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Embracing chaos – Do Troubled Times Favour the Bold?

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When things look their bleakest is when mighty business empires are formed.

When the headlines are full of #GuptaLeaks, credit rating agencies, US President Donald Trump, taxi violence, the collapse of leadership at SAA, SABC, Eskom, SASSA, the NPA and almost every other state-owned entity, it's tempting to reach into that editor's much used bag of clichés and pull out WB Yeats' description of post-war Europe from *The Second Coming*.

"Things fall apart; the centre cannot hold;
Mere anarchy is loosed upon the world."

Evolution

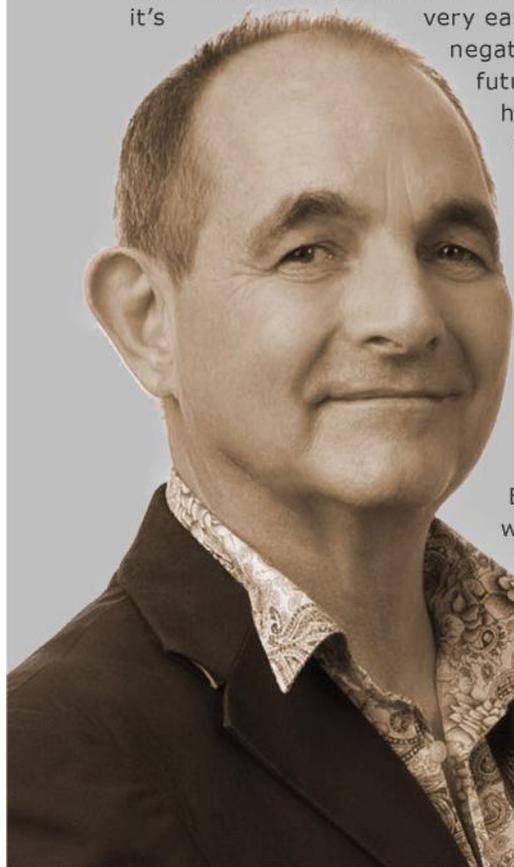
If that's how you're feeling, you're not alone. During the social upheaval of the 1960s, American essayist Joan Didion lifted the last line of Yeats' poem for the title of her first book, *Slouching Towards Bethlehem*. Didion wrote that she had "been paralysed by the conviction that... the world as I had understood it no longer existed."

When trying to read the tea leaves in times of trouble, it's

very easy to focus on the negative prospects the future holds. We can't help it: as humans we've been programmed by our own evolution to overestimate the dangers of taking a decision and underestimate the gains.

"Those berries look good, but is there a tiger in the trees?"
Extreme caution is what kept us alive long enough to invent fire.

We are, quite literally, born worriers.



Survival

In business, we find ourselves becoming increasingly risk averse when there are lots of apparent external concerns. We cost-cut, we sell our investments and plunge them in to gold. We do what we think seems sensible.

Worse, we actively seek out information that confirms our pessimism. That, I think, is one reason we're so happy to reTweet "fake news" when it reinforced our own mood.

We tell ourselves we're "being realistic", but ironically, it's at that very point that there's a good chance we're being totally unrealistic. Being cynical is a survival trait for fleshy mammals, not for innovative enterprises.

Here's another quote, reportedly from the founder of today's Rothschild Group way back in the early 19th Century. "Buy when there's blood in the streets, even if it's your own blood."

Disruption

When other people are panicking, selling up and moving out, that's when the creative thinker can take advantage of chaos, low prices and instability to start building something big. We have a word for what happens when things seem upside down in the business world: disruption. And as we know, disruption is the engine of innovation and growth.

We tend to think of disruption as being purely related to technology, but I suspect, and teach, that what divides the successful entrepreneurs and businesspeople is the ability to see the opportunities in times of any great uncertainty.

We're living through a period of intense disruption, but it's still only a pale shadow of where we've been before. "White monopoly capital" may be a highly contentious and divisive phrase, but in the early 1990s "white flight" was a very real thing. But here's the thing: some of the biggest companies on the JSE - Naspers, Discovery, Shoprite, eTV - were all making big bets at a time when their peers could only see trouble.

The ability to succeed in times of disruption isn't

COVER STORY

genetic. Entrepreneurs aren't superhumans. It can be understood, and it can be taught. Professor Saras Saravathy coined the phrase "effectual logic" to describe how great entrepreneurs cope with uncertainty, and defined five principles that underlie it. It teaches us how to be opportunistic, and build our own safety nets too.

Embrace

The final principle, The pilot-in-the-plane, is most pertinent. Pilots are trained from the very first day to be absolutely honest about risk, and appropriately cautious. They fill in pre-flight checklists and tick off everything, they continually record and monitor every subsystem a plane has to offer, they correct and maintain at the slightest risk or abnormality. But they still fly planes for a living.

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The ability to succeed in times of disruption isn't genetic...

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They aren't Pollyannas, they are absolutely cognisant of the inherent risks and are able to understand them, and because of this they can see that the benefits outweigh the dangers. Flying is an insane activity - hurtling down a runway at nearly 300km/h with hundreds of people crammed into an oversized cigar

case - but if we only focussed on the dangers we'd never visit Cape Town. Yeats' point about "slouching towards Bethlehem" is often misunderstood. His point was that the beast of Revelation most certainly wouldn't arrive with an air of despondence, and right now we're surrounded by people who are embracing the chaos around them: the fearless journalists, judges and civil society activists who won't accept the status quo in our power structures, who seize the opportunity excel at their own job of holding power to account.

To finish off that Didion quote, the writer concluded that "if I was to work again at all, it would be necessary to come to terms with disorder."

If you can do that too, then great opportunities lie ahead. ■