

***...The power of intuition ...  
Quant human versus Qual human***

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We left the year 2020, the year that taught us that we cannot get many predictions right.

Here we are more humble, less pretentious, trying to anticipate how much of the pandemic we will still have and how fast our populations will receive the vaccine.

What did this year teach us?

Artificial Intelligence and Machine Learning have boosted human intelligence in the last decade, allowing human beings to rationalize and concentrate universal and specific knowledge on power and accessibility. Every day we become more and more "Quant", that is, due to the conversion of BIG DATA before the realities of our lives, the orientations of the rationale overlapped the other feelings in decision making.

Added to this process, increased efficiency due to the new management technologies, the reduction of time for evaluation and solution, reduction of human interventions in the processes, as a risk indicator, the more "Quant" we become.

We have an inversion where the degree of rationality increases and the freedom of management reduces. A good example is the increasing use of algorithms in avionics, reducing the risk of human failure in the operation. We have an assumption, that failure occurrences are predominantly human, for not having rationality all the time, in situations of high complexity at ever-greater speeds. The greater the complexity, and the speed of the process, the less the human being, will have the chance to intervene, causing their understanding to be reduced to essentialities. This evolution is due to the increase in the logarithmic exponentially of knowledge and processed data.

Nevertheless, life is not just about this. Life changes permanently, and the perception of this change even more, often in a collective way, wrong or not, due to the dimension of social networks.

It is not the consumer who has changed! It is life that has changed and the consumer as a being of incredible adaptability alters his processes of choice and attitudes towards life.

The pandemic has shown us several of these faces.

The initial fear, generated paralysis, if you withdraw to survive, in the face of not knowing what we would have ahead of us.

In addition, the more the human being was confronted by the advance of the Virus, the more he realized the real danger.

Moreover, the succession of economic scenarios scared everyone, shutdown for long periods, trade wars between the USA and China, revealed a world of uncertainty in combating the pandemic and the fear of illness and unemployment.

Suddenly the rationality of "Quant" ceased to exist, and to save what still existed, the most somber scenarios were developed. In Operation Research OR we would talk about minimax strategies, that is, reduce the maximum losses to a minimum.

Nothing more than suddenly the "Qual" is installed in our mindset. Opinion, the famous guess, goes back to discussions, as a truth, in global planning. No, we quantified the perception of the quality of chaos, if only we had used the theories of behavioral economics of Nobel laureate Herbert Simon, and of Kahneman, we would have been more correct. The consequence was that reality was not as predicted and predicted. Around the world, we have seen faster and more consistent resumes than we actually imagined. Globally, we realized that due to our under-planning, we interrupt global production chains in a decisive way. The recovery does not take place, as it should, not because the modified demand left us unprepared, but because of our mistaken perception, we do not believe in the recovery. Today, components, materials, logistics and human resources are lacking to manage these changes. There is a global imbalance in the production chains, as we have never seen before.

Now, "Quant" won "Qual" and as it could not be otherwise, we believe in efficiency and lose in effectiveness. The "Qual" of the human being directs us by our intuition to perceive right and wrong. We left the "Qual" aside for a long time believing that the number needs to be our driver, losing the directional notion.

Suddenly in our Hemisphere everything revolves around ESG, Environmental Social Governance, because the perception is that our consumer wants it, but we do not realize yet that in fact life wants it. We learned that we could no longer believe that we will continue everything and everyone in the same way, as before the pandemic, it will not work. We also know that we have come out of the pandemic, less global, digital, poorer and richer.

In addition, what do we do with this knowledge?

Exactly the opposite of what we should be doing. As the world “de-globalizes”, we concentrate our business even more, strengthening the products with the best margin in our home markets; while digitalization is transforming our market; we protect ourselves more, even though we are rich seeing the world around us visibly poorer!

The return of “Qual” requires the courage to believe in the “power of intuition”. The old and good “scent of the entrepreneur” is back, before the best Business Intelligence Keyboard, which can point you to the alternatives, but if you do not know the art of flying in your own businesses, you can go wrong. Perhaps going back to the essentials of life, is what the pandemic can show us in our recess, showing that our consumer is driven by the reality of life, and not the other way around. To understand life in the most different dimensions will be to return to playing the art of entrepreneurship. It is better to be an entrepreneur today than a manager is.

The "Qual" will give us the meaning of things, while the "Quant" the best way to do it. Putting the “Qual” in front of us will be the challenge of trying to see without seeing, hearing without listening and perceiving without feeling ... is to let intuition return to what it has always been in the human, its inner voice for right and wrong. It is to empower intuition...

May Christmas inspire us to do much more for the best and for everyone!