

Leeway

And on and on and on ... no, today is a turning point in your life, a new phase starts. At the same time, the world is in transition to a new age, the digital age.

"The world is changing. Knowledge is a prerequisite to shape the future. As an ambitious and responsible person, you use your knowledge for a future worth living in." This from the invitation to your graduation ceremony.

Good evening dear graduates, dear parents, relatives and friends of the graduates, dear Mr. Dean, dear professors, ladies and gentlemen.

It is a great honor and pleasure to be invited to speak to you today. Thank you very much, Professor Gall, for your kind invitation.

Welcome to the "Digital Age" welcome to the age of client centricity. Customer-value, client-experience, click-rate, conversion-rate and followers are the KPI's of digitization. Preparing this speech, it has been a must to evaluate your expectations, to create a persona and to design the client journey with your graduation ceremony in focus.

You have told me that you wish a speech that carries hope, a speech that says something about the future and something about success. A speech that is characterized by personal experiences, has humor, is not dry and not too academic ... a challenge even for a power messenger.

Some companies would be happy - and after my evaluation with some of you this is a bit true for me as well - if they knew a little less about what their customers expect. They could focus on what they are good at and if someone doesn't like it; bad luck, how could they know.

But this is not the case anymore. Most companies know increasingly more about their customers. Each click aggregates more details and differentiates the customer to even more accurately address him, so the promise. We are on the way to lot size one, to individualized mass customization, to a status symbol for everyone, to the reduction of information to the essentials, say the optimists, to the irrelevant say the realists, to the dangerous say the pessimists.

So much for the promise. Then reality kicks in with brutality and shows you the ad for your new skis weeks after you have actually bought them on the Internet.

Right aside to this ad there is a pop-up for the vacuum cleaner, which you bought 3 days back and on top of that: the special offer for the Swiss flight on a date on which you have already booked a flight with Swiss. I followed up on the flight and got an explanation – and no, you will probably not believe me this one: “We're sorry, we can't do anything about this. You know, the new data protection law.”

Keeping track of the stream of information, data and voices, opinions, ideas, concepts and alternative facts is a challenge. A challenge for which you are well equipped dear graduates. You have learned to collect, structure and analyze data and draw the right conclusions. Be careful, never trust an algorithm your personal bias is not coded in and never forget the level of your blood sugar. Research shows that judges' energy levels are more important to a decision than the underlying facts.¹

As an entrepreneur, decision-maker and as a human being, I would like to catch your mind on this so important day for you. I would like to catch your mind for an idea. An idea that can change the world, for yourself and for the people around you. It's a matter of heart - because so much is at stake. For you and for all of us here: your future and the future of our children.

The idea is that you focus your energy on what you can influence and create leeway. Space for yourself and space for others, leeway to act.

Why is leeway so important?

When things change faster, you need more room to try, room to experiment and time to adjust your plans. You can equate leeway with margin. Margin provides you the ability to act. If you have no margin left, it's over.

How do you create leeway?

On one hand it's very easy, on the other hand it's hard because it means changing your behavior. It means taking responsibility and exposing yourself to the risk of failure and dissonance.

Start small: Design a meeting in line with best practice - Astonishing 76% of all meetings in Switzerland do not even meet the minimum standards and 69% of all decisions taken in meetings are never executed.

If communication is an issue: When you reach office in the morning, walk to a colleague's desk in another department and ask: “what do you like most about your work?”. If you do this three times a week you will capture relevant

¹ Extraneous factors in judicial decisions, Shai Danziger, Jonathan Levav, and Liora Avnaim-Pesso
PNAS April 26, 2011 108 (17) 6889-6892; <https://doi.org/10.1073/pnas.1018033108>

information from 130 people along the year. Even more important: there are 130 people now who have you in mind in a positive context.

Very important: introduce the GM principle. You are familiar with the GM principle? If not, GM stands for "Grade Mache" this is a Swiss German term and translates into "Do it right now" it is the super star among the leeway generators.

And learn, learn in depth and learn broadly. You will create great leeway with skills, knowledge and competences, nobody can ever take away this leeway from you.

Focus your energy on what you can influence and change, and do not waste energy on things you cannot change. With that you will transform from the future leader to the leader of the future.

Reinhold Niebuhr, a well-known American theologian, formulated it 1943 in a Sunday sermon in Massachusetts as follows:

"God grant me serenity to accept the things I cannot change, courage to change the things I can change, and wisdom to distinguish one from the other."

In the 60s, when I was born, a company was on average for 50 years listed in the Standard & Poor's, S&P500 Index. In the 90s, when you were born, it was 25 years, today 18 years and the forecast for 2025: 16 years.

It's unlikely that the management of these companies got together and said: let's figure out how to get out of this index right away. What is it that makes companies lose meaning or fail? One key driver is the accelerated rate of change - and the ability or inability of companies to cope with it.

In many companies culture, strategy and structures are still deeply rooted in the industrial age, optimized to build steam engines, later automobiles or milling machines, to collect and manage money, to administrate with an inside out perspective, with the single goal: shareholder value, quarter by quarter.

There is a lack of understanding, will and sometimes ability to achieve a balanced result for employees, customers, management, owners and society. The 90° shift from the functional to the customer-centric organization is not completed or even started. This leads to stress what reduces leeway.

At Nokia, Kodak, Enron or Swissair you have seen where this can lead to. The Hunter strategy has driven Swissair so much to the edge that there was no

margin left and when they had to pay cash for the fuel there was no other remaining option then grounding the fleet.

Simultaneously, new competitors are emerging who are "digital-born". Companies that have the idea of the "minimal viable product" and the methods of agile development embedded in their DNA and naturally transfer these ideas to the "minimal viable organization".

Imagine what if things would change even faster - if you are able to do so, you envision the world of tomorrow, the world of 2025.

With miniaturization, interconnecting and mobilization of end devices, leeway for new concepts and business models has opened up. Mobility, Apponomy, Future of Work, Gig-Economy, RB&B, Uber or Smide have emerged or made the breakthrough.

With the availability of the Internet and access to applications for collaboration anywhere in the world at minimal cost, you can start a global business in days, interconnect supply chains and communicate across enterprise boundaries with ease.

Two numbers to illustrate the dimensions of this development: In the 90s, the cost of a computer with the computing power of your smartphone was at over 20 million swiss francs and filled a whole room. The transmission of 1 GB of data took 6 days, today it is done in 3 minutes.

Now imagine the additional momentum if blockchain technology to make secure, automated and traceable transactions will be available to all of you, to everyone in the world, like the Internet today. New business models will emerge, like that of Oakura or Noumena. Existing ones will be washed away and others will last longer than expected.

In these times of change your new reality will unfold. Here you are creating your own future, here you are acting. Here you decide whether you bite on the hype or whether you use your ability to distinguish the relevant from the rest.

Find a good balance between stability and agility, between standard and innovation. *Non modo sed etiam* - not only but as well. Every success story requires contrast.

Where can you find contrast, where is leeway created?

Here at the University of Zurich. Your Dean, Professor Dr. Gall has created leeway for you to include subjects from other faculties in to your curriculum. A

mentoring program was introduced. Professor Egon Frank, when he spontaneously agreed to discuss a strategic topic regarding Tata Consultancy Services with me. Ms. Speckert who has come up with a solution, that enabled me to personally talk to some of you to prepare this speech even though the new data protection law does not allow this ... and many many more every day.

You being here today shows that you have made use of your leeway. You have decided to study and you have successfully completed your studies. That's a great achievement. My hearty congratulations to you. With a lot of personal effort, hard work, sometimes difficult prioritization and hopefully competent optimization, you have achieved something great.

In a few minutes, dear graduates, you will belong to 0.13 per mill of the most privileged people on this planet. You hold a university degree and you live in Switzerland.

You start your professional life in a fantastic moment. In the midst of a transition to a new phase, the digital phase where outcome becomes more important than input. A phase in which new working models emerge and old ones disappear. A time in which tradition remains important and innovation becomes crucial. A time when collaboration and action become more important than obedience and submission.

The time to take responsibility is now, now it is serious, from now on you are in the driver seat when it comes to decisions. Some will look at you and think: you have graduated, you will know what to do.

What is awaiting you now? What do you need to know you didn't learn at university? I have asked personalities with experience what they would have wished to have known earlier, at the beginning of their career.

Risto Siilasmaa, Chairman of Nokia Corporation says: live a culture that welcomes bad news – Bad news are good news – the earlier you know about them the more leeway you have to deal with it.

Sigfried Gerlach, CEO of SIEMENS Switzerland answers: do everything as early as possible, then you have room to act at the end of the quarter.

For many of us, this is not necessarily intuitive - when did you start studying for an exam - as early as possible or as late as possible?

Satya Nadella, CEO of Microsoft, said on the question why Microsoft is so successful again today: As a leader, I have to decide if I want to be the "I know it all" or the "I learn it all". I decided to be the "I learn it all".

Philippe Corti, CEO Corti Spleiss Group says: liquidity, I would have loved to much earlier truly understand and believe how important liquidity is. A healthy balance sheet is important. Liquidity provides you the liberty and leeway to act.

What would I have wished to have known earlier? I would have loved to meet Clayton Christensen earlier. Especially his book "How do you measure your life?". If you want to read just one more book after everything you have read before graduation read "How do you measure your life?".

And on and on and on... no! Today is a moment of change in your life, a new phase begins. Focus on your strength, on your fantastic opportunities, on your leewy not your limitations. Create space to act for you and for those around you.

It can lead to great success that will trigger a deep sense of happiness for you and the people around you. On your way failure is guaranteed. It means getting up again, trying again, as you did when you were a child when you learned how to walk. Do not take yourself too serious expose yourself to the risk of failure, be prepared to face criticism or laughter. Be human with your body and soul. Above all, nurture your relationships, your friends, and your family particularly when you are doing well, when you are successful.

Decide to transition from the future leader to the leader of the future.

To do so besides a lot of leeway I wish you: discipline, virtue, courage, a good sense of proportion, creativity and a big dose of lightness and happiness in the creation of your future. Enjoy it - in any case.
