

By Mike Rainone

Keeping Faith in an Age of Uncertainty



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I am sure that historians would argue but from the perspective of an old man in AD 2011, I can't think of a more unsettled, more uncertain period — at least within my lifetime. Both world wars were unsettling, but we at least had the certainty of knowing our enemy. This created a common purpose that united our nation and helped us to rise to the occasion.

It's not just the turmoil in the Middle East, the catastrophe in Japan, or the impending debt-ceiling crises. I feel a terrible anxiety about the future of this country, about our institutions, our ability to meet the challenges, and our ability to work together to maintain a stable society for our children to inherit. I worry that in our inability to come to a reasonable consensus we are creating problems that no amount of ingenuity, creativity, and cooperation can correct in my lifetime — maybe ever. I am uncertain that we can get it together well enough to survive, but I have faith that we can.

Some of my doubt comes from a personal experience. The past few months have seen an attack on one of our spin-off businesses by one who was entrusted to lead it. Nothing shakes one's faith, especially faith in one's own judgment, more than having someone you trusted lead a raid against you. Ironically, it was this scoundrel who said to me repeatedly, "Like a Roman legionnaire, as the man on your left chooses you for his protection, choose the man on your right well, he is your protection." Obviously, I did not choose well — I chose him.

While the jury is still out on every detail of our business recovery, good people — the partners who had been so trusting in the past — recognized the truth and rallied their forces and money around us. Strangely enough, we have ended up stronger because of the attack. Honor and scrupulous honesty carries the day.

When I talk about faith I am not necessarily talking about faith in the Almighty, though I do find faith there. I am talking about faith in our system — faith in our ability innovate, lead, rise to the occasion, and to maintain an economic benchmark that lets everyone share in the American dream. What have we lost? What has changed to increase the uncertainty in our system?

First and foremost is globalization. Without loyalty to a place, how do we know that those leading our corporations share our values? It is

certainly hard to empathize with a group if one feels no attachment for it. BP has been part of at least three major catastrophes in this country: from the Macondo Prospect blowout in the Gulf, to the refinery destruction in South Texas, to the pipeline meltdown in Alaska. While they employ a lot of Americans, they are headquartered in the U.K. Would they have allowed such risky behavior in the U.K.? I wonder.

Second, I believe that our level of comfort as a nation — with the wealthiest owning the vast disproportion of our plenty — has had a profoundly negative effect on us all. Perhaps it is our focus on the drive to wealth that produces a concomitant loss of values of sharing, to deem false the belief in the notion that "a rising tide lifts all ships." The obvious shift from a thriving to a shrinking middle class is prima facie evidence of this rationalization.

Third, we have an increasing withdrawal from risk. As a society, we have become risk averse, more complacent, and more willing to enjoy our leisure time while others take the lead. The best example is Corporate America, where risk was once considered a necessary part of winning on the world stage. We out-produced, out-hustled, and out-invented everyone else. We were proud of our technological edge, our ability to overwhelm the competition. We were proud to do whatever it took to beat anyone the world over. Much has changed since that heady time, and I suspect that the era of risk averse multinationals dependent on quarterly guidance is here to stay.

When real companies, the commercial multinationals, believe that the best way to grow is to abandon internal R&D and simply buy up innovative start-ups in order to eliminate risk, it is a sure sign that we are all in trouble.

Last, our national uncertainty is heightened by the paralysis in Washington. When our values are challenged and we are without a solid grounding, we become uncertain of the truth. It is at this time that uncertainty becomes a psychological vacuum that is most easily filled with propaganda. The winner in this battle is the one who shouts the loudest and most often. I cannot remember a time when we were as polarized and paralyzed as we are today. We have managed to fragment our politics into hardened fortresses buttressed by ideological dogma — of which much is nonsense. Such is the current

imbroglio over the budget cap that has the potential to do more damage than anyone can imagine.

While the hand-wringing de jour is about the deficit and raising the cap, I am personally not worried about the debt. This economy is a money machine. I believe we have the ability to earn our way out of this mess and reduce spending in a calm rational way. We have done it in the past, we can do it again. What we cannot afford to do is kill the nascent recovery and the underpinnings of the entire world economic system. Failure to raise the debt ceiling is a catastrophe in the making, and no one should even be playing with that loaded pistol.

I could detail the reasons for the chaos. From the deluge of worldwide noise on the Internet (I hesitate to call it information) inundating us with an overwhelming mix of "facts," to the uncontrolled movement of peoples everywhere — mixing cultures not necessarily acquiescent to mixing values — I have plenty of reasons to be concerned.

To go on we must have some degree of faith that we can sort this all out; to do that we must have faith in something. First, and foremost, that faith must be in us, our system, and our goodness. That faith in ourselves is reflected by our leaders (we elected them), and we must give them the opportunity to lead. We must harness the willingness of all Americans to put "skin in the game," to take risks, and to contribute more than we take.

Most of all, we must create — or should I say restore — an environment where innovation is supported and rewarded by investing in ideas, research, and education. If we are truly to find our way back from the darkness in which we find ourselves, we cannot look at these important areas as "spending." They are the most important investments we can make.

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