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THE IMPACT ON DECISION-MAKING

ISSUE
69

Briefings

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OF 'PERFECT' PRODUCTS
IS IT WORTH IT?



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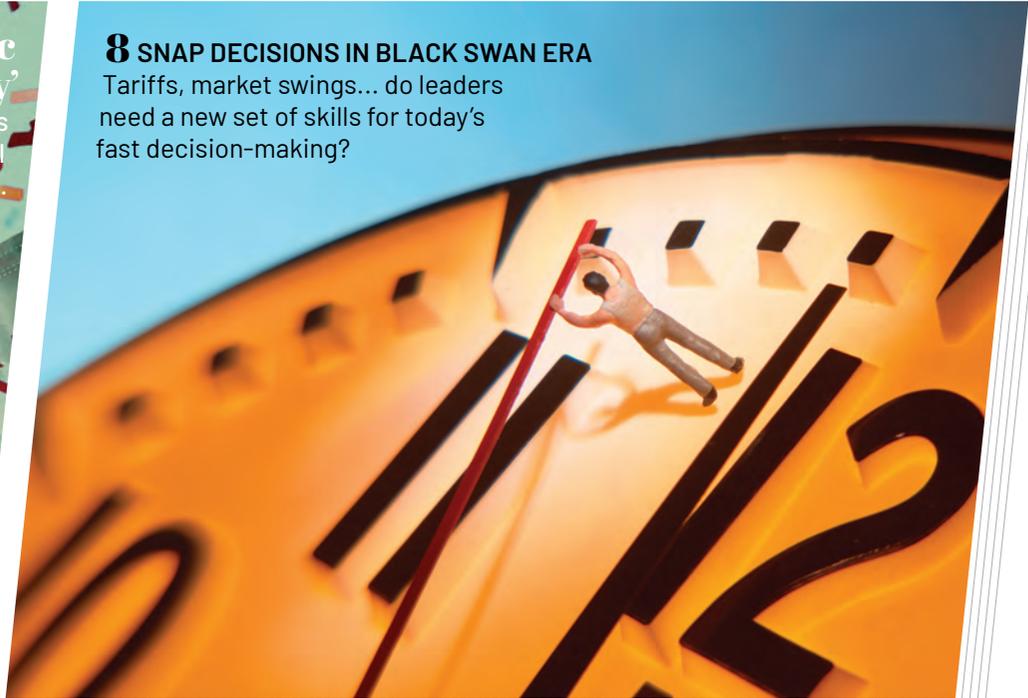
Somnuk Krobkhum, Paul Taylor/Getty Images



The Pandemic 'Anniversary'

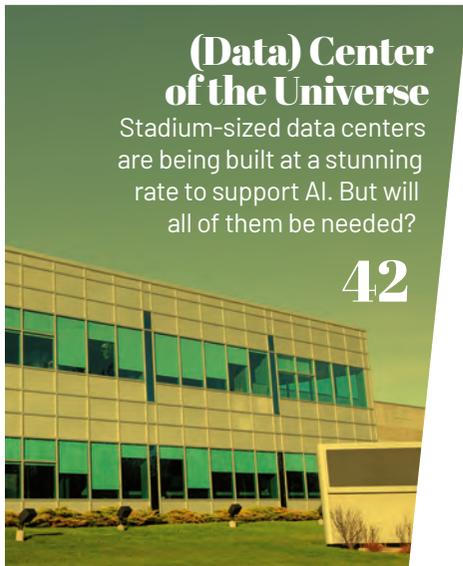
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Phoenixins.uzauzeel/Getty Images

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Know Thyself

Intense, to say the least...

I once convened our senior leadership team from all over the world for a series of meetings. Then came the session they weren't expecting. As they entered a conference room, a remote control "clicker" was on the table where each leader was to be seated. Those clickers were to ensure anonymity as they rated my leadership—in real time. Joining us for the session: a moderator/coach (who, by the way, used to be a high-stakes mediator).

Question after question, the results were immediately displayed on a huge screen at the front of the room. Some of the responses were as expected, some surprising—and all of it up close and personal. As insightful and appreciated as the feedback was, that wasn't the only purpose of this exercise. It was to know myself better—vulnerabilities and all—through the eyes of those I work closest with.

That's why, at the end of the three-hour session, I gave a small mirror to each person. As I watched the team examine their own reflections, I knew the message had hit home: Leadership begins with self-awareness.

No wonder Socrates called self-knowledge "the beginning of wisdom."

All of us have seeds of change to sow—whether opportunities and advancement, or development and learning. But what about learning... about ourselves? Before we focus outward, it's important to first look inward. That's how we move onward.

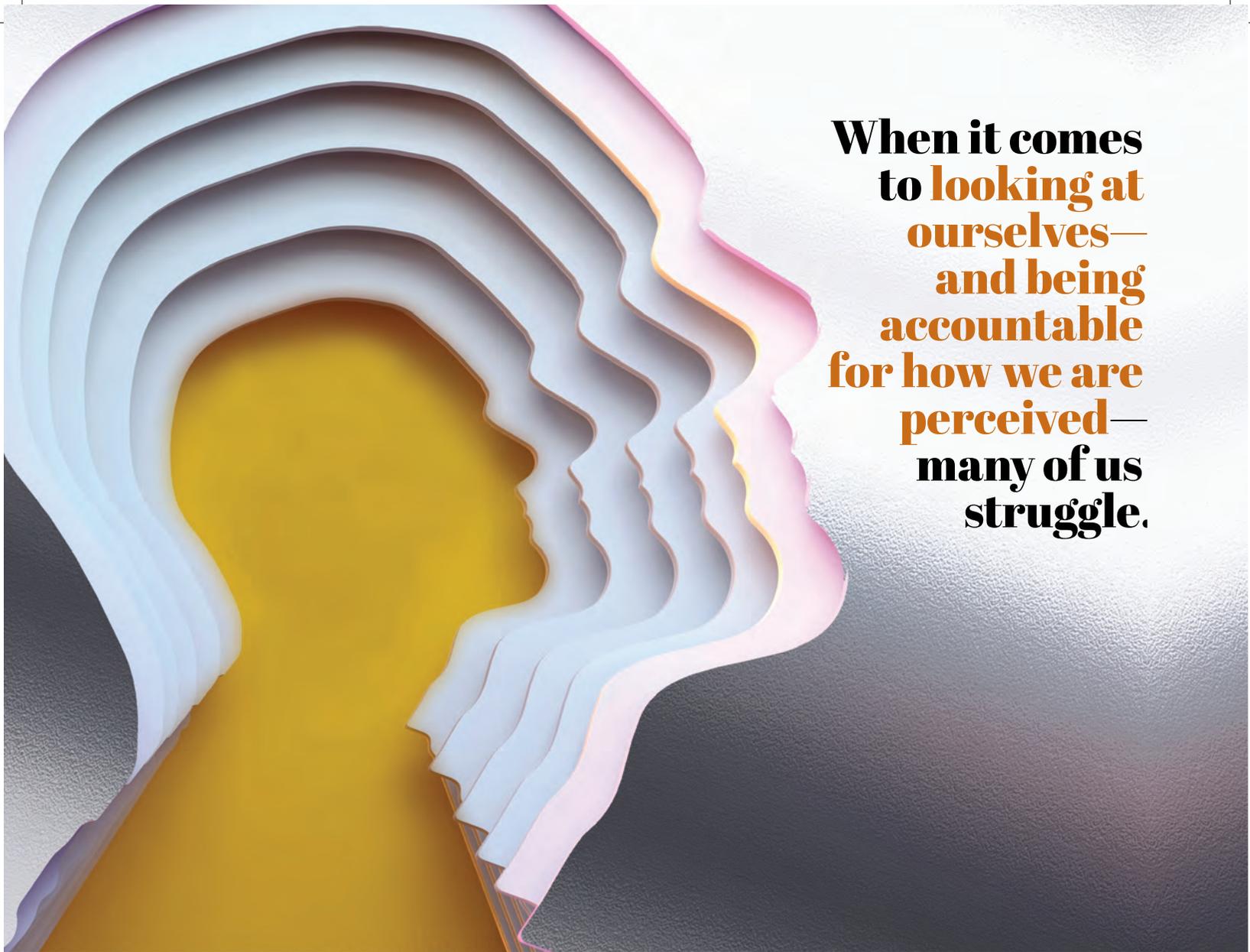
But as our firm's research shows, when

it comes to looking at ourselves—and being accountable for how we are perceived—many of us struggle.

Based on the 110 million assessments our firm has conducted, it's interesting to note that 80 percent of leaders fail to see their own skills and deficiencies clearly. Not only that, but our research also shows that people who greatly overstate their abilities are about six times more likely to derail than those who are self-aware.

It's "mirror, mirror on the wall" time. Just like in that fairy tale we probably know from childhood, asking "who's the fairest of them all?" may not always give us the answer we want. That's why taking a good look in the mirror is one of the most practical and insightful things anyone can do. The reason? A mirror cannot lie. It only reflects back exactly what we perceive—and what others see.

Andriy Onufriyenko, Faraz Hyder/Getty Images



**When it comes
to looking at
ourselves—
and being
accountable
for how we are
perceived—
many of us
struggle.**

This brings to mind one of the first experiences I ever had with a camera as a kid. It was a Polaroid Land Camera—big as a brick with a viewfinder at the top. You focused outwards—on others—and pressed the button. First came a bright flash, then a square of photographic paper popped out. Slowly, the image emerged.

Back then, we never would have turned that great big camera around to take a picture of ourselves. Instead, we wanted to capture the moment—the people and places around us—creating a shared experience.

Now compare that to the selfies we snap today. Too often, our focus is on how we want others to see us—which, if we're being honest, may not exactly match reality. It's all about the right setting, the best lighting—not to mention editing the background and enhancing the image.

The real insight, though, lies in what others

see—whether captured by that old Polaroid or in the mirror.

At some point, we need to look up from our mobile phones and away from the myriad, myopic distractions—to see ourselves. And to see ourselves is to know ourselves. Only with a clear view of who we are can we offer our unique gifts to connect with and lead others.

Because here's the thing: The world is changing, but are we? Self-awareness precedes every step we take toward personal and professional growth.

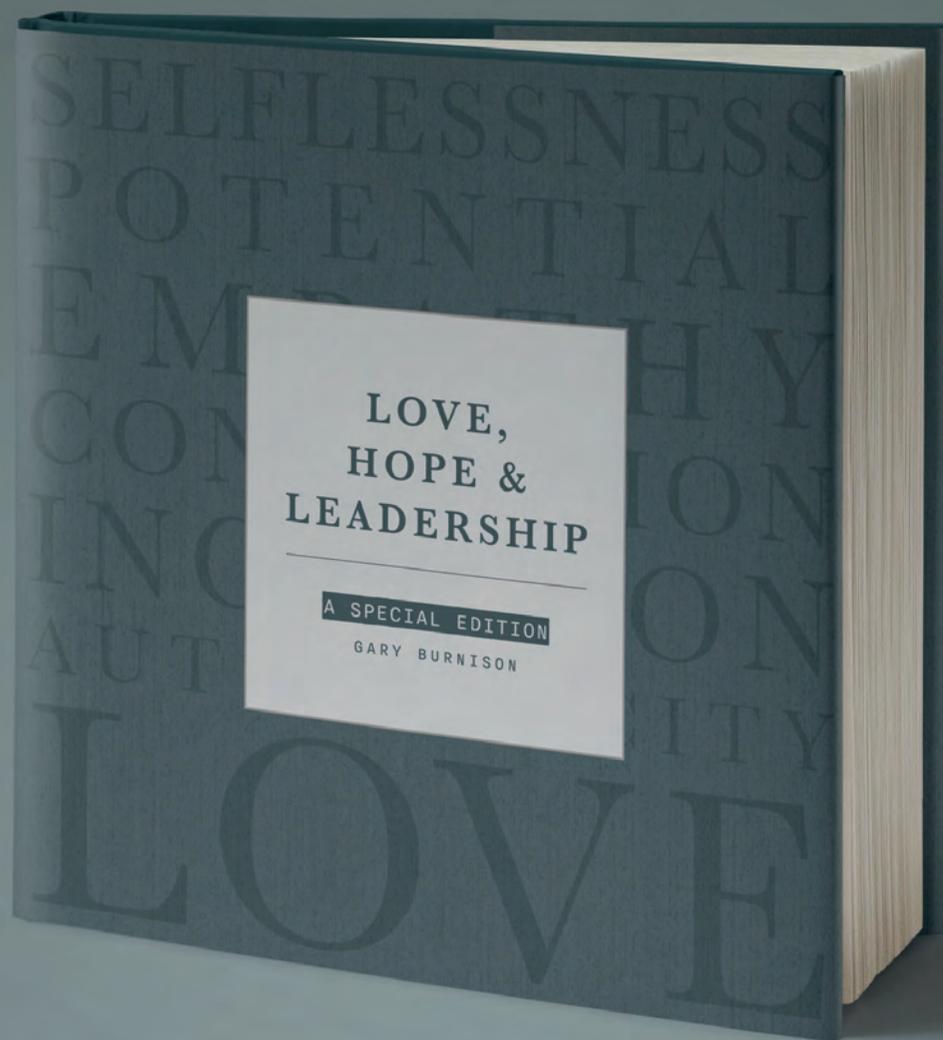
We cannot improve an organization or inspire others—unless we first know thyself... through the lens of others. ▀

Read the new book from Gary Burnison: *Love, Hope & Leadership: A Special Edition*. Available where books are sold.



A Special Edition

Stories and experiences of leadership, with hope for tomorrow and belief in the people around us.



WILEY

BRIEFLY ON.

LEADERSHIP

*“2025 makes
the last five
years look
like the
Stone Age.”*



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LEADERSHIP

Snap Decisions In Black Swan Era

Tariffs, market swings...
do leaders need a new set of
skills for today's fast decision-
making? By Russell Pearlman



T

he world knew that things were going to be different this year, with a new US administration coming in and geopolitical tensions mounting. But few could have anticipated the head-spinning moments that have occurred and are likely to continue through the year. It's reaching the point where 1,000-point drops in the

stock market become almost normal, as do press conferences about trade-war retaliations across the globe. Some analysts have taken to calling such moments a new wave of black swan events, defined as world-altering occurrences, like the 9/11 attacks, which used to be rare.

Facing all of these disruptions in recent years, leaders have come up with two acronyms to describe them. There's VUCA (short for Volatile, Uncertain, Complex, and Ambiguous). Or, for the more pessimistic, there's BANI (Brittle, Anxious, Non-linear, and Incomprehensible). But when

it comes to the sheer number of changes—and the uncertainty they create—2025 makes the last five years look like the Stone Age. The Economic Policy Uncertainty Index, which measures ambiguity generated by policy changes, media sentiment, and business forecasts, has more than doubled since October. Today, it's even higher than it was during the worst of the COVID-19 pandemic.

With so many massive swings in business occurring, leaders find themselves pushed to make moves far faster than before. The impact of these steps can literally make—or cost—an organization hundreds of millions of dollars, without even accounting for how the disruptions are impacting its culture or the collective engagement of its employees.

Indeed, in 2025, one day can be the difference between a CEO looking brilliant... or foolish. Most leaders find it hard enough to take action when there is a lot of time to plan; making effective snap decisions can seem impossible when organizations typically respond at the speed of a tanker ship. “We really don’t know what’s around the corner, and it’s harder to do a good job,” says Beth Napleton, founder and CEO of LevelEDUp Leadership.

Leaders assumed conditions would follow a certain pattern based on who won the US presidential election. When conditions didn’t, firms were quickly tested on how to adjust. In this

constantly changing news environment, CEOs sometimes feel they have no choice but to make a snap decision, fearing that if they don’t, they’ll face a backlash from investors, employees, customers, or governments. If those stakeholders aren’t forcing the issue, a supplier, vendor, or competitor may do so, says Meredith Moot, a senior client partner in Korn Ferry’s Global Industrial practice. “You have to keep up with the fastest decision-maker in your ecosystem,” she says.

Experts say early preparation can go a long way toward helping, as the best snap decisions aren’t made in the heat of the moment; rather, they come after leaders have laid the groundwork for them by asking good questions and analyzing information. **Leaders should always be analyzing trend lines and patterns.** “The key is to keep one’s cool,” says Jim Kerr, founder of Indispensable Consulting. Before making a decision, executives should consider both the short- and long-term implications. Experts say most are very good at the former; at the latter, less so.

Savvy leaders won’t sit idly by, however: They’re asking teams to game out a multitude of scenarios, including the costs of making a decision, then unwinding it if market conditions change again quickly. CEOs also are asking for the implications of scenarios that might have only a very slim chance of occurring, Moot says. In some circumstances, staying the course might be the right move, Kerr says, but leaders should know that this is in fact a choice, not something arrived at by default. Leaders must weigh the cost of doing nothing (because the situation may change) against the notion of being too late. ▀

THE TAKEAWAY

Lay the groundwork for snap decisions that will come.

THE ECONOMIC UNCERTAINTY INDEX

Based on one measure, we’re living in the most uncertain economic period of the 21st century thus far.



TALENT

BY RUSSELL PEARLMAN

When Workers Won't Move Up... or Out

RIGHT NOW, MANY ORGANIZATIONS say they're trying to find ways to unleash innovation, invigorate their cultures, or carry out other big restructurings to get their top-line revenues growing. But today, experts fear, the oldest and youngest workers are colliding in a way that could keep many firms stuck in neutral, or worse.

First, there's an issue with older workers—they don't want to leave. In a recent survey by Bank of America, almost one-quarter of Americans, 23 percent, said they don't expect to retire until age 70 or

later. Another 16 percent said they don't plan on retiring at all. That's nearly four in 10 workers who plan on working well into what used to be considered their golden years. There are already 11 million Americans over 65 still working, and another 26 million who are less than a decade away from that milestone. "This is changing the way we think about careers, aging, and the workplace," says Stephanie Reitz, client service director at myHR Partner, an outsourcing firm catering to small and midsize companies. Boomers and Gen Xers who are well along in

THE TAKEAWAY

Firms can go stale if there isn't enough turnover.

their careers could be unwilling to try new things or take new risks, which could block big opportunities for younger workers.

The workforce's younger generation wants to stick around, too; a seven-year tenure is the ideal, according to a survey of UK workers. But Gen Zers don't want the bigger responsibilities that usually accompany a tenure of that length. A whopping 72 percent say they'd rather be individual contributors than middle managers, according to a 2024 survey. Indeed, 40 percent would actually turn down a management promotion, believing that increased pay and career opportunities don't adequately compensate for the increased workload and stress. There's even a name for this trend: "conscious unbossing."

Experts say these dueling demographic desires can potentially combine to create a massive problem: organizations going stale. Companies need the perspectives that new employees and leaders can bring, but if younger and older workers are reluctant to move, these organizations might have to rely on the same mid- and senior-level managers, whose performance might be fine, but who are likely set in their ways. "Everyone stays in place," says Elise Schroeter, global head of organization and talent strategies for Korn Ferry's Board and CEO Services practice.

The problem is especially acute now, with many of the world's economies not providing much of a tailwind to drive growth. Experts say that productivity pushes and cost cutting can help keep a stagnant business going, but only innovation and adapting to meet changing consumer needs will make it thrive. "Experience and stability are great assets, but **companies also need to make room for fresh ideas and allow fresh talent to grow,**" Reitz says.

One way to stave off stagnation is to get older and younger people to work more closely with one another. Elder employees could benefit from the creation of a so-called "legacy track" that allows them to keep some of their important responsibilities while also devoting significant time to mentoring and sponsoring younger workers. Ideally, experts say, that collaboration would also convince Gen Zers that management and leadership assignments aren't just slogs, they're part of a fulfilling career. ▀



ACTIVISM

BY PETER LAURIA

Activists: Not Your Usual Suspects

THE HEDGE FUND WAS relatively unknown—at least at first. But after it acquired a small position in the company's stock and took to social media to criticize the leadership and board, the fund suddenly picked up media attention. As momentum grew and other investors started voicing their support, a minor nuisance for the firm mushroomed into a full-fledged activist campaign.

Activist campaigns have hit record highs, creating a stir in boardrooms around the globe. But what's little noticed is who's driving them: small funds or newer investor groups—not their

bigger, better-known counterparts. Indeed, nearly one-quarter of last year’s record-setting campaigns were by first-timers; never before had newcomers accounted for a greater share of challenges than the top 10 activist firms. “Nowadays, anyone sitting on a couch who wants to become an activist can be one,” jokes Daniel Yunger, a partner at strategic-communications firm Kekst CNC who leads client engagements in M&A, activism preparedness, and proxy campaigns.

He’s not far off. Thanks to social media and the rise of independent journalism, any investor with a (somewhat) compelling message can attack a company and get attention. And the financial performance of the targeted firm hardly matters: A lot of new activist activity revolves around cultural and social causes—either for or against them—which are clickbait for media outlets.

Peter McDermott, head of the Corporate Affairs

practice in North America for Korn Ferry, says many firms aren’t prepared for this new kind of activist. That’s evident in the number of CEOs, 27 in all—a 69 percent increase from the four-year average—who were forced to resign last year due to activist pressure. The trend continued as 2025 got underway, with 222 CEOs leaving in January, the largest-ever total for that month. “Any activist campaign, even from an unknown or small firm, can be an existential threat,” says McDermott.

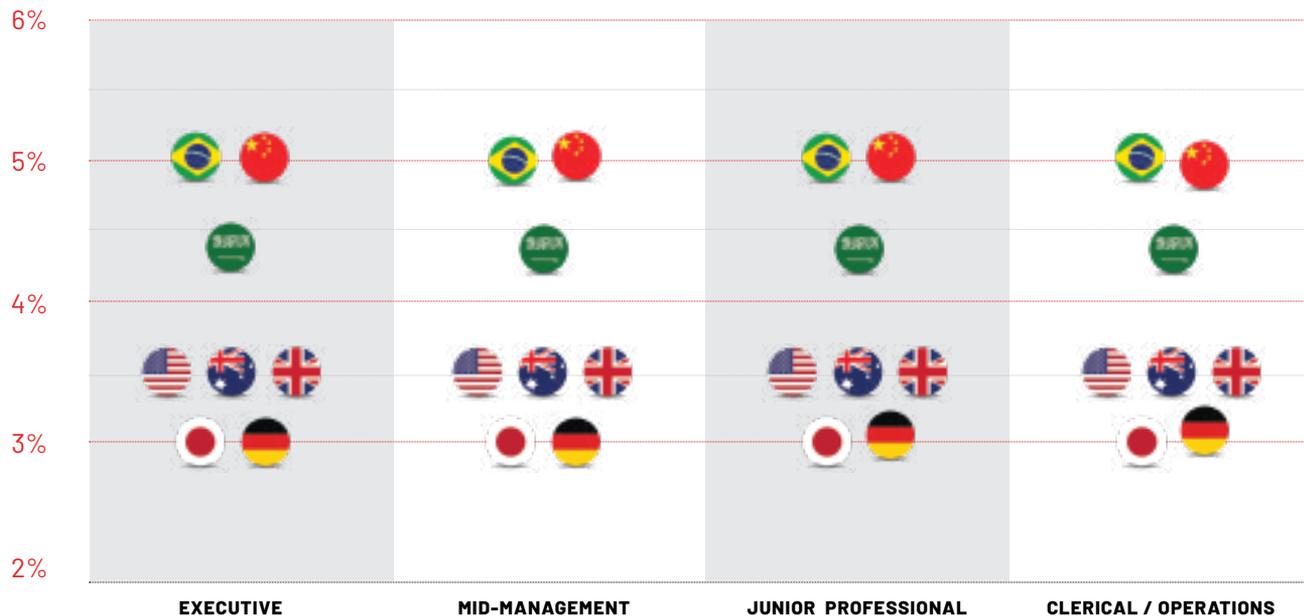
He says that smart firms are realizing that the new breed of activist investors requires new defense measures. These include developing relationships with them and, where warranted, working collaboratively. “Getting to know these firms, and letting them know their concerns are heard, is a much better strategy than ignoring them and acting like they don’t matter,” he says. It can also help management and boards suss out which activists are sincerely

DATA

HOW MUCH ARE RAISES IN 2025?

With few exceptions, percent changes in raises are the same whether you’re a clerical worker or the CEO.

Median Expected Increase (percentage)



Source: Korn Ferry Global Total Rewards Pulse Survey, March 2025

THE TAKEAWAY

Smart firms are better at anticipating activist campaigns, large or small.

looking to unlock strategic value and which are after short-term profits.

Another way to determine an activist's motives is by studying their playbook. Firms known to engage in activist campaigns frequently use the same tactics at different companies. Building knowledge pipelines can help with negotiations and defense strategies, says Dennis Carey, vice chairman and co-leader of Board Services at Korn Ferry. He says firms are

forming response teams so that they are prepared and consistent in how they address activists' concerns.

But perhaps the best tactic is to stay ahead of the game by looking for ways to cut costs and building more trust with stakeholders. And such tactics may be working: Data shows that while activist campaigns are up, proxy fights are down. "With so many threats," Yunger says, "success isn't in winning a proxy contest, but in preventing one." ▀



BUDGETING BY PETER LAURIA

Always Be Cutting

WHEN IT COMES TO budget planning for the remainder of this year and beyond, there's a new ABC rule for finance leaders: Always Be Cutting.

Led by the government and technology sectors, which together have let go of more than 80,000 workers, layoffs are back again this year. For those who still have jobs, numerous surveys show that pay raises will be lower this year than in 2024 and 2023.

On the corporate side, merger-and-acquisition activity, which was supposed to take off under the new administration, is trailing last year’s volume, as companies hold off on deals amid slowing growth and global economic uncertainty. Some firms have already cut or suspended dividend payments this year as well. “CFOs are playing up their roles as chief expense officers this year,” says Jeff Constable, co-leader of the Global Financial Officers practice at Korn Ferry. Constable says tariffs, high interest rates, and declining consumer spending are prompting CFOs to play it safe. “Cutting costs does not require creativity or risk-taking, so it ends up being kind of a ‘comfort zone’ for CFOs,” he says.

Still, it’s a delicate and volatile balance to strike, with the timing and level of tariffs and other global developments sending finance teams scrambling to adjust capital-allocation and balance-sheet models almost every day. According to David King, a professor of management at Florida State University’s College of Business, the challenge CFOs face is how to cut while still investing in critical areas for long-term growth, like AI. To be sure, while overall business investment is expected to decline, spending on information-technology budgets will likely increase

by 9.3 percent this year. “There’s a cost to overinvesting now, which is tying up funds that could be used for other things once the situation improves,” says King. In general, firms can offset technology investments through such measures as reducing hiring or head count, shifting funds from other areas, ending product lines, or even divesting businesses, says Reena Patel, a principal in the Global Financial Officers practice at Korn Ferry.

Larger firms with longer product lead times have more options available to them to deal with short-term volatility, says Shane Goodwin, a finance professor at The Cox School of Business at Southern Methodist University. These firms, he says, have the power to renegotiate contracts with suppliers to address wild fluctuations in pricing caused by tariffs or other issues, for instance. They also can move some operations to cheaper locations or change suppliers. Goodwin says finance leaders learned from the pandemic that overcutting and overinvesting both have their downsides, and that the key to navigating uncertainty is to not get caught flat-footed. “They are being more strategic about making sure short-term cuts don’t hurt long-term opportunities,” he says. ▀

THE TAKEAWAY

Balancing budgets has become a juggling act for firms with long-term goals.

WHAT’S ON THE NEXT BOARD AGENDA

1

GLOBAL TRADE

Help firm leaders decide if switching manufacturing investments is needed.

2

GOVERNMENT RELATIONS

Is the company preparing for the reorganization of the post-World War II order?

3

ECONOMY

What’s the firm’s plan if a slowing economy disrupts sales goals?

HISTORY LESSON

BY GLENN RIFKIN

The Biggest Bust of the Streaming Boom

Quibi had a \$1.75 billion war chest and two A-list founders. It failed within six months.

IN THE ANNALS OF business failures, Quibi, a mobile streaming content provider launched in 2020, pulled off a truly unique but undesirable achievement. Despite two A-list founders, a \$1.75 billion investment treasure chest from major Hollywood studios and celebrity investors, and a

man, Quibi offered five- to 10-minute news and entertainment productions designed specifically for smartphones. The concept combined the skyrocketing popularity of streaming services and a burgeoning next generation of users who would stream programming on their mobile devices while sitting on trains, buses, and subways, and during lunch breaks at the office.

tive audience, no longer mobile, had no need to embrace content on tiny smartphone screens. They could watch the major streaming outlets like Netflix, Apple TV+, and Prime Video. The viewers who were supposed to watch short clips had already embraced services like Instagram and TikTok, among others. The marketplace was saturated.

Even with a free 90-day trial, the Quibi app was downloaded just 2.9 million times; it had only 1.3 million active users—hardly the avalanche of business Quibi needed. “It’s not close to what we wanted,” Katzenberg said.

In an interview, a blindsided Katzenberg said he “attribute[d] everything that has gone wrong to coronavirus.”

But observers noted that the company had failed to test its offerings on a small scale to get user feedback, a definite violation of Start-Up 101 doctrine. “It looked like there was a demand, and it looked timely, but it wasn’t solving anybody’s problem,” said Yasuhiro Yamakawa, associate professor of entrepreneurship at Babson College. Usually, he said, start-ups fail

because they offer a solution without a problem. In Quibi’s case, “they never identified a clear and concise problem for which they had a unique solution.”

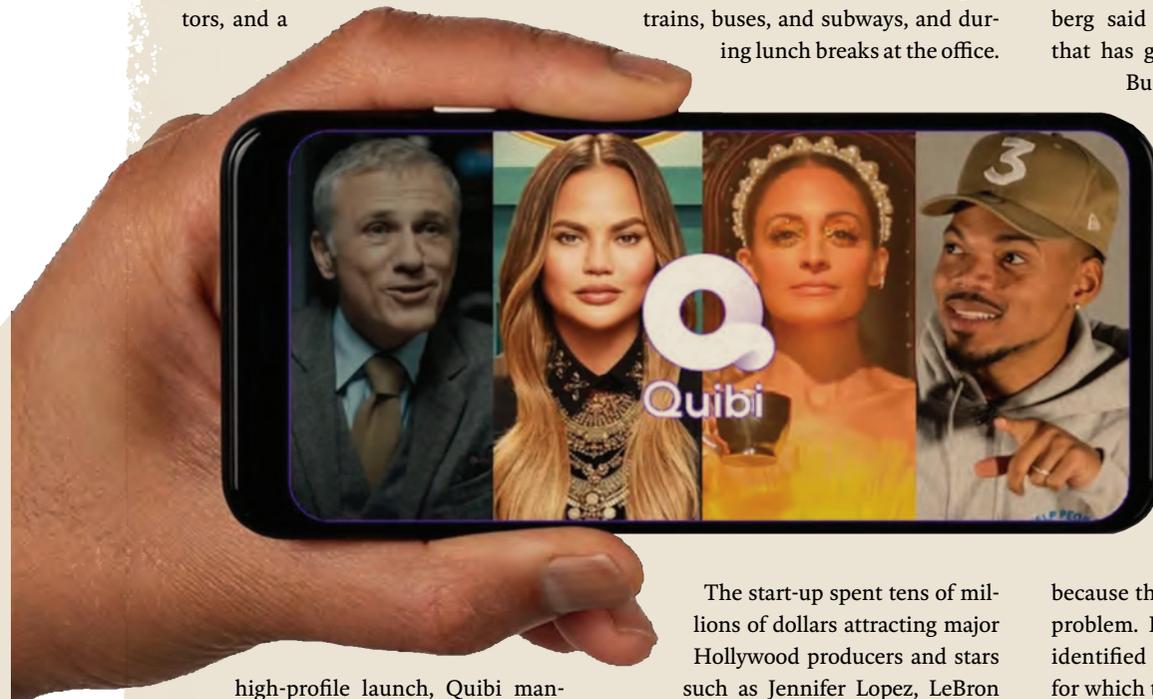
By December 1, 2020, Katzenberg had pulled the plug, declaring that the world had changed since Quibi’s launch and that “our business model was no longer viable.” As for all that content it created? It was sold to Roku—for less than \$100 million. ▀

high-profile launch, Quibi managed to flame out in just six months. Its demise was so shocking, the *New York Times* labeled it “the biggest bust of the streaming boom.”

Founded by heavyweight Hollywood producer Jeffrey Katzenberg and high-tech CEO superstar Meg Whit-

The start-up spent tens of millions of dollars attracting major Hollywood producers and stars such as Jennifer Lopez, LeBron James, Steven Spielberg, Chrissy Teigen, and Idris Elba. The content flowed in quickly, and Quibi soon had more than 100 original programs in its arsenal.

But trouble loomed. The COVID-19 pandemic hit, and suddenly everyone was sheltering at home. The prospec-



‘Global public debt is probably worse than it looks.’ ‘Rich’ Countries Sinking into Debt

S

ometimes countries need to borrow money by the boatload. It happened during WWII, when democracies faced a near-existential crisis. In the following decades, debt sank, as it often does in the wake of such a crisis: In the United States, Canada, and Japan, plus Europe’s large economies, such as Germany, France, and Italy, the debt-to-GDP ratio fell to a modest 40 percent by 1968.

Fast-forward 50-plus years, and things sure have changed. “Global public debt is probably worse than it looks,” the International Monetary Fund’s blog recently declared. “It is expected to exceed \$100 trillion” for 2024. That’s approximately 93 percent of global GDP, up from around 83 percent in 2019. Already Japan’s debt is an eye-watering 250 percent of its GDP. And the IMF believes government worldwide borrowing is likely to worsen.

Debt surges like these don’t happen by accident, but explaining them isn’t always easy. Peter Tchir,



head director of macro strategy at Academy Securities, says part of the issue has been slow growth following the financial crisis, along with increasing healthcare costs for the aging population of the developed world. But that’s not the only thing. Much of it was a response to the pandemic, Tchir says. “Governments probably overresponded to the COVID crisis,” he notes. “And we’ve had lots of government spending in economically good times, when it wasn’t needed.” Separately, the IMF says politicians are now treating increased spending as a norm rather than an exception.

As anyone with a large student loan knows, being heavily in debt can be a challenge, and the same is true for governments. When a country borrows too much money, investors become less willing to lend, says Léo Barincou, a senior economist at Oxford Economics in

“Governments probably overresponded to the COVID crisis.”



Paris. This requires governments to offer higher bond yields to attract investors, which in turn means a greater drain on public finances, of course.

Barincou says higher debt levels and rising interest costs often mean less flexibility for governments during a crisis such as the Great Recession of 2007 to 2009. Most developed countries were able to step in to deal with that challenge. However, it might not be as easy in the future. “There are always economic shocks, and typically governments step in to help,” he says. “But it’s hard for them to step in and help when the debt levels are so high.”

There’s also a risk that too much debt will lead to higher inflation. If there are no buyers for government debt, then a country’s central bank, such as the Federal Reserve or European Central Bank, may decide to buy the bonds itself, says Pete Earle, director of economics and economic freedom at the American Institute for Economic Research.

“Effectively that is printing money, and contributes to higher inflation,” he says. And high inflation tends to quickly destroy economies, as demonstrated in post-WWI Germany.

For his part, Earle worries that Japan’s 250 percent debt level might encourage other countries to borrow more. “They might be saying, ‘If they can do that, so can we,’” he says. “But in reality it should provide a cautionary tale, not a goal.”

Fortunately, there is a way out of deep debt for governments, Barincou says. If the economy is growing fast and interest rates are low, then the debt level can be reduced. “It creates a natural downward path,” he says. And the sooner, the better: High debt levels, which often go hand in hand with higher borrowing costs, also tend to slow the economy. “That means more government resources are being used, and crowds out economic growth in the private sector,” Earle says. ▀

Constable, a former TV anchor at The Wall Street Journal, is a fellow at the Johns Hopkins Institute for Applied Economics, Global Health, and the Study of Business Enterprise.

‘The cadence can be out of sync.’ The Right Agenda for Today’s Board Meeting



Y

ou know boardroom practices are in need of a revamp when Edward Norton gets involved.

Yes, we’re talking about the actor of *Fight Club* fame. But instead of fighting men in an underground club, Norton has set

his eyes on fighting (and fixing) broken board meetings—so much so that he’s cofounded a company that’s working to make board meetings more efficient and dynamic.

From our perspective, he’s got a point. Though it doesn’t get much attention in the outside world, companies go through some rather extensive preparation just for these meetings. Typically, two weeks in advance, entire management teams shift their attention to prepping materials—dozens of pages of information and PowerPoint presentations, not just for the full board meeting but for the committees, and sometimes subsidiary board meetings, too.

While that may not seem like a huge investment of time for one meeting, when boards gather at least quarterly these days, if not more often, that’s a good *two months* of an entire year that management spends on meeting prep, instead of on strategy or day-to-day operations.

Maybe a few decades ago, that could’ve worked just fine. But the pace of the business world has picked up dramatically in recent years, and even more so this year. Simply put, the cadence and prep of board meetings is out of sync with the uncertainty and speed of the age in which we live. With the kinds of headlines we see today, both in geopolitical affairs and financial shifts, top management can’t afford to take their eyes off of the target for extensive meeting prep. And neither can directors.

The agenda could use a little refreshing, too. It’s time for directors to really examine what needs to



be discussed and ensure they're constantly refocusing and reducing what's on their plate. Just because there are 10 routine topics on an agenda that have been in place since 1998 doesn't mean that they actually need to be discussed, or that the board book needs to be hundreds of pages long. Frankly, many routine items can be a waste of people's time—and their intellectual bandwidth, considering we have an average attention span of 8.25 seconds today (down from 12 seconds in 2000).

Above all, 2025 may be the year more boards consider tackling some of their work off-cycle. Committee meetings and routine matters can easily be handled in a virtual video meeting in the week before the in-person get-together. This will provide more time for the meaty issues that meeting time should be reserved for: analyzing business risks and opportunities, getting to know the management team more in depth, and digging into talent and succession planning.

We're dealing with a world where markets drop suddenly, only to recover in a few days. A world where tariffs are announced, creating panic, only to be withdrawn. A world where cease-fires are started, then stopped. And all of that affects board meetings. We recently watched management and

It's time for directors to really examine what needs to be discussed.

directors work diligently to prepare for board meetings on topics, like tariffs, that changed overnight. Clearly, much more fluidity and off-cycle updating is needed.

Of course, with that off-cycle work comes an uncomfortable reality that board directors need to face: Serving on a board in 2025 requires a lot more work than it did even five years ago. It calls for spending more time on fewer boards and using new AI tools to provide targeted assistance. Boards also need to be more educated—both collectively and individually—which requires directors to spend more time in continuous self-learning mode. And with this need comes increased accountability and monitoring, to ensure a member isn't just learning, but also sharing what they've learned with the entire board. After all, one of the best ways to grow—and succeed—is to surround yourself with people who are smarter than you. ▀

Goodman is a Korn Ferry senior client partner and leader of the North American Board Effectiveness practice.

Oliva is a Korn Ferry principal in the same practice.

‘There are simply fewer opportunities to go around.’ Let the Hunger Games Begin



I

work with a client who has one juicy promotion available for his team this year. It's a great opportunity: exciting assignments, P&L responsibility, and a big pay boost. The problem is that he has just one promotion for a team of 20, many of whom have not received promotions in years. The manager must pick among all of them, including three who are exceptional. It's a festival of resentment, and the manager hasn't even announced his decision yet. The employees are anxious, the manager is stressed—heck, I'm worried on his behalf.

This year, that one promotion *really matters* to all 20 of his employees, because everywhere they look, there are fewer ways to get ahead, move up, or earn more. Promotions fell by almost a quarter last year from 2022, with just one in 10 employees getting them—most of them in the lower ranks. Salaries are expected to rise 3.9 percent this year, down from 4.4 percent two years ago.

And there were 7.7 million US job openings in January, down from 9.2 million openings in 2023. Add in layoffs, and there are simply fewer opportunities to go around.

When opportunities dwindle, employees shift away from a sense of abundance, and a scarcity mindset takes root. This is not a good thing for companies. A scarcity mindset leads employees to behave in ways that are more self-focused and—OK, I'll say it—navel-gazing. Workers become less generous, because they believe that they need to protect themselves and fight harder for the few scraps still available. Research shows that this leads to poorer performance on teams, as teammates begin to keep their best ideas to themselves, and see coworkers as competitors, not collaborators. They become risk averse, more narrowly focused, and less creative.

It's easy to not realize how many opportunities exist until half of them suddenly go MIA: perks, prizes, cash awards, special assignments,

fellowships, jobs, publication, public recognition. With fewer opportunities, the ones that remain suddenly take on larger meanings, with higher stakes—and can spur jealousy among peers, not to mention fury at managers and leaders.

There is, of course, an upside to scarcity. Millions of people are more grateful than ever this year to

space for feelings to be expressed. And in this environment, the person who did get the promotion needs to be prepared for how to handle their colleagues' feelings about it.

This is also a great time for leaders and managers alike to invest in other types of growth, such as upskilling, special projects, expanded responsibilities, and

Promotions fell by almost a quarter in 2024 from 2022.



have a salaried job, and it's a wonderful moment to focus on the stability and security that is available. But to get ahead, leaders and their firms need more than gratitude.

There are no perfect solutions—not for this, anyway. But managers can begin by realizing that employees will have heightened feelings and anxieties, and get out ahead of them. This starts with openly acknowledging the situation: *Yes, we only have one promotion this year, and that's not ideal.* After the decision drops, managers might take the time to talk to the people who did not get promoted, with a clear rationale for the basis of the decision—and

lateral moves, as well as in making efforts to really recognize contributions and increased knowledge or performance.

My training lies in psychology, so I can tell you that simple attunement is half the job here: We all need to be aware of the friction brewing between the opportunity haves and have-nots, and not judge people for their surges of envy (wanting what someone else has) and jealousy (fear of a rival taking what you have). Remember: When prospects are fewer and farther between, big feelings—especially the ugly ones—emerge where you least expect them. Be ready for them. ▀

Rob Dobi/Getty Images

Dr. Huang is senior director of search assessment for Korn Ferry.

STAY FOCUSED ON THE PRESENT MOMENT

B.R.M GOLF COLLECTION



Created for active golfers by B.R.M, the only French-made watch in the world today. Powered by a modified mechanical movement suspended by three vertical and three horizontal shock absorbers. This revolutionary system protects the timepiece from impact that ordinary watches cannot sustain. Models for men and women in a range of colors and finishes.

Mens' 44 mm GF6-44 with PVD skeleton and titanium case back



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COVER STORY

DESIGNERS DEVOTE ENTIRE CAREERS TO **CREATING FLAWLESS PRODUCTS**. WITH TODAY'S PRESSURES, CAN FIRMS AFFORD SUCH NOBLE PURSUITS?

PERFECT

Denis Lates has been “almost there” for two decades. His mission centers on men’s shirts—but not just any shirts: He wants to create the perfect button-down. One that’s non-wrinkling, sweat wicking, odor resistant, and everlasting, with the right look for the moment. And when he’s not working on shirts, he’s working on

men’s chinos and blazers and joggers. All with one goal: perfection.

His days involve staying ahead of street-fashion trends and developing innovative products by shopping, taking photos, purchasing samples, and globally sourcing fabrics. He travels to factories to help ensure, in his words, “perfect outcomes.” In short,

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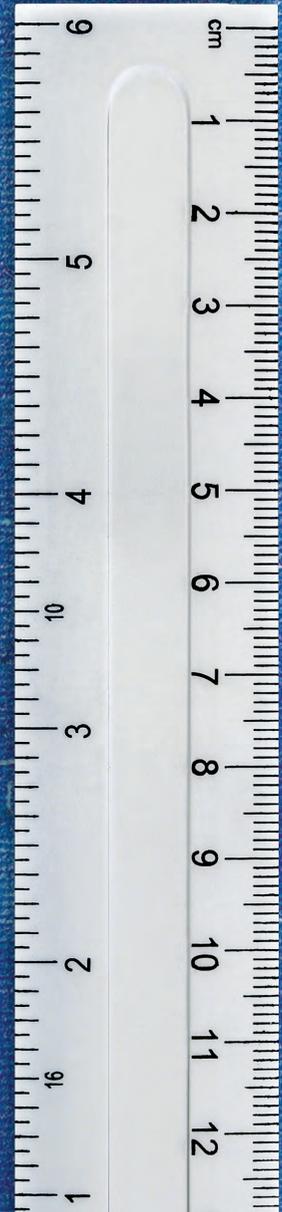
$$F = ma$$

$$\frac{d}{dx} e^x = e^x$$

$$v = v_0 + at$$

BY ARIANNE COHEN
ILLUSTRATIONS BY TIM AMES

ION



THE PROBLEM:
Almost every product can be improved, forcing companies to decide whether to fund the efforts.

WHY IT MATTERS:
The devotion to perfection can energize—or bankrupt—firms.

THE SOLUTION:
Take some risks and evaluate designers based on customer-success metrics.

COVER STORY: **PERFECTION**

impeccable menswear has been the obsession of Lates' life, to the point of taking on an existence of its own. "I've just immersed myself in it, to where menswear is almost like a person," he says. "That's what drives me to look at something so intently."

It's a noble pursuit—one that, as it turns out, occurs in virtually every nook and cranny of the business world, in one form or another: the quest for design perfection. Yes, even in these tough, often brutal corporate times, dedicated inventors are quietly chasing their Holy Grail. Name a product—a medication, a type of food, *anything*—and some designer, scientist, or manager is out there trying to make it better. They may have the full backing of their boss or company, but even if they don't, they're not likely to stop pursuing their obsession.

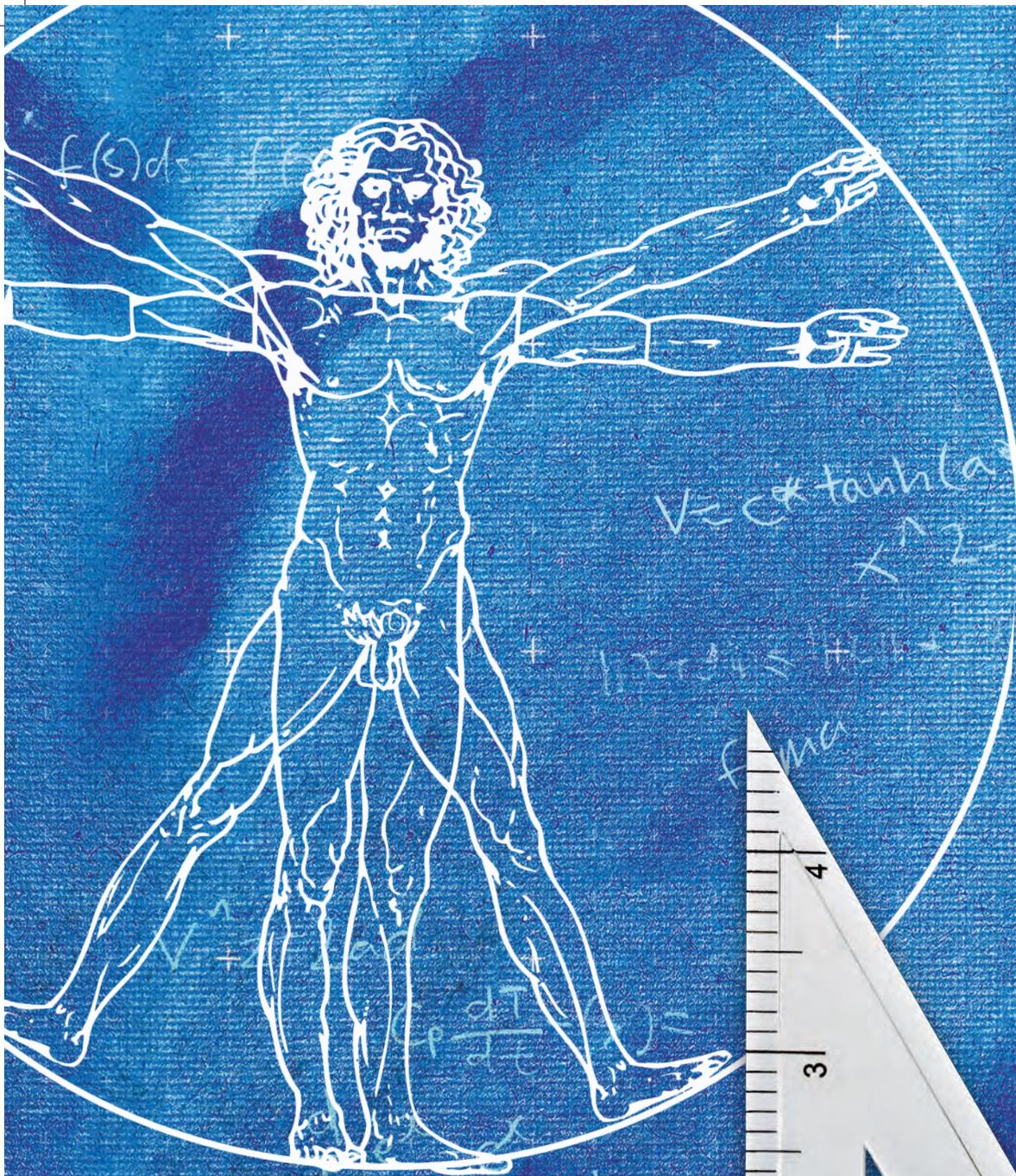
Behind all their efforts lies a nagging question: Do today's companies have an appetite for bankrolling intensive design processes? And should they?

**PERFECTIONISTS'
DRIVE FOR
PERFECTION
OFTEN FUELS THEIR
DILIGENCE AND
WORK ETHIC—
ALONGSIDE A LOT
OF MISERY.**

Indeed, firms are obviously facing enormous pressures from tariffs and massive market swings. Even without such looming events, firms producing "perfect" products can lose business if customers hold on to them too long. "It's hard," says Sara Beckman, a teaching professor at Berkeley's Haas School of Business. "Designers face an uphill battle at most companies." As a rule, she explains, companies are structured around launching products and tracking sales, not creating perfection. "Designing a product that customers will really covet is a different mindset," she says.

Typical companies host long-term, medium-term, and short-term development portfolios. It's the long term that can be a money pit, fraught with risk. No firm wants to be left holding the bag after a decade of development. Indeed, be it the Edsel or the laser disc, corporate history books are full of fiascos.

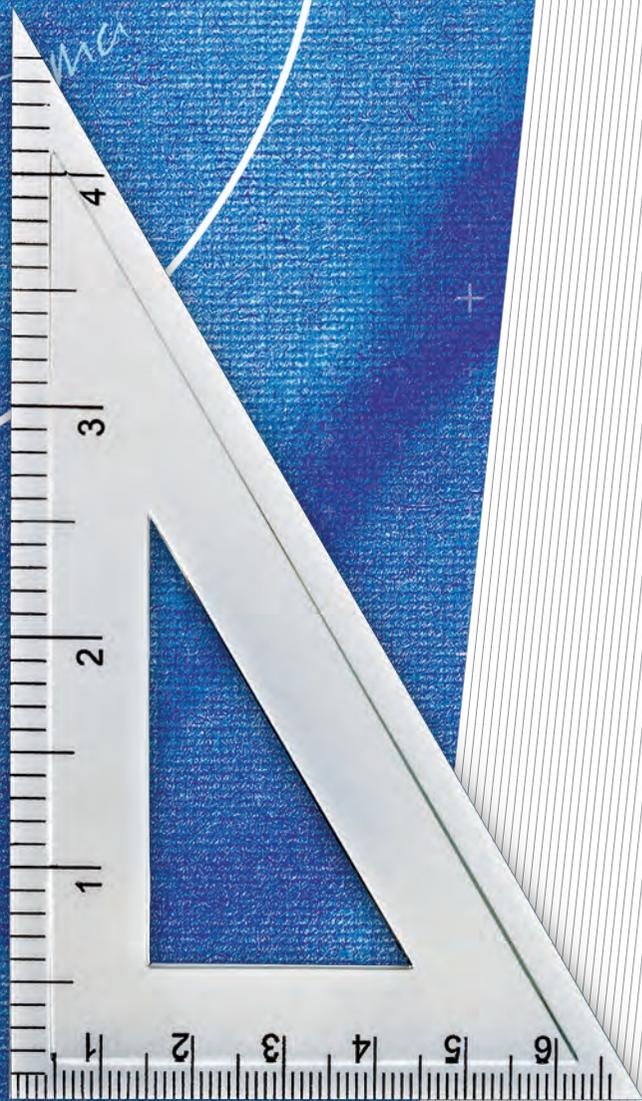
This isn't to say that industries won't still spend billions to achieve top performance—especially in aerospace and defense, where nearly a third of invested capital goes toward research and development. Pharmaceutical companies spend over 80 percent of invested capital on R&D, even if just one out of every 5,000 new compounds is ultimately approved as a new medication. But today's companies devote an average of just 8 percent of their capital to R&D, according to figures from the NYU Stern



School of Business, and firms' investments continue to decrease: Over the last five years, corporate R&D budgets have, on average, lagged behind inflation by 12 percent.

It's hard to be a designer who wants to create a perfect product in corporate America. A series of extreme challenges awaits. First there's the customer. All designers must manage the yawning gap between expert knowledge and user comprehension. And customers do dumb things, unfortunately. For example, it's completely normal for a shopper

Vladislav/Getty Images





**“IT’S HARD.
DESIGNERS FACE
AN UPHILL BATTLE
AT MOST
COMPANIES.”**

to buy a rechargeable toothbrush that a company has poured millions into, drain the battery one day, overcharge it the next, then use it to clean shower grout. You see the rub.

Then there’s the problem of funding. A key US tax credit (aptly called the Credit for Increasing Research Activities) encourages research spending, but R&D productivity—a measure of how efficiently those efforts are converted into valuable outputs—has been in decline since the 1980s. That’s partly because most executive pay is tied to financial management. “To this day, firms still don’t know what the right amount of R&D spending is,” says Anne Marie Knott, a professor of business at the Olin School of Business at Washington University. A so-called “short-termism” reigns that prioritizes immediate results over long-term innovation and forces designers to work on often-brutal corporate deadlines. “They’re kind of racing against the clock,” says Knott.

Even if corporations cooperated more, another

detail can gum up the works: the mindsets of perfectionists, who typically don’t feel good about themselves, experts say, unless they achieve excellence. “It’s almost a substitute for their self-esteem,” says Thomas Curran, associate professor of psychology at the London School of Economics, and author of *The Perfection Trap: Embracing the Power of Good Enough*. Perfectionists’ drive for perfection often fuels their diligence and work ethic—alongside a lot of misery, procrastination, and indecisiveness. For some, it becomes an unsustainable path, compounded by corporate pressures to reach perfection faster and cheaper, that can ultimately land them in therapy.

In short, the odds are fairly harrowing. Yet it’s somewhat clear that there will always be designers who won’t give up. Through obsessive attention to detail and a will that has no boundaries, this group of obsessives believes that perfection can still triumph in the corporate world, in good times or bad. And their dreams can run the gamut from the perfect button-down to the niftiest digital writing tablet to the sturdiest dishwasher, or even a better cosmetics package.

COLLABORATIVE INNOVATION 101

SURE, THE SOLO DESIGNER WORKING AROUND THE CLOCK IS A POPULAR ARCHETYPE, BUT IT'S NOT NECESSARILY THE PATH TO THE GREATEST IDEAS. "ORGANIZATIONS KNOW THAT THEY ARE INSULATED," SAYS LIZ GERBER, PROFESSOR OF MECHANICAL ENGINEERING AT NORTHWESTERN UNIVERSITY'S MCCORMICK SCHOOL OF ENGINEERING. "THE BEST IDEAS OFTEN DO NOT COME FROM WITHIN." HERE'S WHY:



MORE IDEAS LEAD TO BETTER PRODUCTS.

"Ideas are not solitary—people take attributes of multiple ideas and combine them," says Gerber.



SHARP IDEAS COME FROM FAR AWAY.

Customers in different cultures look at the product through the lens of a different set of values.



GOOD CONCEPTS COME FROM CUSTOMERS.

Only a parent is going to suggest clothes that grow, toys that self-sanitize, and basketballs that are silent.



INNOVATIONS SPRING UP SIMULTANEOUSLY.

Typically, new approaches are in the ether. The more people you talk to, the more likely you are to discover one.



HATERS HAVE FANTASTIC IDEAS.

The disgruntled neighbor of a motorcycle owner is likely to have valuable (albeit bitter!) input.



PRIVATE CUSTOMER COMPLAINTS ARE AWESOME.

Customers who feel involved in development are less likely to air complaints publicly.



THE PERFECT BUTTON-DOWN

DENIS LATES

(DESIGN DIRECTOR, MIZZEN+MAIN)

You've probably given minimal thought to the shirt you picked out this morning, unless it's constricting or dripping with stains. Lates sees it differently. "It's almost like looking at a piece of art," he says. After more than two decades designing menswear for top retailers, he can't not design. "It's really tough when I look at friends. I start seeing ways to shape and make their attire look better." Before vacations, he packs clothes for all of his family members (he calls it "packing everybody's assortment"). In other words, his obsession with menswear is a lifestyle.

On the job, Lates asks four questions when considering a new garment: Is it timeless? Does it serve a purpose? Is it performing? Is it perfect? It's that last question that can be paralyzing. To him, perfection means a shirt that is flawlessly doing what it needs to do, through a combination of perfect fabric

and sharp design. In a form-fitting shirt, that might mean four-way stretch, so that the fabric allows movement in all directions; active stretch, for a sudden jog up a flight of stairs; and recovery stretch, to return it to its original shape. And that's just the stretch.

He knows that most customers are blissfully unaware of his efforts. Typical purchasers know that they want, say, a no-wrinkle shirt with moisture-wicking

**“I’VE JUST
IMMERSED
MYSELF IN
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MENSWEAR
IS ALMOST
LIKE A
PERSON.”**

fabric, but they don't realize that it's the box pleats down the back that allow their arms to move freely. "It's those little things that probably don't make it onto the website," Lates says, "but are what we're working on and trying to evolve."

These days, Lates's mind is occupied with fabric characteristics. He's deep into the development of a cooling cotton for summer months, and a breathable cotton for activewear. He notes that these are gross simplifications of the variables his mind is crunching. "It's not necessarily about the fabric performing, but about the *garment* performing," he says. Is there mechanical stretch? Is there ventilation? Is it friggin' perfect?



**THE PERFECT
COSMETIC PACKAGING**
JEROME FRAILLON
(CEO, ALDER PACKAGING)

Fraillon's design expertise sits at the center of a Venn diagram where packaging imperatives meet sustainability. The process begins when a cosmetic company comes to his sustainable-

packaging company to pitch an idea, be it well-defined (a concept for a container for a cosmetics product) or very loose. Perhaps the client wants a pump bottle for a new lotion. This is where Fraillon draws on his engineering prowess: A very thick lotion formulation will not flow upward through a pump. He suggests alternatives; both sides collaborate. This back-and-forth can take a week, or

“WE CAN’T
**ALWAYS DO
EXACTLY**
WHAT WE
WANT.”

a year. Often, wonderfully sustainable packaging might interfere with the chemistry of the product. “We can’t always do exactly what we want. We need solutions that do more with less,” he says.

If you’re envisioning Fraillon spending his days leaning over molds of bottle shapes, you’re partly right, though you should also envision him sending emails—many, many emails to coordinate those balanced solutions, in the right shapes, for clients and factories. Avoiding nonrecyclable plastic requires efforts, because manufacturers have long been spoiled by it. “Plastic can do anything,” he says. Ideally, packaging will be both recyclable and made of recycled materials, with a minimal carbon footprint, which requires eliminating or reducing new plastic in favor of glass, aluminum, or other options, like a recyclable resin. Until recently, nearly all cosmetics companies prized some degree of sustainability, though the calculation has changed in recent months. “Pricing has become paramount,” Fraillon says.

His resume is a Who’s Who of iconic cosmetics companies: Estée Lauder, Smashbox, Bare Escentuals, Coty, Avon, Victoria’s Secret Beauty. Now that he finally co-runs his own shop, he says, he can curate a warehouse of many thousands of packages from partner factories, allowing him to pull dozens of examples of, say, a round bottle with a round cap. He frequently pokes his head into a nearby Sephora—he can’t help himself. “It’s just to see how our packages are doing in the wild.”

**THE PERFECT
DISHWASHER**

JASON CLARK

(SENIOR INDUSTRIAL DESIGNER,
BSH HOME APPLIANCES CORP.)

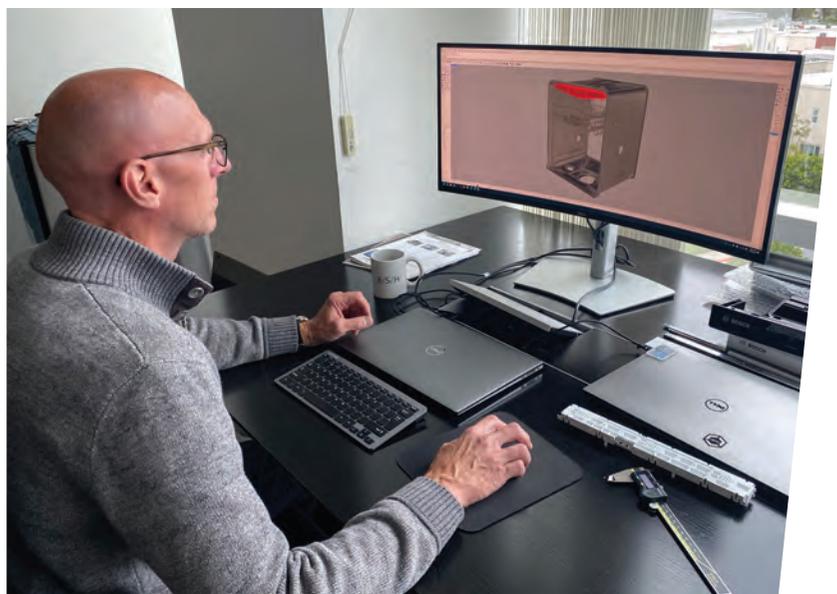
Clark didn’t think corporate America was calling his name. After high school, he spent a decade working with his hands—in restaurants, landscaping companies, and factories in Louisville, Kentucky. Then he met an industrial engineer who suggested he explore product design. Clark visited the program at the University of Cincinnati. “There were no books! People were in shops building and drawing cool stuff.” He knew it then: “This is for me!” He would eventually graduate third in his class.

Today, his mandate is dishwashers—specifically, making Bosch-branded dishwashers more enjoyable for consumers. As he sees it, the dishwasher is the star of the kitchen at the end of the night, long after the fridge and oven have done their jobs. “Dishwashing is the most disliked task in the kitchen, so making it

easier, user-friendly, and faster is key,” he says.

This goal is complicated by the fact that dishwasher users do very weird things with their tableware. Bosch’s research arm regularly invites customers to pick out dishes similar to their own, then load a dishwasher—while researchers

“WHEN I HEAR
CONSUMERS
SAY, ‘**HEY, THIS
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THAT’S MY
PASSION AND
WHAT KEEPS
ME GOING.”



watch through one-way glass. Some customers are extremely organized, carefully slotting items into the dish rack like they're playing Tetris. For others, "there's chaos," Clark says. Customers, it turns out, don't appreciate detailed instructions. They'll accept a few icons printed on the racks as hints, but that's it. They prefer not to have to pay any more attention than that. So the question Clark's team asks is, "Did everything get cleaned?" The answer needs to be "Absolutely."

Clark will poke his head into the local Lowe's and Home Depot and nonchalantly listen to buyers' conversations. "When I hear consumers say, 'Hey, this thing is awesome and makes my life better,' that's my passion and what keeps me going."

**THE PERFECT
ELECTRIC WRITING TOOL**
MATS HERDING SOLBERG
(HEAD OF PRODUCT
INCUBATION, reMARKABLE)

Solberg is obsessed with a single goal: a digital tablet for PDFs and books that will recreate the feeling of writing by hand on paper. That's it—no email, messaging, or other bells and whistles that might distract. "Writing has two and a half millennia of development, iterations, and optimization. It's kind of naïve to disregard that," he says.

But what kind of pen? And what kind of paper? The feeling of writing, it turns out, encompasses physical experiences like friction (between pen and paper), paper feel (against the hand), and flex (of both pen and paper). His team in Oslo compiled what they called the Bank, a gathering of "every pen, pencil, writing tool, and type of paper that you can imagine." First, staffers tested various analog writing combina-

Solberg is obsessed with a single objective.



tions, in increasingly large groups. Then came the hat trick: to break down those physical experiences into components, then recreate each one in digital form by imprinting the paper-surface features onto tablet glass, then molding plastic styluses that look like pencil tips under a microscope.

This, of course, resulted in the opposite of a final product: Solberg had many (many) prototypes on his hands. Which was the best? Enter the company's Wine Tasting Club. The name is a misnomer: They test mostly digital tablets, sometimes while sipping a beverage, and log their personal likes and dislikes. "A lot of this is super subjective," says Solberg. "You won't

find one writing experience that's perfect for everyone."

But if recreating writing in digital form seems like an outsize goal, Solberg has an even bigger one in mind: to facilitate people's best thinking. This has been a lifelong pursuit, dating back to when he says he built "basically the first iPhone" in his living room as a tween, using the innards of a Macintosh computer. He is turned off by the limitations of constantly dinging software on laptops and smartphones, but intrigued by the idea of pen and paper as a way of thinking. His litmus test for whether to pursue a feature to keep his dream of perfection alive is, "Does this help people think better?"

Bernard Richards Manufacture



SUSPEND TIME

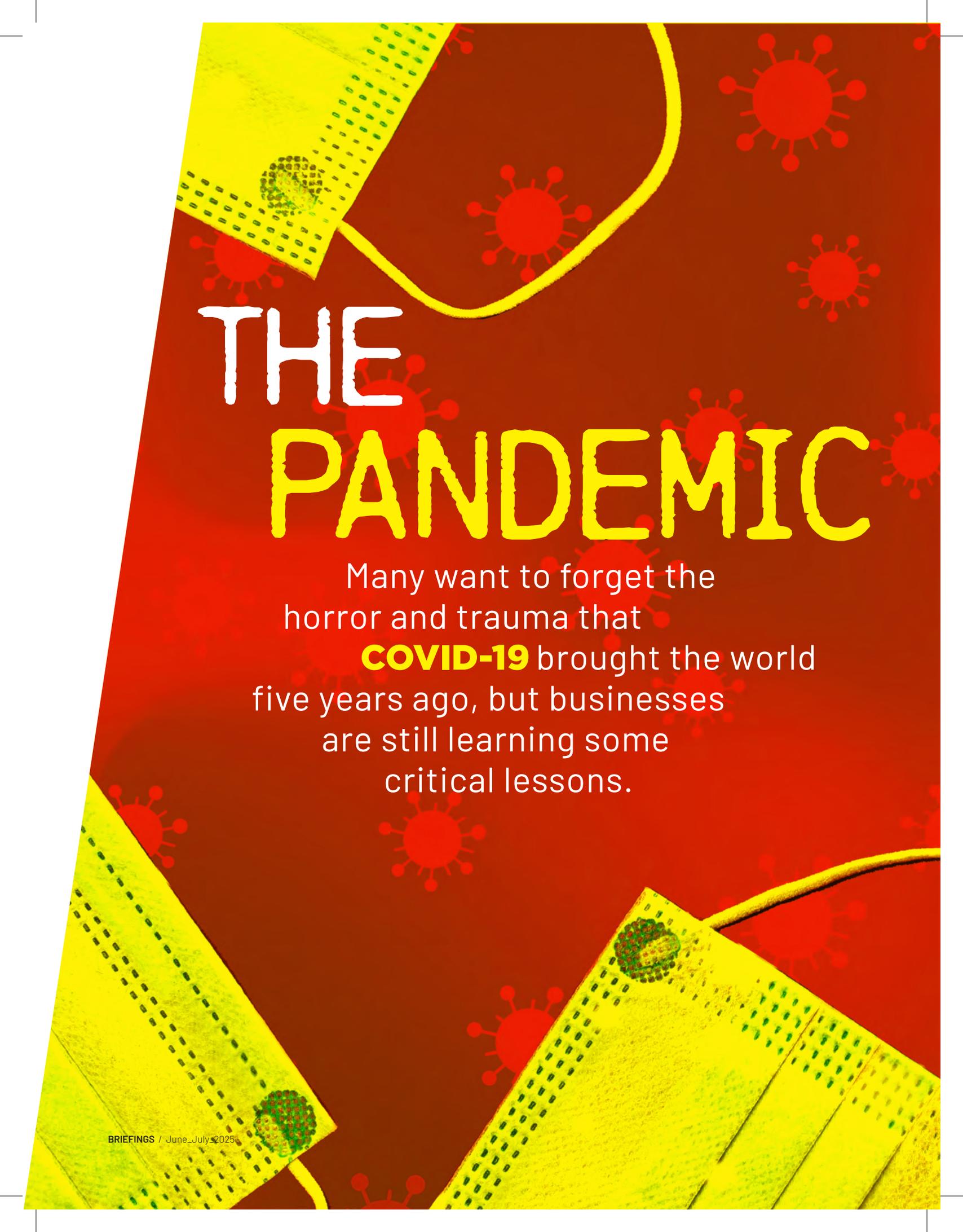
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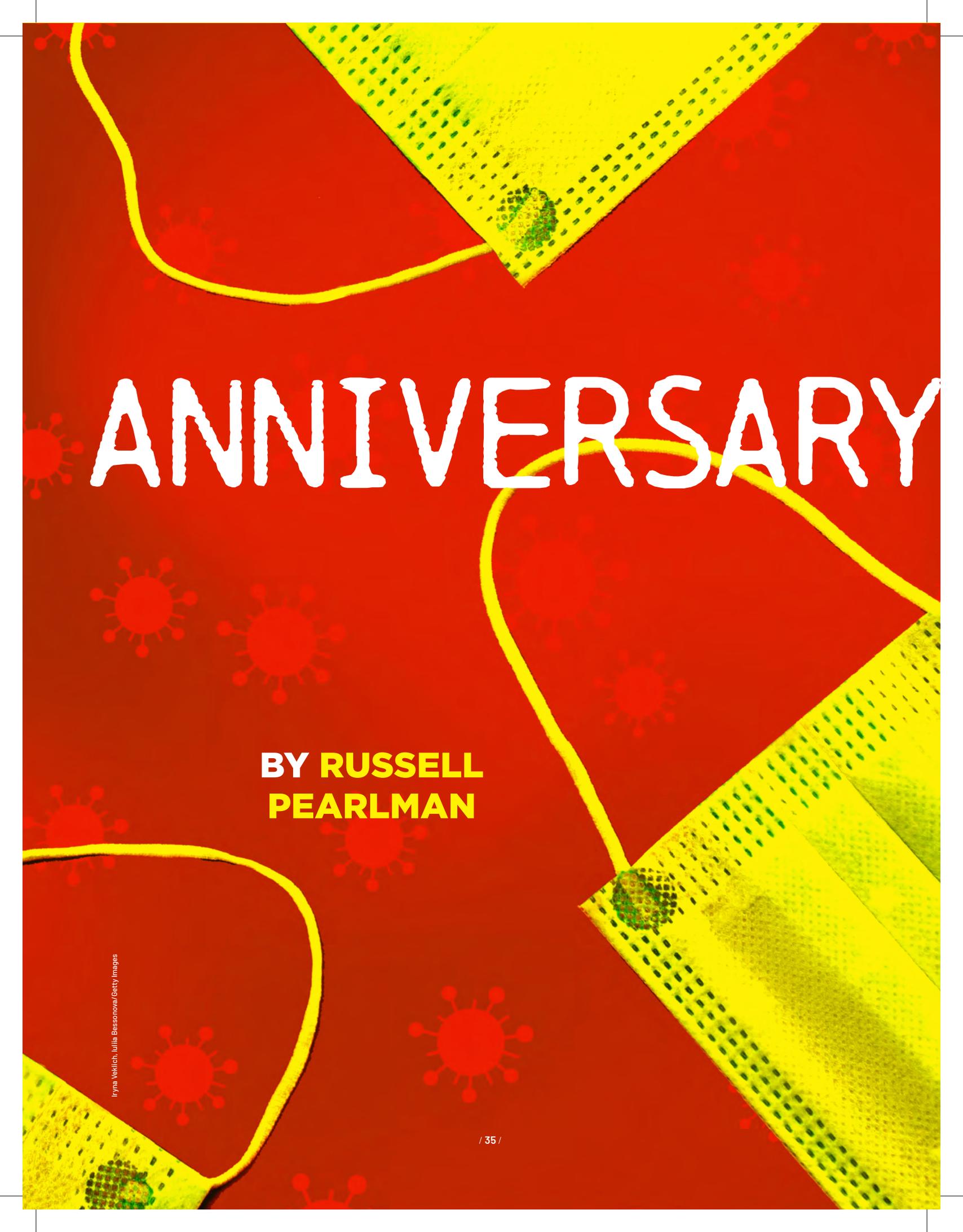
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THE PANDEMIC

Many want to forget the horror and trauma that **COVID-19** brought the world five years ago, but businesses are still learning some critical lessons.

The background is a vibrant red color. Scattered across it are several yellow surgical masks, some partially visible at the top and bottom corners. Interspersed among the masks are numerous red, spherical virus-like particles with small protrusions on their surface. The overall theme is medical and health-related.

ANNIVERSARY

**BY RUSSELL
PEARLMAN**

Iryna Veitch, Iulia Bessonova/Getty Images

It was the summer of 2020, and the world was in the throes of the COVID-19 pandemic. While trying to patch together his wireless-charging business, Dan Bladen noticed that his real-estate customers were making a big bet: They were remodeling their workplaces in a way that suggested they anticipated people would eventually return to the office—but not every day. The workforce they envisioned would be more hybrid, and everyone would share the same desk, conference rooms, and overall space.

Amid all the disruptions of the pandemic (social distancing, wearing masks, giving hazard pay to frontline workers, hunting for toilet paper, etc.), Bladen thought that this idea—working all the time out of the same space—had legs. He moved quickly to reinvent his seven-year-old company, and by early 2021, the firm had a new line of business, workplace-management software, and a new name, Kadence. Soon, Bladen and his teams were amazed to find themselves selling their first software license, inspiring an agility and adaptation in them that has lasted to this day. “Somewhere along the way, we found our sweet spot,” he says.

It’s been five years since much of the world went into lockdown amid the COVID-19 nightmare, a time that many would like to forget. The virus itself has claimed more than 7 million lives worldwide, according to the World Health Organization. And while we may never be able to accurately calculate the total economic loss—of workdays, business, and changes in consumer behavior worldwide—the estimates range from around \$2 trillion all the way up to more than \$15 trillion. Without a doubt, recent history can be split into two periods: Before COVID and After COVID.





But despite that split in time, the pandemic's changes have had some staying power—and they continue to evolve. Some are well-known, from the great return-to-office debate to the importance of leadership agility to changes in buying habits (online sales now account for about 15 percent of retail sales, up from 10 percent before COVID). More subtly, economists are noticing that we're spending far more on services, like travel and entertainment, than we are on durable goods, like cars and appliances. More women have entered the workforce than ever before. Plus, the pandemic spurred a surge in entrepreneurship, with applications for new businesses now soaring to over 400,000 monthly, as well as a potential push for more no-touch, autonomous technology. "The pandemic caused an overnight shift that might have otherwise taken years to happen," says Serguei Netessine, senior vice dean for innovation and global initiatives at the University of Pennsylvania's Wharton School of Business.

But dramatic change can cause collateral damage, such as debt jumps for both governments and companies worldwide.

Dramatic change can create some collateral damage.

Leaders and employees are still fighting over how much work should be done at the office, and workplace culture is in shambles. What's more, the pandemic forced firms to focus exclusively on the short term, which may explain why revenue growth in subsequent years has shrunk sharply.

CHANGES FOR LEADERS

At the beginning of the crisis, when many believed COVID-19 was an existential threat, leaders across organizations and countries engaged in what management experts call “directive leadership”—the top-down, old-school approach in which the boss, without seeking to build consensus, makes all the big decisions. Indeed, the more COVID-19 deaths a country experienced, the stronger its increase was in the top-down leadership style, according to a study of leaders in 48 countries across 32 sectors conducted by professors

“With leadership styles, more is now better.”

at the University of Groningen in the Netherlands. It made sense, experts say: Employees needed clear direction on how to stay safe, and leaders needed to act fast.

That style has gradually morphed into several variations. According to the Groningen study, leaders who had adopted the directive style became far more willing, as the pandemic stretched on, to solicit ideas from colleagues, make decisions through consensus, and even let their teams make more decisions for themselves. These leaders also became more cognizant of how their teams’ general mood was impacting performance. Fast-forward to today, and some leaders feel top-down may be right for certain moments, while collaborative is better for others. “With leadership styles, more is better,” says Sarah Hezlett, a vice president of assessment science for North America at the Korn Ferry Institute.

Elika Dadsetan-Foley has experienced this transformation since assuming the role of executive director of the consulting firm Visions in March of 2020. At the outset, she found herself ordering teams out of her office and setting up new policies to keep work going. “I was telling them, ‘I need you all to trust me, even though you don’t know me,’” she says. But within a few weeks, Dadsetan-Foley began having deep conversations with her team about how they were feeling. Today, she knows that different leadership styles fit different periods. “It’s a balance between being present and getting stuff done,” she says.

Ultimately, the biggest legacy of COVID-19 for leaders may have less to do with managing employees and more to do with managing themselves. Indeed, experts say, being the boss in the post-pan-

What Happened to the Pandemic Staples?

During the worst months of the COVID-19 pandemic, these were essential workplace items and ideas. Some of them have had **staying power**, while others have **faded** from the scene.



Didn't Last

Masks

Still worn by some wary travelers and immune-compromised workers, but abandoned by most people by 2021.



Didn't Last

Social Distancing

Who stays six feet away from anything these days?



Stuck Around

Hand Sanitizer

Shortages no longer occur, and dispensers of the antibacterial goop can be found today in nearly every business.



Stuck Around

Casual Workwear

Bosses might no longer condone employees wearing their pajamas, but good luck expecting male workers to wear ties again anytime soon.



Didn't Last

Sneeze Guards

The plastic shields separating retail clerks from customers went up quickly in 2020—and came down nearly as quickly a year later.



Stuck Around

Getting Everything Online

The pandemic accelerated the trend to just buy stuff over the internet.



Stuck Around

Videoconferencing

During the pandemic, everyone learned to “meet over Zoom.” The branded software has plenty of competition now, but videoconferences have become a staple of corporate life.



Didn't Last

Pandemic Hazard Pay

Many employers paid bonuses or higher wages to frontline employees who were required to work in person. Most firms stopped the practice when vaccines became available.



Stuck Around

Remote Work

Working from home was a necessity during the pandemic. Now it's a fought-over benefit.



Didn't Last

Vaccine Mandates

Many firms demanded employees get vaccinated if they opted to work at the office. Now only select sectors, such as health-care, require vaccination.



Stuck Around

Judging At-Home Offices

“You arranged all your books by color?”



Stuck Around

Mental-Health Awareness

The topics of work stress and burnout were discussed pre-pandemic, but they're now part of the daily discourse at offices everywhere.



Stuck Around

Empathetic Bosses

Most employees now seem to appreciate when the boss asks, “How are you feeling?”—and really means it.

demarc era has become harder than ever. A record number of CEOs departed in 2024—more than 2,200 in the US alone—breaking a record set in the previous year. Many leaders feel cornered by a host of growing pressures, from an unprecedented volume of activist campaigns focused on short-term results to an employee base that feels empowered to criticize their bosses openly. Experts say that bosses should get used to the fact that it's never going to get easier.

CHANGES FOR EMPLOYEES

It might be hard to remember, but back in 2019, even employees who *could* work remotely came into the office every day. At the time, fewer than one-third reported following a structured hybrid schedule. Today, nearly 65 percent of employees say they have some form of hybrid schedule in which they work at least a half day per week outside the office.

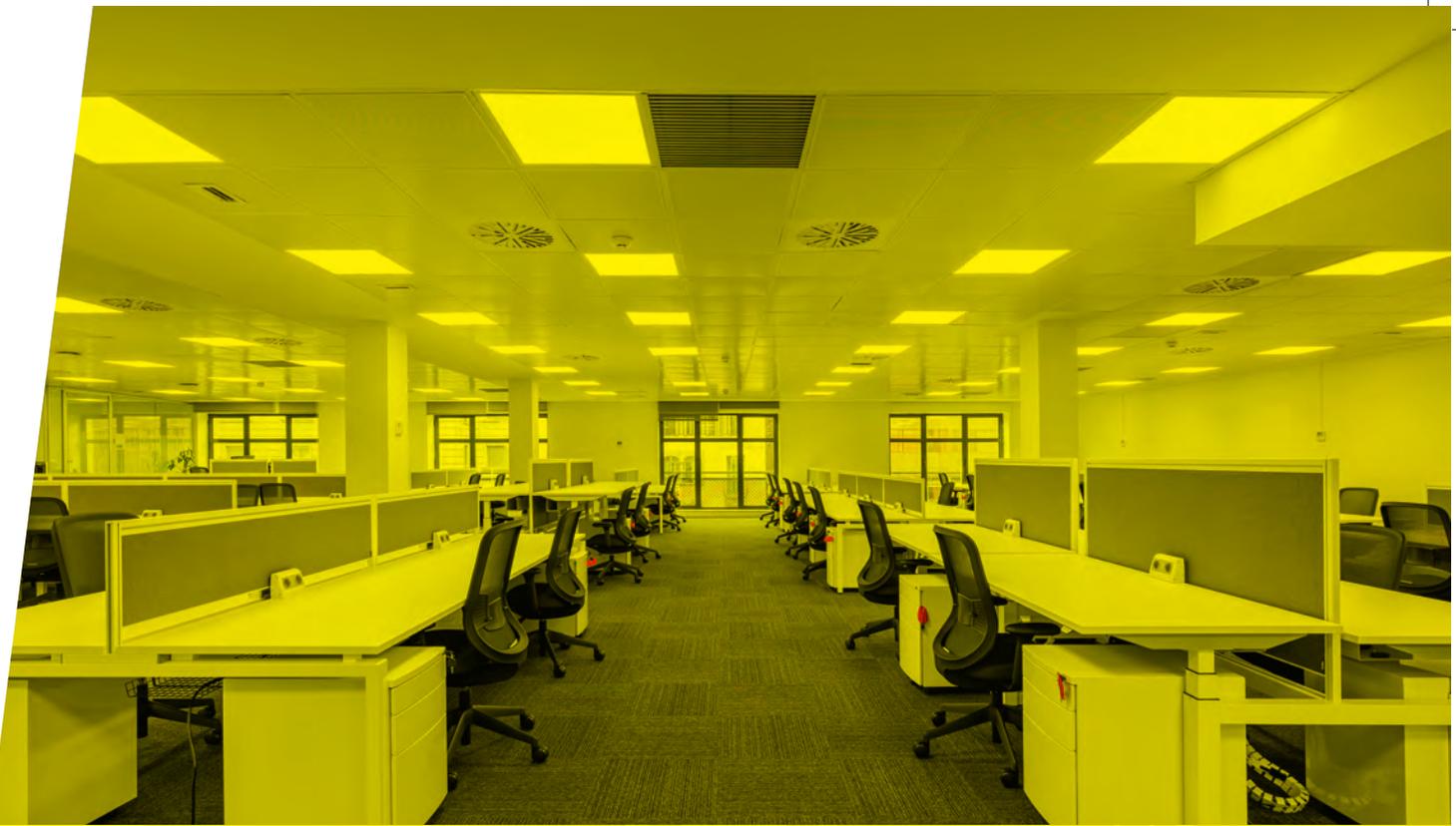
Employees' leverage has been on a roller coaster over the past five years. During the Great Resignation era, empowered employees could play one potential employer off another for massive pay packages, but much of that leverage has dissipated as the job

The amount of leverage employees have has been on a roller coaster.

market has softened. What has been a constant since the pandemic, however, is a desire for flexibility, experts say. When Korn Ferry surveyed workers around the world in 2024, they said that the number-one benefit a new employer could offer them wasn't generous compensation, but flexible working hours. Indeed, flexibility today is a selling point even for otherwise undesirable jobs: Sixty percent of workers said they would stay in a job they hated if they had flexible working hours. “Flexibility and hybrid structures have now become standard features of modern businesses,” says Brian Lim, CEO of clothing retailer iHeartRaves.

To be sure, there are plenty of leaders who feel that a hybrid or full-time remote-work setup hurts productivity or damages the career trajectories of workers, particularly younger ones. But in numerous organizations, it's leaders who have made the adjustment. Bladen, the Kadence CEO, hopes—but doesn't require—that his colleagues work out of their respective offices only once a week. In return, he expects that everyone will make themselves

Artist:NDphotography, David Malen, RealPeopleGroup, Wong Yu Liang, Flavio Coelho, Shana Novak, Senez/Getty Images



available to connect on every workday, no matter where they are based, during the 2.5-hour overlap of mornings in the US and mid-afternoons in Europe. “We are not waiting for asynchronous communication,” he says.

Another lasting change, experts say, is the kind of clarity employees want from their bosses. In January 2020, shortly before the lockdowns began, 56 percent of workers felt they knew what was expected of them at work, according to a poll by Gallup. By the end of last year, that figure had declined to 45 percent. If the boss makes a decision, employees want to know why. If they see that the decision is based on data or sound thinking, they’ll go along with it—even embrace it—whether they agree with it or not.

CHANGES FOR WORK

“Practice social distancing.”

Remember that phrase? Signs were everywhere in 2020 urging employees to stay six feet apart to slow the spread of COVID-19. The signs are gone, as are many rules requiring masks to be worn or employees to be vaccinated. But what has lingered is a sense at many organizations of needing to keep tabs on employees’ health, both physical and mental. It’s not uncommon to find hand-sanitizer stations in every workplace now, and employers have spent millions redoing air-filter systems to improve air quality. There’s also been a massive increase in mental-health awareness within organizations. In one 2024 survey, 88 percent of firms said they were prioritizing the well-being of their workers and executives.

As he was coming up in the business, admits David Naylor, CEO of Rayburn Electric Cooperative, his attitude was just to plow through whatever was in front of him. But today, as the boss, he sees that struggling employees—whether physically ailing or stressed-out—often can’t do their best work. Indeed, many lead-

Firms want a better sense of what *could* happen; there’s a new commitment to scenario planning.

ers are hoping that if their employees feel healthier, they’ll be less likely to be absent and more likely to be engaged in their work. The new building Rayburn is constructing this year will include a fitness room indoors and walking paths outdoors. He’s encouraging his colleagues to consider walking to meetings. “We don’t want to be chained to a desk,” he says.

That attitude of preparedness extends beyond the issue of health. Companies today are far more likely to diversify vendors and suppliers, a step that may prove crucial in the tariff era. Factories and warehouses are a little more crowded these days, because firms are more willing to hold surplus components, parts, and even finished goods. Carrying excess inventory increases costs, but many leaders in the post-pandemic period think these costs will be far lower than those associated with being caught short of critical supplies.

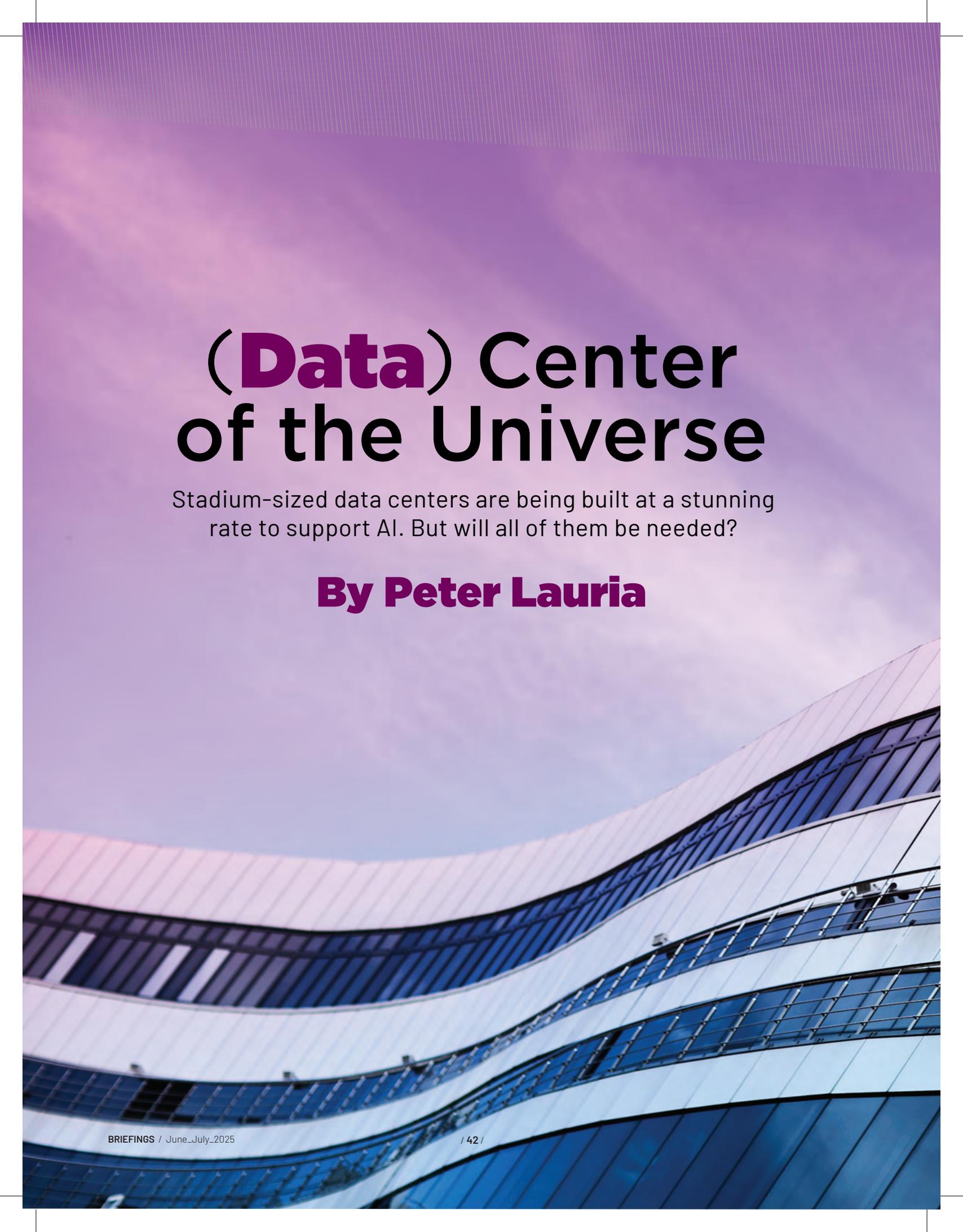
Firms also want a better sense of what *could* happen. There’s a new commitment to scenario planning. Naylor actually had a pandemic playbook before 2020, but he suspected that it was created as little more than a check-the-box exercise. When the lockdowns happened, the firm took the actions they needed to keep the electricity flowing; only then did they look at the plan—and it “made no sense,” Naylor says. After the pandemic, he and his colleagues revised it, and revisited a host of other contingency scenarios. “The biggest change,” he says, “is that we’re far more deliberate with them.”

Seneiz/Getty Images

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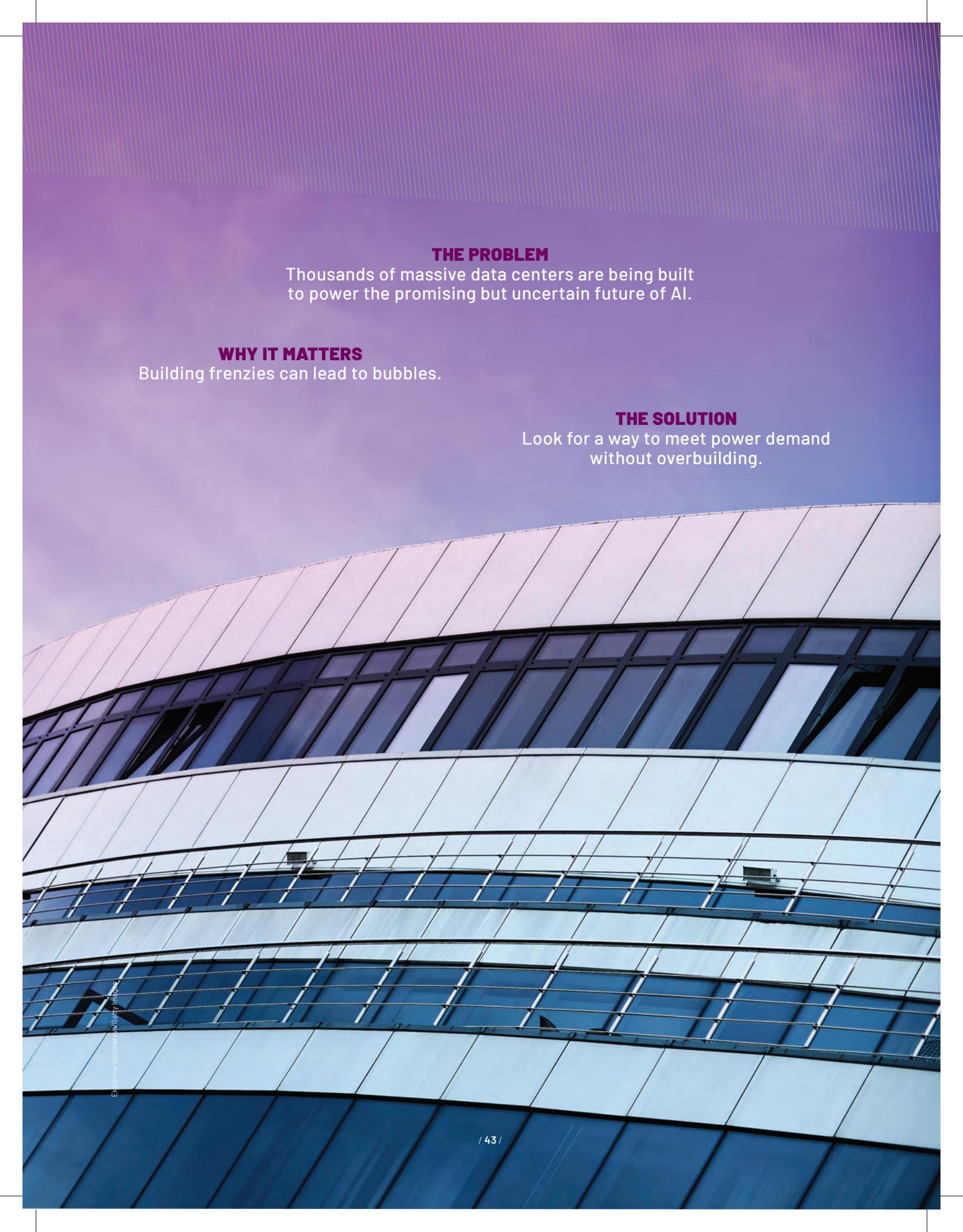
lalique.com



(Data) Center of the Universe

Stadium-sized data centers are being built at a stunning rate to support AI. But will all of them be needed?

By Peter Lauria



THE PROBLEM

Thousands of massive data centers are being built to power the promising but uncertain future of AI.

WHY IT MATTERS

Building frenzies can lead to bubbles.

THE SOLUTION

Look for a way to meet power demand without overbuilding.

Located in an office park bookended by the New York City skyline to the east and the Hackensack River to the west, blending in among the warehouses and industrial buildings, is NY5, a 380,000-square-foot data center owned by Equinix, the giant technology firm. Inside the boxy, black-paneled, unmarked building, past three interlocking steel doors that require a code and handprint for entry, are hundreds of miles of cables linked to tens of thousands of servers. These cables power the businesses of 140 clients, among them some of the biggest financial institutions in the world, including the Nasdaq stock exchange.

Yet for all its importance, this place is eerily quiet. Except for the low humming of machines and the muted whir of cool air being circulated, you could hear a pin drop. With their gray concrete floors, the long and dimly lit halls, roughly 200 yards in length, give the impression of an underground bunker. Silver and black rows of locked cages securely house each client's servers; they run like a maze through the main floor, accessible only to properly cleared clients, employees, and Equinix engineers. "Here's where our customers can look over their investment," says Equinix senior director of facilities operations Tony Sclafani, looking down on the cages from a conference room.

While no one would describe data centers as glamorous or sexy, they do happen to be one of the hottest sectors in tech, if not all of business. Everything in our digital lives, from our social media to our bank accounts to our health records, depends on the transferring, processing, and storing of data in these centers. They are what kept business and society functioning during the pandemic, and they play a critical role in training and developing AI models and other emerging technologies for the future. And, according to Gordon Dolven, director of Ameri-



cas data center research for real-estate investment firm CBRE, they can't be built fast enough. "Data centers are the new oil in terms of keeping business running," he says.

Our ever-increasing need for more computing power is fueling one of the biggest corporate bets of all

time. Big tech companies, private-equity firms, government agencies, and others are all in a mad rush to secure agreements to develop more data centers. Globally, there are about 10,000 data centers operating today, but that's only the start: The latest projections predict over 20,000 more in the next five years. Once thought of as small, dank basements with racks of servers, today's data centers are massive complexes the size of several football fields that cost billions of dollars to construct and maintain. According to the Boston Consulting Group, spending on data centers will reach \$1.8 trillion by 2030. Over that time span,



Pengcheng Zhu/Getty Images

revenue is expected to nearly double, to \$406 billion from \$213 billion today. “The money coming into—and that stands to be made from— data centers is unprecedented,” says Tim Walton, head of Korn Ferry’s Digital Infrastructure Executive Search practice in Europe, the Middle East, and Asia.

When it comes to investments, however, nothing is a sure thing, not even with today’s great thirst for the kind of data that will service AI. For

starters, the energy needed to power data centers is enormous, so much so that there may not be enough of it in critical areas of development. Same goes for access to the water and other cooling agents needed to reduce the heat servers emit and control humidity. Compliance with shifting regulations is another challenge. More importantly, there is also a risk of overbuilding, just as there is with housing. Indeed, by their own admissions, firms plan to spend sums on these centers—without knowing precisely what the customer need will

be—that are higher than the GDP of countries like Australia, Ireland, and Portugal. Put another way, while it is unlikely that we will be living less digitally in 2030, the extent to which our lives will be online is unknown. “The market is very frothy right now,” says Jerry Upright, a senior client partner in the Global Infrastructure and Global Private Capital practices at Korn Ferry. The question is: Will this be a bubble as big as one of these centers—or a critical investment and infrastructure move?

Globally, there are about 10,000 data centers operating today.

Peter Curtis, founder of critical infrastructure consulting and technology firm PMC Group One, started working on designing and overseeing data centers more than three decades ago. Back then, some of the biggest facilities were between 20,000 and 100,000 square feet and required about 10 to 50 megawatts of energy to run, which is enough to supply power to between 2,000 and 7,000 homes. Today, smaller data centers average 100,000 square feet, and it’s not uncommon for them to reach 1 million square feet or even more. In terms of power, 200 megawatts, or enough energy for 40,000 to 100,000 homes, is considered small. There are facilities under construction that will have enough capacity for 1 gigawatt of power, which equates to 1,000 megawatts. “The power needs are very different,” says Curtis. “Utility grids aren’t built to sustain the level of usage and demand we are going to need.”

Modern Architecture HDR, Vjorn, Kazanski/Getty Images



All of this underscores the evolution in today's world—from so-called classical computing to the cloud and AI, and in the not too distant future, quantum computing. To be sure, it's estimated that data-center power consumption will double or triple by 2030, from roughly 4 percent

of all US electricity today to 10 percent or more. Or, to twist the famous quote from the movie *Field of Dreams*, it doesn't matter how many data centers are built; if there isn't enough energy available, they won't run. Alternative-energy sources such as wind and solar are being used to generate power and reduce carbon emissions, but Curtis says none by itself is reliable or powerful enough to run a data center, let alone fully replace traditional energy supplies. Some firms, including the big tech players, plan to use (or are exploring

using) nuclear power in new data centers under construction.

Power scarcity, combined with the scale and scope of new data centers, comes with a cost—and a hefty one at that. New construction on large-scale data centers can cost anywhere from \$250 million to more than \$3 billion. Some big-tech and private-equity firms are spending upwards of \$10 billion to build a single data center. Tariffs, supply-chain disruption, and other factors can drive up the costs even further. Worse, from an investment perspective, much of those costs—such as securing power contracts—is front-loaded, meaning that

ABILENE, TEXAS

Construction is underway on "the Stargate Project," a \$500 billion venture to build data centers in the US.

SILICON VALLEY

Despite being home to some of the biggest tech companies in the world, Silicon Valley only ranks seventh in data-center size, with roughly 150 facilities.

ATLANTA, GEORGIA

Equinix is building a new facility here, in one of the biggest data-center markets in the US, as part of a \$15 billion joint venture.

DUBLIN, IRELAND

Lawmakers paused development of new data centers over concerns about energy and water consumption.

LONDON, UK

A new billion-dollar, three-story hyperscale facility is being built in the Park Royal section of the city by Pure Data Centres and SEGRO.

THAILAND

In March, the country approved a Chinese company's proposal to build a massive, 300-megawatt facility.

NORTHERN VIRGINIA

Ranking as the world's largest data-center market, the state is home to more than 500 facilities.

JOHOR, MALAYSIA

The entire country is becoming a data-center hub. Microsoft and a company owned by Blackstone are among the operators in the area.

URUGUAY

Activists convinced the builders of one data center to use air cooling to conserve water in the area.

All the World's a Data Center

Data centers are proliferating across the globe. Here's a look at some of the major locations where they operate or are under construction.

While no one would describe data centers as glamorous or sexy, they do happen to be one of the hottest sectors in tech.

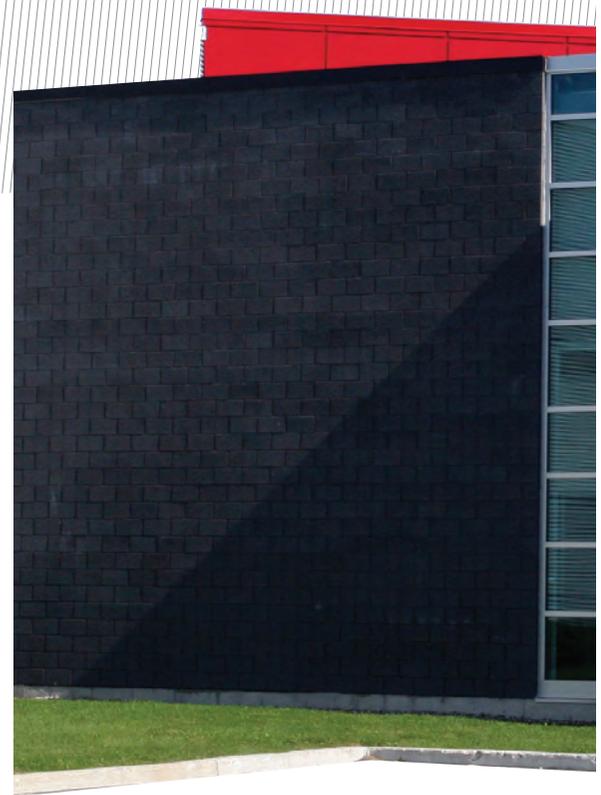
operators are paying up front and banking on making their money on the back end. Still, according to CBRE's Dolven, demand is so great that data-center operators can often pre-lease space before building even begins. "The pre-leasing rate on data centers is much bigger than other areas of spec building," such as commercial real estate or residential housing, says Dolven.

The first thing you notice about the data-center floor at Equinix's NY5 facility is the heat. It hits you in the face as if you've just opened the oven or a sauna door. As you walk deeper into the guts of the data center, pockets of cold air from the cooling system come over you, like when a gust of air conditioning blasts

you from a store entrance on a hot summer day in Manhattan.

To all outward appearances, NY5 seems like a clinical and sterile place to work. Not much exciting happens here, it seems, and to Sclafani that's a good thing. As he stops outside the generator room, which houses five huge yellow industrial-size backup generators, he recounts one of his proudest achievements: how he and his team kept NY5 up and running for clients during Hurricane Sandy in 2012. "Other data centers went down, but we were able to stay online for over a week just on generators," says Sclafani, who has been with Equinix for two decades and oversees the company's data-center campus in Secaucus, New Jersey. Pretty impressive, considering that fewer than 40 engineers and technicians run the entire 30-megawatt facility.

Located just seven miles outside of Manhattan, NY5 is, for a data-center location, the equivalent of beachfront prop-



erty. It checks all the boxes—densely populated area, access to power and water, proximity to major international corporations, and more. It's what's known as a "co-location" facility, meaning clients rent out server space from Equinix. Think of these facilities as apartment complexes. They've dominated the current boom in data centers. "Lots of new companies have come into the industry trying to grab market share," says Korn Ferry's Walton.

Many of those new companies are backed by private-equity firms, which is changing the investment calculus around data centers. Here, too, there are ominous parallels to the housing-market collapse, because many existing and new data-center builds are being financed with debt. At least two new constructions are being paid for with more than





\$2 billion in loans, for instance. To be sure, as costs have skyrocketed, more data centers are being funded through partnerships and joint ventures, often between international firms, including private and public companies, PE firms, sovereign-wealth funds, and data-center operators. While that helps spread costs and capital around, it also introduces more investors into the equation. “The returns aren’t there yet, but firms are afraid they could get crucially behind if they don’t invest heavily now,” says Christopher Kimm, a senior vice president at Equinix and chair of industry trade group the Data Center Coalition.

Experts worry that this kind of thinking could lead to trouble. No one believes demand for computing power will fall off a cliff the way it did for housing, of course, but when relying on credit and debt, any miscalculation runs the risk of default and loss of control. And defaults don’t have to be financial, per se—for instance, client contracts often include penalties if power goes down. “Some step-in rights include kicking out the developer and taking over running of the facility,” says Bill Stein, executive managing director and chief investment officer at data-center investment firm Primary Digital Infrastructure.

John C. Magee, Onfokus/Getty Images

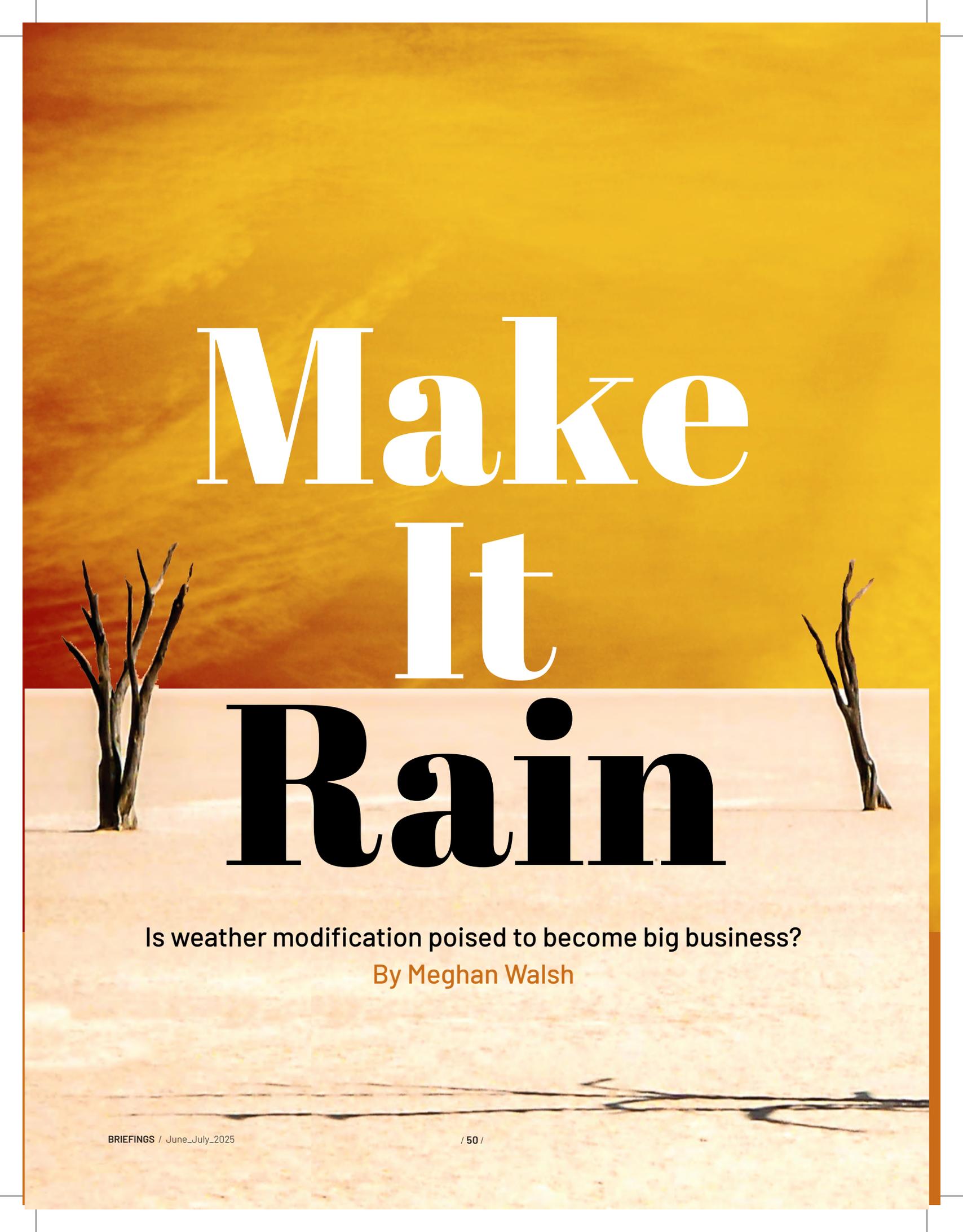
Spending on data centers will reach \$1.8 trillion by 2030.

Earlier this year, the entire sector went berserk over Chinese AI startup DeepSeek, whose low-power, low-cost model—it cost less than \$6 million to develop—threatens the assumptions underlying the sector’s entire financial premise. If DeepSeek can operate a large-language model on a fraction of the power other models require, what does that mean for firms that have already pre-leased space for servers they won’t end up needing? Or for data-center operators who have cut huge checks to utility firms to secure energy commitments? Moreover, while co-location has been a financial boon to data-center operators, history provides a cautionary tale. During the first dot-com wave, some operators of co-location facilities bet heavily on an explosion in internet traffic. When their customers went out of business and couldn’t pay their rent, these operators either filed for bankruptcy or narrowly

avoided it. “As those companies crashed, it trickled down to data-center operators,” says Stein.

And yet, the building goes on and on. And it’s not hard to see why. Many experts and data giants like Equinix have mitigated investors’ fears somewhat by theorizing that the Chinese AI program will actually expand the overall need for AI. They also note that data centers may end up mirroring other large-scale digital innovations, like cloud computing or even the early internet, with a heavy investment cycle at the beginning that tapers down as the technology is adopted and scaled. In fact, most analyst reports suggest that despite record construction activity, the supply of data centers will struggle to keep pace with demand for the foreseeable future. Or, as Equinix’s Kimm puts it, “Firms aren’t focused on costs right now because the sky is the limit in terms of returns.”

For his part, Zhichao Cao, a professor who leads the Intelligent Data Infrastructure Lab at Arizona State University, believes that the momentum for building is already there. “It’s a defensive move,” he says. “You are the trade-off between missing opportunity and overinvesting.”



Make It Rain

Is weather modification poised to become big business?

By Meghan Walsh



Why It Matters:
Weather modification has huge value—and implications.

The Problem:
Water is in high demand and short supply.

The Solution:
Deploy technology to manipulate precipitation.

Gary Walker, cloud seeder. It sounds like a sci-fi sitcom. In fact, it's a job title that Walker has held for more than two decades—and one that may become more common in the not so distant future.

Cloud seeding is a form of weather modification that can both incite and suppress precipitation. More than 50 countries have experimented with the technology as a means of bolstering snowpacks and rainfall, clearing fog, suppressing hail, ameliorating pollution, or in some cases—like the 2008 Beijing Olympics—diverting precipitation. It's not a new science, but the combination of new technology, a series of drought-related fires, and mounting demand for water could well fuel the rainmaking business. "You're going to see more and more interest," vows Walker, CEO of Texas-based Seeding Operations & Atmospheric Research (SOAR).

Mother Nature sets Walker's work schedule. When the meteorologist calls with news that a storm is brewing, Walker climbs into one of his multi-engine aircraft and, contrary to what most pilots do in these instances, heads straight toward the action. The 78-year-old, who has spent much of his life navigating the sky and studying its patterns, flies to the precise cloud coordinates that radar technology has identified as prime for seeding. Then he burns flares to release a chemical agent that acts as a nucleus for water-vapor condensation. Within minutes, rain or

snow starts to fall—or should.

Walker, who for several years worked for a mining company in India, has a range of clients. In Texas and the Midwest, agricultural needs largely drive the demand for water. In the mountain west, which is currently experiencing a historic drought, cloud seeding is done in the winter to sustain snowpacks which—when they melt into rivers and reservoirs—provide hydropower, irrigation, and drinking water to tens of millions of residents. Sometimes it's local municipalities picking up the bill, other times it's power companies or private entities that rely on localized precipitation, such as ski resorts.

Nick Brundle Photography/Getty Images

Despite its widespread use, the geoengineering of clouds forces us to confront significant questions. There are the mundane queries, for instance: How much additional water can actually be generated? But weather modification also raises profound ethical considerations about who should have the authority to control the climate and what the downstream effects are. According to the Pew Research Center, most Americans have never heard of cloud seeding. Of those who have, seven out of 10 are concerned about it being deployed without full consideration of the consequences.

Regardless of uncertainty, “the train is already in full steam,” says Katja Friedrich, an atmospheric scientist at the University of Colorado Boulder who worked on SNOWIE, a pioneering research project that helped establish the efficacy of cold-weather cloud seeding. “Research is now trying to catch up,” she says.

Cloud seeding dates back to World War II, when scientists were working to prevent aircraft from icing over in midflight. In an effort to better understand the way ice forms inside of clouds, a researcher named Vincent Schaefer built a freezer. One day Schaefer entered the lab to find the freezer had been turned off, so he placed a slab of dry ice inside it to help it cool. To his surprise and delight, a cloud of ice crystals formed. Soon after, Schaefer was riding in a plane in the Adirondacks as it dumped six pounds of dry ice into an ominous but—to that point—unproductive cloud. Almost instantaneously, snow started to fall.

Clouds are composed of water vapor. Under the right conditions, this vapor condenses around tiny particles, such as dust or salt, becoming raindrops or snowflakes. Without these particles, though, the vapor remains stuck in the atmosphere and doesn’t fall to the earth as precipitation. Most cloud seeding uses calcium chloride or silver iodide as a nucleating agent, dispersing

it either via aircraft or land-based generators. While silver iodide can be toxic in certain concentrations, studies show the amounts used in these operations to be benign.

“We can’t make clouds out of clear air or make it rain or snow in regions without sufficient moisture,” says Jeff French, an atmospheric scientist at the University of Wyoming. “We can only incrementally increase the amount of precipitation.”

When cloud seeding was first discovered, there was a frenzy of interest. “It has a bad reputation because it was oversold,” says Friedrich. The US government used it to try to mitigate hurricanes, and the military even experimented with it as a weapon during the Vietnam War. But Mother Nature doesn’t provide control groups, so it’s exceptionally difficult to determine whether a cloud would

Gary Walker has been making it rain for decades.





have produced snow or rain without human intervention. Every cloud is unique and dynamically changing. Without conclusive scientific proof that cloud seeding actually works, public and private willingness to invest in it dwindled.

But recent advancements in technology have made it possible to determine cloud seeding's efficacy more precisely. Most estimates say seeded clouds, if they are prime for seeding, can produce 15 to 20 percent more precipitation. That's not a huge amount, but this intervention is relatively inexpensive compared to desalination or recycling contaminated water. "While the question is no longer does it work," French says, "there are still a lot of questions, like: What are the ideal circumstances?"

Jacobs Stock Photography Ltd/Getty Images

And just like that, snow started to fall.

An industry is emerging from within the chasm created by possibility and scarcity.

The last time the mountain west was as parched as it is now, Columbus was still 700 years away from sailing to the New World. Indeed, the last quarter century has been the driest in this region since 800 C.E., according to a study published in *Nature Climate Change* that used tree rings to measure annual rainfall. These conditions have led to ferocious fires and dangerously low water reserves.

Last year, before the Palisades and Eaton fires in Los Angeles incinerated upward of 30,000 acres and 16,000 structures, thrusting the water crisis in the West into the collective zeitgeist, a small start-up in El Segundo, a Los Angeles suburb, announced it had raised just over \$6 million to modernize cloud seeding. The company claims that its modern radar and weather-prediction software can better target prime cloud-seeding candidates,

while at the same time lowering costs by using unmanned drones. The company, Rainmaker, is also working to develop safer and higher-yield compounds to serve as nucleating agents. But the company's founder doesn't stop there. He's publicly said that his ultimate aspiration is to make all of Earth habitable, with the climate as precisely tuned as a home thermostat (the company didn't respond to interview requests).

That may be a utopian dream for now, but experts say we should expect to see the cloud-seeding market expand as more businesses and governments look to it as a viable solution to water management. With growing populations and unreliable precipitation, there are two options for handling this precious resource: 1) conserve it; or 2) generate more supply. The primary approach so far has been to reduce demand, but that's costly and doesn't fully address the issue. "Even if we have enough water for people, the people



aren't always spread out like the water is," says SOAR's Walker.

While cloud seeding remains relatively small-scale in North America, China has become a leading pioneer, spending billions with the stated goal of creating a prolific atmospheric-river and nationwide weather system. The United Arab Emirates, a country subject to unrelenting aridity, has also invested in warm-weather cloud-seeding research and technology, including the use of drones, nanotechnology, and electric currents. "About once a year they get rain," says Linda Zou, a researcher who developed a highly productive cloud-seeding agent using nanotechnology. "If we can turn one rain a year into five, that's going to be quite significant to overall well-being."

While there may still be plenty of reasons to be skeptical of claims that the desert can be engineered into a lush oasis, there is also this: Even if it *can* be done, *should* it be?

The debate around weather modification, which expands to larger-scale methods of geoengineering, is as turbulent as the atmospheric wilds humans endeavor to tame. Weather

knows no borders. Yet there is hardly global consensus when it comes to navigating these shifting winds. During the Vietnam War, the international community banned military use of weather modification, but beyond that, the technology has faced minimal governance.

After heavy rains pounded the UAE last spring, killing more than 20 people and delivering an entire year's worth of rainfall in one day, many speculated cloud seeding was to blame. Experts have dismissed such claims as unlikely, since cloud seeding is only capable of extracting a small amount of additional precipitation from already existing clouds. But the public response illustrates the unease around the issue.

Some fear that the pursuit of cloud seeding could distract from efforts to address structural sustainability issues, such as water conservation. Or that it could turn into a situation in which richer countries are tinkering in ways that negatively impact poorer ones. Still, some argue humans shouldn't be meddling in the skies at all. To this last point, Friedrich says, "Every time we get in the car, we are manipulating the weather." In fact, experts say, seeding may be restoring cloud functions that have gotten out of whack due to human activity.

For an illustrative example of today's climate complexity, consider the unintended impact of the curbing of shipping pollution. In 2020, the United Nations passed a resolution to cut the sulfur emissions produced by large ships. The

J.J. Gouin/Getty Images



Rudzhan Nagiev, Nadlinko, Miray Celebi Kaba, Roman Bykhalets, Roman Yaroshchuk/Getty Images

move was anticipated to improve air quality worldwide. That's not what happened: The emissions reductions instead lessened the concentration of sulfate particles, which cool the planet by seeding low-lying, sunlight-reflecting clouds. The absence of these pollution-catalyzed clouds led to even more warming. "We're trying to understand this infinitely complex system," French says. "Cloud seeding allows us to change one variable to see how systems respond."

The scientists who analyzed the tree rings to compare precipitation across time say that history tells us the current drought in the West will eventually abate. But they also warn that as weather patterns become less predictable, the past may not hold the answers needed for the future. If we don't look backward, will we then look upward? ▀

IT'S GETTING HOT IN HERE

Though it's the only approach being commonly deployed, cloud seeding is just one form of weather modification. Other methods scientists are exploring include:



CARBON GEOENGINEERING

directly removes carbon dioxide from the atmosphere and stores it underground.



MARINE CLOUD BRIGHTENING

uses aerosols to brighten marine clouds so they reflect more sunlight away from earth.



STRATOSPHERIC AEROSOL SCATTERING

introduces tiny reflective particles into the atmosphere to scatter sunlight.



SOLAR GEOENGINEERING

involves placing physical sun shields in space to shelter the earth.



CIRRUS CLOUD THINNING

reduces these thin, high-altitude wisps so that more radiation can travel outward in the atmosphere.



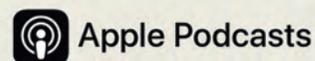


KORN FERRY

Briefings Podcast



A new deep dive
into **leadership**



DOWNTIME

Pursuits 58 | Visit 60 | Suggested 63 | Endgame 64

PURSUITS

The practice of foraging in the woods offers insights for the office.

From Forest to Fork to Corner Office

By Meghan Walsh

Alex Haseory/Getty Images



Ksenija Frelj foraging at her farm in Slovenia.

Ksenija Frelj usually leaves her office in the capital of Slovenia by 3 pm, driving an hour home to the farm where she lives with her family. The 43-year-old has worked in a variety of corporate quality-assurance roles. These days she serves as a liaison, supporting higher-education institutions in preparing students with practical skills to transition into the workforce. Frelj thinks a lot about the conditions and competencies that foster success—and it’s her experiences outside of the office that provide much of that insight.

Leaving work midafternoon allows Frelj plenty of daylight to forage. Lighting is an essential component to spotting wild-growing mushrooms. “Sometimes you won’t see any mushrooms, then you revisit the same place and the lighting is different, and they will pop,” says Frelj, who happened upon foraging while walking her dog. The metaphor for business leaders is an obvious one.

“When I started my professional career, I went from one promotion to another. With each step up

the ladder, your horizon is a little bit wider, but it gets harder to see farther down,” Frelj says. “You can read a book about how to spot mushrooms, but, in the end, it’s about the miles you’ve walked looking at the forest floor.”

Since the pandemic, the practice of spending long hours hunting for rare, flavorful, and nutritionally dense mushrooms has become somewhat of an obsession for many. (We’re not talking magic mushrooms, which are illegal in many US states.) Over the last decade, fresh-mushroom sales have increased 20 percent, while demand for specialty mushrooms has doubled, according to research firm Circana. People are bypassing stores to pick the specimens directly.

It’s a practice Mike Kempenich, who spent 17 years as a corporate recruiter, eventually turned into a full-time career with the launch of Gentleman Forager.

Mike Kempenich, founder of Gentleman Forager.



Courtesy of Ksenija Frelj; Courtesy of Mike Kempenich

THE ART OF

Stargazing

It’s free, it’s available year-round (though warmer weather does make it more enticing), and it’s the real deal—unlike traveling to space via a screen. Indeed, there is nothing like looking upon the cosmos to invoke the vastness of life.



1 Find an observing site, ideally away from tall buildings and light pollution. Even going to a nearby park can make a difference.

2 Give your eyes time to adjust. This process of “dark adaptation” takes about half an hour and measurably increases the numbers of stars visible to the eye.





When Kempenich was growing up, every spring his family would collect grocery bags full of morels, whose abundance and meaty, nutty flavor earned them wide acclaim as the gateway mushroom. Sure enough, as an adult, Kempenich expanded his search for less common varieties. After several years studying the biology of fungi, he began to cultivate the rare spores he found in the Minnesota forest and sell them to high-end restaurants and grocers. It turns out cultivating mushrooms is not unlike cultivating workers. “That mushroom isn’t going to grow unless you give it what it wants,” the 60-year-old says.

Over the years, Kempenich pivoted to focus on creating healthy convenience foods with medicinal mushrooms. Think orange sparkling water with lion’s mane for improved cognitive function. Roughly two decades ago, when Kempenich first started spending long hours foraging in the wild, his friends thought he’d lost his mind. But now public interest in the culinary and nutritional value of mushrooms has proved to be more than a fleeting pandemic trend.

“It’s an endlessly fascinating science,” Kempenich says. “The more you learn, the more questions it raises and the more you want to learn.” Foragers come to know not just seasonality and the conditions that prompt fruiting, but also the symbiotic relationship mycorrhizal mushrooms have with certain plants. Hoping to find chanterelles? Look for oak trees. If you’re after porcinis, expand your search

CSA Images; Pavlo Ozarchuk, BananaJazz, Skairin, Palau83/Getty Images

MUSHROOM-HUNTING MUST-HAVES

Foraging doesn’t require much, but since picking a poisonous variety or getting lost can have very real consequences, it’s important to be prepared.



A **field guide** with details on appearance, smell, habitat, seasonality, and toxicity.



An **identification app** to cross-reference the field guide (try iNaturalist).



A **knife**. Any sort of kitchen or pocket knife will do.



A **topographic map and GPS device**. Mushrooms grow at specific elevations—and you don’t want to get lost.



A **picnic-style wicker basket**, which allows the spores from the picked stems to fall to the forest floor for continued propagation.

to include birch. “It’s like a giant Easter-egg hunt,” Kempenich says.

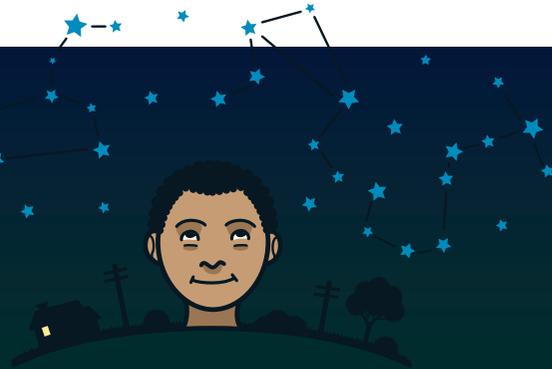
Part of Kempenich’s work includes educating amateur foragers, including corporate clients. Like Frelieh, his customers come to experience the awe not just of expansive vistas, but of the intricate unfoldings of the forest floors. “There is all this stuff that happens out there that no one ever sees,” Kempenich says. “With foraging, you purposely move quite slowly, so you notice so much more. The beauty around you becomes much more pronounced.”

3 Pay attention to color, size, and scintillation.

The cooler the color, the hotter the star, and size often indicates proximity to earth. A star that’s not twinkling may actually be a planet.



4 **Look for patterns.** These will lead you to constellations, which you can confirm at the end of your stargazing session with an app (don’t blow your eyes out during). And always stay for the shooting stars!



VISIT

Cary, North Carolina

A suburban sanctuary.



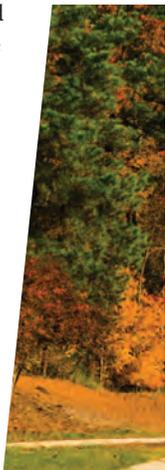
With fewer than 200,000 residents, Cary boasts 30 public parks and an 80-mile greenway.

Shehansu Roy/Getty Images; JG Guest, Smith / Alamy; carync.gov



Sri Venkateswara, modeled after a famous temple in Southern India, is the largest Hindu temple in North America.

This idyllic, tree-lined Eastern seaboard enclave is consistently ranked as one of the best places to live and raise a family in the United States—and it's only getting greener since the city offered residents free native seedlings for planting. Cary, a short drive to both Raleigh and Durham, is home to Research Triangle Park, the largest research hub in North America, with more than 50,000 jobs in tech and healthcare. For this reason, Cary attracts top minds from around the world. Nearly 70 percent of adults here hold a bachelor's degree. And when residents want to escape to a less manicured venue, the Outer Banks beaches are only three hours east and the Blue Ridge Mountains three hours west. ▀

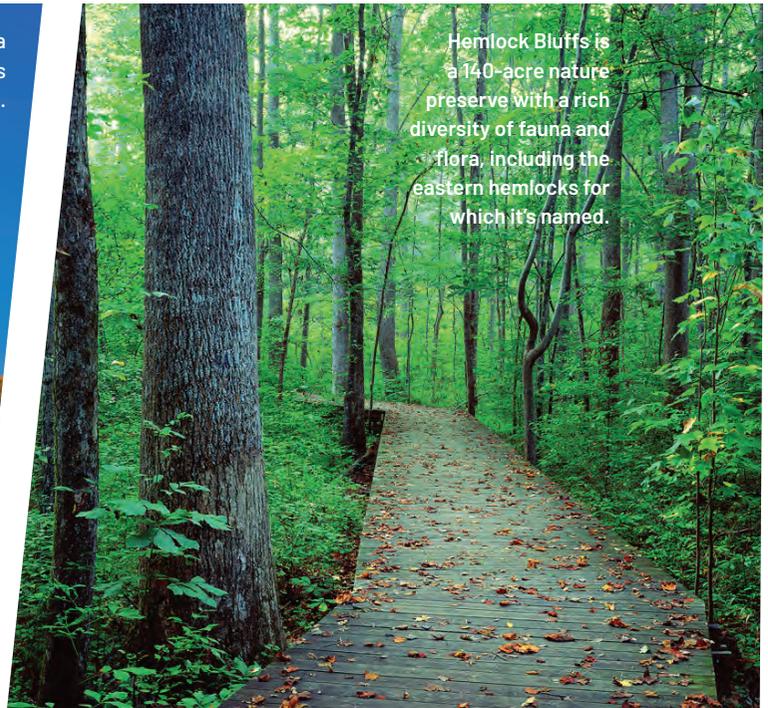




Visitors flock to Cary each year for its majestic Chinese lantern festival.



The Raleigh-Cary metropolitan area is ranked as one of the top regions in the country for tech workers.



Hemlock Bluffs is a 140-acre nature preserve with a rich diversity of fauna and flora, including the eastern hemlocks for which it's named.

Dave/S&P/Getty Images, Courtesy of Sri Venkateswara



READ, LISTEN, WATCH

Road-Trip-Worthy Podcasts

Welcome to the golden age of spoken-word audio. The podcast industry is booming, with voracious audience demand emboldening producers to further explore the bounds of what’s possible in this nascent medium. Podcasting has expanded beyond basic interview-style or informational constructs, embracing emotionally engaging long-form narrative storytelling. Highly produced serialized podcasts tell a single story over multiple episodes, sometimes blending fictional elements and deeply reported investigations into real-life events.

Despite declining attention spans hampering other media forms, regular podcast listeners tune in for an average of 54 minutes per day, which is up from 33 minutes per day five years ago. Market researchers say the industry, worth \$30 billion in 2024, is expected to grow to more than \$100 billion by 2030. Almost half of listeners say their favorite time to tune in is behind the wheel, so *Briefings* curated a list for those long summer road trips that will educate, entertain, and emotionally move. ▀

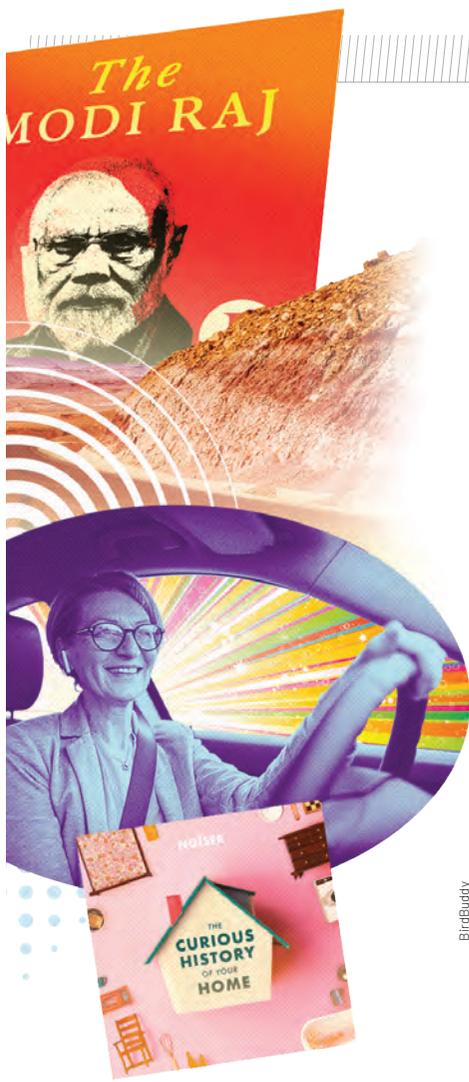
BACKFIRED: ATTENTION DEFICIT
An exploration of the unintended consequences of the attention-deficit drugs prescribed to 15 million Americans.

THE MODI RAJ *This limited series from The Economist tells the origin story of Narendra Modi, one of the world’s most powerful leaders.*

CEMENT CITY
Two documentary journalists move to one of the struggling Pennsylvania towns that politicians obsess over.

THE CURIOUS HISTORY OF YOUR HOME *A domestic historian shares the untold and often epic stories behind the everyday objects in our homes.*

Klaus Veidreit, Anders Blomqvist, freemixer, Yoann JEZOUJEL Photography, Polychromis Giannakakis/Getty Images



NOBLE *A compelling murder mystery that takes place in 2002 in a small Southern town that turns out to be full of secrets.*

THE TELEPATHY TAPES *A look into the complex workings of the minds of autistic people who are unable to verbally express themselves.*

BirdBuddy

SUGGESTED

Backyard Birding Goes Pro

When birding, the most essential learning happens through firsthand observation, of course, but it can also be useful to catalogue. The Bird Buddy Pro Solar Smart Bird Feeder takes snapshots of its visitors and uses AI to identify the species. Now you can name your feathered friends and track their visits. The system, powered by a rooftop solar installation, even sends alerts when sick birds stop by, along with tips to prevent the spread of disease.

Bird Buddy Pro Solar Smart Bird Feeder, \$219



PRO TRAINING

Fitness instructor **Britany Williams** introduces barre, the workout created by a ballerina that brings the burn by combining Pilates, strength training, and yoga.

TELL US ABOUT BARRE.

"It's a high-rep, low-weight, full-body, stamina-based workout set to music, with an emphasis on core."

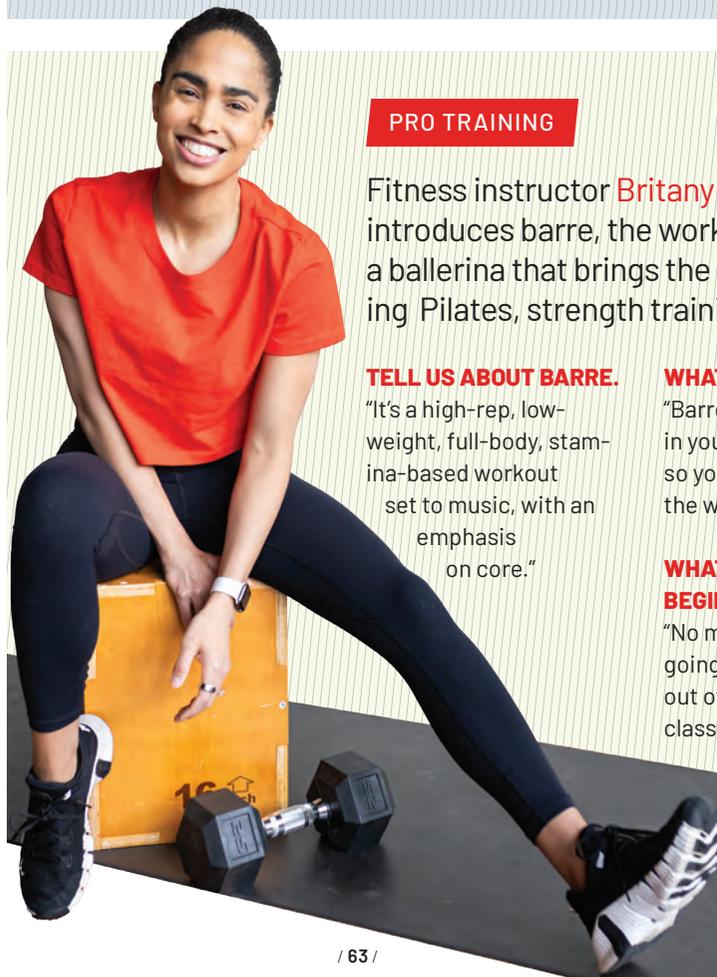
WHAT HOOKED YOU?

"Barre builds stamina in your mind and body so you can stay with the work."

WHAT SHOULD BEGINNERS KNOW?

"No matter what, you're going to feel like a fish out of water in your first class. Stick with it."

BDW Fitness



For more information, visit www.britanywilliams.com.



CHIEF CONTENT OFFICER
JONATHAN DAHL

Black Swan Memories

Remember that you are a Black Swan.

– Nassim Nicholas Taleb

I was late to work, just hanging out on the deck in my Brooklyn Heights apartment, when I noticed a faint trace of smoke above the lower-Manhattan skyline. I didn't pay much attention to it until I heard the sirens. They had suddenly become very loud, both on my street and far off in the distance. Standing outside, it was as loud as a rock concert, confusing and scary. I swear that it's

that sound, more than anything else, that throws me back to that day—September 11, 2001.

My brother called me; he was stuck somewhere in the Midwest on a business trip. Friends called too. You would think as a *Wall Street Journal* editor back then I'd have turned on the TV, or checked in with the newsroom. But I didn't. All I recall is pacing in my apartment, with a strange sensation that approached panic. And closing the door to the deck, to shut out the sirens.

This was my adult introduction to a so-called black swan event. Ancient Romans believed black swans didn't exist, so they coined the term to describe something extremely rare.

In the late 1600s, after the Dutch discovered black swans living in the wild, the phrase gradually acquired the meaning it has today: a truly jarring,

world-shattering moment that—in retrospect—we should have seen coming. We think of black swan events, like the 2008 financial crisis or the COVID-19 pandemic, as extraordinarily rare.

According to Korn Ferry's own Miriam Nelson, who's both a PhD in industrial/organizational psychology and a leader in our North America Assessment and Succession practice, these events can affect our body chemistry and thinking. They can actually raise our cortisol levels and speed up our heartbeat. "Our cognitive functioning is legitimately compromised. It can hurt our ability to think long term," Nelson says. "It's something both physical and emotional." To this I can relate: One day, you're one way; the next day, you're different, and nothing feels the same.

I mention all of this because we recently published an article in our *This Week in Leadership* email—"Beware the Black Swan"—that explored whether these events are becoming more common. Certainly, April's stunning tariffs announcement and two-day market collapse looked and felt like a black swan event to many people. And if we consider recent wars or jumps in inflation, black swan events do seem to be happening more frequently. To me, a key—and dreadful—component of these events is how, according to some experts, their "suddenness" can seem so predictable in hindsight. It creates something many other jarring moments do not: a terrible sense of regret. *I should have done this, I should have done that.*

I firmly believe that leaders today need a special set of skills to get through such events. To make the right calls, even as others question them. To recognize the changes in our body and emotions, and to find ways to remain calm and look ahead. To not let the blaring sirens in our heads take over. ▀



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TIMELESS IN BLUE



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