



From the desk of David Simpson

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“If you can connect all the dots between what you see today and where you want your business to go, then it is probably not ambitious enough or aspirational enough.”

- Shantanu Narayen (May 27, 1962 –) Chairman, Adobe Systems

Under Narayen’s leadership, Adobe has added more than \$100 Billion in market cap in the past five years and became a Fortune 400 company last year. How much of his accomplishments were a direct result of him following his own advice in the above quote is unknown.

It seems to me that what Narayen is really talking about is the basic concept of risk. Are you prepared to take a business leap in which you do not have all the answers and cannot predict an outcome? Well, apparently the answer is frequently “no.” Research carried out at Case Western Reserve University in Cleveland, OH, showed that people, on average, decrease their risk-taking levels after experiencing a surprising outcome from an event – even if the outcome was POSITIVE! The research showed that people were not so interested with winning or losing. Rather, they had much more concern for whether a particular outcome was expected. So someone expecting to win who did so did not alter their risk-taking profile. That same person who expected to lose but actually won in a situation, or vice versa, increased their risk-aversion profile considerably. Winning did not expand the person’s confidence to take on more if the individual was expecting to lose at a given objective! The reverse was actually the case.

Born 57 years ago this month, Narayen suggests that if he were not at Adobe, he would be a professional golfer!

David