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CIO letter

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FASTER, HIGHER, STRONGER

On 26 July this year, the thirty-third modern Olympic Games will open in Paris, where Tikehau Capital has its headquarters. An event of this kind merits one of our letters. Tracing the evolution of the Olympic spirit is not without interest for investors, as it will become clear that numerous parallels may be drawn between the evolution of Olympism and the evolution of our economic system. **It appears to us that the challenges and problems facing Olympism in 2024 are comparable to those facing the global economy, and our underlying conviction, in both cases, is that reconnecting with the living world is the only sustainable solution to preserve the system as intended and prevent its collapse.**

The modern Olympic Games were founded by Pierre de Coubertin, a French baron who was born in 1863 and died in 1937. He embarked on a mission to revive the ancient Olympic Games to foster a spirit of peace and fraternal competition between peoples. The three values of Olympism are excellence, respect and friendship.

In Ancient Greece, the term *agôn* referred strictly to any kind of competition or verbal jousting. In the arts and sport, *agôn* was a kind of competition organised during religious celebrations. At that time, competition was at the heart of education in every discipline. The obligation to show moral dignity was an essential part of the spirit of these competitions. Athletes had to swear an oath. Any doubt about an athlete's morality was sufficient to disqualify him from the competition. Victory was a favour from the gods, and modesty an essential quality. Competition was also a

> THE OBLIGATION TO SHOW MORAL DIGNITY WAS AN ESSENTIAL PART OF THE SPIRIT OF THESE COMPETITIONS

TIKEHAU CAPITAL

way of achieving union. It was accepted that the winner benefited from the competitive spirit of those he competed against. Their efforts allowed the winner to prevail, in humility and gratitude. These notions of humility and gratitude will also be apparent in our analysis of our relationship with the living world. When collective values take precedence, individual success may be viewed as the product of a whole. In Ancient Greece, the Olympic spirit reflected an idea of the world as a harmonious whole in which each individual had to find their place.

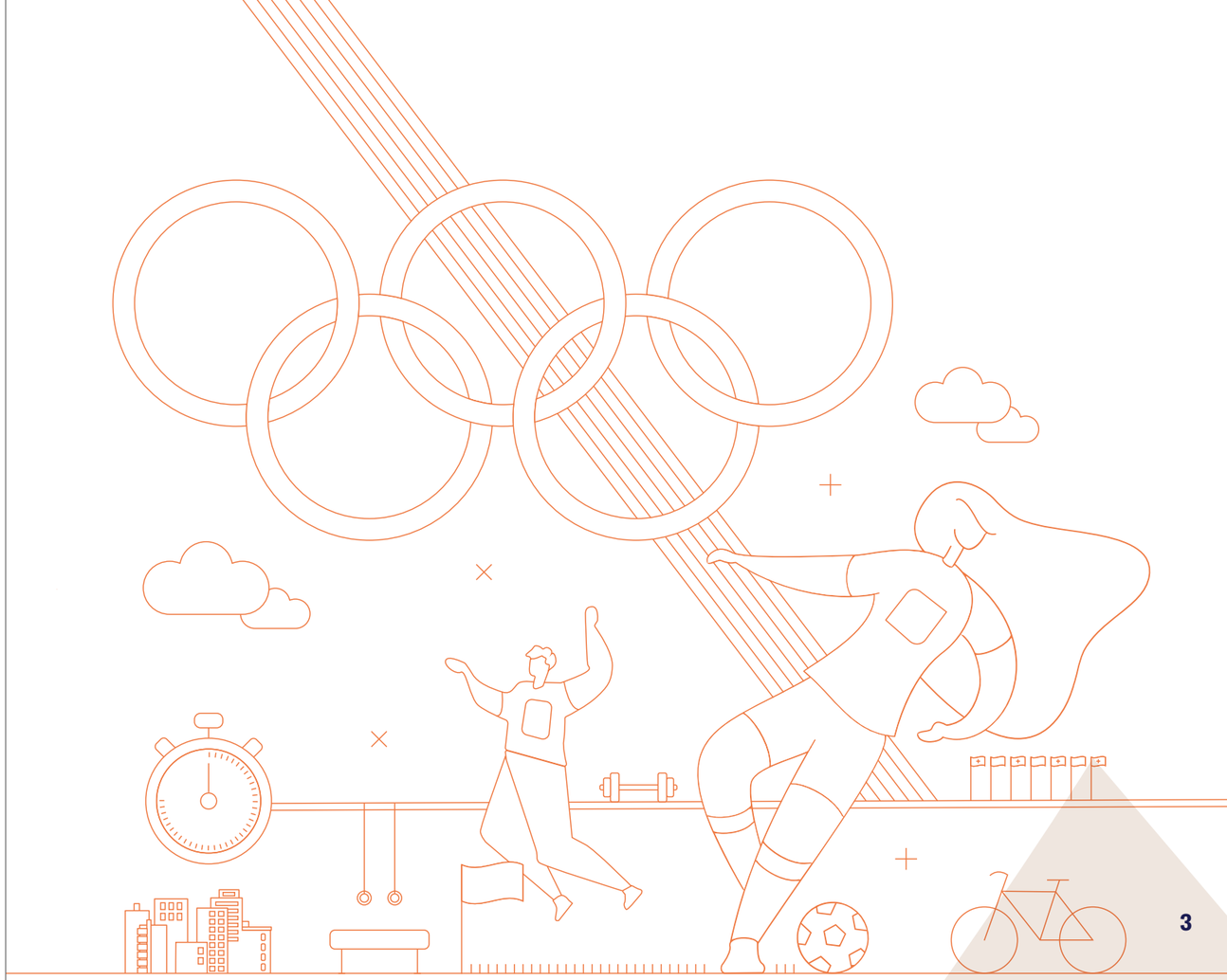
Baron Pierre de Coubertin saw the Olympic Games as a “school of nobility and of moral purity”. Those who win the match are winners. Those who conquer themselves through virtuous behaviour, i.e. honesty and courage, are victors. On 24 July 1908, in a speech on the values of the Olympic ideal, the Baron pronounced this famous maxim: “The important thing in the Olympic Games is not to win, but to take part; the important thing in life is not the triumph, but the struggle; the essential thing is not to have conquered but to have fought well.”

How did this Frenchman come to breathe new life into the Olympic Games?

As a child, Baron Pierre de Coubertin was fascinated by the 1867 Paris Exposition and the opening of the First Vatican Council in 1869. He found large gatherings greatly appealing. He was also affected by the aftermath of France’s defeat by Prussia in the 1870–71 war, which prompted him to look for ways to restore his country’s panache and bring nations closer together. Fascinated by Ancient Greece, he followed closely as German scientists began archaeological excavations to uncover the site of Olympia in 1875. Baron de Coubertin later travelled to England and America, where he was struck by the importance given to sports in the education system. In 1889, the Union of French Athletic Sports Societies was founded and Coubertin served as its general secretary for many years. Pierre de Coubertin thought that sports must be made international in order to increase its popularity. He sought to recreate the ancient Olympic Games, which began in Olympia in Greece in 776 BC and were organised every four years for twelve centuries before they ceased to be held. In June 1894, Pierre de Coubertin founded the International Olympic Committee at a ceremony at the Sorbonne University in Paris. The first modern Games were held in Athens in 1896, then in Paris in 1900 and 1924, before travelling around the world.

> **IN ANCIENT GREECE, THE OLYMPIC SPIRIT REFLECTED AN IDEA OF THE WORLD AS A HARMONIOUS WHOLE IN WHICH EACH INDIVIDUAL HAD TO FIND THEIR PLACE**

Pierre de Coubertin was the most ardent defender of amateurism. He believed that amateurism in sport helped prevent corruption. But the Baron was more than just a humanist with a chivalrous spirit. He was also a staunch colonialist and the matter of women’s participation in the Olympic Games was one of the reasons for his resignation as president of the IOC in 1925. In 1936, a year before his death, the Baron confessed his admiration for the Nazis’ organisation of the Berlin Games. This points to a less savoury side of the Baron that is worth mentioning. Nevertheless, it is to Pierre de Coubertin that we owe the rebirth of the Olympic spirit, which endures to this day and will be evident once again in Paris in July this year.



However, it is clear to us all that the Olympic spirit is struggling to survive in the modern age. The grand principles that the President of the International Olympic Committee invokes every four years in front of billions of television viewers can sometimes seem laughable, as they appear so dissonant with the regularly reported corruption scandals surrounding the award of the Games, the immense economic challenges they represent, the problems of cheating and doping among athletes, and the many political repercussions of the event.

Humility and gratitude

In an attempt to understand this dissonance, we need to look back at the historical notion of the Olympic ideal. At the start of this letter, we mentioned that competition was a way to foster union in Ancient Greece. The efforts of all competitors allowed the winner to triumph, and individual success was seen as the result of a collective effort, a whole. **As a result, victory inspired humility and gratitude in the winner.** It is important to note that feelings of humility and gratitude appear to be closely linked to the place humans believe they occupy in the universe. In Western antiquity, nature had a conscience. Celestial bodies were seen as living beings. These concepts can be found in the writings of medieval alchemists. **Humans were part of a cosmos and had to find their place within it. Their relationships with other humans and the natural world formed part of a global equilibrium that left room for informal ties and local solidarity within the economy, as well as the energy balancing that is so important in Chinese and Ayurvedic medicine. Humans were not considered superior to their natural environment, but as part of a balanced, harmonious whole.**

> COMPETITION WAS A WAY TO FOSTER UNION

The advent of materialism radically changed this view of the universe. In the deeply materialistic culture imposed on the world by Western civilisation, **anything that cannot be measured or quantified does not exist or is not worth considering.** Materialism places human beings at the centre of the universe. A combination of humanism and materialism underlies the vast majority of scientific concepts in European societies and has shaped Western worldviews. Europe began its colonisation of the world with the discovery of America in 1492 and has imposed its culture ever since. Economic globalisation can be viewed as a continuation of the spread of Western culture around the world. René Descartes transformed nature into an inanimate object and human beings into biological machines. This materialistic process enabled the scientific revolution during the Age of Enlightenment by freeing the sciences from their link with the living world and making them universal. Thus, the mechanical universe that we have inherited from nineteenth-century physics is a vast machine governed by eternal laws. The theory of evolution applies to our planet in a universal context, whereas the mechanical world rejects any notion of purpose. Living organisms are nothing more than complex biochemical machines. In Darwin's view, the evolution of living things is not a completed process of effort and is not guided by a divine entity; rather, it falls to chance, and offspring inherit the variations of their forebears. As a result, different life forms evolve with no design or purpose, under the influence of the blind force of natural selection. **Human beings, the product of chance and evolution, are the most evolved life forms in a mechanical, empty universe. This condemns humanity to great solitude.** In 1970, the biologist Jacques Monod reported[1] that: "If man accepts this message in its full significance, he must finally awaken out of his millenary dream and discover his total solitude, his fundamental isolation. He must realise that like a gypsy he lives on the boundary of an alien world; a world that is deaf to his music, and as indifferent to his hopes as it is to his suffering or his crimes." In *Manières d'être vivant* (Ways of Being Alive), Baptiste Morizot, a lecturer at Aix-Marseille University[2], states that "by no longer paying attention to the living world, to other species, to environments, to the ecological dynamics that weave everyone together, we are creating from scratch a mute and absurd cosmos [...] If we do not see anything in 'nature', it is not only because of our lack of ecological, ethological and evolutionary knowledge, but because we live in a cosmology in which there is supposedly nothing to see, in other words nothing to translate: no meaning to interpret."

> MATERIALISM PLACES HUMAN BEINGS AT THE CENTRE OF THE UNIVERSE

Between the fifteenth and twenty-first centuries, the West imposed on the rest of the world a practical and formal culture based on norms, standards, laws and materialism. Since then, this ethnocentric culture, which places our ego on too high a pedestal, has been built on the superiority of humans over nature, viewed as nothing more than a mass of living organisms that humans can shape in their image and extract wealth from. Nature can therefore be seen as a commodity destined to be exploited, but also brought to heel for our comfort. In this context, liberal capitalism views human beings as nothing more than productive assets and biological machines, and the economy as nothing more than the sum of individual behaviours motivated solely by personal interest. Preserving comfort means defending your own interests to the detriment of others. It also means submitting to a higher authority that offers protection. The individualistic approach so often championed confines individuals to their own beliefs and prejudices and breeds fear of "the Other", fear of missing out and fear of dying. Our culture, based on the quest for infinite growth, divides humanity into castes and compartmentalises knowledge. This relationship of domination with nature is causing us to lose the knowledge and the subtle mechanisms that contact with nature had always provided to ancestral civilisations.

1. Le hasard et la nécessité (Chance and Necessity) – Jacques Monod, 1970
2. Manières d'être vivant (Ways of Being Alive) – Baptiste Morizot, 2020

BUT WHAT DOES THIS HAVE TO DO WITH THE OLYMPIC SPIRIT?

It so happens that the feelings of humility and gratitude experienced by Olympic champions in ancient times resurface when scientists reposition humans in an infinitely immense universe. According to professor of astronomy Avi Loeb, Director of the Institute for Theory and Computation at Harvard University, the fact that humans have existed for 20 million years in a microscopic corner of a universe that has existed for 3.5 billion years is bound to arouse a sense of humility and gratitude. Ancient notions of the Olympic spirit can only flourish in a culture in which humans are not the centre of the universe. Today, we are far from that point.

Yet, just as the progress of scientific materialism in fields such as astrophysics, neuroscience and quantum physics appears to invalidate unadulterated materialism, materialist conceptions of sport also seem to contradict themselves. Materialism reduces humans to biological machines and the universe to something cold and mechanical, yet René Descartes accepts that the world was created by a god, perhaps to protect himself from attacks by the Church. In 1748, the philosopher Julien de la Mettrie published a pamphlet on the subject, entitled "L'homme machine" (Man a Machine)[3], which argued that if humans are machines, they can have no free will. In other words, a criminal must not be punished for their crimes as they did not choose to commit them. Professor Julien Musolino from the University of Geneva explains this paradox well in a lecture in the United States on the enigma of the soul[4]. Applied to sport, a purely materialistic approach would mean that Olympic champions have no merit as they were designed to be high performers. However, it was in

"ALWAYS MORE"

the midst of this materialism that the modern Olympic Games took shape, and we will see how the great obstacles to the survival of the Olympic spirit in our era are most likely due to human isolation from the living world as a result of materialism.

"WORK IT HARDER, MAKE IT BETTER, DO IT FASTER, MAKES US STRONGER. MORE THAN EVER, HOUR AFTER HOUR, WORK IS NEVER OVER."
DAFT PUNK

The lyrics to the song Harder, Better, Faster, Stronger by Daft Punk offer an excellent summary of both modern Olympic sport and our model of economic growth. "Always more" could sum up both the champion's mindset and our economic system based on nothing more than GDP growth. Always more growth, even if that growth is unsustainable. Unsustainable growth in Olympic performance is obtained by overtraining, or even doping. **Unsustainable economic growth is obtained by increasing financial and ecological debt, which explains much of the economic value that has been created while real interest rates were kept artificially low** to sustain the system[5]. The quest for infinite growth in a finite world was addressed in a previous letter[6], so we will not go into any further detail here.

3. L'Homme machine (Man a Machine), Julien Offray de la Mettrie – 1748
4. L'énigme de l'âme dévoilée (The enigma of the soul revealed) – YouTube – https://www.youtube.com/watch?v=S6cCACeiDwc
5. Tikehau CIO Letter: QEs are eternal – December 2019
6. Tikehau CIO Letter: The myth of infinite growth – September 2020

GROWTH MINDSET VERSUS FIXED MINDSET

Let us consider for a moment the mindset of elite athletes and economic organisations known as "companies" when it comes to generating infinite performance growth.

What is the growth mindset? It is a mindset and management style whereby the leader continuously encourages progression and learning. How can I do better? How can I improve?

By contrast, the fixed mindset encourages absolute judgements. How can I be the best? In the growth mindset, failure is an opportunity to improve; in the fixed mindset, it is considered unacceptable and rejected outright.

Winning an Olympic medal most likely requires a combination of both mindsets, but there can be no doubt that the presence of a fixed mindset seems to be a necessary prerequisite. Being the best is all that matters. Indeed, these words are commonly uttered by great champions. We might add the subtext often sensed here: be the best, whatever it takes. It is not uncommon for great sports champions to suffer severe physical consequences at the end of their careers after overexerting their bodies. Adopting a fixed mindset is necessary in a competitive environment. Those who do not want to be the best will struggle to become the best. Athletes who are talented but lack this mindset are often described as weak-minded.

But being the best entails considerable sacrifice. It also means flirting with or even crossing certain limits that do not appear to be limits in a quest to be better than everyone else, no matter the cost. Establishing power relationships with others prompts athletes to stop listening to others and to themselves. The

CUTTING TIES WITH THE LIVING WORLD PLACES HUMANS IN AN "EXTERNAL" RELATIONSHIP WITH THEMSELVES

fixed mindset positions individuals in an entirely outward-facing relationship (as opposed to an inner quest to connect with the self) based on confrontation and characterised by a certain aggression towards others. This mindset is often accompanied by bellicose language: be a killer, crush them all... In our earlier trilogy[7], we evoked this characteristic of our civilisation: cutting ties with the living world places humans in an "external" relationship with themselves, their peers and their environment, fomenting division and confrontation. We are far removed from the ancient notion that the success of the best is enabled by the contribution of others, forming a unified whole. Unfortunately for athletes, the emotions associated with this mindset allow fear to take hold. Fear of losing; in short, fear of others. As soon as we seek to be better than others, this notion of fear can creep in.

FIXED MINDSET AND HIGH INTENSITY

Being the best requires highly intensive training to enable athletes to perform at the same intensity on the day of the competition. This demands constant activity and can only be achieved through long, rigorous training. The staff for the top rugby teams call this "high-intensity training". It involves training in high-level match conditions, where athletes place constant

7. Tikehau CIO Letter: Economic development, the climate wall and the human factor

demands on their bodies. Fabien Galthié, head coach of the French national rugby team, puts it simply: "We train like we play. We play like we train." This high intensity is also applied to the economy, industry and agriculture. As humans search for infinite growth in a finite world, they are depleting the rest of the living world by extracting its resources, overlooking the need to let the land rest and seeking the quickest possible return on investment.

In the West, we are influenced by a mindset that seeks perfection in a competitive world. Being the best means trampling over others and being individualistic. The problem is that not even the best athlete alive can win every competition. They will inevitably have to deal with failure. And if it is not accompanied by inner work on the self, failure can trigger jealousy, frustration and anger. These emotions are all linked to fear. The athlete's entourage draws on these base emotions to encourage their champion to progress, piquing his or her pride. When we feel like the victim in a situation, we look for someone else to blame and seek revenge. It is not uncommon to hear sports coaches reassure their athletes of their superiority by attributing their failure to external factors, encouraging them to find an enemy or develop a sense of injustice to come back stronger than ever. In our previous letters[8], we explained that the human brain's tendency to refuse to deviate from its beliefs and prejudices is reinforced by two concepts: conspiracy and war. The world of sport is no different. According to the French historian Raoul Girardet[9], conspiracy theories originate from the search for a hidden cause that provides a simple explanation for facts that are complex or result from a series of factors. They are an oversimplification designed to attract a group of people looking for a simple explanation. These theories answer all questions simply and provide the missing links required to justify failure. This theory is a powerful tool for dividing and partitioning humanity. War is no less powerful as a tool of division, as it allows an enemy to be constructed. The French diplomat Pierre Conesa[10] looked into the techniques used to manufacture an enemy. **He notes that an enemy is a sociological and political construct. An enemy represents a social need: "it is another self that must be made into an Other, that must be tarnished and made threatening in order to justify the use of violence."** When selecting an enemy, preparing and readying people's minds is very important in building collective support. An enemy is identified in the name of public interest, so war is not merely the prerogative of a glory-seeking ruler, but a matter for the entire population. All democracies need enemies to cement national unity and divert people's attention. This is probably why Alexander Arbatov, diplomatic adviser to Mikhail Gorbachev, told the American diplomats with whom he was discussing the terms for dismantling the Iron Curtain in 1989: **"We shall render you the worst possible service, we shall deprive you of an enemy." Individualistic capitalism sanctifies the individual, but leaves no one other than adversaries.** Athletes need enemies too. Nobody is interested in a sport dominated by an athlete without rivals. Enemies must be forged to preserve this confrontational mindset.

> ATHLETES NEED ENEMIES TOO

8. Tikehau CIO Letter: Economic development, the climate wall and the human factor
9. Mythe et mythologies politiques (Myths and Political Mythologies) – Raoul Girardet, 1986
10. The Making of the Enemy – Pierre Conesa, 2011

A FIXED MINDSET IS NOT ENOUGH

To achieve their goals, sporting legends are known to adopt a mentality known as a fixed mindset. However, a fixed mindset is probably not enough for the very best of these champions who are consistently at the top of their game. **Wanting to be the best is definitely necessary to get to the top, but those who stay there for a long time seem to possess a certain wisdom** that resembles that of a growth mindset. Continual self-improvement thus becomes the main concern for most of these champions. Roger Federer touched on this when speaking about his rivalry with Rafael Nadal. He was asked by journalists if the rise of Nadal bothered him, since without Nadal, he would surely have an unbeatable record of victories. In response, Federer expressed gratitude for Nadal's rise, saying that it motivated him to continually improve and better himself each day. This is the kind of wisdom shared by many athletes who remain at the top of their game. Fabien Gilot, Olympic gold medallist in the 2012 French relay swimming team[11], is a perfect example

11. Fabien Gilot is an Olympic champion, five-time world champion, and four-time European swimming champion

FABIEN GILOT

Fabien Gilot is an Olympic swimming champion, five-time world champion, four-time European champion and, today, the founder and CEO of Unit Group.

The Olympic spirit is the desire to be ourselves, to choose our own destiny, and to be in a position to recognise what we can withstand. Along the way, we will discover resources to help us take on all the challenges that **lie along** the way to where we want to be; the way to our individuality, to the power of our values, to the very spirit that comprises the magnitude of life, our self-awareness and accomplishments, empowering us at every turn. We will discover the meaning given to our actions, its impact on our lives and on others, to increase our skills and to always connect with the internal motor that powers the intrinsic factors of motivation.

Ultimately, the Olympic spirit embodies living life with the goal of discovering the unknown aspects of ourselves, no matter what happens or what we are hoping for. Embracing this journey in spite of uncertainty ensures we become the best version of ourselves, steadfast in pursuit of our dreams.

The Olympic spirit is also about being inspired, using dedication and resilience to create access to the inaccessible. Perhaps it is passing that spirit on to a child in a stadium or in front of their television, who in turn will keep it alive.

The secret, if there is one, is to always dream bigger than the adversity you face, and to smile at every challenge that threatens that very dream, because at that very moment, others are throwing in the towel. Winning is a collective adventure. It is about knowing how to build your dream team and never, ever to stop challenging yourself.

The Olympic spirit is not embodied in the medals around your neck, but in a community of people who share the same way of life and the desire to constantly develop outside their comfort zone.

SELF-JUSTIFICATION WHEN YOU MAKE A MISTAKE

of that little bit extra needed to foster a growth mindset. The detailed nature of swimming makes it an extremely demanding individual sport. Every swimmer develops their own secret techniques when it comes to positioning their shoulders, fingers and legs in the water. The strength of the 2012 French relay team can be attributed to the fact that the whole team shared these techniques with each other so they could improve as a collective. It was not easy for the team to do this, learning collaboratively so that they could improve as a team rather than contending with each other, especially as they were also competing against each other in individual races where it is difficult to reach the top spot. In press conferences, Gilot often uses the example of how he lost the individual race medal in the World Championships to a team member who used a technique that Gilot taught him in training. However, teaching him that technique allowed the French relay team to defeat Michael Phelps' US team in the final in the London Olympics.

What if consistent top-level performance depended more than anything on constant concern, not for constantly outdoing one's competitors, but for constantly improving oneself? For learning from one's mistakes and working meticulously? What if this puts you in the best position to make the right decisions?

Adopting a growth mindset also means avoiding self-justification when you make a mistake. This holds true for Olympic athletes, and indeed anyone else in modern society. The more talented people there are in an organisation, the harder it is to adopt this mindset. Times journalist Matthiew Syed[12] compared the development of mortality rates in the air transport industry with those in hospitals. Every aircraft accident is systematically analysed and flight procedures are adjusted to prevent a similar accident from happening again. Flying has gone from being the most dangerous mode of transport in the world in 1910 (50% of English pilots died in plane accidents during peacetime), to the safest in the world today. Compared with the aviation industry, the mortality rate in American hospitals from repeat causes (e.g., medications being mixed up due to similar labels, infections caused by poor hygiene) has not fallen as rapidly. Perhaps this is because some doctors attempt to blame these incidents on other causes rather than changing their protocols, in turn forcing them to face up to their mistakes. We have heard defences such as "medicine is complex; we must accept that there will always be a portion of fatalities that are inexplicable, or collateral damage", or even "alternative medicines for treating serious illnesses are useless and are not backed up by science". We are not qualified to confirm whether this type of reasoning can explain why certain medical protocols have not evolved much over the years, but the fact remains that it is important to avoid approaching a mistake with self-justification. Yet it is easy for

12. Reflection by Matthew Syed, Times journalist and former British Table Tennis champion, interviewed during the Goldman Sachs Global Macro Conference, 2017. Editor's note: personal notes taken during the conference are not necessarily found in the speaker's writings

PERHAPS THE KEY TO HIGH PERFORMANCE IS ENSURING THAT YOU ARE LUCKY MORE OFTEN THAN OTHERS

an organisation or the people around an athlete to fall into this trap when the athlete in question is very talented. How many economists try to find rational explanations for their mistakes without ever admitting that they made one in the first place? How many athletes fall into this trap when being interviewed straight after the competition? **At the risk of seeming weak or less intelligent, admitting your mistakes and closely examining their cause allows you to improve and progress towards the highest levels of performance.**

Following on from this, we will now analyse how decision-making has an effect on performance. According to mountain guide Alain Duclos[13], "we mustn't praise generals, politicians, or financiers when their irresponsible decisions end up working out. In our field of work, this sort of retrospective bias would be the same as us saying 'the avalanche didn't happen, I was right'. In reality, a decision needs to be judged on how it was made and not on its fortunately non-existent consequences." His colleague Erik Descamp adds: "We must also apply this logic to ourselves. **Am I going to remember being lucky or being right?**" However, it is particularly difficult to admit that you were "lucky" in hindsight. This is because we like to rationalise things after they happen by telling ourselves that we were right. At the highest level of performance, it is crucial to acknowledge instances of luck and use them as lessons for future endeavours, so that next time you get it right rather than depending solely on chance. Admitting that you were lucky is a very difficult thing to do in a field where admitting your weaknesses is seen as a flaw. **We often have a tendency to over-validate the process when we make a decision that works out.** If this process is robust, it is likely to enable us to make more good decisions than bad ones, perhaps by a significant amount. However, no matter how robust this process is, it is crucial to admit when you were lucky so you can learn from your decisions in hindsight. **Perhaps the key to high performance is ensuring that you are lucky more often than others**. This is probably why soldiers returning from combat have debriefs, which consist of discussing how an operation went; perhaps it went badly or could have gone better. Talking about these experiences is done in such a way as to constantly adapt soldiers' procedures. **Both in air transport and in the army, pilots and soldiers are more motivated to learn about their mistakes since their lives are at stake.** This leads us to the idea that **high performance also depends on the quality of the decision-making process.**

ADMITTING THAT YOU WERE LUCKY

13. Interview between Erik Descamp (guide) and Alain Duclos (avalanche expert and guide trainer) in Montagne magazine, n°425 (winter 2016)

The problem, of course, is that for those who are lacking the skills and/or the hard work to compensate for these skills, it is hard to admit that they were lucky, because when they are lucky, they feel compelled to make it look like it was due to their talent. Unfortunately, time is often the best indicator of this type of deception, which is why, in the long run, very few results are actually due to chance. An athlete may give the impression at one event, but over the course of their career, chance is less of an explanatory factor.

Analysing mistakes in hindsight makes the difference in the long run. Again, you must be able to recognise your own mistakes. This is the idea behind a growth mindset, which prefers a relative approach to an absolute approach. In a society so obsessed with media and performance, the spotlight is on rankings: music charts, box office rankings, top ten athletes, ranking the best stocks and the best asset managers. We are constantly asking ourselves "who is the best right now?" or "who is the best of all time?" Being the best at any given moment becomes a priority and demonstrates the triumph of a fixed mindset: "I am the best or I am ranked number X". This is where the growth mindset looks to answer the questions "no matter where I rank, how can I improve?" or "what can I learn from the best?" Of course, this is much less spectacular and therefore of much less interest to

> "NO MATTER WHERE I RANK, HOW CAN I IMPROVE?"

> STAGNATION IS TANTAMOUNT TO MOVING BACKWARDS

the media. It inevitably involves analysing and, more importantly, recognising our weaknesses, which necessitates **a humble approach that allows us to improve on them.** In a growth mindset, stagnation is tantamount to moving backwards. You become obsessed with continually learning.

Another significant element of a growth mindset is that it makes us **obsess about what we don't know, rather than being satisfied with what we already do know.** Why did science fail to progress in the West between the Roman Empire and the Renaissance? Perhaps because the threat of severe repression prevented science from challenging the doctrines of the Church. But only leadership can bring about this sort of change by searching for new solutions, challenging the status quo and being disruptive. In this mindset, attention to detail comes naturally. Athletes are constantly improving on every minute detail; nothing is left to chance. It is perhaps for this reason that the biggest disruptors in both sport and the economy are often outsiders – people from outside that particular industry. In "The Outsiders"[14], William Thorndike Jr. examines how people like John Malone (in the case of cable television in the United States) were able to build empires by shaking things up in a particular industry without having the relevant

14. William N. Thorndike, Jr., The Outsiders: Eight Unconventional CEOs and Their Radically Rational Blueprint for Success, 2012, Harvard Business Review Press, Boston, Massachusetts.

professional experience. Performing at a high level is not always about disruption; it is also about fostering a mindset focused on consistently refining the finer details. The authors of the book "Blue Ocean Strategy"[15] endeavour to demonstrate how changing some elements of an industry's practices without completely overturning its core allows us to find gaps where competition is less fierce, even non-existent, so that we can compete "between the lines" and step out of any highly competitive spaces. Guy Laliberté, founder of Cirque du Soleil, is a great example of this; he kept the conventions of traditional circuses, but improved his audience's comfort by performing in theatres instead of big tops, stopped animal acts that people found distressing, and started marketing the circus to adults rather than children. Making these changes allowed him to bring ticket prices in line with theatre productions and concert venues – in other words, several times the price of a ticket for a traditional circus – and made Cirque du Soleil an unparalleled circus operator in terms of profitability. "Create, don't compete" is the maxim of this book. We will now return to our comparison with high-level sport and use the Sky cycling team as an example. This professional team was founded in 2009 with David Brailsford at its heart, and has rapidly risen to the top of the world rankings by fostering a mentality of disrupting trends in the sport by tweaking finer details, such as improving racers' diets, transforming the bus that escorts the racers into a real living space rather than simply a means of transport, changing the composition of the paint used on bikes to make them lighter in the mountain stages, and modifying textiles to improve airflow. Speaking at a conference in London in 2013,

> CONTINUOUS DISSATISFACTION

Sir David attributed the team's success to this culture of constant fine-tuning and never relying on certainty, rather than merely recruiting the top cyclists. Putting accusations of doping aside, which are not the topic of this letter, Team Sky's practices have also been adopted by others; for example, while Sky were the first to use power meters during races and training, they are now standard practice on all professional peloton bikes.

Achieving high performance with a growth mindset necessitates embracing a culture of attention to detail, as exemplified in conversations with sporting icons such as David Beckham and Jonny Wilkinson. When a journalist asked Beckham if he believed he was born to take free kicks, he replied that the interviewer probably underestimated the amount of training he put in — practising shots from every angle on the pitch and constantly focusing on achieving flawless execution. Beckham concluded that he was a lot better at stationary shots than the others because of his continuous dissatisfaction with his performance and his determination never to stop training until he was the best he could be.

15. W. Chan Kim et Renée Mauborgne, Blue Ocean Strategy, 2004, Pearson

> INSTEAD OF DOMINATING THE LIVING WORLD, HUMANS ARE A PART OF IT AND HAVE RESPECT FOR OTHER LIVING BEINGS

GROWTH MINDSET AND INTROSPECTION

Whereas the fixed mindset focuses on comparison with others, individualism and external factors, **the growth mindset prefers a more internal approach, connecting with others in your environment with the aim of reconnecting with yourself.** It is best to familiarise yourself with your environment and observe it regularly, making small improvements each day without coming into conflict with others. **There is a contrast between a society where comfort and adherence to beliefs divide humanity into communities and castes in order to subjugate it more effectively, and one where individuals no longer experience fear of "the Other", fear of failure or fear of death, and where reconnecting with the living world brings a sense of freedom, or at least balance.** Instead of dominating the living world, humans are a part of it and have respect for other living beings. Naturally, this is in contrast to the principle of the consumer society, which is based on the intensive exploitation of nature and other humans with mercantilism as its aim.

This growth mindset, which is focused on reconnecting with oneself, and therefore with the living world, is extremely flexible, as it assumes that human beings are wholly integrated into their environment rather than being at the centre of the universe. They do not control their environment; they are part of it. Therefore, this mindset involves accepting uncertainty and change. Everything is in motion and finding your balance means adapting to change. Dutch speaker Paul Rulkens[16] recounts an anecdote about Albert Einstein teaching physics at Oxford University in 1942. At the end of an exam, one of his assistants expressed surprise that the questions given to the students were the same as the year before. Einstein responded that although the questions were identical, the answers had changed. When uncertainty takes over, you must admit that you do not know anything. Philosopher Edgar Morin[17] said that "to live is to sail through a sea of uncertainty, refuelling at islands and archipelagos of certainty". High-level athletes recognise the importance of anchoring themselves to these archipelagos of certainty, which stem from their training, in order to perform with as much flexibility as possible in the midst of

16. TEDx Maastricht October 2014 – Paul Rulkens is an expert in achieving big goals in the easiest, fastest and most elegant way possible. Originally trained as a chemical engineer, he has moved his focus to the field of high performance
17. La Voie (The Way) – Edgar Morin, 2011

ACCEPTING UNCERTAINTY AND CHANGE

uncertainty. Uncertainty can take the form of an opponent's behaviour, the particular noise of the competition venue, the weather, the altitude or the level of pollution. Working on yourself and knowing yourself extremely well is the key to overcoming these examples of uncertainty. Grégory Babène, MMA (Mixed Martial Arts) fighter and pioneer of the sport in France, maintains that at 38 he is even stronger than when he first started his career, and that this is because he has **practised deep introspection over a long period of time,** which has allowed him to learn every single thing about himself. His self-awareness has helped him to adapt to the circumstances of each fight much more effectively, rather than spending hours studying videos of his opponent to plan every move according to his opponent's strengths and weaknesses. Training like this is definitely intense and indispensable; it brings with it these archipelagos of certainty. **Working on reconnecting with ourselves, which in turn facilitates our connection with the living world, allows us to be in control of uncertainty.** Grégory Babène even encourages his training partners and students that they should trust their instinct and go with the flow, much like musicians and stand-up comedians. **This is a meditative state of mind in which reason fades away to make room for instinctive information provided by a non-material conscience.** Having a high level of self-awareness and eliminating thoughts by going with the flow is what allows Grégory Babène to benefit from what his observers call great situational intelligence, but which he himself attributes to a connection with his internal self and to the living world that surrounds him. At 38, Grégory has also been able to win his last five world championship fights against opponents much younger than him before the end of the first round[18].

18. Grégory Babène is currently ranked eighth in the world by Bellator MMA

Faster, higher, stronger … or not?

In conclusion, the Olympic spirit is facing the same identity crisis as our modern economic system. The rise of materialism in cultures across the globe is undermining our ability to connect with others, with ourselves and with our environment, in favour of individualism championed by the consumer society, the defence of property and reliance on debt. **Infinite growth in a finite world, seemingly successful on the surface, has actually been achieved by accumulating financial and economic debt.** Both globalisation and low interest rates have allowed businesses to over-optimise many factors that have maintained the illusion of infinite growth. The quest for growth at any cost is leading our economic system towards a level of fragility that threatens our very existence and, as an indirect result, the survival of our species on this planet. This is mirrored in high-level sport in the form of the over-optimisation of athletes, leading them to crave limitless performance due to the allocation of excessive financial means to this economic machine.

During the Olympic Opening Ceremony on the Seine in Paris on 26 July, athletes will embody the Olympic spirit with gratitude and humility, fostering a harmonious environment where collective effort contributes to the champion's performance. It makes no sense to try to cheat, to jeopardise the future to be the best on the day of the competition, or to display any kind of selfish behaviour in this situation. However, all of these things do happen in the real world. If we apply this concept to our economic system, we could argue that the considerable slowdown in global growth prospects over the next few decades is a positive thing.

This growth would admittedly be weaker, but would be more sustainable, as it would rely less on cheating (financial engineering), jeopardising the future (intensive exploitation of resources) and individualism (dividing humanity into castes to give control to the elite). Perhaps it is a divisive conclusion, but **we maintain that the preservation of the Olympic ideal, much like the preservation of our economic model, depends on everyone reconnecting with themselves and adopting an internal approach rather than an external one, allowing us to rediscover a balance within a whole rather than the accumulation of wealth and comfort in a world dominated by division.** We remain convinced that reconnecting with the living world is the only way to avoid our downfall. **Perhaps "faster, higher, stronger" is not the answer after all.**

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CIO letter

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