

# Risking the World

The writer Ray Bradbury describes living at risk as jumping off the cliff and building your wings on the way down. A flight to freedom. In the shagadelic sixties fashion legend Mary Quant took me on when I said I'd go anywhere, do anything - for half the price of anyone else. Not the biggest but definitely the best gamble of my life.

For any young blade or set of heels entering the field of business your first port of call should be Francis Ford Coppola on spontaneous recklessness, which I touched on in my last article. Not to get you to Formula One risk taking (I'll get to that). But to get you over the cliff and flying:

1. The un-lived life is not worth living.
2. It's not a gamble unless you go all the way.
3. Your work is your life - give in to it.
4. Think like a child (business is a natural outgrowth of play.)
5. Define success and failure for yourself.
6. Don't ask, What does the customer want? Ask, What does the future want?
7. Success means living the life of your heart.
8. Always work on an epic scale.
9. Whenever you get into trouble, keep going.

To fine tune No.9, if you are going through hell, pin your ears back and drive right through to the other side!! (for example, see Keanu Reeves as Constantine). I'm with Francis. With Steve Jobs: "Let's put a dent in the universe". With Tom Peters: "Test fast. Fail fast. Adjust fast." With Katherine Mansfield who says it best: "Risk, risk anything! Do the hardest thing on earth for you! Act for yourself. Face the truth."

Risk taking is more than attitude with King Kong *cojones*. It is the lifeblood of enterprise. Human progress runs on the stuff. Only through taking risks, through daring to believe in a dream, do we open the possibility for magnificent success. Starbucks began with a single coffee shop. It now has almost 10 000 cafes in 35 countries.

Spare me the perfectionists who never get it wrong or worse still the conservatives who never take a risk. The American Dream would never have changed the world without its monumental flops. From faxed newspapers and flying cars to solar power from space, there have been all kinds of brilliant failures.

Unlucky or stupid, every category has its classic screw-up. In automobiles, the Edsel car. In movies, the 1980 blockbuster calamity *Heaven's Gate*, with a budget blowout from \$US7.5 million to around \$US44 million. *Waterworld*, *Hulk* and *Alexander* followed suit.

Some risk-taking is just plain suicide. When the payoff is too good to be true, it probably is. The question is not whether to jump, but when, how far and who with (think New Line Cinema's backing of Peter Jackson). They call it risk management. From insurance to investment, there are legions of risk assessors identifying, assessing and hedging against risk.

Data crunching, modelling and being predictable will lead you to the edge of possibility. They won't take you over it. As the telecom and dot.com meltdowns showed, risk vampires have yet to handle the holy water of human nature. Even artificial intelligence falls short. Why can't AI model the mind of a Warren Buffet or a Peter Lynch? I'll tell you. Because the big calls in business are sensed, not calculated. As one Stanford professor says: "businesses operate in the real world, and in the real world you have to marry the seat of your intellect to the seat of your pants."

There's a surprisingly obvious paradox here. If the odds are calculable, anyone can do it. To generate quantum returns through uncertain realities, you have to step beyond reason into the vortex of emotion, intuition and inspiration. Laurence Gonzales, author of *Deep Survival*, describes reason as the jockey and emotion the horse. "The jockey can't win without the horse, and the horse can't race alone. In the gate they are two, and it's dangerous. But when they run, they are one, and it's positively godly." In the theory and practice of Peak Performance, we call this Flow.

As CEOs we all have one goal – to get to the future first. This is about risk-taking, not retrenchment. Let no one tell you different. According to McKinsey, at the median annual revenue level of today's Fortune 100—about \$30 billion—a corporation would have to create a \$2 billion company each year to sustain 6 percent top-line growth. Other things being equal, a CEO's approach to risk taking is what separates the good, the bad and the seriously ugly.

Grant Fox, one of our most successful All Blacks, once told me the secret to winning was to have fire in your belly and ice in your brain. Here's some fire and ice (a great lipstick colour from Charles Revson and Revlon in the 60s). Follow at your own risk!

1. Avoid Moderation Be hot, or cold, but not lukewarm. This is not an invitation to the irrational exuberance that burned up the late 1990s. That was about frenzy, hubris, ego and staying in the bath too long. If a choice is ethically wrong, the odds don't matter. I'm talking about fantastic passion, electric energy and restless vitality, the difference between incremental inches and quantum returns. If you want to play football for Italy you better love football more than anything. If you're going to run a huge risk you need equal passion. You need religion. Blaise Pascal - a 17th century intellectual and party animal – gave belief in God some healthy proportion. His thought: if you bet against God's existence in the way you live your life, don't get it wrong. The inferno is a significant downside.
2. Pursue Failure Which is better? Make 30 decisions a day and get 10 wrong or make three and get them right? Make the 30. If you only make three decisions a day in business today, the competition, your peers and the market have left you for dead. More importantly, making mistakes (once!) is how you learn to eliminate risk. It's about adaptive capability. Look at venture capitalist John Doerr. The VC legend's success line runs from Sun and Palm to Amazon and a \$12.5 million dollar bet on Google that bloomed to \$3.4

billion. Behind John's success are a number of failures, such as pen-computer maker Go Corp. The Marquis de Sade put it this way "sometimes a little agony is a necessary part of ecstasy." Steve Jobs got fired from Apple for pursuing failure. His mistake hurt, but gave him the creative space to design the iPod and launch Pixar. If it ain't broke, break it!! Mario Andretti is right: "If things seem under control, you are just not going fast enough."

3. Ask dumb questions The more diversity in your thought patterns and resource base, the better your decisions. The more ways you ask a question, the more risks you'll extinguish. If you feel a question is too stupid to ask – you have probably stumbled on something everyone needs an answer to. The dumb question cuts to the heart of a problem. "Why are we sailing into an iceberg?" would have been a good one to ask on the bridge of the Titanic. A classic mistake is to over-estimate your own brilliance, and ignore that of others. John Doerr: "For me, it's team, team, team." Saatchi & Saatchi calls this "one team; one dream". Edward de Bono sums up: "There's no point in being brilliant at the wrong thing." I believe there should be a 10-year-old kid at every corporate meeting, to ask the one question that matters.
4. Spread confusion When others have zigged, I've zagged. Think of the Ice Age animal heroes who head north disrupting the animals trekking south. This is how we made Saatchi & Saatchi boom through the turn-of-the-century advertising bust. While the competition was bent on acquisition, we focused on building growth through share of existing clients. And while the herd followed the commission-based compensation track, we trail blazed sales-based compensation. Risky? Sure. Profitable? Our margins doubled.
5. Leap from the Edge When you surf on the outer edge of your limits, you can achieve the impossible. Innovation always comes from the fringes in the arts, from the edges of conformity

in business and in social attitudes. Artist and writer Guillaume Apollinaire: " 'Come to the edge,' he said. They said, 'We are afraid.' 'Come to the edge,' he said. They came. He pushed them... and they flew." Successful risk taking is about constant reinvention. Cirque du Soleil, now a half billion-dollar company, is a fantastic example. Broken moulds. New stories. Crazy hires. Fresh acts. Triple somersaults every time. Says Daniel Lamarre, Cirque's president and COO: "A typical day at the office for me begins by asking: What is impossible that I'm going to do today?" Over to you.

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*Book: Lovemarks: the Future Beyond Brands (powerhouse Books)*