



FINDING YOUR LODESTAR: LONG-TERM THINKING FOR A SHORT-TERM WORLD

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For a modern illustration of the difference between long-term thinking and short-term thinking,

look no further than the [August 2018 issue of *Forbes*](#). If you don't count yourself among Kylie Jenner's 112 million followers on social media, it might come as a surprise to see the youngest scion of the Kardashian clan on the cover of the magazine's annual issue that ranks the richest self-made women in America. Founder of Kylie Cosmetics, the \$900-million makeup brand she founded just three years ago, Jenner is not only the richest member of her famous-for-being-famous family: According to *Forbes*, she's also on the verge of becoming the youngest-ever self-made billionaire—man or woman—in history.

“Welcome,” reads the headline, “to the era of extreme fame leverage.”

Jenner is the poster child of short-term thinking, the personification of 15-minute fame. “An invention of the Instagram age,” according to *Forbes*, her brand “is essentially air.” Virtually everything is outsourced, her mother “handles the actual business stuff,” and “[b]asically, all Jenner does to make all that money is leverage her social media following.” As for the long-term plan, seemingly, there is none. Trendy brands like Kylie Cosmetics are often treated as disposable. “They’re not looking to be sustainable brands,” says an analyst in the *Forbes* article. “In a couple of years, it wouldn’t surprise me if she was on to something else.”

If your goal is just to convert 15 minutes of fame into a quick pile of money, none of this is inherently bad. In fact, it's a popular business model everywhere from Wall Street to the Hollywood Hills and Silicon Valley. Even Main Street can now get in on the action. In 1968, Andy Warhol proclaimed, "In the future, everyone will be world-famous for 15 minutes." With the advent of memes and viral videos, we now live in that future—one in which any trending joe (or his grumpy cat) can make a quick buck. So why is all this short-termism leaving so many of us feeling shortchanged?

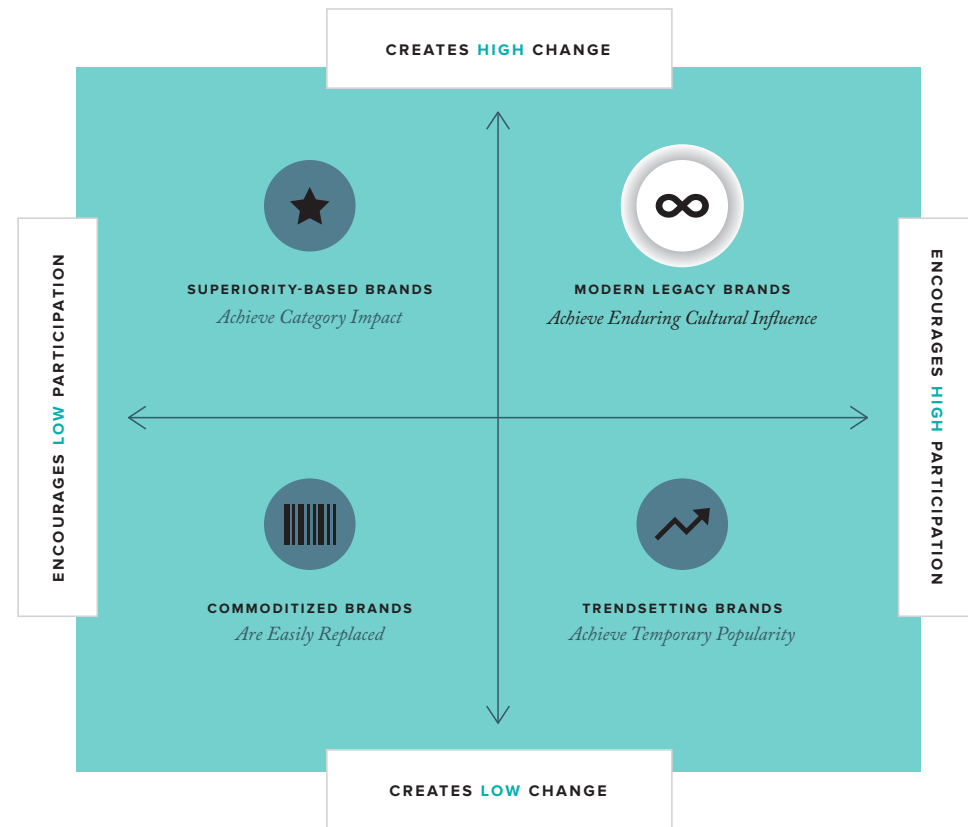
We now live an increasingly short-term world, one where the products we buy often outlive the brands that make them. It's not just the inherently trendy brands. All brands are equally susceptible to the traps of short-term thinking. In the face of change, short-term thinkers see a fork in the road—choosing to either cling to what worked in the past or abandon it in an effort to reclaim the spotlight. Therein lies the key difference we at The Legacy Lab have observed between short-term thinkers and their long-term counterparts: The former focus only on their immediate circumstances—their 15 minutes of fame. The latter aspire to a lifetime of significance.

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As researchers, we learned something surprising about how to thrive in this short-term era: Leaders and brands who embrace long-term thinking—that is, those guided by long-term personal ambitions—actually make faster, better short-term decisions than their nearsighted competitors.

You heard that right: The best short-term strategy is a long-term one. More than a business strategy, long-term personal ambition is the lodestar for a lifetime of significance. This counterintuitive insight, illustrated by in-depth profiles of the leaders of modern legacy brands like Patagonia, Taylor Guitars, *The New Yorker*, The Ritz-Carlton Hotel Company, and many others, is at the heart of our new book, *Legacy in the Making: Building a Long-Term Brand to Stand Out in a Short-Term World*.

The business world needs more long-term thinkers like these.



The Legacy Lab's Influence Monitor (above) illustrates the difference between four types of brands, including trendsetting brands, like Jenner's, and modern legacy brands. Trendsetting brands achieve temporary popularity by driving high consumer participation but little cultural change. Modern legacy brands achieve enduring cultural significance by driving high consumer participation and high cultural change.

The Endangered Long-Term Brand

In recent years, the rise of short-termism has come at the direct expense of longstanding brands. In the 1920s, the average lifespan of a company on the Standard & Poor's 500, a list of the 500 most valuable companies traded on the U.S. stock market, was 67 years. Today, that number is 15 years. On average, an S&P company is being replaced every two weeks—meaning that, by 2027, an estimated 75% of the S&P index will have turned over.

If recent events make it seem like the pace is picking up, you are not imagining things. In the past few months, Toys “R” Us, Necco and Gibson Guitars—iconic brands with nearly three centuries of brand legacy between them—all filed for bankruptcy protection. Just a few years from its 100th anniversary, RadioShack has spent the past three years in bankruptcy court, filing twice. All the while, the list of household names rumored or reported to be next—from Sears and Guitar Center, to J.Crew, J.C. Penney, Cole Haan, and Neiman Marcus—only seems to grow.

To be sure, worries about short-termism are nothing new. Businesses have griped about impatient investors since at least 1934, when the Securities and Exchange Commission mandated quarterly reports from all public companies. But calls to action concerning the hazards of short-termism have become increasingly urgent in recent years—with notable examples appearing in [Harvard Business Review](#), [Fortune](#), and [Fast Company](#) in just the past few months.

Tellingly, the leaders of our longstanding brands are among those most troubled by the rise in short-term thinking. In June, the Business Roundtable, a coalition of 200 CEOs from the nation's leading companies, sounded the alarm. Led by Warren Buffett, the chairman of Berkshire Hathaway Inc., and Jamie Dimon, the chairman of JPMorgan Chase, they published an op-ed in the *The Wall Street Journal* titled “[Short-Termism Is Harming the Economy](#).” Highlighting the market's “unhealthy focus on short-term profits at the expense of long-term strategy, growth

and sustainability,” they urged brands and investors alike to wean themselves off distracting short-term goals, such as quarterly sales targets, in the name of long-term ambitions like “strengthen[ing] the U.S. economy, benefit[ing] America’s workers, shareholders and investors, and leav[ing] a generational legacy we can be proud of.”

While this is a move in the right direction, it will take more than kicking our quarterly habits to stem the tide of short-termism. Transformational change requires fundamental shifts in how leaders and brands think about building legacy at every level, beginning with the adoption of more long-term personal ambitions in place of the familiar business mechanisms brands have relied on in the past.

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The Modern Legacy Mindset

Modern legacy builders—leaders who envision their legacies in the making as opposed to something static or in the past tense—not only think and talk about their work differently, they are also transforming the entire business landscape in distinct and powerful ways. The closer we looked during the course of our research, the more it became clear that these transformative perspectives were all part of one cohesive mindset—a dynamic, visionary worldview better suited to our rapidly evolving economy than the outdated strategies of nearsighted brands looking only to survive for the short term.

Whereas short-term thinkers focus solely on conventional measures of success, such as profits, growth, capturing consumers, dominating categories and achieving their 15 minutes of fame, modern legacy builders ask more of themselves and their brands, leading to five far-reaching transformations in modern brand building. Already in practice among a rare group of forward-thinking companies we profile in our book, these transformative perspectives are reshaping the way enduring brands are built in the modern age. Together, they present a revolutionary approach to building long-term brands that we call the modern legacy mindset:

1. From following institutional practices to leading with personal ambitions: Short-term thinkers traditionally embrace management systems and institutional processes in order to keep up with market trends. In contrast, leaders with the modern legacy mindset build their brands on a fundamentally different guiding principle: long-term personal ambition. For example, Reshma Saujani left a lucrative job in the financial services industry and set out to solve a seemingly intractable problem: narrowing the gender gap in computer science. Today, she's realizing her personal ambition through the organization she founded, Girls Who Code, which is on track to reach gender parity in the field by 2027.

2. From attitudinal posturing to behaving your beliefs: The short-term approach to brand-building works from the outside in, operating on the principle that attitude and posturing matter most. Long-term thinkers with the modern legacy mindset work from the inside out, letting beliefs guide behaviors, as actions matter more than words alone. At The Honest Company, cofounders Jessica Alba and Christopher Gavigan have shown that their brand's beliefs can eclipse the products the company makes. "I intentionally walk through the office every day and think, 'How do I impact a person to get them more excited about what they're doing at work that's in tune with our mission?'" asks Gavigan.

3. From commanding and controlling customers to influencing social movements: Striving for traditional objectives like category dominance and sales superiority, short-term thinkers hoard information and tell customers what to do. Understanding that sales follow saliency, modern legacy builders cultivate influence by treating customers like owners and letting them help tell the brand's story. At (RED), the nonprofit devoted to ending the transmission of HIV/AIDS, this means partnering with brands like Apple, Starbucks, and S'well and their consumers to release limited-edition products and experiences that people not only want, but also feel good about buying, because a portion of the proceeds goes to a good cause.

4. From obeying orthodox boundaries to pioneering unconventional solutions: Short-term thinking leads to mastering rules, accepting conventional wisdom, and maintaining the status quo. In contrast, modern legacy builders leverage long-term thinking to break rules and reconcile paradoxes, ultimately forging extraordinary and lasting change. Distinguishing itself by taste in a category that previously aspired to be tasteless, Grey Goose vodka has flaunted longstanding category norms since its debut more than two decades ago. Not only was it the world's first "super premium" vodka, it was the first crafted in France.

5. From episodic innovation to perpetual adaptation: Short-term thinkers often grow stale by repeating their past, or lose their identity renouncing it. Modern legacy builders avoid these traps by perpetually bringing their past forward and revitalizing their equities in the spirit of cultivating enduring significance. Since 1877, The Championships, Wimbledon has evolved with one ambition in mind: Providing the world's best tennis. Every aspect of the tournament—from players' all-white dress code (keeping the focus on the game) to the recent addition of a retractable roof over its hallowed Centre Court (ensuring play continues when it rains)—is reviewed annually to ensure the brand is delivering on its long-term ambition.

Our Call to Action

Whether you believe “extreme fame leverage” represents the zenith or the nadir of modern brand-building, with sales like Jenner's, it seems clear short-term thinking isn't likely to go away anytime soon. What's less clear is the long-term impact the rise of short-term thinking will have on abiding personal qualities like ambition, identity, and shared values. Business, culture, and identity are inextricably intertwined. When the rules for building brands change radically—for better or worse—so do we, and so does our culture.

B.C. Forbes, the man who founded *Forbes* more than a century ago, in 1917, appeared to appreciate the complex relationship between business, culture, and identity when he offered the following words of wisdom: “Business was originated to produce happiness, not to pile up millions.” Like Aristotle, who called happiness the goal of life some 2,300 years earlier, Forbes knew that each of us pursues happiness and meaning in our own way. It's an inherently personal pursuit, and business is a universal avenue we can all take to get there. One wonders what the Forbes' founder might say to his grandson, *Forbes'* current editor-in-chief, about Jenner's \$900 million pile on the cover of this month's issue.



In this era of “lip kits,” “extreme fame leverage,” and disposable billion-dollar brands we need more long-term thinkers, builders aiming to make a lasting difference. We know they are out there. If there’s an upside to the rise of short-termism, it’s that more long-term thinkers are beginning to rise up.

In response to a recent tweet from the *New York Daily News*—“[19-year-old Kylie Jenner is worth \\$900 million and on pace to become the youngest self-made billionaire ever. What are you doing with your life?](#)”—thousands of colorful testimonials have poured in from all over the world. Many of them offer soulful counterpoints to Jenner’s fame-leveraging model of brand-building. There’s the award-winning special-education teacher who just bought her first home after 22 years helping students with disabilities; the U.S. Army veteran mentoring other vets and serving on the board of two nonprofits; and the Iraqi refugee getting his Ph.D. in clinical neuroscience. Alternately inspiring, encouraging, affirming, and hilarious (and, in some cases, all of the above), the replies—13,000 and counting—offer an intimate cross section of the unique, personal ambitions that motivate long-term thinkers: living a life of meaning, solving problems, and making a durable difference in the world.

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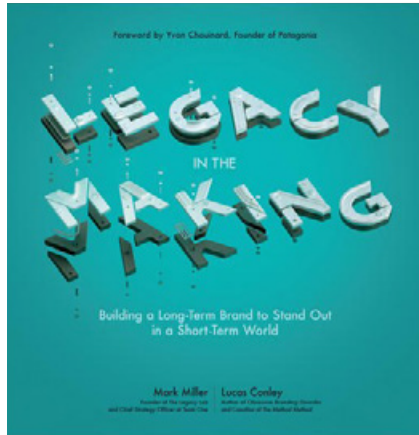
Whether you are running your own company, leading an established brand, or aspiring to do either one, our call to action is this: In a world caught up in short-term thinking, look beyond the next 15 minutes to author your own long-term story. Identify your long-term personal ambition and manifest your own unique definition of meaning, happiness, and significance through your work. Dream big. Set an audacious ambition and stick with it. And when the way forward is unclear, use your ambition as a compass to help you quickly navigate the kind of ubiquitous uncertainty that so often stymies all the short-term thinkers.

We hope our call to action inspires you to write the stories we have not yet written. Right now, we are searching the world for inspiring legacies in the making. Begin building a modern legacy of your own. Start making a meaningful contribution today. With enduring ambition, you can do what few are willing or able to do: Build a modern legacy that will flourish for generations to come. Make the next chapter, the one about you and your ambition, one worth celebrating.

How you start and whether you build a brand that makes a lasting mark in this short-term world begins with your long-term personal ambition. **While everyone might get 15 minutes of fame in this short-term world, the only person who can write the rest of that story—the story of a lifetime—is you.** 📖



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About the authors

Mark Miller and Lucas Conley are the authors of *Legacy in the Making: Building a Long-Term Brand to Stand Out in a Short-Term World* (McGraw-Hill Education, March 2018).

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Learn more at www.thelegacylab.com.



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