

A Year in Words

The Jump Network

January 1, 2015

Welcome back from the year-end break, we hope you had a restful and reflective time with your friends and families. Before we dive into 2015, we suggest taking a moment to look back and reflect on the key ideas and events that shaped our world in 2014. We hope these will provoke some insights and lessons learned, and provide some inspiration for your endeavours and adventures in the year ahead. So here is a year in words for your consideration:

A – is for Alibaba

12 months ago almost no one had heard of Jack Ma, the eccentric and combative founder of what has now become the largest e-commerce player in the world. With revenues approaching \$10bn and a 50% operating margin, the September partial IPO on the NYSE valued Jack's stack at over \$250bn. That exceeds the combined market value of Ebay (\$70bn) and Amazon (\$142bn), and at \$300bn, Alibaba's annual revenues exceed those of its main rivals by far, with Amazon and Google hovering around \$100bn and eBay around \$20bn. Known for singing karaoke and wearing a dress at annual meetings, and encouraging shouting during staff meetings, we can expect for more surprises from China's new Emperor of e-commerce in 2015.

B – is for Bezos

It's difficult not to mention e-commerce without Jeff Bezos entering the conversation. Bezos continued his foray into all things internet in 2014, with drones delivering packages, a Prime subscription offering movies, battles with book publishers, and new services from the "Everything Store" almost weekly. Now possibly the most ubiquitous consumer brand on the planet, but with firmly divided admirers and detractors among its customers and suppliers, we wonder if Jeff and Jack will become friends in 2015?

C – is for Catmull

Ed is the creative guru at Pixar, alongside legendary animation artist John Lasseter. Catmull's book: *Creativity, Inc. - Overcoming the Unseen Forces That Stand in the Way of True Inspiration*, is this year's definitive work on innovation. An inside look at how Pixar lowers egos to heighten teamwork with ideas like its "BrainTrust", Pixar remains one of the most successful hot houses for ideas in Hollywood since its inception in 1979 after Catmull ran computer animation for George Lucas. After creating Pixar with Lasseter and Steve Jobs, Pixar has since won 27 academy awards under its parent Walt Disney. Catmull has been at the heart of creativity for over 3 decades in Silicon Valley and Hollywood, and continues to push the boundaries of business, technology and story telling – all of which are increasingly relevant to leadership and business strategy.

D – is for Dreamworks

A contemporary of Pixar, Dreamworks was also hailed as a creative hub so radical that no one had job titles or business cards, including co-founders Jeffrey Katzenberg, Steven Spielberg and David Geffen. Yet Dreamworks in 2014 showed how even the most creative businesses sometimes need to join the mainstream to survive. The recent launch into Dreamworks-owned TV channels is a bid compete in the new media space beyond traditional

movie fare and into new TV platforms such as Netflix and content like House of Cards. As the FT recently asked in a report on the subject, is Tellywood is the new Hollywood?

E – is for Everything

The “Internet of Everything” was first coined with great fanfare by Eric Schmidt, CEO of Google, at the Davos Economic Summit. This unhelpful moniker of the “Internet of Things” was still being dismissed as hype and hubris in 2014. But the tide is turning as people see value in smart devices like Nest thermostats, wearable technology like Fitbit, and the possibility of affordable 3-D printers in the home. With further advances in 2015, Schmidt’s idea will no doubt bring more useful and connected devices into our lives.

F – is for Facebook

In our 2010 newsletter we wrote about a 26 year old computer nerd who had just been voted Person of the Year by Time magazine. At the time, his social network was worth \$7bn. This September, Facebook’s market capitalisation topped \$200bn, exceeding industry giants like IBM, Intel, Oracle, Toyota and Coca-Cola. Some bold acquisitions like Instagram and WhatsApp have driven the business into a wider range of services beyond chat and sharing. Some controversial initiatives including secret research using newsfeeds to control users emotions, and some big questions about data privacy, have dulled enthusiasm for Mark Zuckerberg’s dream team. But the company continues to dominate the news, the net and our much of our nattering.

G – is for Google

Depending who you talk to, “Don’t do Evil” is either an inspired mantra for good business or a cynical cover for relentless commercial expansion. But the fact remains that most of the world uses Google every day one way or another, making our lives more productive and informed in the process. 17 years since incorporation, Google is now a wise uncle in the young family of internet companies, but continues to innovate with on a massive scale. From driverless cars to global climate controls, Google Glass, and cloud-based medical diagnostics, Larry and Sergey continue to improve how we access the world’s information. The fact that Google-X has scientist and entrepreneur Astro Teller (yes, that’s his name) and the official title “Captain of Moonshots”, suggests we are in for some more interesting innovations in 2015.

H – is for Happiness

Paul Dolan of the London School of Economics came up with an intriguing new formula in 2014 for better wellbeing in his new book Happiness by Design: Change What You Do, Not How You Think. Advocating a sweet spot between Purpose and Pleasure, this compelling read provides insights into why we can feel happy yet bored, or focused yet frustrated. This refreshing take on how to enjoy ourselves while working hard is a great antidote to the tired conundrum of “work-life balance” which no one has yet solved.

I – is for Immersion

Increasingly popular with Boards and NGOs alike, getting inspiration and insight from unexpected places via immersion is providing new ways to look at problem solving, customer focus, innovation and organisational challenges. Pioneered by design experts like IDEO, immersion gets Financial professionals interviewing young entrepreneurs to understand future financial needs, Doctors working with Formula 1 teams to improve speed in hospital processes, and Big Pharma visiting villages in Africa to develop new drug pricing strategies. So rather than planning your next offsite at a golf resort, try a visit to an adjacent space with some purposeful conversations about how other people run their businesses - you may be surprised.

J – is for Jazz

Speaking of immersion, music, and jazz in particular, offers one of the best metaphors for organisations – from collaboration, improvisation and listening, to feedback and the importance of mastery. Wynton Marsalis is a trumpeter, composer, music educator and the Artistic Director of Jazz at Lincoln Center in New York City and his work and words provide great insights on these topics. For some inspiring ideas from this nine-time Grammy winner and Pulitzer Prize laureate for music, see his interview with Indra Nooyi, CEO and Chairman of Pepsi, in the recent publication on leadership “Connecting Leaders” by global search company Egon Zehnder.

K – is for Plattform-Kapitalismus

And while we all strive for great corporate results and profits through leadership, this month’s Economist points out a dark side to our love affair with capitalism, with the “Plattform-Kapitalismus” movement in Germany. Taking aim at the rise of ecommerce platforms and app businesses that are increasingly commoditising us, its adherents lament our “perceived readiness to reduce all aspects of people’s lives, from spare rooms to spare time, to assets to be auctioned off”. Seen as deeply dehumanising, the challenge also raises an interesting question about how ready we are to question these new business models and internet companies who sometimes place profit before purpose (or people).

L – is for Lovemarks

So what could make our brands and products more resistant to the rising tide of criticism against excess commoditisation and consumption? At a recent keynote address for Investment professionals, we were reminded of the importance of emotion in creating great businesses and brands. Pioneered by Saatchi & Saatchi, Lovemarks is a simple idea: in human psychology, information leads to conclusions, whereas emotions lead to action. If you wonder how emotionally engaged your customers are with your brands or the leadership of your company, pick up some reading by the top thinkers at Saatchi & Saatchi: Lovemarks - The Future Beyond Brands by Kevin Roberts, and Consigliere: Leading from the Shadows by Worldwide Vice-Chairman Richard Hytner.

M – is for Mashup

In September 2014 HBR ran an article on “Digical Mashups”, coining a phrase that refers to the melding of digital and physical business models. While most global multinationals have struggled to balance bricks and mortar with online for the last decade, mash-ups describe the sweet spot that allows firms to maintain just enough physical presence while leveraging their online business to maximise sales, brand, and innovation. Burberry, with the hugely popular Tweetwalk showing backstage pictures of new collections before the runway show, and Disney gathering real-time data on guest behaviours, are finding new ways to optimise their customer experience and leverage big data for business results.

N – is for Neuroscience

Very much in the zeitgeist last year, neuroscience is shedding new light on how we make sense of the world, manage uncertainty, take decisions and influence people. Leading thinkers such as Tara Swart of MIT are shaping new thinking and building on ideas from Daniel Goleman’s Emotional Intelligence, Aaron Beck’s Cognitive Behavioural Therapy, and Ellen Langer’s work on Mindfulness to devise new insights on leadership. Watch this space for more on how we can teach ourselves new tricks and become more aware of our emotions and reactions as leaders.

O – is for Open

The move towards “open” products gained new momentum in 2014, though the early pioneers started over 2 decades ago with people like Linus Torvalds opening computing platforms and shifting OS ownership from monopolies such as Microsoft and Apple to a more democratic model. Since Torvalds, we have seen successive waves of open source businesses, from music with Napster in 1999 and Spotify in 2010 to Education with MOOCs

inventing “Distance Education” in 2008. Democratic, open sourced digital education is as controversial in 2014 as open sourced digital programming was in 1990 and music sharing in 2000, but the trend of continued democratisation of the internet shows these ideas are here to stay.

P – is for Purpose

In a world of ever faster decisions, busy-ness and shrinking reporting periods, we often no longer see the wood from the trees. The idea of Purpose, and its close ally, Identity, offer an antidote to the action orientation and problem solving we have become addicted to. Business writers, academics and philosophers are increasingly reminding us that our fundamental human drive is to know who we are, how we fit into society, and why our work is valued. Clarity about these fundamentals – as individuals or companies – can help focus our energy in a more purposeful way and divert the burnout and fatigue we increasingly see in today’s leaders.

Q – is for Questions

In his 2005 commencement address at Stanford, Steve Jobs extolled us to “Stay Hungry, Stay Foolish”. He got that quote from the 1974 countercultural publication Whole Earth catalogue. The text appeared again in 2008 as a book by Rashmi Bansal who documented the lives of young entrepreneurs in India. Decades before Jobs or Bansal, Toyota in Japan invented the “5 Why’s” to identify root causes of errors in manufacturing processes. The linking essence of these ideas is the invitation to ask questions and reframe issues rather than blame or jump into “solving” problems. While action is more seductive than reflection, asking good questions is ultimately a better strategy.

R – is for Rosetta

On 12 November 2014 after 10 years, 9 months and 29 days, a remarkable feat of engineering culminated in a washing machine-sized spacecraft performing the first landing of a man-made object on a speeding comet. The Rosetta space probe and Philae, its lander module, is currently performing a detailed study of comet 67P/Churyumov-Gerasimenko. The probe had to accelerate to a relative speed of 19,000mph using gravitational swings around the Earth to catch the comet, then slow to just 2mph for a safe landing. For those who have lost faith in our ability to put resources into truly inspiring projects, Rosetta is a great antidote. Apart from the physics involved, the commitment, tenacity and teamwork of the ESA team should be an inspiration to leaders everywhere.

S – is for Sharing

How many times a year do we use a power drill, a ladder, or a garden hose? Yet most of us own at least one of these. The idea of the sharing economy is simple – buy one item and allow people from a group or neighbourhood to share – and pay for it - as needed. Also referred to as the peer-to-peer economy, the Mesh, and the collaborative economy, new technologies are allowing individuals and organisations to share assets and resources rather than wait for third-party businesses or governments. Do you have a shared economy space in your neighbourhood yet?

T – is for Taskrabbit

Apart from the catchy name, Taskrabbit epitomises the proliferation of online and mobile-based services for time-poor urban professionals worldwide. Running almost any errand you can think of from sending somebody to pick up a last minute gift or paying bills, TaskRabbit matches “taskers” to one-off jobs other people want done for them. Like Bloomthat (flowers), Handy (home help), Instacart (grocery delivery), Washio (laundry) or Zaarly (housecleaning), these new apps form a growing ecosystem of services that, as noted by The Guardian, combine 21st century technology with a 19th century “piecemeal” in an ironic twist that shows old ideas finding a new lease of life with the right packaging and technology.

U – is for Uber

One of the most controversial mobile apps of 2014, Uber is in 230 cities, 53 countries, and had 2014 revenues of \$1bn, adding to a \$40bn valuation. Its meteoric rise has made “The Uber of X” a new catch phrase for CEOs everywhere who fret about disruptive innovation hammering their businesses. Even Maurice Levy, the quintessentially confident CEO of global advertising giant Publicis, has made a series of acquisitions as a defense against being “Ubered” from the Champs Elysees. But there is also the dark side, as recent policy changes around driver rates and unpopular premium pricing during peak hours have alienated even the most loyal customers. Will Uber crash and burn, or continue to displace rival business models? For an interesting view on how to balance “old” and “new” power strategies for online businesses like Uber, have a look at last month’s HBR article on the subject.

V – is for Vaude

While the Ubers, Facebooks, and Twitters continue to drive profit and monetise their business models, both the FT and Guardian have picked up a refreshing counter trend in late 2014, with examples of companies reporting “Common Good” balance sheets. Vaude, a family-owned maker of mountain sports clothing in Germany, is a great example. CEO Antje von Dewitz and her 1,600 employees aspire to become the most sustainable outdoor brand in Europe, while still making sound business decisions. As Dewitz is quick to clarify: “We’re a business, not an NGO.” Organisations such as “Economy for Common Good” are thinking along similar lines, arguing that ROI, ROE and GDP are poor yardsticks for today’s interdependent world. Revisiting the idea of the triple bottom line of “people, planet and profits” may be worth a second look for all of us in 2015.

W – is for Wisdom

According to our friends in the world of Neuroscience, all of us naturally gain “wisdom” as we experience life and repeat what works. Wisdom (Sophia in Greek) is defined as the “ability to think and act using knowledge, experience, understanding, common sense, and insight”. A simpler definition is “the judicious application of knowledge”. The opposite of wisdom is “folly” which got us into hot water in the financial crash, among other things. Let’s all gain some new wisdom in 2015 and apply some good common sense and ethics to our businesses.

X – is for Generation X

We still think of Gen-X as “young” people, but the term was actually coined by Magnum photographer Robert Capa in the 1950s as the title for a photo-essay about young men and women growing up after the Second World War. Gen-Y first appeared in 1993 in Ad Age to describe the teenagers of the day. Gen-Z, or Millennials, arrived in the late 90’s or mid 2000’s depending who you talk to. But whatever the trigger dates, make it a point to mentor and impart some wisdom to someone of the younger generation in 2015.

Y – is for Yahoo

Marissa Meyer seems to have turned around the once failing internet giant Yahoo in 2014. She also turned the world of work in Silicon Valley on its head by insisting everyone show up at the office rather than work from home, in order to recreate a strong corporate culture, thus proving again that real relationships and not virtual ones are the key to great teams and high performance. Yahoo also brings us back to Alibaba, as it was ironically Yahoo’s 23% stake held in Jack Ma’s company that largely funded its recent acquisitions by creating a convenient \$5bn windfall for Ms. Meyer.

Z – is for Zoology

And finally, let’s remember we are all part of an amazing ecosystem where interdependent forces in Nature lead to constant innovation and surprise. Have a look at the trailer David Attenborough’s latest BBC Nature series (set to the tune of “It’s a Wonderful World” by Louis Armstrong) for some inspiration. It still is a wonderful world out there!

<https://www.youtube.com/watch?v=3FxnOO6yndQ>

All the best for your enterprises, your endeavours, and your energy in 2015!

Andy Craggs

The Jump Network
Leadership Strategy, Organization Development, Executive Coaching
www.thejumpnetwork.com
info@thejumpnetwork.com
+ 44 (0) 7787 124 832

2014 Selected Client List

Dyson
France Telecom
Jardine Lloyd Thomson
M&G Investments
Millicom
Novartis
Orange
Oxford Instruments

2014 Selected Partnerships

Insideout Partnership – www.insideoutpartnership.co.uk
London Business School – www.london.edu
NTL Institute – www.ntl.org
Nexus Training – www.nexus-ww.com
Quality & Equality – www.quality-equality.com
The Unlimited Mind – www.the-unlimited-mind.com

2014 Creative & Social Enterprises

Music, Arts & Dance Photography – www.andycraggs.com
World Health Organisation Documentary - www.who.int/tdr
World Photography Workshops – www.explorenation.net
Wynton Marsalis Jazz – www.wyntonmarsalis.org