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Philosophos

-Affectionately dedicated to all lovers of wisdom everywhere.

With Dr. Jun Nara, Sky Business

'How to Win in Every Scenario'

Today's Guest Professor:



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Ex-Intel's Technologist & Finance Manager**

Dr. Romulo Werran Gayoso is a Brazilian-American economist and business strategist in Phoenix, Arizona. He worked for the Intel as a technologist and finance manager for 14 years. Presently, he is an adjunct faculty member of two universities in Arizona: Grand Canyon University and Wilkes University.

Throughout his career, Prof. Gayoso has demonstrated his outstanding academic and professional achievements. At undergraduate, he maintained his GPA 4.0 (Straight As) with four-time Dean's List and President's List, National Dean's List, Golden Key National Honor Society, Beta Gamma Sigma, and Phi Kappa Phi; earned two Master's degrees (including an

MBA) from Arizona State University and a Ph.D. in Management Science from Capella University. As an international businessman, he speaks English, Portuguese, and Spanish fluently.

His specialties are econometric modeling, competitive intelligence and scenario planning. Some of his duties were to develop several forecasting models for a Fortune 500 firms. His publications have been presented in the US and abroad: SCIP, World Future Society, Institutes of Business Forecasting and many others.

In this August, Prof. Gayoso published his new book, 'How to Win in Every Scenario (Xlibris, IN, US).' Although this book is not translated into Japanese yet, it has been already sold-out in Japan. He also has been one of my best friends since our school days at Capella. This time, I had an interview with him about his research interests, teaching, latest book, core value and life philosophy.

From Corporation to Academia

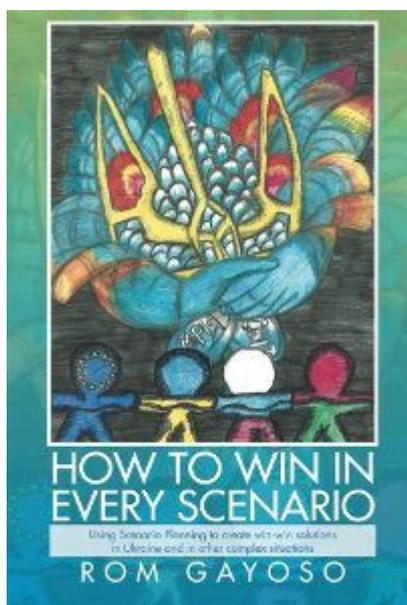
—Prof. Gayoso, welcome to 'Philosophos'! Rom, first, let's talk about your previous job at an American semiconductor giant, *Intel*. I guess many people are eager to know the inside of this corporation. Actually, many Japanese university students admire the world's biggest corporations like Intel. What were your duties? How about its corporate culture and people? Overall, were you *happy* there?

Gayoso: Thank you Dr. Nara, a pleasure to speak with you! In the course of my work in Intel I created several econometrics forecast –and 15 of them are Trade Secrets. In the past five years I was an Intel Technologist, also was central finance manager for Technology Manufacturing Engineering and Sort Test Development finance manager in the Technology Development organization. The corporate culture is one of action –not words –and people are constantly looking for ways to improve productivity and introduce innovation. My colleagues were very bright people and it was a pleasure to work with them. The work environment was fairly busy and thus I needed to distance myself in order to fully commit to the writing project –the 'How to Win in Every Scenario' book.

—Ha ha ha (Laughter), please call me, Jun, as usual. We've been friends since our school days. You said before that you would like to teach at university. Before talking about your book, tell us what you are teaching at university? Do you think your previous working experience at Intel supports your present academic career?

Gayoso: Thank you! I teach the MBA students Economics and Statistics... it is fun to interact with such bright people, always something new for us to talk about. I think my work experience in Intel and prior to that do help quite a lot because I can leverage my international experience to give practical examples and to place theories within context... and when the context is more familiar people learn faster...so I tried to bring my work experience to the classroom in order to make the learning process richer!

‘How To Win In Every Scenario’



<http://phoenixeconomist.wix.com/scenario>

— Let's move on your latest book, ‘*How To Win In Every Scenario.*’ Would you tell us your background on this book? What made you decide to write this book?

Gayoso: Yes Jun, I wanted to create something very practical for my MBA students and people in business to use – and not just talk about the theory. I was not happy with the materials I encountered and thus decided to create my own. I am also very passionate about these three business cases I used: Stem Cell research, Renewable Energy and the Crisis in Ukraine.

— For further details, the readers **must purchase** the book. But, would you briefly explain the key concept of scenario planning?

Gayoso: Scenario planning was created in the early 1960's by Herman Kahn and saw its most successful commercial application when Shell Oil used it to predict the 1974 oil crisis. Can you imagine if Japan had done the same? The idea behind scenario planning is to imagine how a situation will evolve, that is to “guess” the potential end of the story and once those various “ends” are understood, then managers need to work really hard to make sure the future scenario most likely to take place is also the best possible outcome to allow for his/her corporate objectives to materialize.

—I realized there is a crucial difference between typical decision-making theories and scenario planning. Many decision-making theorists emphasize the importance of setting the goal or clarifying the problem first. Finding the right course of action is next. But, scenario-planning theorists stress other factors rather than goals and problems. Scenario planners should pay attention to actors (p.15), space (p.16), time (p.18), and perspective (p.19). In the five steps you introduced, the first step is team composition (p.82), not goal or problem setting. What do you think of such difference?

Gayoso: Yes indeed! Decision making is a very rich field and there are many possible ways to go about arriving at a decision. However, Scenario planning is an attractive solution because – as I described – it mimics reality and anyone who has ever seen a Kabuki, or Noh performance can think about Scenario Planning in a very structured way. In Scenario Planning there is a lot of process, but the key success factor indeed is human capital – that is the team's skills, abilities and experience will determine how well the management team will be able to perceive reality and extract the essential elements of information from the business environment – or fail to do so.

—Besides economics and business, you dealt with so many topics: stem cell research, renewable energy, international affairs, political philosophies, geopolitics, decision science, psychology, education, Asian traditional culture, wines, etc.... You warned how our bias and faulty information could lead us to wrong decision making (p.65&138-139). To avoid such a situation, multiple perspectives in scenario planning are effective (p.106). And, we should always verify various aspects of the information. Is this almost the same concept as critical thinking in educational studies?

Gayoso: Yes, exactly. In Education research we are forced to confront our bias, disclose our assumptions and constantly question ourselves; and this is a very healthy process. There is also the need to balance theory with uniqueness. For example Japanese culture is so unique in its beauty and depth, I actually believe firms in the West would greatly benefit from their developing a Japanese perspective on the world around us. It is often the case Western firms end up acting and thinking in a very Western-centric way and that is dangerous for it fails to see the world through somebody

else's eyes. In many aspects I believe education research teaches the business world how to do business better!

—Ha ha ha (Laughter), it's a job of B-school professor like you! By the way, as a Japanese reader, I also noticed you dealt with some topics about Japan. You chose traditional Japanese play like *Noh* (p.16) as an example to explain 'persona (mask)' of the agent in economy. Also, you are worrying about diplomatic relations with Russia and energy shortage in Japan (p.210). Shockingly, many Japanese people never imagine this Ukraine crisis may badly affect Japan. We Japanese often call this situation, 'Fire on the opposite shore (Somebody else's problem).' Many people still believe they have nothing to do with this international conflict. What are your messages to the Japanese readers?

Gayoso: Such way of thinking actually belittles Japan and denies it its importance in the international community. The level, intensity of sanctions and boycott against Russia has different impacts to different societies – so why should the West expect Japan to follow suit if Japan has so much to lose and so little to gain? The sanctions may drag Japan into more antagonistic positions with neighboring countries, which might not serve Japan's interests. Japan's interests are better served when Japan asserts itself in the international arena. So my message to Japanese readers is to realize Japan can make significant contributions to peace and stability in the world in a way few other nations can; and in the process Japan's prestige can only grow. Consider this...while other nations try to settle their differences through the use of force or economic wars, Japan can be the calming voice that will bring other parties together; Japan can offer diplomatic solutions that do not involve the use of force or coercion – that is exactly what the world needs more of!

—Rom..., I realized that you're a Japanese patriot rather than pro-Japanese!!! (Laughter)

Economics vs. Ethics

—In your book, you referred to the most fundamental concept in economics: 'Economics is the study of the allocation of scarce resource' (p.89) and '...since the core of economics is amoral, not immoral: what is at stake is not one's values or morals, but economics simply focuses on the allocation of scarce resources and who benefits from what'(p.173-174). This concept sounds very realistic and logical. Would you tell us more about the relationship between economics and ethics? For instance, physicians should be humanists to care the patients as well as realists to diagnose diseases. How about economists and business leaders?

Gayoso: I think the benefit Economics brings to the table is exactly to provide an unbiased or impersonal perspective to the question on hand and it uses the scientific method, that is a series of

standard procedures (methods) that others can use to independently verify what is being said or argued. Ethics, on the other hand, can be more fluid because it is a factor of national and group cultures therefore it might be difficult to find a “common denominator” or a common platform for people to operate from. For example take a form of ritual sacrifice - *hara-kiri* – unique to Japan. The West was shocked when writer Yukio Mishima killed himself, but perhaps the same was not true in Japan. The West sees taking one’s life in a different way the Japanese do. There is no right or wrong, actually “right” is in the eye of the beholder: someone who is pro-life would find it shameful whereas someone who values principles might find it more acceptable.

—The reason why I asked this question to you is that mammonism (a notion, ‘Money is everything’) has pervaded the world since financial crisis in the late 2000s. It seems to me that, the more competitive global industries become, the more people trust money only. In fact, the gap between rich and poor has become wider than ever. As an international economist, what are you eager to insist most? How can we correct this situation? No more American dream?

Gayoso: I guess people get confused in their lust for money... they do not realize what they are after is not “money”, but rather quality of life. Greed can be used as a motivator for entrepreneurs, but it must be used with temperance or else it will result in the kind of abuses we saw during the 2008 crisis where the most basic principles of honesty were violated. Those actions actually run counter to one of the most dear values in the West – that of protestant ethics – or the notion of honesty in the workplace. It is important to remember no all cultures value money above all, in fact some – like in Asian – value self-realization. Some cultures tend to think about the collective, the group or extended circle of relations in a way that is conducive to a more harmonious society. Certainly the West should pay more attention to Confucian Ethics and other related principles that actually operate to help people better understand how to behave in respect to others... it is the proverbial fight between individualism and collectivism, but taken to a very unhealthy extreme. You mentioned the “American Dream”... so that is not to be a Billionaire, but actually live a comfortable life and provide for one’s family... there is nothing wrong of that, it is actually very healthy.

From Brazil to the US

—Please let us know your personal background a little bit. You originally came from Brazil and finished higher education in the US. Then, you have successful academic and professional career. If you don’t mind, please share some secrets of your success with us. Also, how did you overcome difficulties in your life?

Gayoso: Indeed I pursued a lot of my education in the US... two bachelor degrees, then two Masters

and the PhD. In my personal situation I always had these two parallel passions: economics and Business, so I had to pursue both to be happy. I think the attributes I felt helped me the most were exposure to many different cultures early in life – and that exposure allowed me to learn from other people... and in this process I learned “difficulties” exist as teaching tools. At times we are so stubborn, we cannot see the forest from the trees... but learning languages and interfacing with others taught me to think differently – that is the secret. In the US there is a saying if you are given lemons, make a lemonade.. yes that is true, but you can also make lemon jelly, key lime pie... the list is endless. Actually the list is only limited by our imagination... so when I am confronted with a situation I do ask myself what is that experience trying to teach me or what can I learn in the process. It is not easy, but if you develop the capacity to look at challenges as opportunities for growth, then you will be a lot better off in life. I don't know if I do it well or better than others, it is just a system that works for me!

—Finally, please give your advice to students who major in economics and business.

Gayoso: My advice to students is to go out and explore the world around you. Do dig deep in Japanese values, for they will help you shape your *persona* and will give you a set of values that will help you put the rest of the world into context. Then learn about the art, traditions, cultural manifestations, language and even food of other people. Compare and contrast different ways to go about doing business and learn from other approaches, even if you do not like them. The name of the game for folks in business and economists is to learn about others' behavior and in the process we add a little bit of ourselves to the dialogue.

—Prof. Gayoso, thank you very much for your joining us today!

Gayoso: As always an honor and a pleasure to speak with you (gently bowing in respect for your time and consideration).

(All photos: Courtesy to Dr. Rom Gayoso)

For your comments and inquiries, please send your e-mail at:

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