primary owner and a founder of the Brunswick Group, an advisory firm that employs 1,050 people in 24 offices around the world. He received a knighthood in 2014 for his philanthropic efforts at Save the Children, whose financial health soared under his management. He is a friend and confidante of business and political leaders around the world – “a figure of almost incomparable influence,” *The Daily Telegraph* newspaper once declared.

Parker shrugs off all of that. “I’m not really good at anything,” he says, over a filet of sea bass. “I see intelligence and talent in others and I hire it.”

Only once during the evening does Parker’s modest posture dissolve into unabashed pride. It happens when a friend stops by his booth, accompanied by a woman who looks down and sees on Parker’s table a copy of the autobiography of Peter Parker. “Are you Peter Parker’s son?” she asks, in the tone of an excited Beatles fan.

“I am!” he says, the grin on his face suggesting that, finally, someone has recognized his true measure. When the woman steps away, Sir Alan says, “The newspapers still call me that sometimes – Peter Parker’s son. I love it.”

FIFTEEN YEARS AFTER THE DEATH OF PETER Parker, his influence as a parent and mentor endures. An accomplished actor whose two youngest sons have forged important careers on stage and in film, he was an early student of management, and a famously successful practitioner of it who shared that passion and insight with his oldest son, Alan, and his daughter Lucy.

During the years that Peter Parker ran British Rail – transforming it into a service that was both reliable and financially stable, and in the process becoming a hero to both liberals and conservatives in Britain

As it turns 30, Brunswick has cause to celebrate, with offices and influence that now span the globe. Our founders tell **KEVIN HELLIKER** how it all began

– Alan skipped college, worked on an oil rig and managed rock and roll bands. Alan says his father encouraged all of that, then helped him land a job in communications when the younger Parker was ready to launch a serious career.

In the early 1980s, Alan took a job at Broad Street, a communications firm specializing in companies involved in mergers and acquisitions. Broad Street faced minimal competition and intense demand for its services. The British economy, after years of stagnation, had caught fire, fueled in part by the privatization of state-owned firms such as British Airways. As Broad Street landed client after client, Parker emerged as a star. A raconteur as popular among chief executives as among Fleet Street journalists, he had a way of intuiting every party's needs, and an extraordinary capacity for awe. Smart executives impressed him. So did good journalism. On all sides, he developed a reputation for honest dealing and hard work. Taking calls at all hours, he lugged everywhere with him a concrete-block-sized device most people didn't know existed: a mobile phone.

As a top performer at Broad Street, Parker had his own team there, including an administrative assistant named Dawn Walker. As she recalls, his larger ambition was no secret to his team. "Alan often spoke about setting up his own business at some point with 'when we go' featuring fairly regularly, although I'm not sure if he ever asked if I did actually want to go with him!" Walker recalls.

The team members themselves weren't certain Parker was really serious until everyone returned from the holidays that ushered in 1987. "It was clear that Alan had done a lot of thinking over Christmas," says Andrew Fenwick, who had joined Broad Street the summer before. An "absolute indicator" to Fenwick that Parker had big plans in the works: "He had a new briefcase."

Sure enough, Parker asked Walker and Fenwick to join him at a new firm. Walker didn't hesitate. Fenwick needed a bit of persuading.

An accountant formerly with Deloitte, Fenwick was cautious both by training and nature. Yet there was a limit to how much he had to lose. The 26-year-old's family, for four generations, had owned and run one of Great Britain's premier department-store chains, Fenwicks. The Newcastle-based retailer's Bond Street store was a fashion icon in London. Even if Parker's new company succeeded, Fenwick figured he would leave eventually to join his family's business. So he said yes.

Crucial to Parker's plan was Louise Charlton. For most of his time at Broad Street, she had been a member of his team, and was now embedded in the offices of a client, British Airways. BA wanted Charlton's full-time services during its privatization process – no surprise to those who worked with her. Smart, thoughtful and hard-working – growing up in Yorkshire, she had toiled in her mother's catering and restaurant business – she radiated charm. Any number of employers had tried hiring her away from Broad Street, but when presented with Parker's offer she didn't hesitate. She liked and trusted Parker and Fenwick. As a 26-year-old career woman in an era when many employers made few allowances for motherhood, moreover, she says she felt implicitly that her future plans to raise children wouldn't harm her prospects with Parker and Fenwick. "Family is very important to them," she says.

Underscoring the risk for everyone involved was that Parker, 29, did not come from money. His father had earned no fortune running the government-owned railroad and his mother was a physician. If the family had had riches, Alan's two younger brothers – aspiring actors both – wouldn't still, in their twenties, have been living at home.

Yet it is proof of Charlton's observation about family as a Parker priority that the new company set up shop in the kitchen of Alan's parents. On that first morning, Feb. 23, 1987, laughter broke out over the limitations of a single phone line, recalls Walker. "I was told that I had to be first to answer the phone with the Brunswick greeting," Walker said. "This was not easy on the basis that Alan's mother, a general practitioner, and two brothers, both actors at the time, were all living in the apartment and waiting for the phone to ring." Back then, it could take weeks for the phone company to install a second line. But as a physician needing emergency access to her patients, Alan's mother, Gill, managed to get that process expedited.

It also said something about the closeness of the Parker family that when the founders that first morning pondered potential names for their company, they chose to name it after Brunswick Gardens, the Kensington street where Peter and Gill had raised their four children. "Brunswick sounded strong and established – like something that we could grow," says Charlton.

Of course, they also needed clients. Earlier, when they'd informed Broad Street of their intentions to leave, the company had called them into a meeting with its lawyers. "They produced six pages of



SIR ALAN PARKER

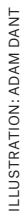
Chairman of Brunswick Group, Sir Alan acts as senior consultant on many retained accounts. He is also Chair of Trustees of Save the Children International.

LOUISE CHARLTON

Vice Chairman of Brunswick, Louise has led teams in a number of Brunswick's most high-profile projects. She also serves on the Board of the British Museum.

ANDREW FENWICK

Vice Chairman and Chief Financial Officer, Andrew is a director of the Royal Parks Agency and a founding Trustee and Deputy Chairman of the Royal Parks Foundation.



REAL + IMAGINED: REMEMBERED + FORGOTTEN.

ILLUSTRATED TIMELINE OF PEOPLE, PLACES + EVENTS.

2017



The roles of the three founders are distinct. Parker is the visionary, Fenwick the Chief Financial Officer, Charlton the ambassador to clients and partners. “We were very lucky to meet each other,” says Charlton

clients’ names that they said we couldn’t touch,” recalls Charlton. “Alan just said, ‘That’s ridiculous.’ And we walked out before we had even sat down!”

“Alan, Andrew and Louise were escorted from Broad Street’s building,” recalls Walker.

In launching his own firm years earlier, Broad Street founder Brian Basham, a legend in British communications, had taken along a few clients. And now Parker, Fenwick and Charlton did the same. Brunswick’s original three clients were the food companies United Biscuits and Albert Fisher, and the dry cleaner Sketchleys.

Speaking of United Biscuit and its Chief Executive Hector Laing, Fenwick recalls, “It was quite a shock that a FTSE company would go with a startup, but Hector had a good relationship with Al.”

Before finding some modest office space, the Brunswick foursome operated out of the Parker household for six weeks. “Although I was essentially the dogsbody, everybody appeared equal, we all mucked in,” recalls Walker. “We all laughed quite a bit as we wondered what we’d done, but I certainly didn’t think failure was an option.”

IN THE YEARS THAT FOLLOWED, BRUNSWICK expanded from a London public-relations agency specializing in mergers and acquisitions to a global advisory firm offering expertise in social media strategy, healthcare, litigation, cybersecurity, regulation, employee engagement, diversity and inclusion, corporate responsibility and sustainability, marketing, mergers and more. Its list of partners includes former top executives, law-firm partners, physicians, academics, top-tier journalists and other top professionals. A global network of 150 Partners – many of them years-long veterans of the firm – manage with autonomy but also collaborate as members of a cohesive team.

“I had been a management consultant and a journalist, and I thought Brunswick would be the perfect fusion of both,” says Susan Gilchrist, a 22-year Brunswick veteran who now serves as its Group Chief Executive.

The firm’s success is also attributable to a long record of first-class service to clients. How it established that record, and how it maintains it, is a topic Brunswick prefers not to discuss. “It’s bad manners to get between the footlights and the clients,” says Parker.

But what is obvious is that its success grew out of a culture that might offer insight to executives everywhere. It is a tribute to that culture that

Brunswick’s founders – Parker, Charlton and Fenwick – remain together after 30 years. In a 2011 article, former Walt Disney Chief Executive Michael D. Eisner lamented the lack of research behind such dynamic duos as Warren Buffett and Charlie Munger, Bill Gates and Paul Allen, and Bernie Marcus and Arthur Blank. “My partnership with Frank Wells at Disney represented the most successful 10 years of my career,” Eisner wrote. For the Brunswick trio, the same is true about the last 30 years. The roles of the three founders are distinct. Parker is the visionary, Fenwick the Chief Financial Officer, Charlton the ambassador to clients and partners. “We were very lucky to meet each other,” says Charlton.

The culture that developed under those three bore the influence of Peter Parker. Although he never held any title, he always had an office at Brunswick. “Alan’s father was a very important mentor to the company in the early years,” says Fenwick.

After serving in World War II (which claimed the lives of his two brothers), Peter Parker studied management at Harvard and Cornell, displaying in the career that followed, a talent for serving the interests of all stakeholders. Tapped in 1976 to save British Rail – a government operation plagued by poor service and busted budgets – he won vital concessions from recalcitrant union leaders, gaining the approval of Margaret Thatcher. By tradition a member of the Labour Party, he never lost the support of the working classes, in large part because – in a nation that reveres trains – Parker managed to cut costs while significantly improving and expanding service.

His management maxims implore leaders to hire smart people “and delegate more than you think is good for you,” to view others in the best possible light, and to lavish praise on others but not so much on one’s self. “He was a pioneer of modern management,” according to *The Guardian* obituary of Parker following his sudden death in 2002. “He had a concern for other people and a penchant for optimism that seldom let him down.”

Over that file of sea bass back at Wilton’s, Alan Parker is asked whether Brunswick has fulfilled his father’s vision of how a company should treat its clients and employees. He hesitates, noting that the title of his father’s memoir, *For Starters*, reflects a strong belief in looking ahead.

“There’s no room for complacency or even satisfaction,” he says. “My father still beat me at tennis when he was 65.”

KEVIN HELLIKER

is Editor-in-Chief of the *Brunswick Review* and a former Pulitzer Prize-winning journalist for *The Wall Street Journal*. He is based in New York.

Scott Durant lifts his arms after winning gold in the Men's Eight rowing race at the 2016 Rio Olympics. The Great Britain team covered 2,000 meters on the water in 5 minutes and 29 seconds, edging out Germany, the silver medalists, by roughly one second.



Durant Durant

AT 28, SCOTT DURANT JOINED BRUNSWICK Group as a junior researcher, an entry-level position typically offered to recent college graduates.

But if Scott hadn't spent his twenties climbing a corporate ladder, he had a solid alibi. "I'd spent the last 14 years rowing," he says. And he had an Olympic gold medal to show for it, earned as part of the British Men's Eight in Rio in 2016.

Reaching the podium in Rio was the culmination of a dream that had bordered on obsession. Yet when the moment arrived for Scott, something was missing — his identical twin brother, Mason. They had entered the sport together at age 14. At home each night they had talked about training and competing strategies. They had shared a tattered copy of the autobiography of Sir Matthew Pinsent, a British rower who won four Olympic gold medals. They went so far together that both earned a spot on the British national rowing team. Then a back

After growing up sharing a love of rowing with his twin brother, Brunswick's **SCOTT DURANT** found himself alone on the Olympic podium in Rio

injury ended Mason's rowing career. "I always kind of thought that if I made it, we both would make it," says Scott. Instead, he wound up going to Rio with the British Men's Eight alone. "Naturally, I was very pleased for him," Mason says.

The pursuit of an Olympic career is largely solitary, even in a team sport such as rowing and even among twins. Scott describes his 14 years of training as a relentless effort to close the gap between his performance and his potential. "There was always someone who was better than me," he says. "I would rather try and beat my own personal bests than focus on beating others."

When they started rowing, Scott and Mason didn't stand out. "I was never particularly good at sports as a kid, wasn't someone expected to win a gold medal at the Rio Olympics. As an underweight, frankly weak and fairly soft 14-year-old boy, I was below average in every respect and failed to make my school's top boat in my first two years of the

sport,” Scott says. “In my first national rowing competition at age 15, my team finished fourth from last, out of 50 crews.”

But the twins persevered. “When we were 16 or 17, we realized that the more we put into it, the more we got out of it,” says Mason.

“All I ever thought about was rowing,” Scott says. “During school lessons I would plan how I was going to structure my next 2,000-meter indoor rowing test. I would daydream about what it must be like to row for Great Britain. I barely allowed myself to think past the goal of making the national team. The Olympics? The British Men’s Eight had won only one Olympic gold medal since 1912.”

To Scott that obsession was a blessing. “I felt lucky that I knew exactly what I wanted, something many of my close peers are yet to resolve,” he says. “A big part of this dream was having short-term goals. I was constantly trying to increase the distance I could row in 20 minutes on the rowing machine.”

His second year at Oxford Brookes University, Scott made the first team, after placing only the third team in the first year. “In five years at Oxford Brookes, I obtained undergraduate and graduate degrees in town planning while training six days a week, once or twice a day, for an average of three hours a day. By the end, I had rowed in boats that had won a lot of races at a student level.”

Mason and Scott still shared the dream of making the national team. Even though they rowed for separate universities, they won first place together in a boat at the prestigious Henley Royal Regatta race in 2012. “That was quite a big win, and doing it together added an extra level,” says Scott.

In 2009, a back injury nearly ended Scott’s career, besieging him with spasms that rendered him immobile. Eighteen months of physical therapy convinced him to train his entire body, especially his core. “If all you do is row, along with strength training that targets muscles needed for rowing, your body falls out of balance,” he says.

After college graduation, the boys worked together at the Oxford Brookes University sports center and trained together. Eventually, both made the national team, which provided a cost-of-living stipend. But their greatest source of support was their mother, Diane Durant, a teaching assistant and learning mentor in a local primary school. Their father died when the boys were 9, after a long illness that had left him incapacitated. Their mother was left a widow.

“I saw a lot of people around me who weren’t as well supported as Scott and I, in terms of the

emotional and financial support our mother provided,” Mason says. “They didn’t carry on rowing as long as Scott and I did. We were lucky to have that support.”

“I have always done my utmost to support all my boys in whatever they have been passionate about and set their minds to,” Diane says. “For Scott and Mason, this was their rowing. They trained together throughout their time at school, culminating in them winning the National Schools Championship in the pair and beginning to row for their country. It was at this point that they were interviewed for our local newspaper, stating that a dream for them both would be to row in the Olympics.”



Scott and brother Mason in a “coxless pair,” a vessel that requires a great deal of teamwork between two rowers in order to power and steer the boat. The photo was taken by their mother, Diane, in 2006 – a decade before Scott would row his way to a gold medal.

The first couple of years on the national team were exciting. “Because the position came with a stipend, that meant I didn’t have to work or seek help from my ever-supportive mother,” Scott says. But another back problem flared up for Scott in 2014, causing him to miss practices. “After returning I couldn’t find my previous form, and I ended up in a boat at the World Championships that, if it had been 2016, would not have gone to the Olympics. Mentally, I found this very hard. It was one of the first times I had not achieved something due to underperformance.

“It felt like a failure, but it came at the right time. I was able to assess what had gone wrong and rectify that in time for Rio. It taught me things were never set in stone and that your situation can change at the drop of a hat. It showed that I was going to have to get everything right in the lead up to the Olympics.”

That same year, Mason received the career-ending news of a broken vertebra in his spine – a rowing-related stress fracture. “It was devastating for Mason to have to give up rowing and, as his mother, it was utterly heartbreaking to see this huge disappointment for him,” Diane Durant says.



Barely 18 months away from the Rio Olympics, Scott felt the pressure on him increasing. One bad performance could sink him. “On the national team, if you’re not good enough, they kick you out. I have been there when teammates have been told that they are to go home and not return, and it’s terrible. You wouldn’t wish it on your worst enemy. This pressure, and the fact that there are several athletes going for only a few seats, has the ability to break people.”

But Scott found within himself what might be called a separate peace. “I had already made the decision that 2016 was to be my last year of rowing, and now I was determined for the experience to be enjoyable. I knew it would be brutally hard. But just because something is hard, does not mean it is not fun. I intended to leave out all of the miserable thoughts of things I couldn’t control, and focus on the things I could control.”

Only three weeks before the Rio Games, Scott was notified by the national team that he had made the Olympic Men’s Eight. Both his girlfriend and his mother made plans to travel to Rio, as did Louise Charlton, his aunt and a founder of Brunswick. “He had worked so hard for this,” says Charlton.

The Great Britain team rows in their first heat during the 2016 Rio Olympics. Scott Durant sits in the seat furthest from the camera – “the bow,” or the “one-seat” in an eight-person boat. The bow isn’t the most powerful rower – they usually sit in the middle of the boat – nor are they the one who sets the pace – that’s the “stroke,” at the stern, shown here second from right. The bow is typically light, and from that position, the rower is able to see all other rowers and call out if they see any issues with form or timing.

One person not heading to Rio was Mason. The Olympics took place during a cycling trip across Europe that Mason had long planned with his girlfriend. “I rowed pretty much every single day of my life for 14 years, so when that career came to an end, I had to put that behind me,” says Mason.

That trip ended just ahead of the medal round for the Men’s Eight in Rio. Boarding a homebound plane in Slovenia, Mason had to shut off his phone just as his brother’s race began. He said he expected Team GB to win, even though they hadn’t finished first in any big races all year. “I spoke to Scott during that entire season, and from what he was saying, I thought they were the favorites,” says Mason.

Scott recalled the taut moment, crouched in a boat at the start line for several minutes before the race began. “It feels like you’re sitting on a box with a caged animal inside,” he says. “You can’t let it out until the right second.”

Great Britain won. “The feeling was indescribable,” Scott says. “I would sway between a state of complete euphoria and being on the verge of tears.”

Witnessing that victory thrilled Diane Durant. “To actually realize a dream takes a certain kind of

dedication, commitment and incredible hard work and single-mindedness that not everyone possesses,” she says. “That feeling of sheer pride and admiration for one’s offspring is overwhelming and amazing, and makes me feel privileged to be their mother.”

For Scott, euphoria quickly gave way to what he calls “a sense of emptiness.”

“My teammates felt it too,” he says. “No longer did we need to train toward perfection, sweating over the smallest detail. The regimented and planned timetable of training no longer existed. We were all free.

“A teammate described the feeling as ‘an alien sense of freedom, tinged with loss.’ Half of my brain

was telling me to get up and train at 7:30 a.m. The other half was telling it to shut up and go out and celebrate.”

As the internal struggle subsided, Scott saw he needed to move on, to find the next challenge. After starting in December at Brunswick, Scott found himself seeking professional advice from Mason, who is now three years into his career as a water-management scientist.

Mason couldn’t be happier to field those calls. “Our relationship has always been one where we try to help each other out,” he says.

KEVIN HELLIKER is Editor-in-Chief of the *Brunswick Review*, and based in New York.

CRISPY CHICKEN. INDONESIAN CURRY. SIDES of garlic bread and sweet potato fries. We’re moving glasses and plates to accommodate Alistair and Jonny Brownlee’s post-training dinner. “We try to eat a healthy, balanced diet on the whole,” says Alistair. “But you spend your life training, so you’ve got to enjoy food.”

In their native Yorkshire, where they still do much of their 35 hours-a-week of training, the brothers are local heroes. But if these two Olympic medalists – among the world’s best triathletes – walked past, you probably wouldn’t notice them. Six foot tall, wiry and boyish, they arrive in their matching puffa jackets and tracksuits, stopping briefly to say hello to some people they know at the next table.

“We get recognized much more since Mexico,” the 2016 Cozumel triathlon where Alistair famously had to haul Jonny over the last few meters of the course as his legs gave way, leaving him looking like “a wobbly horse” – a video viewed hundreds of thousands of times on YouTube. “Every few days I cross the street now and get people saying, ‘Make sure you drink lots of water.’ I’m quite embarrassed by the whole thing. To get more recognition for losing a race than your Olympic medal, is really weird.”

The brothers are deeply connected to Yorkshire. Many of their training partners have been friends since they were teenagers. Jonny goes to their parents’ house for a roast dinner every Sunday. Their third brother, Ed, a veterinary student, can always be relied on to bring the Olympians down to earth: “He doesn’t care about triathlon at all. He could have come to Rio to watch us, but he didn’t want to.”

In an era of peripatetic athletes and footloose sports franchises, that ordinariness is part of the Brownlees’ appeal – and the counterpoint to their extraordinary achievements. At 29, Alistair has won

BROTHERS in arms

Brunswick’s **JAMES HALLAM** and **CHARLIE BOOTH** dined with superstar triathletes **ALISTAIR** and **JONNY BROWNLEE**. In a wide-ranging conversation, the brothers discussed being training partners – and each other’s toughest competitor

triathlon gold in the last two Olympics and has twice been world champion. Jonny, younger by two years, has a world title of his own and followed up bronze in London 2012 with silver in Rio 2016.

Their capacity for endurance is remarkable. In the 2012 Olympic race, Alistair finished the 10 kilometer run in 29 minutes 7 seconds. That was only 96 seconds slower than Mo Farah’s time, who won Olympic gold for running the same distance on the track; Brownlee did it having already completed a 1,500 meter swim and 43 kilometer bike ride.

The training required to reach this level is predictably brutal. In addition to gym and physio sessions, they swim 20 to 25 km, cycle 500 to 700 km, and run 120 km or more every week.

While modern sports stars surround themselves with advisers, agents and coaches, the Brownlees have bucked the trend, taking responsibility for their training and race-day performance.

“I want to be stood on the start line knowing I’m completely responsible for what goes right or wrong,” says Jonny. “I’m not saying I don’t have a team – I’ve got the support of four or five people who I rely on.”



Alistair continues: “You treat coaching as advice, then you sit there and you make the decision.”

That responsibility is evident even in how they approach the night before a big race. Many athletes try to eat exactly the same meal every time – it’s part of a routine, another decision they don’t have to make, perhaps even a psychological crutch. The Brownlees don’t. Their logic: as long as you eat well and don’t get sick, eating a specific thing isn’t essential for performance. If you think you can only run on one particular meal, what happens when you forget to bring it to a race 3,000 miles away?

The same is true of superstitions in general. “When you’ve raced as long as we have and in as many different places, superstitions tend to fall by the wayside, because they never work out very well.”

They’ve stuck to a similar routine since childhood, a schedule originally based on Alistair’s school timetable. While having a familiar routine helps ensure you get out of bed in the morning to train (“If you give yourself an option, you’re in trouble...”) novelty and variation are also vital. “I get the impression that we enjoy our training a lot more than most people,” says Jonny. That means

Jonny Brownlee (center), severely dehydrated, staggers across the finish line of a 2016 race in Cozumel, Mexico, with help from his older brother Alistair, who gave up his chance to win the race to support Jonny down the finishing chute. The story, and accompanying video footage, received global media coverage. Jonny says that when he’s out walking in his home town, people still playfully remind him to stay hydrated.

keeping things fresh with new training routes, and using longer loops rather than short, repetitive circuits. “You’d be amazed. Some people say it’s not really training unless it’s boring,” says Alistair. “I’ve had this argument with coaches, who say there has to be a certain type of monotony to training, so that you’re almost training your brain too. They see it as a kind of psychological weakness to try to avoid that sort of monotony. My response is that I think it’s a psychological inadequacy to need that monotony, and not to realize that doing exactly the same physiological training has exactly the same benefits without being boring.”

Both love what they do. But how do they find training, racing and, until recently, living together? “I think we’ve been very lucky that, on the whole, us working as a team has been advantageous,” says Alistair. “You want to train with the best people to push you on, so even if he wasn’t my brother it would be fantastic to be able to train like we do.”

But the brotherly affection belies a steely, ruthless streak, as the world saw in the 2016 Olympic race in Rio de Janeiro. Leading the race halfway through the final run, Jonny turned to Alistair and urged him to

“relax.” Alistair did anything but, streaking away to win his second Olympic gold. “We work together as a team until we get onto the run. And then it’s every man for himself.”

For Jonny, training alongside his brother every day has been more of a mixed blessing. He speaks warmly about the comfort of lining up alongside his brother on the pontoon at the start of a race, but also reflects on the mental challenge of competing against the best in the world day-in, day-out: “He’s your older brother and he beats you in training, so maybe you go into a race half beaten.”

While they may be considered a pair by their competitors, sponsors and the media, the differences in their personalities become clear throughout our dinner. Alistair, the older brother, is quietly reflective. His approach is rational and hard-headed. At 18, he gave up a place reading medicine at Cambridge University in favor of triathlons, but when asked about the sacrifices he’s made in his life, he seems almost nonplussed: “It’s a choice you have to make to do what you want to do. I’ve never ever had to pore over a decision about seeing friends or doing a family thing – if it’s been for my sport, I’ve always just chosen sport. If you saw it as a sacrifice, you just wouldn’t do it.”

Jonny is bubbly, quicker to laugh and crack jokes, poking fun at his brother’s love of romantic comedies: “Living alone I can do what I want, like watching Leeds Rhinos or Leeds United on telly, rather than sitting getting bored watching *Bridget Jones’ Diary* and wondering if I should be doing some stretching.”

Living alone, near their parents and each other, the pair recognize the importance of separating training from life, giving themselves time to switch off after a hard day. Jonny says, “It’s something we’ve got wrong in the past. You’ve obviously got your training, but you’ve also got all your commercial stuff on top and you end up being very, very busy.”

The brothers rely on triggers to mark the end of their training day and the beginning of their evening. Alistair: “As an athlete – and it’s the same as a CEO of a company – it could literally never stop. But usually if I sit down and have a glass of wine, that’s the end of the day.”

New challenges are coming in 2017. For the first time in years, they won’t be competing alongside one another. While Jonny continues racing at the Olympic distance in World Series events, Alistair will compete in the longer half-Ironman – a 1.2-mile (1.9 km) swim, a 56-mile (90 km) bike ride, and a 13.1-mile (21.1 km) run.

“Ninety-five percent of our training is still together, we just don’t do as many runs together,” says Alistair. But the change marks a psychological fresh start for both brothers. For Jonny, it’s a big opportunity: “I’m excited, definitely. I hope it gives me chance to win something!”

Alistair will step into the unknown in September, when he expects to compete in his first half-Ironman event. Does he think he can win the longer distance at his first attempt, or is this first run about setting a benchmark?

“Nah, he thinks he can win it!” interjects Jonny.

“I think I can win,” Alistair agrees. “I probably wouldn’t be doing it if I didn’t.”



Alistair Brownlee (right) and younger brother Jonny became the first brothers to win Olympic gold and silver medals in the same event since 1960. Here, they stand on the medal podium in Fort Copacabana, Brazil, after taking the top two spots at the Men's Triathlon race in the 2016 Summer Olympics.

The brothers still have several years of racing ahead, but they have begun to think about life beyond triathlon. Both will seek a second career. For Alistair, that could mean a break from sport. “I’d like to at least try and succeed in something totally different and then come back to sport. I’d never go too far away from it. But I can’t see myself going into coaching.” Jonny talks about growing the Brownlee Foundation, the brothers’ charity that encourages young people across the UK to get into sport. “This year we’re going to have about 5,000 kids doing a triathlon. Hopefully in the future we can get 20 or 30,000. And then I’d also love to have a Leeds United season ticket.”

And with that we call it a night. The brothers, matching puffer jackets back on, stop briefly to say goodnight to the group of girls at the next table before disappearing out into the Leeds night.

It’s past 9 o’clock and they have a hard swim session at 7:45 the next morning.

JAMES HALLAM is a Director in Brunswick Insight, specializing in opinion research and stakeholder engagement. **CHARLIE BOOTH** is an Associate with Brunswick. Both are based in London.

The key that puts a team on top

Look past the coach to the role of captain. Author **SAM WALKER** talks to Brunswick's **KEVIN HELLIKER**

THERE'S A LIMITATION INHERENT TO THE literary genre wherein sports coaches dispense tomes of wisdom to business leaders. Around the globe, executives who follow camel racing, cricket or soccer aren't likely to read a book by a college basketball coach in Kentucky.

There are no such limitations to *The Captain Class*, a book that travels the globe in pursuit of an answer: What distinguishes the best sports teams? From a decade's worth of research on teams from Pakistan and Brazil to Hungary, Japan and Miami, author Sam Walker identified what he calls the greatest male and female teams of all time; his exhaustive analysis finds only one characteristic common to these freakishly brilliant squads.

No, it wasn't the coach.

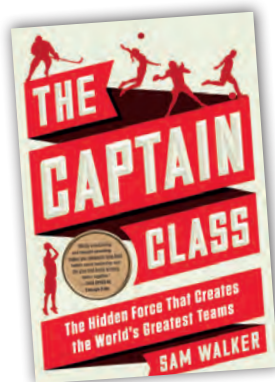
The key, Walker finds, is a particular player further down the bench: the captain. All of these great teams had the same kind of captain. And these captains were not what you might expect.

The founding editor of *The Wall Street Journal's* sports pages, Walker is passionate, funny and convincing in his argument that business-and-life lessons can be drawn from sports, as long as we focus on these important, unsung players. Walker agreed to answer a few questions for the *Review*:

We've all read books on how to lead like a successful coach. You say it's not the coach, but the captain. How did you arrive at that?

I never imagined I'd be saying this, but the evidence was remarkably clear. The coaches of these elite teams were all over the map. Some were successful, inspirational, or tactically brilliant, but others were decidedly not. Most had unremarkable records before (and after) they took over these exceptional teams, or had little to no coaching experience. Several teams even changed coaches.

It's not that coaches are irrelevant – far from it. But even the most revered ones – Vince Lombardi, Alex Ferguson, Bill Belichick and Phil Jackson – achieved their best results in partnership with a captain who didn't always do what he was told.



"These captains are rarely stars... they are middle managers. We need to stop stigmatizing that role"

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KEVIN HELLIKER is Editor-in-Chief of the *Brunswick Review* and a former journalist with *The Wall Street Journal*.

Who are these captains and what are some of their characteristics?

You've probably heard of Bill Russell, Yogi Berra and Tim Duncan, but there were many less-familiar names in the group, such as Brazilian soccer's Hilderaldo Bellini and Carla Overbeck of the US women's national soccer team. And no, Michael Jordan and Derek Jeter didn't make the cut.

They shared a few traits: They were relentless on the field, played to the edge of the rules, displayed extreme emotional control, carried water for their teams and stood up to authority. They didn't give inspirational speeches, but motivated teammates with low-key, task-oriented communication, or with nonverbal displays of emotion.

How did you identify the greatest teams, and how many different sports and countries do they represent?

I looked at every dynasty in sports history, from the NBA to Olympic water polo, and used eight criteria to filter out the also-rans. The 16 teams I ended up with came from 11 sports in 10 countries. They maintained their dominance for at least four years against the world's best competition and achieved a record that was unique to their sport.

What are the lessons for business leaders?

There's a mistaken notion in sports and business that a team's best member should be the leader, or that it's better to adopt a "flat" structure where middle management is thinned out. But these captains are rarely stars. They serve as independent intermediaries between the coaches and the team. In other words, they are middle managers. We need to stop stigmatizing that role.

Another lesson is that we've got leadership all wrong. The best captains aren't obvious. They're not going to wow you in a job interview. All that matters is that a leader is hyper-focused on the team's goals and takes a functional approach to management by rolling up his or her sleeves and doing the grunt work – in every hour of every day.

Are there examples in the business world?

I think Alan Mulally, the former Ford and Boeing CEO, is a great example. So is Jim Hackett, the former Steelcase CEO. You might be surprised to hear this, but Steve Jobs had a lot of Captain Class traits. Although he did enjoy the spotlight, he was relentless. He didn't have any trouble challenging authority or pushing the rules of civility to the absolute breaking point, either.

KANSAI PAINT HAS DONE MOST OF ITS business in recent decades sheathing cars on Japan's assembly lines with attractive, durable colors. But as it approaches its 100th anniversary and expands internationally, the Japanese paint maker has also found that its roots in the construction sector offer a new path for innovation: paints to combat disease. ALES Shiquy is a plaster-based indoor product that captures odors and traps viruses and bacteria, making it a natural for clean rooms and clinics. ALES AntiMosquito is a mosquito-repellent paint that the company introduced in Malaysia and Indonesia to help combat the spread of the dengue virus.

Overseeing both the global expansion of Kansai Paint and its development of technologically advanced products is Hiroshi Ishino, a former Mitsubishi Corp. executive who became Kansai's President and Representative Director in 2013. At the company's offices in Tokyo, we spoke with Ishino about the intertwined threads of innovation, trust and endurance that are the hallmarks of any successful business. Ishino stresses attention to customer satisfaction and making sure core business offers a clear benefit to society. Most important, he insists on a flexibility that seems more typical of a much smaller company. "I don't believe in a 'one size fits all' approach," he says.

The company's values can be traced back to its founder, Katsujiro Iwai, who was born near Kyoto in 1863. His childhood was an exciting time for Japan: in 1868, a long era of samurai leadership and national isolation policy was over. A new emperor designated his reign "Meiji," or "enlightened rule," and set the country on a path of modernization that resulted in sweeping social transformations over his 44-year reign.

Founded in Osaka in 1918, Kansai Paint was a product of that push to modernization. But in shaping the company, Iwai also carried with him traditional values learned from his parents – values Ishino still considers bedrock for Kansai's success. From his father, Iwai was instructed to "become a human being who benefits the nation." And from his mother, he was taught to "bear all difficulties, no matter what."

How does Iwai's commitment to endurance – "bear all difficulties" – still inspire the company? Some things can't be done overnight. For those, that "never give up" spirit is absolutely needed. Taking on challenges, doing difficult things, enhances your sense of purpose – it makes you alive.

Making paint is surprisingly difficult. There are all kinds of elements in the chemicals and the conditions of its intended use. Temperature, humidity, the material being painted – they all need to be considered. Then there's equipment and skill.

Faced with a difficult problem, you need the ability to carry through with it. That's what we mean by "never give up." After that – and this is true in any industry – you must be innovative to succeed. We were the first in the country to create lacquer – the traditional paint in Japan – from petroleum products. That type of innovation is one reason we have maintained our products for a long time.

Another reason is how we respond to the changing needs of the age. In each generation, some people join the organization who see how we can better serve customers. Over the last 50 years, our business shifted from building construction to shipbuilding and from shipbuilding to automobiles. Since the Lehman Brothers collapse, around 2007 or 2008, we have also become more international.

President **HIROSHI ISHINO** tells Brunswick's **DAISUKE TSUCHIYA** how innovation and traditional values are the drivers of Kansai Paint's global success

Catch that BUZZ



The top coat is applied to an automobile body at a Kansai Paint painting booth at a factory in Japan.



That ability to change is the point. Our endurance as a company comes back to our motto: to contribute to society and be customer-focused. In our mission statement, that's the first line, our top priorities. That means we're ready to be flexible and respond to the customers' needs.

Can you give an example of how the company has changed as it evolved in these areas?

In construction, the keyword was trust – earning the trust of the customer. That's not necessarily a matter of just innovation, but is more about never shirking from providing good service.

For ships, the differentiating factor was a paint specifically designed for ship hulls, which collect a lot of barnacles, algae and marine organisms. These increase resistance on the vessel as it moves through the water. We developed paint for the hull that those organisms can't easily stick to, while also meeting new environmental regulations regarding the use of tin and lead. That is true innovation. Technology like that is our No. 1 strength even now.

And the paints for ships and automobiles...

Are completely different. Ships and construction involve "ambient temperature drying" – you just paint without baking, and that's it. Automobiles are mass-produced: you put on a layer of paint, then heat without waiting for air-drying, then paint again and heat again. That changes the chemical reactions of the paint. And you're cranking out one car every few seconds. You have to address all kinds of problems, such as quick-drying properties, what temperature to use, the time it takes to cool down, and the temperature at which resin will deform.

With automobiles, the cosmetic factor is important, where with ships, if marine organisms don't attach themselves to the hull, and if the paint lasts a long time, that's good enough. The degree of precision is completely different.

Now we also need to address quality on a global scale. We paint the coating on one out of every two Japanese automobiles. But we had to follow our clients globally and supply the same services wherever they went to be a global supplier. If we couldn't keep up, we'd get dropped.

What were some of the difficulties in that transition to global supplier?

Looking back, I think we missed an opportunity to gain familiarity with the US and Europe because we didn't do things ourselves. Europe is especially advanced in production methods – a very advanced

production method that emphasizes cost appeared in the 1990s. Nearly all Japanese manufacturers, not only us, failed to notice the change taking place. Conversely in India, the Middle East and Africa we did things by ourselves and although there were areas in which we struggled, that struggle enabled us to discover what was necessary to succeed.

When you approach a problem with modesty, all kinds of things come into view that you might not have seen otherwise. At the very least you must develop a habit of looking at things this way – how would we do it if we had to do it ourselves? Otherwise you'll no longer understand key points.

That's an important lesson for companies in general. Are there others from your experience?

Japanese companies are very disciplined when it comes to production details and commitments to one another. That earns trust. That's where Japan's strength lies – but it's also a weakness. Japanese companies are not in the habit of standardizing management, or spelling out the kind of discipline they expect in a process or an agreement. This may be fine within Japan, but when a company undertakes global expansion, it suddenly can lead to problems. You have to clearly specify what is to be done and not to be done, and communicate and educate everyone. From here on, as Japan globalizes, this will be an increasingly important point.

So the innovations in automobile paint led to the emphasis on technology?

It was an important step, yes. Automotive paints continue to be the main focus. If we can consistently win through technology, we can differentiate ourselves and have an advantage over our competitors. So automobiles are our main customers and our base is Japan, where we are established. Without this strong foundation, we couldn't take risks. So, where do we take risks? We take risks in our products for construction, and in our business in India, Africa and China.

Taking risks in new markets and developing paints like ALES Shiquy?

Yes, both. The location affects a great deal about the product we offer. Repainting is done in Japan after seven to 10 years, so there we prioritize quality. Overseas, depending on the location, painting is done every year. In that case, it has to be inexpensive and how long it lasts is not a priority. It's hard to make something inexpensive.



The Kansai Paint factory near Osaka is shown in the photo, taken in 1937. The smokestack in the center carries the company's name in Japanese characters. The company was founded in 1918, and the oldest section of the factory appears in the lower left corner.



IN JAPAN, the terms “pine”, “bamboo” and “plum” (*shō-chiku-bai*, or 松竹梅) are commonly used labels to rank the quality of something. “Pine” is associated with high quality and most expensive; “bamboo” with medium quality; and “plum” with lower quality and least expensive. These three plants are all resistant to cold weather, yet each also has its own distinct character. In other contexts, the three represent different qualities, such as endurance (pine), honesty or flexibility (bamboo) and nobility (plum).

In terms of competitive ability, if you do only the “pine” in the symbolic “**pine, bamboo, plum**” trio*, you can’t take part in the fight. “Pine” is only the top 5 percent of the pyramid; the main part would be the “bamboo” part – you can’t do business without this volume zone. That’s where Japan’s electrical machinery manufacturers fail.

But it isn’t easy to differentiate with “bamboo” for the mass market. To establish a brand you need to keep at it for a long time – things aren’t easy for a latecomer. So first, to improve our name recognition, we sponsor the soccer team Manchester United. It helps to get people talking about the brand. Then we demonstrate a difference through technology. When we put out insect repellent paints or other products with greater functionality now, we of course expect that they’ll grow, but also expect name recognition and brand power from such products. They demonstrate we have that level of technology. As a latecomer in the global market, if we don’t show that we’re innovative, we can’t establish a brand.

Behind that is also our contribution to society – a top priority. We don’t want our new paints to be just sustainable or non-toxic; we want to make things that contribute to better health. Insect repellent products are important not only in developing countries, but in developed countries too.

This represents a new phase that we must do from here on out. Companies are being asked how they can contribute to sustainability and health, not through charity but through their core business.

How we approach CO2 emissions is good example. Lowering the temperature or shortening the time for automobile paint firing reduces CO2 emissions. Likewise, we have a product to coat the inside of a liquid natural gas pipeline to reduce friction – that increases the transport efficiency by about 20 percent. Those pipelines can run thousands of miles. When the interior is smooth and transport efficiency increases, the necessary amount of CO2 and energy required for the transportation are lowered.

This is the best way to contribute to society. We could not be invested in a corporate social responsibility program that was disconnected from our core commercial business.

Did the company set out to make antibacterial and anti-virus paint?

No. Basically, we first began research on how to affect humidity or eliminate odors. We then found that there happened to be antibacterial and virus-killing effects in the product we developed. We had a professor at Osaka University demonstrate this. When Ebola appeared, we thought it could aid in preventing secondary infection in on-duty nurses and physicians – a real problem in the treatment of patients. So we decided to use it to coat cloth; now we can coat paper and film too.

What led you to think of using plaster?

Plaster contains lime, which comes originally from coral or shells. Plaster has a lot of holes called pores, so it absorbs carbon dioxide and humidity. The plaster that we use has long been used in Japanese storehouses. It doesn’t just insulate the inside of the storehouses, but makes them cool and dry. There isn’t much occurrence of bacteria.

Each of the plaster pores also have countless holes inside, so there is an amazing surface area. It takes seven or eight years to harden completely. Until then, it absorbs humidity and eliminates odor. It stays alive inside, always breathing. So the material’s structure makes it natural for this type of use.

Plaster on walls has been common worldwide throughout history – an enduring technology.

Right, it’s not unique to Japan. Kansai Paint is making use of this to develop paint that is both high quality and looks good. Back at the time of SARS,

we had Professor Jiro Yasuda of Nagasaki University, who is an authority on epidemiology and epidemics, investigate the effect. He demonstrated that it's effective against all viruses, whether colds, norovirus, SARS, MERS or Ebola – they all use the same mechanism. When airborne moisture goes into the holes and adheres there, an alkaline atmosphere is created and in the end the viruses are inactivated. The limestone breathes in CO2 as well, making it a good measure against global warming.

What led you to develop insect repellent?

Four years ago, on a trip to Tanzania and Kenya with Toshimitsu Motegi, then Japanese Minister of Economy, Trade and Industry, I happened to hear someone from Sumitomo Chemical explain how the Olyset Net (a mosquito net with safe, anti-malaria mosquito ingredients in the textile) incorporates the pyrethroid insecticide. I wondered what would happen if it were put into paint, and asked Sumitomo Chemical to share it with us.

I had the paint developed in South Africa, where it could be done quickly. When we announced it globally, we offered it there and in Malaysia, where there was an outbreak of dengue fever. We could do it right away, as a dengue fever countermeasure, with local government-sponsored collaborators.

What decisions have you made that you see as major turning points for the company?

The biggest one must be Africa. We made a lot of acquisitions, but our 2010 stake in South African company Free World had the greatest effect. All kinds of things came into view – manufacturing methods, where to manufacture colors, how to integrate products and so on. We already had gone to Southeast Asia, China and India. Business in India was very different and through the purchase in Africa, we realized India offered a model for a way of doing business in Africa, particularly in the handling of supply chains. That was a phase change in our growth as a company. One supplier said to us, “Kansai Paint has finally become a global company.”

The thinking at our offices in Japan had been that ASEAN and China were the standard for our global practice. But having made the Africa purchase, we now have a completely different perspective.

Does your experience at your old company, Mitsubishi Corp., contribute to your work now?

It really does. I'll give you an example. Mitsubishi supported automobile manufacturer Isuzu's entry

into the Philippines – the last entry in the market after Toyota, Mitsubishi Motors, Honda and others. So how could Isuzu compete?

For other companies, model changes were uniform globally; doing something for just one market was out of the question for them. New models would come out once every four or five years, but there was nothing in between. We convinced Isuzu to put out a new model specifically for the Philippines every year. Making the seats nice and straight, placing a DVD player in the back, putting in massagers, bringing in side lamps that flicker, changing the grill or colors. Not significant changes but changes that were appreciated in the Philippines market.

The new models served to advertise the brand. That was our own discovery. Our advertising expenses became a tenth of that spent by other companies, and even then we did not really need it. As a latecomer to the market, finding a way to do business differently from others was key.

Business model innovations are as important as technology innovations. I'm talking about adjusting everything to meet market needs. In Thailand, there is a large demographic that uses cars for agricultural and other work, and cars are heavily advertised for their good mileage or resale value. But in the Philippines, the demographic that buys cars is wealthy and nobody would care about such advertising. Instead, they care about something that is new and fashionable. The customer demographic is different.

That's also important in my work now. I don't believe in a “one size fits all” approach. We have to search for what's best for Kansai Paint in each market. How do we create a business model that leverages the strengths of Kansai Paint? I'm flexible – thoroughly so, on a lot of things.

Your company is approaching its 100th anniversary. What is the secret of Japan's famously long-lived companies?

Customers' needs are always changing. In the end it's important to be actively in tune with that, always be sensitive about what customers and the world are really seeking. Have a long-term strategy and go forth simply and honestly without betraying trust. That's it.

A Brunswick Partner and former Japanese diplomat, **DAISUKE TSUCHIYA** advises clients active in Japan and Japanese clients on international communications. Additional reporting by **SARAH SKLAR**, a Junior Researcher, and **RYOKO HARADA**, a consultant in London.



When you approach a problem with modesty, all kinds of things come into view that you might not have seen otherwise

HIROSHI ISHINO

Hiroshi Ishino joined Kansai Paint in 2003 from Mitsubishi Corp. He was named President and Representative Director of Kansai in 2013. He is also Chairman of the Board at a top South African paint maker.

KANSAI PAINT was founded in Osaka in 1918 and is one of Japan's largest paint manufacturers. It has operations around the world and is the maker of the ALESCO brand of paint products.

Alibaba conjures the future

China's e-commerce giant wants to last for 102 years (not 100). Brunswick's **GINNY WILMERDING** examines the company's unconventional long-term vision

TWO ADJOINING SENTENCES IN ALIBABA'S latest annual report outlined two ambitious goals. The first was to "build the future infrastructure of commerce." The second was to "be a company that lasts at least 102 years." For those unfamiliar with Alibaba, "102" might have seemed arbitrary, or perhaps a typo. But it's neither. The figure reveals far more about the company than how long it wishes to endure.

Founded in 1999, the Alibaba Group has set its sights on operating over three centuries: the last year of the 20th century, all of the 21st century, and into the 22nd century. Hence, 102 years – at least.

Jack Ma, the company's founder and Chairman, decided that an 80-year goal was too modest, while a 100-year target too predictable. He shared his vision in 2014, as the company prepared to publicly list on the New York Stock Exchange. Ma's personal letter was included in Alibaba's listing prospectus. Alibaba's management team continually explained "102 years" at investor meetings in the lead-up to what would become the world's largest IPO. And as the company's latest annual report attests, Alibaba still has – and shares – that vision today.

But how does such a relatively young company plan to survive for so long, let alone in a technology-driven sector that changes so drastically and quickly? Presentations by management team members at Alibaba's Global Investor Day 2017 showed that they see endurance as far more than mere longevity – it's also about continually honing or reinventing their competitive advantage amid rapid changes.

One way the company has adapted is by embedding uncommon tactics into its business model. Take the company's governance structure, which resembles that of certain banks or law firm partnerships. Alibaba is overseen by a group of elected partners; one of the criteria for being selected is whether the potential leader is deemed to be a "culture carrier." These partners can propose a majority of board directors, though shareholders can vote against them. This structure deliberately

looks to preserve the corporate culture shaped by the company's founders without being overly dependent on any single person. Of the current 36 partners, only seven were with the company in 1999, the year Alibaba was founded.

There's also the Group's "ecosystem approach." Taobao Marketplace, TMall, Aliexpress and Alibaba.com – all owned by Alibaba Group – aren't just exclusively for big merchants and urban consumers. Alibaba's products and services are designed for those who are often overlooked by business, such as small vendors and rural consumers. The company sees it not only as the right thing to do, but also good business: more customers, more data and a social license to operate.

A NYSE listing means Alibaba has to report quarterly results and face the accompanying pressure and scrutiny. But the company's leadership remains focused on a much more distant horizon. "Our company will not make decisions based on short-term revenues or profits," Ma wrote in 2014. "Our



strategies will be implemented with mission-driven, long-term development in mind. ... We welcome investors with the same long-term mindset."

Alibaba has 84 years to go until 2101, but the early results of its strategy are impressive. Since its IPO in 2014, Alibaba has more than doubled its revenue, and its share price has climbed nearly 100 percent. Today it is one of China's most valuable private companies.

Many business schools teach corporate endurance by using case studies on some of the world's longest-lasting companies. It might be equally instructive for them to turn to global youngsters such as Alibaba for insights about growing old.

GINNY WILMERDING is a Partner in Brunswick's Hong Kong office. She advised Alibaba on its 2014 IPO and is now advising Alibaba's affiliate company Ant Financial.

The psychology of resilience

French psychiatrist, Holocaust survivor and author **BORIS CYRULNIK** examines how periods of agony can lead to new strength. Brunswick's **OLIVIER JAY** reports

WHEN BORIS CYRULNIK WAS A CHILD in German-occupied France during World War II, Nazis murdered his parents. A foster family took him in to protect him. In 1943, he was captured along with others during a Nazi-led operation in Bordeaux. He escaped by hiding in a synagogue and later eluded Nazi searches by disguising himself as a farm boy, under an assumed name – where he stayed until the end of the war.

That survival story motivated what has become a star career in psychiatry. Cyrulnik is now 79, a French doctor, ethologist, neurologist and psychiatrist best known for developing and popularizing the concept of psychological resilience for a wide audience.

He published several books, including the popular titles *Talking of Love: How to Overcome Trauma and Remake Your Life Story*, and *Resilience: How Your Inner Strength Can Set You Free From the Past*, both published by Penguin.

In 2002, as member of a public commission for national reforms under then-President Nicolas Sarkozy, he worked with Emmanuel Macron, who was elected President himself this year. “I was fascinated by him,” Cyrulnik says of Macron. “He wants to triumph at anything. We saw him as a future leader.”

But it is his work on resilience – the quality of being able to recover successfully from injury or disaster – that is perhaps Cyrulnik’s greatest insight. Like people, companies can endure a crisis and emerge stronger, he says – but not unscathed. This kind of growth requires sustained commitment: a willingness to change and maintain solidarity with your team members.

How do people find the strength of resilience?

Resilience can be defined in an astonishingly simple way. It’s starting on a new development after a shock, or what’s known as a mental agony.

That goes for any living organism. The inner strength you find comes from around you. It seeps in from your surroundings. That’s the epigenetic theory in biology – our traits can be shaped to a degree by our environment.

And it’s true for psychology: a living body grows by becoming more complex through a process of imprinting. It begins very early, from what forms you. DNA is made up of only four bases but they can express themselves in thousands of different ways according to their surroundings. It’s sort of a rudimentary alphabet which would let you write thousands of different novels with only four letters.

Does this psychology apply to companies?

A company is a type of living entity. It never stops interacting between what’s in itself and what’s around it. It’s constantly in development. That’s why we can talk about resilience in relation to companies. Those constant interactions carry on throughout a company’s life.

When a company suffers a mishap – which happens a lot – it has to be able to recover, to have a new development, just like any living organism. If there is a serious issue – if a company has been

“A company is a type of living entity. It never stops interacting between what’s in itself and what’s around it”



ILLUSTRATION: ROLAND SÁRKÁNY

ruined by a mistake, by a bankruptcy or by any business issue – this development must be truly new, not something the company has done before; that's the definition of resilience.

How can a company clear a path to resilience?

A company has to implement factors that allow it to start on a new development. Firstly, biological factors: companies that have numerous, diversified roots before a traumatic event can start on a new development more easily. They are its protection for when a serious mishap happens.

In the event of a serious tragedy, a company can invest in other roots and start on a positive new development. Companies that aren't resilient are the ones that only had one root originally. When a traumatic event cuts off that root, the company is lost. Indeed, you also need support, whether financial, humanitarian or collective.

Are there things companies can do to move past a crisis, to create stronger potential for a new development?

No living entity goes through life without being tested or having a mishap. But in the case of tragedy, the meaning we give to things transforms the way in which we feel them. If we don't understand what has happened, we get confused. And so we don't develop any resilient processes, which is an interaction between what we are and what's around us.

Employees need the tools to make sense of what has happened. Otherwise they get confused and cannot start on a new development. They need to be supported by the group's solidarity – solidarity between employers and employees, between employees themselves – the feeling of being part of a team. If we don't feel like we are part of a team, it reduces resilience. Solidarity is a keyword.

Companies also need to work on their story – constantly – and strengthen the things that can protect them from a crisis. That way when something serious happens, they can start on a new development.

Have companies been paying enough attention to solidarity over the last few years?

That depends on the company. Some companies pay very little attention to it and then develop little capacity for resilience after a serious issue. In contrast, others have put a lot of emphasis on solidarity and meaning.

"Companies that aren't resilient are the ones that only had one root originally. When a traumatic event cuts off that root, the company is lost"

BORIS CYRULNIK

A renowned neuropsychiatrist and psychoanalyst, Boris Cyrulnik is Director of Teaching at the Faculty of Arts and Social Sciences at the Université du Sud, Toulon-Var, France. He is a Holocaust survivor and the author of many books, including the best-selling *Resilience: How Your Inner Strength Can Set You Free From the Past*.

Companies who have the least solidarity are the routine ones, often public services. You can see it through signs of uneasiness: burnout, feeling exhausted and so on.

Dynamic companies experience fewer cases of depression, while routine ones have a lot more. So, in general, the real concern isn't being overworked, but rather how useful the employees think they are.

In the medical world and in hospitals, the highest rates of depression aren't found in the hardest jobs, but in the most everyday, routine ones: in services for frail dependents, for example, where there isn't as much excitement or as much demand for creativity.

Friedrich Nietzsche is credited with the popular saying: "That which does not kill us, makes us stronger." Does the severity of an issue relate to the opportunity for a company?

Nietzsche was wrong: when we have been hurt, it leaves marks. We stay sensitive to what has happened for the rest of our lives.

Sometimes, after a serious illness, some people will go too far. They will want to "go for broke" with an almost hopeless idea. But I have noticed that injured people develop a greater sense of solidarity with others. Studies show that we are likely to become more compassionate, more altruistic after an injury.

Between the injuries that happen in personal and professional life, there is really no difference: a worker is a person. I have the same reasoning, the same approach for both: what are the habits we acquire to protect ourselves before a serious mishap? If an executive employee was secure during their childhood, they can cope better. And they will be even more resilient if, after a serious mishap, they try to understand what happened.

We can all see brilliant professional trajectories, people who overinvest in their companies; sometimes they are only happy when they are working as a way of coping with neurotic tendencies. But when those people break down, they go to pieces completely.

Overall, it's better to develop a sense of solidarity within the company and to help people to find pleasure in their work.

OLIVIER JAY is a Brunswick Partner in Paris and a former Editor-in-Chief of *Le Journal du Dimanche*. He advises on corporate matters with a focus on social and labor issues.

Four centuries, one family

A single family has led Merck KGaA from medicinal herbs to immuno-oncology, says **WALTER HUBER**, Director of the Merck Family Foundation

IN 1668, MEDICINES CONSISTED OF A VARIETY of natural ingredients. Formulations were imprecise, with little in the way of standards or regulation. The practice of creating medicines was more of an art or handicraft than a science.

Merck KGaA was born in that year when Friedrich Jacob Merck bought a pharmacy in Darmstadt. His descendants still run the company, making it one of the world's oldest family-run businesses. Over 349 years and 12 generations (with the 13th recently born), the Merck family has grown the enterprise into one of the world's leading international science and technology companies with more than 50,000 employees across 66 countries.

"There are a number of reasons why the company and the family have survived for 13 generations," Frank Stangenberg-Haverkamp, Chairman of the Family Board and Chairman of the Executive Board of E. Merck KG, says. "It stems from the culture of trusteeship for future generations, the humility of the family and its members, and a tradition of togetherness rather than conflict."

In addition, he says, Merck's leadership puts "company before family" and maintains "a fundamental trust in our management and employees." That responsibility and trust support three key working principles that sustain the business's momentum across the centuries: scientific curiosity, values-driven management and meaningful identity.

CURIOSITY - AND BREAKTHROUGH

IN 1827, A BREAKTHROUGH IN TECHNIQUES transformed the company. Medical science was still in its infancy, but pharmacist Emanuel Merck concentrated on the study of the chemistry of natural plant substances – specifically alkaloid research, such as the commercial extraction of morphine from opium. The purity of alkaloids manufactured by Merck soon surpassed all of its contemporaries in the industry. As a result of Emanuel's work – five generations after Friedrich



A 1925 historical painting shows the site of Merck's pharmacy, which was located there from 1668 to 1836.

WHICH MERCK?

Merck KGaA, Darmstadt, Germany is no longer connected in any way, shape or form to Merck Sharp & Dohme Corp (MSD), the successor to its former US subsidiary Merck & Co. By agreement, Merck in Germany holds global rights to the Merck name with the exception of the US and Canada, where it operates as EMD Serono, MilliporeSigma and EMD Performance Materials.

founded the company – Merck shifted from a pharmacy to an industrial company, and the pharmaceuticals industry itself moved finally from a craft to a science.

Merck's scientific curiosity continues today. After a long dry spell involving several setbacks in its new drug pipeline, Merck this year received FDA marketing approval for avelumab, the first immunotherapy drug designed to treat a rare form of skin cancer (Merkel cell carcinoma). If avelumab proves as effective in other cancer types, analysts expect the drug to generate billions in sales.

"Our success story is the outcome of a tremendous research spirit and strong passion for discovery," Stefan Oschmann, CEO of Merck KGaA said at a recent shareholders' meeting. "We are at the threshold of a technological



development whose potential we cannot even estimate yet. But I do know one thing: scientific curiosity will remain our driving force.”

THE COMPANY AND THE FAMILY

EMANUEL MERCK WAS NOT ONLY A SCIENTIST but a talented business leader who altered the management structure of the company in a partnership. The involvement of Emanuel's three sons – a businessman, a pharmacist and a chemist – expanded the expertise within the company's leadership and helped transform the business. In doing so, Emanuel also established the principles behind the family's leadership and long-term vision that last to this day. With a 70 percent stake in the company, the family today is responsible for the strategic direction of the business, managed through the parent company

An 1865 portrait shows Wilhelm, Georg and Carl Merck, leaders of the company and the sons of Emanuel Merck.

WALTER HUBER

Dr Walter Huber is the Managing Director of the Merck Family Foundation, Darmstadt, and a former Senior Vice President of Corporate Communications for the Merck Group, in Darmstadt. He joined Merck KGaA in 1991 as Head of Public Affairs after three years as Head of Public Relations at Upjohn in Germany.

E. Merck KG. Family members share a common understanding of business values and a sense of responsibility to the next generation.

For more than 100 years, Merck has strictly separated the operational management of its businesses from its owners. In doing so, the family prevents itself from interfering in daily operations, while still enabling efficient communication and fast decision-making. All Executive Board members and executive representatives of the Merck family are personally liable for the fortunes and misfortunes of the business. The external managers of the Executive Board are partners, not employees – the company sees them as temporary family members.

IDENTITY

OVER THE LAST DECADE, UNDER THE leadership of CEO Karl-Ludwig Kley, Merck has completed €40 billion (\$44.7 billion) in acquisitions – one of the greatest transformations in the company's history, second only to its rise from the ashes after World War II. At the same time, the company has divested itself of its less innovative products and services, including the sale of several divisions. Sales over 10 years have climbed from €7 billion to €15 billion, and profits from €1 billion to €2.5 billion.

Yet Merck's core remains what it has always been, shaped by the influential role of the family and its values: courage, achievement, responsibility, respect, integrity and transparency. They have been pillars of our culture since the time of Emanuel Merck in the 19th century.

Over the centuries, the notion of “family” has provided solidarity and cohesion. We find younger workers today, Millennials, are drawn to our sense of purpose as they seek direction and meaning to their work. “Family” is like a lighthouse – a guiding spirit in the sometimes dark and stormy business landscape. It's not far-fetched to say that the concept of Merck will serve as a source of inspiration and purpose for the next generation and generations to come well into the future.

Walter Huber spoke to **CHRISTIAN WEYAND**, a Partner in Brunswick's Frankfurt office.



OR A MEASURE OF THE typewriter's role in the Partition of Imperial India – seriously – consider the following quote by the founder of Pakistan,

Mohammed Ali Jinnah: “I will tell you who made Pakistan. Myself, my secretary and his typewriter.”

Is that irreverence from the enduringly joyless Jinnah? It certainly remains a matter of mirth today for Rajesh Palta, a third-generation typewriter dealer and repairer in Delhi and a beguiling raconteur of typewriter tales.

“Typewriters are long-distance runners,” he says, as we tour his tiny shop, a dusty tutorial on the history of the contraption. “Electronic typewriters last 10 years; laptops can be upgraded in a year. But manual typewriters can endure for 50 years without much repair.” Fixed and repainted by hand, these behemoths are on sale at Palta's Universal Typewriter Co, an outlet representing a cottage industry of collectors, admirers, users and repairers of the indefatigable instruments.

When Pakistan was yet putative, Palta's father, Diwan Chand Palta, a salesman for the American typewriter manufacturer Remington, fled the city of Lahore, inside present-day Pakistan. He took with him four boxes containing the best-selling Model 12 machines, on whose keys the history of India was both made and recorded. Foreign brands held a monopoly under Imperial rule at the time; independent India sought an indigenous model.

Such a product carried a message of empowerment, economic self-reliance, national modernity – and, of course, it allowed useful things to get done, in triplicate. Today, the continued popularity of the old machines serves as a mild, homegrown rebuke to the global craving for up-to-the-minute upgrades.

The maker of India's own brand was the Godrej family, a powerful Mumbai manufacturer, then and now. Jawaharlal Nehru, India's first prime minister, leaned on patriarch Naval Godrej to support his industrial self-reliance – a portent of the current government's Make in India impetus.

With Remington already assembling machines in Calcutta, Godrej wanted to create a domestic competitor. India's first typewriter rolled off a Mumbai production line in 1955. A flawed copy of a US model, it had an erratic ribbon movement that induced a fading print. It would be nearly two decades before Godrej could produce a machine

The country's romance with the typewriter is far from over, says Brunswick's KHOZEM MERCHANT

INDIA

UNPLUGGED



Rajesh Palta, proprietor of Universal Typewriter Co, sits at a machine made by Mumbai-based manufacturer Godrej. At right, a relic on Palta's shelves awaits the opportunity to prove its usefulness once again.



deal

NTORQUP

that could usurp Remington as the market leader. In the 1980s, the US brand was finally done in by militant labor unions in Calcutta.

When the industry peaked in the early 1990s, most of the 150,000 locally made typewriters were Godrej. But the rise of electric typewriters and computers posed existential threats. Even with exports to eastern Europe and Africa, the new millennium found Godrej living on the edge. In 2011, the Godrej facility, the last typewriter factory in the world, closed, attracting global attention.

Yet, the typewriter endures. India's vast bureaucracy is still the "eighth largest generator of manually-typed words in the world," says the Godrej-commissioned history, *With Great Truth and Regard* (Roli Books, India). As recently as March, All India Radio, part of the state-owned broadcaster Doordarshan, ordered and paid Rs34,800 (\$541) for "two numbers Godrej latest model prima typewriter English Keyboard" (*sic*).

In rural areas, where most of India's 1.3 billion people live with patchy power supplies, manual machines are common – not just sensible but necessary. In addition, many public sector employers feel typewriters are still the best way to train new hires in touch typing. In Maharashtra's bureaucracy, exam-tested typewriter skills are a must for prized data entry work.

As these examples show, the typewriter is no mere anachronism but, in fact, points to the larger forces at play at the heart of India's modernization: a typewriter-trained bureaucracy slowly moving online; parlous power supplies that force the rural majority to retain the manual instrument for communication with the world beyond; and skills training for the new economy to prepare many of the 1 million entrants to the labor market each month (see "Cashless," Page 7, for more on India's economy).

These all meet in a uniquely Indian way at the nation's law courts, under a backlog that estimates say will take decades to deplete. Even with progress being made in taking court proceedings online, a cottage industry thrives involving rows of perspiring men outside of courthouses, hammering away at typewriters propped on makeshift desks – a stool, for instance, or the back of a bicycle. Courts require documents in triplicate. Using a typewriter and carbon paper is cheaper and more reliable than printing from a laptop, computer or printer. Such street-side self-employment is an important part of the local economy, and reflects "the sociability of the streets as an outside workplace," according to the Godrej history.

The typewriter's social role has long been chic: in 1970, Bollywood's *Bombay Talkie* celebrated the romance of women and work with a song and dance, set against a giant typewriter. In the 1980s, Godrej used the marketing skills it deployed to sell its soaps and locks to launch national typing contests. Both celebrated and aided a social revolution to a new clerical order: women in offices and India's caste-based social fences quietly falling to allow more mingling in the new, typewriter-dominated workplace.

That social appeal is still notable today. Young people in particular want the old machines, Universal Typewriter's Palta says. "They say a typewriter allows them to focus on their creative skills – and not get lost in a technical tussle when using laptops." His shop receives regular inquiries from youngsters, "yearning for the creativity unleashed by using a manual." Sidharth Bhatia, editor of *With Great Truth and Regard*, described this trend as "hobby typing" after watching a teenage girl, with her father beside her, tell a puzzled Palta about the creative buzz she felt when writing on an ancient typewriter. Her father bought it.

Palta says his four decades in the trade make him the uncontested first call for curious teenagers or those needing "any typewriter things across India." Nearby, a colleague was on a call with a buyer. Palta gestures to the phone: seven more ancient, coal-black hulks repaired and working like a dream, heading for Chennai, south India, he says.

KHOZEM MERCHANT, former President of Pearson India and a correspondent for the *Financial Times*, is a Partner in Mumbai and leads Brunswick's India business.

The Universal Typewriter Co is a humble home for the nationwide curiosity that surrounds the old machines. Despite the availability of computers and digital printing services, many repaired manual typewriters are still sold at the shop each month.





Career advice from emperors and slaves

AS HE STOOD WATCHING HIS SUPPOSEDLY fireproof factory go up in flames along with much of his life's work, Thomas Edison reportedly turned his son and said, "Go get your mother and all her friends. They'll never see a fire like this again."

Calculating, stiff upper lip, seeing beauty where others might see only despair – the very definition of the word "stoic." Right? Well, maybe. When any good word passes into popular usage, there's opportunity for nuance to get lost. If 2,300 years of history has taught us anything about the enduring philosophy of Stoicism, it is that it's easy to get it wrong.

Stoicism dates back to the third century B.C., but it found its greatest influence during the decline of the Roman empire, around the

A 2,300-year-old philosophy is making a comeback, finding popularity among Silicon Valley and sports teams. Brunswick's **EDWARD STEPHENS** reports

first century A.D., when it became the guiding philosophy of emperors and statesmen.

Any attempt to succinctly define or describe Stoicism tends to be met with opposition – even Stoics themselves don't always agree on what it means to be called an adherent – but broadly speaking, Stoics look to answer, "How do you live a virtuous, good life?" According to Ryan Holiday, a bestselling author and high-profile consultant to coaches, celebrities, and Silicon Valley leaders, a crucial component of the Stoic response is: "You don't control the world around you, you only control your response to that world."

This sounds simple. But the implications are immense and time-consuming – taking inventory of all that can be controlled, while remaining mindful of all that can't, and then taking action, to change things that can be changed, and enduring those that can't.

Far from being an obsolete and outdated guide to living, Holiday wrote in 2016 that "nothing could be more necessary for our times than a good dose of Stoic philosophy."

Increasingly, people seem to agree with him, and the ancient philosophy is making something of a comeback. Big banks, tech companies, and even the US military are paying speakers to come in and teach stoic precepts and practices. Olympic athletes and Super Bowl-winning coaches are publicly lauding Stoicism's benefits. A host of popular books have been published on the subject and people around the world travel to events to learn how to apply the philosophy to their life – two of the most popular are “Stoic week” and “Stoicon.” Today, you can join a group on LinkedIn called “The Stoic Professional” and multiple stoic communities on Facebook, the largest of which boasts more than 21,000 members.

Three Stoic thinkers and writers, all of whom lived and wrote roughly 2,000 years ago, remain the best-known and most-quoted: Epictetus, a Greek slave turned philosopher; Seneca, a Roman statesman; and Marcus Aurelius, a Roman emperor. Many are attracted to not just what these men wrote, but also to how they wrote it. Consider a quote from each:

Seneca the Younger: “Complaining away about one’s sufferings after they are over is something I think should be banned. Even if all this is true, it is history. What’s the good of dragging up sufferings which are over, of being unhappy now just because you were then?”

Epictetus: “All philosophy lies in two words: sustain and abstain.”

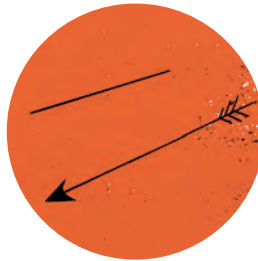
Marcus Aurelius: “Waste no more time arguing about what a good man should be. Be one.”

The Stoics are blunt – at times comically so – and endlessly quotable, replete with aphorisms that leave little room for doubt or excuses. In his masterwork, *A History of Western Philosophy*, Bertrand Russell summarized Stoicism as a philosophy whose “gospel was one of endurance, rather than hope.”

This partly helps explain its newfound popularity. Stoicism was created during tough times – after the collapse of Alexander the Great’s empire – and it came to prominence amid a period of almost nonstop warfare, when events beyond their control were shaping people’s lives.

Justified or not, such fear and pessimism seems widespread today. And as growing numbers, particularly in the US, no longer look to religion for guidance, Massimo Pigliucci, a professor of philosophy and author of *How to Be a Stoic*,

**Bertrand Russell
summarized
Stoicism as
a philosophy
whose “gospel
was one
of endurance,
rather than
hope”**



believes that more people are embracing alternative secular philosophies, including Stoicism.

There’s also a growing frustration at what many feel is an overly optimistic and out-of-touch self-help industry. Mark Manson’s *The Subtle Art of Not Giving a F**** and Svend Brinkmann’s *Stand Firm: Resisting the Self-Improvement Craze* are two popular titles that embody this anti-self-help sentiment. Manson’s profanity-laced book, according to its Amazon description, “cuts through the crap to show us how to stop trying to be ‘positive’ all the time.” Holiday writes of Stoicism along similar terms: “For those of us who live our lives in the real world, there is one branch of philosophy created just for us: Stoicism.”

And of course technology, social media especially, has made it easier than ever before for a global audience to encounter Stoicism. Tim Ferriss and Ryan Holiday, two key figures leading the philosophy’s resurgence, have proven especially adept at using digital tools to disseminate an ancient philosophy.

Ferriss is the author of two No. 1 New York Times bestselling books – *The 4 Hour Workweek* and *The 4 Hour Body* – and an angel investor or adviser to companies such as Uber, Shopify, and Evernote. His podcast is one of the most popular in existence, with his episodes having been downloaded more than 150 million times. When Ferriss talks, a lot of people, especially in Silicon Valley, listen.

And one topic Ferriss returns to often is philosophy – which Ferriss calls “an operating system for making better decisions in your life.” Eschewing inaccessible, theoretical conversations, Ferriss instead “life-hacks” philosophy, distilling key insights, putting it in plain, modern language, and translating it into concrete steps that listeners can put into practice at home and in the office. “What Stoicism helps you to develop is a value system that allows you to take calculated risks, which I think is very effective for entrepreneurs,” Ferriss said in one of his podcasts.

He also practices what he preaches – in his talk at the 2017 TED Conference in Vancouver, Ferriss credited Stoicism with saving his life, helping him overcome a period of his life when he was contemplating suicide.

Ferriss has used his platform to help raise the profile of another prominent voice in Stoicism today: Ryan Holiday. Ferriss interviewed Holiday on his podcast in 2009, and has published two of Holiday’s works on Stoicism in audiobook format.

Holiday is an accomplished communicator in his own right. Once the head of marketing for American Apparel – a position he held when he was 22 years old – Holiday now writes and consults full time, and his messages have drawn praise from a medley of unlikely sources, from the hip-hop musician L.L. Cool J to the actor and former US governor Arnold Schwarzenegger. Holiday, like Ferriss, has delivered a TED talk on Stoicism. One of Holiday's main arguments sounded more suited to Zen Buddhism than the popular idea of what it means to be Stoic: controlling your emotions allows you to see “every obstacle is an opportunity.”

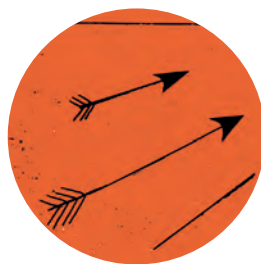
Ferriss and Holiday have, in some ways, helped solve the “image problems” that often deter people from philosophy – that it's boring, outdated, and largely concerned with semantic, impractical arguments. Instead, they reframed Stoicism as a tool for personal and professional success. In Holiday's words, “It's not some systematic discussion of why or how the world exists. It is a series of reminders, tips and aids for living a good life.”

But some, including Pigliucci, caution of oversimplifying the philosophy in an effort to make it accessible to a large audience. Stoicism is a complex, fully fleshed-out philosophy, he says, one not designed to fit on a bumper sticker or in a tweet. Context and nuance matter immensely – without them, Stoicism can come across as little more than a caricature that plays into many of its negative stereotypes.

Though it's experiencing a resurgence, “Stoicism has never really gone away,” says Pigliucci. It influenced a range of leading thinkers throughout history – from Michel de Montaigne to René Descartes – and famous leaders. A copy of Seneca's letters was supposedly found next to US President Thomas Jefferson's nightstand after he died; Nelson Mandela received a smuggled-in copy of Marcus Aurelius's *Meditations* while he was imprisoned on Robben Island; according to author Martha C. Nussbaum, reading Aurelius helped Mandela emerge a stronger and more forgiving leader.

Donald Robertson, an author and consultant, told *Forbes* why he believes leaders have long been drawn to the philosophy: “Anyone in a leadership role must come to terms quickly with the paradox of their position: that leaders must wield power but that often so much that happens lies outside of their control.”

Stoicism even reached the bright lights of Hollywood. Pigliucci says that Gene Roddenberry,



**"Complaining
away about
one's
sufferings after
they are over
is something I
think should be
banned"**

SENECA THE YOUNGER

the creator of the “Star Trek” franchise, modeled the emotionless, hyper-rational character of Spock on Stoicism – the only problem, according to Pigliucci, is that Roddenberry's understanding of Stoicism was “deeply flawed.”

For all of its influence, Stoicism also has its detractors. Friedrich Nietzsche called the Stoics “extraordinary stage-players and self-deluders.” David Hume wrote that Stoicism seemed to be “founded on this erroneous maxim, that what a man can perform sometimes, and in some dispositions, he can perform always, and in every disposition.” Criticism continues today. In an article on Quartz last year, Sandy Grant, a philosopher at the University of Cambridge, wrote, “Stoics are mired in their resignation to live in the world as it is, rather than imagining the way it could be.” Skye Cleary, a philosophy lecturer at Columbia University and Barnard College, says Stoicism, “can be used as an excuse to do nothing.”

Pigliucci, who responded directly to Grant's Quartz article, says these sorts of critiques are based on “misunderstandings of Stoicism.” He argues Stoicism is “not about having an attitude of resignation, but of endurance – and that's a big difference.” Stoicism does not seek to suppress emotions, but to examine and transform them.

It may seem absurd that successful professionals and highly paid celebrities find solace in a philosophy that was created to help people brave a world where the average life expectancy was less than 30 years. The nature of the problems we face today are vastly different, but the mental tools required to endure and overcome them aren't – the world has changed a lot, but our brains haven't.

Marcus Aurelius, the Roman emperor and philosopher, composed his stoic reflections – which have been collected and published under the title of *Meditations* – while he was trying to hold a warring, crumbling empire together. These reflections were notes to himself, little reminders, never meant to be published.

In one reminder, Aurelius dashes off a brief list of what it will take to succeed at his demanding job. He begins: “Love work. Turn a deaf ear to slander. Be considerate in correcting others...” Practices which all of us would do well to bring to the workplace.

Aurelius ended the list with typical stoic softness: “Be thorough in thought. Have an open mind. Do your duty without grumbling.”

EDWARD STEPHENS is Deputy Editor of the *Brunswick Review* in the firm's New York office.



705AD

Nishiyama Onsen Keiunkan, Japan

After Japanese company Kongō Gumi closed in 2006 at the age of about 1,400, Nishiyama Onsen Keiunkan became the oldest continuously running company in the world. This hot spring hotel was established in 705 and has been managed by the same family for 52 generations. The secret to their success is “inter-generational pride.” Many staff positions have also been held by the same family for several generations.

REDEFINING



803

Stiftskeller St. Peter, Austria

The Stiftskeller St. Peter, located within the monastery walls of St. Peter’s Abbey, was first written about by the scholar Alcuin in 803. While this restaurant has had to briefly close throughout history, notably during Napoleon’s invasion in 1809 when French troops were housed at the location, it is believed to be the oldest restaurant in the world and has served kings, cardinals and more recently former U.S. President Bill Clinton. The oldest continuously operating restaurant in the world is Sobrino de Botín, in Madrid, founded in 1725.

Ichimonjiya Wasuke, Japan

Ichimonjiya Wasuke, also known as Ichiwa, was founded in the year 1000 and is thought to be the world’s oldest confectioner. Located next to the Imamiya Shrine in Kyoto, Ichiwa claims to have been run by the same family for 25 generations. Their specialty treat is aburi-mochi, a sweet pounded rice grilled over charcoal, which was first sold at the Yasurai Matsuri festival over a thousand years ago. Eating the aburi-mochi was believed to prevent illness from entering the body of the consumer and is still associated with good health today.

1000



900

Sean’s Bar, Ireland

Sean’s Bar, located on the banks of the River Shannon in the town of Athlone, claims to be the oldest bar in the world. According to the bar’s website, a wall was discovered in the establishment during a renovation in the early 1970s that was made of “wattle and wicker” dating back to the ninth century. This wall is still on display today. The town of Athlone is named after an innkeeper at the bar who guided people across the water of the ford. The bar remained the focal point of a town that grew up around the establishment.

PHOTOGRAPHS: PLINIO LEPRI / AFP, IMAGNO, HULTON ARCHIVE, GETTY / MEG SING

OLD

What does it take for a business to survive for a thousand years? Brunswick's **MALLORY MERGE** looks at the world's oldest enterprises



885

Tanaka Iga, Japan

Founded in 885 as a religious goods company, Tanaka Iga still manufactures and sells quality Buddhist objects such as the ornament shown above. Adding a modern twist to their creation process, Tanaka Iga develops 3-D computer mock-ups for some of their larger projects in the beginning stages of production, like altars and elaborate pieces of furniture.

MALLORY MERGE is Project Manager of the *Brunswick Review* team and is its longest-serving member. She is based in New York.

Staffelter Hof Winery, Germany

Staffelter Hof Winery is a family-run business established in 862. The winery specializes in creating Riesling – roughly 75 percent of their total yield – but also produces other white, red, sparkling and rosé wines. Originally part of a wine-producing abbey, Staffelter Hof now cultivates over seven hectares of vines and boasts a guest house and a distillery. A close rival in longevity is Château de Goulaine, France's oldest winery, established in 1000. The French site boasts a castle, museum and butterfly aviary.

862



1000

Pontifical Marinelli Foundry, Italy

Although the oldest record of a bell produced by the Pontifical Marinelli Foundry is from 1339, the company is said to have been making bells since around the year 1000. According to a 2013 article from Bloomberg, during World War II the Italian fascist regime ordered the seizure of half of Italy's church bells to be repurposed as cannons. However, the owner, who is the grandfather of the current owners, alerted the local priests ahead of time so that they could hide their bells. Marinelli bells can be found all over the world including at the Leaning Tower of Pisa and The Vatican.

UNTIL TWO YEARS AGO IT WOULD HAVE BEEN easy to describe what Mathieu Flamini did for a living. He was a professional football player for the English Premier League team Arsenal. But in late 2015, news broke that the Corsican-born Flamini was the co-founder of a green energy business. According to reports, the company was potentially worth billions and was about to topple the global oil industry.

Not for the first time, the UK tabloids were guilty of exaggeration. The company, GFBiochemicals, was not about to overturn the world's century-long dependence on oil, but the technology it pioneered was turning heads in the biochemical industry and beyond. How could a man who had played at the highest level of professional sport find the time to create a business deploying highly specialist chemistry? After many years keeping the secret, even from his family, he was ready to tell the world what he had been up to.

As we spoke with Flamini, it became clear that the story that broke nearly two years ago only scratched the surface.

And you kept it secret from every one for a long time. Why?

People have ideas about what they expect a football player to be. There aren't many who pursue business interests while they are still playing. It would have brought lots of pressure on us to have everything happen in the spotlight. So I chose to keep it secret – even from my family who I knew would worry about how I was spending my money.

But now it seems like the bet has paid off?

Well, it has been nine years now since we started the company and we are lucky that we have a great team who have turned the idea into a reality. We now have a factory producing levulinic acid and we are striking partnerships with other companies to build out more capacity and bring products to the market. We expect to turn a profit later this year.

Is levulinic acid going to topple the oil industry?

We really don't see it as a challenge to the industry. We want to work with oil and chemical companies to help them develop green alternatives to what

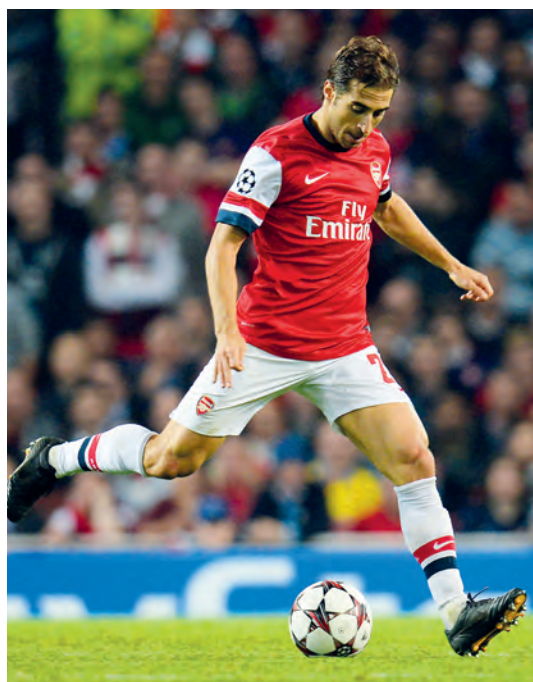
Football star and entrepreneur **MATHIEU FLAMINI** talks to Brunswick's **STUART DONNELLY** and **SIMON MAINE** about sustaining two demanding careers

GREEN ENERGY

Mid-career as a professional football star, how did you find yourself in the extraordinary position of starting a biotech company?

It started when I transferred from Arsenal to AC Milan. I was 24 years old and keen to pursue something off the pitch that allowed me to match two things I was interested in at the time: finding meaningful solutions to climate change and starting my own business. Soon after arriving in Milan, I was introduced to my business partner, Pasquale Granata, and we began talking to people who knew about the sector, particularly scientists.

While we were exploring the idea of investing in biofuels, one scientist told us about a product they were working on called levulinic acid, which was a molecule that reacted exactly like crude oil but could be made from waste wood. One thing led to another and we chose to invest to help them develop the technology and figure out if they could make this product at scale and acceptable cost.



Mathieu Flamini in action for the Arsenal "Gunners," a London-based football team. Flamini played with the club from 2004 to 2008, and 2013 to 2016, appearing in more than 160 games.

PHOTOGRAPHS: COURTESY OF MATHIEU FLAMINI



they already produce. Our product can do that without necessarily increasing costs. That's an incredible win-win. Right now we just want to talk with people about how we can make that happen.

Were there some puzzled faces among your teammates when you told them?

It was funny because people just don't talk about that kind of thing at football clubs. I was playing at Arsenal again when the news came out and I hadn't really planned it. I was showing politicians our plant in Italy and a local journalist recognized me and wrote a story. Before I knew it, the English papers were writing all sorts of things about me, and about how big the company might be. I think the Arsenal players were just a bit surprised, but in a good way.

How involved are you in the day-to-day running of the business?

I'm involved in all major management decisions from acquisitions to capital allocation, personnel to strategy. My business partner is on the ground in Italy, and we speak all the time and schedule major meetings around my training commitments. It is not easy but we make it work.

Was juggling two very different careers something that just came naturally to you?

The important thing for me was to fix the goal and then set smaller objectives along the way. All the way through these past nine years I've had a clear sense of the short-term, medium-term and long-term objectives. We moved forward always keeping in mind the long-term goal. I treated the goal like a challenge and I've always enjoyed a challenge in my football career – so I just applied the same mindset.

When you were a young man, you quit your law degree at the university in Marseille to pursue football full time. Do you ever wonder what might have happened if you hadn't made that call, or if your football career hadn't panned out?

At the time I wanted to be a lawyer and my mother was really concerned when I dropped out of the university. It turned out OK, but if it hadn't, I think I could have enjoyed life as a lawyer. But I'd be a very different person – I wouldn't have experienced so many cultures, countries and interesting people.

Do you think your experience in football gives you an edge over other people in business?

I used to worry that the people I was dealing with in business were better educated or more experienced

than me. I definitely over-compensated by reading a lot so I felt prepared going into meetings.

But I think also that football did give me some qualities that I've found useful in business: determination, leadership and performing under pressure. I experience the same adrenaline rush when we close a deal as I do when I play football – and I live for that.

And presumably football has given you experiences that others can only dream of?

Definitely. If I'd stayed studying in France I don't think I would have left that young and had the chance to meet people from all over the world. Imagine that when I was just 24 years old I had already spent four years in London and just arrived at AC Milan playing with the likes of Ronaldinho, Shevchenko, Kaka and Maldini – all legends of the game. Having access to these successful people, you have the chance to learn so much quicker.

Who was the person in football that has most influenced your approach to business?

Arsene Wenger played a big role in my career. He brought me to London when I was young and his intellectual style of management was so different to a lot of other managers at the time.

And Carlo Ancelotti was important because he brought me from Arsenal to Milan, leaving the UK to go play in Italy.

Which led you to meeting your business partner, Pasquale Granata?

Exactly. It played a bigger role in my life than even I was expecting!

What about outside of football – who are the leaders you most admire?

Two people I have never met but have a huge amount of respect for are Steve Jobs and Elon Musk. Both completely changed the mentality in their industries, and took on great risk to do so. At times, they had to prevail against what many others, including their own boards, were telling them, but they made the tough decisions necessary. As a young businessman, that's obviously an inspiration.

Changing the mentality of a whole industry is a high bar to set. Why not aim for something like simply building a profitable business?

My main motivation has always been my passion for the environment – it drives everything I have done in business. We owe it to the next generation

"I experience the same adrenaline rush when we close a deal as I do when I play football – and I live for that"

MATHIEU FLAMINI

Co-founder of GFBiochemicals, a green energy business, Flamini is also a professional footballer. He has played for the French national team, as well as professional clubs across Europe, including Arsenal, AC Milan and Marseille. He currently plays for Crystal Palace.

GFBIOCHEMICALS is the only company to produce levulinic acid at commercial scale. Founded in 2008, the company operates in Italy, the Netherlands and the US.

and the generations that follow to stop the relentless harming of our planet. Educating people and building awareness is an important first step.

However, to make real progress we must come up with solutions that help people change their mentality and change their habits. That is where GFBiochemicals fits in. It is our attempt to be part of the solution.

And does that principle of seeking solutions go further than just business?

Absolutely. It's critical in how we campaign for change on the environment. One project I'm involved with is the creation of a new global organization called the BioWorld Alliance.

Our ambition is to bring together actors from across the bio-economy to figure out practical solutions to how we use and recycle materials in a more environmentally friendly way. We're involving everyone – from producers, users and recyclers of raw materials, to academics, politicians and campaigners to find practical ways to reduce carbon emissions in their supply chains.

Have you found it easy to engage people and companies with this?

We're building knowledge slowly. We need to educate people about what exactly the bio-economy is to attract more of the younger generation to work in it. If I ask you right now, can you name a well-known person who works in the biochemical sector, or even in the broader chemical sector?

I'm afraid not.

Exactly. It's not easy is it? When you are growing up and deciding which direction you want to go, you identify with certain people – like Steve Jobs or Mark Zuckerberg or Elon Musk. To inspire a generation to move in the direction of renewable energy, I believe you need someone successful whom they can identify with.

Are you the role model that people need here?

If people can identify with what I am doing, that's great. But it must go wider than that, to how we educate the next generation of biochemical professionals. One of the initiatives that GFBiochemicals is involved with is creating Europe's first Master's degree dedicated to the bio-economy, BIOCIRCE, in partnership with several leading Italian universities.

Another is BioJournal, an online magazine designed to make the bio-economy interesting

and accessible to a wide group of people. I am passionate about promoting this industry further and wider than it currently is.

You've also taken a role on the Paris 2024 Olympic bid.

I was honored to be invited to join the Paris 2024 bid environmental excellence committee. The Paris team has assembled experts from a range of backgrounds who all share a commitment to protect the environment.

The committee includes a number of former athletes who can provide insight into how we can build the Olympic facilities in an environmentally friendly way, while ensuring that they are best-in-class. We're not satisfied with merely replicating what has been done at past Games. We want to raise the bar higher still.

How do you find time for all of this?

My priority for now is football and that will remain the case until I retire from the game. The key to prioritizing my day is being well organized. If you are able to avoid everything that is unnecessary during the day you can manage to get a lot done. On a typical day, I train in the morning, take work calls and meetings throughout the afternoon and often into the evening.

And what about relaxation?

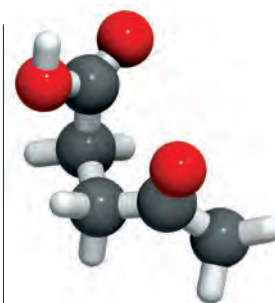
It's important, no question. When I do find time I like to spend it with my friends or catching up with the news, a movie or watching documentaries on TV. I love to watch nature documentaries. I've loved David Attenborough documentaries all my life and it's part of the reason I do what I do with GFBiochemicals. He's always been a great inspiration to me.

Where do you see yourself in 10 years' time?

One thing I can say for sure: I will have retired from football! Hopefully by then I will also be married with a family.

On the business side, I hope that GFBiochemicals will be one of the leading players in the bio-economy. We have achieved a great deal since we created the company nine years ago and I'm excited about what the future holds, both for the company and the wider industry.

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STUART DONNELLY specializes in advising companies in the energy and resource sectors. **SIMON MAINE** focuses on energy, industrials, and public affairs. Both are Directors, based in Brunswick's London office.



LEVULINIC ACID can help reduce the impact consumer products have on the environment by serving as a clean substitute for petroleum-based chemicals. GFBiochemicals describes the acid as "an important bio-based building block for a decarbonized world." Many products – resins, coatings, food and flavor additives, pharmaceuticals and polymers – rely on petroleum-based chemicals. GFBiochemicals is hoping they'll use the more environmentally friendly levulinic acid instead.

Above is a model of a levulinic acid molecule: the red balls represent oxygen; carbon is dark gray. Hydrogen molecules are hidden, but would be attached to each white connector.

Mary Wittenberg on the winner's podium at the 1987 Marine Corps Marathon in Arlington, Va., a race she finished in 2 hours and 44 minutes.



WHEN MARY WITTENBERG RUNS down the streets of New York, strangers yell hello. When she walks, people stop to tell her that she changed their lives. Her jogging partner, Raul Damas, says, “Running in New York with Mary is like touring a city with its mayor.”

Her fame derives from a position that she left two years ago. For 10 years ending in 2015, Wittenberg served as Chief Executive of the New York Road Runners, a nonprofit that organizes dozens of running events a year. The most famous of them – the TCS New York City Marathon – shuts down 26.2 miles of city street on the first Sunday of every November so that the world’s largest field of marathoners can run past more than two million

cheering spectators. As the director of that race, Wittenberg every October became the most visible sports executive in New York, overshadowing her counterparts at the Yankees, Mets, Giants, Jets and Knicks. In press conference after press conference each October, Wittenberg offered tutorials on how to inform,

humor and charm the media, all with a deep sense of authority. “Wittenberg Runs the City,” a New York Daily News headline once blared.

At NYRR, Wittenberg helped persuade multitudes of ordinary people to slap on sneakers and hit the pavement. Her running partner, Damas, personifies the Wittenberg effect. He wasn’t a serious runner until he joined the board of NYRR, and fell under her influence. Now he finishes marathons fast enough to qualify for the prestigious

Boston Marathon. “Mary makes those around her better, and she also makes you want to be better,” says Damas, a Brunswick Partner.

Now Wittenberg aspires to become a fitness Pied Piper for the world. Two years ago, Richard Branson, a founder of London-based Virgin Group, hired Wittenberg away from NYRR to run a new subsidiary called Virgin Sport. The move created intrigue in the fast-growing endurance-sports industry: what exactly would Virgin Sport do? Would it follow the lead of fast-growing industry giants like World Triathlon, owner of the Ironman brand, by acquiring existing races?

Fitting for an entrepreneur of Branson’s standing, the answer is a new concept called the sports festival. Anchored by a half-marathon run, the weekend-long event also features shorter runs, non-stop fitness classes, music, food and physical-activity challenges for children. Some events are free, many not. Virgin Sport expects as many as 20,000 participants per festival.

Wittenberg says sports festivals will place greater emphasis on camaraderie than competition. “Sport doesn’t have to be intimidating, and when it’s not intimidating it connects us with others,” she says.

Thirty years after Wittenberg won the Marine Corps Marathon, she looks fit enough to vie for that title again. Mornings, she runs nearly seven miles to Virgin’s New York office in Greenwich Village. At lunch, she often leads her staff to the gym for an hour-long cycling or boot-camp class. Evenings, if her two teenaged boys can spare her for an hour, she may slip away to a yoga class around the corner from her family’s home.

“Being fit makes a huge difference in your endurance and resilience in the workplace,” says Wittenberg. As Virgin Sport’s top executive, she goes by the title Chief Exercise Officer.

In an interview at her offices, wearing jeans and a Virgin Sport T-shirt, Wittenberg offers

Chief exercise

Former Chief Executive of the TCS New York City Marathon
MARY WITTENBERG tells Brunswick’s **KEVIN HELLIKER** about
hard work, fitness and knowing when to pause



OFFICER

a few lessons from her career as an endurance athlete and executive. In particular, she offers a communications lesson that she learned the hard way – when a major hurricane struck New York less than a week before the 2012 marathon.

BOSS BE DARNED: WORK OUT!

ARGUABLY IT'S IN THE FINANCIAL INTEREST OF fitness executives to encourage exercise. But there just happens to be a mountain of scientific evidence for the health-enhancing and quality-of-life improving benefits of exercise.

So here's Wittenberg's main prescription for endurance: At lunchtime, leave your desk and go to the gym. If you can't do it at lunch, do it at 3 p.m. If you think there's too much work facing you to spare the time to exercise, then that's all the more reason to do it, she says, because physical activity increases one's efficiency, even if many bosses fail to realize that. "Bad bosses who expect you to sit at your desk all day – that is a hurdle we need to overcome," she says. "I mean, who can live like that?"

DON'T LET YOURSELF BE DEFINED BY THE PRESENT MOMENT

AS THE ELDEST OF SEVEN CHILDREN IN A SPORTS-obsessed Irish-Catholic family in Buffalo, Wittenberg failed as a kid to stand out at sports, including running. She became a cheerleader, but didn't give up on sports, taking up rowing with some success. Then as a lark, she entered a 5-kilometer run – and won.

It turned out that the cardiovascular benefits of rowing had unmasked her potential as a runner. From that followed the glory of winning a major marathon, and a long career in charge of the world's largest marathon. None of that would have happened if, as a non-competitive child, she'd given up on her athletic ability. "It's never about any one moment," she says.

Using a basketball analogy, she says, "You may sink a three, and one second later it doesn't matter. When Steph Curry misses a three, he's still Steph Curry. You go through a rough patch, or a period of confusion, and you've just got to keep going."

KNOW WHEN TO PAUSE

WATCHING THE ACADEMY AWARDS THIS YEAR, Wittenberg found herself sympathetic to the now-infamous gaffe by award presenters Warren Beatty and Faye Dunaway. Beatty, supposedly announcing the Oscar for Best Picture, opened the envelope and found that it was the award for Best

Actress, which went to Emma Stone of *La La Land*. On stage in front of a large theater audience and larger live television viewership, Beatty hesitated. Instead of saying, "I don't think this is right," he simply showed the wrong card to Dunaway, who mistakenly announced *La La Land* as the winner.

Wittenberg understands the position they were in – the difficulty and necessity of pausing under pressure long enough to get it right. But pausing doesn't come naturally to Type-A people like Wittenberg. The whole idea behind endurance athletics is to keep going when your body and mind scream, "Enough!" Sometimes, though, it's necessary to second-guess both the urge to keep going and the urge to quit – especially when the whole world is watching.

For Wittenberg, that lesson was driven home following the devastation of Hurricane Sandy. The historic storm struck New York only days before the 2012 New York Marathon. The instinctive response of an organization run by and for distance runners was to declare that the race would go on.

After all, that's how it had been after 9/11. Six weeks after the 2001 terrorist attack devastated New York, the city's big marathon took place as usual. Because planners and runners would not be cowed, the race that year inspired the entire nation.

In the wake of the hurricane, NYRR and city officials naturally chose the same route and declared the race would go on. But when the full impact of the storm became clear, NYRR had to reverse course. The city resources required to pull off the marathon were needed instead for cleanup and recovery. The race was canceled with only two days' notice.

Almost five years later, Wittenberg says she still thinks everyday about how she could have handled that differently. "You wonder could we have said, 'We don't know if we're going to go on,'" she says.

In hindsight, Wittenberg feels the message should not have been a declaration that the race would go on – or that it would be canceled. The message should have been, "Wait."

That decision would have caused some confusion, particularly for international runners needing to decide, only five days before the marathon, whether to fly to New York. But it might still have been a more appropriate response, she says.

As she puts it, the message for them could have been: "We think we're going on. But you decide if you're going to fly over or not."

KEVIN HELLIKER is Editor-in-Chief of the *Brunswick Review*, and a former journalist for *The Wall Street Journal*.

"It's never about any one moment... You go through a rough patch, or a period of confusion, and you've just got to keep going"

MARY WITTENBERG

Now the Chief Exercise Officer of Virgin Sport, Mary Wittenberg is the former President and Chief Executive Officer of New York Road Runners, where she oversaw the TCS New York City Marathon and several other races, events and programs that draw over 300,000 yearly participants.

VIRGIN SPORT

An active-lifestyle company in Sir Richard Branson's global Virgin Group, Virgin Sport creates Festivals of Fitness, community celebrations around athletic events. The UK and US host the first festivals in 2017.



The road to digital leadership

IN A SURPRISINGLY ROBUST METAPHOR, HAVING content go viral has been described as “winning the internet version of the lottery.” Your chances of success are infinitesimal and determined almost entirely by luck. And the big payoff seldom lasts very long – studies have found that viral content has a negligible impact on a company’s long-term social engagement.

There are many euphemisms for “going viral” – breaking through, making a splash – but whatever the phrasing, all miss the mark that leaders should be aiming for when they post online. It’s not about reaching the largest audience; it’s about reaching the *right* audience.

Of course time-strapped leaders want their online posts to reach as many people as possible, but the content most business leaders have to share isn’t meant to go viral. Posting regularly to one, perhaps two, social channels sounds a lot less exciting than reaching millions of people instantaneously, but this patient, long-term approach is the right one

For CEOs on social media, consistency and authenticity carry the day, say Facebook’s

CRAIG MULLANEY
and Brunswick’s
MIKE KREMPASKY

for senior executives. It cuts to the heart of what it means to lead: consistently connecting with people and inspiring them, building credibility and trust rather than trying to grab headlines or attention.

Imagine, for a moment, two relatively new business executives, both of whom face an emerging crisis. A high-profile, critically important moment for each; thousands will be introduced to these leaders for the first time. As they look to steady the ship and address concerned stakeholders, both will rely on digital channels to communicate their messages instantly and without any filters.

One executive has a track record of online posts, ranging from serious thought leadership to content revealing their career journey, values and interests. The other has posted infrequently, with content that’s clearly been written and produced by advisers. It’s obvious which leader is better practiced in delivering their message, better positioned to make sure that they are heard – and, crucially, which one is more likely to be believed.

FACEBOOK BY THE NUMBERS: Over **70 MILLION** businesses use Facebook Pages on a monthly basis

And yet data suggests that many leaders have an online presence that more closely resembles the disadvantaged executive. Research published in 2017 by the PR firm Weber Shandwick found that half of CEOs of public companies and 59 percent of CEOs leading private companies had some sort of presence on social networks, but few were socially engaged and active. For both public and private companies, only 38 percent had posted once on a social network over a 12-month span.

This is an area in which even the most highly regarded CEOs have struggled. In 2016, DDI, a global human resources consultancy, analyzed how socially engaged the *Harvard Business Review*'s "Top 100 CEOs" were. With fairly lax criteria – simply having a profile photo and multiple engagements on one social platform – only 20 percent of CEOs made the "socially engaged" cut.

But if only a fraction of *HBR*'s best-performing CEOs are active on social media, is it really worth the time and effort it requires? According to author Alexandra Samuel, the answer is an emphatic yes. For starters, it takes less time to post and caption a photo than it does to respond to an email. And Samuel argued in a *Wall Street Journal* column that "CEOs who don't use Facebook are like CEOs who don't watch TV: They've fallen into CEO World, that parallel dimension where leaders are disconnected from the way most people live, shop and connect."

It's Samuel's last point – connecting and engaging with customers and employees where they are – that holds immense potential for leaders. Leaders' pride in their companies empowers employee advocates to amplify that message. It also allows leaders to highlight social causes that are important to them or their company, and to speak directly to customers. And choosing to be on social media signals leaders are transparent and open to candid feedback. Nearly three out of four US respondents in Weber Shandwick's survey agreed that a company whose CEO uses social media is more trustworthy, while 76 percent of employees said they would prefer to work for a CEO who is visible on social media.

Facebook is nearing 2 billion monthly active users; Instagram has more than 700 million and Twitter 300 million. LinkedIn doesn't publish its monthly active users, but does have 500 million members. It's not simply there are a lot of people on social media – with more joining each day – it's that social media is increasingly where these people find their news about companies and leaders.

76

PERCENT of
employees say
they would
rather work for a
social CEO

Source: Weber Shandwick

Instagram,
which is owned
by Facebook,
surpassed
700
MILLION users
in April 2017

According to research by the nonprofit news organization Grist, it's not just Millennials who are ditching newspapers in favor of their newsfeeds. "Facebook was the social network where senior executives were most likely to engage with business content." Karen North, the director of the digital social media program at the University of Southern California, explained this trend in a 2016 interview: "People are now just assuming relevant information will come to them. If it doesn't, it probably wasn't worth listening to anyway."

Some leaders are taking note. Spencer Rascoff, the digitally savvy CEO of Zillow Group, the publicly traded online real estate platform, said in a 2017 Facebook Live that he is active on social media because "I want to be where the conversation is happening, where people are talking about our company, our brand, our services, or our category." Rascoff shared in that same Facebook Live that he had engaged personally with 90 percent of new employees on social media *before* they'd joined the company.

Rascoff predicted that social media will soon be a non-negotiable for those in the C-suite. "CEOs and other executives who are not on social media – they will be," Rascoff said.

So how, exactly, can a leader begin to follow in Rascoff's footsteps?

Pick a channel Trying to establish a presence on Facebook, Instagram, LinkedIn and Twitter all at once is likely to be overwhelming. Select one, maybe two, based on who you want to reach and how you want to reach them. Doug McMillon, CEO of Walmart, started posting on Instagram in 2015. He joined Facebook a year later, and posts primarily brief videos or photos with short captions. He doesn't have a presence on Twitter or LinkedIn.

Take it seriously Be clear about who you are, who you are talking to, the tone of your message and what you want to say. In other words, have a strategy in place. And then invest in a team that can deliver on that strategy. It takes time, resources and people to plan, create and share content, respond to any comments or questions, and determine what sort of content to share – a live video versus a photo, for example – and on what schedule. And executives themselves need training and repetition to master digital communications. Leaders get media training before their first radio, print, TV interview – why should the standards be any lower when communicating with larger audiences on social

The number of business leaders active on Facebook **TRIPLED IN 2016 FROM 2015**  The most

media? “It’s not a game for me,” said John Legere, CEO of T-Mobile US, in a 2016 interview about his use of Facebook. “It’s a very serious, highly leveraged part of the way I run my company.”

But not too seriously Bill Gates posted on Facebook celebrating his wife Melinda’s birthday. Richard Branson posted a photo of his bruised, bleeding face after taking a spill on a bicycle. Meg Whitman, CEO of HP, posted a photo of the simple cubicle at which she works. All were among their most-liked and most-shared posts that year. People enjoy seeing that leaders are humans, too. People want to know who leaders are before they’ll listen and trust what they say.

Stick with it Assuming a fairly regular cadence of publishing, the longer leaders have a presence on social media, the larger their audience size, reach and engagement tends to be. In other words, a consistent approach sees a greater return on investment over time, as each post helps build – and engage – with a growing audience. Patience does pay off.

Measure, adjust, repeat No strategy worth its salt can exist without a way to measure its effectiveness. Most social channels provide some kind of dashboard that tells you who’s looking at your

CRAIG MULLANEY

Craig Mullaney leads the global business influencer program at Facebook. Previously, he was Senior Vice President at Ustream, acquired by IBM.

Mullaney was a senior national security appointee in the Obama administration and staff member on the 2008 presidential campaign. He is an Army veteran and the author of *The New York Times* bestselling memoir *The Unforgiving Minute: A Soldier’s Education* (see page 64 for an excerpt).

content and how it’s being shared. Take advantage of it and adjust. In some research, video posts by leaders were found to be shared twice as much as posts containing just a photo, and generated three times as many comments, on average. Complement this with other metrics as well – internal surveys, panel responses, message testing.

For all the benefits having a social media presence can deliver, it does bear some risk. Criticism and customer complaints are largely inevitable, though the people most likely to see and engage with your content tend to be fans and followers – people who have chosen to follow you in the first place. Most social channels also offer moderation tools to block offensive language or derogatory terms.

It has been said often – especially by leaders – that trust is in short supply today. For all the research and data about audience size and social engagement, at their core, social networks are simply an efficient way for business leaders to be more transparent and earn the trust of those whom they’re leading, one post at a time.

MIKE KREMPASKY is a Partner in Brunswick’s Washington, DC office and leads the firm’s Digital offer.

A SMARTPHONE OR “YELLOW NOTEPAD”? WALMART CEO, DOUG MCMILLON

SAM WALTON, FOUNDER OF THE retail giant Walmart, was known for dedicating large chunks of his schedule to visit stores and warehouses across the US. Donning a baseball cap and carrying a yellow legal notepad, Walton would meet with his employees and managers.

Today the company operates across 28 countries and employs 2.3 million people – making the company the third-largest employer in the world, according to *Forbes*. Doug McMillon, CEO since 2014, has looked to follow Walton’s example by visiting stores and employees around the world (though he has traded in the baseball hat for an open-collared suit). To connect with such a large, dispersed workforce, McMillon has also turned to social media.

McMillon’s pages on Facebook and Instagram now have hundreds of posts, many of them simple photos of McMillon with employees and customers he meets on the road, taken with his mobile phone.



McMillon with employee Lissa Zajac, in a photo he posted on Instagram in 2016.

In October 2016, for example, McMillon posted on his Instagram account the story of Lissa Zajac, an employee in the US whose house had caught fire. In the days after the fire, Zajac’s colleagues had raised money, the company’s “Associates in Critical Need Trust” fund had provided support, and the employee had been recently promoted. “I’m really proud of Lissa for her perseverance,” McMillon wrote in the caption. “And I’m

proud of our associates for coming through to help her in a time of critical need.”

Sprinkled in among McMillon’s posts are also business updates – a video about Walmart’s environmental initiatives, for example – and some light-hearted posts. In 2016, McMillon shared what his earliest jobs had been: a list that included radio DJ, “fry guy at Burger King” and painting houses.

McMillon’s social media engagements are far from a one-man effort. A team reads every comment, responds to questions and routes complaints to relevant departments. And though McMillon’s posts weren’t designed to go viral, they did end up reaching millions – the company used images from McMillon’s Instagram account in TV commercials broadcast across the US.

“Social media is Doug McMillon’s yellow notepad,” wrote Dan Bartlett, Executive Vice President of Corporate Affairs for Walmart. “Our notepad may look different today, but what it represents will never change.”

common age demographic on Facebook is **25 to 34**, accounting for roughly **30 PERCENT** of all users

After graduating from the US Military Academy at West Point, Craig Mullaney (co-author of “The road to digital leadership,” Page 61) attended US Army’s Ranger School, a course legendary for testing soldiers’ mental and physical limits. The following excerpt is from his best-selling memoir of his experiences as a student.

The Unforgiving Minute

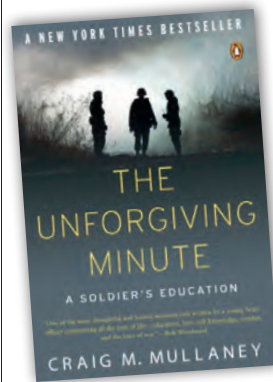
“NOT FOR THE WEAK OR FAINTHEARTED.” THE BLACK and gold sign at the entrance to Ranger School read like an insurance waiver. One more step with my bald head and stuffed duffel bags was like a signature confirming I understood the risks. A few dozen of us huddled by a nondescript chain-link fence in the pitch-dark. Finding Camp Rogers had been its own reconnaissance exercise. It lay hidden in a dismal corner of Fort Benning’s tangled forests, well beyond view of Airborne School’s 250-foot towers. A friend dropped me off at 4:30 a.m.

“I hope I don’t hear from you,” he said as he waved me off. “If I do, that means you either got kicked out, died, or quit.” ...

Ranger school was established during the Korean War. Every year nearly three thousand officers and enlisted soldiers, screened and trained in advance by their units, churned through Ranger School’s meat grinder. The Army designed the course to build combat leaders, mimicking the stresses of combat through severe food and sleep deprivation. Between mock ambushes and raids testing tactical knowledge, students marched insane distances under heavy rucksacks in order to test their stamina and will. By one student’s count, we would march as many miles as the distance between Boston and Philadelphia.

Ranger School consisted of three successive phases – Darby, Mountain, and Swamp – each building on the foundation set in the previous phase. Those who weren’t successful in a particular phase were either dropped from the course or allowed to repeat the phase as “recycles.” For the small minority who passed straight through without recycling, the course took nearly nine weeks. In the end, fewer than half the class typically earned the right to wear a two-inch black and gold Ranger tab on their left shoulder...

For an hour the Ranger Instructors (RIs) had us on our backs doing flutter kicks until our abdominal muscles cramped. Then they turned us



“Ranger, you are not authorized to drown,” shouted the instructor who escorted me from poolside with a giant hook

CRAIG MULLANEY

Craig Mullaney, author of *The Unforgiving Minute: A Soldier's Education*, now leads the global business influencer program at Facebook. The book was first published in 2009.

over to exhaust our legs with mountain climbers. Then back to flutter kicks. Then over to mountain climbers. The point was to exhaust us before we even dipped a boot in the water.

“Move, move, move!”

We rushed into the fenced-off pool area swarming with RIs. We lined the edges of the pool and observed an RI demonstrating several aquatic skills we needed to imitate successfully. The first event was a fifteen-yard swim in full combat gear.

“Rangers demonstrating undue fear will receive a no-go.”

What about “due” fear?

When it was my turn, I jumped in and began paddling with one arm while suspending a rifle above the water with the other. At the tenth yard I began to look like a candidate for a lifeguard rescue. My boots were like concrete blocks, and my uniform dragged through the water like a parachute.

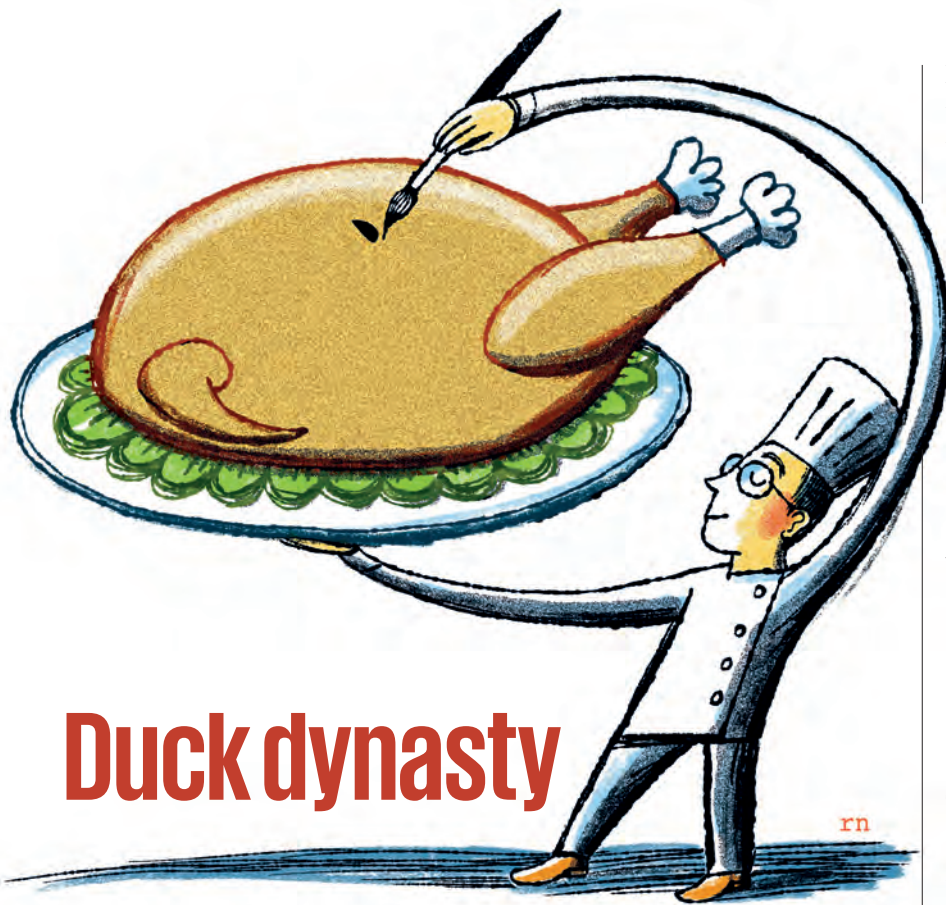
“Ranger, you are not authorized to drown,” shouted the instructor who escorted me from poolside with a giant hook poised to snatch me from the bottom.

“No excuse, Sergeant,” I gurgled between bobs.

THE TEMPERATURE PEAKED IN THE NINETIES AS our bus returned to Camp Rogers. We rushed into the barracks to change into dry uniforms and formed up by the dining hall. A half-dozen pull-up bars signified the dining ritual we would perform as an ablution before every meal at Ranger School. Just like a Catholic with rosary beads, the Ranger student recites the six verses of the Ranger Creed in a strangely rhythmic intonation before performing pull-ups at the dining hall entrance ...

Three hours of supervised pain immediately followed dinner. We sprinted on full stomachs to retrieve our duffel bags and lined up “on the rocks,” a formation area lined with jagged gravel. We spread our bags twenty yards away from our positions, dumped the contents, and began a “layout,” a time-tested haze that served the purpose of screening our luggage for “contraband,” the actual term used to describe an unauthorized item that might give a Ranger student an unfair advantage. Punishable items included Tylenol and civilian long underwear ... By the time we finished, it was nearly midnight. I fell asleep on my plastic mattress before the filaments cooled in the lightbulbs.

The second day began three hours after the first ended.



Duck dynasty

Since 1864, a centuries-old recipe has made Beijing's Quanjude restaurant a global attraction. Brunswick's **ELLA KIDRON** and **AMY WANG** pay a visit

A VISIT TO BEIJING ISN'T COMPLETE without a trip to one of the city's signature Peking duck restaurants. At Quanjude's Hepingmen flagship on Chang'an Avenue, Guomin Wang is the Executive Chef for Cold Dishes and the curator of a centuries-old tradition.

Wang defies all stereotypical images of a senior chef. With his lean frame, fitted white top and a pair of gold, round glasses, he looks more scholar than chef – a look appropriate for someone with so much historical knowledge of Quanjude. Founded over 150 years ago, Quanjude's flagship has hosted many state leaders, diplomats, famous Chinese calligraphers and Peking opera performers. Standing in the Quanjude museum at the top of the seven-floor Hepingmen restaurant, Chef Wang takes us on a journey back in time.

Named after the city now known as Beijing, Peking duck is a technique of preparing roasted fowl that dates back at least to the 14th century, appearing in a book of recipes published in 1330. It became identified as an iconic dish during the

later Ming Dynasty (1368-1644). In 1864, with the help of a court chef to Emperor Tongzhi of the Qing dynasty (1644-1912), Yang Quanren created the first Quanjude, the roasted duck restaurant that has now grown into a chain with over 100 restaurants in 21 provinces across China and several overseas.

More than one hundred years later, with the opening of China in 1979, Quanjude became the official place to receive world leaders on their visits to China. Along with the game of Ping Pong and the liquor Maotai, Peking duck was for many years one of China's most important diplomatic offerings, and a highlight of state visits to the nation's capital. Today, the restaurant remains a window into China's historic Peking duck tradition for the rest of the world.

"Food should be borderless," Chef Wang says.

TO KEEP THE TRADITION ALIVE, QUANJUDE AIMS for a balance of modernization and preservation. The restaurant chain adheres to the traditional *minglukao* ("open fire") roasting process and boasts more than 400 dishes centered on its signature Peking duck, including hot and cold dishes and pastries. Each restaurant is required to offer 50 essential duck dishes and then is given freedom to serve another 40 dishes to satisfy local palates and preferences.

Chef Wang, who has been with the Quanjude restaurant for nearly 37 years, is a graduate of the group's rigorous apprenticeship program, where celebrated chefs of several generations take on apprentices and teach them all aspects of the trade. The techniques are said to take at least 10 years to learn. Apprentices rotate through different departments, to understand each type of dish before settling into a specialist area of their choice.

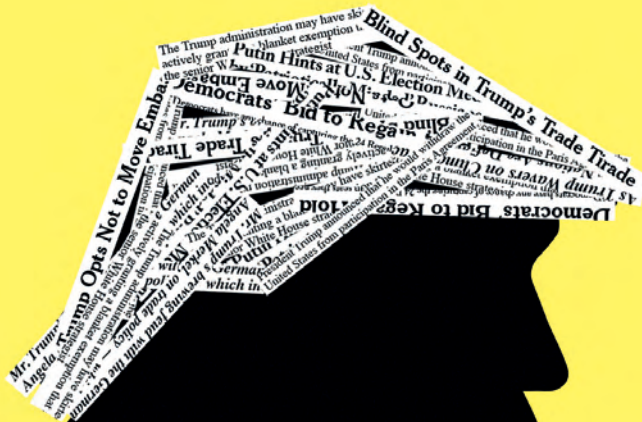
Yet even with such a structured program, there is plenty of room for creativity. Chef Wang, drawing inspiration from his years of calligraphy practice, came up with the idea to present cold dishes with carefully selected, famous Chinese poems written in chocolate sauce on the plate. The poems are tailored to not only capture the essence of the dish he's presenting, but also who it is being presented to.

What will the next 150 years look like for one of the leaders of Beijing's most prized culinary tradition? Chef Wang says, "My only mission is to make the golden gilded Quanjude sign shine ever brighter."

ELLA KIDRON is an Account Director and **AMY WANG** is Senior Translator. Both are in Brunswick's Beijing office.

DID YOU KNOW?

- A traditional serving of Peking duck is cut into exactly 108 pieces, often at the table
- There are 21 distinct procedures required between raising the duck to putting it on the table
- The intestines of the duck are taken out from a small cut under the wing before it goes into the oven. That's why, at Quanjude restaurants, when the duck first appears on the table, it is in one perfect piece



Boon, bane or BOTH?

newspapers are pinning their hopes on digital subscriptions, the very thing Trump is driving. • But hold the champagne. “What’s declining is still declining faster than what’s growing,” says Rick Edmonds, media business analyst at the Poynter Institute, a media think tank. • Among the challenges facing the mainstream media is a low barrier to entry. Little more than a smartphone is needed to launch a new medium, no journalism degree required. Nor is this the exclusive province of hipsters. Read below how a 60-something private equity titan became a TV star. • Purveyors of fake news may be an even bigger threat. Not only do they draw eyeballs away from legitimate journalism, they also force news outlets to waste precious resources trying to set the record straight. Bad news: fact-checking alone won’t work. Good news: there may be another way.

The accidental journalist

Except don't call him a journalist. **DAVID RUBENSTEIN** talks to Brunswick's **KEVIN HELLIKER** about his turn from private equity titan to star host of a TV talk show

BIG-NAME CHIEF EXECUTIVES ARE WANTED, in print and on air, far beyond their capacity or appetite for publicity. They have jobs to do. Their standard response to a media interview request is no – unless it happens to come from David Rubenstein.

Rubenstein is host of “Peer to Peer Conversations” on the Bloomberg Channel and website. As co-Founder and co-CEO of Carlyle Group, the private equity firm, he doesn't need or aspire to outperform Jimmy Fallon. He produces his shows for much the same reason he interviews historians at private Library of Congress events – to educate audiences, ideally in a way that's entertaining.

But let's be clear: “Peer to Peer” is a hit. Its third season under way, Bloomberg says that viewership “has been strong.” Moreover, PBS recently agreed to air the first two seasons nationally, indicating the network's belief that Rubenstein's interviews with chief executives bear appeal for broad audiences.

Certainly, the show has buzz: in top-management and business-journalism circles, “Peer to Peer” is a metric of cool. Don't tell anyone you haven't watched it, and be prepared to discuss the segment where Lloyd Blankfein talks about disclosing his cancer diagnosis to Goldman Sachs shareholders.

The most remarkable feat of Rubenstein's show may be the all-star cast of subjects he has persuaded to sit down with him. Actually, “persuaded” isn't the right word: some top executives have volunteered for duty. His guests from the first two seasons include Oprah Winfrey, Warren Buffett, Bill Gates, Jamie Dimon, Mary Barra, Eric Schmidt, Kenneth Chenault and Indra Nooyi.

Perhaps they take comfort in knowing that this self-made billionaire bears no resentment toward the rich and that, despite his law degree, makes no effort to prosecute his subjects – although he doesn't shy away from difficult questions. (“Being Oprah, is it hard to go to the bathroom in a public place?”) Equally likely is that these executives appreciate

“I've been afflicted with the workaholic gene.... I work a long day and it keeps me out of trouble”

Rubenstein's gift for evoking the very human story behind every rise to the top. The interviewer keeps the focus on his guest, asking questions that reflect a ton of homework and a penchant for humor. At 67, he has become a popular face of new media for the same reason that, say, Ellen DeGeneres is popular: the camera loves him, and he excels at putting his subjects at ease.

At the start of each show, a female voice behind the camera asks Rubenstein to fix his tie. “People wouldn't recognize me if my tie was fixed,” he says, before explaining to the viewer: “I began to take on the life of being an interviewer even though I have a day job running a private equity firm.”

How do you manage the work of these shows while doing your day job?

I've been afflicted with the workaholic gene. Maybe because I didn't think I was as talented or as smart as my peers, I thought that I had to work harder. I work a long day and it keeps me out of trouble.

How did this new career develop?

Vernon Jordan, a prominent businessperson-lawyer in Washington, asked if I would succeed him as the



President of the Economic Club of Washington, which was a group of about 300 businesspeople. And he said, “Your job is to get four businesspeople a year – one each quarter – just let them speak, then you take questions from the audience on cards that’ll be handed up to you.” So I started doing that, and I realized that businesspeople can be boring speakers.

And then I realized the questions that came from the audience were not that good. So I would make up my own questions, which tended to be somewhat humorous, to kind of lighten the otherwise dry speech that had been given. And then eventually, I concluded that it’d be better if I just asked questions myself, and just did the whole thing as an interview. So maybe six months or so into the whole process, I began doing interviews. I’ve now done 100 of them. And the membership has grown from 300 to 750.

How did “Peer to Peer” come about?

Somebody at Bloomberg who happened to be a member of the Economic Club of Washington approached me and said, “Why don’t you take this interview approach, or style, and we’ll do a TV show out of it.” I was game for it. After I did a couple, people seemed to like it. I don’t think I’m going to be winning an Emmy Award or anything for my interviews. But people do seem to like it.

You explicitly say that you’re not a journalist, yet your Oprah interview made news.

I asked her, “Well, now it’s clear you don’t need government experience to be President of the United States, would you consider running?” And she kind of played with the answer, saying, “Since you don’t need experience, maybe I will, who knows?” I don’t think she’s really running for President. But her answer made news, and that brought home to me that the reason Oprah won’t run for President is she’s got a better job than being President. Being Oprah is a great job. Being Oprah, anything she says, people pay attention to.

Why do so many celebrity executives want to be interviewed by you?

One reason maybe is this. I tell people I’m not a journalist. So I’m not trying to play “Gotcha,” I’m not trying to make news by embarrassing you, or getting you to say something you don’t want to say publicly. By and large, I know these people I’m interviewing, and you can argue that a strict journalist would say, “Well, David, by knowing these



people so well, or maybe you’ve done business with them, you have conflicts.” But I’m not a journalist. I’m just having a conversation with somebody, and it works out.

Whom do you interview in Season Three?

Phil Knight, the founder and CEO of Nike. Mary Barra, the CEO of General Motors. Brian Roberts, the CEO of Comcast. Yo-Yo Ma. And then I have scheduled Ginni Rometty, who’s the CEO of IBM. Satya Nadella, who’s the CEO of Microsoft. Bob Kraft, the owner of the New England Patriots.

How often do you tape an interview?

I try to do one or so every week, or every two weeks. What I do is, I try to be prepared. If there’s a book written about the person, I will read it. If there are several books, I’ll read them. If the person has written a book, I’ll read that. I try to read all the materials that I can about the person.

Then I write down the questions that I want, and then I memorize them. When I do the interview, I don’t like to use notes, because I find that if you look down you lose eye contact.

You pay no attention to ratings?

I’m afraid that if I ask for the numbers, they would be so low, compared to everything that’s on a

Executives and celebrities who wouldn’t typically agree to a TV interview are eager to be on Rubenstein’s show. In one famous interview, he asked Oprah if she would ever consider running for President.



broadcast channel, that I'd be depressed. So I haven't ever asked for the numbers. But an amazing number of people come up and say they watch the show. Somebody told me they just saw the show on a Delta flight. I can tell you that when I started doing this my biggest fan was my mother, who was 86. She would call her friends and tell them to watch the show. She just passed away a few weeks ago, so maybe the viewership is going to decrease if all my mother's friends aren't going to watch anymore.

Do you think that you provide a public service by revealing the human story behind top executives? Who knew that Lloyd Blankfein came from such humble circumstances?

I don't want to put a halo around my head and say, "Well, I'm doing a great public service." I would say that it may have that unintended benefit.

Lloyd Blankfein is known to many people to be the head of Goldman Sachs, and Goldman Sachs has a complicated reputation. Particularly during the crisis, they got beat up a lot and Lloyd, particularly, got beat up publicly as he would be the first to admit. I've known Lloyd for a while. We've kind of bonded because my father worked in the post office, and his father worked in the post office. We've both got more successful in life than our parents would've expected.

When I did the interview, he opened up about his background, very modest background, and also about his cancer. So Lloyd Blankfein can be seen as more vulnerable than people think he is because of the cancer, or because of his poor background. I think that's probably helpful.

Is it a goal of "Peer to Peer" to shed light on leadership?

Every interview, I try to inject questions about leadership. "How did you become a leader? What is leadership?" Because I'm hoping that people watching will say, "Well, how did this person become famous, or prominent, and how can I do it?" When I meet people for the first time in any business context, I always ask where they came from, and how did they get to their current job? And I have found that everybody has an interesting story about how they got where they are. If you saw the one with Indra Nooyi, talking about her parents in India. Or Yo-Yo Ma: born in Paris, came to New York, and became a prodigy at the age of 5 or 6 years old in cello.

Is there a particular lesson about leadership that has emerged from these interviews?

Well, let's put it this way. When you're a young person, there's often somebody in your junior high school or high school who is the superstar, great athlete or great scholar, who is going to be President of the United States. Through adulthood those people usually don't make it to the top.

Usually, the people that I'm interviewing didn't go that route. Usually their route was more circuitous. They were toughened by defeat, or had to overcome some obstacles, or maybe some skepticism. So the people at the top usually struggled in life, and maybe that struggle toughened them, and that's why they became a leader when they were 40 or 50 or 60.

Is fame a requirement for being on your show?

I haven't yet gotten to the point where I say, "Let's put somebody on the show who nobody's ever heard of, because I think they would make for an interesting story." But I want to get there, because there are a lot of great stories out there of people who are not yet famous but probably will be at some point.

KEVIN HELLIKER is Editor-in-Chief of the *Brunswick Review* and a former Pulitzer Prize-winning journalist for *The Wall Street Journal*. He is based in New York.

DAVID RUBENSTEIN

Co-founder and co-CEO of The Carlyle Group, one of the world's largest private equity firms, David Rubenstein is also a philanthropist and the host of Bloomberg TV's "The David Rubenstein Show: Peer to Peer Conversations." Each episode features an interview with one leader. From 1977 to 1981, he was Deputy Assistant to the President for Domestic Policy under President Jimmy Carter. Rubenstein also practiced law in Washington, DC before co-founding Carlyle.

How the **TRUTH** can win

An inviting narrative can help bridge political barriers, *The Undercover Economist* author **TIM HARFORD** tells Brunswick's **CARLTON WILKINSON**

THE ESCALATION OF LIES AND THE MISUSE of information in public life in recent years, particularly in the US and the UK, resembles a riot: old rules suddenly don't apply, institutional authorities are powerless, commonly law-abiding people are looting ideas for their own benefit. In that arena, fact checking is a water pistol, serving as a provocation to an angry few and a minor annoyance to the rest.

"Fact checking alone won't be much good, and in fact might do some harm," says Tim Harford, an economist, a producer of BBC Radio's show, "More or Less," a *Financial Times* journalist and author of the best-selling book *The Undercover Economist*.

In a recent interview, Harford acknowledges the critical need for fact checkers in the journalistic infrastructure. But, he adds, "It's not enough."

Ironically, what can quell the riot – or at least allow sane voices to get noticed – isn't more instruction or enforcement, Harford believes, but an appeal to the public's sense of curiosity and adventure. This is something that all good communicators know but few can quantify: a story that draws readers in, allows them to find their own emotional and intellectual connection, is better by far than the most compelling fact sheet.

As host of "More or Less," Harford analyzes the numbers used in public debate. Beginning in the heavily polarized 2010 UK general election, with "a huge number of statistical claims on either side," the economist frequently found himself in the role of fact checker. In a *Financial Times* article, "The problem with facts," he reflects on how fact checking and political counter measures went wrong.

Harford lists three major hurdles on the way to countering a falsehood. First, a lie is often easier to understand and more attractive than the truth. Second, arguing means you repeat the lie, giving it greater traction in the very effort to refute it. And third, more facts can backfire, producing a defensive reaction that causes people to dig in on their original beliefs. Our personal identities are shaped by our shared beliefs and closely

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TIM HARFORD,
author of
*The Undercover
Economist*

tied to tribal instincts, so challenges can feel deeply threatening.

"One might argue that the most potent of all is indifference," Harford says, in our interview. "But once you get past that initial barrier – that a lot of people just don't read the news at all – then tribalism is a very potent and worrying force. The idea that somebody might be working from a totally different set of presumptions and perceptions about what constitutes agreed knowledge, what constitutes a reliable news source – that's profoundly unsettling. Partly because we don't see it in ourselves."

He describes this as the George Carlin effect.

"You know Carlin's sketch, where you're driving along and anybody who overtakes you is a maniac and anybody who's going slower than you is an idiot – well, of course, because you are driving at what you think is the correct speed."

People not only resist being corrected about their beliefs, but even increase their loyalty to a faulty idea when it is challenged.

"Somebody thinks the flu vaccine causes flu, for example," he says. "You can show them the information on the Center for Disease Control website. And they may accept it. 'OK, I get it. Now I realize the flu vaccine doesn't cause flu.' Yet they're as resistant as they ever were to getting their flu vaccine – maybe more resistant. It's because they feel threatened by the whole conversation."

Worse, increased knowledge about a subject only seems to deepen existing divisions. "More information just gives you more ammunition to believe what you wanted to believe," Harford says. In effect, the trap tightens the more we struggle to break free. But another innate aspect of human psychology may offer a way out: curiosity.

Harford points to a group led by Dan Kahan at Yale that is studying the role of scientific curiosity in communication.

"Scientifically literate Republicans and scientifically literate Democrats are even further apart on politicized issues like climate change," Harford says. "But scientific curiosity doesn't have

A LIE IS
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that effect. You don't see increasing polarization with increasing science curiosity."

The opposite, in fact: those more curious about science are more inclined to accept information that challenges their current world view.

In a 2010 article in the *Journal of Science Communication*, Kahan found that disentangling people's factual beliefs from their identities as

members of a cultural group was the key to communicating challenging scientific findings. In follow-up research published in January of this year, his team specifically examined the differences between groups who had differing levels of science curiosity and found that curiosity seemed to counteract the tendency of tribal instinct toward Balkanized beliefs, allowing people to be more receptive to information.

Anecdotally, Harford felt these findings resonated with his work on "More or Less." The more narrowly defined, fact-check type programs his team would produce didn't feel very satisfying or provoke much of a response in listeners.

"We weren't really getting them engaged with the world," he says. "And yet there were other stories we would do where we would take a statistical claim, and we'd tell a story, we'd pose a puzzle – a little bit of a mystery – and then we'd take them on a journey, and show how the world worked. And it always seemed to be a much more satisfying form of journalism."

The appeal to curiosity solves two problems at once, Harford says. First, if you can create a puzzle or a mystery to solve, it piques interest and helps solve the indifference problem. Second, as Kahan's research has shown, "you might potentially also make some headway against the polarization problem – the idea that I'm just going to believe what my tribe believes."

Kahan insists that his results are "provisional" and more research is required. Harford also emphasizes that as far as implementing and refining these insights go, "it's still early days."

Yet this approach offers a ray of light in dark time, the possibility to make a discussion constructive rather than polarizing. If nothing else, it encourages the communicator to think more deeply about how the message is being received.

"Just this idea of trying to get people intrigued by the process of scientific exploration, not just to say, 'Well, we talked to experts and experts say you were wrong,'" Harford says.

Rather, the message should be, "there's this new research, and it's puzzling, so come with me and let's talk about why this is puzzling, and why this challenges our pre-existing views," he says. "Just get people coming on for the ride. That's exactly what we need."

CARLTON WILKINSON is Managing Editor of the *Brunswick Review*, based in New York. He is a former editor and award-winning columnist for *TheStreet*.



IRISH PAVILION

Left is Olwen Fouéré, a theater artist, performing as a witch for Jesse Jones's exhibition in the 2017 Biennale, which is titled *Tremble Tremble*. Jones, a Dublin-born artist, is representing Ireland at the Biennale. Her exhibition, which features a mixture of film and live performance, was created with themes of social justice in mind; Jones described the art as a "bewitching" of Ireland's judicial system.

Venice Biennale

THE OPENING DAYS OF THE VENICE BIENNALE, an international art event held in the beautiful lagoon city every other year, sees the art world descend upon “La Serenissima” (Venice’s nickname: “most serene”) for an array of openings, parties and glamorous events. A mixture of museum directors, collectors, art dealers and media gathers for the four-day “vernissage” period (named after the practice of varnishing paintings before the public viewing), after which the city returns to normal. Founded 120 years ago, the Venice Biennale has been canceled only three times, for two World Wars. It remains the world’s pre-eminent art event today, as countries compete for the much coveted Golden Lion Awards. In addition to the national pavilions in the competition, an international curator is appointed each edition to curate a show that tests the temperature of the current state of contemporary art. This curator has the mammoth space of the Arsenale, Venice’s magnificent former shipyard, at his or her disposal, among other historic venues. The 2017 event opened on May 23rd, and will run until late November.

Every two years, Venice holds one of the world’s longest-running and most well-respected art exhibitions. Brunswick Arts’ **BEN RAWLINGSON-PLANT** provides a snapshot of the 2017 event

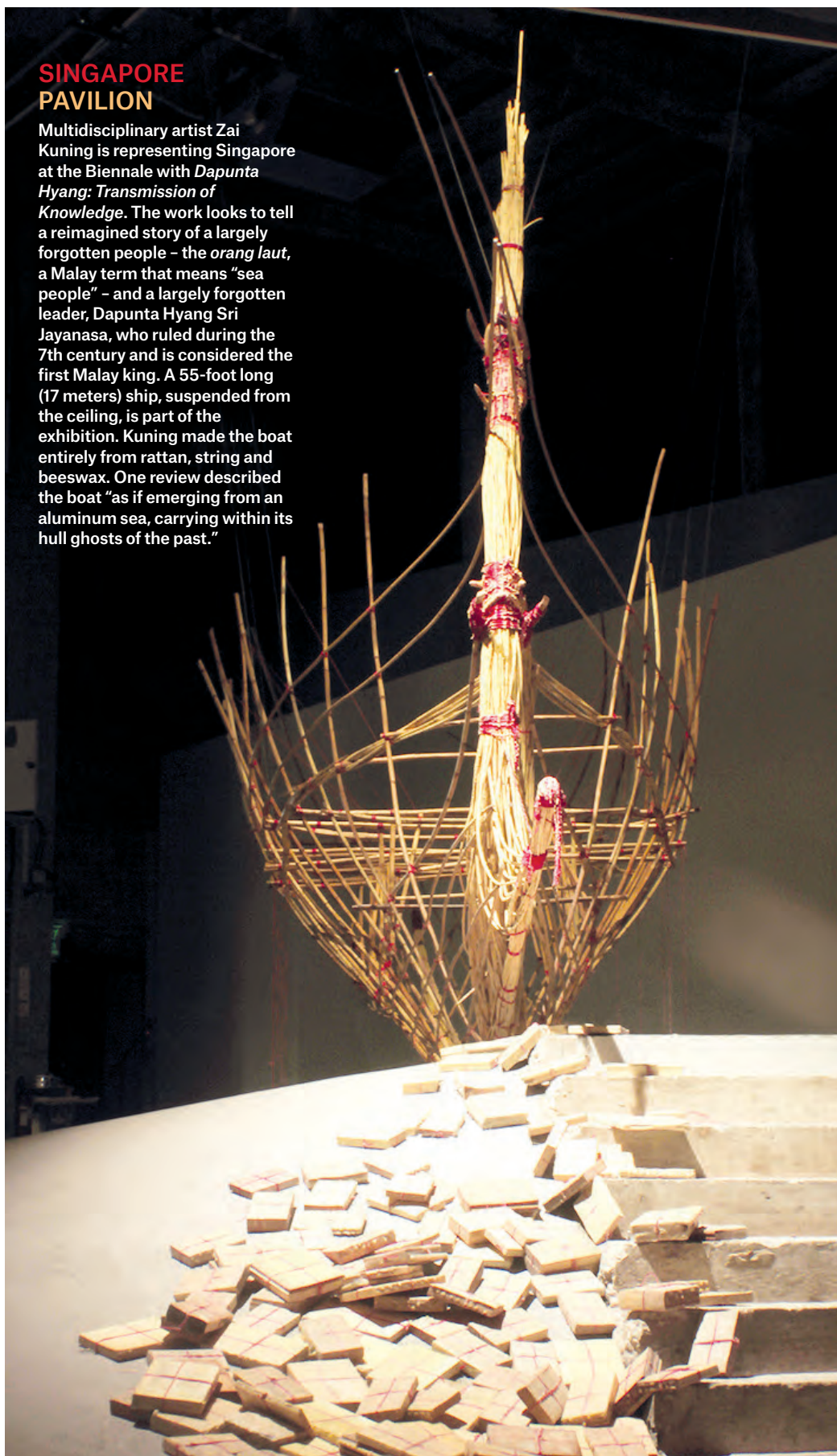
BRUNSWICK ARTS

BEN RAWLINGSON-PLANT is Managing Partner of Brunswick Arts, and is based in the firm’s New York office.

BRUNSWICK ARTS is a communications consultancy that promotes and manages the reputations and interests of arts, cultural and charitable organizations around the world. Since its founding 16 years ago, Brunswick Arts has been involved with the Venice Biennale, working with more than 10 separate country pavilions, while also representing exhibitions hosted alongside the main Biennale. For the 2017 event, Brunswick Arts’ clients included country pavilions for Singapore, Taiwan, Ireland and the UAE, and exhibitions featuring work by Robert Rauschenberg, Andy Warhol and Marina Abramovic.

SINGAPORE PAVILION

Multidisciplinary artist Zai Kuning is representing Singapore at the Biennale with *Dapunta Hyang: Transmission of Knowledge*. The work looks to tell a reimagined story of a largely forgotten people – the *orang laut*, a Malay term that means “sea people” – and a largely forgotten leader, Dapunta Hyang Sri Jayanasa, who ruled during the 7th century and is considered the first Malay king. A 55-foot long (17 meters) ship, suspended from the ceiling, is part of the exhibition. Kuning made the boat entirely from rattan, string and beeswax. One review described the boat “as if emerging from an aluminum sea, carrying within its hull ghosts of the past.”



FAURSCHOU FOUNDATION

Founded in 2011, the Faursschou Foundation houses a collection of contemporary art. At the Biennale, it is presenting a two-part exhibition exploring the work of Robert Rauschenberg (1925-2008), an American graphic artist and painter, whose 1993 work *Catch (Urban Bourbon)* is above. The Biennale exhibitions also examine Rauschenberg's relationship with Andy Warhol – the two had lifelong conversations about the use of the graphic technique of screenprinting – and contain works made by Rauschenberg after he suffered a stroke.

PHOTOGRAPHS: 1993 COLLECTION AROS ART MUSEUM, DENMARK © ROBERT RAUSCHENBERG FOUNDATION / GILLES DELMAS AND DAMIEN JALET



AXEL VERVOORDT COMPANY

The Axel & May Vervoordt Foundation, which lends works of art to institutions worldwide, and the Fondazione Musei Civici di Venezia ("The Municipal Council Board of Venice") are presenting their sixth, and final, exhibition at Palazzo Fortuny: "Intuition." Featuring the work of more than 300 artists, including Jackson Pollock, Man Ray, Anish Kapoor and Marina Abramovic, the show explores how intuition and concepts related to it, such as dreaming and hypnosis, shape art across borders, cultures and generations. A collage of stills from Damien Jalet's film, "The Ferryman," left, is included.

DEAN KARNAZES

commands speaking fees as high as \$20,000 and his clients have included Google, Nike and Facebook. Given both the volume of requests and the time he spends preparing for each speech, Karnazes describes himself as “oversubscribed.” His media résumé includes being profiled on *60 Minutes* and making appearances on *The Late Show with David Letterman* and *The Today Show*. In 2007, Karnazes made the 200-person shortlist for *Time*’s annual compilation of the “Most Influential People in The World” – along with Steve Jobs, Angela Merkel, Hu Jintao and Queen Elizabeth II.

That’s a lot of exposure for an endurance athlete, especially one who has never won an Olympic medal, or any of the world’s major marathons (Tokyo, Boston, London, Berlin, Chicago, New York City) or endurance events, like the Tour de France.

All of those races focus on speed. Karnazes’ fame doesn’t stem from how fast he is, but rather, how far he goes.

It was Karnazes’s 2005 best-selling memoir, *Ultramarathon Man: Confessions of an All-Night Runner*, that propelled him into the national spotlight. The book detailed

Karnazes’s legs, right, are chiseled from racing and training for extreme ultra-endurance events.

LEGS FOR DAYS

DEAN KARNAZES, the endurance sports icon who ran for 80 hours without stopping, talks business with Brunswick’s **BRIAN BAKER**

PHOTOGRAPH: JIM FISCUS



some of Karnazes's near-masochistic athletic accomplishments: finishing a marathon at the South Pole where temperatures dropped to -13 Fahrenheit (-25C) – a feat Karnazes celebrated by running a lap of the frozen course nude; racing a 135-mile ultramarathon through the fittingly named Death Valley, where Karnazes ran on the road's painted white lines so the 130-degree heat bouncing off the black pavement wouldn't melt the rubber soles of his shoes; completing, on his own, a 199-mile relay race meant to be carved up between a team of 12. For a while, Karnazes woke at 2 a.m. so he could run a marathon each morning before work.

Whether they thought he was superhuman, inspirational, or insane (or perhaps some combination of all three), people took notice of Karnazes. He was at once relatable – most of us have jogged at some point in our lives – and yet unfathomable; few of us have ever rolled up a pizza “like a big Italian burrito” and eaten it while running to prevent our bodies from shutting down in the midst of a 199-mile run.

Today, Karnazes admits it's challenging to summarize exactly what it is he does for a living. “I'm an endurance athlete, an author (I've written several *New York Times* bestsellers), a keynote speaker, a brand ambassador for such companies as The North Face and Fitbit, an investor in early-stage ventures, a product endorser and a spokesman. And to my kids, I'm also a dad!”

Karnazes, 54 and still chiseled from the thousands of miles he logs on the road each year, refuses to let a growing list of titles and responsibilities interfere with his brutal training regimen. From his sleep schedule – four to five hours per night – to the design of his office, Karnazes is scrupulous about maximizing the time he has to train: “I don't just train regularly; I train constantly. I do all my writing and emailing while standing up and bouncing around on my toes. I've got a pull-up bar and dip chair in my office, a sit-up mat and several weights. Throughout the course of the day I cycle through sets of pull-ups, push-ups, dips, sit-ups, curls and burpees. I view life as training, and training as life.”

Karnazes wasn't always this disciplined. In a story that would be strange were it to come from anyone else, Karnazes says he re-discovered running and began his journey into the world of ultra-endurance events when he was drunk, celebrating his 30th birthday: “I walked out of a



bar, three sheets to the wind, and decided to run 30 miles to celebrate. I hadn't run in the past decade and it was midnight. But I still set a course into the darkness. I ran straight through the night and it almost killed me, but I just kept going. It felt right, despite the pain and blisters.”

Karnazes was working in marketing for a multinational corporation at the time. The pay and benefits were generous, but Karnazes felt unsatisfied with his life. So he left. “Walking away from all the corporate perks (healthcare, 401K matching program, stock options, reliable paycheck, company car) was scary... There is little existing infrastructure to support such a lifestyle.” Since then Karnazes has built a highly successful career out of his own flesh and blood and his wits.

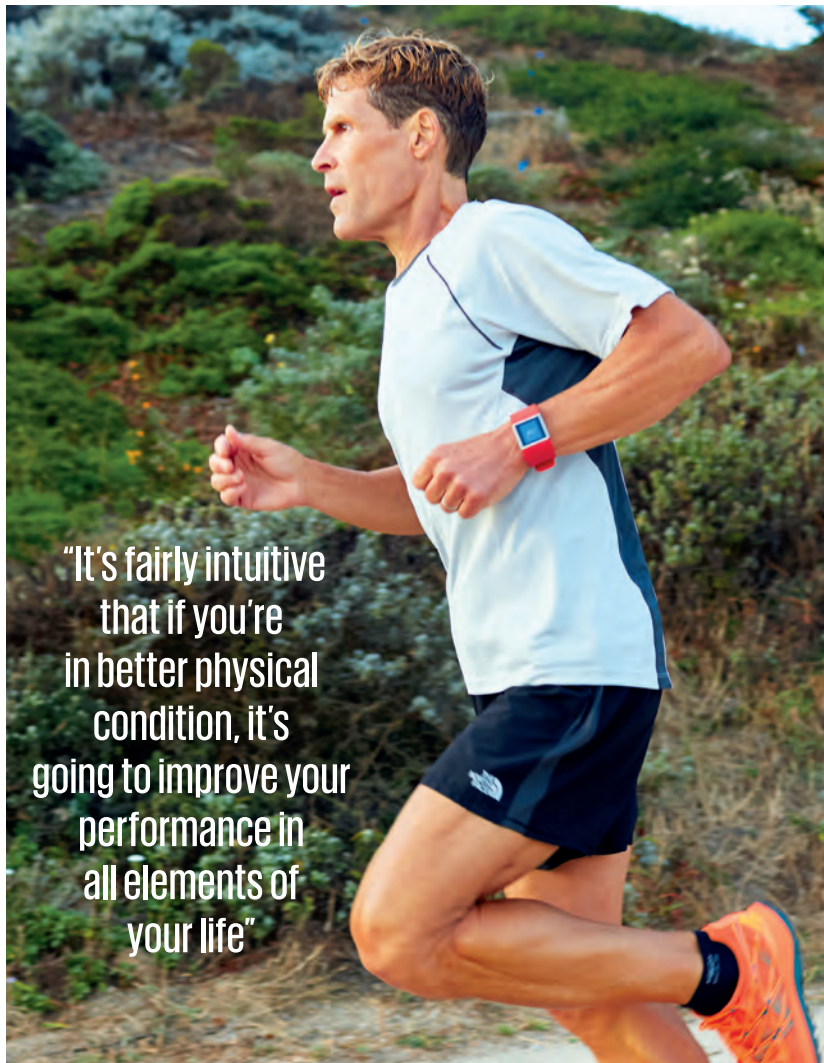
What, exactly, does running very long distances teach you about business? “Patience and perseverance” are two of the most important lessons, according to Karnazes. “You learn that

Above, Karnazes competes in the TransRockies Run, a race that takes place over six days. Parts of the course are more than two miles (3.2 km) above sea level, making oxygen scarce and breathing difficult.

Karnazes, right, finishes a 155-mile run across the Sahara Desert – one leg in the “4 Desert Race Series,” which includes three other 155-mile desert races in Chile, China and Antarctica. In 2008, the year the photo was taken, Karnazes won the overall male category in the race series.



"I walked out of a bar,
three sheets to
the wind, and decided
to run 30 miles
to celebrate"



"It's fairly intuitive that if you're in better physical condition, it's going to improve your performance in all elements of your life"

Karnazes wears black shorts made by The North Face and a red Fitbit on his wrist – two companies Karnazes is paid to endorse, and which, through their products and advertising, encourage healthy living and exercise.

there are no shortcuts on the path to success. Training and conditioning for endurance sports requires discipline, commitment, sacrifice and grit. You learn how to push yourself to exceed your limitations and constantly improve. All good lessons for business, and life."

Another lesson, perhaps unsurprising from Karnazes, is that professional performance is linked to physical fitness (see "Chief Exercise Officer," Page 58). "Not only does being fit bolster mental acuity, it helps promote overall vigor and energy. Let's face it, business can be grueling. We could talk about it on a biochemical or physiological level, but it's fairly intuitive that if you're in better physical condition, it's going to improve your performance in all elements of your life."

The marketing career Karnazes left behind actually helped lay the foundation for his success as an athlete, author and entrepreneur. Karnazes has won very few of the races he has entered –

he didn't cross the line first in the marathon he completed in the South Pole, where three people finished. Nor, in many instances, was he the first to attempt or complete them. He simply told the most compelling stories about his experiences and these races in a way that an everyday runner or business professional could understand and connect with. "People talk a lot about converting athletic experience into business, but for me it was just the opposite. I was a businessperson to begin with and used that corporate experience to develop my athletic career. Now I use the lessons gleaned from business and sports to do both better."

Karnazes was so effective at telling his own story that veterans within the ultramarathon community voiced their frustration at the disproportionate amount of attention and money Karnazes was receiving. In a 2010 *Runner's World* article, novelist and long-distance runner Rachel Toor wrote, "As much adoration and enthusiasm as Dean generates among recreational runners, he inspires even more animus from those who take themselves and their running seriously." (Toor ended by imploring Karnazes's critics to "grow up.")

For those interested in what Karnazes learned out on the road, just as many wonder why he spent so much time out there in the first place. In *Ultramarathon Man*, Karnazes concedes it's difficult to explain: "Addictions are never neatly defined." Though he doesn't answer the question directly, he doesn't avoid it entirely, either. In telling the story of finishing a 199-mile relay by himself, Karnazes writes, "People think I'm crazy to put myself through such torture, though I would argue otherwise. Somewhere along the line we seem to have confused comfort with happiness."

And this, perhaps, is Karnazes's most powerful – and prescient – lesson. While the apps on our phones and technology in our homes enable us to remove so much of the inconvenience from our lives today, Karnazes wants us to remember that "struggling and suffering are the essence of a life worth living. If you're not pushing yourself beyond the comfort zone, if you're not demanding more from yourself – expanding and learning as you go – you're choosing a numb existence. You're denying yourself an extraordinary trip."

BRIAN BAKER, a Director based in Brunswick's San Francisco office, leads programs for technology, financial and consumer clients. While he has yet to run 350 miles continuously, he has completed multiple 100-mile rides and is a committed bicycle commuter.

LIVE forever

A RECENT ARTICLE IN *THE NEW YORKER* magazine reports on a Silicon Valley movement to make death optional. Called “Silicon Valley’s Quest to Live Forever,” the article profiles some brilliant, well-funded scientists and entrepreneurs bent on curing senescence – the cell deterioration that causes symptoms of aging. Along with their wealthy benefactors, these longevity explorers break into two camps: those who want to eliminate death altogether (or at least, the inevitability of it) and those pursuing the more modest goal of extending life by 30 high-quality years.

The ambitions of that movement could fool you into lowering your regard for modern medicine, which from 1930 to 2010 helped add a measly 16 years to the average American life. By Silicon Valley standards, that’s slow and plodding progress. Then again, it’s real progress, versus the possibly fantastical hopes of some Ponce-de-Léon cover

It’s hard to ignore Silicon Valley’s all-out war against mortality, but listening to your doctor may be a better choice, say Brunswick’s **KEVIN HELLIKER** and **DAVID SELDIN**

bands in Silicon Valley. Worth noting is that the *New Yorker* examination found no evidence of any longevity breakthroughs.

On the other hand, it’s difficult to bet against Silicon Valley; we still cringe at the memory of rating Facebook stock overvalued. And it’s appealing to think that while we’re ensconced in our leather furniture binging on Netflix and nachos, there’s a team of geniuses out there waging a war to keep us alive. For us, living forever may turn out to be as simple as downloading an app.

In case that doesn’t happen, however, we might want to make some changes. Our diet generally is less healthy than it was 100 years ago, and we’re not exercising as much, which helps explain an epidemic of Type 2 diabetes and the staggering global toll of heart disease. Modern medicine is devising ever more treatments to protect us not from the plagues of nature, but from ourselves.



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What to do? The obvious recommendation is to find a primary care physician who documents and gives careful thought to your medical history, including the health biographies of your children, siblings and parents. Your doctor should also double as a coach who nudges you toward healthier habits. That's not a given – research shows that many primary care doctors barely mention diet and exercise.

If your physician seems unaware of the latest medical study to grab headlines, that's a good thing. Weird and wacky medical stories get a lot of clicks, ensuring good play regardless of the science behind them. Just when popular medical thinking got us used to eating fake butter, the wind shifted, and suddenly the culprit is sugar. Most primary care physicians get their information from medical journals and scientific conferences, where shifts in practice guidelines come at the unavoidably slow pace of medical research. A good doctor is one who never pushed extreme diets or 140-mile triathlons, arguing instead for boring old moderation.

"As much as we try to control our weight with fad diets or supplements or the next great drug, it's really about enjoying the food you like in moderation, moving your body doing something that you like, and being happy without feeling like you need to be a triathlete or eat like a monk," says Tracy Rydel, a family practice practitioner and faculty instructor at the Stanford School of Medicine.

Dr Rydel and her colleague, Megan Mahoney have family medicine practices in Silicon Valley. When not treating patients, Dr Mahoney is Chief of General Primary Care at Stanford, as well as Vice Chief of Staff of the entire Stanford health care system. Dr Rydel teaches medical students and is also leading a task force that aims to overhaul the nutrition curriculum at the school as well as on a national scale for medical students and other health professionals.

As family medicine physicians, Drs Mahoney and Rydel administer the vaccines, antibiotics, scans, checkups and other medicines and services that have played a large role in elongating lives. Their clinical experience has also taught them how to coach patients toward healthier lifestyles. As academics, they know the latest science, and as clinicians they know how best to implement it.

DO WE DARE TO EAT A STEAK?

EVERYBODY KNOWS THAT GIVING UP MEAT CONFERS health benefits. Vegetarians tend to be thinner and have lower blood pressure, lower cholesterol levels



"Many patients have told me, 'Doc, because you told me I could do that, I did'"

DR MEGAN MAHONEY

and lower rates of heart disease. So meat is a guilty pleasure, right?

Not necessarily, says Dr Mahoney. A vegetarian herself, she offers an important caveat. "I don't necessarily recommend a vegetarian diet for people who have a risk of diabetes," she says. That amounts to nearly 10 percent of Americans, not counting those who are pre-diabetic. "The high-protein diet is very good for diabetes, because it stabilizes metabolism."

The leaner the meat, the better, she says.

Dr Mahoney shares with her patients a rules-for-good-health mnemonic that she picked up in a 2010 article in the journal *American Family Physician*. It involves five numbers: 0, 5, 10, 30 and 150. Commit those numbers to memory, and it's easy to remember what they signify.

0 NO CIGARETTES ALLOWED.

No surprise there.

5 EAT THIS MANY SERVINGS PER DAY OF FRUIT AND VEGETABLES. Hey, pizza toppings like broccoli and pineapple count. Plant-based foods battle disease, control appetite and provide vitamins and nutrients.

10 PRAY, MEDITATE OR OTHERWISE ENGAGE IN A MINDFULNESS EXERCISE FOR 10 MINUTES A DAY. Research shows it can lower blood pressure, improve sleep and reduce anxiety and depression. No harm done if you nod off.

30 KEEP YOUR BODY MASS INDEX UNDER 30. Your BMI is your weight in kilograms divided by your height in meters squared. Avoiding obesity staves off all kinds of problems.

150 EXERCISE AT LEAST 150 MINUTES A WEEK. That's only 30 minutes a day, five days a week. Research shows that moderate running confers a longevity benefit of over three years. Other forms of exercise are likely just as beneficial.

Dr Mahoney has found that patients are likelier to put that mnemonic to work if they identify a goal. Do they want to avoid a family history of diabetes, lose five pounds for an upcoming class reunion or regain the strength to walk their daughter down the aisle? "You can talk about discipline and willpower, but it's really important to tap into your motivation for maintaining good health," she says.

Research shows that when patients share their concerns, a physician's encouragement can push them over the hump. In other words, your doctor should double as a coach. "Many patients have told me, 'Doc, because you told me I could do that, I did,'" says Dr Mahoney.

Unlike your high school coach, your doctor can remain a coach for life. In fact, research shows medical benefits to so-called continuity of care. Drs Mahoney and Rydel argue those benefits accrue even more if your physician treats your whole family. Think about it: How much better would your doctor know you if your spouse came along on your physical?

In a concept Stanford is calling Precision Health, Dr Mahoney is expecting to see a greater focus on prevention, health maintenance, digital health and advanced diagnostics at Stanford Primary Care, tapping into the resources of Stanford and Silicon Valley. Using devices that monitor metrics such as blood pressure on a daily basis, Stanford physicians will have access to continuous streams of medical information that will help predict, prevent and cure diseases precisely. That, along with good old-fashioned email, should put doctors and patients in much more regular contact. “Ideally, all of us would be able to interact with a primary care team 365 days of the year at a time and place that is convenient for us,” she says.

PRACTICING WHAT SHE PREACHES

IT ISN'T ONLY FOR THE SAKE OF HER HEALTH THAT Dr Rydel takes cardio-kickboxing classes. “If I don't exercise and I don't eat healthfully, I feel like I'm being dishonest with my patients,” says Dr Rydel. “A huge motivator is really to keep me honest, so that I am living by my rules.”

By “rules,” Dr Rydel means the prescriptions she offers patients to exercise, get plenty of sleep and eat fruits and vegetables.

Dr Rydel embodies a health tip: Get yourself a physician who models the healthy lifestyle. Think you don't have the time? Dr Rydel is a clinician, medical school instructor and mother of two (ages 5 and 2). Weekdays, she and her husband take turns minding the children, so that each can hit the gym at least every other morning. On Saturday and Sunday, “we cover for each other so that we both have the chance to work out,” she says, adding that she exercises five to six days a week.

In prescribing exercise, Dr Rydel says, “My No. 1 recommendation is to find something that you really enjoy and not to torture yourself with an activity that you dread.”

For herself, she says, “I need to really mix it up: running, stair climbing, a weight-lifting class that is set to music, because music is something that really motivates me. I love dance classes. I feel very tough after doing a cardio-kickboxing class.”

“My No. 1
recommendation
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you dread”

DR TRACEY RYDEL

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KEVIN HELLIKER is Editor-in-Chief of the *Brunswick Review* in New York. He is a former Pulitzer Prize-winning journalist for *The Wall Street Journal*.

DAVID SELDIN is a Partner in the firm's Washington, DC office, specializing in healthcare and public affairs. He previously served in the White House Press Office under President Bill Clinton.

Annual exams are a good idea after age 50, says Dr Rydel. “Just statistically, we know that the incidence of certain types of cancers increases after age 50. And in the population between 50 and 75, there are very well-studied recommendations for screening, particularly for cancer, cardiovascular disease, diabetes.”

But those recommendations aren't as simple as they sound. Often, specialties that treat particular conditions call for more aggressive screening than does the US Preventative Services Task force, which essentially determines the standard of care for primary care physicians in America. “You can imagine that a board of physicians who treat breast cancer all day might be a little bit more aggressive in recommending screening at a younger age.”

When medical boards disagree, Dr Rydel says the decision comes down to a discussion between physician and patient. “As long as we provide the patients with the information that we have, we have to kind of view ourselves as a guide,” she says.

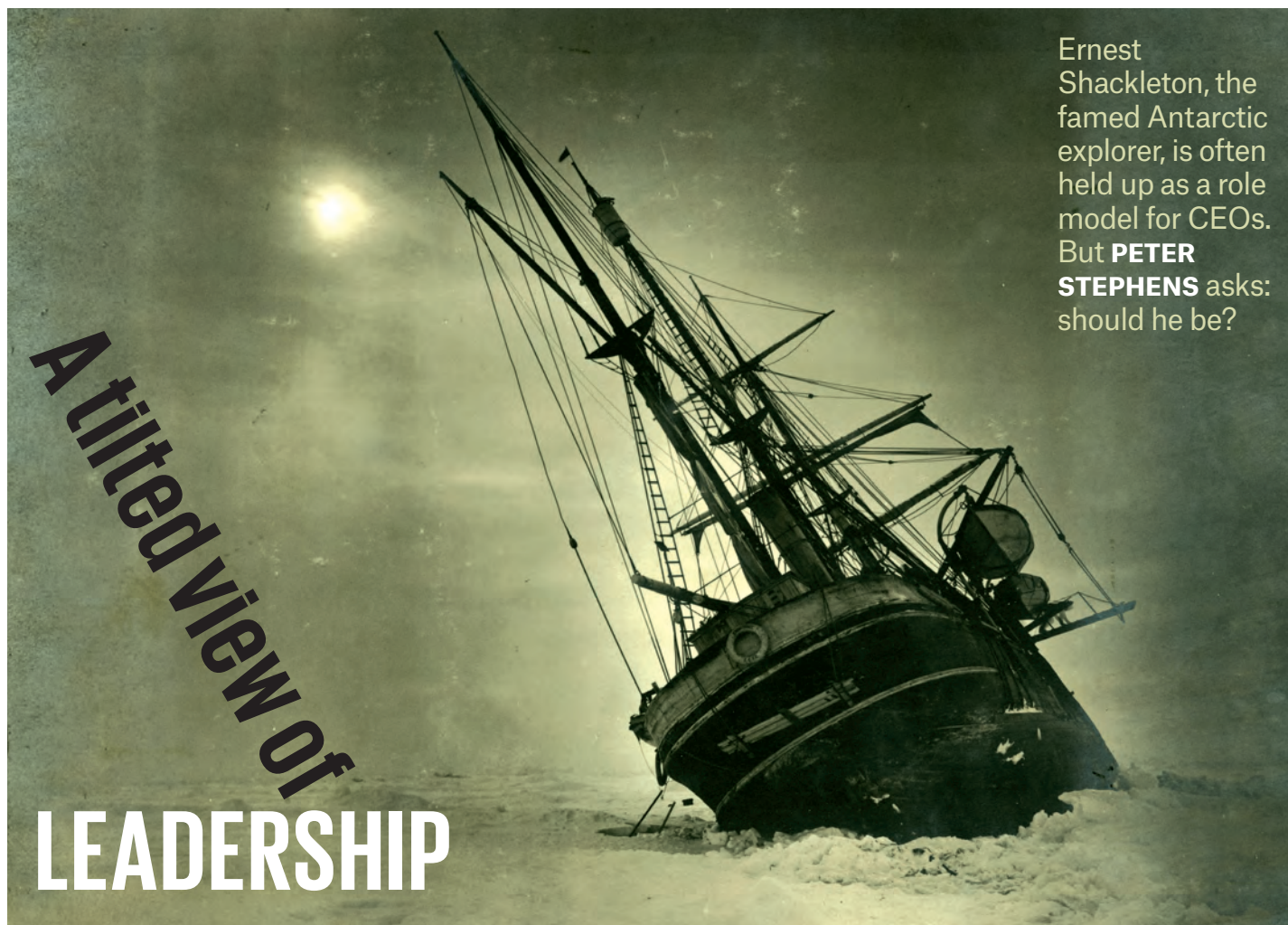
Silicon Valley, a culture obsessed with fitness and longevity, is the dark heart of one bad health habit: sleep deprivation. “This is a culture where sleep is for the weak and the dead,” says Dr Rydel.

“Research shows that your brain does not function properly when you're sleep deprived. You may be able to convince yourself that you can overcome it by using different tools, but an average of seven to eight hours of sleep is necessary for most individuals. Sleep is when your body restores itself, when your brain puts the different thoughts together. People just have higher rates of positive mental health when they allow themselves to get not only adequate sleep but good quality sleep. So try putting the chargers in another room. Try not to use screens 30 to 60 minutes before bedtime.”

Even as awareness grows of the large role genes play in human health, Dr Rydel believes individuals wield substantial control. “You always hear about the 100-year-old guy who smoked three packs a day and those unfortunate individuals who contract a condition even if they live their lives really healthfully. But most of us fall in the middle, where staying active, eating well, getting good sleep and maintaining social connections can enhance your health and longevity, and improve quality of life.

“Our goal really should be to feel strong, to feel well, and to be kind of proud of ourselves about what we're doing for our bodies.”

Never mind that there's always someone fitter than you, and eager to talk about it. “When you leave the gym, have a little bit of swagger,” she says.



Ernest Shackleton, the famed Antarctic explorer, is often held up as a role model for CEOs. But **PETER STEPHENS** asks: should he be?

A tilted view of LEADERSHIP

ON AUGUST 1, 1914, AS WORLD WAR I WAS beginning, Ernest Shackleton sailed from London in *The Endurance*, a small, sturdy ship named for his family motto: “fortitudine vincimus,” translated as “by endurance we conquer.” He intended to tackle the last great challenge in Antarctica: crossing the continent from sea to sea. The British Imperial Trans-Arctic Expedition, as he gloriously named it, aimed to accomplish its work and return to civilization in April 1915, a little later if the weather was bad. They would sail to South Georgia Island, navigate the icy Weddell Sea, land a party of men and sled dogs, cross the South Pole and, 1,800 miles later, reach the Ross Sea before returning to honor and glory in Britain and the rest of the world.

The planning was detailed, as you would expect from a man who had twice tried to reach the South Pole and twice had to turn back. Even so, Shackleton’s expedition failed. The ship was trapped in ice before they reached land. The captain and his 27-man crew had to make their way across

treacherous ice to the open sea to have a chance at escape. Some sheltered for months on an exposed strip of coast while Shackleton and five others sailed a 22-foot long boat 800 miles across Drake’s Passage, landed on South Georgia Island (from which they had sailed almost two years earlier) and crossed mountains and glaciers before reaching the safety of Stromness Bay whaling station.

All of the men were rescued by August 30, 1916. The two-year ordeal is a gripping story of strength and endurance against almost impossible odds.

After languishing in the shadow of Robert Scott, a contemporary explorer from the UK, for many years, Shackleton has lately acquired almost cult status as the embodiment of leadership. There are leadership courses based on Shackleton’s handling of the escape. There are books and business school case studies. People travel the world showing photos of his expedition and Antarctica, challenging executives to be more like Shackleton.

But should they, really? What are the lessons to be drawn from this remarkable man and the

The Endurance (above) became stuck in ice that the crew had hoped would be thin enough to sail through. Frank Hurley, who joined the group as its official photographer, took the iconic photos that helped immortalize Shackleton, his crew, and their epic expedition.

PETER STEPHENS

Peter Stephens retired in 2017 after serving as Head of Corporate Communications in Asia Pacific for Barclays. His previous roles included being Director of Communications for the World Bank, and spending a number of years as a foreign correspondent.

Below, *The Endurance* crew members pull a lifeboat, the “James Caird,” across snow. Shackleton and five other crew members used the small open boat to sail 800 miles across brutally rough seas to land on South Georgia Island.

extraordinary tale of endurance and survival? Is Shackleton a model of leadership for today’s executives, or something else?

The record is instructive. Experienced sailors on South Georgia Island warned him that the ice conditions in the Weddell Sea were worse that year than they could recall. They tried to dissuade him from starting out. He went anyway, failed to reach land and failed to cross the continent as he had set out to do. His ship sank. He spent two years guiding his crew through cold and hunger across ice and water, experiencing countless brushes with death and months of tedium trapped on ice or on barren, windswept land. In the end, he was back where he started and the last great Antarctic challenge remained unmet.

Elsewhere in his life, the record does not suggest outstanding leadership. His other business ventures failed, and when he died at age 47 on his way back to Antarctica, his family was heavily in debt.

If this is great leadership, one could argue, we could probably do with a lot less of it. A modern CEO who turned in results like that would be dismissed by the board and vilified by the shareholders. Staff would look elsewhere for job security. Clients would entertain proposals from someone less risky. Regulators would ask questions.

It may have been Shackleton’s capacity to endure that made him a good leader, not the other way round. In many ways, he was a flawed leader, only

at his best when things were worst. Alfred Lansing, the author of the classic account of Shackleton’s expedition, *Endurance*, spoke with many crew members and wrote of Shackleton’s “monstrous ego and implacable drive,” of a man who was “out of place, even inept, in a great many everyday situations.”

But Shackleton was exceptional at what today we call crisis management. When calmness and strength were required, quick decision-making and a disciplined pursuit of clear goals, he came through. In any company, political party or sports team, these are priceless attributes. But not always. A crew member from an earlier voyage said: “For scientific leadership give me Scott; for swift and efficient travel, Amundsen; but when you are in a hopeless situation, when there seems to be no way out, get down on your knees and pray for Shackleton.”

THREE QUALITIES stand out from Shackleton’s *Endurance* expedition:

Character. Marcus Aurelius suggested that we should stop discussing what a good man is, and just be one. A good person puts others first, principles first, a sense of honor first. It is not all about stock options and bonus and title. A person of good character is worthy of, and gives, respect, which is the foundation of all enduring relationships. Shackleton in a crisis did what he believed was the right thing, not the easy or self-serving thing. One senses that his private actions would have stood up to public scrutiny. That builds a huge amount of trust – handy in a crisis.

Clarity. Once their ship was trapped, the men of *The Endurance* had a clear, desperate goal – survival – and Shackleton made them believe it was possible, however unlikely that seemed. His orders were clear and simple. The men’s roles were clear. The purpose of each action was clear. There was no confusion about the goal or the steps to reach it.

Commitment. Shackleton acted with certainty and took responsibility, and he expected the men to do the same. He did not negotiate or try to please. Everything was done solely in order to deliver their escape. He ordered the sled dogs killed to conserve food supplies. He turned back when he had to and pressed on when he had to. He ordered the men to leave precious personal items behind to save weight when they started their escape, but allowed a banjo to be carried because the singing would raise morale.

With strength of character, clear goals and commitment, Shackleton achieved something almost beyond belief. Antarctica and that level of suffering will never be a part of most lives; the opportunity to achieve something special will be.



For almost 11 months while *The Endurance* was trapped in ice, the crew continued to live – and even play pool on a miniature table – aboard the vessel, as they waited and hoped for the ice to melt and their journey to continue. The men nicknamed this revelrous room “the Ritz.”

February 6, 1982



WHEN JULIE MOSS COMPETED IN THE Ironman Triathlon in Hawaii in 1982, most people had never heard of that sport. Endurance racing hardly existed as a term, yet alone an industry. Even the popular New York Marathon drew only 14,308 runners in 1982, 85 percent of them men.

Julie Moss changed all that – by collapsing 10 yards from the finish line in Hawaii. In first place, she fell. As she crawled toward the finish another woman passed her and claimed the title. ABC happened to be filming it, less as sport than as carnival act: what kind of freaks run 26.2 miles after biking 112 miles and swimming 2.4 miles in the ocean? ABC's footage, combined with a bystander's photo of her crab walking toward the finish line – reduced to a quadruped – captivated the world, becoming the first image of triathlon most people ever witnessed.

Yet instead of killing the young sport, Moss's struggle ignited massive interest. It helped that, in spite of her obvious pain in that iconic photo, she was smiling. Recalling the photo recently, she said, "I'm smiling at the idea of finishing."

AN AGONIZING FINISH
As a contestant in the Ironman Triathlon in Hawaii in 1982, Julie Moss was in the lead when she collapsed a mere 10 yards from the finish line, relinquishing first place to another runner. "My only option was to stay down and crawl," she wrote in 2003. Her struggle, captured in this photo, helped spark a tidal wave of interest in endurance events.

Her crawl to second place, more so than any first-place finishes, helped propel triathlon's Olympic debut in 2000. And the effect went beyond triathlon. Moss, a 23-year-old graduate student and amateur athlete, planted a flag for all women. At the time of that 1982 race, the International Olympic Committee had never staged a women's marathon in the games, doubting the ability of women to safely endure 26.2 miles. In US distance races today, women outnumber men.

Ironman now operates more than 140 triathlons globally. Andrew Messick, chief executive of parent organization World Triathlon, attributes that growth to the qualities displayed by Moss. "People who really are successful aren't blessed with phenomenal ability but above-average determination. Grit is the thing that matters."

Thirty-five years after her famous crawl, Moss this spring finished an Ironman triathlon nearly half an hour faster than she did back in 1982. At age 58, she says, "I'm the best athlete I've been in my life."

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