

Some Impressions from the Panel Events 29 October 08 and thereafter

The three panellists brought different perspectives to bear and complemented one another very well. They also made the job of chairing easy. In fact, with people like these, we could give some radio programmes a run for their money. For the record, our panellists were: Ian Naismith, Lynn Lau and David Wardrop-White and between them they have many years' experience of working in several companies, incl Scottish Widows, Standard Life and PricewaterhouseCoopers.

No one took formal notes, so the following are my impressions only and not be attributed to one or other speaker.

1. How have you personally experienced the last few weeks?

In all sorts of ways, was the answer: business almost as usual, with the likes of banks focusing on finding ways to improve their services; colleagues continuing to work normally but spending a lot of time explaining things to clients or independent financial advisers and offering reassurance; concern at the new developments occurring day by day; times when you are impacted in your personal sphere, eg you hear from friends or relatives who have been severely affected by the turbulence or you find yourself inadvertently being insensitive towards a friend preoccupied with his son's job security.

2. What for you personally has been the most surprising or even shocking item of news to emerge over the last few weeks?

The sheer rapidity of the developments.

The spread from the banking sector in N America and then Britain to the whole world economy, not least Asia.

Discovering that a root of the current crisis is to be found in US legislation under Jimmy Carter in 1977 when legislators made banks etc lend to economically disadvantaged people – making for a “sub-prime” sector, we would say today, and furnishing us with an example of the law of unintended consequences.

The rating agencies going from according Triple A ratings to as good as “rubbish” ratings overnight.

3. How have you personally dealt with the stream of revelations and the emotions you have experienced?

One person gave us a major reality check, saying they were aware of employees of a bank experiencing a whole gamut of emotions – from surprise to stunned disbelief, from denial to anger - and all, one way or the other, expressing disappointment.

Another spoke about being on holiday in a small town in the Highlands and witnessing groups of people on the main street go from one bank to the other to withdraw large sums of cash and redistribute their money across the branches – scary!

One panellist had expressed concern for their spouse's job security and their spouse surprised them by coming back with a verse of Scripture that had clearly been their calming factor in the uncertainty.

4. What people, interventions or other factors have helped you personally to gain perspective and to steady yourself?

Perhaps most memorably, we heard from one panellist how they had gained a sense of perspective through being alongside a friend dealing with cancer: the current financial anxieties pale beside the bigger life and death issues.

Another mentioned that their senior management team were setting a good example to the staff by remaining calm, adding the quip: “ - if that is a deliberate, conscious decision on their part of course.”

Turning to the macro sphere, one panellist cited that Gordon Brown, after a wobbly start, had given a clear and calming lead, coming up with plans to steady the markets. The chairperson interjected that, very surprisingly, a British Prime Minister was being talked about in glowing terms in the French media, enthusiastic to a man and woman about “Le Plan Brown” – not something we are used to across the Channel.

Another panellist was gratified to see Lord Mandelson commit Government departments to paying their suppliers more quickly than of late.

Finally, one person had been struck by an episode of Simon Schama's on TV: “*The American Future – American Plenty.*” After the big Wall Street Crash came the years of the dust-bowl on the central plains of America where farmers saw their topsoil literally blown away and could not cultivate crops or rear livestock. That, note, was a man-made disaster. They had run short of

resources, but not of *resourcefulness*: they moved west, destitute, but were eventually able to make a new life for themselves.

5. What have you personally done or tried to do to help people in your team and around you to gain perspective and steady themselves?

Encourage them to continue simply to do their best in their job.

Answer clients', IFAs', suppliers' etc questions and concerns patiently and honestly.

Help people to accept that there are lots of things going on over which we have little or no personal control, but that we can nonetheless still do our own jobs to the best of our ability – we have some control there.

In a church context, undertake to pray for people and their organisations.

6. What best practice, in your company or elsewhere, have you taken special note of and been encouraged by?

In addition to the above, here was a further memorable example:

One panellist had been formally seconded by senior management to seek out individuals in their client base who may be feeling vulnerable or exposed at this time and to get alongside them, offer a listening ear and try to be of practical support. This had clearly impacted our panellist: it was fulfilling to be working for a humane employer!

7. In the Q and A time, several themes came up:

Have the media been guilty of blowing things out of all proportion?

Answer: yes and no, for the developments have been and are extremely serious and we are yet to see their full outworking, but on the other hand there may have been a panicky and even morbid thrust to the reporting and commenting.

Should we look for scapegoats, people to blame?

On the one hand: not really, for no one group or person can be blamed for all that has happened (see the above ref to 1977 and people at that time having the best of intentions...) On the other hand, people have to be confronted over their lapses in taking irresponsible decisions and running after profits way ahead of exercising prudence and safeguarding people's and institutions' wealth. Truth must out, eg it is not enough to point the finger at Fannie May or Lehman Brothers across the Atlantic when it transpires that it has been all-too-clever people in Canary Wharf who dreamt up a number of the dodgy financial instruments, eg SIV Lights at Barclays according to one BBC File on Four programme.

What may be going on overall in all of this? What are we to learn?

We clearly have to examine not only banks, other financial institutions, government decisions in various countries, etc, but also ourselves: have we for instance been complicit in our fast and loose use of credit?

Greed is a dreadful master.

"Empires" rise and fall, and maybe Western society is now having to yield its leading place to Asia Pacific.

We are being challenged not to feather our own nests at this time / "look after no 1", but to remember to give generously to eg our chosen charities.

We are being challenged perhaps to re-examine our own worldview and our beliefs: what are we here for? what is life about?

If I may add some further reflections of my own:

1. To let us appreciate there is a positive side to the current turmoil, here is a taste of an article in this last Sunday's *Scotland on Sunday*, in the Business and Money section, by Alan Steel "Wealth Watch" and entitled "Doom and gloom is only one side of the economic story". In it we read: "We are swamped with bad news. Good news is ignored. (...) But what does common sense tell us? Well, it tells us prices will fall, which in turn will bring down production and distribution costs. Isn't that good news? So at a time like this we should check what successful long-term investors are up to. Warren Buffet, the richest person in the world at the moment, in the past three weeks invested \$34bn in equities. (...) the buying opportunity of a lifetime."
2. A group of us in the business community have been meeting every Thursday lunchtime to discuss, a chapter at a time, a book by Ken Costa who in his day job is Chairman of Lazard International. The book is called "*God at Work*" and I would recommend everyone to get a copy and use the experiences and insights in that book to think through their own views as to the

place of work, why we work, what money is for, etc. (If you don't have time to get to Wesley Owen bookshop, email us at **business matters** for a copy. £7.99 is the price).

3. The Christian faith is not least characterised by hope. Christians are not given to resignation, unlike followers of some eastern religions. Rather, Christians strive with all that is in them to love God, love their neighbours, steward the world's resources well, right wrongs, and all in all serve their fellow human beings. There are opportunities galore to do all the above in the current climate.

Thinking of serving, many of us connected with **business matters** will be hoping to do just that in the months ahead, eg forming supportive groups for people made redundant.

Among the panellists and audience last Wednesday we heard offers of help "in advance", eg with up-to-date CV writing.

A big thank you to our panellists and all men and women around us of goodwill.

Iain Archibald