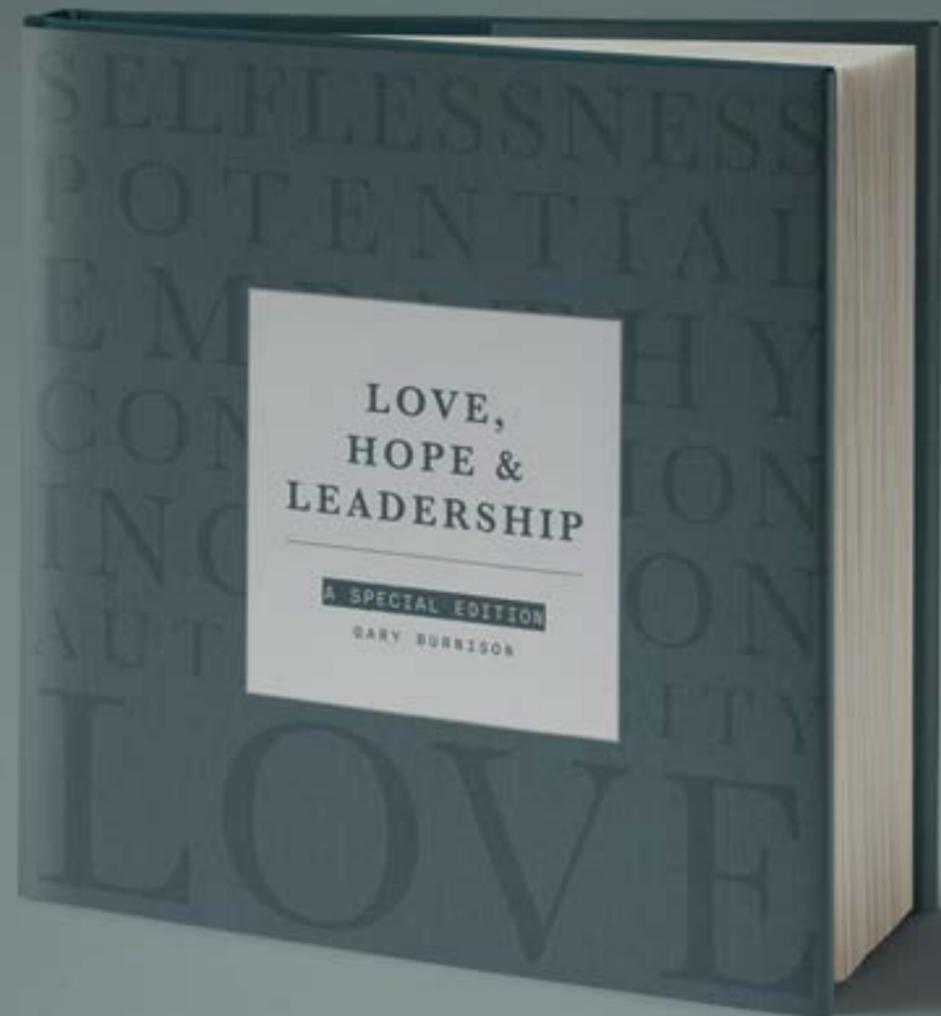




# A Special Edition

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.”*



## Briefly On...

Insights on different business sectors.

8

## History Lesson

Learning from the missteps of our predecessors.

15

## Voices

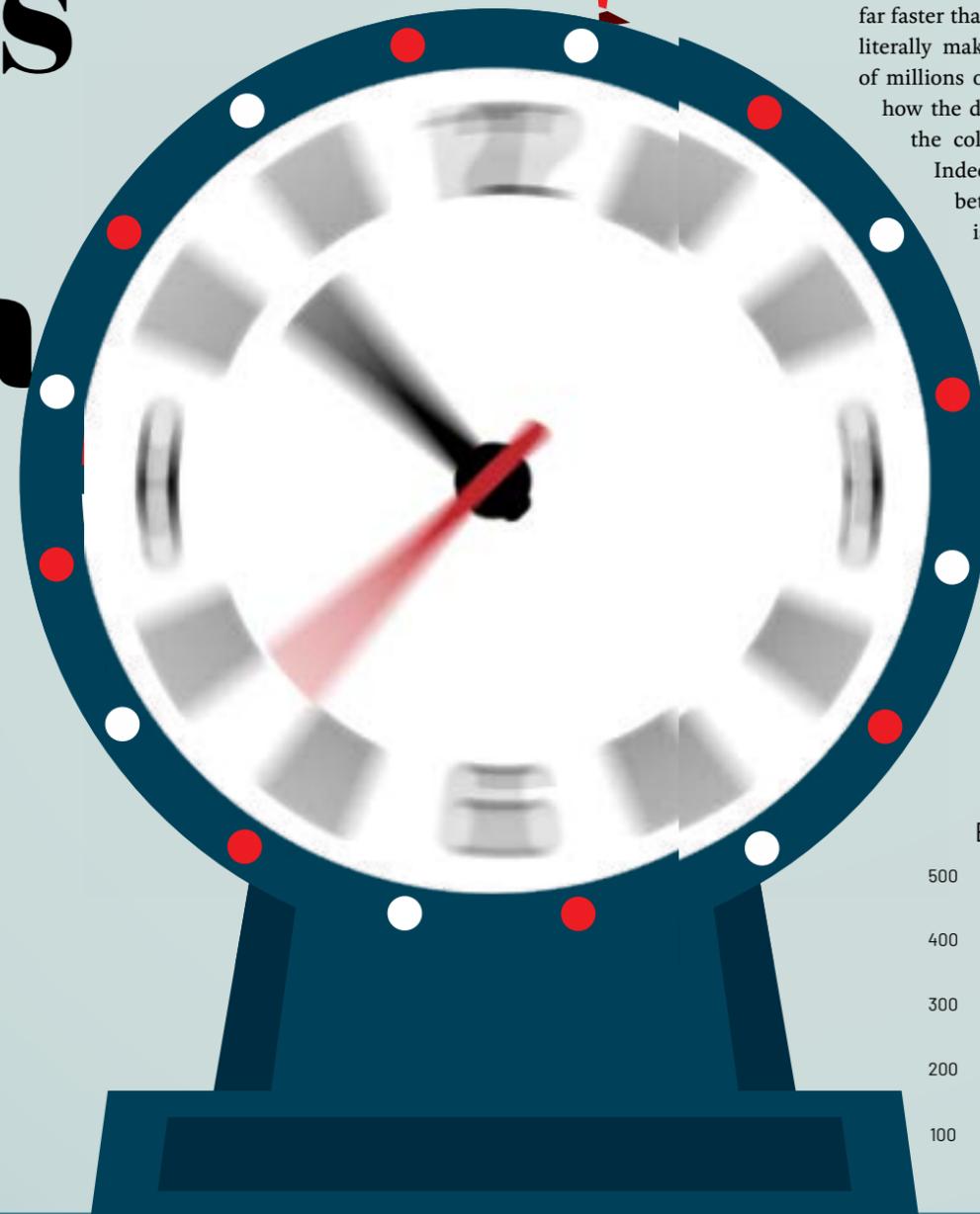
Insiders on today's top management issues.

16

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

**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.

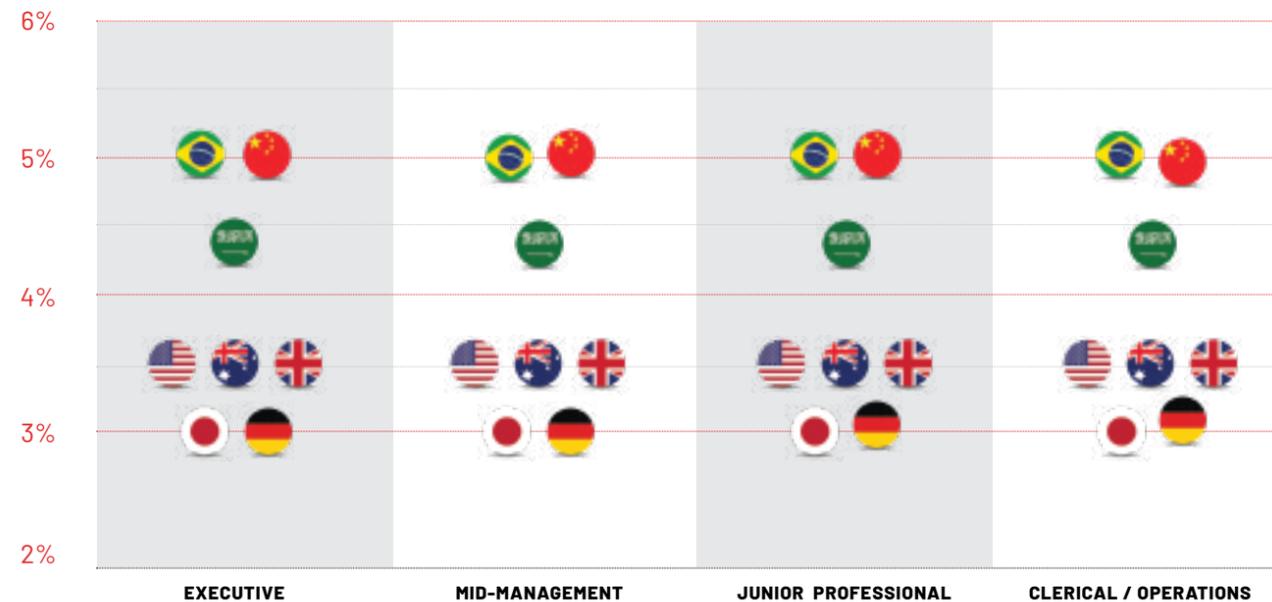
But perhaps the best tactic is to stay ahead of the game by looking for ways to cut costs and building more trust with stakeholders. And such tactics may be working: Data shows that while activist campaigns are up, proxy fights are down. "With so many threats," Yunger says, "success isn't in winning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

**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

**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.



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-

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. ▀