

# ***Year End Greetings*** ***From*** ***The Jump Network***

***Organization Development, Change Leadership,  
Executive Coaching***

***January 2018***

Last year we suggested a return to judgment, emotion and intuition as antidotes to the rise of populism, global inequality and the all-powerful algorithms of Big Tech. We cited the works of Adam Smith, Daniel Kahneman and Richard Thaler, writers who remind us that understanding our essential humanity, with its quirks and often irrational but creative responses, may be the best coping mechanism for our increasingly complex and technological world.

We were thrilled therefore to see the Nobel Prize committee grant the 2017 award for Economics to Thaler for his work on Behavioral Economics and Nudge theory, recognizing that it is our emotions and mindset that account for most of our successes, and that technology and rationality should remain a means to an end rather than ends in themselves.

The rest of 2017 was a mixed blessing however, overshadowed by Brexit here in the UK and continued geopolitical and economic instability around the world. Finding bright spots in this Machiavellian landscape felt like mining Bitcoins, so we turned instead to the Complete Uxbridge Dictionary for inspiration, that takes us through the alphabet from Appetite (cheerfully drunk) to Zucchini (an animal park enthusiast) in a brilliant A-Z of double-entente.

Here then is our own selection of telling words from 2017.

## ***January: Trompe***

It was not only the French who felt betrayed by "The Donald's" elevation to President of the United States as half a century of international diplomacy and support for global development slowly seemed to evaporate. So far, most western commentators and governments have blanched at the misogynistic and protectionist "America First" messages emanating from the White House, but 63 million voters firmly believed the real estate tycoon turned politician was the answer to their prayers, demonstrating that black swans are alive and well. A slim silver lining appeared at year-end with the passage of significant tax reform and some seemingly robust economic figures, but whether much needed trickle down will occur is far from certain, and the balance sheet remains in the red on many social and political metrics. Probably the only person more depressed than the rest of us is Jack Dorsay, whose embattled social media platform Twitter continues to suffer under comical rants about North Korea, fake news, conspiracies, and the still mysterious "cofefe".

## ***February: Bitcon***

Early in the year investors were already becoming alarmed at the rise of the crypto currency. With no underpinning value or ultimately accountable body, Bitcoin fulfills essentially none of the criteria long established by Economists as a valid medium of exchange. By year-end its value had skyrocketed to \$15,000 before plummeting 30% the week before Christmas. While blockchain does offer some interesting possibilities for transparency in complex commercial matters, the simply adopting the lexicon should not send company stocks up 500%. The newly rich owners of the obscure Long Island Iced Tea Corp, now renamed "Long Blockchain Corp", seem worryingly reminiscent of the tulip-mania investors of 1637 and perhaps should

read the prescient "Madness of Crowds" published in 1841 by Scottish journalist Charles Mackay. Both stories amply demonstrate how wrong we often are about our fast-held assumptions.

### **March: Cyberia**

Journalist and economic writer Niall Ferguson neatly coined this phrase as accounts of widespread hacking and cybercrime continued to emanate from Russia. Adding to the 3,000 Facebook ads turned over to the FBI by a slightly red-faced Mark Zuckerberg, and a growing list of departures in the US Administration following former FBI director James Comey, Cyberia captures perfectly the zeitgeist of this renewed digital version of the Cold War.

### **April: Brrrexit**

The UK government got a decidedly frosty reception from Brussels in its initial foray into Brexit negotiations. The UK already has a reputation as the world capital of high divorce settlements (the former wife of an oil and gas trader being awarded £453m this year), but Brexit has created a new standard, with demands for a £100BN from our former continental friends for political separation. By year-end the divorce bill still hovers around £45BN, and in an ironic twist, economists now estimate that the likely weekly cost of exiting the EU is about £350M per week, the same figure proudly used by Leave campaign of estimated savings for the UK. As Christine Lagarde of the IMF said last week, "I told you so."

### **May: Macaron**

The new French President really did resemble a posh French pastry as he emerged grinning from the Elysée Palace, the youngest ever leader of the Republic at just 39. By year-end his "En Marche!" movement (dubbed "En Marche Arrière" by critics, of course) had managed to push through labor reforms long thought impossible in the face of some of the strongest unions in Europe. He has also brought the 2024 Olympics to Paris, forced the resignation of army chief Pierre de Villiers over much needed budget cuts, and rejuvenated a sclerotic Administration. A definite upgrade in French patisserie from the wobbly womanizer Francois Hollande, a.k.a. "Flanby".

### **June: May-be**

A great leader beset by chronic indecision, an irrational need for control, and naive trust in a small coterie of inexperienced advisors? This might sound like the perfect Shakespearean theatre plot but unfortunately for Ms. May these particular qualities have led only to a slow demise of her party and her country that by September had slid to the worst performing G7 ranking. "To may-be or not to may-be" is an open question for the UK in 2018, and we shall see in the run-up to Brexit in March 2019 whether 'twas nobler in the mind to suffer the slings and arrows of outrageous fortune, or is she has it in her to take arms against a sea of troubles - including Messrs Junker and Barnier in Brussels or the formidable Ms Foster in Dublin.

### **July: Unter?**

Perhaps a more appropriate moniker for the infamous ride-hailing App that singularly failed this year in its ambition to Uberize the world. Perhaps best epitomizing the creeping arrogance, naivety and blinkered culture pervading today's Big Tech, Kalanik & Co's comedy of errors throughout 2017 ran the gamut from insulting drivers, gouging users, deceiving regulators with Greyball, spying and stealing software from Google, and covering up a 50M client data breach. Most worryingly, rampant sexism exposed by Susan Fowler added Uber to the growing list of Silicon Valley "Brogrammer" cultures leading to worldwide sentiment towards all the FANGS (Facebook, Apple, Netflix, Google) turning decidedly dark. Harvard Business School professor Frances Frei has her work cut out for her as the new SVP of leadership at Uber, and we hope that her efforts plus the potential injection of cash and a good dose of common sense from Softbank will improve matters. After that perhaps Ms Frei will go and de-fang a few neighbors too.

### **August: Boorish**

Having produced a quite elegant biography about his hero Churchill, Boris Johnson appeared progressively less and less statesman-like in 2017. Leading the charge for a decidedly un-Churchillian Brexit, he has struggled to make the leadership transition from gaffe-prone yet quite effective mayor of London to Foreign Secretary. Highlights include: endangering the release of British detainee Nazanin Zaghari-Ratcliffe in Iran, unhelpfully suggesting the only thing standing between Libya's status as a luxury destination and the present was the clearing of a few dead bodies, and reciting a very un-PC colonial Rudyard Kipling poem at a temple in Myanmar.

### **September: Yellin'**

What most analysts spent the year doing as Janet announced a series of measures to start cutting the Fed's \$4.5 trillion balance sheet from October. The \$10bn per month "normalization" process and a rise in rates by a quarter point have been met with mixed reviews, and the jury is still out as to whether quantitative easing has been an effective response to the financial crisis. Her replacement Jerome Powell has no doubt been pondering this and other questions over the holidays as he prepares to take the reins from Yellen in February.

### **October: Able?**

Channeling Ronald Reagan, Japan's prime minister continued to aim the three arrows of his Abenomics policies at the triple targets of monetary easing, fiscal stimulus and structural reforms. The plan was course by mid-year, with Japan in its seventh consecutive quarter of positive GDP growth. Having also won recent elections, admittedly after the main opposition failed to float a candidate - Premier Abe seems to have solved the triple conundrum of aging population, low consumption and fiscal deficits in Japan. But scandals about product quality at the likes of Kobe Steel and Nissan have seriously undermined the country's reputation, and geopolitical uncertainty, including China and North Korea provide an uneven landscape. Whether Abe is able to successfully lead the world's 3rd largest economy in 2018 is an open question.

### **November: Carnage**

What many City grandees accused Mr. Carney of propagating in 2017. It is not an easy task as head of the BoE to respond intelligently to Brexit, explain why growth projections for the UK have been slashed, manage reduced quantitative easing, or decode MIFID rules. We might excuse Mr. Carney for struggling to steer a straight course through the UK's worst economic uncertainty since 1945. Were it not for his impeccable manners he would have certainly had his own personal taper tantrum.

### **December: Bezotted**

Difficult not to be enamored by the whacky and unstoppable energy of the world's 2nd richest man (personal worth \$90Bn), after he launched his latest project. Convinced that governments and the UN are too inept to manage world affairs his World Peace initiative aims to challenge terrorism, corruption, resource scarcity and violent extremism. Bezos is nothing if not ambitious, so maybe his \$570bn Everything Store can in fact organize and deliver peace services better than anyone else. Many remain skeptical of the true mission behind Alexa as she allegedly fulfills your every domestic need while effectively creating the world's largest surveillance organization, but who knows? Maybe your personal "Peace Prime" subscription is only \$99 away, with next day delivery in 2018.

But despite the pervasive cynicism of 2017, there were in fact many signs of optimism amid the gloom. So to conclude on a brighter note, here are a few encouraging stories from this year's news:

### **Business & Technology - don't be evil**

- Tencent reaches \$500Bn market valuation and Alibaba sells 100 Maseratis in 18 seconds through new vending machines in China, proving the power of the platforms to tap an estimated \$80Bn of new consumer spending by 2021, and enabling a middle class of over 200M people to thrive in previously closed economies
- Uber, despite its travails, predicts 4Bn rides in 2018, overtaking the airline industry and pointing to new possibilities for the sharing economy and self employment
- Blockchain provides new potential for transparency in everything from ethical supply chain sourcing to combating white collar financial crime, despite the misgivings of the \$15,000 Bitcoin bubble
- France reclaims ownership of the word "entrepreneur" as the number of startups exceeds that of the UK in 2017, thanks to the Macron effect and tech hubs such as Station F in Paris
- New York Times shares quadruple since 2009 thanks to 2/3 of revenues now coming from subscriptions, giving hope to providers of authentic news and quality journalism

### **Government & Politics - beyond power & populism**

- Robert Mugabe and Jacob Zuma are ousted as respective heads of Zimbabwe and South Africa's ANC, regional developments unimaginable just a few months earlier
- China plans 4.8M charging stations for electric cars by 2020 in a significant move away from coal and oil
- Saudi princes are told to hand over up to 70% of their assets in an unprecedented corruption clampdown, even though the Ritz hotel served as an unlikely luxury prison. In the same year, women are allowed to drive for the first time as authorities realize they must open and diversify their oil-dependent economy
- Cod stocks in the North Sea are deemed sustainable after 10 years of successful campaigning and EU government support
- US Bank fines total \$150Bn on the 10th anniversary of the financial crisis, showing that the regulators are catching up and, with luck, now protecting us from future crimes and misdemeanors requiring GDP-sapping bailouts

### **Culture & Society - towards collective consciousness**

- 1960s hippie hangout Esalen in Big Sur makes a comeback with the 1440 Multi-versity (as opposed to uni) offering reflection and "attunement" for guilty Tech executive who have just realized their business models of likes and posts are essentially based on addiction
- Silver Startups are predicted to be the new entrepreneurs as over 55's turn their free time to creative pursuits, a hopeful counterbalance to the immaturity and poor judgment that pervades the tech sector
- Female run hedge funds are shown to outstrip the men with average returns of 9.95% against 4.81%, while Jane Austen £10 note is unveiled at Winchester Cathedral replacing Charles Darwin
- The future of Finance looks bright as \$4Tn in assets are set to be transferred from

Baby Boomers to Millennials, most of whom will seek impact investing focusing on sustainability, education, and clean energy

- Susan Fowler is named personal of the year by the Financial Times, bringing fully to light the hidden employment practices of a now penitent Uber
- Damien Hirst's prescient "Treasures of the Unbelievable" at the Venice Biennale shows there is a humorous and artistic side to fake news

So in 2018 let's follow Thaler's wise counsel and adopt an open and positive view of human behavior that, when channeled towards inspiration and creativity, can really achieve our potential as a global and connected society.

### **Selected Client List**

*CMS Nabarro Oldswang  
Dyson  
Ernst & Young  
ING Bank  
M&G Investments  
Novo Nordisk  
Red Bull  
Sanofi  
ST Microelectronics  
Virgin Atlantic*

### **Business Partnerships**

*London Business School - [www.london.edu](http://www.london.edu)  
Korn Ferry / Hay Group - [www.haygroup.com](http://www.haygroup.com)  
Organisation Development Network - [www.odneurope.org](http://www.odneurope.org)  
NTL Institute - [www.ntl.org](http://www.ntl.org)*

### **Social Enterprises**

*Global Health Initiatives for Africa - [www.who.int](http://www.who.int)  
Support for the Performing Arts - [www.andycraggs.com](http://www.andycraggs.com)  
World Photography Workshops - [www.explorenation.net](http://www.explorenation.net)*

### **Recommended Reading**

*"Misbehaving"*

*Richard Thaler, 2015*

The making of Behavioural Economics by the 2017 Nobel laureate in Economics, reminding us there is life (and value) beyond algorithms and our ingrained assumptions

*"The Second Curve - Thoughts on Reinventing Society"*

*Charles Handy, 2016*

Reflections by one of the world's leading management experts and philosophers on the relevance of our current institutions, challenging our ideas about growth, prosperity and humanity

*"The Hero with a Thousand Faces"*

*Joseph Campbell, 1949*

Writings on Comparative Mythology that provide fresh insights into human nature and the role of stories and archetypes in building identity and purpose, essential ideas for good leaders in any organisation

*"Montaigne - The Complete Essays"*

*Michel de Montaigne, 1580*

The early Humanist philosopher offers surprisingly contemporary and often entertaining views on the nature of society, morality, and human judgment, especially relevant for our age of fake news and increasing cynicism

*"Courageous Conversations"*

*David Whyte, 2004-17*

The American based Irish poet continues to guide leaders and organizations on how to build awareness, courage and compassion during important moments of transition

*"The Complete Uxbridge English Dictionary"*

Graeme Garden & Tim Brooke-Taylor, 2017

Brilliant wordplay and badinage from the creators of BBC's "I'm sorry I Haven't a Clue"

*Harvard Business Review - [www.hbr.org](http://www.hbr.org)*

Essential bi-monthly reading for insights on leadership, business and society

Sources: HBR, FT, WSJ

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