

# SP [O] TLIGHT

Sharing insights from Brunswick colleagues around the world on a medley of topics



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## Of TIME & PLACE

**I**N 1899, A PARLIAMENTARY candidate from Oldham stood to address a local church gathering. “Never before in the history of Oldham have so many people had so much to

eat,” he declared. As a junior minister nine years later, the same politician stood beside an irrigation project in Africa and said, “Never before in the history of Africa has so much water been held up by so little masonry.”

Before he became the greatest orator in British history, before he won the Nobel Prize in Literature, Sir Winston Churchill gave speeches that surely generated some mirth. “He was renowned throughout his career for lavishing verbosity on issues that simply didn’t warrant it,” said Philip Collins, the author and speechwriter for former British Prime Minister Tony Blair. Appearing on an Intelligence Squared panel called “Words that Changed the World,” Mr. Collins argued that the perfect context for Mr. Churchill’s grave tone and tenor arose only when he was in his 60s, and serving as British Prime Minister amid the Nazi invasion of western Europe.

Of Mr. Churchill’s speeches in 1940, Mr. Collins said, “What gives them their real gravity is the fact that the peril is real.”

For me and for others who work with words and who love the Churchill legacy, Mr. Collins’ lesson is worth remembering. If we try to emulate the great orator on behalf of a brand or product, we could succeed – and sound as cartoonish as Mr. Churchill did at that Oldham event.

That isn't to say Mr. Churchill isn't worth studying for routine tips about words and writing. "Short words are the best, and the old words best of all," he said.

In an unpublished 1897 piece called "The Scaffolding of Rhetoric," Mr. Churchill identified what he thought were the principal elements of a great speech: correctness of diction, rhythm, accumulation of argument and analogy.

Deliberate writers will also take particular comfort in knowing that Churchill was slow. He estimated one hour of work for every minute of a speech.

Obviously, those traits alone don't account for his brilliant flair with words and thankfully he offers other hints. As a film-maker, I'm especially interested in how he described his writing style as a "rapid succession of waves of sound and vivid pictures."

**"Short words are the best, and the old words best of all"**

Winston Churchill

One hopes that circumstances never arise to emulate Prime Minister Churchill in his moments of greatness. The most eminent Churchill historian, Dr. Andrew Roberts, says, "An awful lot of people thought that it was impossible to beat the Nazis, yet what Winston Churchill did, by constantly putting Britain's peril in the greater historical context of other times that Britain had nearly been invaded, but had been ultimately successful, he managed to tell the British people that this could happen again."

Or, as US President John F. Kennedy said of Mr. Churchill: "He mobilized the English language and sent it into battle." Churchill's greatest legacy may be his assurance that victory can be achieved against all odds. As Churchill himself once put it, "Never flinch, never weary, never despair."

*Sonal R. Patel is an Executive Producer for MerchantCantos.*

**The point of corporate communications is not to entertain, but to tell the truth**

## Exacting HONESTY

**T**HE LEADER OF A PUBLIC company has a duty to inform the public of material events that an investor, actual or prospective, would consider significant in deciding whether to buy or sell the shares. He or she must tell the truth – and tell it as soon as is reasonably practicable. He has no duty to spin, nor to comment, nor entertain, although in the pressure of the moment, many go down this path.

The audience, in the form of the media, have much more freedom. They can comment, they can entertain, they can write, or broadcast, from a point of view: left or right, capitalist or communist, young or old. Some public-service broadcasters have duties imposed by the state; the BBC, for example, has a duty to be "impartial" in its coverage. But while many in the private media strive mightily for accuracy and have strong ethical standards, they are entitled to select what they report, and decide upon which particular facets in the diamond of truth they wish to shine their light.

A chief executive has no such luxury. He has to tell it like it is, and dangers surround him if he launches into the areas of comment or entertainment. "A storm in a teacup," "a minor incident," "a forgivable error" can be claimed by the commentators, but less easily by the miscreant. It can be hard to stick to the mantra of "facts only" in a fast-developing, unexpected and unwanted situation.

Viewed this way, however, communication becomes much simpler; the rules are



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straightforward. First, find the truth. (This is not easy in complex organizations that have lost their way.) When the truth has been found, if it is materially different from market knowledge or perception, tell it; tell it all and

tell it as often as needs be – but repeat the same message on the same facts. There is no need to improvise, nor to elaborate. As pressure rises, the same truth can be repeated. This is now commonly done, for example, in corruption cases.

"The Board will not allow corrupt behavior in this company and will sort it out at once," is a typical example. This statement is fact. It tells the market what the view of its Board is, and shows their determination to deal with it.

It is tempting to shift from the provision of necessary information material and useful to the market and, under pressure, stray into the realms of entertainment – "feeding the beast" may be the function of the media, but it is not the function of the company.

The CEO is concerned with what the public needs to know. He may wish to elaborate and expand, according to his temperament, but he would do well to always bear in mind the questions, "Am I informing or am I entertaining?" and "If I comment, why do I comment?"

One last word – on apologies: When disaster strikes, an apology is often necessary and usually welcome. It shows ownership, courage and sympathy. It need not become an admission of legal liability; lawyers' fears in this area are overdone.

One can be very sorry that something has happened, whether an explosion or a share price collapse; saying sorry and expressing sympathy with the victims is a proper human instinct. Sympathy and sorrow and a determination to put things right are not the same as professing guilt. Apologies need not be about fault or liability – they are about empathy.

*Rob Webb QC is a Brunswick Senior Adviser based in London.*



Cape Town's Table Mountain carries its "table cloth" of clouds – a sign, legend has it, of a smoking contest between a local pirate and the Devil.

## AFRICA bucks the political risk trend

**S**OCIOLOGIST DANIEL BELL, writing in the 1950s about mid-20th century ideologies, observed, "the old passions are spent." That turns out to be wrong, as recent political contests for the souls of major western societies shows. The brutal rebellion against liberal values and globalization in major Western democracies is a potent reminder that societal change is a predictable force – constructive change is not.

African countries are doing their own up-ending of the world view, but landing in a surprisingly more positive posture. Last year, Zimbabwe saw something as close to a legal coup as you can get – and suddenly, a place that pretty much everyone had written off is on an all-out charm offensive with Western investors.

In Angola, many were cynical about elections and the transition of political power from a colonial revolutionary leader to his comrade in arms and minister

of defense. Yet early evidence suggests that João Lourenço, technocratic general and newly elected president, deserves his corruption-free reputation – almost immediately he pushed back against military cronyism and nepotism.

In Liberia, the winner in the country's first democratic presidential election invited members of the losing party to join him in a unity cabinet. Africa is full of surprises.

Political risk, once considered purged everywhere but in Africa, is for the third year the primary threat to global trade. But across Africa, the significant political

risk for inbound mergers last year was almost exclusively due to the most sophisticated democracy on the continent: South Africa.

South Africa accounts for nearly two-thirds of Africa's M&A activity by value and about half by volume. Political uncertainty brought inbound deals by volume down 45 percent in the first quarter of 2017 – though measured by value, that activity was up significantly.

The hype about South Africa's institutional arrangements is proving warranted. This is encouraging and should help the region be more resilient to inward investment at a key moment of

global economic alignment.

Between 2004 and 2014, Sub-Saharan Africa became the world's second-fastest-growing region after Asia Pacific, driven in large part by the voracious demand for natural resources created by China's rapid industrialization. However, structural changes – the direct result of political shifts toward democratic accountability and good governance – played a critical role.

Applying these trends across broad sections of the continent would be an oversimplification. Among the Eurasia Group's top 10 global risks for 2018 is rising terrorism in Africa, with the Western powers increasingly distracted by their own domestic politics. Among the best performing economies on the continent, Ethiopia and Rwanda aren't exactly model democracies. But they are predictably governed and focused on trying to prioritize economic development over political squabbling.

However, in key economies, private markets are growing and thriving. While the decade of growth was not driven by manufacturing, early signs show it may be on the rise, aided again by China's expanding appetite. Combined with Africa's technology leapfrogging in areas such as fintech and communications, this might just sustain the continent's promise as the world's next major market.

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## SANDWICH SIGN goes viral HIGH-TECH MARKETING

has been humbled recently by the good old-fashioned sandwich board. Propped on a sidewalk or hung from a human being, the classic ad form hit peak popularity in the 19th century, then faded into irrelevance.

Until early this year, that is, when a lowly sandwich board outside a Denver coffee shop made national headlines, including on the front page of The New York Times. Shared widely on social media, the board's message – "Happily gentrifying the neighborhood since 2014" – drew hundreds of gentrification opponents to the coffee shop, temporarily forcing its closure.

In Manchester, England, meanwhile, a sandwich board outside a café noted that an online reviewer had criticized its porridge. The board made national news by inviting passers-by to give the disparaged porridge a try. Lesson: A punchy message can break through the limits of any medium.



**Brexit remains messy at best and its costs, unclear, says Brunswick Geopolitical's Pascal Lamy**

**W**E'RE APPROACHING THE two-year anniversary of the Brexit vote. And still the mechanics of how the UK will leave the EU, and at what cost, are unclear and hotly debated. I expect we'll see more talk than progress for a long while. I've compared the UK trying to leave the EU to a chef trying to remove an egg from an omelette that's been stirred since 1973 – difficult, frustrating and almost certainly messy. As someone who has been in trade negotiations for more than three decades, it is difficult to overstate the technical and regulatory challenges that Brexit poses – challenges that are further complicated by political calculations. Take financial services. How they'll be regulated between the UK and EU is a key part of the Brexit discussion, but I doubt will be part of any trade negotiation. So even if a trade negotiation is reached – an ambitious goal in and of itself – how banks can operate and firms will be regulated remains a separate issue to be resolved and then implemented.

Depending on the manner of its departure, Britain faces an economic or a political price. The more the UK leaves the EU, the steeper the economic price tag. A softer withdrawal reduces economic costs, but increases political ones. Britain can, of course, leave and negotiate new trade agreements. But can they do better with a market of 60 million consumers than they did in a market of 500 million consumers? I'm not so sure. In trade negotiations, you gauge

**A painful SEPARATION**

the weight of a market – making more concessions for a large market than a small one. Exiting enough to satisfy Brexit supporters, but not so much that it damages the British economy – that's a delicate compromise, and one that doesn't appear to be on the table in London. It might take something akin to a political spasm in the UK before such a compromise gains real traction. Rather than a decades-old omelette, a German professor equated the complexity of the UK leaving the EU with the first Moon landing – only Brexit was



“more complicated,” he said. Neither metaphor is perfect, but at least the professor's offers the hope of a smooth landing. A hard one, which unfortunately cannot be totally excluded at this stage, is the

scenario that should keep CEOs awake at night on both sides of the Channel. *Pascal Lamy is a Principal at Brunswick Geopolitical, and former Director General of the World Trade Organization.*



**SWEARING**

**Are curse words an unforgivable scourge or a healthy way to build trust?**

**I**N HER BOOK *SWEARING IS GOOD for You*, Dr. Emma Byrne argues that new research reveals how we might be better off to invite profanity into the office. But she's also clear that trying to implement a pro-swearing policy will be an uphill battle. Dr. Byrne tells how during the 2008 crash a Goldman Sachs senior manager described a sub-prime mortgage transaction in an email as “one shitty deal.” When the emails were released to the public, Goldman Sachs apologized – not for supporting a

system that broke global banking, but for bad language. Despite the aversion to swearing, evidence suggests it can help teams bond. Far from artless and vulgar, research shows that swearing in small groups demands social skills to express differences between teams and nuances specific to each member's role. In addition, Dr. Byrne's research shows swearing reflects on credibility: The greater the rate of swearing, the less likely the person was to be dishonest. Ultimately, there's no simple answer. Though it risks giving offense, it seems that at the right moment, a well-turned expletive can work wonders. *Laura Templer is Content Production Manager in London.*