

PRESS RELEASE

Forum de la Haute Horlogerie A world in turmoil

The 7th Forum de la Haute Horlogerie held in Lausanne on 18 November, was all about the “Future in Progress”. This theme, which challenges scientists, economics and politicians alike, is fed by a current context haunted by the quest for meaning.

Lausanne, 18 November 2015 – For the past ten years and across the seven editions of its Forum, the Fondation de la Haute Horlogerie (FHH) has sought to create an event that veers firmly off the beaten track. While the mission of the FHH is to unite watch industry stakeholders around a shared message of expertise, creativity and innovation, it also wishes to nurture this commitment by a forward-looking thought process. Each of these one-day events provides an opportunity to debate issues relating to a world in fast-forward mode that is undergoing profound changes. In keeping with this approach, the 7th Forum de la Haute Horlogerie held today in Lausanne brought together professionals from the sector to reflect on the theme “Future in Progress”.

As was the case during previous encounters, this event featured contributions by leading figures from a wide range of horizons including academics, scientists and politicians who came to share their experiences and their vision. Innovation in China, corporate complexity, the paradigms of social progress, the state of Europe and physicists’ dilemma regarding the “limits” of the theory of relativity are just some of the issues that were dealt with at this Forum – and of which this press release offers a brief overview.

- **The State of Europe**

Enrico Letta, former Prime Ministry of Italy, Dean of the Paris School of International Affairs at Sciences Po

The issue of “more” or “less” Europe has found a sadly flagrant response in the recent tragic events that transpired in Paris. The shortcomings of the “Europe of defense” have been tragically highlighted, leading Enrico Letta to state that without a consolidated union, the European project has little chance of lasting. He calls for a Europe of 28 states – not necessarily forcing all its members to agree to the federal type of integration reserved for the euro zone, but a cohesive Europe with a strong core, capable of superseding the North/South divide on the economic level and the East/West on the migrant issue. As Enrico Letta summed it up: “Faced with the rise of the BRICS (Brazil, Russia, India, China and South Africa) that will outweigh the old continent in the global economy as of next year, only a united Europe will be able to maintain its rank.”

- **How to measure progress**

Michael Green, author and economist, expert on social progress

If there is one indicator considered an absolute benchmark in the economic field, that would definitely be the GDP that first emerged in 1934 in the United States and has served ever since as a measure of nations' performance. Today, the very concept of GDP is being called into question for the simple reason that it omits to take account of the notion of social well-being, a factor that should in fact be enhanced as a consequence of the creation of wealth. This stance is advocated by Michael Green who has developed his own "tool", the Social Progress Index. Now preferred by many countries as a complement to the GDP and based on 52 indicators, the SPI for example no longer merely considers the health expenditure of a given economy, but instead the life expectancy of its population: an iconoclastic and very welcome approach.

- **How Chinese innovation is different**

Winter Nie, Professor Operations and Service Management, IMD

Twenty years ago, those who expected China to dominate the global economy were at best considered delusional dreamers. Yet the dream has now become a reality, with the Chinese economy currently occupying the second worldwide rank behind the United States. This impressive surge is driven by the country's corporations that are now being studied not so much for their amazing ability to learn from competitors, the better to copy them, but instead for the innovation processes they have put in place. How else can one explain the newfound hegemony exercised by some of them, such as Huawei, the world's number one telecom equipment company and third-ranked in the smartphone industry? For Winter Nie, the magic formula lies in the blend of pragmatism and innovation cultivated by entrepreneurs who are convinced of their ability to carve out a path towards consumers.

- **Einstein, the LHC and the future**

Harry Cliff, particle physicist at the University of Cambridge, collaborating with the CERN

Exactly 100 years ago, in 1915, Albert Einstein published his theory of general relativity. One cannot emphasize too strongly the influence that Einstein's work has had on the progress of modern physics. And yet today, the very principles laid down by Einstein are being challenged by recent developments in quantum physics. As Harry Cliff explains, "The theory of relativity is basically a theory of space-time, and yet the very notions of time and space are no longer relevant in the world of the infinitely small that we are now notably studying in the Large Hadron Collider at the CERN." Albert Einstein showed a willingness to challenge the established principles of his era, and the same goes today for his theory of relativity.

- **How to see into the future**

Tim Harford, author and weekly columnist for the Financial Times

When Tim Harford looks to the future, he does so first and foremost by examining the lessons we can draw from the past. Like those we can learn from the respective careers of Irving Fisher and John Maynard Keynes. The two economists developed forecast theories which, if properly implemented, were expected to earn them handsome profits as investors. However, neither of them had foreseen the Great Depression and its devastating effects on their stock portfolios. And yet while the former died disgraced and almost destitute, the

second is considered one of the most influential economists of the 20th century. For Tim Harford, the difference lies in the fact that “Keynes was open-minded enough to analyze his mistakes, to question his approach and to change his mind when necessary.” The moral of the story is that forecasts must necessarily be nurtured by doubts and by confrontation with other ideas.

- **Managing complexity without getting complicated**

Yves Morieux, Director, Boston Consulting Group Institute for Organization

Why is corporate productivity so disappointing and why is their so little engagement in the work on the part of personnel? Yves Morieux has attempted to solve these “enigmas” and to provide a tangible solution via his Smart Simplicity concept. Corporate executives tend to mistake the target: “the real battle is not against the competition”, he says. “It’s against ourselves, our bureaucracy, our complexity.” The basic principles involve starting by seeking to grasp what employees are actually doing within the company and encouraging reciprocity as well as cooperation. One should not necessarily be blamed for failure as such, but rather for the mistake of failing to ask for help. The central question is therefore not just about reducing costs and increasing profits, but about maximizing engagement through all levels of a company.”

- **Changing altitude**

Bertrand Piccard, explorer, psychiatrist and co-founder of Solar Impulse

When Bertrand Piccard speaks of the course of his life to date, some might well see merely a string of failures. That was definitely the effect that the psychiatrist and explorer sought to produce in an initially deliberately negative-biased presentation that he then “rewound” to reveal the various stages of his biography in their context. A context filled with dreams, adventures and risks that have in fact proved to be positive experiences embodying great hopes. *Solar Impulse*, the solar aircraft part-way through its round-the-world trip is currently stuck in Hawaii until next April. Not a problem, since this situation actually helps nurture suspense and provides even greater exposure for Bertrand Piccard’s message on renewable energies. Just as one guides a hot-air balloon by changing altitude, sometimes one must do the same in life by “discharging ballast”, of which the French translation, *lâcher du lest*, is also used to mean making concessions. This may involve jettisoning certainties and habits in order to reach the wildest goals. Bertrand Piccard, who will be taking part at COP21 in Paris, is living proof of the value of this approach.

7th Forum de la Haute Horlogerie

“Future in progress”

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More information on www.hautehorlogerie.org

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