BRUNSWICK REVIEW

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A NEW HOPE
Brunswick Insight's global survey finds optimism for the future of business

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MILLENNIALS IN CHINA
Balancing tradition with modernity, these young people are reshaping commerce

ONE FOR ALL
"Giving is good for business," says Toms founder **BLAKE MYCOSKIE**

PLUS **MISTY COPELAND**
shares lessons on race and business from her triumphant dance career

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SIR ALAN PARKER

CHAIRMAN, BRUNSWICK GROUP

WHEN WE PLANNED THIS EDITION OF the *Brunswick Review*, we were in a pre-Brexit world and the US election was a distant prospect. Our goal was simple: to explore how the world looks through the eyes of different ages, genders and social groups everywhere.

Since then, we have all become more aware of the differences of opinion and great divides within our societies – some are highly charged. These are not simply generational, but involve many complicating factors. Across the world, we are seeing a level of activism that challenges established institutions and political parties.

Brunswick commissioned a study of more than 42,000 respondents in 26 countries. This research produces a number of fascinating insights. Across the developed world, we find the most connected generation ever is now increasingly disconnected from its government and traditional institutions. And they are looking for business to fill the void.

The younger generation are not only more optimistic, they are pro-global and pro-business. Specifically, we asked, "Which institution is most effective at providing solutions to the major challenges facing your country?" Business is the first choice across all age and social groups, topping academic institutions, nonprofits, the military, religious institutions and government. We also asked, which from that list most represents "people like me"? With few exceptions, business came at the top of the list. In the US and Italy, government came last.

The world is not just giving business a mandate to act, it is expecting it to. But to put it in consumer terms, if the category of business is very popular, the product of leadership is not. By a ratio of six to one, respondents think executives are paid too much; only 37 percent regard businesses as honest and trustworthy. While the young clearly see globalization as positive, they expect businesses to act as a force for good in a much broader context, beyond simply creating financial value.

We have no doubt that the companies and business leaders that will survive and thrive in the future will be those that are clearly seen to recognize the problems faced by society, and walk toward them.

Honest and open engagement with all audiences is critical. We believe that more than ever business leaders need to avoid spin or distractions. Our most forward-thinking clients are developing programs that advance bold and creative solutions to the big challenges, and put their leadership back on the front foot. It requires them to speak to financial, political and social audiences with one voice, and embrace the full power of digital communications and creative content.

I would like to thank the many extraordinary contributors to this edition. I hope you enjoy it as much as I have, and that it inspires further discussion and debate.

The world is not just giving business a mandate to act, it is expecting it to

ILLUSTRATION: PETER FIELD

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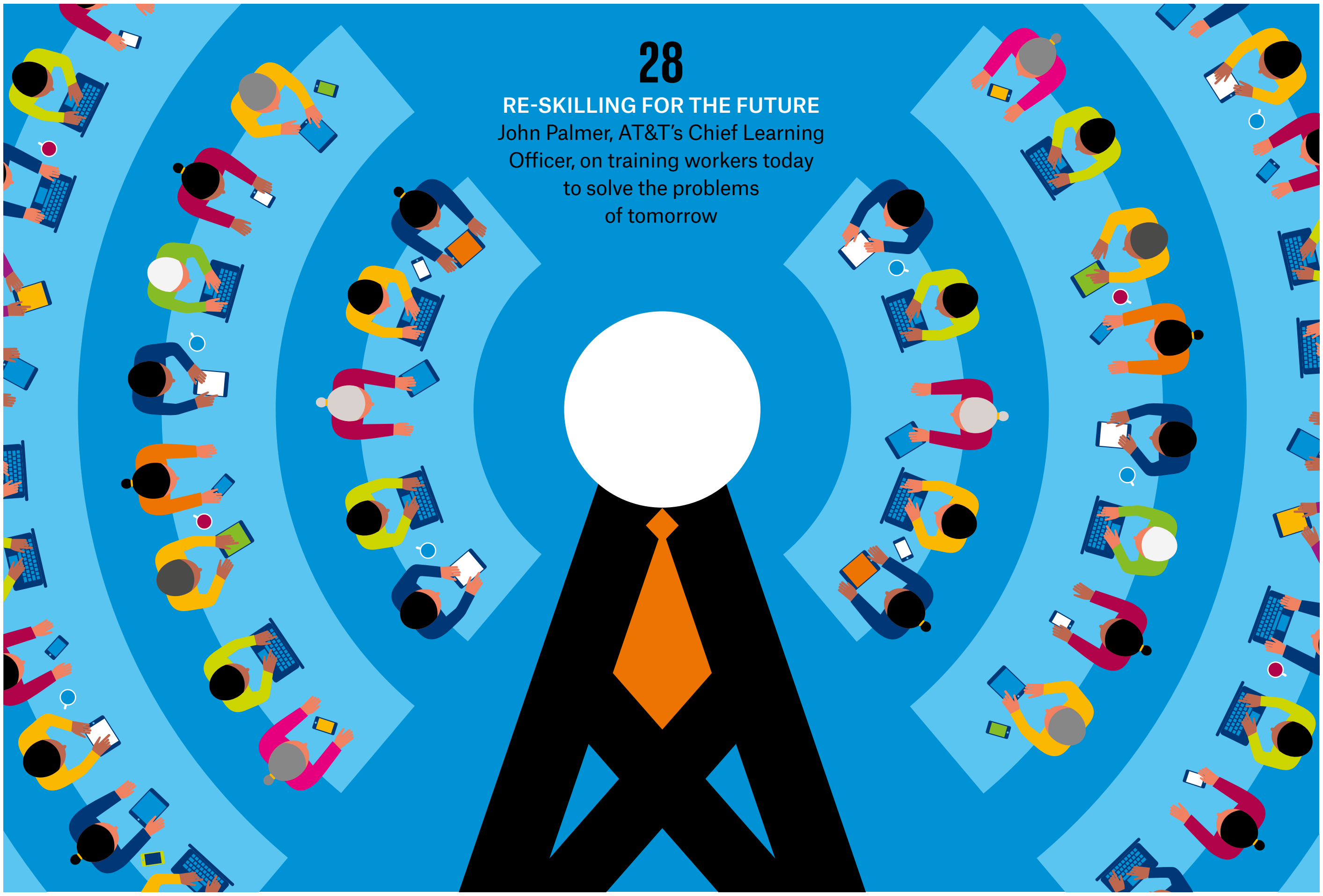

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THE GENERATIONS ISSUE

SUSAN GILCHRIST

CEO, BRUNSWICK GROUP

DIFFERENCES BETWEEN GENERATIONS CARRY VERY REAL and important implications for how companies engage with their employees and customers. Cultural rifts between age groups can result in everything from mild misunderstandings to wild polarizations. In rare cases, they can even cause dramatic societal upheaval. • But articulating exactly what those differences are – and how broadly they are shared globally – remains a challenge. The attitudes and values of Millennials, Gen X-ers and Baby Boomers can vary enormously by country, with significant subdivisions within each – distinctions made even more complicated by rapidly changing technology. To effectively reach all of these groups requires nuanced study and an equally detailed strategy. • This issue of the *Brunswick Review* builds on research we've undertaken to shed light on all of these intricacies. Brunswick Insight's global survey of more than 42,000 people across 26 countries reveals many of the gaps between and within generations and points to ways to build bridges. The articles here outline the most challenging problems those gaps pose for corporate leaders today, as described by those leaders themselves and by the men and women who advise them. • Perhaps most impressive is the level of optimism that emerges out of this discussion. Millennials are helping to drive a greater role for business in society and more companies are building social purpose into their business models. Older generations are expressing concern for the financial future of the young and do not see enough change happening in society and government. And all generations are looking to business for leadership in creating a better world.

Generational

VOTES CAST IN THE PAST

Formative experiences matter more than birthdays in shaping the identity of a generation, says Brunswick's **JAMES DRAY**

IT IS EASY TO JUMP TO SWEEPING CONJECTURE when talking about differences between generations. Groups such as Baby Boomers, Generation X and Millennials are defined by social conditions shared by cohorts born in the US. Yet those terms are often applied out of context and in countries where such conditions are not a factor.

Three different effects come into play when referring to groups of people as generations. *Period effects* refer to contemporary behaviors shared by everyone, regardless of their generation. *Lifecycle effects* describe behaviors that change with age, no matter when people were born or where they live; voting participation, for example, may diminish among the elderly because physically getting to the polls becomes more difficult.

Lastly, there are *cohort effects,* which are what we generally think of when we talk about the behaviors and outlooks of a particular generation. In societies undergoing dramatic change, generations grow up in circumstances distinct from their elders and, as a result, develop their own attitudes and expectations.

In my doctoral thesis on voter turnout in Africa, I looked for a marker that could provide some clue as to what formative experience could make an entire generation more or less inclined to vote throughout their lives. The factor that jumped out as most significant was the institutional context in which citizens had their first voting experience.

It seems intuitive that citizens who grew up when voting was most free and competitive should habitually participate at higher rates. However this does not seem to be the case. Take for example a 40-year-old citizen who reached voting age during the initial years of a country's post-colonial period, when voting competitiveness was limited or absent – in Ghana in 1957, for instance, or in Mozambique in 1975. This person is 2.5 percent more likely to cast a ballot than a citizen who came of age during the earlier colonial period, but also a further 2.5 percent more likely to vote than one who came of age in the later, multiparty period.

The reason has to do with how rewarded individuals feel after a vote. More competitive systems offer more ways to lose and fewer paths to be on the winning side. This fosters dissatisfaction and dampens enthusiasm for voting in general. That can stamp the way people regard the voting process throughout their lives and, by extension, color all of their participation in society.

This example tells us two important things: first, in analyzing behavior patterns specific to generations, formative experiences matter; and second, our intuitive ideas about members of a particular generation could easily be wrong without more detailed evidence and analysis.

In a country such as South Africa that has experienced dramatic social upheaval, people born more recently will have radically different socializing experiences than their parents. That has the potential to create a lasting impact on social activity and political orientation. In turn, powerful social movements among these disaffected young people can become generation-shaping moments for them and for those younger – echoing the upheaval of the collapse of apartheid that shaped the formative experiences of their parents, and affecting societal culture as a whole for decades to come.

JAMES DRAY is a Director in Brunswick's Johannesburg and London offices. His 2010 doctorate at Oxford, "Voter Turnout in Sub-Saharan Africa," was awarded the Political Studies Association's Arthur McDougall Prize.

ILLUSTRATIONS: LINCOLN AGNEW

DIVIDE

STUDENT PROTESTS

South Africans seek solutions to a generational crisis, say Brunswick's **MARINA BIDOLI** and **FARAI MOROBANE**

Since the end of apartheid, South Africa has made progress, not only politically but also economically, through the expansion of public services, a growing middle class and social grants to millions of its poor. Yet 23 years later, those born after the 1994 democratic elections – the "born-free" generation – have become increasingly frustrated with what they see as a broken promise of opportunity.

Against the broader backdrop of wealth inequalities, corruption and crony capitalism, student protesters have forced the intermittent closure of universities across the country. Their grievances range from high fees to the lingering colonialist mindset, institutional racism and lack of transformation at universities. Their disillusionment raises powerful emotions in the older generation as well. These young people were supposed to be the bearers of a better future founded on the sacrifices of their elders. The expectation was that the "New South Africa," the so-called "rainbow nation," would be a more equal society. Instead, images of burning buildings, trashed libraries and young people faced off against armed police have shocked a nation. Some challenge the validity of the protestors' evolving concerns, saying they have been hijacked by political activists. For everyone, these deep divisions strike a sensitive spot, pointing to the country's fraught journey toward social equality.

Despite strides made by South Africa's leaders, the country's economy remains one of the most unequal of the world's nations, registering close to 0.7 on the Gini index – a statistical scale where 0 represents all people having the same income, and 1 indicates maximum inequality. While affluent classes have grown more racially representative, South Africa's poor remain mostly black. Reports by Stats SA show that youth unemployment is particularly high at over 50 percent. Economists and political commentators have long warned of a ticking time bomb.

"What we have now is a whole generation of people with far less hope than the democratic revolution was meant to give them," says Dr Felicity Coughlan, academic director at private education group ADvTECH.

Leftist and populist political movements have been quick to capitalize on the disgruntled youth in a bid to gain new supporters. Drawing on the Black Consciousness philosophy of South African struggle hero Steve Biko and the more radical rhetoric of Martiniquais-French revolutionary Frantz Fanon, protesting students have made strident demands for the "decolonization" of education and institutions.

The #FeesMustFall and #RhodesMustFall campaigns targeting universities have captured the global media's attention. While public opinion around the world has been divided, solidarity protests have been held as far afield as New York and London. Meanwhile South African universities have been under prolonged attack.

Jonny Steinberg, who teaches African studies at Oxford University and is a visiting professor at the University of Witwatersrand, likens this to "Oedipal" politics – those in the student movement are fueling "inter-generational loathing" and waging war against those who brought freedom, he says. "For them, the generation of 1994 committed the unforgivable sin: it left intact the edifice of white domination and installed a kind of neo-apartheid order, thus cursing its own children," he wrote in *Business Day*.

Poor communication between the generations exacerbates the problems. Some feel the born-free generation does not fully understand the difficulties faced in 1994, when the liberation movement opted for a negotiated settlement focused on reconciling all South Africans rather than fighting to the end.

"In the 1970s and '80s, we were motivated by a common goal – the removal of the apartheid regime and an end to racial discrimination," says Reg Rumney, former head of economic journalism at Rhodes University. "Today, the protests are about economic injustice and identity politics."

On the other side, young activist Simone Cupido says media outlets, which portray only the violence and not the intellectualism of the movement, bear some of the blame for the continued unrest.

"For many, I think 1994 was supposed to mark an end to oppression. I unfortunately know that it was not," she says. "I share experiences of brutality with the older generation. I also share experiences of exclusion and oppression." Joel Modiri, a young academic who lectures on jurisprudence at the University of Pretoria, echoed the sentiment in the *Daily Maverick*. "When I see the student movement, I do not see a Boko Haram-like violent mob … or a terrorist militia," Modiri writes. "I see a brave generation attempting to valiantly overcome a plethora of historical injuries."

Almost half of South Africa's population is under 25, putting them at the heart of the country's future economic growth

The older generation is much more critical. *City Press* editor Mondli Makhanya lashed out at "pyromaniacs masquerading as revolutionaries" who are sabotaging the progress of the black youth. David Everatt, head of the University of Witwatersrand's Wits School of Governance, writes in *The Conversation*: "This is no longer #FeesMustFall as we knew it – it has become #StateMustFall."

Despite such deeply polarized views, most agree that there are green shoots to be nurtured. While the unemployment rate remains significantly worse for blacks than whites, figures from the South African Labour Bulletin show that over the last seven years, at least 92 percent of graduates found a job. In October of 2016, Finance Minister Pravin Gordhan announced a significant boost in education funding, saying government would work with corporations and financial institutions to expand scholarships, loans and work opportunities for students.

"We expect change for the better," Gordhan said in a recent speech. "We expect progress in South Africa. Above all, we expect a better future for our children – particularly through education."

Leaders from business, labor and civil society also are coming together in broader initiatives toward a better environment for job creation and to help more young people join the economic mainstream. These include financial and mentorship support for small businesses and internships for the youth.

Statistician-General Pali Lehohla recently highlighted that South African universities service nearly 1 million students representing almost 700,000 households. Yet 15 million households still don't have children at a university. This represents another "lost generation" with limited career prospects.

With education and skills development the crucial ingredients that will allow for a fully functioning productive society, there is an urgency for these initiatives to succeed. Almost half of South Africa's population is under 25, putting them at the heart of the country's future economic growth. Finance Minister Gordhan has invited all stakeholders to participate with government in finding solutions: "We need a road map for the future, but not one on the basis of 'I will burn the next bus or else.'"

MARINA BIDOLI is a Partner, and a former award-winning journalist at the *Financial Mail*. **FARAI MOROBANE** is an Executive, focusing on Public Affairs and Business & Society. Both are based in Brunswick's Johannesburg office.

Mind the gap

Brunswick's DANIA SAIDAM examines the imbalance among and between generations

TO DATE, THE DEBATE OVER RISING inequality has focused on the increasing concentration of wealth among the rich. But recent research from McKinsey Global Institute (MGI), the business and economics research arm of McKinsey & Company, suggests there are more complex factors at play.

While there has been a substantial increase in income inequality between the rich and poor, MGI also found a widening disparity between this generation and the last. It estimates that as many as 70 percent of households, or over half a billion people, had flat or falling incomes in 2014 – compared to 2 percent, or less than 10 million people, in 2005 – and younger generations were the hardest hit.

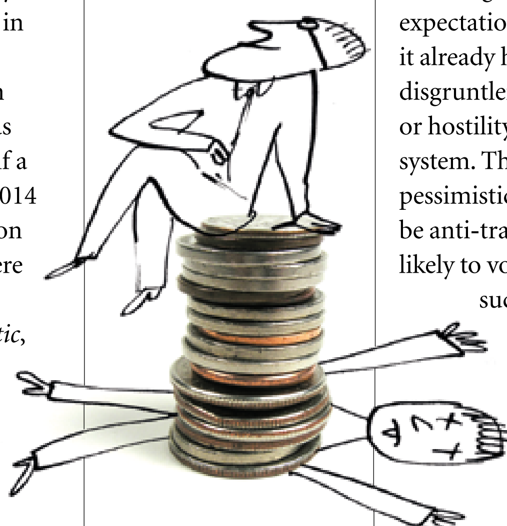
According to a 2015 article from *The Atlantic*, Millennials in the US are, on average, "$2,000 poorer than their parents were at the same age," and both less likely to have a job and more likely to live in poverty.

The lowest paid, the least educated and women were also disproportionately affected. This held true in most major economies MGI surveyed. So even with the global disparity between rich and poor, the factors of age, wealth, gender and education played key roles.

The financial crisis has been the main catalyst for this intergenerational income slump, but it has been aggravated by aging populations, shrinking household sizes, automation, trade and migration. National policy also played a decisive role, with incomes falling more heavily in countries with light regulation and a less unionized workforce.

Flat or falling incomes have urgent economic and social consequences. These range from seriously limiting overall demand, especially in advanced economies, to creating an increased need for highly skilled labor and a glut of less skilled workers.

Most significantly, a sustained period of flat or falling incomes could confound widely held expectations of advancement – in some cases it already has. This stokes social and political disgruntlement and feelings of alienation from, or hostility toward, parts of the global economic system. Those who are not advancing and are pessimistic about the future are twice as likely to be anti-trade and anti-immigration, and more likely to vote for nationalist political movements, such as France's National Front, or the UK's move to leave the EU.



Income advancement has not attracted significant attention in the past but could become a policy goal in its own right – a fundamental indicator of the health of the economy and society, comparable to poverty reduction or overall employment figures.

Governments and businesses need to consider bold measures aimed at helping those most at risk. This could include upgrading their workforce's skills (see "Calling the future," page 28) and easing the transition from education to employment through improved vocational training, apprenticeship programs and incentivizing students to pursue studies that lead to lucrative employment (STEM subjects, for instance). Leaders can be advocates for the investment and growth needed to create employment.

To date, many corporations have lacked the boldness and innovation that is desired and expected by the public. Data show confidence in these institutions and their leaders is low; companies and senior leaders need to strike the right tone in their messages, but for these to be effective and gain traction, they will need to be backed up with concrete action.

DANIA SAIDAM, a Director in Brunswick's London office, advises on reputation, financial and crisis communications.

FALLING INCOMES

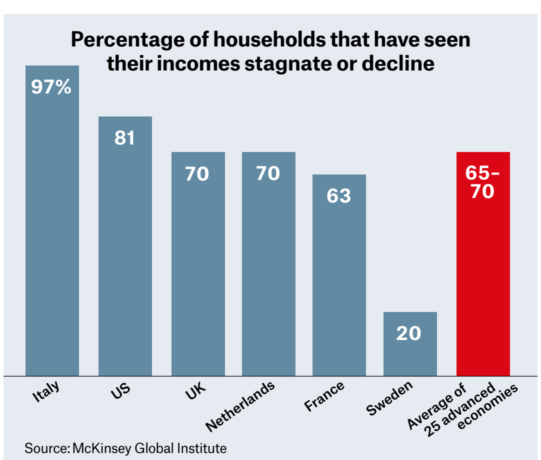


ILLUSTRATION: SERGE BLOCH

ONE FOR ONE,

For a company that started out with no aspirations to become a company, Toms is doing surprisingly well.

Blake Mycoskie, who founded the business in 2006, was inspired by a visit to South America, where he realized that a gift as simple as a pair of shoes could dramatically improve the lives of children he encountered. His trip led to the creation of a new business model: for every product sold, another is donated for free to help someone. His success with Toms and "One for One" has inspired dozens of copycats and become the shorthand for a new form of social enterprise, dubbed "Karmic Capital" by *Inc.* magazine.

Over the last 10 years, Toms has grown its giving beyond shoes, to include eye care and other services. In total, the business has given away more than 70 million pairs of shoes and restored sight to 445,000 people, while enjoying dramatic growth. In its first five years it grew by an annual growth rate of 300 percent. Much of this has been driven by Millennials, who care deeply about buying from brands that represent their ideals, and the company's creative use of social media to reach that younger audience.

A study by Brand World Value Index found that, although Toms spends little on marketing, it ranked 22nd among consumers under 35, beating out larger companies, some of whom spend billions of dollars each year on advertising.

Not surprisingly, Toms' appeal to Millennials has attracted bigger multinational partners. In November, the company developed a Toms for Apple Watch band. For every one of its woven watch straps purchased, Toms will work with SolarAid to provide a year of solar light to someone in need.

Toms' success has not been without critics. Some have challenged the real social impact of donating shoes, rather than creating jobs. That prompted Toms to respond by shifting its supply chain to favor manufacturing in the countries in which it donates. There have also been personal challenges. Wanting to focus on his family, Mycoskie took a leave from the company. When he returned, he shifted the focus back to its roots, and reoriented his own role back toward storytelling. In 2014, looking for a partner to balance growth with mission, he sold a 50 percent stake to Bain Capital.

The Toms founder remains so closely identified with the brand that people often assume his name is "Tom," rather than Blake. His hair is rumpled and his wrist is snaked with hand-made bracelets, where a tattoo declares, "Do the Work." He has a driven, earnest focus and the character of a restless traveler, carrying a journal with him everywhere he goes, with a solid metal cover depicting a lion, which he acquired in his South American travels.

It all started with shoes. Toms has given shoes in more than 70 countries around the world. Right, founder Blake Mycoskie talks to one young recipient in Argentina in 2010

You've described Toms as "a mission with a company." What does that mean to you?

I didn't set out to start a shoe company. I set out to give shoes to children in need. For the children I met in South America, something as simple as a pair of

ONE FOR ALL

Chief Shoe Giver **BLAKE MYCOSKIE** describes how Toms' marriage of business and giving resonates with Millennials and beyond. Interview with Brunswick's **CAROLINE DANIEL**

“The message needs to be authentic. You can’t just look at research on ‘What do Millennials care about?’ and say, ‘OK, let’s create a message that ties into that.’ That’s a disaster waiting to happen”

shoes could be life changing. When I started Toms, that was something I already had in mind: I wanted to help them get shoes. The business is the supporter of the good work that we want to do. But because of that, we want to run a great business to make it a success.

Are there ways that those clash, the balance between the mission and the company?
Sometimes there are clashes regarding how we appeal to customers – whether we focus more on product advertising or mission advertising. We have to find the right balance of marketing around the actual product sale on the one hand, and the reason that you sell them on the other.

How do you manage that tension internally, the mission and the business?
I don’t view the two things as separate. Giving is good for business. The growth of our business is the number of people we help. When we give, we are able to tell that story to our customer, we form a bond, a sense of loyalty with our customers that’s stronger than many other investments companies might make. For us, the costs are long-term investments in brand and reputation – versus trying to sell this product for $49.95 during the holiday season. It’s probably the same tension that lots of businesses have, even if they don’t have a mission like Toms. They still have to ask, “Are we investing in building our long-term prospects or are we investing in short-term sales?”

How important is it for a business to have a social purpose to connect with customers today?
If it’s not a social purpose, you still have to have the word “purpose” – a purpose that is meaningful to your customers. For some people it might be to deliver the lowest everyday price on a particular line of products. But whatever it is, you have to organize your business and your messaging around it.

We see consumers today as no longer passive recipients of products or services. They are global citizens who are changing the world by demanding transparency, sustainability and a higher mission.

What is your advice for companies who have never really had to articulate that vision to themselves and are starting to think about it?
I get this question a lot. The message needs to be authentic. You can’t just look at research on “What do Millennials care about?” and say, “OK, let’s create a message that ties into that.” That’s a disaster

waiting to happen. Instead, you need to say, “What is the heritage of our business? What do our executives care about? What do the people on our staff care about?” And then build your purpose around that. If it’s not authentic to you, it’s definitely not going to be authentic to your customers.

Toms is a brand that Millennials love. Were you deliberately targeting a younger audience? Or did that just happen?
I think it just happened. Millennials understand their potential to shape the future they live in. They want brands that will work alongside them to create this future. Our success goes back to this question of authenticity, being true to who you are. When you target members of a specific group, it can actually be much harder to reach them. But when you’re authentic about who you are and what you’re doing, then they will gravitate toward you.

That’s a big distinction, and one that frankly we still struggle with at Toms every day. As the company grows, we get consultants who will say, “Gosh, you’re getting so good with Millennials; here’s how you can really hone your message to them.” But then you risk losing the realness of it. You have to be willing to do things that maybe the research says you shouldn’t, but they’re interesting to you.

Let me give you an example. We had some research that told us that people didn’t understand

PHOTOGRAPHS: COURTESY OF TOMS

Toms works with its Giving Partners to deliver new shoes ordered for specific children, that are hand-placed on the children's feet, shown in the photo at left

Mycoskie talks to children in Argentina who received Toms shoes during a giving trip in 2010, above

our giving side. They got that we were a company that does good, but they didn't get our giving message. The researchers were saying "you will sell more shoes and have a better business and then have more impact on people if your marketing is more basic, kind of dumbs it down to, 'This is what we do. This is exactly how we do it.'"

So, OK, we tried a little bit of that, but what we found was that it really wasn't resonating emotionally. It's more important that customers are emotionally connected with the spirit of what we're doing, versus knowing exactly how we do it. We're not interested in making this an academic process. We're interested in making it an emotional one.

That's when we had to turn back to our gut and say, "What's going to keep our customers emotionally connected?"

Your customers have obviously broadened beyond Millennials. How are the demographics for Toms changing?

Millennials have a big impact. They affect the demographics that are younger than them, because their younger brothers and sisters are looking up to them. And in the older generation, their parents are looking at what their adult children are finding interesting and important in the world.

I've seen all ages wearing Toms shoes. On any given day in New York City, you see a college kid at NYU, a woman in her mid-50s leaving work and taking off her heels and putting on Toms, and a guy 75 years old just out with his dog. Our message has somehow found a way to resonate with different people at many different ages. Maybe they are not connected by age and demographic, but they are connected by their outlook to the world. You could be 80 or 18 and still say, "I want my purchase to mean something."

Do you target different generations differently in your marketing at all?

Our message of giving is the same. But how we phrase it, or where we might decide to share it, could vary depending on the audience.

How are you trying to tell the company's story, particularly using new technology?

Virtual reality has become a really important part of our storytelling, especially in our own stores and our franchise stores around the world. It really takes people into the experience of giving, the hardships. It takes them to the root of how our shoes are empowering kids and families in these difficult environments. Virtual reality is the ultimate empathy machine.

We are also trying to make social media feel as immediate as possible. We post pictures of trips in real time, so people can see, "Oh, man, they're actually out there, doing that." I was on a giving trip in Tennessee recently, posting photos from the trip. That kind of stuff really resonates with people – it's clearly not just a marketing photography shot.

What have you found beyond Twitter in social media that has been a good vehicle for you?
Snapchat is really effective for reaching a younger demographic, and in taking people on experiences in real time. We're exploring how Facebook Live helps us reach that customer, too. Instagram is really great for just beautiful photography. People really like seeing us on a giving trip in Honduras, Haiti or Rwanda. And right after that we can post a beautiful shot of a product. And that doesn't feel weird to people. It feels natural for the brand to show imagery about its products and activity in beautiful ways.

Does the appeal of a brand with a purpose vary in different parts of the world?
No matter where you are around the world, you'll find human beings who like the idea that they can buy something that they want and help someone with something that they need. That idea has a universal audience that has allowed us to be truly a global brand and stay true to who we are.

The Middle East is one of our growth areas right now. We've only been there for a couple years. There's really big growth as well in Asia, where we've been for quite a while. But what I've found is that the idea of One for One, the idea of Toms and what we stand for – that's not a US idea or a California idea, it's really a human idea.

Is there anywhere where the response has surprised you – in either a good or bad way?
France has been challenging. I'm not sure why, but the shoes and the message have not connected as well there as they have in other parts of Europe. At the other end, South Korea has surprised us with how much people there love the brand. In some of my recent visits to China, the Millennials I met have had a deep interest in our social message.

When you had 300 percent annual growth over five years, how much were you focused on telling the story of the company and its product?
Oh, lots! Telling the Toms story has always been our top priority. It's what elevates the Toms experience from a transaction to a human connection. Our product is a vehicle to this bigger story.

What's next for the One-for-One products and services? How do you decide which categories feel authentic?
We are always diversifying our product selections and strengthening the designs of our shoes and eyewear. With any new product that we consider, we start by identifying a global need and then we work to create products to help address them.

There are some critics of the One-for-One model: some say it isn't sustainable, others that it hurts local job markets. What's your response?
We work closely with our giving partners who all have a deep experience in the regions they serve and expertise in poverty alleviation and development. We're constantly learning from them and evolving to determine how our giving can add the most value in a community. We didn't begin with all of the answers and we do seek to understand our impact and how we can continue to improve our efforts.

How weird is it to see copycats of the One-for-One model springing up?
Weird? I'm just blown away by all the people who have thought about ways to evolve or scale One-for-One giving. Since Toms was founded, the model has been adopted by more than 100 other businesses. And countless others are pioneering new purpose-driven business models around the world.

We're really humbled that we can inspire so many others to make a difference. I would love it if all companies understood that charity is a viable growth strategy. The issues our world faces are too large for brands to remain silent and passive. Business has an opportunity and arguably a responsibility to step into a leadership role.

How are internal policies related to the social purpose of your external message?
Our employees are agents of change and we work to empower them in all parts of their lives. The purpose of Toms is built from the inside out.

Five years from now, what do you hope most for Toms to have achieved?
I hope that five years from now, Toms' impact won't only be measured in the pairs of shoes we've gifted or the eyesight we've restored, but also the people who feel inspired by us to live a life that matters, and to use business for good.

CAROLINE DANIEL is a former Senior Editor with the *Financial Times*. She is a Partner in Brunswick's London office, advising on media and technology.

BLAKE MYCOSKIE

The Founder and Chief Shoe Giver of Toms, Blake Mycoskie is the person behind the idea of One for One, a business model that helps a person in need with every product purchased. His 2011 book, *Start Something that Matters,* outlines Toms' success. Prior to founding Toms, he started several other businesses, including a successful campus laundry service, which he later sold.

Mycoskie founded TOMS in 2006, on the One-for-One business model. The simple idea has fueled extraordinary growth. Toms has given away 70 million pairs of shoes to children in need. In recent years it has added eyewear and coffee, using those sales to help restore eyesight and supply fresh water to those who need them. The company is based in Playa Del Ray, California.

GREAT EXPECTATIONS

A global study by Brunswick Insight finds that the younger generations look at the world tomorrow, and businesses today, with optimism. **ROBERT MORAN** and **JEREMY RUCH** report

There is a saying that the plural of anecdote is not data. Brunswick Insight surveyed more than 42,000 people across 26 countries to test, among other things, much of the perceived wisdom and stereotypes about age groups – to see if the popular anecdotes matched the data. Do organizations really need to reinvent themselves to keep Millennials happy? Are big businesses out of touch with younger generations, and widely seen as part of the problem rather than the solution?

We found that the starkest differences between generations emerge on questions about how well things were going today, and how well they were likely to be going tomorrow – especially on questions about financial security and well-being. For all their differences, generations broadly agree that technology and business are forces for good today. They also believe businesses to be the most effective path to solving national challenges, although skepticism remains, especially regarding business leaders and their ability to relate to everyday people.

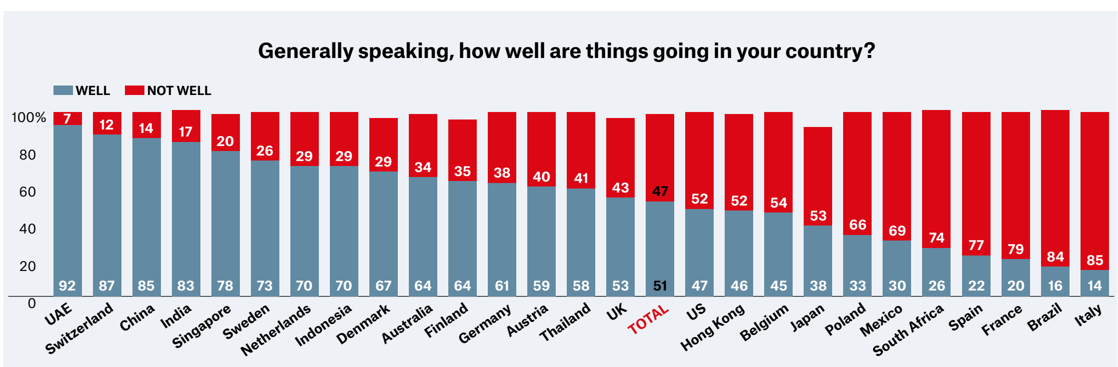
All this points to the need for businesses to hone a relevant and informed point of view, to further tip the scales of stakeholder opinion in their favor.

POSITIVELY DIVIDED

The young have long been considered more idealistic. It turns out that they are also more

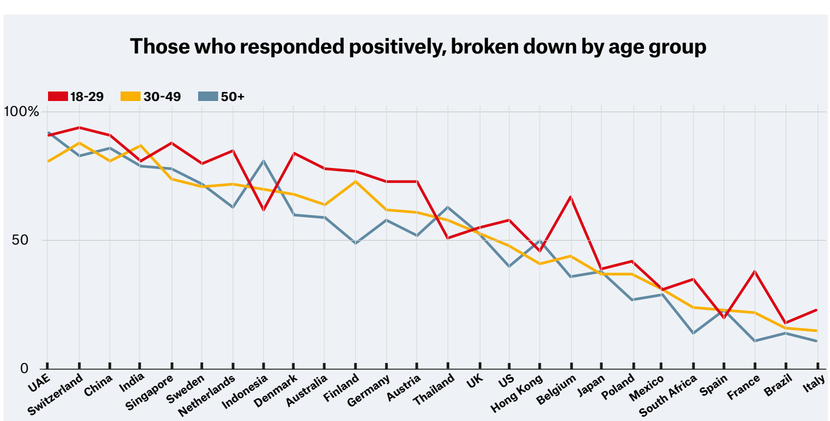
PERCEPTIONS OF NATIONAL WELLBEING...

On average, more people thought things were going well in their country than not – though this varied widely by country. Pessimism carried the day in 11 countries polled. No citizens were more concerned about the direction of their country than Italians, among whom 85 percent said things weren't going well



...VARY BY GENERATION

In most countries, younger people were the most positive about the state of their nation, while those aged 50 and older were typically the most negative. Only in two countries, Indonesia and Thailand, were those aged 18 to 29 the most negative



52 PERCENT of respondents aged 50 or older thought their country was "not doing well," according to Brunswick Insight positive. Across the globe, more people thought things were going well than not. Brunswick Insight found that those between 18 and 24 years old were the most positive, closely followed by those 25 to 29 and 30 to 34. The shift from positivity to negativity took place among those 45 to 49 years old, and held true for every older age group.

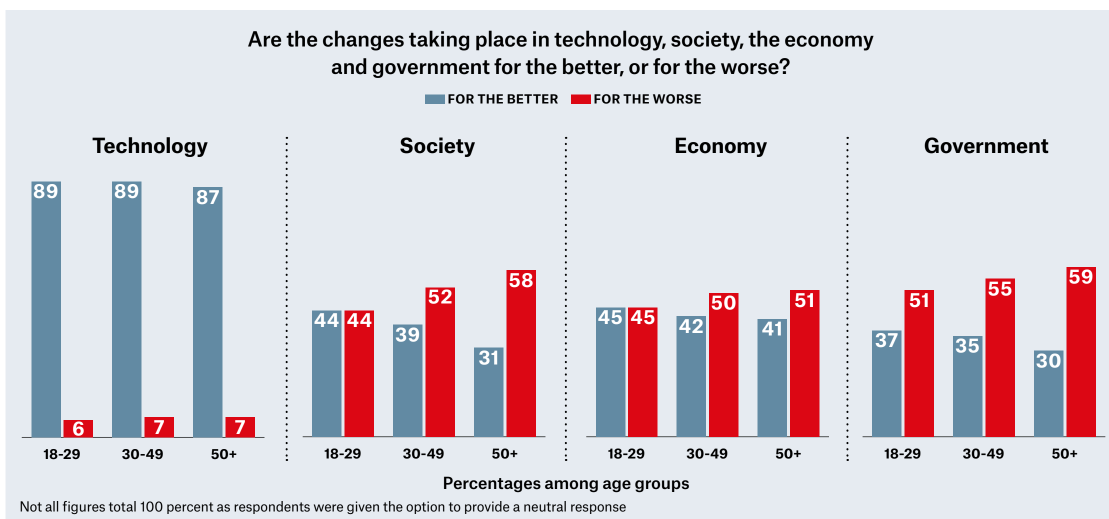
Perhaps it doesn't seem such a dramatic revelation that negativity increases as people get older. But already we've seen that divide at work in both the UK Referendum vote and 2016 US presidential election. As the charts below show, perceived country well-being in the US and UK was divided between young and old, a difference that carried over to the ballot boxes.

New trends emerge when the data is broken down by country. The UK and the US straddle the mean: a slight majority of British citizens think their country is doing well, while a slight majority of Americans think their country is on the wrong track. However, in France, Brazil and Italy, pessimism carried the day – close to 80 percent of

Those over 60 years of age believe when today's children reach their age, they will be doing worse

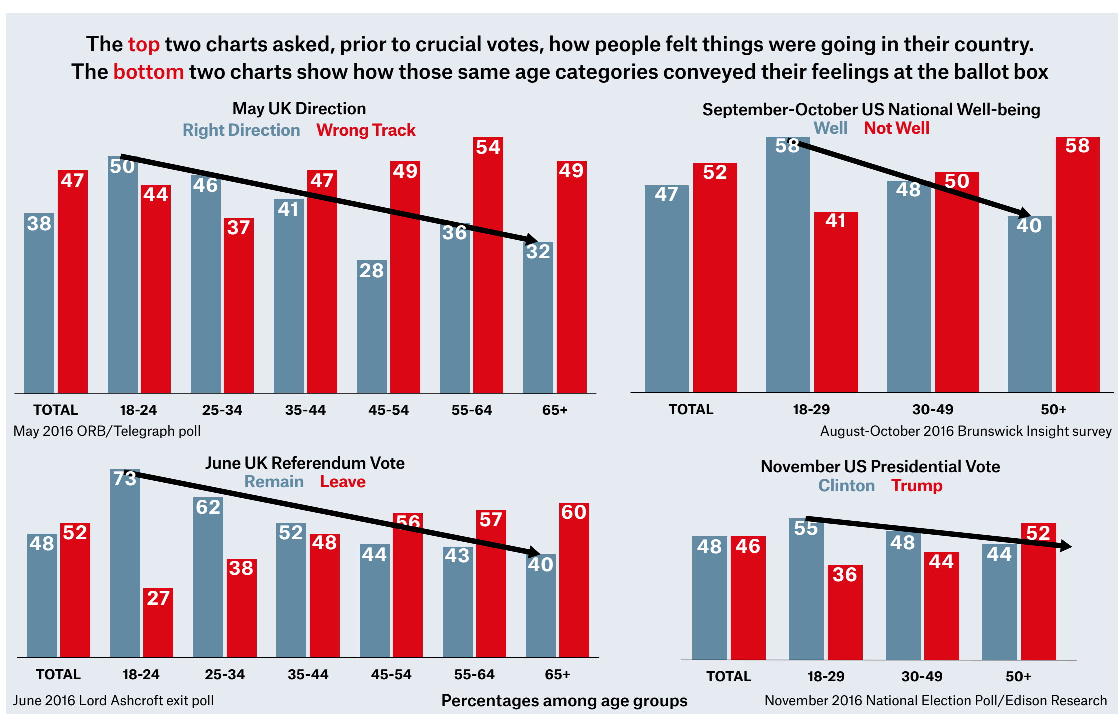
WHEN CHANGE ISN'T A GOOD THING

Not all respondents feel change is taking place. But among those who do, opinions are divided along generational lines about whether the change is good or bad. The oldest generation is most likely to believe things are changing and most likely to regard the change negatively. Almost 60 percent of those aged 50 or older say societal and government changes are for the worse



NEGATIVE PERCEPTION TRANSLATES TO WORLD-SHAKING VOTES

Seismic political change in the US and UK stemmed, in part, from widespread negativity among the older generations. Though the margins may not appear exceptionally wide, they were enough to decide two close votes



respondents believed things weren't going well. Conversely, more than 70 percent of people in the UAE, China, Switzerland, Indonesia, Singapore, Sweden, India and the Netherlands were happy with the current state of affairs. While members of the oldest generation tend to be the least positive in these countries, they were still more so than the young in countries dominated by negativity.

MONEY AND TECHNOLOGY

Despite a common perception that older generations are fearful of being left behind by technology, across the board, in every country, in every age group, the pace of technology is seen to be fast – and good.

Almost 70 percent think technology is changing quickly, far outpacing the changes in society, the economy and government (the latter at just 21 percent). Some 88 percent think technological changes are for the better, while the slower changes in society, the economy and government are perceived to be for the worse.

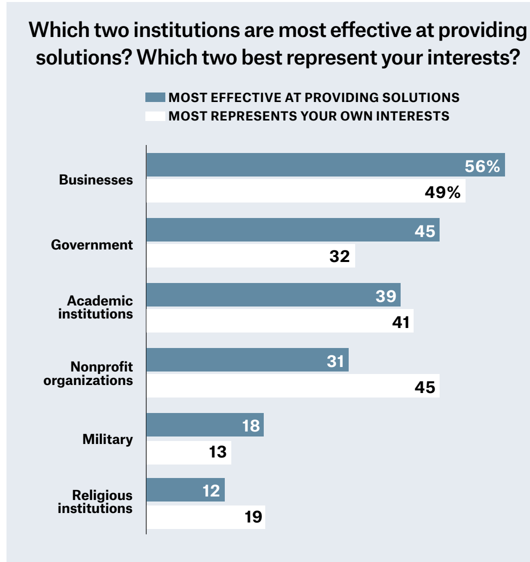
Older generations do, however, feel that they have been left behind financially. While the young and middle-aged rate their own finances better than most people their age in their country, those aged 50 and above think they are doing worse. While every age group believes they are doing better than their parents when they were their age, those over 60 years old believe that when today's children reach their age, they will be doing worse.

This view is exacerbated by a country's overall wealth. There are stark contrasts between financial optimism in developing countries and anxiety in advanced economies, where few believe that their children will have a better financial future than they have. France is the most pessimistic; UK, Germany and the US are all significantly more negative than the average.

PART OF THE SOLUTION

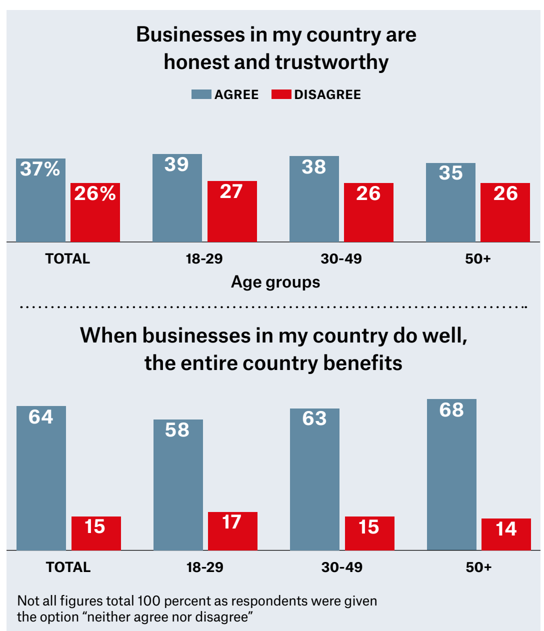
Who do people believe are most capable of solving the array of problems facing their countries? When asked to choose between six types of institutions – businesses, government, academic institutions, nonprofit organizations, the military and religious institutions – business was the top choice for every age group. When asked to choose which of the six categories of institutions most represents their interests, respondents again overwhelmingly chose business. In countries such as South Africa and the US, not only did business come first, government came in last – and rather convincingly.

IN BUSINESS WE TRUST



Among all age groups, businesses, more than any other institution, are seen as the most effective at providing solutions to problems. They are also seen as best representing individuals' interests, though 18- to 29-year-olds thought academic institutions better represented their interests, while those 50 and older selected nonprofits

FOR THE COMMON GOOD



While questions remain about executive pay and empathy, there is broad agreement that businesses help provide for the common good. The older generation is more ardent in this belief than their younger counterparts

69

PERCENT agreed with the statement "business leaders in my country make too much money"

BRUNSWICK INSIGHT

Brunswick Insight provides critical issues research for market-moving decisions, and combines data-driven counsel with an emphasis on research and analysis. Insight converts research into advice for campaigns.

This research is based on a 2016 Brunswick Insight survey of 42,893 adults, aged 18 years and older, in 26 countries. All information was collected online between August 15 and October 13, 2016. Questions were asked in 25 languages, including local dialects. In 2017 Brunswick will release the full survey results.

For more information, please contact:
Insights@BrunswickGroup.com

Across countries and generations, there is broad agreement that business success is a common good; people believe that when businesses do well, the entire country benefits.

Businesses as a whole enjoyed a better reputation than the people who lead them. Three in five (59 percent) think that business leaders don't understand the challenges they face, and just 7 percent disagree with the statement "business leaders in my country make too much money."

When asked whether "businesses in my country are honest and trustworthy," the response was better but still half-hearted: 37 percent agreed while 26 percent disagreed. In what could be viewed as an opportunity for businesses, a number of respondents were neutral on the issue, neither agreeing nor disagreeing – opinions that might be changed with compelling messages and stories.

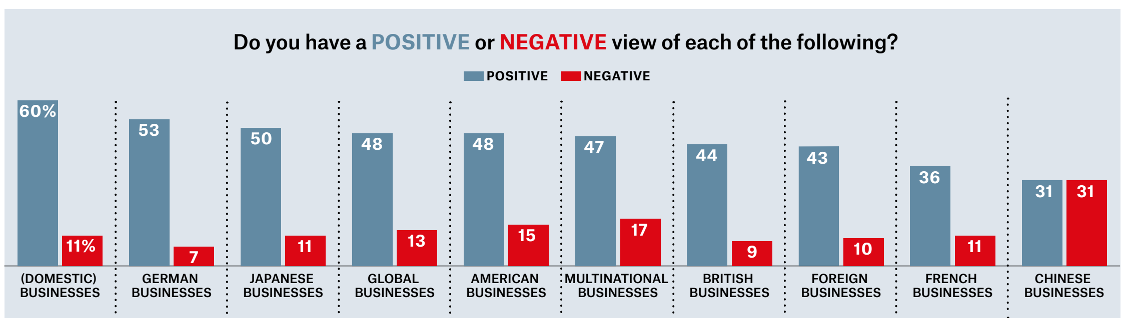
Global economic concepts elicited similar ambiguity. While 58 percent have a positive view of international trade, only 45 percent feel that way about globalization; 33 percent have a positive view of capitalism, as opposed to 55 percent on the free market economy. Among many possible conclusions, one appears inescapable: the words businesses and governments use matter greatly.

ROBERT MORAN leads Brunswick Insight, the firm's public opinion research function, and is a Partner in Brunswick's Washington, DC office. **JEREMY RUCH** is a Director with Brunswick Insight, based in London.

Across countries and generations, there is broad agreement that business success is a common good

COUNTRY OF ORIGIN

Most business types, regardless of description or geography, are viewed positively, especially among the youngest generation. However those older than 50 were more negative about foreign businesses



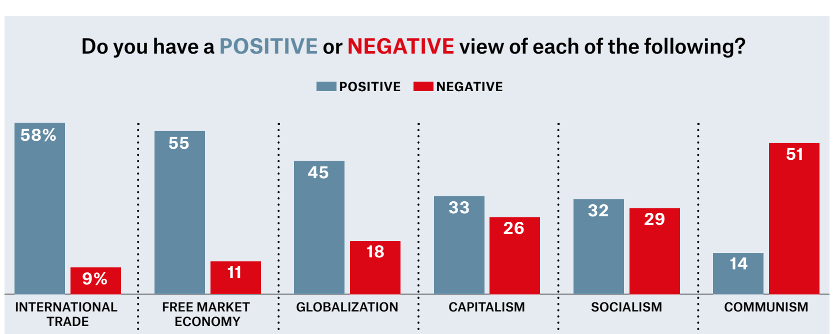
Positive opinion by age

Ages	(Domestic) businesses	German businesses	Japanese businesses	Global businesses	American businesses	Multinational businesses	British businesses	Foreign businesses	French businesses	Chinese businesses
18-29	61%	54%	53%	59%	55%	57%	52%	52%	42%	40%
30-49	59%	53%	52%	51%	50%	51%	47%	47%	39%	34%
50+	60%	52%	46%	39%	41%	38%	38%	35%	31%	24%

Not all figures total 100 percent as respondents were given the option to give a neutral response

CHARGED WORDS

Words matter when talking about global economic concepts. Among 18- to 49-year-olds, socialism was more positive than capitalism. The youngest age group viewed international trade, free market economy, and globalization more positively than their elders



Positive opinion by age

Ages	International trade	Free market economy	Globalization	Capitalism	Socialism	Communism
18-29	65%	57%	56%	38%	44%	25%
30-49	60%	55%	47%	33%	34%	16%
50+	53%	53%	37%	29%	23%	7%

Not all figures total 100 percent as respondents were given the option to give a neutral response

56

PERCENT of respondents aged 18 to 29 had a positive opinion of globalization versus 37 percent of those aged 50 and older

Millennial – or just young?

Brunswick's ROB ALEXANDER challenges conventional wisdom on the next generation

MILLENNIALS ARE ONE OF THE MOST analyzed, researched and hyped demographic groups the world has seen. A 2015 Goldman Sachs report says they will "reshape the economy" for consumers and businesses for decades to come. Pew Research described them as "distinctive," *Time Magazine* as "lazy, entitled narcissists." Others have found them to be "constantly seeking purpose."

But aren't analysts confusing the age group with the generation? Hasn't every young generation been accused of narcissism and idealism?

There are some concrete differences that separate Millennials – those born between 1980 and 2000 – from previous generations. They are the first true digital natives, for instance, connected, social and mobile, engaging with brands in new ways. A former Oxford University Fellow Karl Moore, writing for *Forbes*, tells businesses marketing to Millennials that they expect "a sense of satisfaction and a genuine feeling they are making the world a better place." Quoted in *The Guardian*, Millennial Brian Chesky, founder of Airbnb says, "Access is becoming the new ownership ... our bling isn't our house or our car, it is the theatre of Instagram and the experiences we are having in the world."

Millennials are less likely to marry young: 26 percent of those aged 18 to 33, compared to 36 percent of Gen X and 48 percent of Baby Boomers (Pew Research Center); and they are less likely to own cars or houses. But while these seem like important defining characteristics, they may simply reflect changed economic circumstances.

Young adults in the US now are the first generation since World War II to have a lower average income in the 18-to-33 bracket than the preceding generation – $61,003 in 2013, versus $63,365 for Generation X in 1998 (adjusted for inflation), according to data from Pew. Average student debt for those under 30 in the US was about $21,000 in 2012, the Federal Reserve reports, up over 60 percent from 2005. In the UK, graduating students' average debts are £44,000 ($55,000), according to a 2016 report from The Sutton Trust, a foundation to combat inequality. Many Millennials couldn't afford to buy cars or houses if they wanted to. (See "Mind the gap," Page 11.)

Generations certainly carry some traits with them as they mature. Gen X, the so-called Slacker Generation, were seen as pessimistic, skeptical, disillusioned, unrooted and negative – a radical departure from the optimism and energy of their Baby Boomer parents. By now, however, they are in steady jobs, have bought houses and have started families. Rising divorce rates and being "latchkey" kids gave this generation resilience, independence and a healthy DIY mentality.

A 2015 report by software company Sage found that more than 55 percent of startups were created by Gen X-ers, even though they represent less than 40 percent of the workforce. Amazon, Google and Tesla are all business created by Generation X.

A similar outcome is likely for Millennials. Despite rapidly changing pressures, basic human needs and behavioral drivers remain. Odds are that as they grow older, they'll pay down their debts and have families and perhaps even start wanting to buy a house or a car. Negative experiences will yield new traits in unpredictable ways, but by middle age and retirement, much of what made them different will have faded like an old pop song.

ROB ALEXANDER is a Partner in Brunswick's London office, where he leads the firm's Campaign Planning offer.

Hasn't every young generation been accused of narcissism and idealism?

ILLUSTRATION: SERGE BLOCH

ILLUSTRATION: JAMES STEINBERG

The global generation

Millennials in China are reshaping the future of business everywhere, say Brunswick's **DR LU JIANZHONG, PETER ZYSK** and **STACEY CHOW**

China has 385 million people between the ages of 18 and 35 years old. As they reach adulthood, these Millennials are taking control of the world's second-largest economy by gross domestic product and the leading country for international trade. In the large view, these young adults share many of the outlooks and tendencies of their age group globally, but dramatic changes in China make the distinctions between Millennials and their elders sharper than elsewhere.

The unprecedented speed of change in China's economic development and digital transformation in the last three decades means Millennials' lifestyles bear little resemblance to those of their parents and grandparents. Older generations were shaped by dramatic periods of economic and political turmoil – Millennials' grandparents, for instance, lived through the era of the Great Leap Forward and the Cultural Revolution.

By contrast, Millennials grew up in a world accustomed to the nuanced interplay of opposing ideas – tradition versus modernity, control versus openness, individuality versus community. Along with sociopolitical conditions – such as the one-child policy, which has since been phased out – this dialectic has helped forge the character of Millennials in China, giving them distinct views on entrepreneurship, community, individualism and employment expectations.

The rise of grassroots startups, particularly in tech, is a defining trend among Chinese young people. There are currently more than 10,000 new enterprises launched every day, according to *China Daily* – about seven startups every minute. This embrace of risk is born of necessity. The number of Chinese graduates has ballooned in recent years, while suitable job opportunities within China are not keeping pace. This past summer, 7.7 million Chinese college graduates entered the job market in the midst of an economic slowdown and heightened competition for employment, according to Bloomberg.

A survey by JWT Intelligence reveals an entrepreneurial spirit driven by practical need, with 74 percent of Chinese Millennials saying they would choose to start their own business if they had trouble finding work.

Like their compatriots around the world, greater social awareness is a defining characteristic of Chinese Millennials, distinguishing them from previous generations in China. They are most concerned about environmental pollution, food safety and healthcare, and many also view income inequality, gender equality and LGBT inclusion as important issues.

Chinese Millennials' awareness of social problems, enhanced by digital media and connectivity, influences their attitudes toward community service and philanthropy. One young entrepreneur, Niu Niu, interviewed by Brunswick, noted that there's an "awakening to express oneself" among Millennials.

"As a whole," he says, "Millennials are becoming more sensitive to social issues and are more keen to build their lives by more actively contributing to society."

Young people in China are more connected digitally even than their counterparts elsewhere, and are much more interested in staying in the loop of the latest global fashion, entertainment and cultural trends. They spend an average of 27 hours online each week, 24 percent more time than peers in the US, according to a study by venture capital firm GGV Capital. Their digital behavior has promoted a so-called "zhai" homebody culture – staying home all day to inhabit an online world of video streaming, e-commerce, social media and ordering food deliveries and other at-home services on demand.

The Chinese digital ecosystem is thriving, with over 700 million WeChat users; 66 percent of Chinese Millennials say social media is their main platform for making friends, according to a report by digital media company Hylink Digital. On the other hand, Chinese Millennials are also more adventurous than their elders, traveling abroad and studying overseas in record numbers.

PAST FRAMES THE FUTURE

One feature that defines Millennials in China is an emphasis on balancing tradition with modernity and a growing focus on individualism.

One feature that defines Millennials in China is an emphasis on balancing tradition with modernity and a growing focus on individualism

"I think our generation is struggling to strike a balance between pursuing our own purpose and aligning with group expectations," says Ziqing Chen, a student from Shandong Province at New York University Shanghai, interviewed by Brunswick. Online exposure to new ideas and a yearning for self-expression are leading Chinese Millennials to engage more in leisure activities and entertainment, and focus on self-discovery. For instance, East China Normal University estimates from poll results that 62 percent of China's religious believers – in a country where the governing Communist Party remains officially atheist – are between the ages of 16 to 39 years old.

As employees, Chinese Millennials want financial stability to bring self-fulfillment. A survey conducted by Brunswick shows that 97 percent of Chinese Millennials would prefer to work for companies whose values are similar to their own; 60 percent strongly agree that the companies they support the most are those that share their values.

Partly as a result, the turnover rate is very high. According to statistics from Goldman Sachs, 28 percent of graduates in China change jobs within the first three months after graduation, compared with just 4 percent in the US; 46 percent of Chinese Millennials born in the 1980s, a group that averages eight years of working experience, have changed jobs at least three times.

"Millennials, on the one hand, bring new perspectives to the work and yet on the other hand lack collaborative skills or even respect for traditional norms," Ziqing Chen says. "The culture this generation has grown up in tends to discredit hierarchy and promote individual talents."

While China's wild economic growth has slowed in recent years, it is still well over 6 percent. As that growth continues and the country's economy becomes an even greater force in the international marketplace, these Millennials will be a defining aspect, affecting not only China but the world as a whole. Watching and learning from them, anticipating their needs and tendencies, should already be high on international corporations' agendas as they consider the future of business.

DR LU JIANZHONG is a Partner in Brunswick's Shanghai office, specializing in corporate affairs, strategic communications, crisis management, social responsibility and sustainable business practices. **PETER ZYSK** is an Associate with Brunswick Insight and is based in Beijing. **STACEY CHOW** is an Associate in the firm's Hong Kong office focusing on corporate branding, social purpose and public affairs.

Free market LESSONS

WorldQuant Founder and CEO **IGOR TULCHINSKY** talks to Brunswick's **BEATRIZ GARCIA** about training a new generation of quants online

IGOR TULCHINSKY, BY HIS OWN ESTIMATE, HELD over 20 jobs before founding WorldQuant, a quantitative investment firm with more than 20 offices in 15 countries. He spent time as a venture capitalist, a scientist at AT&T Bell Labs, a video game programmer and even a programmer for hospitals, where his work assisted in prescribing antibiotic dosages for patients. Tulchinsky also received a master's degree in Computer Science from the University of Texas, which he completed in a record nine months, and an MBA in Finance and Entrepreneurship from The Wharton School.

His diverse academic and professional background was more a product of passion and curiosity than deliberate strategy. "It's good to spend time planning, but it's not good to be constrained by it," Tulchinsky says. "I've learned over the course of my career that what works today may not work tomorrow. You have to remain adaptable."

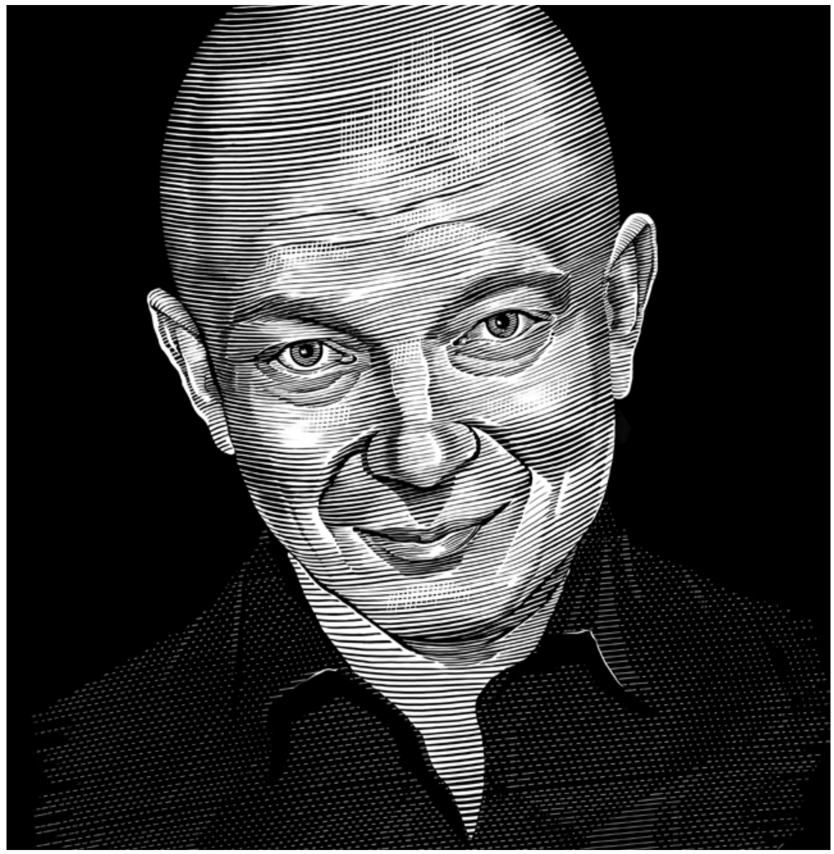
Through a blend of philanthropic and academic initiatives, Tulchinsky is looking to provide similar opportunities for people around the world – especially those outside of major cities – to learn and pursue their passion as he was able to. Tulchinsky is the Founder of WorldQuant University, which offers an online master's degree in financial engineering – completely tuition free.

Recently, Tulchinsky spoke with Brunswick about how his search to find talent for his investment firm helped ignite his passion to create education opportunities around the world, and explained how he believes the exponential growth of data will change the way we invest, learn and work.

What inspired your focus on education?

Whether it was my time studying and traveling as a student or recruiting for WorldQuant, I saw firsthand that talent tends to be equally distributed throughout the world, while opportunity isn't.

Whether a person gets access to education is still often determined by factors beyond their control, and many people simply don't have anywhere to go to learn about the things they're interested in. And this means, unfortunately, that educational opportunities often remain a privilege, rather than a right. And I wanted to do something about that,



because I believe that not only is education a right, but also that it should be free.

Why choose financial engineering as the university's first program?

Financial engineering is redefining investing today and it is underpinned by skills that I think are relevant, important and applicable to a number of other sectors. It's also a field I'm familiar with and an area where WorldQuant can bring a lot to the table, especially given our experience and the talented people we have.

But this advanced degree is only the start for WorldQuant University. Our program and platform were designed to be scalable and accommodate potentially more than 100,000 students across multiple subjects. So we're certainly planning to offer a number of other degrees that move beyond financial engineering and which lend themselves to online courses.

"The world is changing exponentially, and if you are going to participate, you must do things that at first blush might sound a bit unusual"

ILLUSTRATION: ROLAND SÁRKÁNY

Are there any specific degrees you're thinking about adding?
We're looking at anything that's quantitative or mathematical in nature – data and computer science, for example. And we're exploring a number of the physical sciences. Perhaps one day we'll even offer degrees not directly related to math or science.

Have there been any big surprises in your journey so far?
I think many people are quite surprised when they hear that our 200-plus students, within our first year, come from more than 35 countries – Nigeria to China, Kenya to Russia. But for me, the biggest surprise is, in some sense, how *not* surprising it is to see these students from all corners of the world.

It really underscores the belief that inspired WorldQuant University in the first place: talent is evenly distributed across the world, and what's been lacking is an opportunity for these students to hone and develop their skills.

Some might question how sustainable your vision of universal access to tuition-free education is. What's your response to them?
The challenge we're trying to tackle is massive and clearly can't be solved by a single initiative, or overnight. I think the way you handle big problems is by solving little ones. Doing what you can. So this is our first step, and we're making progress, but we know that we can't do it by ourselves. We'll need partners.

What sort of partners are you looking for?
Those that have the expertise to help us develop other programs, find talented students and enrich their economic opportunities. And we're also looking for partnerships to provide support with funding so that we can scale these programs, make them available to students worldwide.

But I don't want to give the impression that it's simply a question of money or teachers. It's ultimately less about how many resources you have and more about how intelligently you use them.

What's been the most important lesson you've learned from creating WorldQuant University?
I've learned to not be dissuaded by an idea just because it might sound a bit crazy. That idea very well might be crazy, but it might also have a chance of succeeding and creating some positive change.

The world is changing exponentially, and if you are going to participate, you must do things that at first blush might sound a bit unusual.

Your belief about the disparity between talent and opportunity even shapes how you hire for your firm, WorldQuant, right?
Definitely. In less than 10 years, we've grown to more than 550 employees and nearly 400 consultants. We recruit throughout the world. While major cities are an important place to look, they're not the only place where you're going to find the right people. It's not as though New York and London and Singapore have a monopoly on talent.

"I've learned to not be dissuaded by an idea just because it might sound a bit crazy"

THE WORLD OF WORLDQUANT

WORLDQUANT, the investment firm founded by Tulchinsky, supports the **WORLDQUANT FOUNDATION**. The foundation focuses on education, donating to schools around the world and funding scholarships for students pursuing advanced degrees in science and quantitative studies. These students have graduated from institutions including Tsinghua University in Shanghai, Tel Aviv University in Israel, and the Massachusetts Institute of Technology in the US.

The **WORLDQUANT CHALLENGE**, another initiative supported by WorldQuant, allows participants to learn about quantitative finance while competing with other contestants around the globe. Participants use WebSim, an online platform developed by WorldQuant, which enables participants to generate and test "alphas," or mathematical models. Participants who perform well in the challenge could potentially earn a research consultant position at WorldQuant.

UNDER THE WORLDQUANT BANNER, Tulchinsky has created an array of initiatives spanning quantitative investing, philanthropy and venture capital

WORLDQUANT UNIVERSITY offers a tuition-free online Master's degree in Financial Engineering. Launched in January 2016, the University's curriculum ranges from financial markets to quantitative theory, computer science to machine learning. The Master's program is comprised of 14 sequential courses designed to be completed in two years.

WORLDQUANT VENTURES is an angel investment firm founded by Tulchinsky that specializes in technology. The firm places a particular focus on data and finance. Its investments to date have included a digital hiring platform that uses machine intelligence to match talent and employers; an online platform that crowdsources stock analysis from Wall Street experts; and an application that allows real estate owners and property managers to digitally track and store contracts and insurance certificates.

More information about these initiatives can be found at *www.WeAreWorldQuant.com*

If you want to reach individuals in rural parts of the world, then you need to be creative in how to go about doing that, which is one of the reasons we created the WorldQuant Challenge.

What is the WorldQuant Challenge?

We provide a platform that allows you to create an algorithm that predicts how stock prices will move, and then you can back-test your algorithm, even on a smartphone or tablet, using real data, the same data that quants use at WorldQuant. Anyone can enter the Challenge, and depending on how they perform, they can potentially join WorldQuant as a consultant in our research program.

One participant from rural China, for example, had an engineering degree, but due to political considerations and to help keep ownership of his family's land, he had become a farmer. He excelled in the Challenge and, because of that, we ended up offering him a role as a consultant.

In many ways, you're helping train a new generation of quantitative researchers. Is quantitative investing a good thing for global markets?

I'm trying to help train talented quantitative researchers because I think they – and more broadly, quantitative investing – offer a lot of far-reaching benefits to the global economy. Quantitative researchers who are able to transform trading signals into strategies that drive innovation – that's a good thing.

Done well, this approach to investing allocates capital efficiently, which, I think we all can agree, is much better than when it is used inefficiently. Intelligently deployed capital drives growth, generates returns, supports innovation.

But also, our aim is to do more than train researchers for financial markets. The skills needed to synthesize vast amounts of data and find patterns are widely applicable and increasingly valuable across a number of industries – and I think they're only going to become more so.

Are changes in technology making it easier to invest more intelligently?

Computing power, the explosion of data and the usable information embedded in data are all driving technological transformation – to such an extent that some have started calling it the fourth industrial revolution.

To give you a sense of what that means for quantitative investing, in 1995, we had one "alpha," or mathematical model. Today, we have developed two million more alphas to join that one alpha.

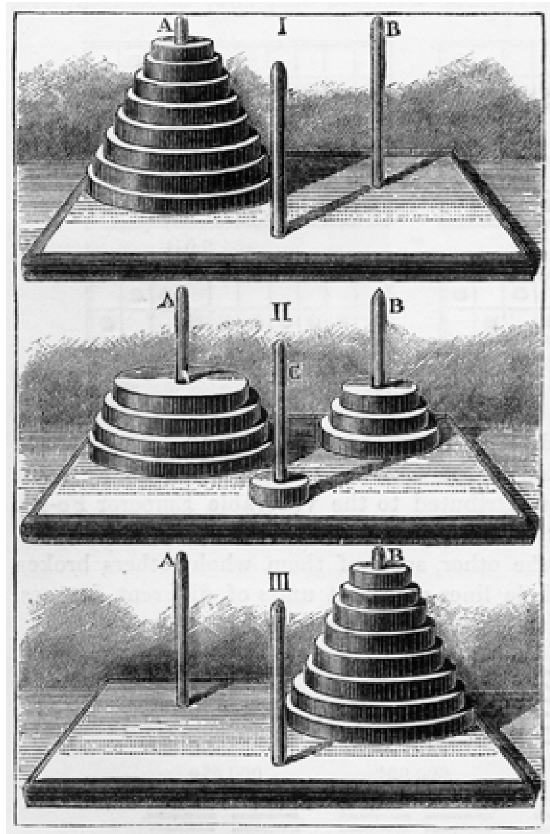
As much as we're continually investing in hardware and technology, trying to stay on the cutting edge, we're also looking for people who can operate in this big data environment and extract knowledge and insight from mountains of data. Every company, in some form, must be a data company today if it wants to succeed.

What does a growing reliance on technology mean for investment firms and investors as we think of them today?

Technology has already reshaped investing, and it will, of course, continue to do so. Just think about machine learning, where a computer collects and interprets data, and then uses that data to constantly update an algorithm's model. The possibilities from that alone are enormous.

But the real value will continue to come from maximizing the relationship between humans *and* machines – it's not about humans *versus* machines. Technology has the potential to free up an investor's time – anyone's time – and allow them to focus on more valuable, strategic work.

BEATRIZ GARCIA is a Director in Brunswick's New York office, specializing in media relations, reputation and brand management with a focus in financial services.



A version of the Tower of Hanoi (left), a classical puzzle, appears in a WorldQuant University lesson on the mathematical concept of recursion – often used in computer programming. In the puzzle, the challenge is to transfer the stack of disks from one rod to another, while adhering to a set of rules that restrict the order in which the disks may be moved

IGOR TULCHINSKY

Igor Tulchinsky founded WorldQuant in 2007, following 12 years as a portfolio manager.

Tulchinsky is also the founder of WorldQuant Ventures, an angel investment firm; WorldQuant University, which offers a tuition-free, online master's degree program in financial engineering; and the WorldQuant Foundation.

IMAGE: BAUHAUS1000, ISTOCK

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ILLUSTRATION: MIGUEL PORLAN

CALLING THE FUTURE

JOHN PALMER, AT&T's Chief Learning Officer, describes the challenges and rewards of re-skilling the telcom's workforce

There isn't a company on earth that doesn't worry about talent – how to attract it, develop it and retain it. Take those concerns and magnify them if you're in the communications industry, where the playing field keeps shifting at warp speed.

Now imagine you're among the top 20 employers in the US and have no choice but to re-engineer your own massive workforce because there isn't enough talent to hire at the scale needed to stay ahead. I'm privileged to sit right at the eye of that storm as AT&T's Chief Learning Officer.

We're meeting the challenge with a massive initiative, investing a quarter of a billion dollars annually on employee education and professional development programs, and more than $30 million annually on tuition assistance. We've worked hard to create incentives for employees to opt in to our re-skilling initiative. The goal is to inspire a culture of continuous learning at AT&T. In our online platform, an employee can enter her own experience and credentials, see which jobs are trending, what the qualifications are and identify gaps on her résumé that she can fill to help qualify for a position. She can even link directly to the training needed for a particular competency or job.

Starting about five years ago, the leadership of AT&T realized we needed to prepare our 273,000-person workforce for changes in our industry. It's a simple math problem: there aren't enough available bodies to hire for where we're headed. Our employees' skills have to adapt from what's needed today to what's needed tomorrow – with the same velocity as the many network changes taking place. That requires us to be as transparent as possible with our people so that they understand the bigger picture, and to create opportunities to help them grow.

If you don't work in communications, it's easy to take your wireless devices for granted. Behind the scenes, the technological challenges are staggering. Wireless communication and streaming video are driving an astonishing surge in traffic – more than 150,000 percent growth in mobile data since 2007. The rapid spread of the Internet of Things – connected cars, health monitoring, wearables and a range of other applications – is sending demand higher still. That kind of volume can't be managed efficiently with outdated technology.

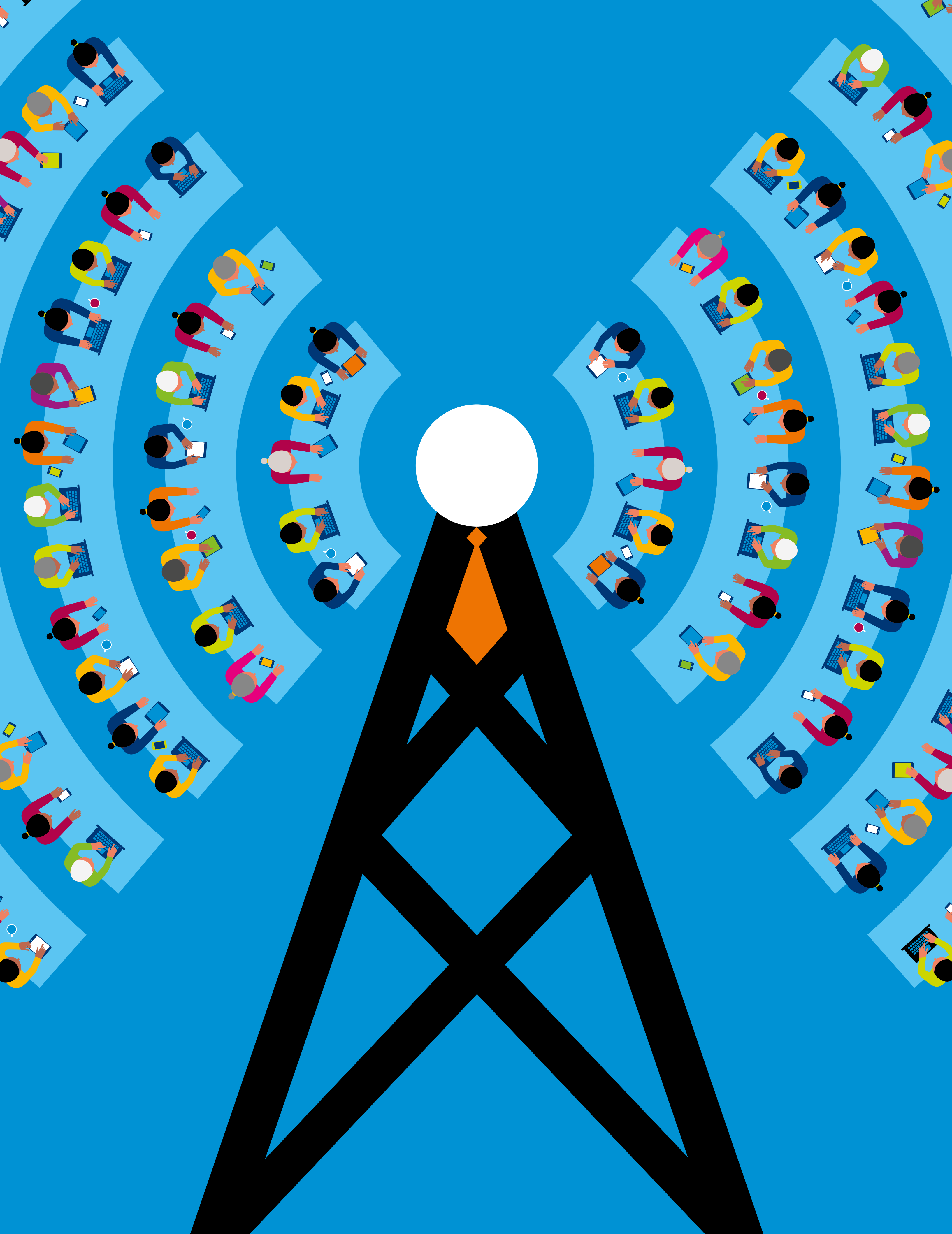
By 2020, the vast majority of our network will be controlled by software-defined technology. It's a shift that demands different skills than those needed in the past, especially in big data analytics, cloud computing and data science.

There are various types of skills training, ranging from single courses, to bundles of courses that lead to certifications, to externally recognized credentials such as nanodegrees from Udacity or advanced online technical degrees from universities such as Georgia Tech, the University of Oklahoma and, soon, Notre Dame. Each employee determines the level that best suits their needs.

We are offering tuition support and incentives, and we've communicated clearly that employees have to complete at least some of the learning on their own time. We typically cover 100 percent of tuition for courses taken with our external partners.

For the training we design and deliver internally, we have created shorter lessons and modules – for example, a 10-minute video or podcast, making sure it's easy to access and use on employees' mobile devices. Participation is strong. We're seeing significant year-over-year growth in the number of employees accessing and completing the various

ILLUSTRATION: PATRICK GEORGE



JOHN PALMER

John Palmer is Senior Vice President and Chief Learning Officer of AT&T, roles he has held since February 2016. He was previously Vice President of AT&T University Operations Training, where he partnered with leaders in fulfilling their strategic and tactical goals, including training. He joined AT&T in 1999 and held numerous leadership roles including Mobility, Operations, Sales, Strategy and Care.

AT&T is a multinational telcom conglomerate with consolidated revenue of $146.8 billion, headquartered in Dallas, Texas. Founded in 1877 as part of the Bell Telephone Company, it incorporated as the American Telephone & Telegraph Company in 1885. The business was renamed AT&T in 1994.

materials available. We track our employees' re-skilling efforts so that we can better determine ongoing training strategies, and help place them into desired and critical roles within the company.

The early results are promising. We're increasingly finding employees are able to immediately apply their new skills in their existing positions, or to use them to successfully transition into a new role. Each year we fill about 50,000 jobs – about 50 percent of them with candidates found internally. For our technology management jobs, our internal applicants who have completed training are twice as likely to be hired for one of those jobs as applicants who have not.

We highlight and celebrate our employees who are engaging in the re-skilling effort in internal town halls as an inspiration to others. Take Aaron McLean, who has worked for us for 17 years as a web developer and architect. In the fall of 2014 he signed up for the nanodegree program, completing Front End Web Developer and Full Stack Web Developer nanodegrees. He was immediately able to utilize some of that knowledge in his current job. And when he learned we needed open stack architects, he applied and was hired, specifically because of the knowledge he gained.

LEARNING GOES BOTH WAYS

In order to get buy-in from employees, it's crucial to allow your learners to play a role in rating the content. We are setting up a new process whereby employees can provide real-time feedback on the materials as they go, so that *we* learn what works and what doesn't.

We're also hearing from some employees who have put up their hands to say, in effect, "I'm only here for another three years. I don't want to opt in – put me on a legacy product, and as that sunsets, I'll go with it." That's fine too. In fact that kind of honesty is welcome and reveals the beauty of transparency: there's full recognition that some jobs are trending down and will keep declining as our technology shifts. We've been as honest as we can with everyone, and it's really refreshing to see how honest employees have been with us in return.

At AT&T, we don't claim to have a perfect crystal ball. But we've seen that the better you can define what the future will look like, the more willing people are to run toward it instead of away from it.

We've put a huge amount of resources and energy into defining and mapping that future so that we're bringing as many people as we can along with it. You can't transform your technology unless you transform your people too. It's the right thing to do, for many reasons – not the least of which is providing those who have helped build AT&T an opportunity to fill the jobs of the future, and to grow and succeed along with the company.

John Palmer spoke with **SARAH LUBMAN**, a Partner in Brunswick's New York office specializing in telcom, media and technology.

3 WAYS TO LEARN

AT&T offers a range of employee education materials, courses and programs. Employees can set their own goals and decide for themselves the level they want to achieve

AT&T OFFERS A RANGE of skill development choices for employees, who can decide for themselves the level they want to achieve.

1 FOUNDATIONAL LEARNING is designed as mostly mobile-based, short online videos, and offer an understanding of the fundamental elements of AT&T's evolving network, business products, services and the complicated topic of spectrum, the lifeblood of any telcom network. Our employees have completed more than 1.3 million of these courses.

2 CERTIFICATION TRAINING is mapped to specific roles that are expanding at the company. These involve emerging technologies, such as software-defined networking. As of October, AT&T employees had completed more than 2.5 million certification courses. About 57,000 employees have earned about 165,000 badges – visual indicators added to an employee's profile within the company's internal social networking platform signifying they have completed required coursework. Total learning hours have more than doubled year over year.

3 ADVANCED LEVELS involve highly technical nanodegrees through Udacity and master's degrees through Georgia Tech, the University of Oklahoma and, starting in 2017, Notre Dame. Nanodegrees take anywhere from six to 12 months and cost $200 a month, but AT&T refunds the tuition on completion.

Georgia Tech offers a fully accredited, online master's degree in computer science for $6,600, a fraction of the roughly $45,000 for a campus-based program. Annually, we offer up to $8,000 in tuition aid, with a lifetime cap of $25,000 for undergraduate degrees and $30,000 for master's.

AT&T will take good talent wherever we can find and nurture it. To that end, the Georgia Tech master's degree is also available to people outside the company – Notre Dame's will be too. We recruit on more than 50 college campuses every year, and we're finding that students are impressed when they hear that they don't have to choose between entering the workforce and getting a graduate-level degree. With us, they can do both.

Automation's hefty price tag

Technology doesn't have to come at the expense of your workforce, says Brunswick's MARTIN KWOK

SOME 65 PERCENT OF CHILDREN ENTERING primary school today will work in jobs that don't yet exist, according to the World Economic Forum. Technology will reshape the workforce well before those primary school students even graduate: roughly 7 million jobs will vanish in the next five years, according to the same WEF report.

Yet popular perception is lagging behind these realities. In a 2016 survey, Brunswick Insight found that 66 percent of respondents thought it was likely their job would exist in a similar form 20 years from now; only 17 percent thought it was unlikely (see Page 17 for full survey results). These looming changes, and the disconnect between perception and the soon-to-be reality, mean companies need to re-evaluate their strategies for employee engagement and stakeholder communications.

Some industries are likely to see disruptive change soon. By 2021, according to Forrester Research, robots will have eliminated 6 percent of all jobs in the US, hitting drivers of trucks and taxis especially hard. Singapore launched the world's first self-driving taxis earlier in 2016, while Google, Uber and Tesla are racing to roll out driverless cars on a larger scale. According to a Morgan Stanley study, the US freight transportation industry could save as much as $168 billion annually through lowered labor costs, greater fuel efficiency and productivity, and fewer accidents. Otto, a company launched by former Google employees, says the cost of driverless vehicles is now as low as $30,000 – an average trucker's wage is around $40,000 per year.

66

PERCENT

thought it was likely their job would exist in a similar form 20 years from now; only 17 percent thought it was unlikely

Source: Brunswick Insight

That of course means lost jobs for the people whose positions are automated – and the effects will be felt far beyond the transportation sector. In agriculture, the world's first robot-run farm was opened in Japan in 2016. In retail, Wal-Mart announced plans to eliminate 7,000 back-office positions and automate tasks. Even in banking, the growing role of artificial intelligence and online and mobile transactions has prompted banks to employ fewer people in customer-facing positions.

"It's an early warning sign and I think it just portends a massive wind of change in the future," says Andy Stern, the former president of the US Service Employees International Union.

Implementing such big changes is delicate. Without thinking through how to ease existing workers into this new world, companies risk creating a disruptive labor environment. Earlier this year, tens of thousands of Verizon union workers declined to report to work as Verizon announced more automation. Australia saw a 48-hour strike across the country's major ports over job cuts that resulted from increased automation. UK employees at Fujitsu have mentioned striking after the company announced 1,800 job cuts across the country despite healthy profits.

Those looking for an example to emulate should consider the Chinese government. When it announced plans in 2016 to cut steel and coal production that would affect 1.8 million workers, the government also unveiled a $15.3 billion plan to retrain and relocate those laid off, moving them into booming sectors such as e-commerce.

Most companies, of course, aren't in the same position as China's government; they don't have billions to spend on retraining their workforce. The main lesson, however, is that being prepared and proactive can save considerable angst.

Automation may be largely inevitable, but demonstrating concern – rather than indifference – can certainly smooth the transition. Labor disputes are often caused by the absence of communication rather than the communication itself.

MARTIN KWOK, an Executive, is based in Brunswick's Hong Kong office.

ILLUSTRATION: SERGE BLOCH

BRAND value investor

Young private equity investor **MATT TRUMAN** tells **KATIE IOANILLI** how the best startups respond to youth-driven changes in commerce

TECHNOLOGY TRENDS AND MILLENNIAL identity have merged to create a generational divide in the way business is transacted online. What the young expect from brands, and how they interact with them, has changed dramatically and continues to evolve quickly.

That poses challenges in developing a customer base – challenges most keenly felt by entrepreneurs and startups. These businesses are on the perilous front lines of customer engagement, where a false step can land even a great idea in the digital gutter.

For Matt Truman, such pressures aren't theoretical. He founded True Capital in 2007 to identify and invest in entrepreneurs whose businesses can appeal to all generations, adapt quickly and thrive in the constantly shifting commercial environment.

Businesses today can't rely on just selling products, Truman says, but need to create a network of experiences for the customer, organized around a clear and consistent brand messages. Achieving that requires experience in a particular sector, a business model fit for the future of the industry, and a keen understanding of the new marketplace.

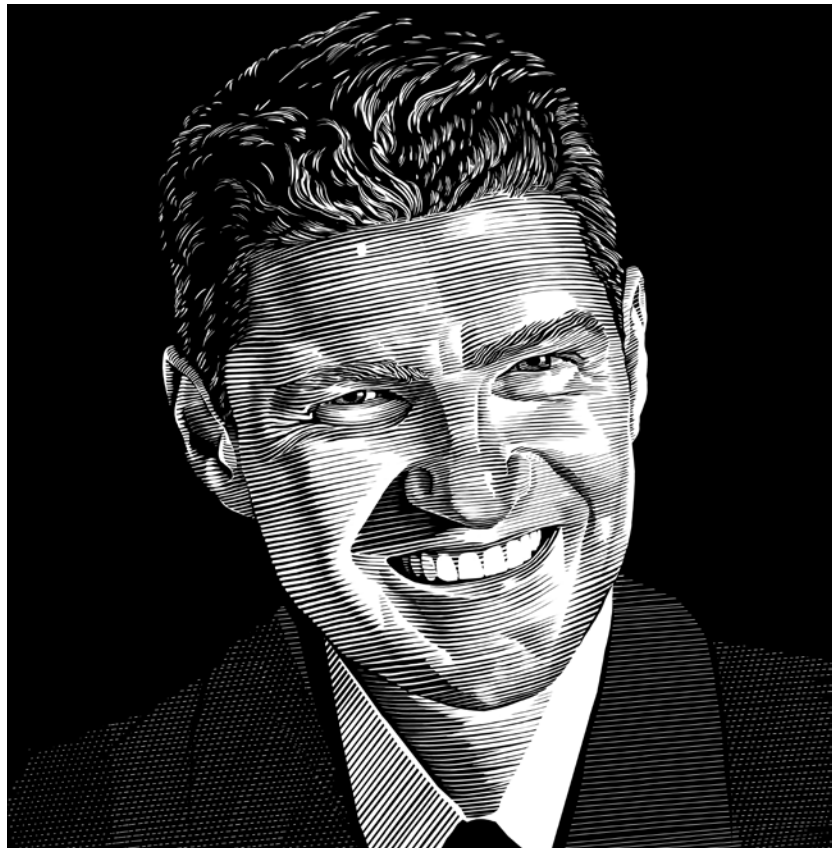


ILLUSTRATION: ROLAND SÁRKÁNY

Customers have access to millions of choices online. How do brands break through?
The value proposition has to differentiate the brand in its market – for price, quality, service and convenience. If a brand excels through those parameters, or a combination of them, it can occupy a defensible position.

To compete with retailers such as Amazon, which can sell products faster and more cheaply than their competitors, companies – especially new brands – must control their distribution channels and carefully plan how they retain their brand equity. The success of direct-to-consumer models, such as Dollar Shave Club, was driven by these competitive dynamics.

Is brand loyalty harder or easier to achieve?
Customers will be loyal if the brand's offer is truly distinct – loyalty has been dented because so many retailers compete for sales of the same product, hurting margins and returns. Loyalty needs clear differentiation. Data is now giving retailers a clearer view of their customers, so harnessing this to look for brand and value proposition adjacencies will be key in driving loyalty.

How do technology and social media shape how younger generations interact with brands?
Young consumers don't want to just transact with a brand. They want to engage with it. For e-commerce companies, the single largest new challenge in recent years is how to turn browsing into buying.

Technology and social media have made brands global overnight, but along with the benefits, there are considerable risks and costs. The viral nature of consumer opinion is a blessing and a curse. Having a clear, honest and consistent brand message has never been more important.

> "Young consumers don't want to just transact with a brand. They want to engage with it"

What is the most important thing companies can do to adapt to these changes?
The speed of technological advances will only accelerate: the value proposition that exists today will be deemed unfit for purpose in a shorter period of time. Continuing to be alive to these accelerating developments and investing in these new areas is crucial. Finding and investing in these solutions doesn't have to be expensive. Global platforms can be built for a fraction of the previous cost and therefore returns can be much higher.

The key is finding the right people – senior people who support continued investment over longer time frames and in talent, particularly in digital, that will prove its worth. Competition for talent is high; small retailers compete with quantitative hedge funds, as well as giants such as Facebook and Amazon. If I were a CEO of a large company, I would look beyond my immediate peers for talent and remuneration structures.

How are things like payment, returns and the shopping experience being affected?
Expectations are higher. Customers now expect a much higher, best-in-class experience, focusing on service and convenience. Next day delivery has moved from being a loss leader and a foolhardy strategy to a benchmark, largely due to Amazon.

A retailer must also offer all payment methods – contactless systems are growing increasingly common – and the returns policy has to be in line with the brand message and hassle-free, on par with the best experience among a business's peers.

Digitally driven consumers now have shorter attention spans, so speed is perhaps the most important element of a website's performance and success. Jeff Bezos has said he wants page load speeds to be one second, versus three to four seconds today.

What kinds of brands and businesses will thrive in the next decade?
Those brands that put the customer – and the brand experience – first and build the same high-quality experience across distribution channels. They need to think "multichannel" and "mobile."

Market leaders now receive 70 to 80 percent of all brand interactions through mobile – a seismic change. The experience and consistency of service also has to be controlled in all engagement with the consumer, regardless of the distribution channel.

Finally, those businesses that offer a genuinely identifiable competitive advantage will deliver the strongest value proposition to the market.

Do entrepreneurs at your investment prospects tend to be young?
It's rarely the stereotypical, straight-out-of-university type. They tend to have an average age of over 30. Bankers and financiers, consultants and engineers come to us with bright ideas, prepared to leave successful careers to pursue their startup.

This group tends to have the experience of life and business to better cope with the challenges they face. Just as importantly, they have a knowledge of the sector they are now disrupting. Outliers like Mark Zuckerberg with a truly unique invention are harder to find. Often, being young counts for less than having a deep understanding of the needs of the market.

Does the younger generation have characteristics that make them perform better as entrepreneurs?
Perhaps not "better," but different. It is difficult to compare Henry Ford with Mark Zuckerberg – each had a profound impact on consumers' lives.

The big trend that is different today is that the world is genuinely global and today's entrepreneur has immediate access to it. A broader array of opportunities is available to them at fractions of historic costs. The rapid growth of Uber and the acquisitions of Dollar Shave Club by Unilever and Jet by Wal-Mart are examples of rapid scale-up businesses that wouldn't be possible without a superior technical tool kit.

What buttons does a new product have to push for you to invest in it?
We look for a business model positioned in line with the future of the industry that we can understand and where we can add value. It has to have favorable long-term structural growth prospects and a unique insight that will enable it to out-compete over time.

It also has to have an existing, under-exploited opportunity; a competent, honest management team to deliver it; and a valuation that is attractive versus its growth prospects.

KATIE IOANILLI is a former Partner at Brunswick who recently became CCO and Senior Vice President of Global Corporate Communications at Ralph Lauren.

MATT TRUMAN

Matt Truman is CEO of True Capital and TrueStart, a London-based private equity and venture capital firm he co-founded with Paul Cocker in 2007 that focuses on the retail and consumer industry. He has been involved in the sector for 15 years, starting his career at Deloitte and later becoming an equity analyst at Lehman Brothers, where he was made Head of European Retail. He later led JPMorgan's European retail business in Equities.

Can you hear me now?

Brunswick's **MIKE KREMPASKY** and **KARL WISEMAN** discuss the digital divide between generations, and how businesses can begin to bridge the chasm

A GROWING CHASM EXISTS BETWEEN generations, a fundamental difference in the way they communicate, especially when it comes to Millennials. The warning signs for businesses are clear: banks are investing in making their call centers more efficient, ignoring that 71 percent of Millennials would "rather go to the dentist" than listen to what their bank is saying, according to Scratch, a consulting business owned by Viacom.

Such a disconnect will prove increasingly expensive. By 2017, Millennials will spend more than $200 billion annually and make up a growing portion of a company's customers, employees, investors and analysts. Even in the regulatory arena their impact is tremendous; the average age of Washington, DC congressional staff is under 30.

At best, businesses that fail to adapt to these new realities will look old-fashioned or out of touch. The worst case is dire: failure to recruit top talent combined with a disengaged workforce; stakeholders who haven't even heard your message, let alone agree with it; investors, analysts and capital markets that no longer rely on information you provide directly.

"WHAT WE'VE GOT HERE IS FAILURE TO COMMUNICATE" *

Generational divides are hardly new. From values to beliefs, fashion to music, politics to prose, there has long been a gap between old and young. That gap is often most visible when it comes to the emergence and adoption of communication technology. The telegram, telephone and television all enjoyed their share of early adopters and resistant skeptics.

These dividing lines between adoption and resistance of new technology have long tracked the divisions of generations: young people tend to adopt new and emerging channels; the wider population follows later. What's different today is that digital

ILLUSTRATIONS: HANNA BARCZYK

media is evolving at an increasingly fast pace, and every generation is being simultaneously affected – becoming more culturally distinct and isolated from those both younger and older.

As Millennials adopt new channels, everyone else remains a step, or five, behind. With the exception of Facebook, there is increasingly minimal overlap between the channels that different generations use to connect and share ideas, thoughts and content.

Even when they do use the same platforms, younger generations are increasingly wary about the liabilities of creating a permanent (and often public) digital record of their lives as they enter the workforce. This has made the Facebook timeline, or a colorful Twitter archive, less attractive.

That's one reason video-chat platform Snapchat, with its self-deleting content and immediate connection, has captured extraordinary attention and loyalty as it prepares for a $25 billion public offering. Likewise, a growing amount of social activity takes place within closed-group messaging applications like WhatsApp.

Changes in platform are also accompanied by a shift in the content we consume. Quartz, the relatively new online business publication, often talks about the "Quartz curve," whereby very short content and quite long content both do well on the web, but the standard op-ed format of 500 to 800 words falls flat. This curve is repeated across other media: video content is consumed in bite-sized pieces of a few seconds or a few minutes on Facebook and YouTube, and in massive hours-long quantities during binge sessions on Netflix.

Amid these ongoing changes, the tried-and-true behaviors of business communications are under great pressure. A recent survey from Microsoft and SurveyMonkey found that a key quality 93 percent of Millennials looked for in an employer was that the company had the latest technology, including for internal communications. Presumably, the tools themselves were less important to these young job seekers than what they revealed about the company progressive enough to adopt them.

In an area of rare alignment, generations are agreeing to consign voicemail to history. Companies such as JPMorgan are eliminating it entirely, and a Verizon executive estimates only a third of business phone lines even have voicemail capability, according to a report on National Public Radio. It should come as no surprise that a majority of Millennials in a recent study by LivePerson, a company that makes live chat software, said they would rather lose the ability to make voice calls from their smartphone than one of their favorite social media applications.

"Reverse mentoring" programs are no substitute for giving digital natives a seat at the strategy table

For businesses, this rift between generations is not simply about communications, human resources or even technology; it's a critical business issue that executives need to prioritize.

4 STEPS LEADERS SHOULD CONSIDER

1 Get some digital natives into your kitchen cabinet immediately "Reverse mentoring" programs are no substitute for giving digital natives a seat at the strategy table and inviting them to inform the decisions that will affect the future of your company. The benefits of diversity in leadership teams are well known; age should be another consideration when convening representatives from across the business. They can observe and understand changes that their older peers will struggle to see.

2 Stop using your desktop computer When planning or reviewing your content strategy, remember that a majority of web traffic now comes from mobile devices and that desktop traffic has sharply declined over the last few years. These trends are both set to continue. Seeing your organization from that perspective will help you make decisions about how to reach your modern audiences. Ask

*"FAILURE TO COMMUNICATE"

A still from the movie *Cool Hand Luke*, moments before Captain (raising baton) strikes Luke, played by Paul Newman, and delivers the film's most memorable line

PHOTOGRAPH: MICHAEL OCHS ARCHIVES, GETTY

RANKED 11TH ON THE AMERICAN Film Institute's top 100 movie quotes of all time from American cinema, "What we've got here is failure to communicate" comes from the 1967 film *Cool Hand Luke*, which was labeled by movie critic Roger Ebert as "anti-Establishment."

The plot features Paul Newman as Luke, a young convict who refuses to obey prison rules. The film's most famous line was spoken not by Luke, but by Captain, a prison warden embodying false pretense and menacing authority – the system Luke was rebelling against. The phrase gained currency as a metaphor for the famous "Generation Gap" of the 1960s, when the Baby Boomers entered adulthood and began to challenge many of the priorities and values of their parents.

The quote has since appeared in a number of movies, books, television shows and has even served as a sample in a Guns N' Roses song.

yourself "what can I learn – or not learn – about my company from its social channels alone?"

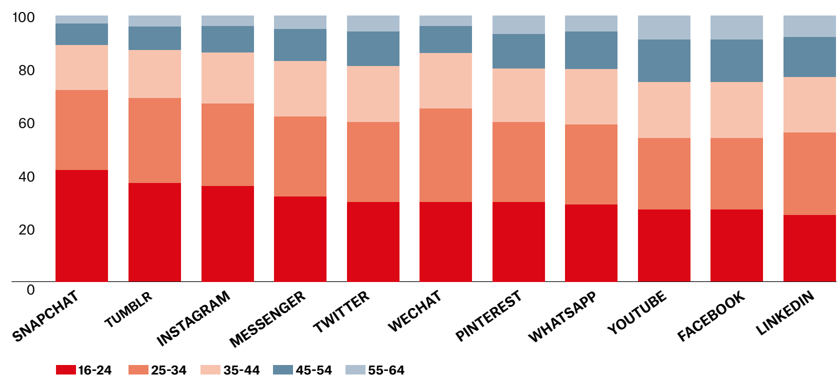
3 Add digital layers to your communications That is not to say you should replace anything right away; different audiences will transition at different speeds. *The Wall Street Journal* has a Snapchat channel, but it hasn't eliminated its other channels. A better approach is to add new channels, one at a time, in ways that leverage existing investments in content or infrastructure.

4 Create a communications R&D lab Your customers' tastes evolve; invest in making sure your products meet their changing needs and desires. Likewise, establish and fund a permanent function that can explore and experiment with new approaches to reach your corporate stakeholders.

MIKE KREMPASKY is a Partner in Brunswick's Washington, DC office and leads the firm's Digital offer. **KARL WISEMAN** is an Account Director in Brunswick's London office.

SURFING THE GENERATIONS CHANNELS

A 2016 study by GlobalWebIndex, a market research firm, looked at the age profiles of popular websites and social platforms. Facebook, LinkedIn and YouTube had the largest percentage of users aged 55 to 64, while Snapchat had the highest percentage of users under the age of 24 – more than 40 percent of its total users. One thing all platforms and websites had in common: a majority of their users were 34 years old or younger



WALLS WITHIN THE GLOBAL VILLAGE

Algorithms have turned the exchange of ideas into a mirror for individual beliefs, says Brunswick's RONALD SCHRANZ

IN HIS 1964 BOOK, *UNDERSTANDING MEDIA*, Canadian philosopher Marshall McLuhan argued that the benefit of any successful innovation is accompanied by a dramatic, but usually overlooked, loss – an "amputation," to use his term, of some faculty that humans previously enjoyed.

McLuhan foresaw the creation of the internet and imagined it helping undo a lot of the amputations and divisiveness of the past, facilitating humanity coming together as a single tribe in a "global village." In fact, the internet has given us huge advantages, including connectivity and near-total information – unlimited, real-time and ubiquitous. But in recent years it has also aided the disappearance of the rich marketplace of discussion, where disagreements and foreign opinions may be encountered and taken seriously, an amputation that is already having critical repercussions around the world.

The mountain of information we now have at our fingertips allows us to find support for anything that we wish to believe, making it harder for individuals to share a common definition for a problem or solution. Digital natives – Millennials and younger – are particularly prone to this siloed worldview, with little understanding or sympathy for the opinions that may disagree with their own.

The personalized programming algorithms that guide our choices online are one root cause. These filters create an information bubble around each person that is growing in depth but narrowing dramatically in breadth. The resulting social network, built of connections to people with similar specialties, attitudes, beliefs and world views, mostly reinforces each user's pre-existing ideas. The internet, for all of its diversity, has become an infinite collection of mirrored rooms and echo chambers.

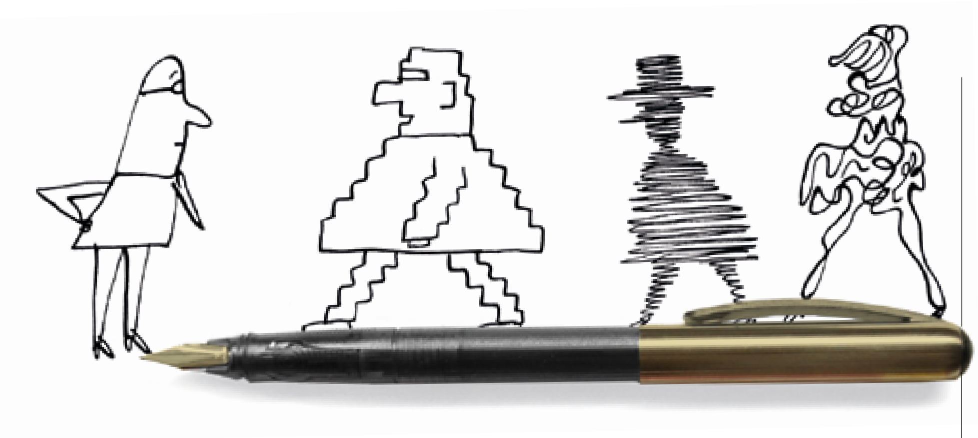
Far from creating global harmony, the internet as it exists now is helping fuel greater social upheaval, including widening differences between generations, classes, religious beliefs, political and philosophical camps, and supporting the radicalization of disenfranchised groups. Siloed versions of reality reduce the potential for compromise and increase pressures on social coherence, democracy and peace.

To make matters worse, since the flow of information online is a self-organizing system, there is no trusted authority to say whether or not information is factual. False information, propaganda, conspiracy theories and deliberate attempts to obscure are often ascribed the same credibility as reports diligently researched by serious journalists, causing many to speculate about a "post-fact" age.

The older generation may lament the decline of the newspapers, the radio shows and the TV news programs they once relied on. But those outlets had their own biases and carried their own, though very different, amputations that McLuhan warned of more than 50 years ago.

More worrying is that the younger generation, who hold the future of society in their hands, might not be clear that the same technology today that has given us a bright vision for the future has caused us to leave something important behind.

RONALD SCHRANZ is Head of Brunswick's Central and Eastern Europe office in Vienna.



Different strokes

Your team members deserve more nuanced consideration, says Brunswick's CHRISTOPHER HANNEGAN

All organizations would agree that generational distinctions are real, but few companies take the time to structure their employee engagement initiatives with those distinctions in mind. Fewer still attempt a detailed analysis. As a way to begin to look at different generations, leaders should consider their employees from two different vantage points: one based on individuals' ages and another based on their shared experiences within the company.

The age-based view finds, for instance, that younger workers' attitudes toward business are generally more positive than Baby Boomers or Gen X employees. Among 18- to 29-year-olds surveyed by Brunswick Insight, 59 percent feel businesses serve their employees well, versus 47 percent of those 50 and up (see "Great Expectations," Page 17).

Millennials also want to engage with employers differently: they expect better communication, but are less interested in face-to-face exchanges. Conversely, older generations want more in-person contact with their supervisors and don't choose to rely as much on digital platforms. While email remains a critical tool, younger workers are less likely to feel engaged using it, favoring other channels including internal social media. Managers with multigenerational teams will have to take these preferences into consideration so they can create the most effective suite of interactions.

The shared-experience view looks at bands of employees who have been shaped by distinct phases of a company's development. A poorly integrated acquisition, a traumatic CEO change, the launch of a blockbuster product, or a period of rapid workforce growth are all formative experiences, coloring employees' perceptions. By identifying the chapters in a company's history, it is possible to project how cohorts, whose perspectives are framed by those chapters, may react to any piece of news.

In each of the shared-experience bands, a variety of age groups will be represented. Digital natives are lumped in with older folks who may have no love of social media. The message may be the same for both, but the channels may be different.

All employees will have one thing in common: a tendency to feel overwhelmed by the sheer amount of information they receive. To break through, you need to get them to pay attention in an instant. The message has to be creative and simple, even as you target specific groups. Focus on emotional appeal; people engage with their heart first, head second. If they feel good about their initial interaction, they will be more inclined to follow through.

It helps to build into the campaign the internal or external sources each group finds most credible. Those who saw senior leadership lose credibility during a rough patch may be more inclined to trust industry experts or analysts on their view of the company's performance. To convince them, it helps to acknowledge this reality.

Research-based models in the form of personas can help bring to life the groups of employees you hope to engage. Create four or five fictional employees, with names, ages and a particular "look." Describe what's important to them, list the emotional baggage and perceptions they currently have and how to best engage with them. Hold on to these personas as reference points, to maintain an appropriate focus in all the stages of the campaign.

Companies have long been wary of treating consumers as a homogenous group. Research, segmentation, and targeted messaging through specific channels are now considered routine. The same holds with employees. If the people who buy your products and services are worth such an investment, certainly those who create, deliver and maintain those products and services are as well.

59

PERCENT of 18-to 29-year-olds feel companies serve employees well, versus 47 percent of those 50 and up

Source: Brunswick Insight

CHRISTOPHER HANNEGAN is a Partner at Brunswick Group advising on critical communications issues including business strategy shifts and cultural evolution. He leads the firm's Global Employee Engagement offer.

ILLUSTRATION: SERGE BLOCH

ETSY'S VALUES WARRIOR

HEATHER JASSY, Senior Vice President of Values-Aligned Business, tells Brunswick's SARAH LUBMAN how the "Millennial mindset" is helping reshape commerce

Many corporations are making an effort to inject their core values into all aspects of their business. Etsy has gone further, creating a top-level executive position to make sure the company is acting on its principles. Last year, Etsy picked Heather Jassy, a five-year company veteran, to become its first of Senior Vice President of Values-Aligned Business, a position unique to Etsy that reports directly to CEO Chad Dickerson.

As the world's leading handmade marketplace, the company has a core mission to "reimagine commerce in ways that build a more fulfilling and lasting world." Etsy's service is a digital version of a community marketplace that attracts buyers and sellers interested in one-to-one relationships, quality workmanship and sustainable, human-scaled business practices. Its customers deliberately choose personal attention and individual creativity over impersonal transactions and mass production.

The service initially appealed the strongest to a younger audience of mostly Generation X-ers and Millennials, and its demographic still skews young. But as its customer base ages and digital commerce becomes a more common experience, Etsy's popularity is widening. It now includes a cross-section of customers bound more by values than age group, requiring both a broader playing field and a more focused strategy on social engagement.

That's where Jassy comes in. She describes her role in simple, direct terms. "Etsy wants its business to be a force for good in the world," she says. "My job is to make sure we're doing that."

We spoke with her about the details of that mission and how a "Millennial mindset" is reshaping business as we know it, for all generations.

What does your title mean to you?

I really love my title. Since the position reports to the CEO, it shows how that goal is being taken seriously at the topmost levels of the company.

Broadly, it means that I have to do a few things: make sure we're living values within the bounds and vision of Etsy; find ways to carry that mission into our daily work of reimagining commerce, how we run the business; act as an advocate, lobbying on issues related to creative entrepreneurs that form our community, removing barriers for them; be critical about sustainability and the company's impact on the planet; and look at ways that we can share these values in the world.

What are some ways to implement the company's values?

We are instituting values training for all of our leaders and values-related processes for all products,

ILLUSTRATIONS: STUART BRADFORD

services and businesses. Later, we'll share what we learn with other companies. We're also leading various values initiatives, including the Maker Cities, where we align local Etsy entrepreneurs with local governments to co-create community projects.

How have your previous roles as a therapist and small business owner helped shape the way you approach your current role?
You never stop being a therapist! I worked in existential therapy, individual therapy and I was in a practice in Vancouver, BC. I had an independent bookstore business and I had a coaching business for creative entrepreneurs.

There's a human actualization thread through all of it. I want to help people become the best versions of themselves. Change happens best and sticks when you work with the natural grain of personality and belief system. So I think that experience allows me to put rigor behind the development of Etsy's belief system and personality.

"'Business as unusual' is a very Millennials concept – building for the long term, not having to choose between profits and people"

Etsy's community focus already seems to have baked social purpose into the business model. Why did the company feel it had to go further?
Yes, that's true. We're very aware that our success is based on our sellers' success. As a result, people throughout Etsy are thinking about our values all the time. They're here because they want to do the right thing and Etsy is a place they can do that. We want to focus that impulse and reinforce it.

We want to continue to push to be the best version of ourselves – place values front and center – toward the goal of doing right for all your stakeholders, including your employees and the planet. Everybody in the company needs to think about how we do that. We need to own it, across every department.

Etsy was founded by a Millennial. How do you think that shaped the company?

Millennials are the largest generation in the workforce – by 2020 they'll make up 50 percent of the world's workers. Overwhelmingly, they believe that companies should treat employees with dignity and respect. They want to work for and give money to companies that are socially responsible.

"Business as unusual" is a very Millennials concept – building for the long term, not having to choose between profits and people. The best outcomes are good for as many people as possible. That translates to our interactions with our seller community: it's about how to support them and make their lives easier, not squeeze them.

What are the things sellers have to spend time on that take away from their time to be creative? Participation is what we want, and a space to be creative attracts participation. We spend a lot of time in sellers' studios, watching how they work and building tools based on what we find there. For instance, we realized that sellers were having to hand-write packing slips. So we created an online system that would streamline the process.

For buyers too, shopping through Etsy should be easy and should feel really good – you're supporting a small business, having a human-scale commercial interaction. This approach rejects the idea that everything is a race to the bottom on price and convenience.

Your CEO says, "the expectation that business will contribute meaningfully to society will become the norm." Do you see that happening?

I completely agree with him. Look at food, for example. There's been a real shift in how we think about food supply chains and what we put into our bodies. People care deeply about where it comes from, who's making it. There's a higher degree of consciousness about the things we put into our lives.

The transparency created by the internet forces a different kind of consumerism. The current business model of short-term, scorched-earth thinking is unsustainable – and unappealing. Millennials are keenly aware of this and are fast becoming the largest population of consumers. Successful businesses are going to have to become part of the solution if they want to survive because consumers are going to demand it.

Do you ever worry that Etsy is talking to itself?

I don't want us to be in that place. I think there are an increasing number of businesses thinking this way – Millennials really get it. We want people to create success for themselves on their own terms. Whether that sounds crazy or like common sense, it is exactly how a business should be.

What can you tell us about Etsy's appeal to a broader audience, beyond Millennials?

The Millennial mindset is affecting how everyone thinks about business, about defining success in social and financial terms. The Etsy experience represents that mindset and it convinces people.

In addition to having this terrific mandate around being socially responsible, we have 40 million items for sale – so many incredibly beautiful things. When you shop on Etsy you have very human relationships. I remember each of the sellers I purchased from. If you have a question, you ask it of a real person and there's conversation, a back and forth. You get info about where something is coming from in the world. It sends a different message about what commerce should be.

Whether or not you're a Millennial, interacting with a thing, understanding how it's made and the person who made it, can change you.

How has that values-oriented approach affected hiring and employee engagement?

We launched our new parental leave policy in April – six-months, gender-blind parental leave and we include coaching for parents leaving and returning. When I posted about this on social media I got so many messages from friends who loved it and shared stories about how awful the policy was for them at their jobs. Most of them had maybe two weeks off. People were saying, "I want to work for a company that thinks of their employees that way."

But we also work hard. There is a phrase, "strong back, open heart" – this a concept we talk about a lot at Etsy. If you're just an open heart you can't get anything done, can't make change. A strong back with no heart may get things done, but at the expense of people around you. We need both.

To be a profitable, successful business and also socially good, sometimes you have to give tough feedback to people. Everybody isn't squishy all the time. One of the things we try to teach our younger employees in particular is that you can be kind and direct. The message is: we are all trying to be warriors for good in the world.

HEATHER JASSY

Senior Vice President of Values-Aligned Business at Etsy, Heather Jassy was formerly Senior Vice President of Members & Community. She also oversees the company's Hudson, New York office.

ETSY is a digital marketplace for creative entrepreneurs and their customers. Founded in 2005, it now hosts more than 1.7 million active sellers and 27.1 million buyers around the world.

SARAH LUBMAN is a Partner in Brunswick's New York office. Before joining the firm she was a journalist for 17 years, working out of Japan, China and the US.

Ask not what your country can do for you...

A new generation seeks public service in the private sector, says Brunswick's GEORGE LITTLE

As spokesman for the Central Intelligence Agency from 2007 to 2011, I was accustomed to surprises. Still, I could never have predicted that I would be asked to prepare the communications plan used to publicly discuss the May 2011 raid on Osama Bin Laden's compound.

On the day of the raid, I carried, as inspiration, the memorial booklet I had saved from the funeral of a friend lost on 9/11. I reflected then – and in the ensuing months and years – on the call to public service born out of that terrible day, when thousands died and America and its allies began preparations for a new war. A generation of courageous young people rushed to sign up for the military, intelligence agencies, and other roles in government.

For over 15 years, their commitment and sacrifice – in too many cases a final sacrifice – helped our country become safer and stronger. While many Americans continue to pursue public service careers, I have gradually grown concerned that fewer and fewer are choosing that path, a trend that could lead to a national security crisis of its own. We need highly qualified and motivated people to enter public service and perform increasingly specialized roles.

Several factors are contributing to dampened enthusiasm for public service. War weariness, the financial crisis, declining faith in institutions and a highly charged political climate top the list. This trend remains worrying and, in a strict national security sense, needs to be addressed. But I have also come to appreciate that notions of service have evolved, and at least some of the reluctance is rooted in transformational – and ultimately positive – shifts in what service looks like.

First, the lines between the public and private sectors have blurred considerably. Both need each other more than ever. On many issues, including cybersecurity, international trade and financial regulation, companies are looking to governments to offer clarity on the rules of the road.

43
PERCENT
of people in the US thought government was effective at providing solutions

Source: Brunswick Insight

Governments also need companies, desperately in many cases, to help them keep pace with the latest innovations. This explains, for instance, the US Department of Defense's recent establishment of a liaison office to engage more closely with technology companies in Silicon Valley. Public-private partnerships have become the go-to forum for addressing complex issues.

Second, as political institutions in the US and elsewhere face an ongoing trust deficit, many companies are stepping up to solve problems that were once the purview of government. Whether confronting challenges to the environment, training veterans for jobs after the military, or exploring new frontiers in space, many are looking to corporations for answers rather than to Washington. In a 2016 Brunswick Insight survey (Page 17), less than half of respondents in the US felt government was effective at providing solutions.

Finally, even as national loyalties remain strong throughout the world, many people seem to be seeking opportunities for service that transcend borders. The potential to have global impact – and to do so early in one's career – can be a strong service motivator. Since government organizations generally do not offer this kind of reward, corporations – especially multinationals – provide a wider berth for those seeking to serve.

Though the talent shortage governments face today is worrying, the upshot is there are more opportunities than ever before to contribute to the common good beyond traditional definitions of "public service." Companies able to harness these changing attitudes toward service, and embrace the enthusiasm of new generations of workers, stand to improve their reputation, distinguish themselves in the competition for elite talent, and give their employees the personal fulfillment that comes from connecting their work to a larger purpose.

GEORGE LITTLE is a Partner in Brunswick's Washington, DC office, specializing in Cybersecurity and Public Affairs. He formerly served as a Pentagon and CIA spokesperson.

SOVEREIGN WEALTH

FUN

Brunswick's **DOMINIC WHITING** and **FATEMA MAHMOUD AL KHATEEB** explain how cartoons are serious tools for engaging youth in the Middle East

Dressed in his pristine white kandura – the traditional Arab ankle-length robe – and red-striped ghutra headdress, 12-year-old Mansour strides into chemistry class. He and his excited friends mix solutions, and are so proud of their new formula, they decide to take the creation home.

But when a drop spills into a bowl of harees, disaster strikes. The reaction makes the traditional Arab dish of cracked wheat and minced lamb expand rapidly, and it soon bulges out of the windows and doors.

Mansour, and his eponymous cartoon series, are the brainchild of Rashed Al Harmoodi, Vice President of Corporate Communications at Mubadala Development Company – an Abu Dhabi government-owned institution with assets of more than $63 billion. Mubadala – Arabic for "exchange" – was established in 2002 to drive economic diversification in oil-rich Abu Dhabi. It has invested globally to become a force in several sectors, including aerospace, aluminum and semiconductors, with a view to creating high-value employment in Abu Dhabi, and the wider United Arab Emirates federation.

But ensuring that skills, especially among the young, increase at the same pace as investment is a challenge.

"In 20 years, when these new industries are firmly established here, who is going to lead them?" says Al Harmoodi. "We always knew we had to invest in human capital, and we also realize that we have to start talking to children now. My son is 5, and I want him to be part of the shift in Abu Dhabi. The only way to truly engage with very young children is through animation."

Enter our hero, Mansour. Science geek; Emirati inventor; loyal friend and relative; sporting hero; mischief maker.

A role model for young Emiratis, Mansour was inspired by a hero who lived 8,000 kilometers east of Abu Dhabi. Captain

PHOTOGRAPHS: CARTOON NETWORK

A storyboard sketch (above) of the popular cartoon "Mansour." Research by Turner, a division of Time Warner, found that 75 percent of children in the UAE, and 65 percent of children in Saudi Arabia, tuned in to watch the show's first season

Mansour reaches 130 million homes across the Middle East and North Africa region

Tsubasa, a "manga" cartoon soccer player, made a generation of Japanese children fall in love with the sport in the 1990s, paving the way for Japan to host the FIFA World Cup in 2002.

Al Harmoodi was looking for similar impact from Mansour, but in the rapidly changing world of work. Once an exporter of dates and pearls, Abu Dhabi became an oil heavyweight in the 1960s and today commands 6 percent of the world's proven reserves. But with tourism, aviation, financial services and energy-intensive industries taking hold, the emirate has increased non-oil activity to over half of GDP, from 41 percent in 2008.

BLUE COLLAR LEADERS

"MY GENERATION WAS THE FIRST TO GRADUATE from university, my father and grandfather didn't have that opportunity," Al Harmoodi says. "Now we need to move on even further. We need blue collar Emiratis, who want to put on overalls and fix airplanes or manage aluminum production."

"Mansour" was born out of a serious desire to evoke interest in STEM (science, technology, engineering and mathematics) among children, while teaching practical lessons. The show also looks to reinforce Emirati culture and Arabic language in a context of rapid socio-economic

SPEAKING ARABIC

MORE THAN HALF OF THE POPULATION IN THE Arab world, a region comprising 22 countries with a combined population of more than 390 million, is below the age of 25 – 20 percent are between 15 and 24 years old. According to *The Economist*, the region is set to grow by 110 million people by 2025, a pace almost double the global rate.

This exploding demographic presents a challenge in the Arab world: the region's youth unemployment rate is double the world average, and the lack of job prospects, combined with frustration at political intransigence, has created a volatile mix.

One should be wary of grouping all Millennials in the Arab world together. While most speak a common language, belong to the same religion and live in nations that share borders with one another, there are important distinctions between countries, especially along cultural lines.

Still, broad trends are emerging. More young Arabs today are connected than ever before. They get more of their news online than from TV or print media, and countries like Saudi Arabia enjoy the highest Twitter penetration and per-capita YouTube consumption in the world. Last year, the Middle East's internet penetration jumped by over 21 million users, or 17 percent. According to Google, the region saw an 80 percent spike in hours of YouTube footage watched.

Some progressive business, government and nonprofit leaders are experimenting with how best to engage these young people, employing a blend of digital and traditional communications – inviting their involvement through new media, supported by influencers who broadcast via Twitter, Instagram and Snapchat.

The UAE's Minister of State for Youth, 22-year-old Shamma Al Mazrui, has launched Youth Circles across the country to involve young Emiratis in debates and brainstorms on issues that matter to them. Explaining the appointment of Al Mazrui, the youngest minister in the world, Sheikh Mohammed bin Rashid Al Maktoum, the Prime Minister and Vice President of the UAE, said, "Youth represents some half of our Arab societies, so it is only logical to give them a voice and role in governing the nation."

IN 2015 THE MIDDLE EAST REGION WATCHED **80** PERCENT MORE HOURS OF YOUTUBE VIDEOS

Source: Think with Google, "The rise of YouTube in MENA"

In Saudi Arabia, the Deputy Crown Prince's non-profit MiSK Foundation sends Saudi graduates to leadership courses at prestigious universities like Harvard and collaborates with major corporations like GE, organizing fairs where young Saudis can sign up for workshops in video journalism, creative writing, animation and graphic design.

Non-alcoholic malt beverage Barbican won acclaim for its online and offline engagement as a result of its "Bro Challenge," which took young Arab men around the world on extreme sports adventures.

There are also increasing numbers of vocational training schemes and online academies with international partners, offering programs entirely in Arabic that help bring recent graduates and non-university-educated individuals up to speed with "fourth revolution" skills.

Multinationals have an opportunity to learn a great deal from these efforts. They can make campaigns in the region successful by listening to what young people want, using language and tone they can relate to, and collaborating with their celebrities and established role models.

Although continued unrest in the region's most populous countries remains an obstacle facing active engagement with young Arabs, a significant number of them are less of an enigma – and far more connected and reachable – than the news cycle might lead one to believe.

WAJIH HALAWA is a Director in Brunswick's Dubai office, specializing in corporate reputation.

transformation and migration. UAE nationals now account for 11 percent of the country's estimated population of nine million.

But an overly earnest cartoon was never going to catch the imagination. Al Harmoodi recognized that those who set out to teach are often ignored by kids, while those who set out to entertain are seen as fun and are able to teach. So when Mubadala began to work with Cartoon Network, the brief was to make "Mansour" as funny and exciting as possible, while taking into account cultural sensitivities.

"For this to work, it had to be an entertaining show that sits comfortably on Cartoon Network's Arabic channel," says Adam Khwaja, General Manager and Creative Director of Cartoon Network Studios Arabia. "So we worked closely with Rashed and his team, absorbing ideas and cultural touchpoints. People who like animation are in touch with their inner child. They are the most passionate artists and storytellers."

Mansour's chubby friend, Obaid, supplies many of the laughs with his hapless adventures. In one dream, he eats his way through a "candyland", highlighting an important issue in the UAE, where the obesity rate is double the world average and one in nine people suffer from diabetes.

Mubadala has since created a game in which Obaid runs to shrink a "diabetes monster." The more fruit Obaid eats, the faster he runs. The app has been downloaded 1.5 million times.

Meanwhile, Mansour's grandfather, Saqer, is a gentle reminder of UAE heritage, giving advice and telling tales of old. Emiratis were largely itinerant Bedouins until 70 years ago, building few permanent structures, and alternating seasonally between pearling in the Arabian Gulf and farming at inland oases.

Although Mansour is the hero, his studious female cousin, Shamma, often outsmarts him. "Shamma is a key character because we know that Emirati girls and women will continue to play an important role in the coming generation," Al Harmoodi says. In the UAE, women account for just over 70 percent of students in government universities, and two thirds of public sector employees are female.

HAVE COMEDY, WILL TRAVEL

EMIRATI ACTORS SUPPLY THE VOICEOVERS IN their "khaleeji", or Gulf Arabic, dialect, giving Mansour and his friends a very firm UAE hue, while the scenes of aqua seas, squeaky sand beaches and gleaming high rises hint at modern-day Abu Dhabi without explicitly stating it.

This pseudo-anonymity is necessary because "Mansour" reaches 130 million homes across the Middle East and North Africa region, and is particularly popular in Egypt and Saudi Arabia. Across the region, "Mansour" is the third most popular Cartoon Network show among children aged 10 to 14, vying with international favorites such as "Ben 10" and "Powerpuff Girls."

Mubadala is now capitalizing on unexpected commercial opportunities, with "Mansour" merchandise being stocked at leading global toy retailers Toys R Us and Mothercare. Counterfeits are even starting to appear. With a third series in production, Mansour may soon travel further, perhaps to Indonesia and Malaysia, given their cultural affinity with the Arab world.

Mansour, on his bike, is surrounded by family and friends. Furthest right, arms folded and wearing a yellow kandura, is Obaid, one of Mansour's closest friends. Food and candy are almost as important to Obaid as Mansour's friendship. The character is used to warn children about the dangers of obesity and diabetes

Khwaja believes it could work. "We created a comedy with tons of adventure, which is a format that is very universal for the 6-to-12 age range," he says. "Mansour's ability to invent stuff usually drives the story, and this dovetails with values that come across in all our cartoons – teamwork, good friendships and loyalty."

Back at Mansour's harees-filled neighborhood, the young hero comes to the rescue. After working with his teacher to concoct a new "shrinking" chemical, he commandeers a helicopter from a TV news crew, promising to give them the exclusive coverage. To disperse the antidote, he leaps into the expanding harees-blob armed only with the shrinking formula and a snorkel. "Collaboration is the secret to success," Mansour concludes.

DOMINIC WHITING is a Director specializing in financial communications. **FATEMA MAHMOUD AL KHATEEB** is an Account Director focusing on campaign planning. Both are in Brunswick's Abu Dhabi office.

UPPING THE ANTE

The gaming industry's flamboyant tactics from decades past risk losing the attention (and wallets) of Millennials, says Brunswick's **MARA RIEMER**

Described by Encyclopedia Britannica as "one of mankind's oldest activities," gambling has also been one of society's most enduring and profitable businesses. Entering the 21st century, many considered the gaming industry – as in land-based casino gambling – to be recession-proof. This myth of invincibility was shattered in the wake of the 2008 financial crisis, as profits plummeted across the industry and once-popular casinos in Atlantic City and Las Vegas closed their doors and filed for bankruptcy.

Weathering another economic downturn weighs heavily on the minds of gaming executives. But another issue poses perhaps an even greater threat to their businesses, and industry, as a whole: how to compete for the attention – and business – of younger generations.

Gen X-ers and Millennials are no longer aging into gambling the way their parents and grandparents did – or at least not at replacement level. Not only are they gambling less, the younger generations have different needs, values and expectations. The gaming industry doesn't just need to be responsive to the changing tastes of consumers; it needs to find a way to be relevant to a different consumer altogether.

"It's illogical to think that someone who grew up with the interactivity and connectivity of video games, the internet, and smartphones will wake up one day and morph into a traditional slot-machine player – it's not going to happen," says Roberto Coppola, a Las Vegas-based gaming consultant. "Our industry as it stands has not done nearly enough to future-proof itself."

While businesses in all sectors can relate to the challenges posed by the speed at which technology and consumer preferences change, the problems are especially pronounced in gaming, a highly regulated industry slow to approve new products. The industry is not blind to this reality. The 2016 Global Gaming Expo in Las Vegas included sessions titled "The Generational Disruption of Gaming," "Millennials: Morphing Entertainment Preferences" and "Economic Diversification: Non-Gaming Amenities and Beyond."

Nearly all businesses are experimenting. Suppliers are creating games aimed at young adults, offering them a more interactive, more social experience. The downside is that while the new gaming activities such as eSports might attract some Millennials, none offer the high margins of traditional gaming.

Gambling is often associated with the US, especially Las Vegas, but today it is a global business. In 2006, Macau surpassed the Las Vegas strip in gaming revenues. The distinctive Marina Bay Sands in Singapore, which cost $5.6 billion to build, has been said to be "the most profitable building in the world." And the demographic challenges facing gaming companies are global as well. Even highly successful integrated resorts, like the Marina Bay Sands, which provide an array of non-gaming amenities aimed to attract a broader customer base, remain dependent for a large portion of their profits on a small number of gamblers in the "VIP segment" – the high rollers of the gaming industry who are willing to risk upward of $100,000 per trip.

To offset this dependence, major casino operators in both Macau and Singapore are exploring ways to become relevant to a new wave of middle-class and young adults in China and Hong Kong. "The entire market has shifted toward the leisure traveler, a younger traveler segment looking for unique, local experiences," says Cristina Quental, who heads market research at Sands China. "Millennials are the biggest segment of travelers in China." The reward for businesses that connect with them is significant. "In 2019, an estimated 179 million Chinese tourists are projected to spend $264 billion," Quental says.

These demographic and generational shifts are real and measurable, but one should be wary of oversimplifying the issues gaming companies around the world are facing. Regulation and taxation vary greatly by country, as does the behavior of Gen X-ers and Millennials themselves.

The Marina Bay Sands in Singapore (bottom) embodies the gaming industry's transformation from the days of old. In addition to more than 500 gaming tables in the atrium casino (top), the complex contains a luxury mall with one of the world's largest Louis Vuitton stores, 2,500-plus hotel rooms, a roof-top infinity pool, a nightclub and even an ice skating rink

"Generations are very nation-specific," says Chuck Underwood, who heads the consulting firm The Generational Imperative. "About the only thing Chinese Millennials have in common with American Millennials is their name." So while the industry needs to do a better job of reaching young people, it may also need to do a better job of appreciating their differences.

Both gaming operators and suppliers are asking themselves hard questions that leaders outside the industry can relate to: how can we change to welcome new audiences without alienating our current customers? We know we need to innovate – but how? Should we invest in new technology that might never receive regulatory approval? Will we cannibalize ourselves – should we do it anyway before someone else does?

These are concerns that many businesses share. A look at the gaming industry's past, and the course it needs to chart to have a profitable future, contain a number of widely applicable lessons.

FIVE in particular stand out that companies of all sectors and geographies could benefit from.

1 SPREAD YOUR BETS Gaming companies that survived and thrived have never maintained a status quo in their offering. Whether on a grand scale – opening a multibillion dollar building in a new country – or a small scale – updating a slot floor with the latest rendition of "Wheel of Fortune" – successful gaming businesses gave the same consumers a reason to come back, or new consumers a reason to try.

2 MAKE THE MOST OF YOUR DATA Casinos have a lot of data on their customers. But many struggle to do more than develop a direct mail strategy with a few bespoke offers. Some make attempts to create customer segments, but these often end up becoming meaningless reports on a shelf. Others tried to use the data to optimize the mix of game types on their slot floors, with some success. For most, the masses of data they collect become enigmatic – how to keep it updated and clean, how to make sense of it and how to extract meaningful insight are all elusive questions. But if you can understand the data, then you…

3 UNDERSTAND THE CONSUMER Ask important questions of your customers, and be prepared to invest to find out the answers. Understanding your customers' demographics, psychographics, values, attitudes and perceptions is a huge advantage. Aim to go a step further, and know whether any of those values or perceptions are likely to evolve and, if so, how – for both current and prospective audiences.

4 DIVERSIFY THOUGHT The industry is notoriously insular. Much decision-making is still based on the gut instincts of executives who have been in the industry their entire careers. These men were once similar enough to their customers that such an instinctive strategy could work. Now, with the emergence of a more diverse and global customer base, a different approach is called for. Some have reached beyond the industry for talent, but too often, such outsiders find themselves frustrated due to a lack of support for new ideas.

5 DEFINE YOUR VALUE TO SOCIETY "Both Baby Boomers and Millennials are attuned to the ethics of a company, including how they treat employees, their operating practices, their 'green-ness', what social causes they support," says Underwood. And while most companies are not in a highly regulated "sin" industry, some deep thought about how they relate to the community and society as a whole is still required.

Companies should be asking themselves, "What defines our license to operate?" "What do we contribute to society?" "How can we add value beyond making a profit for our shareholders?"

MARA RIEMER is a Director at Brunswick Insight, based in Dallas. She was previously Global Head of Research and Brand Strategy at Las Vegas Sands.

The gaming industry doesn't just need to be responsive to the changing tastes of consumers; it needs to find a way to be relevant to a different consumer altogether

LUCKY, OR JUST GOOD?

FROM SMOKE-FILLED SHOWROOMS WITH dancing showgirls to performances by Elvis Presley or Elton John, casinos in the US have a long history of employing eye-catching promotions and unconventional tactics to attract customers. Judging by the industry's explosive, steady growth, one could say these efforts were successful.

But others argue that economic forces, not clever marketing, drove the gaming industry's success. "In the 1950s, prosperity reached many American households. Suddenly they had disposable income and long-term job stability," says Chuck Underwood, who leads The Generational Imperative, a consulting firm. "Combine that with a newly built interstate highway system and the invention of the jet engine, and Las Vegas was poised for a golden run."

Slot machines were popular with Baby Boomers – and profitable for casinos. They are increasingly less so with Millennials

The devastating effects of the 2008 financial crisis on the industry underscore Underwood's point. In both 2008 and 2009, Nevada posted a roughly 10 percent drop in total-win, the metric used to indicate how much money the casino keeps. Atlantic City, once the East Coast hub of gaming in the US that welcomed a stream of buses filled with Baby Boomers eager to empty their coins into slot machines, saw a number of casinos file for bankruptcy.

For better or worse, every business feels the effects of the prevailing economic climate. But it is clear the industry needs to adapt its approach, and to do so quickly. "If you try to market to young adult Millennials the same way you did to young adult Gen X-ers," says Underwood, "you're paving the way to your grave."

Written on the skin

The sharing of sensitive data is second nature to the young, say Brunswick's CHARIS GRESSER and GABRIELLE SILVER

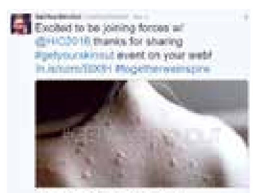
Holly Dillon, 26, tells the story of her skin in photos. In 2015, the Londoner launched an online health campaign, #getyourskinout, to change public perception of the chronic skin condition she's had since she was 14. The result: a brave photo documentary of her life with psoriasis. It's a visual call to action, an appeal for others to use the hashtag with their stories to inspire, support and educate.

"These little dots are always with me 24/7 whether I like it or not," Dillon wrote on her Facebook page in 2015. "They are an extension of me. A redder, spottier, alter ego that has taken me on a journey over the last 10 years."

Dillon's striking campaign breaks new ground, part of a well-documented trend of Millennials taking to social media to share their health lives. In the US in 2015, some 60 percent of Millennials with a social media account said they had shared personal health information on social media, according to Health Management Academy and RBC Capital Markets – compared to just 16 percent of people between 55 and 64.

Millennials are also more likely to use social media for health-and-wellness purposes – with their own distinctive stamp. "For Millennials, wellness is a daily, active pursuit," a Goldman Sachs study found. "They're exercising more, eating smarter and smoking less than previous generations. They're using apps to track training data." More Millennials also own wearable devices to monitor their health: 40 percent compared with closer to 20 percent of people aged 45 to 54, according to Health Management Academy and RBC Capital Markets.

Health data – a photo, a clinical record, or a heart rate – is among the most valuable, the most intimate information there is. The willingness to share it could have profound implications for science and health. But it would be a mistake to take for granted Millennials' agreement to share their health data with organizations just because they're "digital natives." In UK research for the Wellcome Trust, Ipsos MORI found that 54 percent of adults support commercial access to health data for health research, but a quarter oppose it. And young people are not automatically more in favor of commercial access. That puts pressure on health organizations to create transparent policies on how data will be kept safe and how it may be used for the greater public good.



60

PERCENT

of Millennials on social media say they have used it to share personal health information

Source: Health Management Academy and RBC Capital Markets

The aim should be a more informed public engagement on the uses of health data. As Dr David Agus, a professor of medicine and engineering, and author, wrote in the *New York Times,* we should applaud those willing to share their health data. "In fact, they are heroes: they are part of tomorrow's cures for themselves and their children," he wrote.

Beyond scientific value, social media sharing may help people live with chronic disease. This is a new area of research, but some already see a benefit from sharing information and fostering support.

It is, however, a complex landscape. The line between patient and consumer seems to be blurring, and the gap between private and public, shrinking. In some ways, Millennials are explorers, mapping how we live online – and sometimes how we die.

Lisa Bonchek Adams was 37 when she learned she had breast cancer. Until her death at 45, she chronicled her life with cancer in thousands of tweets and hundreds of blogs – the chemo, the pain, the fear, the conversations with her children, but also things of beauty and hope. Her final Facebook post came the day before she died. In an obituary, the *New York Times* wrote: "Ms Adams considered the sharing of her experience to be both therapeutic and altruistic, to satisfy her own need for expression and to shed light on coping with cancer."

And that, perhaps, touches on one of the mysteries of social media. It is a revolutionary tool that allows a woman to face the end of her life with thousands of online followers. At the same time, it speaks to an urge to reach out and share that is as old as medicine itself.

To this point, the Pew Research Center cited Thomas Jefferson's 1786 observation, "Who then can so softly bind up the wound of another as he who has felt the same wound himself?"

CHARIS GRESSER is a former scientific writer for Public Health England and **GABRIELLE SILVER** is a qualified doctor, formerly with GE Healthcare. Both are Brunswick Partners in London serving Healthcare and Life Sciences.

PHOTOGRAPH: LEWIS KHAN

CAPITALISM:

Mitsubishi Research Institute Chairman **HIROSHI KOMIYAMA** says an aging workforce can be a catalyst for an economic evolutionary leap to a "Platinum Society." Interview with Brunswick's **DAISUKE TSUCHIYA** and **MATTHEW BROWN**

ILLUSTRATION: LINCOLN AGNEW

In the 1960s, working as a chemical engineer, Hiroshi Komiyama became aware of the nascent environmental movement as a result of headlines surrounding severe pollution in Japan's Dokai Bay. Later as a teacher and administrator, including a term as the 28th President of the University of Tokyo, he became directly involved in research and public policy and came to see that many of the problems surrounding sustainability lay with the design of social systems. These, he says, require a rethinking about the purpose of economic structures.

Today, as Chairman of the Mitsubishi Research Institute, Komiyama is a world-leading authority on global sustainability and the founder of a network of organizations pushing for change. In his books, including *Beyond the Limits to Growth: New Ideas for Sustainability from Japan*, published in 2014, he writes about how the graying of society in China, South Korea and Germany poses an opportunity for innovation and individual well-being to spur a growing economy. Japan, with its high number of senior citizens, Komiyama says, can lead the way in promoting this trend.

Komiyama spoke with Brunswick about his vision for what he calls a "Platinum Society," the next step in the evolution of capitalism after the "golden age" of the 20th century. Far from being a drag on GDP, he believes older generations have an important role to play in keeping economies vital.

"We can create entire new industries and businesses," Komiyama says. "I earnestly believe this will become the standard for a new society."

Could you tell us how you define a Platinum Society and why it is needed?

A Platinum Society is a mature society with a focus not on volume growth, but on quality and a concern for how people live.

Capitalism as understood today is only for vigorous young people – but that cannot continue. The 20th century brought many discoveries in science and technology that directly supported social innovation. There is a correlation between scientific knowledge, technology and social change.

Today, the keywords are lifespan and saturation. Lifespan (or lifetime) consumption is nearing saturation. In developed countries, markets are saturated with products. In Japan, the US and Europe, the auto industry is more or less saturated at one car per every two people – people have to scrap one car to buy a new one. This is the basic reason why economic growth in developed nations is trending at incredibly low levels – saturation.

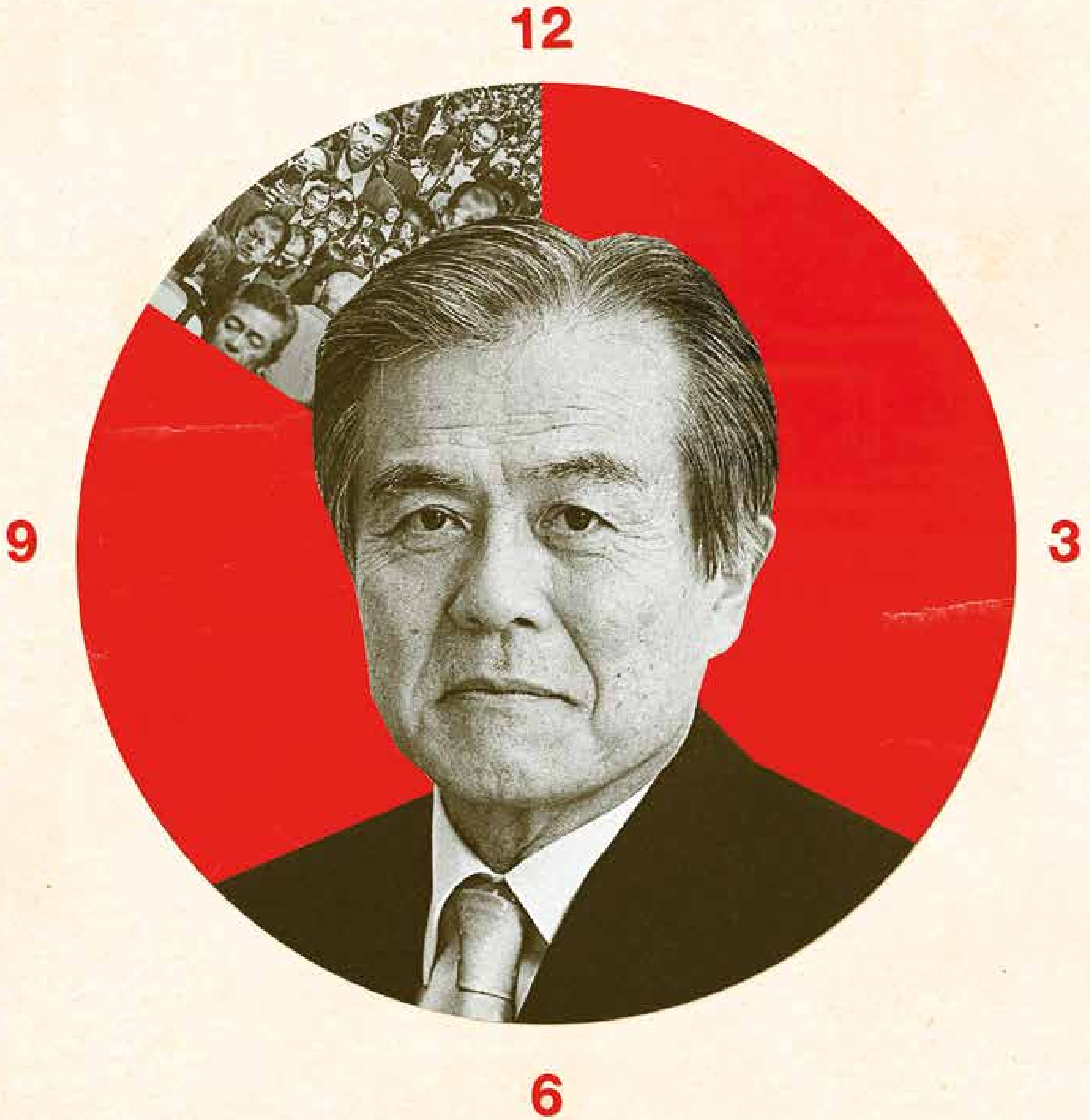
Population growth is also more or less at a point that is as high as it can go, so demand can't increase. So the question is, how do we go about building our societies in an age of saturation? Extending the "golden age" practices of the 20th century won't work. We need a new theory of industry. A Platinum Society would generate new industries through a qualitative expansion.

How do you see the older generation contributing to the economy?

First of all, people assume that the generations that contribute to labor productivity are those between the ages of 15 and 64. This is utter nonsense. The majority of people start to work at around the age of 20. The retirement age was based on life expectancy, which was about 60. The average life expectancy of Japanese people today is over 80.

I'm a good example. I'm 72 – maybe a little weaker, but still active, and still vigorous intellectually. The idea that an aging society is synonymous with a deterioration in economic vitality is misguided.

According to Professor Hiroshi Yoshikawa's popular book *Macroeconomics and the Japanese Economy*, economic growth in Japan between 1955 and 1970 was 9.6 percent and growth in the working population was 1.3 percent – the difference of 8.3 percent is the growth of labor productivity. So most of the growth was attributable to innovation.



A COMING OF AGE STORY

So the problem is not that the workforce is aging or decreasing, but whether or not innovation is taking place. Older people can be important drivers of innovation, as workers and as consumers.

How do you see seniors balancing leisure time with the urge to continue to work?
It depends on the individual. Some individuals still serve as CEO past the age of 80 – but they are the exception. The profile of the "relaxed senior" applies to the majority. With information technology changing the shape of business so rapidly, it is hard for businesses at all levels to keep up. Relatively idle seniors, who only get paid about one-third of their normal salaries and have experience and time on their hands, can help fill those gaps.

Are there examples of companies where older workers are critical?
There are many. Mayekawa Manufacturing Company is a big maker of refrigeration systems that employs some 5,000 people. Mayekawa has a provisional retirement age set at 60, but workers can choose to stay with the company for as long as they want. One employee retired last year at 93. The oldest employee in the company now is 85.

Mayekawa is currently involved in a critical project at the damaged Fukushima Daiichi Nuclear Power Plant, supplying technology involved in the frozen wall in the soil to protect groundwater. It is the only company in the world capable of making a freezing machine such as the one they have deployed. The experience and expertise provided by senior staff was apparently indispensable in the development of this system.

Some companies are using recently retired professionals to teach the most recent skills to their workers. Scientific disciplines, for example, are evolving at an unprecedented pace – information science and robotics, as well as life sciences. Those skills are valuable.

What prompted you to develop your ideas about a Platinum Society?
I was in graduate school, working on a chemical engineering project – the petrochemical industry was booming. A ship anchored in an industrial area of the Dokai Bay in Kitakyushu had its propeller melt in the waters due to the high level of acidity caused by pollution. I was shocked; I wondered, "What kind of work am I involved in?"

The environmental movement was taking off right around that same time. Later, in the 1980s, talk of global warming emerged as I was getting more involved in the management of the University of Tokyo. We formed the Alliance for Global Sustainability between our university and the engineering schools of MIT [in the US] and ETH [in Switzerland] and with it, engaged in serious studies of global sustainability. Through that work, I came to realize that social systems themselves were the problem – not technology.

How does the economic model need to change?
We need to think in terms of society as a whole and on a global scale, and how that affects the individual lives that people are living. There is no point in preserving the Earth if we are going to ignore how people live their lives.

In the US, the conversation is growing about how we can live with capitalism in its current form. Japan has a lot to offer in that conversation. The concept of maximizing profits at all costs was not the basic idea here. For example, the motto of the Omi merchants [of the Edo period, 1603-1868] was "Good for the seller, good for the buyer, good for the community." Japan's capitalism has always stressed the need for benefits that are shared by everyone, and this is exactly what we are starting to hear in the US. Western investors complain that "return on equity" is low, but ROE is not the way we think in Japan.

What is the role of younger generations in those changes?
I mentioned earlier that saturation is one of the keywords, but freedom is another. Young people today are free. Back in the Edo period, 90 percent of Japanese were farmers. The average life expectancy was about 40. These people had no freedom in the sense of clothing, food, shelter, mobility or information.

Venture companies in Japan now are attracting new graduates for a low monthly salary of 200,000 yen [about $1,900]. These graduates are motivated by interesting work. International organizations attract doctors from renowned universities for the same sort of low pay. They take it because they are free – free from physical hardship and free to seek a sense of significance in their profession rather than financial gain. For those kinds of people, I would like to create social systems under which they would receive adequate compensation.

To put a social value on businesses?
Yes. There are precedents. Take Mishima City as an example. During the era of industrialization,

There is no point in preserving the Earth if we are going to ignore how people live their lives

HIROSHI KOMIYAMA

A scientist and former President of the University of Tokyo, Hiroshi Komiyama is the current Chairman of the Mitsubishi Research Institute, an organization focused on promoting sustainable business practices. He is the founder of the Platinum Network, a collective seeking socially aware economic structures, and the author of several books, including *Beyond the Limits to Growth: New Ideas for Sustainability from Japan* (Springer, 2014).

Mitsubishi Research Institute is a think tank and consultancy working with businesses and communities for sustainable development. It was launched by Mitsubishi Group in 1970, the centennial anniversary of the company's founding.

companies were using water from Mount Fuji to such an extent that water stopped flowing in the rivers running through the city. Wastewater was also being dumped into the rivers by residents, turning them into open sewers. As a result, the beautiful rivers in Mishima were in a terrible state. A nonprofit cleaned them out and companies began to treat the water and return it to the rivers. Fireflies have now come back to these clean-water places that are only 40 minutes away from Tokyo. The number of tourists dramatically expanded. As a result, there are now zero vacant stores in the entire city of Mishima. This is an example of an ecology movement helping restore the overall economy.

At present, the UN is working hard on a proposal for an Inclusive Wealth Index, which measures the social value of capital assets. There are other indicators that measure national happiness and the like. Typically, the only metric used to measure prosperity is GDP. There is no denying that GDP is significant, but we need to keep it in perspective.

In a Platinum Society, you see economies leveraging seniors and achieving economic growth through innovation?

That is correct. We should not give up on economic growth. We should not give up on struggling to end global warming. We also should not give up on the Inclusive Wealth Index. We should not give up on sustainable development goals. I truly believe mankind is on the verge of a historic turning point. And I believe it is right for Japan to take the lead.

What sectors do you see changing in particular?

The service sector, education sector and tourism. And more than anything else, health and products that support autonomy for seniors, before they enter nursing care. The health sector has a lot of potential for growth through innovation.

Has Japan made the most progress in this type of research to support autonomy?

Japan has an aging society, so it has naturally made progress in this research. Where we have been slow is in introducing the results into society.

Are there any countries doing this better?

The US seems more willing to try out new things and take action, and Germany and Sweden are notable for the degree of development of progressive aspects of their civil societies. The HAL wearable robotic system – a sophisticated therapy that helps people with paralysis learn to regain some

I truly believe mankind is on the verge of a historic turning point. And I believe it is right for Japan to take the lead

mobility – was developed by Japanese researchers, but was more widely available in Europe. [See "Humanitarian machines," below.] It makes sense for Japanese researchers to team up with businesses and institutions in other countries to introduce these systems into society.

The HAL system could make a single caregiver in a nursing facility able to take care of many more people. That's one way that GDP can rise as a result of the elderly being considered through the lenses of innovation. Nursing care could develop the way the auto industry did when Henry Ford cut production time by 90 percent and prices by 70 percent.

What other sorts of goods and services are seniors looking for?

Experiences like cruises and museums visits – these are crowded with older people. Demand for new cars declines among the elderly, but it expands for products and services that enhance their lifestyles and quality of life. And it can continue to grow. Innovation will surely play an extremely important role and Japan is the country that can do it.

DAISUKE TSUCHIYA is a Brunswick Partner and previously worked for 15 years as a diplomat with the Japanese Foreign Ministry. **MATTHEW BROWN** is an Account Director. Both are in the firm's London office.

HUMANITARIAN MACHINES

Developed in Japan, the HAL system can help those with injuries regain use of their arms or legs

PHOTOGRAPH: YOSHIKAZU TSUNO, GETTY

DEVELOPED BY JAPANESE RESEARCHERS, THE Hybrid Assisted Limb, or HAL, is a therapeutic wearable robotic system that obeys electrical impulses from the wearer's brain. The signals are the same as those used to trigger muscle movement, so wearers can activate the device just by thinking about it, as they would their own limbs. A positive feedback loop to the patient's brain makes it possible for people who have suffered paralysis as the result of injury to learn to move the affected limbs unassisted.

Dr Yoshiyuki Sankai of the University of Tsukuba founded Cyberdyne in 2004 to create robotic "exoskeleton" systems. Rather than the autonomous walking and talking robots of popular imagination, Cyberdyne's devices are purely assistive, aiding and strengthening the movements of the wearers. One of the applications for the full-body version would allow healthcare workers in assisted living facilities and hospitals to more easily lift patients. The technology is also being used to assist workers in other physically demanding roles, such as disaster relief and construction.

TIME TRAVEL

The present can learn from the past's utopian visions for the future, says London Design Biennale Director CHRISTOPHER TURNER

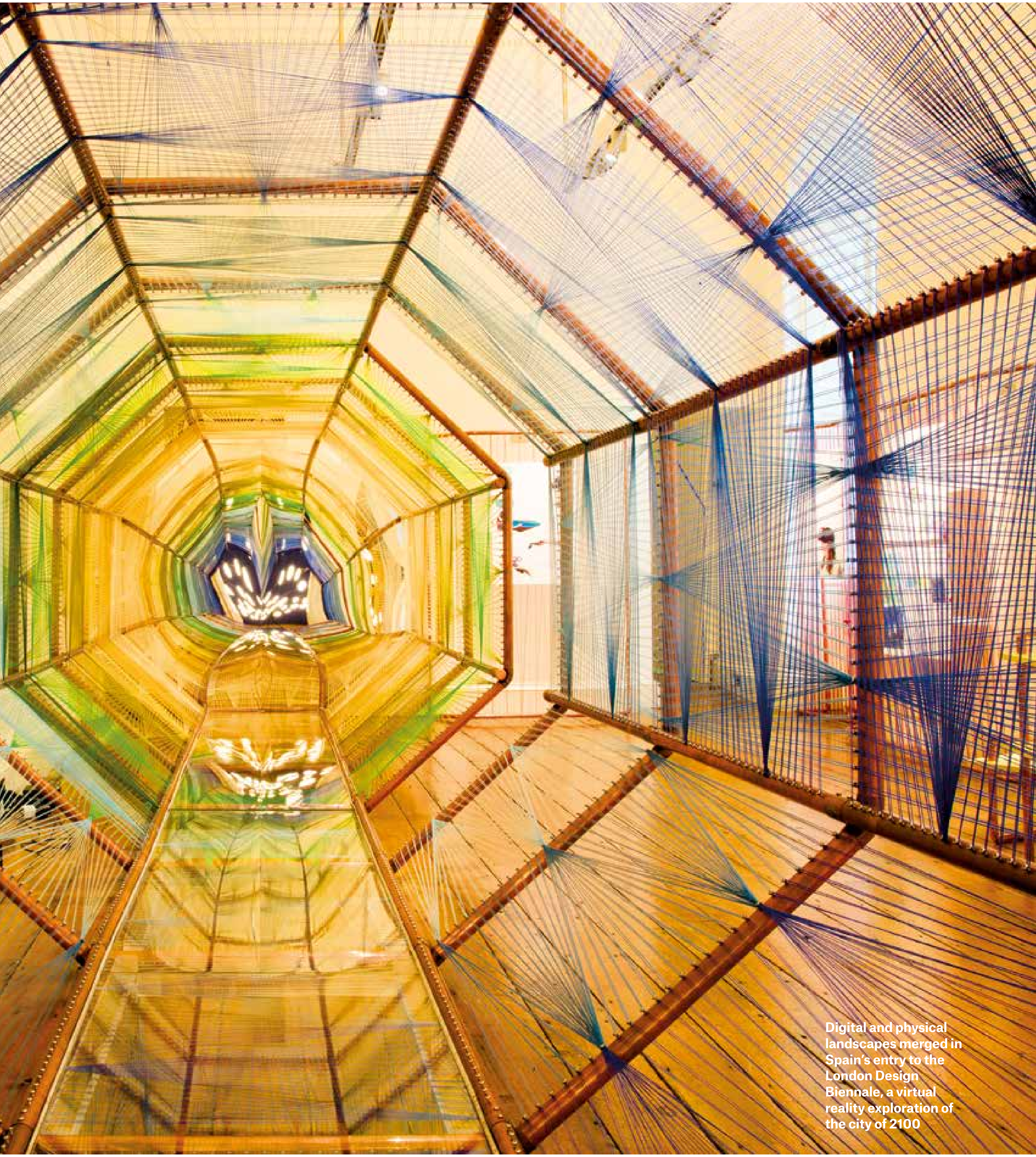
THE REAL WORLD SELDOM RESEMBLES THE future we predict. Yet the pioneering alternative visions each generation shares about how our world will – or should – look can reshape lives and expectations.

As a species, we seem to long for the visions of the future from the previous century, idealistic portrayals that swept away class and national distinctions and saw technology as a way to better the future of all mankind. Yet history hasn't been kind to such visions. Today's expectations for the future are more limited, practical to the point of cynicism.

For the 2016 London Design Biennale, we chose to address this head-on. Held at Somerset House, a palatial public building on the bank of the Thames, and curated by the leading museums and design organizations around the globe, the Biennale set out the theme of "Utopia by Design," deliberately opening the door for new approaches to the now faded ideal of utopian society.

Ever since the 1851 Crystal Palace exhibition in London's Hyde Park, World's Fairs have been laboratories for futurology and utopianism – all that is exciting and modern. At these international pageants, countries and large corporations spend enormous sums promoting their values and aspirations through design and technology.

At the close of the Great Depression and on the brink of World War II, for example, the 1939 "World of Tomorrow" fair in New York reflected an unwavering technological optimism. Exhibits for Chrysler and General Motors presented panoramic visions of the city of the future and its avant-garde transport systems. The GM pavilion was a roller coaster ride over a kinetic vision of the atomic US of the 1960s – a monumental landscape punctuated by glass domes, revolving airports and, in tune with its sponsor, seven-lane superhighways. On exiting, visitors were given a badge that read: "I Have Seen the Future."



Digital and physical landscapes merged in Spain's entry to the London Design Biennale, a virtual reality exploration of the city of 2100

In 1964, with Futurama II, GM updated the exhibition to describe future cities underwater, in Antarctica, and on the Moon.

These sci-fi fantasies promised visitors that utopia was the new frontier, just around the corner. Fifty years ago, the 1967 World's Fair, better known as Expo 67, was held in Montreal. It had the theme "Man and his World," a phrase borrowed from Antoine de Saint-Exupéry, the novelist famous for *The Little Prince*. The Expo opened during the "Summer of Love" with 62 national pavilions, and is often described as the "last of the great World's Fairs." In six months, an astounding 50 million visitors came to see its radical pavilions, filled with the latest gadgets and fashions, making it the most visited exhibition of all time.

END OF THE FUTURE?
A 1976 fire that damaged Buckminster Fuller's giant geodesic dome, built for the Montreal Expo 67, seemed to symbolize the death of utopian ideals. The blaze burned away the structure's transparent sheath. The dome, operated by Canada as a museum dedicated to the environment, remained closed for over 15 years. It reopened in 1995 and has regained its reputation as a popular attraction

DOWN TO EARTH

Unlike those historic fairs that celebrated modernism with an unblinking faith in progress, contemporary fairs have chosen to focus more on the ecological issues facing our planet. No longer are we promised grand visions of "The World of Tomorrow," "Peace Through Understanding," or the "Dawn of a New Day" – today's visions of the future, still presented in a nationalistic format of discrete pavilions, are far more pragmatic.

Expo 2015 in Milan, for example, chose to focus on "Feeding the Planet, Energy for Life," and the theme for the 2017 Expo in oil-rich Astana, Kazakhstan is "Future Energy." The latter poses the important question, "How do we ensure safe and sustainable access to energy for all while reducing CO_2 emissions?" While noble in intention, it is hard to imagine a spectacle of wonder and aspiration emerging in response. Indeed, with its references to World's Fairs of the past, the Astana Expo tells us little about the kind of world future generations want. Instead it seems calculated in its nostalgia; a trade fair for the energy sector disguised as Disney's Epcot theme park.

What happened to the grand, ambitious visions of the future that once so captured the imagination? Visitors to Expo 67 were greeted

PHOTOGRAPHS: ED REEVE / ASSOCIATED PRESS / BRITISH LIBRARY BOARD / LONDON DESIGN BIENNALE by hostesses in sky-blue miniskirts and white go-go boots (feminism was only just on the ascendency) and given a "passport" to the future. This document could be stamped in each of the pavilions visited. The Expo created a miniature and idealized portrait of a unified, utopian planetary community, where visitors circulated as "citizens of the world" – a bubble insulated from the traumas of the civil-rights movement, women's lib and the war raging in Vietnam.

The Expo 67 centerpiece was a huge geodesic dome by the architect, environmentalist, author and visionary Buckminster "Bucky" Fuller, who described himself as a "comprehensive, anticipatory design scientist." Hundreds of his spherical structures sprang up like mushrooms in the late 1950s and '60s, serving practical and inspirational roles as homes, museums and even military facilities. Fuller proposed covering mid-town Manhattan, claiming the project would pay for itself in a decade by the money saved from not having to shovel snow. In 1959, a Fuller dome at the American National Exhibition in Moscow was the backdrop for the famous "kitchen debate" between US Vice President Richard Nixon and USSR premier Nikita Khrushchev.

The 62-meter dome at Expo 67, which Fuller described as his "Taj Mahal," served as the US pavilion and housed paintings by contemporary artists such as Andy Warhol, as well as an artificial moonscape and model of an Apollo space capsule.

The dome was like a thought bubble encapsulating the fragile, utopian dream of modernity. Fuller saw ingenious technology as a way to save humanity from itself. His book, *Operating Manual for Spaceship Earth*, accurately described growing pressures to preserve the planet's finite resources, long before "sustainability" became a catchword.

After the Expo, the US gifted the pavilion to the Canadian government, which maintained it as a tourist attraction. But utopianism was dying, a decline seemingly symbolized in 1976 when the dome was destroyed in a fire during repairs – its transparent acrylic bubble burned away, leaving the metal skeleton, like a half-forgotten dream.

"Utopian" slowly became a term of derision, shorthand for "hopelessly idealistic." The right-wing philosopher Roger Scruton saw it as a fallacy, "rooted not in intellect, but in emotional needs, which leads to the acceptance of absurdities." Apocalyptic visions of anti-utopias or dystopias seemed more engaged with the real world. By 2005, Fredric Jameson, in *Archaeologies of the Future*, was calling for an "anti-anti-utopianism," saying it had become "easier to imagine the end of the world than an alternative to capitalism."

SUBMARINE LIFE An exhibit at the World's Fair in 1964 imagines an underwater Atlantis hotel (top), part of a futuristic General Motors exhibit that also included colonies on the Moon and in space

HUMAN.TOUCH was the title of Israel's exhibit at the London Design Biennale. Bottom, Yaniv Kadosh's "AIDrop" is a simple system for first-aid distribution of parcels up to 3 kilograms

UTOPIA BY DESIGN

When we agreed on the theme for the inaugural 2016 London Design Biennale, a cornerstone of Somerset House's yearlong Utopia program, we looked back at the heyday of World's Fairs and wondered if something might be salvaged from utopian thinking. The utopian impulse allows us to escape the blinkers of the present and dream, telling stories about alternative futures that raise important questions about the world in which we live. Designers applying themselves to seemingly impossible problems deserve space to field critical and optimistic solutions. Such creative interventions inevitably foster a sense of social expectation that can promote positive results.

We invited countries (37 nations on six continents participated) to create installations that interrogated the history of the utopian idea and engaged with some of the fundamental issues faced by humanity, and to suggest solutions to them through design and engineering. Design teams were encouraged to imagine alternative futures, to provoke important questions about the world in which we live. Design isn't a panacea, but it has an innate power to strike up and inform debate, to act as a catalyst toward real change by suggesting inspiring or cautionary futures.

Many of the exhibits reflected on the future of human cities. Mexico, for example, represented by architect Fernando Romero, presented a large-scale model of a sustainable, car-free, utopian city built from scratch on the US-Mexico border, designed for emerging economies to accommodate rapid population growth. It seemed a timely and constructive response to US President-elect Donald Trump's proposed wall.

Santander, Spain, one of the EU's pioneering "smart cities," presented a virtual reality vision of life in 2100, transformed for the better by the data being harvested now. Shenzhen, China, one of the fastest growing cities in the world, proposed to address the problems of the megalopolis with a series of self-sufficient mega-towers that are cities in themselves. For Lebanon, Annabel Karim Kassar looked at the city not from the masterplan, but at street level, creating splinters of utopia that focus on the diverse needs and uses of social space.

Addressing migration, the French designer Benjamin Loyauté visited Syrian refugee camps to make a film about life there that reflected on what he calls "the geopolitics of design." And Israel looked at how to help deliver aid in conflict zones, with a distribution system inspired by the whirling blades of sycamore seeds.

There were also real opportunities to learn from past utopian designs. Russia brought previously unseen Soviet blueprints from the Moscow Design Museum to Somerset House that told of a communist utopia that was never built. Chile recreated a futuristic Operations Room dating from Salvador Allende's short-lived presidency of the early 1970s, a space reminiscent of Stanley Kubrick's *2001*, in which the economy was to be regulated and controlled in real time with the help of a mainframe computer.

These varied visions of utopia at the Biennale together represented a laboratory of ambitious ideas that might, in their way, contribute to making the world a better place. They serve as a firm message of hope and global cooperation, a rebuttal to a world busily embracing isolationist and declinist ideologies – a revival of that restless faith in technological and international progress.

Christopher Turner spoke with **ROSALEE RICH** of **BRUNSWICK ARTS**, Brunswick's advisory firm for the reputation and interests of arts, architecture and design organizations around the world. *www.brunswickarts.com*

CHRISTOPHER TURNER

Dr Christopher Turner is the Director of the London Design Biennale and Deputy Director of the London Design Festival. The former Editor of leading architecture and design journal, *Icon*, and Editor of *Cabinet* magazine, he writes about art, design and culture for the *London Review of Books*, *The Guardian* and the *Sunday Telegraph*.

The London Design Biennale invites nations from around the world to explore the role of design and innovation in our collective future. The second edition will be at Somerset House in September 2018.

IN A PERFECT WORLD: THOMAS MORE'S *UTOPIA*

THE PURSUIT OF AN IDEAL SOCIETY dates to ancient times, capturing the imaginations of thinkers from Plato to Arthur C. Clarke. But a 16th century Latin work of fiction and political philosophy was the first to define the idea with the word *utopia*. In it the author describes an island that he names Utopia where citizens shared their excess wealth with one another, dress in modest clothes and regard displays of wealth as vulgar and pathetic.

The book was written by Sir Thomas More (1478-1535), an English lawyer, philosopher and statesman.

Detail of a woodcut illustrated map of Utopia that appeared in the 1518 edition of Thomas More's book

He lays out in detail how his vision of the perfect society would operate, including a form of democracy in which "If any man aspires to any office, he is sure never to compass it." In More's system, groups of families elect a magistrate, and magistrates elect regional chiefs. The people and magistrates elect a Prince to lead each city. Policies for the state must be debated for at least three days and any discussion of these outside of a public sphere is punishable by death.

The society was communal, where entire communities gathered together to share meals twice a day.

More's vision was no utopia by modern standards however, as the freedom of women was limited and slaves were considered essential.

Philanthropy in the first person

Millennial business women want to be more than just a name on a check, says **KATE ROBERTS**, Co-Founder of Maverick Collective

THE NEWEST PHILANTHROPISTS ARE USED to designing companies and creating solutions that change the landscape for investors, customers and employees. These young entrepreneurs and executives want to be engaged in solving the world's biggest problems. They want measurable success – and for their own skills, not simply their money, to be put to work to achieve it.

The need is there. At today's levels of investment, an additional $2.5 trillion is needed annually to achieve the UN's broad Sustainable Development Goals in developing countries, according to the UN's World Investment Report 2014.

In addition to more investment, the UN has said that addressing the challenges facing women and girls around the world is absolutely critical to ending extreme poverty. Yet such programs receive less than 2 cents of every development dollar, according to the UN Foundation.

We set about creating a new model of giving, one that engages philanthropists and harnesses their experience, networks and skills

Clearly, it is important not only to catalyze more investments and donations, but also to make better use of those we have already.

In 2016, I co-founded Maverick Collective with Her Royal Highness the Crown Princess Mette-Marit of Norway. Our goal is to end extreme poverty by investing in women and girls. To do that, we set about creating a new model of giving, one that engages philanthropists and harnesses their experience, networks and skills. Melinda Gates, who co-chairs Maverick Collective, shared our belief that many looking to give, especially women, "want to think hard about what – in addition to money – they have to add to the cause."

Great strides have been made in alleviating poverty globally, yet more than 700 million people still live on less than $1.90 a day. Most of them are women and girls. This disparity remains true even as poverty rates on the whole decline, according to the UN.

ILLUSTRATION: HANNA BARCZYK

When they have jobs, women are paid less and are more likely to lack fundamental rights as employees. Meanwhile, preventable childbirth mortality rates in developing countries are still tragically high – 303,000 women die each year from pregnancy complications, according to the World Health Organization. An unmet need for family planning stubbornly persists, with the greatest need in Sub-Saharan Africa. In too many parts of the world, girls remain less educated than boys and have less access to higher levels of education.

When we founded Maverick, we invited a core group of 14 women to join us not simply as financial supporters, but as team members. Each member applies their skills, technical expertise and experience to work directly on a cause that personally matters to them. Our members are tackling a host of issues plaguing women and girls around the globe, including violence against women in India, maternal care in childbirth in Uganda (see "Making it safe to give birth" below), the creation of safe spaces for girls in Honduras, and family planning in Nicaragua, where a full quarter of teenage women have given birth.

Critics of our work try to paint our initiative as a vanity project for a group of wealthy women. But our results speak for themselves. While our Collective is still relatively new and small, it has already leveraged $60 million to reach more than 300,000 women in the developing world. As we continue to learn, share lessons, adapt, implement tested solutions and scale our initiatives with large institutional donors, this impact will only increase.

KATE ROBERTS

Kate Roberts is Senior Vice President of Corporate Partnerships & Philanthropy for Population Services International (PSI), a global health network dedicated to improving the health of people in the developing world.

She is also Co-Founder of Maverick Collective, a partnership between PSI and the Bill & Melinda Gates Foundation, whose mission is to build a global community of philanthropists and informed advocates who use their intellectual and financial resources to create change.

From discussions with our members and our meetings with next-generation philanthropists, we have found a growing appetite for this kind of hands-on philanthropy.

Philanthropists today come from all kinds of backgrounds, but more and more of them, especially among the younger generations, see themselves not as donors, but as partners.

They prefer to support a cause rather than an organization, and will draw on their broad social networks to find the right channels for their charitable work. They want to innovate new solutions, lead implementation on the ground, measure the results they produce and influence others to join them in the cause. They are much more comfortable taking risks and are more willing to see failure as a learning experience that can help others adapt faster and better succeed.

This may even be a movement that transcends generational divides. The members in the Maverick Collective include Millennials, Gen X-ers and Baby Boomers, and all share a common interest in doing more than affixing their names to the bottom of checks or the front of buildings.

These are disruptive trends – in the best sense of the word. It is time we disrupted the idea that the most valuable contribution philanthropists, especially women, can make, is financial. Just as it is time that we disrupted – or better yet, ended – the trend of women and girls receiving only a fraction of development assistance.

Kate Roberts spoke with **JAMIE FORREST**, an Executive in Brunswick's New York office.

MAKING IT SAFE TO GIVE BIRTH

MAVERICK COLLECTIVE MEMBER SARA Ojjeh is Director of Philanthropy at New York investment firm Athos II Holdings and daughter of Mansour Ojjeh, CEO of TAG Group. Also a trained doula – a person who assists before, during and after childbirth – Ojjeh is an advocate for maternal health.

Maverick approached Ojjeh to find ways her training and experience could benefit the crisis in childbirth safety in Uganda, a country where 6,000 women and 41,000 newborns die each year in the weeks after birth.

Recruiting her friends, Ojjeh created a "giving circle" that financially supports her work and brings the group's collective skills and experiences to improve maternal health in Uganda. So far, the program's

Sara Ojjeh (right) speaks with Annette, a Ugandan mother of two who almost died from post-partum hemorrhaging

PHOTOGRAPH: MAVERICK COLLECTIVE

advocacy work has won the Ugandan government's approval to use chlorhexidine, a disinfectant, to wash umbilical cords and prevent infections. The disinfectant, a UN-designated life-saving drug, is now included in a "Maama Kit," a low-cost birthing package that contains a plastic sheet, a sterile blade, umbilical cord clamps, cotton, gloves, soap and instructions about safe births.

Ojjeh is now working to have another drug added to the Maama Kit: misoprostol, which helps stop post-partum hemorrhaging, a leading cause of maternal mortality in Uganda.

"A clean delivery kit has been around for a long time," Ojjeh says. "It's not about reinventing something. These are simple solutions and simple interventions and simple medications. We just need to be innovative in how we use them."

The TAFT tradition

Former CEO of RBC **JOHN TAFT** talks to Brunswick's **BEATRIZ GARCIA** about his family's storied legacy, and shares insights from 35 years in the financial sector

Few families have played a more prominent role in US public service over the last 150 years than the Tafts (a few notable family members are highlighted on page 63). John Taft, a direct descendent of a US President, multiple Senators, ambassadors and a host of other senior public servants, has spent more than 35 years in the private sector working across the financial industry, as well as the public and not-for-profit sectors.

From 2005 until his retirement in 2016, Taft was CEO of Royal Bank of Canada's US wealth management unit, one of the largest financial services firms in the country. He also served as Chairman in 2011 of the Securities Industry and Financial Markets Association (SIFMA), a leading securities industry trade group.

During his decade-long tenure as CEO, Taft led the firm through the financial crisis, witnessing firsthand the toll it took on the industry, customers, and employees.

Taft was also recognized for his efforts to promote diversity and inclusion at RBC and in the financial services industry: in 2010, he was named Outstanding Corporate Diversity Leader by the National Gay & Lesbian Chamber of Commerce in the US. "It's pretty simple," Taft says, "if you don't do diversity well, if you don't have an inclusive culture as a business, you're simply not going to succeed in the 21st century."

In a recent conversation at Brunswick's New York office, Taft shared stories about growing up in such a historic family and his views on the values that he believes are absent from the financial sector today. He also discussed the societal and the demographic shifts transforming the industry.

What was it like growing up in a family with such a storied heritage?
There's no way anyone in my family could grow up and not recognize that our legacy was distinctive. I knew it from an early age.

When my great-grandfather [William Howard Taft] was President of the US, he bought land on the north shore of the Saint Lawrence river, about 90 miles north of Quebec City. Every summer, all my cousins, uncles, aunts would congregate in this small community and we'd play tennis together, we'd go on picnics together and we shared stories about the Taft family.

ILLUSTRATION: ROLAND SÁRKÁNY

The US public tends to be suspicious of authority that appears to be inherited rather than earned; is that a phenomenon you've had to confront?
The American public has decidedly mixed feelings about families like mine – democratic aristocracies, if you will. On the one hand, there's something about that kind of legacy that appeals to Americans – think of the Roosevelt or Kennedy families – provided that it's seen as the product of hard work, intelligence and a desire to do good for the country.

Where public attitudes turn negative is when individuals or families act as if it was their birthright to be treated differently, when they don't appreciate the privileged position into which they were born, when they don't feel an obligation to give back, "To

"The single biggest change agent in the financial services industry is demographics" serve rather than to be served," as the motto at the Taft School says.

And one of the things I've always admired about my family is that there were no pretensions to anything but meritocracy; you were expected to succeed on the basis of your intelligence, hard work, dedication, focus. I remember one uncle who drove flashy cars and wore expensive clothes. He was a black sheep of the family.

Is there pressure growing up in a family like that?
Looking back on it, I realize that kind of legacy can be a double-edged sword – you need to give it its due, but you also need to pursue your own path in life, to make sure you don't make decisions based solely on the pull of that legacy.

I'm happy to acknowledge all the influences that my family's tradition of public service has had on me. I've benefited from that and I think it's made me a better person. At the same time, I feel like the life I've lived is my own life and I'm just as proud of that as I am of my family's history.

What lessons from that heritage do you still carry with you today?
In any family there are explicit and implicit rules; the implicit rules tend to be the strongest and most influential. The thing that I inherited from this history of public service was a sense that it was my obligation to make a positive difference in the course of my life.

My father was a nuclear physicist who never had any aspirations anywhere close to political or public service, but he believed strongly that he was making a contribution to bettering human life by studying nuclear particles and contributing to the body of research. So that was one of the implicit rules that very much stuck with me: you need to do something with your life that makes the world a better place.

Do you think any of those lessons could apply, more broadly, to businesses today?
If I were to sum up my family's legacy in one word, it would be integrity. My grandfather had a few nicknames: "Mr. Republican" was one of them, as he was seen as the embodiment of Republican conservative values in the '40s and '50s. Another one was "Mr. Integrity."

In fact, there's a chapter on my grandfather in John F. Kennedy's book *Profiles in Courage* that talks about a stand he took after World War II which cost him not one, but two nominations for president. So the core principle of integrity, telling the truth, behaving ethically, delivering on commitments – those were part of the ethic that I grew up with.

And I absolutely believe that one of the problems we face in America – and around the world – today is that too many businesses have failed to exhibit integrity in their dealings with their employees, customers and the communities in which those employees and customers live and work.

You've written about integrity, as part of a shift that needs to take place in Wall Street's culture.
The word I've used to try to pick up and amplify this notion of integrity is stewardship – defined as responsibly managing what others have entrusted to your care.

The core principle of stewardship should be the foundation of the financial services industry – it should be baked into the culture. But every week, every month there are new examples that tell us unfortunately we still have a long way to go.

So there is an implicit social responsibility?
The role of financial markets and financial services at its core is very simple: it's matching up people who have money – investors – with people who can deploy capital productively, managing the risks inherent in that and doing it in a way so that everybody wins. In other words, we are or we should be a means to greater ends. We should not be an end unto ourselves. Unfortunately, we in the financial industry all too often forget what our core responsibilities are in society.

What we saw during the financial crisis and the years leading up to the crisis was a wholesale breach of contract between the financial services industry and the rest of society.

The result has been punitive, an extended period of re-regulation that ultimately, if it doesn't settle down, is going to compromise the ability of financial institutions to do what they're supposed to do.

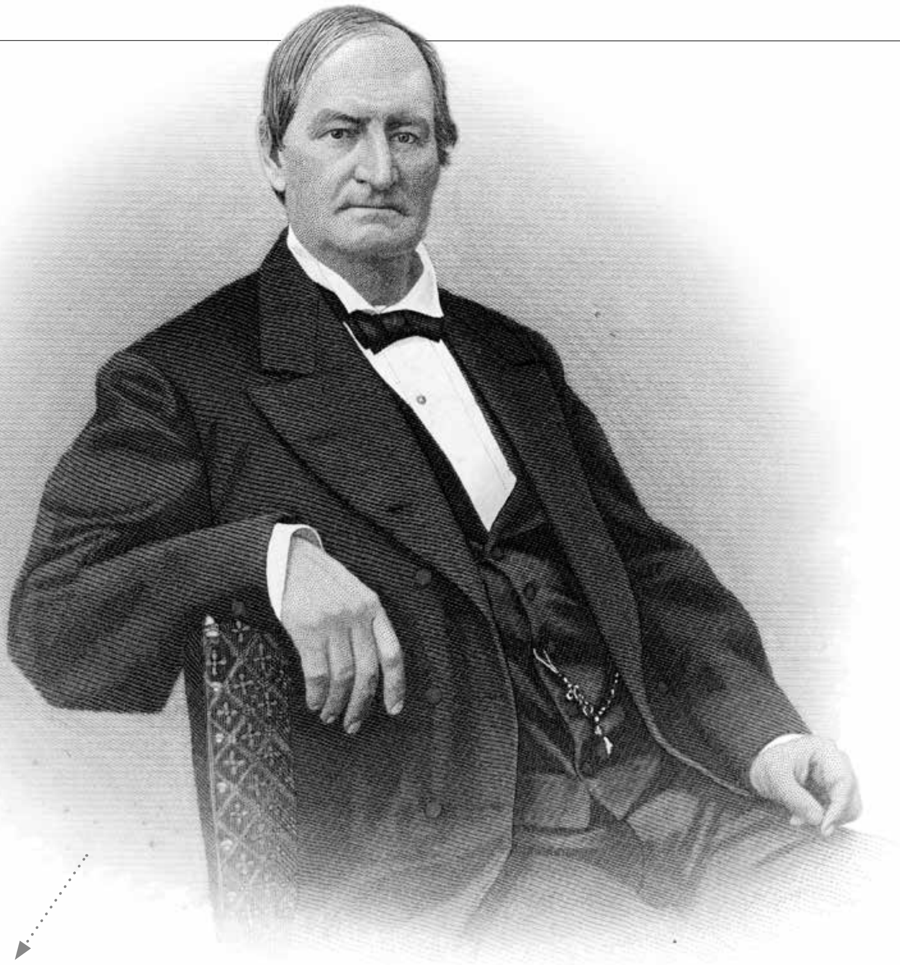
Do you think that the finance industry will be able to regain the trust it has lost?
I certainly hope so. The central conversation going on today is, "What do we want from financial capitalism?" We thought we knew what we wanted; we thought we wanted growth at any and all costs. It turns out we didn't want that because it blows the place up every 10 years or so.

So if not that, what do we want? You're seeing terms like social capitalism, inclusive capitalism, fiduciary capitalism, regenerative capitalism, to describe what we want from capitalism. And they

I realize that kind of legacy can be a double-edged sword – you need to give it its due, but you also need to pursue your own path in life

PHOTOGRAPHS: HULTON ARCHIVE / LIBRARY OF CONGRESS / BETTMANN, GETTY

NOTABLE TAFTS:



Alphonso Taft

(1810–1891)

Great-great-grandfather

The patriarch of the Taft political lineage, Alphonso Taft was an attorney who served in two senior government posts under US President Ulysses S. Grant: Attorney General and Secretary of War. He would later serve as a minister to Austria-Hungary, and Russia

William Howard Taft

(1857–1930)

Great-grandfather

One of Alphonso's sons, William Howard Taft was the 27th President of the US and later, 10th Chief Justice of the Supreme Court. He remains the only person to have served in both positions. According to the official White House biography of Taft, he considered the Supreme Court appointment his greatest honor, saying "I don't remember that I ever was President"

Robert Alphonso Taft

(1889–1953)

Grandfather

The oldest son of William Howard Taft, Robert A. Taft served as a US congressman and Senator for a combined 32 years. While acting as Senate Majority Leader, he was also a candidate for president. Robert A. Taft remains the only Senator or House of Representatives member to have a memorial built on the grounds of the US Capitol

Robert Alphonso Taft Jr.

(1917–1993)

Uncle

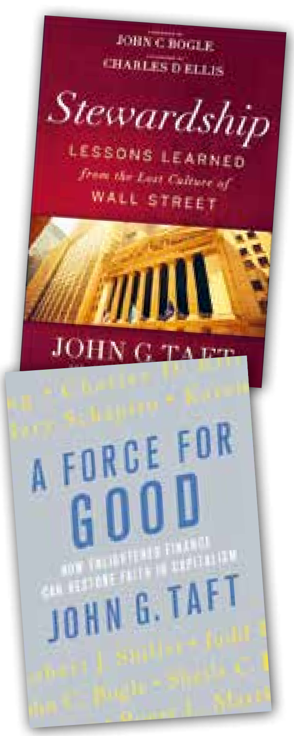
Robert A. Taft Jr was the second of four sons to Robert A. Taft. Following his father's tradition, he served in both the US Senate and House of Representatives. His older brother William H. Taft III would serve as US Ambassador to Ireland all come down to the fact that we want growth, but growth balanced with other social goals – growth balanced with income equality, growth that contributes to planetary sustainability and doesn't degrade the planet to the point where human life is no longer possible, growth that doesn't bankrupt future generations under a pile of debt for the sake of current well-being.

That conversation is one of the most important that we can have. Unless we can decide what we as society want our economic system to achieve we're not going to be able to have a financial system that is a force for good.

JOHN TAFT

John Taft spent 35 years working in the financial services industry. In 2016, he retired as CEO of RBC Wealth Management, US, the world's fifth largest wealth manager by assets, a position in which he had served since 2005.

Taft is the author of *Stewardship: Lessons Learned from the Lost Culture of Wall Street*. He also edited the book *A Force for Good*, which includes contributions from Nobel laureate Robert Shiller and Mary Schapiro, the former head of the SEC.



While CEO at RBC, you made a number of changes to promote diversity and inclusion. Why focus on those issues in particular?

Because they're absolutely essential. The world is becoming more diverse, not less diverse. If you are going to attract and retain the best employees, you need to move in the 21st century from merely accepting and tolerating differences, to respecting differences and ultimately celebrating and leveraging them.

Think about the basic paradigm of business and how it's changed. You used to have manufacturing companies with assembly lines producing a single product, and then trying to distribute that product to as many customers as they possibly could.

Today, that whole model has been stood on its head. Businesses now look at their clients and customers and break them down into various segments, sub-segments and micro-segments. And then they customize products and solutions that fit the needs and preferences of those tiny segments of customers.

Mass customization is about being able to recognize, understand and leverage differences. This means that if you don't do diversity well, if you are merely accepting differences instead of celebrating and harnessing them, you're not going to succeed today.

What are some other trends that are affecting the industry today?

Without question, the single biggest change agent in the financial services industry is demographics.

Baby Boomers control most of the wealth in the world today and are moving into and through retirement. Their focus has changed from accumulating wealth to living off the wealth they've accumulated. Making your savings last as long as you're alive is one of the most complicated and intimidating challenges anybody faces. And it is changing the nature of the advice and products that the industry is delivering.

We also have a phenomenon where women are becoming increasingly important when it comes to controlling wealth; they're going to outlive the men in their lives and when they do they're going to make decisions about who manages their money and how it's managed. Our industry has done a very poor job traditionally at understanding and appealing to the needs and desires of women.

What about Millennials?

They don't control a lot of assets today but they will one day and they have a completely different point of view about what's important to them, how they want their money managed, and how they even want to communicate and interface with financial services firms.

Already, you're seeing firms communicate digitally, providing different types of services such as robo-advisers to make the landscape of wealth management more attractive and less intimidating to Millennials.

Are you seeing the traditional model of investing changing as well?

Without question. More money is flowing to strategies that have something to do with socially responsible investing than any other kind of investment approach. And we're seeing that money coming from individuals who want to make sure that as they're earning a return on their capital, they're making a positive difference in the world.

And this isn't just about Millennials either, it's about some of the largest pools of money in the world. Think about Norway's Sovereign Wealth Fund, which exists to provide for the people of Norway, improve their well-being in perpetuity.

Now, this fund is almost a trillion dollars in size, and it can't invest in something that degrades the planet to the point where the future of the people of Norway is threatened. This fund and others like it have to be socially responsible because of their mandate. They cannot faithfully execute their mission if they invest in activities that make the planet dangerous for people to live in, that increase inequality, or that bankrupt future generations for the sake of current well-being.

BEATRIZ GARCIA is a Director in Brunswick's New York office. She specializes in global media relations, reputation and brand management, with a focus on financial services.

Family business PORTRAIT

Family identity can steer both family and business success, say business professor and author **JOACHIM SCHWASS** and Brunswick's **CHARLIE POTTER** and **RICHARD MEREDITH**

FAMILY BUSINESSES THAT REMAIN UNDER the control of the founding family face predictably high failure rates. Research shows that fewer than 15 percent of family businesses survive into the third generation. It also shows that the reasons for failure can be largely attributed to the actions of the owning family: changing values (from earning to spending), poor succession planning, too much tradition and not enough innovation.

But research is similarly clear that when family businesses get it right, it is the structure and approach of the owning family that is largely responsible for the sustainable success. Some of our most iconic businesses in Europe, the US and Asia are family owned. According to McKinsey, about a fifth of the Fortune Global 500 companies are founder or family controlled, for 40 percent of total revenues in Western Europe, 52 percent in India and 59 percent in Latin America. The particular nature of family-owned or family-controlled businesses prompted *The Economist* to proclaim that "they are much more than just half-formed public companies. They are a category of companies in their own right … [and] they deserve a lot more attention."

There are, of course, certain common advantages to dynastic control: long-term perspective, more employee loyalty, the ability to tell authentic stories about the history of the business and the sense of a superior corporate culture that comes from feeling

ILLUSTRATIONS: SHOUT

JOACHIM SCHWASS

Joachim Schwass is a Professor Emeritus of Family Business and Entrepreneurship at IMD, a highly ranked graduate school in Lausanne, Switzerland, specializing in corporate leadership development. He is the author of numerous articles and books, including the 2005 *Wise Growth Strategies in Leading Family Businesses*, currently available in five languages. He was formerly Executive Director of the Family Business Network.

part of an extended family. But succession planning and family feuds are common areas of weakness.

So what is the secret to managing a sustainable transition across the generations? And are there values and approaches we can learn from this, that are transferable to other ownership models?

Picture a fifth generation, publicly traded and family-controlled business in Germany where between 2009 and 2016 the share price has tripled, sales increased from €14.1 billion to €18.1 billion ($13.8 billion to $17 billion) and profits from €1.5 billion to €2.6 billion. This is the Henkel Group – a consumer and industrial manufacturer now encompassing over 150 family owners. They recently extended their shareholder agreement from 2016 until 2033 and increased their ownership in the publicly traded business from 53 to 58 percent. A successful business and a happy family – how did they beat the odds?

When Dr. Simone Bagel-Trah, fifth generation member of the Henkel family, was appointed Chairperson of the industrial Henkel Group in 2009 at the age of 40, she led the owning family to reconsider these basic questions:

- **Why continue as a family controlled business?**
- **What is the value added by the family to the business?**
- **What is the value added by the business to the family?**

This was the beginning of a major corporate process of the company redefining itself. The family members agreed to renew their commitment to the business based on the family's values, which they debated and defined. The family mission expressed support to the business, a truly long-term commitment to ownership stability, responsible ownership and the drive for entrepreneurial innovation linked to a strong tradition.

They crucially involved the wider company in this process. A series of 5,000 workshops was held around the world in Henkel Group businesses, transmitting the values to all 47,000 employees and exploring how those values could be applied.

Henkel is one of the many successful examples of companies that have used the owning family's identity and values to bring coherence, focus and sustainability to their businesses. The conventional wisdom on marketing is that firms with strong images and brands attract more clients with higher loyalty. Family businesses have a unique opportunity to credibly transmit an authentic, values-based identity through the generational continuity of the owning family.

Another outstanding example is the Stern family, which has maintained ownership of the Swiss watchmaker Patek Philippe for four generations. The company has developed fully integrated corporate communications and advertising campaigns that make a virtue of its multi-generational leadership and family heritage. Deeply rooted family values and an unbroken history are part of a personal dialogue that the company maintains with stakeholders.

Two generations are visibly presented in Patek Philippe brand advertisements – Philippe Stern, Honorary President of the Board, and his son Thierry Stern, President. The message reinforces the company's commitment to longevity, continuity and sustained entrepreneurship.

Research also suggests that, in addition to being perceived as attractive employers, family businesses that have successfully translated strong identities into strong brands create a clarity of purpose and identity that helps keep the owning family together. Identity matters to all of us. A family business offers a chance to define this identify in terms of the founder's style and the family's values – with a distinctiveness that public companies find more difficult to simulate.

Analysis shows that the way a business family thinks about its identity and the role that the family members play in a business undergo real change through the generations.

The founder and dominant owner stage typically shows the strongest and most authentic family identity. *The sibling stage* requires an evolution into a shared ownership structure on which to create a new vision and identity. Finally, *the cousin stage,* in a company owned by multiple generations of the same family, typically leads to an identity loss. Refreshing this identity to compensate for a larger and more diverse number of family members is often a significant challenge.

Times change – businesses and industries change, values change, families change. If identity plays an important role for the performance and sustainability of the business, then it makes sense for each new generation of owners to put their own recognizable footprint on the business. There are a number of examples of how successful families have managed these transitional stages:

- **The founder and dominant owner stage**

In 2012, LEGO of Denmark released a short animated video sharing the Kristiansen family's history over three generations of entrepreneurship, hardship and resilience. It was an innovative way

Successful families make a special effort to codify their identify – to create a common narrative or story that shapes how they think about themselves

for the usually discreet owners to make the LEGO brand heritage tangible in a fresh and modern way.

• **The sibling stage** When the brothers of the family behind the seventh-generation Philippines-based conglomerate Ayala Group entered the business, they innovated through an impact investment into the fundamental renovation of a large part of Manila's highly deficient water supply. They successfully completed their first public-private partnership, giving them and the family high visibility. As its leaders explain: "We found our name means quality and trust. It gives us a premium, attracts capital and brings many new opportunities to our door."

• **The cousin stage** The Dutch family business Bavaria is one of the oldest independent breweries. When the seventh generation took control, they followed the family mantra that invites each new generation to challenge the strategy of the previous generation. For the first time in the long family history, a premium beer was launched under the name of the owning Swinkels family. This led to an increased visibility of the family, and was seen as proof of the continuous long-term commitment to the business and capacity to innovate within a highly traditional business and industry.

Family identity can be a powerful communications asset, not just to the business but also to the owning family itself. A first-generation entrepreneur creates an identity by living it. His or her children have to work harder to shape this identity to their personalities and style, while ensuring continuity with the values and personality of the founder. Their children need to refresh it again, to reflect the more diverse ownership structure, but again retaining the core of what makes the family and its business unique – the qualities that justify their employees and customers investing in its strengths and capabilities.

This rarely happens by accident. Successful families make a special effort to codify their identify – to create a common narrative or story that shapes how they think about themselves, and how they communicate this to their most important audiences, including business associates, commercial partners, friends, investors, financiers, advisers, and political and regulatory connections.

This narrative needs to define the essence of the founder's style and approach, and be expressed in real rather than "corporate" language. For the second and subsequent generations, the narrative needs to be clear about how their ongoing ownership adds something particular to the company's success – through their cohesion, their business style, their long-term commitment. They then need to strategically communicate that narrative across all the channels that matter, including digital and traditional media, investor relations, company reports, speeches, internal communications and stakeholder engagement.

Most business families regard communications activity as media exposure, a matter of "PR" and talking to the media, which runs counter to their desire for privacy and discretion. But being proactive is not the same thing as being high-profile. A measured, proactive and strategic approach to communications can reinforce a family's sense of identity, and give them something compelling and unique to say about themselves.

More importantly, it enables the business to better deal with issues that can have lasting effects on its wider reputation. Leadership transitions, generational succession, corporate transactions including mergers and takeovers, family litigation, share disposals and tax affairs are all natural and foreseeable incidents of family business life that require communications planning. Handled in the right way, they are all opportunities that can help define an enduring positive reputation while preserving personal privacy.

This article is adapted from the book Wise Family Business *by Joachim Schwass and Anne-Catrin Glemser of IMD, with a guest chapter by Charlie Potter and Richard Meredith (Palgrave Macmillan, 2016).*

RICHARD MEREDITH and **CHARLIE POTTER** are Partners in Brunswick's Family Business, Crisis and Cybersecurity practices, based in London.

Ushering in CHANGE

Serious challenges loom for the family businesses that power Europe's economy, say Brunswick's **CARL GRAF VON HOHENTHAL, FIONA CLAIRE LITTIG** and **ALESSANDRO IOZZIA**

Family businesses make up as much as 80 percent of all European enterprises, account for roughly 50 percent of the region's GDP and provide about half of its jobs, according to estimates from European Family Businesses, the EU federation representing long-term family-owned enterprises.

The majority of these family businesses are small- and medium-sized, yet all face the same modern pressures as their larger competitors – from globalization to rapidly changing technologies to mercurial markets. But if their smaller size offers potentially greater agility to adapt, the need to stay true to their founding principles makes any restructuring process potentially more intimidating for owners and unsettling for their employees, customers and the public.

Looming especially large on the horizon for family businesses is the question of leadership succession. In their 2015 report, "European Family Business Trends," KPMG found that one out of every four family business owners was thinking about passing the day-to-day management of the business to the next generation in the coming year, while one out of five was thinking of handing over ownership of the business.

Though they have vastly different economies and cultures, Germany and Italy are case studies in the critical role family businesses play in Europe for national economies. They also illustrate the challenges family businesses face from increasingly fast-paced technological innovation and impending leadership transitions.

THE SMALL BUSINESSES POWERING A BIG ECONOMY

Germany's "Mittelstand" is a class of companies forming the backbone of the world's fourth-largest economy and consisting of roughly 3.5 million small- and medium-sized businesses. They accounted for nearly 99 percent of all German businesses in 2011, and were frequently invoked as a reason why Germany fared better than its neighbors through the 2008 financial crisis.

However Mittelstand is as much a business philosophy as it is a descriptive category. These businesses are highly specialized and often family-owned. Owners and managers tend to be the same people or from the same family and thus share equally in liability and risk. The businesses are marked by a focus on long-term goals and a strong sense of regional solidarity, loyal customers, high quality goods and services, and an emotional bond with their employees. While annual employee turnover at some big US companies can be 30 percent, it is only 2.7 percent at these smaller German businesses, according to *The Economist*. The Mittelstand culture was described by the *Harvard Business Review* as "the forefront of a modern management model that builds flatter, more innovative and more networked enterprises."

But this family ownership can also bring negative effects: strained human resources, discrimination against non-family minority shareholders, internal conflicts that can arise in even the best of families, and the murky question of leadership succession.

This last point, succession, is set to become an especially pressing concern for the Mittelstand. According to KfW Development Bank, CEOs at 580,000 small and medium-sized German enterprises will announce a change in leadership by next year. Roughly four million jobs depend on the success of that process.

Studies show that the transfer of power from founder to other family members often results in a loss of value. The practice of primogeniture – appointing the first-born son regardless of management qualities – can be particularly damaging to the company's reputation.

In the absence of a clear succession plan, innovation tends to slow and competitiveness suffers as the owner gets closer to retirement. The successor needs to develop the company's strengths in line with rapidly changing technology. Automation presents technological challenges but also threatens product and service quality and employee loyalty – the very things that define the family business experience. Globalization is also increasing demand for executives with experience in international markets, potentially leading a company further from its geographical base.

RINGING IN 1,000 YEARS

In Italy, family businesses comprise 85 percent of the country's companies and 70 percent of its workforce. But more so than other EU

Of the 100 oldest businesses in the world, 15 are Italian; the country is also home to a full half of the world's oldest family businesses

countries, Italy's family businesses are marked by longevity. Of the 100 oldest businesses in the world, 15 are Italian; the country is also home to a full half of the world's oldest family businesses. The oldest is bell-maker Pontificia Fonderia Marinelli, which traces its roots to craftsmen active around the year 1000.

Even such long-running businesses are finding succession to be a challenge, as the younger generations are more inclined to move away from traditional businesses to make better use of their technological expertise or pursue their own business venture. "For them, the family business is not as attractive as it was years ago," says Guido Corbetta, the AIdAF-EY Professor at Bocconi University in Milan.

For those that are interested in taking over the family business, their time may soon be at hand. According to the Italian Association of Family Businesses, 22 percent of business leaders are over 70 years old and 24 percent are over 60. And if age isn't inspiring change, perhaps poor performance might: between 2007 and 2014, Italian companies with older leaders recorded poorer performances in terms of return on investment and on equity.

Nearly half of small- and medium-sized businesses in Italy have boards of directors completely made up of family-related members. These pure-family models often perform better than mixed boards, or ones comprised solely of outsiders, regardless of whether the company is led by the first or the second generation. About 66 percent of Italian family-owned businesses are fully managed by family members, compared with 26 percent in France and 10 percent in the UK.

However, that close-knit culture is shifting, according to Corbetta. "The number of family-owned businesses moving toward external managers is increasing, partly because of a need for technical skills, but also because of commercial and management pressures," Corbetta says. "Families are conscious of the value a third party can bring in new contacts and networking opportunities."

INVENTING THE FUTURE

Pressured by market and generational shifts, family businesses in both Germany and Italy are actively looking to innovation and international perspectives as the road forward.

The Italian government, through its "Industria 4.0" program, is encouraging small and medium-sized manufacturers to embrace advances including 3-D printing, augmented reality, and process optimization and analysis. For 2017, it hopes to expand private investments by €10 billion to €90 billion ($10.4 billion to $93.7 billion), launch academic programs and research centers, and build high-capacity networks across the country.

Similarly the EU is looking to reduce regulatory pressures on small- to medium-sized business that could hamper innovation. Globalization pressures and increasingly fierce competition could cause such businesses to back off their commitments to invest in innovation.

As family businesses operate in an increasingly global marketplace, international experience seems a prerequisite for the next generation of leaders. This is reinforced by a growing appetite for international trade among all stakeholders. A Brunswick Insight global survey (Page 17) found that 58 percent of all age groups had a positive view of international trade; among those aged 18 to 29, that number rose to 65 percent.

Above all, family owners should be looking for leaders with vision – able not merely to continue the business, but to transform it.

CARL GRAF VON HOHENTHAL is a Partner and Senior Adviser in Brunswick's Berlin office, **FIONA CLAIRE LITTIG** is a Partner in Munich and **ALESSANDRO IOZZIA** is a Partner in Milan.

A new wave

Brunswick's **SUSAN HO** and **SUNITHA CHALAM** say that as new leaders take the reins of family businesses, Asia is poised for one of the biggest transfers of power and wealth it has ever witnessed

THE CHINESE PROVERB "FU BU GUO SAN DAI (富不过三代)," which translates as "Wealth never survives three generations," sums up a widely shared belief in Asia: the first generation builds the family fortune, the second reaps the benefits, and the third squanders the wealth. This saying is a timely and cautionary reminder for many of Asia's family businesses today, as the patriarchs who built Asian capitalism after World War II retire and a new generation assumes control. These young leaders will face the difficult task of leading the business into the future, while also preserving the knowledge, cultural insights and rich tapestry of relationships that paved the way for the success of their forefathers.

It is difficult to overstate the importance of the longevity and stability of Asian family businesses for the region – around 85 percent of businesses in Southeast Asia valued at $1 billion or more are founder- or family-run; in India, that figure stands at 67 percent, while in China, it is 40 percent. The 15 wealthiest families in Hong Kong control assets worth 84 percent of Hong Kong's GDP; in Malaysia, they control 76 percent, and in Singapore, just under 50 percent.

Yet many of these families aren't as prepared for succession as they should be. Joseph Fan of the Chinese University of Hong Kong studied succession in 250 publicly listed family businesses run by ethnic Chinese in Hong Kong, Taiwan and Singapore, and found succession carried enormous costs. On average, over an eight-year period (five years before and three years after a succession), companies lost 60 percent of their value.

Fan's best theory for this decline is that much of the value in an Asian family business is intangible. Investors look at who is running a company, what their values are, and the owner's connections and reputation in society – different from the fundamental analysis of revenue and earnings that would drive investment decisions in the West.

At such a critical juncture, these intangible perceptions, and protecting the company's reputation, become even more important. Businesses must work even harder to earn the trust and confidence of key stakeholders. To ensure future success, they need to be able to attract talented non-family managers and be perceived as a fair place for professionals to build their careers. They need to communicate more effectively with investors, many of whom do not have a favorable view of asset-heavy business models or conglomerate structures. And in a climate of higher customer and shareholder expectations, they also need to be able to demonstrate the value they bring to society and commitment to international standards of corporate governance and transparency.

There are signs of change. While family businesses have traditionally been associated with paternalism and risk aversion, younger leaders are ushering in a wave of innovation and creativity.

Adrian Cheng, grandson of the late Cheng Yu-tung, the founder of New World Development, is modernizing Chow Tai Fook, a leading jeweller in mainland China, Hong Kong and Macau, to make it more accessible to a diverse range of customers. He also founded K11 Art Mall, combining his passions for art and entrepreneurship.

Technology has been another disruptive force to the traditional family business model, and under the guidance of new leadership, some firms are making big bets and taking risks to stay ahead. John Riady, grandson of Mochtar Riady, founder of the Lippo Group in Indonesia, is leading the company's charge into e-commerce through MatahariMall.com, the online version of one of Indonesia's biggest mid-priced department stores.

Many of Asia's young business leaders have been trained at top international business schools and cut their teeth at renowned management consultancies before returning home to run the family business.

This has helped to introduce a higher level of professionalism within management structures, though it remains a delicate balance to maintain family ownership while also instilling professional and effective governance to attract more funding.

While their education and willingness to embrace change and innovation are encouraging, these up-and-comers face many challenges, principally the need to prepare the business to compete on a global stage while maintaining the entrepreneurial culture and the personal networks of the founder.

Navigating these challenges in such a rapidly changing economic and business environment will require the new wave of family businesses leaders to emulate the entrepreneurialism of their forebears, charting their own course for the business against a pole star of established family values.

SUSAN HO is a Partner and the Head of Brunswick's Hong Kong office. **SUNITHA CHALAM** is a Director in the Hong Kong office.

Designing a dynasty

The third-generation CEO of Longchamp, **JEAN CASSEGRAIN,** tells Brunswick's **AGNÈS CATINEAU** the secret of his family's longevity

LONGCHAMP, PURVEYOR OF LUXURY HANDBAGS and accessories, is one of the last family-owned leather goods manufacturers in France. In business for over a half century, the company branched out from its roots in small leather goods and became an important player in the fashion world, with a brand presence in 80 countries and an annual revenue of €566 million ($600 million).

A third-generation direct descendent and namesake of the Longchamp's original founder, CEO Jean Cassegrain joined the family enterprise in 1991 after graduating from the École Supérieure de Commerce de Paris and working at the French Trade Commission in New York and a management consulting firm, eventually becoming CEO.

Cassegrain spoke with Brunswick about how the company and the brand have evolved with each generation and his strategies for navigating the digital marketplace.

Longchamp has grown into a large company. What were the key turning points?

My grandfather founded the company in 1948 focusing on leather-covered pipes. Brands weren't as prevalent then but we realized that one way to develop the business was to create the Longchamp brand. We extended our product line from pipes to smoking accessories, including tobacco pouches and cigarette cases, but always covered in leather, the common thread. We targeted men for the first 30 years, but later marketed to women, which was an important development. We created nylon bags in the 1970s, which was innovative. More recently, we expanded into clothing and footwear.

The company also expanded abroad. We've always had an international clientele, starting with the young Allied troops in the early days in Paris after the war. Today we have distribution in 20 countries, including through our own stores. Single-brand stores didn't really exist in the 1950s, 1960s and 1970s, but it's now impossible to survive as a brand if you don't have them. In the 1990s and 2000s, we bought back our distributors in the US, Japan, China and Russia, which meant new investments and teams to integrate. We also invested in the production team, our people, our *savoir faire*.

How has the company been handed down from generation to generation?

One key moment was the death of my grandfather, who died suddenly in 1972 – my father found himself in charge at the young age of 35, and decided to gradually buy up his brothers' and sisters' shares. He felt that his children were ready to join him, but perhaps not his siblings.

You have a longstanding relationship with supermodel and designer Kate Moss. Why did you decide to enlist her?

In 2006, we recognized that the brand was evolving and doing exciting things, but we needed to communicate it in a more affirmative way. So we made the choice to have Kate Moss as the face of the campaign. That was seen as a controversial move, but it gave the brand a lot of visibility.

What advantages does being a family business add to the brand's value?

It gives the brand a lot of stability. We have few competitors that are still familial. We also are sheltered by not being publicly listed or owned by a private equity fund. Market pressure can be good but often leads to short-term reasoning. With family stability, there's not a risk of a 180-degree strategic shift, which is appreciated by employees, customers and suppliers. But we do challenge ourselves. We are in a dynamic market and you can't let yourself fall asleep at the wheel.

What are some of the risks you have to keep an eye on?

In the fashion world, the designer collections change regularly, in a kind of a rhythm. That imposes a constant renewal challenge for the company and its product lines. Also, the mechanism behind competition in our sector is more Darwinian, with the weakest being taken out and only large, efficient operators remaining. Twenty years ago leather goods and fashion were separate and we had less of that pressure, but that's no longer the case.

What does being family owned mean in terms of business investment?

We're independent and independence only works if the company is sufficiently profitable. Being a family-owned company doesn't absolve you of the responsibility to make the same level of investments as others. To finance that, some will go public, others will take on a new partner. Since we choose to remain independent, the self-financing has to be there.

What do you see for the next generation?

In my generation, everyone is on board, including my brother and my sister. Everyone has their own role. Our children are still young but I hope that we have people ready to carry the baton in the next generation.

Are you open to outside managers who might want their own stake in the company?

We have four family members and five outside members on our management team. Managers who have worked for big companies are happy to be in an environment that is a bit healthier and less political. There are possibilities for career advancement that we can't offer as easily. But people are happy to be able to contribute to building something and seeing the brand develop over the long run.

How do you attract talent?

Communication and visibility. People increasingly want to consume more intelligently and ethically and thus want to know the companies behind the brands. So that has us communicating not only through the brand but also through the company. If a brand is caught doing something negative, it exposes it to considerable risks. Is being virtuous compensated in the same way? I'm not so sure, but I do think that it's a differentiating factor and a source of long-term value and attractiveness.

How do you cope with Millennials, who typically don't like to stay very long at a company?

We recruit a lot of young people. We are lucky this sector is attractive for them – the brand too. We often wind up with too many candidates for the number of positions available.

Family-owned businesses tend to generate more employee loyalty – is that part of the appeal for the younger generation?

I'm not so sure they ask themselves that question. They are first and foremost attracted by the brand.

How have you managed the digital revolution?

Longchamp became the first French brand to start selling online in 2001. We were able to make the decision quickly because of our independence and short line of decision-making. We also decided to do it all ourselves. A lot of mid-sized and large companies have subcontracted their internet sales. But given its growing importance, it's a bit like giving the Champs-Élysées flagship store to a franchisee to manage.

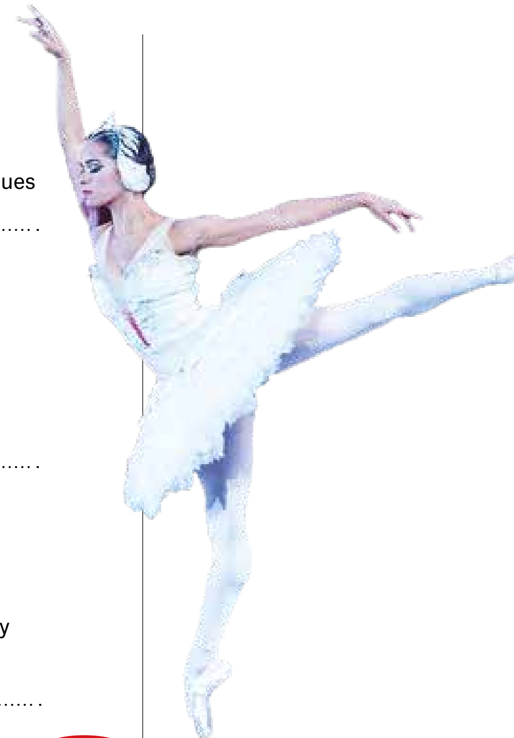
Does digitalization imply stores will close, putting longstanding employees at risk?

The goal is to keep everyone on board, but you have to be able to evolve. If you think about it as a zero-sum game, that you are transferring profits from one place to online, you are sure to have social consequences. Our approach is one of curiosity, of trying new things and assessing what works to maintain growth; this is rather well-adapted to the digital universe.

AGNÈS CATINEAU is the founding Partner of Brunswick's Paris office, specializing in corporate and brand management, crisis issues and finance.

JEAN CASSEGRAIN

A graduate of the Ecole Supérieure de Commerce de Paris, Jean Cassegrain worked for a year at the French Trade Commission in New York City. He later worked as a management consultant before coming to work for the family business of Longchamp in 1991. He later succeeded his father as CEO of the company.



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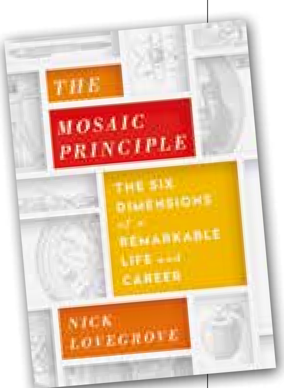

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Apollo 17 astronauts' 1972 photo of the whole Earth in sunlight helped transform our relationship with the planet

Prima ballerina MISTY COPELAND spoke to Brunswick's DAVID SUTPHEN and MALLORY MERGE about staying true to her values and the discipline that keeps her career at center stage

DANCE LESSONS

In June 2015, misty copeland broke one of the dance world's last remaining color barriers by becoming the first African American woman to be promoted to Principal Dancer in the American Ballet Theatre's 75-year history – just one remarkable step in an extraordinary career journey.

At age 13, comparatively old to begin ballet training, Copeland was discovered at the Boys & Girls Club in San Pedro, California. At the time, she and five siblings were living in a motel room with their single mother. By 2000, only five years later, she had joined the American Ballet Theatre's Studio Company. In 2001, she joined the main company's corps de ballet.

She was promoted to Soloist in 2007 and became the first black woman to dance the lead roles in classics such as *Firebird* in 2012 and *Swan Lake* in 2014. In 2009, she exploded onto the pop culture scene as the star of a Prince video, capturing the attention of millions of new fans.

Copeland's artistic accomplishments allowed her to break new ground in the business world as well. She is the first ballet dancer to secure endorsement deals from brands like American Express, Dannon Oikos, Seiko and Under Armour. Her "I Will What I Want" campaign for Under Armour has garnered over 10 million views on YouTube to date.

White House honors, a one-on-one special with President Obama, and a bestselling memoir, *Life in Motion: An Unlikely Ballerina*, have only bolstered her impact and influence. In 2015, *Time Magazine* named her one of the world's 100 most influential people. As a leading artistic trailblazer, her goal, she says, is to inspire and to open doors for the next generation.

PHOTOGRAPH: HENRY LEUTWYLER, GETTY

"DANCERS HAVE NEVER REALLY BEEN LOOKED AT AS BUSINESS PEOPLE, but I feel like the potential that we have as dancers is endless. When we apply those tools outside of our careers, we can go on to become literally anything"

I ABSOLUTELY LOVE WHAT I DO. But even bigger than that, I want to be able to create a path for more diversity, to bring African Americans into this culture and in this world. To give them hope that this could be a path for them as well. That's really the driving force behind why I wanted to succeed in the way I have

Copeland made her Broadway debut in 2015 at New York's Lyric Theatre, right, starring as Ivy Smith in "On The Town"

I'M NOT JUST ATTACHING MYSELF TO BRANDS TO MAKE MONEY. I want this to be a long-lasting career, but also a positive image for black women and for dancers, to create that opportunity for others

GROWING UP, I WAS SO INTROVERTED, AND SO COMPLETELY SHY – THERE WERE PEOPLE THAT MET ME THAT THOUGHT I WAS MUTE. Dance was really the first tool that I had to be able to communicate in a way that worked for me. And that taught me to communicate with my voice

I FEEL I'M JUST VERY HONEST ABOUT WHO I AM AS A PERSON. I try not to allow any brand I'm working with to change that. They really have to align with who I am

I'VE ALWAYS HAD THIS KIND OF WILL TO SUCCEED – and to bring my family with me. Watching my mother raising six children on her own – there was this kind of survival mode that we were in. To this day I have that in me

Copeland was featured in Under Armour's "I Will What I Want" campaign, above. The company underscored the dancer's role as a sponsor with messages such as, "The space between woman and athlete is no space at all"

DAVID SUTPHEN is a Partner in Brunswick's Washington, DC office, advising on Public Affairs, with a particular focus on technology, media, telecommunications and diversity. **MALLORY MERGE** is a former dancer and Project Manager for the *Brunswick Review* in New York.

PHOTOGRAPHS: JOAN MARCUS / UNDER ARMOUR / DARREN THOMAS / HENRY LEUTWYLER, GETTY

I WAS NOT AT ALL A RISK-TAKER WHEN I WAS A CHILD. I was as conservative as a person could be. I learned to take risks from being an artist. As a dancer, you can't grow if you don't take risks and put yourself in uncomfortable situations. And now, I've learned that as a businesswoman, you have to take some educated risks. But I'm definitely going to do the research and make sure I'm making the right decision

ART CAN CHANGE SOMEONE. It can give them tools that they can't get through anything else

SOCIAL MEDIA IS AN INCREDIBLE PLATFORM FOR A VISUAL ART, to reach people that may not have the means or the exposure to it. A 15-second clip of someone dancing classical ballet can reach so many different communities and open their eyes

BEING AFRICAN AMERICAN, so few are given this opportunity – it's our responsibility to set an example and to give back in some way. But I don't think it's necessary to have to do it through your own voice. You can inspire people in other ways

Copeland performs in *Swan Lake* at the Queensland Performing Arts Centre in Brisbane, Australia

LIVE ON

GREG LEE, President of the Livestrong Foundation, talks with Brunswick's EDWARD STEPHENS about how the organization endured after the collapse of its founder's reputation

Greg Lee joined Livestrong as its Chief Financial Officer in 2006, when its founder, professional cyclist and American icon Lance Armstrong, was still the public face of the organization. It was one of the most recognizable and well-supported foundations in the US. By 2011, the foundation was generating $47 million in revenue, had 90 employees, and was providing cancer information and services to more than 600,000 people annually.

Armstrong's confession in 2012 that he had taken performance-enhancing drugs throughout his cycling career damaged the charity he had helped found. The link between the founder and his foundation had long been close: the iconic yellow of the Livestrong brand – and bracelets – were inspired by the yellow jersey of the Tour de France, given to the competition's winner. Armstrong was stripped of his seven Tour de France victories and resigned from the Livestrong board. Funding dropped, and the foundation had to cut costs and its offerings.

Early in 2016, Lee became Livestrong's President. His challenge is to revamp the charity without its celebrity endorser, and shift the focus back onto the work the organization does.

The foundation appears to be on the right path. Over the first two quarters of 2016, Livestrong received its first seven-figure donation since 2010 and reported a 36 percent increase in the number of people served – ranging from helping cancer victims navigate the health insurance maze to providing counseling and financial aid.

We sat down with Lee, a skin cancer survivor, to talk about the organization today, how it handled the fallout from Armstrong's revelations and what he sees as its path forward.

How difficult was it for the organization when its founder was the subject of such scrutiny?

It was an uphill battle for us after Lance's public revelations. There were a lot of changes and challenges we had to navigate through.

We knew we had to work harder to remind people, remind the public, what we do, how we do it, and make sure people understood that Livestrong was still here to serve cancer patients and their families.

Our mission really drove everything, and our constituents are at the center of that mission. Driving that home was, and still is, job one. And that's no different today than when I started.

Did you experience any frustration, especially during 2012 and 2013, when the discussion was at its most intense?

I wouldn't be honest if I told you I wasn't frustrated. Everyone wants to focus on a spokesperson or a founder, yet we all know, no organization is about one person.

So I was frustrated that the talk and discussion was not about the good work that we do, that a lot of our time and energy were being spent on answering questions about the actions of the founder and the cycling community, which has nothing to do with the cancer community.

I was concerned about what kind of impact that would have on our organization, which is trying to do a lot of good things for a lot of people. Because what we want to focus on is providing care for cancer patients and survivors. I want people with a cancer diagnosis to be able to pick up the phone and ask us, "How can I get access to clinical trials?" "Is there somebody I can talk to about what I'm going through?" "What will my insurance cover?"

How did you handle that frustration?
We really just kept beating the drum to say we are not about just one person, we're about a mission that's bigger than us; we're about the 34 million people around the globe who are battling through a cancer diagnosis, the roughly 15 million in the US doing the same. We just kept saying that, time and time again. We didn't need to stand up and toot our own horn, but we needed to share the story of our constituents, the battles they face, how we can help.

I'm a runner and I'd compare some of those moments to being at the 19th or 20th mile in a marathon. You're tired, you're exhausted, you're having everything in the world come at you, and you just have to dig deep, find something – a bigger reason to keep you going.

Under a shower of yellow rose petals, riders finish the 2016 Livestrong Challenge, an event that raised more than $1.3 million in donations. All cancer survivors receive yellow roses as they cross the finish line

PHOTOGRAPHS: LIVESTRONG / AFP/CRAIG F. WALKER / NASA, GETTY

LIVESTRONG'S LONG RIDE

1997
The foundation is established as the Lance Armstrong Foundation

1999
LAF raises $1 million – a major milestone for a young organization. Armstrong wins his first Tour de France

2004
Nike starts making yellow Livestrong bracelets, which become a worldwide symbol of cancer awareness. They help raise more than $100 million in donations

OCT. 2012
Armstrong is stripped of seven Tour de France titles. The foundation officially changes its name to Livestrong

LIVESTRONG

NOV. 2012
Armstrong **RESIGNS** from the foundation

What proved most effective in getting the message of Livestrong across?

Probably sharing stories about the people we've helped. We had a Home Depot executive who was diagnosed with a particular illness that affects his liver function. He has two young kids. We helped him find the best liver specialist in the country and helped him navigate the medical expenses. And we helped the family explain to their two young daughters what Mom and Dad were going through. It's stories like that we try to tell, that really help the public understand what we do every day.

We also felt that being utterly transparent about how we operate was important.

To help restore a sense of trust?

If you're a private company and you take shareholder money, you have a lot of discretion of how to use it. Investors are mostly hoping you will return a profit for them.

But when we're taking donations from you and your neighbor, we have an obligation to do better, to hold ourselves to a higher standard. We have lives at stake. We are using the public's money to do good, to help cancer survivors and patients.

So what that means for us is that, literally, if you have a question, we'll answer it. We'll tell you where the money goes, where we get the money. We'll explain to you the stories of who we help.

Charity Navigator gave us four stars [the highest possible] in its recent ratings, and we got 100 percent in the transparency category. I think the public really respects that.

How much time do you spend reviewing how you handled the reputational crisis?

My focus right now is on the upside. We're up in terms of the demand for our services. We're working with the YMCA at more than 500 locations to help cancer survivors as they train to rebuild their strength and stamina. So I don't have enough time to focus on the downside. I'm more concerned about the things ahead of me.

Someone once told me that if you're driving down the highway at 100 miles an hour, you're probably going to get where you're going if you look through the big windshield. If you try to look in your rearview mirror, it's going to be harder than hell, and you're probably going to have a wreck. I may glance at that rearview mirror. But I'm not going to focus on it.

Has Livestrong's experience telling the stories of cancer survivors helped the organization tell its own story?

Oh, very much. And now we can share that information with millions of people. We don't have to hold a press conference, we can put it on social media and share these stories directly – and often. The public has to hear a message something like nine times before they really remember it.

And what is the story you wished more people knew about Livestrong?

That you can reach out to us, that you don't have to go through a cancer diagnosis, whether it's you, a family member, a spouse, a friend, a child – you don't have to go through it alone. If you're a young couple that faces fertility issues because of a cancer diagnosis, or if you've just gotten a new job, how do you handle that?

We're here to help make that journey easier, to provide answers, help you with the anxiety you feel, the stress you have. We are always here to pick up the phone, to answer an email, to support cancer patients and survivors as best we can.

EDWARD STEPHENS is Deputy Editor of the *Brunswick Review*, based in New York.

GREG LEE

President of Livestrong Foundation, Greg Lee has worked for 25 years in the nonprofit sector.

Lee was previously the Manager of Finance and Administration for The University of Texas Investment Management Company, a nonprofit that managed more than $21 billion in investments, and also Vice President of Finance and Business Operations for the American Heart Association.

JAN. 2013

Appearing on TV's *The Oprah Winfrey Show*, Lance Armstrong confesses to using banned substances while racing

DEC. 2013

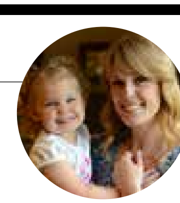
Nike formally ends its relationship with the foundation

OCT. 2014

Livestrong agrees to a $50 million donation, given over 10 years, to the new medical school at The University of Texas at Austin for a cancer care center

JAN. 2016

Greg Lee, CFO of Livestrong for 10 years, becomes the organization's President



OCT. 2016

Livestrong Fertility surpasses 7,500 people served, covering more than $32 million in related expenses. Above: Wendy Stively, an LF beneficiary, with her daughter, Emilie

ILLUSTRATIONS: ROBERT NEUBECKER

The SHOCKING truth about new media!

For all their reliance on entertainment value, native digital news sites deserve a fresh look, says Brunswick's **ALI MUSA**

Much like tabloids before them, new media outlets are a low, if not sub-basement, priority for corporates and communications people trying to get their businesses' stories told. New media companies, many assume, are still too heavily reliant on aggregating news to be taken seriously by stakeholders, framing content with baited headlines designed to generate clicks at any cost.

The test of this bias is simple: ask yourself, who is Business Insider's competition? If you say Mashable, or maybe Huffington Post, you're not entirely wrong. But BI doesn't see it that way. Portia Crowe, a BI finance reporter, tells me, "Punchy headlines and engaging photos are not what define us – it's our solid coverage of banks, hedge funds, tech companies and the biggest retail and consumer brands in America."

More importantly, BI's readers aren't stopping to ask themselves that question before they read about your company. Even investment analysts and policymakers will find articles through a search engine. They may consider the masthead, but not before they've read at least a few paragraphs.

It's time for businesses to take new media outlets more seriously. Yes, it is true that entertainment value is baked into the identity of many new media brands. When I recently caught up with a former college roommate who is now at Fusion, which covers news, pop culture and satire both online and on television, I asked him about his projects at the moment. His answer: "We're working on an in-depth roundtable on how to make *Suicide Squad* a better movie."

But to assume that such entertainment and "think pieces" are all new media has to offer requires ignoring clear trends in the other direction. At BI, Crowe breaks news about M&A, interviews executives and competes with Reuters, Bloomberg and *The Wall Street Journal* for stories. All too frequently, corporate communications specialists write off native digital news sites as mere content aggregators and focus their attention instead on established names such as *The Wall Street Journal*. But the writing and editing staffs at native digital news sites are growing, as is the movement of marquee journalists to these outlets.

BuzzFeed, flush with cash from NBC Universal's investment, has separated its business and entertainment offices and hired experienced business reporters. BI is expanding internationally following its acquisition by German publisher Axel Springer. Roughly a quarter of the content from its German site is original and, according to Nieman Journalism Lab, BI is aiming to increase that to half.

Moreover, the recent push that BuzzFeed and BI have both made into original business videos demonstrates that the capital pouring into these ventures is not all going to canine listicles. While BuzzFeed's business and entertainment videos consistently top the Tubular rankings of online video views, BI tracks close behind with purely business content. The site recently garnered a billion Facebook video views in a month. And it now has a six-person team dedicated to long-form original video, according to Digiday. Cheddar, the CNBC for Millennials launched by BuzzFeed alumnus Jon Steinberg, has 100,000 daily viewers.

While this growth of serious news content is important to note, to an extent it doesn't matter. Even if the ratio of original to derivative content remained 1:4 or 1:6, the base figures could continue to grow as click bait continues to drive traffic. This means that any reporting the site does on your company should be your concern because people are paying attention.

Across the board, new media sites are seeing spikes in traffic. Fusion reported 282 percent digital growth from May 2015 to 2016 and its site receives more than 12 million unique views a month; Mashable reports 45 million unique views monthly; in 2015, *Fortune* reported that BI had 72 million unique views each month. Contrast that with the monthly average of 31.3 million unique views to The Wall Street Journal Digital Network, a group of five websites that includes *WSJ,* Marketwatch and *Barron's.*

There's an easy explanation for why the PR world has such a Manichean worldview when it comes to content generation and aggregation: we treat placing a story in *The Wall Street Journal* and getting more shares on Twitter as two discrete tasks. It's true that each requires specialist know-how. But new media outlets exist in both spheres: breaking news and responding to social media.

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That hybrid quality is key to their success: the social media feedback loop ensures the stories that resonate get the attention they deserve. The outlets gradually build expertise and credibility in those subjects.

Uber exemplifies a business that underestimated new media's power. The company at first appeared to ignore or even dismiss a series of negative reports about its internal culture from new media darlings Pando Daily and BuzzFeed. As the story grew, late attempts to engage with those reporters backfired, creating renewed interest. Uber found itself caught in a hellish media echo chamber, with several outlets picking up the increasingly rich narrative thread.

The main structural difference between new and traditional media is the size and origin of their revenue. However, even that line has blurred: the small guys are growing at a faster clip and even the most august newspapers are navigating the waters of digitally native content.

The main editorial difference is that new media outlets reflexively package stories for greater readability. Crowe put it this way, "Where *The Wall Street Journal* might get a sit-down interview with an exec and write one long story about it, we break interviews into multiple stories, each highlighting one important point."

This aspect often gets lost when we lament the rise of short-form journalism: yes, it accommodates miniscule modern attention spans, but the serialization of topics and theme-building allows these outlets to build enduring brands with niche readers who trust them – and visit often.

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Far from a done DEAL

Brunswick's NEAL WOLIN and ALEX FINNEGAN share advice for foreign buyers of US assets

Often misunderstood, the Committee on Foreign Investment in the United States (CFIUS) has been thrust into the limelight with a spate of high-profile deals. An inter-agency committee of the US Government, CFIUS has the authority to review, for national security reasons, any transaction that would result in a foreign entity having control of a US asset. CFIUS has the power to investigate, modify or recommend that the US President block any transaction for which it judges national security concerns cannot be mitigated.

This review process is far from new; the Committee was created more than 40 years ago, though its membership and responsibilities have evolved. But recently, amid an uptick in M&A in the US, a number of CFIUS-reviewed transactions have been widely reported on, meaning that CFIUS has not been far from the public eye.

CFIUS reviews need not strike fear into the hearts of companies. How businesses communicate through a transaction will be crucial to its success.

7 TIPS to navigate the review process

1 DON'T underestimate the importance of educating all your stakeholders – investors, analysts, media, members of Congress – on the CFIUS process. Keep explaining it to them from announcement day through to the completion of the CFIUS review process. It takes time, especially for those unfamiliar with the process, to understand CFIUS and what constitutes a national security concern. Be proactive about educating them.

2 DO anticipate what might present national security concerns in the eyes of the US government. Working closely with outside counsel, prepare the appropriate responses for any concerns that could be raised publicly. It will not be hard for observers to discover where problems might lie or draw incorrect conclusions based on speculation. Don't be caught off-guard. Prepare for a range of scenarios and know what your response will be.

3 DON'T feel pressured to discuss the timetable for CFIUS review. News reporters will hold you to it and any delays will lead them to believe something is wrong.

4 DO brief and activate independent, third-party voices who can talk off the record to reporters and other stakeholders. They don't necessarily have to understand the specifics of your deal, but they can help the press and the public understand the process.

5 DON'T forget to make sure your outside counsel has briefed other CFIUS lawyers in Washington, DC as appropriate. It might help to ensure they understand the outlines of your deal and, in the process, minimize unnecessary speculation.

6 DO think holistically about your other stakeholders. Questions about CFIUS and national security can make employees, customers and suppliers just as anxious as investors and reporters. Make sure that you communicate the details, when possible, with these groups as well.

7 DON'T pretend the process doesn't exist. While the Committee may not speak publicly, *you* ultimately decide what you say and don't say in public. You may need to set the record straight if speculation arises or when you have a securities law obligation to do so. Coordinate early with CFIUS counsel and any other advisers so that you can anticipate potential issues and prepare the appropriate public responses. Ideally, this would take place prior to a deal announcement. Maintaining regular communication among counsel, communications advisers, and the company will help ensure that everyone remains informed and issues are kept contained.

The US remains a leading destination for foreign investment and CFIUS is a rigorous process that requires serious preparation.

However, the review is a normal part of any cross-border control transaction, and getting the communications right can make the entire process a lot smoother.

NEAL WOLIN, Senior Counselor, was formerly Deputy US Treasury Secretary and chaired CFIUS from early 2009 until late 2013. **ALEX FINNEGAN** is a Director specializing in regulatory and public affairs. Both are based in Brunswick's Washington, DC office.

Up with DOWNTIME

Activities outside of work are as important to success as work itself, says Brunswick's **NICK LOVEGROVE**

In 2011, Alan Rusbridger – very much an amateur pianist – decided to learn and perform in public one of the most notoriously difficult of piano pieces, Frédéric Chopin's Ballade No. 1. At the time, Rusbridger had a very full-time job as Editor-in-Chief of *The Guardian* newspaper, which he described as a life of "low-level stress … with periodic eruptions of great tension." As chance would have it, 2011 also turned out to be one of the busiest years of his professional career – the phone-hacking scandal was roiling his profession and WikiLeaks was making its first appearance on the scene.

Nevertheless, he succeeded – and even found time to write and publish a diary about the experience. In *Play it Again: An Amateur Against the Impossible* Rusbridger describes his "experiment in how to use your spare time, how to relish – and revel in – being an amateur." And he addresses the question so many of us ask: do we have the time, energy and commitment to do anything meaningful outside of work?

"Yes, there's time," he writes, "no matter how frantically busy one's life. … More than that, by making time, life improves: under the great pressure and stress of the year, I've discovered the value of having a small escape valve – something so absorbing, so different, so rebalancing."

Most assume success comes from an obsessive focus on a singular professional objective – encapsulated in Malcolm Gladwell's "10,000-hour rule," and Peter Thiel's even more compulsive philosophy, outlined in his book *Zero to One*.

Gladwell and Thiel are right – it does take sustained dedication to attain world-class expertise in any domain. But they imply that real success comes only from concentrating on one thing to the exclusion of all others. This logic underpins the increasingly pervasive obsession with the power of narrow specialist expertise.

ILLUSTRATION: JAMES STEINBERG

In designing our lives, each of us has a choice: greater breadth or greater depth. If we always choose depth and narrow focus, then we all too easily become "one-trick ponies," defined and contained by the limited parameters of our one trick – and we lose much that makes us special and distinctive. Rusbridger's experience suggests a different and better way – that life, personally and professionally, is most fully lived as a mosaic, encompassing a rich set of diverse experiences that provide purpose, meaning, happiness and success. Research supports this broader approach with three important insights.

First, we are more likely to be happy if we have a broad range of personal interests and activities. In his book *The Happiness Hypothesis*, Jonathan Haidt offers the equation H=S+C+V – happiness (H) equals the sum of our genetic set-point (S) plus the conditions (C) of our lives plus the voluntary (V) activities that build upon our strengths and give us satisfaction. He shows that the factor we have the most control over, V, is also the one that will most positively influence our happiness equation.

Second, voluntary activities may not be just for fun – they may meaningfully enhance our capability and effectiveness. For instance, a study by Dr Michael Gazzaniga suggests that studying the performing arts improves one's ability to learn anything else. As other studies have shown, both entrepreneurs and Nobel Prize-winning scientists are more likely to have leisure-time involvement in the arts. This is the cultural equivalent of cross-training. Just as runners enhance their physical performance through swimming, cycling and yoga, our intellectual and creative capabilities benefit from exercise outside the arena of the workplace.

Third, the digital age has sparked a renewed amateur or voluntary spirit, enabling the rise of a participatory culture and economy that seemed lost to us in the second half of the 20th century. Artistic product can be made and distributed easily; our passion can leap quickly from pure hobby to part-time income; we can transition from creative amateur to semi-professional.

There's no pre-set formula for building a broader mosaic life – but there is a natural sequence from "baby steps" to full-on engagement. Initially, we may choose just to read and research about an interest – to learn something new each week, just as we used to do in high school and college. Then we may begin to network, seeking kindred spirits and the collaborative energy of shared enterprise. Ultimately, we may choose to engage more fully with meaningful amounts of time by volunteering, studying and other forms of cross-training – even to the point of making our part-time hobby into our full-time job.

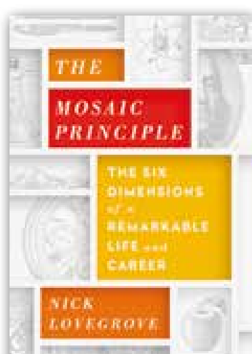
How much time do we actually have to pursue our wider interests? Well, as Rusbridger's experiment illustrated, for most people the answer is "less than you would like, but more than you think." British writer Arnold Bennett, in his 1910 treatise *How to Live on 24 Hours a Day*, observes that, "the supply of time is truly a daily miracle." He suggests that outside of work, we should pursue a productive and engrossing hobby or passion, since that will "quicken the whole life of the week, add zest to it, and increase the interest which you feel in even the most banal occupations."

But what about the 10,000-hour rule? Well in our working lives, we probably have more than 75,000 hours; and in our lives outside work and sleep, at least another 75,000 hours. That should be enough to do something meaningful with our "spare" time, and to design a fuller life.

NICK LOVEGROVE is US Managing Partner for Brunswick and the author of *THE MOSAIC PRINCIPLE: The Six Dimensions of a Remarkable Life and Career*, published by Public Affairs in November 2016.

THE 6 DIMENSIONS OF THE MOSAIC PRINCIPLE

LIFE is lived to the fullest as a mosaic, encompassing a rich set of personal and professional experiences. The 6 DIMENSIONS of the Mosaic Principle are:



1 **DEVELOP AND APPLY A MORAL COMPASS** A coherent purpose and set of motivations allows us to resolve complex moral and ethical conflicts

2 **DEFINE AN INTELLECTUAL THREAD** The pursuit of breadth should have substantive focus and insight to avoid becoming random or quixotic

3 **DEVELOP A SET OF TRANSFERABLE SKILLS** Our foundation of abilities should be common to all our pursuits

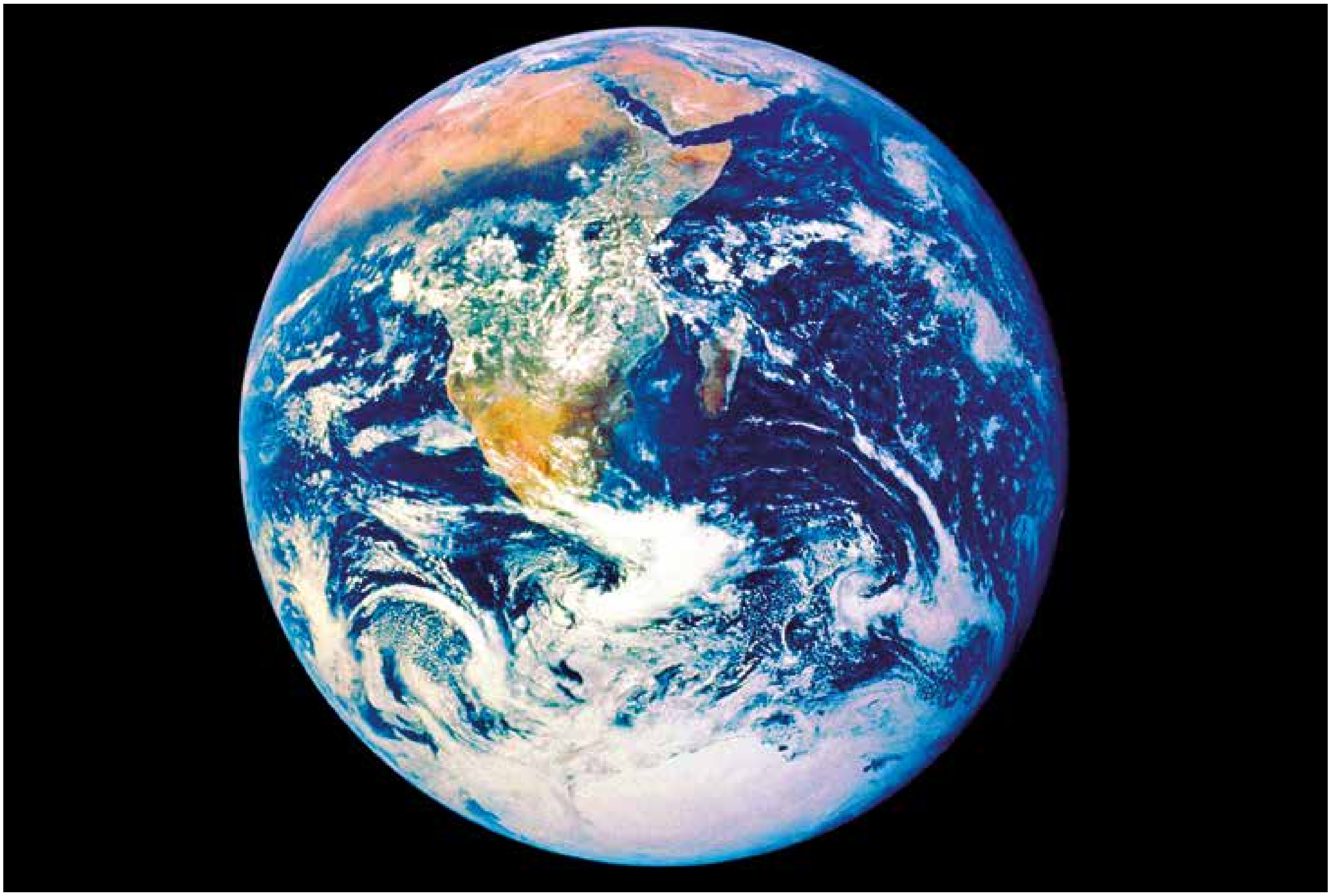
4 **INVEST IN CONTEXTUAL INTELLIGENCE** We need to be sensitive, responsive and adaptable to different contexts and operating conditions

5 **BUILD EXTENDED NETWORKS** Diverse and authentic relationships across different walks of life can cultivate new experiences and outlooks

6 **DEVELOP A PREPARED MIND** We should be ready to accept more varied and challenging opportunities when they present themselves

When we follow the Mosaic Principle, we choose breadth over depth and narrow focus; we observe through a wider lens; we enhance our specialist skills; and we adopt a broad-minded approach – tolerant, empathetic and understanding of those who differ from us. We intentionally design our lives to embody the colorful and multi-faceted unity of the mosaic.

Critical moment | The dawn of Earth's new age



ASTRONAUTS ABOARD APOLLO 17, en route to the Moon, looked back on December 7, 1972 at the full Earth reflecting sunlight – and took a photo. Sometimes called "the Blue Marble," this image from the last manned Moon mission is one of the most famous of a handful of shots of the globe taken during NASA missions. Together, they created an important inflection point in human history, shifting our sense of identity and sparking an awareness of our responsibility to this fragile planet.

Public demand for Earth images preceded these photos. In the early 1960s, with the Space Age still in its infancy, visionary US engineer Buckminster Fuller was already lecturing students about the need to visualize the Earth not as flat and infinite, but as a globe with finite resources. In 1965, the young US writer Stewart Brand launched a campaign to pressure NASA for photos of the planet.

Brand saw that Fuller's idea of "spaceship Earth" could help steer humanity away from self-destruction. "But how to broadcast it?" he later wrote. "It had to be broadcast, this fundamental point of leverage on the world's ills. … A photograph would do it." Brand made buttons that said, "Why haven't we seen a photograph of the whole Earth yet?" and distributed them at universities. In 1967, NASA released the first satellite photo of the full Earth.

Apollo 17 astronauts were 28,000 miles from Earth when they snapped this famous photo. While NASA has since sent unmanned probes deeper into the space – some of them sending back photographs of our planet – this final lunar expedition was the last time a person was far enough away to see the circumference of the Earth

Brand immediately put that image on the cover of his 1968 *Whole Earth Catalog*, a freewheeling, pre-internet database of tools and information that Apple founder Steve Jobs called "one of the bibles of my generation." A year later, peace activist John McConnell proposed a holiday to raise awareness of the environment; in 1970, the first Earth Day was celebrated. A global holiday today, the Earth Day flag still features the Blue Marble image above, with its characteristic view of the southern hemisphere.

In 1977, anthropologist Margaret Mead wrote that "it was not until we saw the picture of the Earth, from the Moon, that we realized how small and how helpless this planet is – something that we must hold in our arms and care for."

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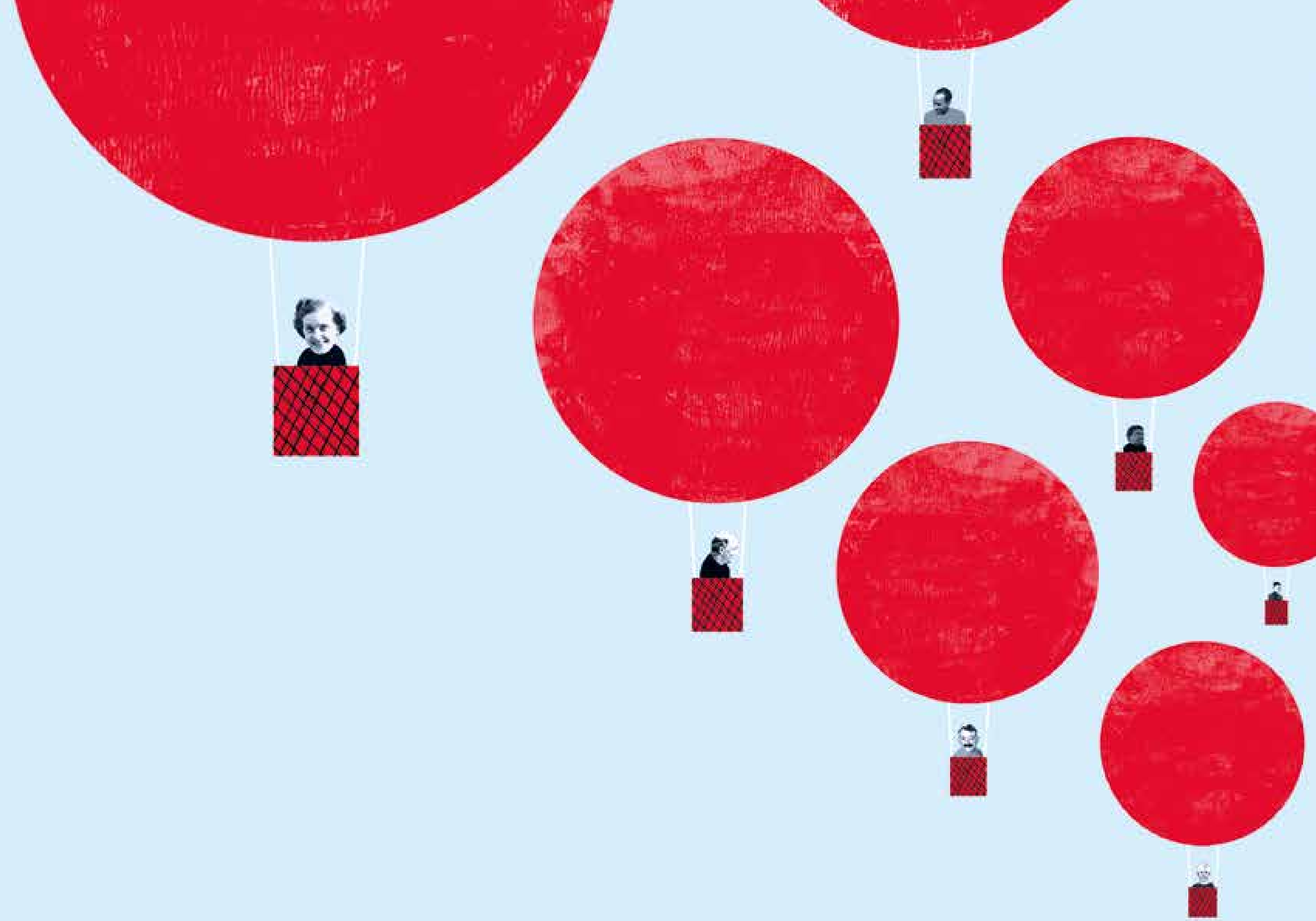

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