



## Davos Takeaways from A to Y

*Our records indicate that this is the first time you're receiving the Weekly Brief, and I want to personally welcome you. I hope that BCG's latest knowledge and my own reflections can help you make sense of our rapidly changing reality. If you have any feedback, I'd love to hear from you.*

To BCG's network around the world,

On Friday, Christoph recorded his reflections on Davos in a wonderful [short video](#)—key themes, surprises, disappointments, and areas of optimism. I encourage you to take a couple minutes to watch it. As for me, I decided to forego the -15°C mountain air and use my keyboard on the flight home instead. (I'm also ordering Christoph some gloves for next year.)

Every year, I try to figure out a shorthand summary of the dozens of conversations and meetings with government, business, and social sector leaders. This time, I realized I could do this using vowels—a simplistic device maybe, but hopefully also a useful one. So here goes:

**A is for ACTION.** Most Davos meetings are about big concepts: multistakeholder orientation, Industry 4.0, digitization, cyber risk, and AI. I found the tone this year much more geared toward action: how the Alliance of CEO Climate Leaders will help spark supply chain decarbonization and build [green markets](#), how to build demand for new climate tech with the [First Movers Coalition](#), how we can help fund the decarbonization agendas of emerging markets, and how to support Ukraine, navigate food insecurity, and accelerate AI deployment both rapidly and safely. Big concepts

are important—how could a longtime BCGer say otherwise?—but at a time of rapid change and urgent needs, I found the focus on action refreshing and appropriate.

**E is for ENERGY.** We heard a lot this week about solving the energy trilemma of reliability, affordability, and sustainability. At the Davos meeting last May, it would have seemed highly unlikely that Germany would be able to build an offshore LNG facility in 194 days and a second soon after, but that's what happened. There's a strong resolve among European leaders to ensure that the region is never in this situation again. There was also a huge focus last week on the energy transition—a topic close to my heart. We've seen concerns in the media about a UAE-centered COP, but many leaders are privately optimistic that this opens up opportunity to bring the oil and gas industry to the table to reach bolder commitments and accelerate progress.

**I is for INNOVATION and INCLUSION.** The progress in new climate technologies is so exciting, from wind to batteries and from carbon capture to agriculture. Of course, new innovations go far beyond climate. You couldn't be in Davos this week without hearing about ChatGPT and the enormous implications of generative AI. The digital and AI revolution is entering its next phase, with all the uncertainties, opportunities, and challenges that presents. The launch of [BCG X](#) made a big splash, and we are eager to help our clients lead the way.

Inclusion also continues its forward march. Like other topics, the focus has shifted from concept to action: how to deliver on commitments to diversity, equity, and inclusion and how to help society do the same. For me, a personal highlight was when our new Chief Diversity Officer Nadjia Yousif gave a terrific speech and compellingly asked us to shift our focus from the “so what?” to the “so who?”

**O is for OPTIMISM.** Reading the headlines at the beginning of Davos could make you want to crawl back into bed. Even so, many CEOs at the meeting were cautiously upbeat. We are not out of the woods. The war in Ukraine, US-China relations, [global trade](#), and the near-term emissions trajectory don't warrant optimism at this point. But US inflation improvements in Q4, the new Inflation Reduction Act to accelerate climate investments, European resilience, and an expectation of a post-pandemic recovery in China starting in Q2 are creating more confidence in the business community. Even some of last year's skeptics are acknowledging green shoots of optimism.

**U is for UNCERTAINTY.** If 2022 taught us one thing, it's the need for humility in predicting what's ahead. War in Ukraine, lockdowns in China, disruptions in supply chains, and massive weather events all showed how expectations in January can

rapidly go off track. At one CEO lunch, more than half the participants refused to take a view on the outlook for 2023 given the uncertainties they perceived. Those unknowns will put a premium on [building resilience and agility](#) into our organizations.

And finally, I will cheat a little on the last one:

**Why is about PURPOSE.** The World Economic Forum has always had a sense of purpose at its core, but until relatively recently many of the companies attending Davos were not nearly as articulate on this point. That has changed in recent years. Today, most leaders arrive in Davos with a sharper understanding of why their organizations exist and how they will make a distinctive difference in the world. You see evidence of this in billboards and on stage, but you also hear it in private conversations when the cameras and microphones are off. For me, that has been one of the most encouraging parts of an intense five days.

So that's my take. Last week was great for connecting, learning, and creating a spirit of collaboration. But the hard work to translate that into action and impact in 2023 still lies ahead. We've come down from the mountain, and now it's time to get to work.

Until next time,

A handwritten signature in dark ink, appearing to read "Rich", with a stylized flourish at the end.

Rich Lesser  
Global Chair

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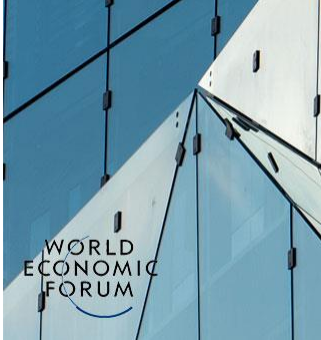
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