STEWART BRAND THE ELECTRIC KOOL-AID MANAGEMENT CONSULTANT FROM THE WHOLE EARTH CATALOG TO THE INTERNET, STEWART BRAND HAS ANTICIPATED THE CUTTING EDGE. SOME BIG COMPANIES WANT TO KNOW WHAT'S ON HIS MIND.

By DAVID STIPP
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(FORTUNE Magazine) – Perhaps because the world looks tilted from Stewart Brand's office, a rickety fishing boat propped at a curious angle in a California parking lot, it doesn't seem all that strange when he lifts a hunting knife from his desk, thoughtfully applies it to his arm, and shaves off some hair. We are, after all, examining one of his most exquisite tools--a shockingly sharp micro-sawtoothed blade of novel design--and he's too romantic about tools to resist their implicit plea for use. Besides, he's honing a metaphor.

To wit: Creative thinking makes new ideas by sundering old ones. At the end of a long day the brain blade is dulled, capable only of hack work and logic chopping.

This is standard for Brand, a rangy, 56-year-old polymath in faded Levi's who has made a career of drawing insight from close contact with the cutting edge. A perfectly accurate rasuma for him might read something like: student, soldier, mail-order entrepreneur, technology writer/editor, management consultant. But that would be like summing up Bill Gates as a college dropout who started a software company.

Reading it, for example, you would be hard pressed to explain how Brand turned up as one of Ken Kesey's Merry Pranksters in Tom Wolfe's hippie classic, The Electric Kool-Aid Acid Test. Or how he dreamed up a tool catalogue that won, of all things, a National Book Award. Or how that outlandishly popular Whole Earth Catalog helped inspire the design of early computer interfaces that, in the fullness of time, evolved into the cybersurfing tools Netscape recently leveraged into an initial offering of almost $2 billion.

You also might be surprised to learn that in 1972, Brand jubilantly declared a personal-computer revolution was coming--five years before those two prescient Steves, Jobs and Wozniak, got with it and started Apple Computer. Brand also anticipated the Internet craze when the I-way was still just a footpath between ivory towers--he co-founded the Well, a pioneering computer network in San Francisco, more than ten years ago. Eight years ago he helped form a network of offbeat thinkers about the future, linked by e-mail, that has counseled the Clinton Administration, the Pentagon, and some of the biggest companies on the whole earth.

Marvels Lotus founder Mitch Kapor, a longtime Brand fan and friend: "Stewart has an extraordinarily

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acute sense of what's coming next. If he thinks it's going to be important, I want to go along for the ride, even when I don't really comprehend what it's about."

The planet's biggest moneymaking company can buy that. It's Royal Dutch/Shell Group, an oil giant that hired Brand a few years ago to lead a series of conferences over three years on how big institutions can update their collective smarts to keep pace with change. The Progress and Freedom Foundation, a Newt Gingrich satellite, also keeps a finger on the pulse of Brand's mind--in August, it flew him to Aspen, Colorado, for a thinkfest on cyberspace and national policy. When Xerox recently did some strategic thinking about how white-collar jobs will change over the next five years, it had Brand on hand.

So why are corporate strategy wonks so interested in what this former merry prankster has to say? Robert Mauceli, director of strategic development and communications at Xerox, says Brand's counsel is sought precisely because "he's kind of off the wall. We didn't want to be channelized into our normal ways of thinking about the future. At Xerox, we call ourselves the document company. But Stewart kept pushing us to consider what happens to the document company when the whole world is wired and people get most of their information on the net."

Hmmm. Mauceli says his folks are working on it.

Says Brand, who often speaks as if he's polishing raw thoughts out loud into his trademark aphorisms: "If I were ever to do an autobiography, which I won't, the title would be Float Upstream. Being a crank is characteristic of my family. Originality on the cheap. You find where the flow is, and go against it. It's a way of feeling alive."

Sometimes he leaps right out of the flow into a different stream of consciousness. Says Tom Portante, co-founder and a manager of Andersen Consulting's technology assessment group: "A couple of years ago I was at a technology meeting with Stewart, and he got up and starting talking about this forest in British Columbia that some Indian tribe had formed a reservation to protect. He was just tickled pink about it. All of a sudden we had this wonderful sense, 'there's life beyond the Internet.' It was just delightful, the way he sort of very gently put us all in our place."

The Internet often comes up when Brand is around, which isn't surprising given that he helped spearhead an annual "hackers conference" and is a contributing writer at Wired, the semi-official cyberpunk bible. Rumor has it that the electric-Kool-Aid-colored monthly can induce epileptic fits when rapidly thumbed by people over 30. Don't believe it. Even people over 40 have flipped through Wired with no more mental warping than they once got from that rambunctious rag of yore, the Whole Earth--hey, wait a minute, here comes a flashback: In the early 1980s, Wired's executive editor, Kevin Kelly, cut his editing teeth on the Whole Earth Review, a periodical Brand started as a forum for the kind of rocket-science-in-bell-bottoms that inspired the Whole Earth Catalog. In fact, the catalogue's bravado and breadth are evident in Kelly's efforts to make Wired "amaze and surprise, and do takeouts on a lot of high ideas."

Asked how he became that rarest of folk heroes--one appealing to successive generations of plugged-in, disaffected youth--Brand leans back in the stern of his office, closes his eyes, and massages the bridge of his nose. Then he says it all in an offhand line: "Hackers are hippies who got it right."

Wired notwithstanding, Brand's influence these days emanates mainly from the Global Business Network, a management consulting firm he co-founded in 1987. He spends one day a week at GBN, traveling across San Francisco Bay from Sausalito, a gentrified fishing village where he lives and works near the waterfront, to the firm's dress-down digs in Emeryville, an industrial zone near Berkeley.

But actually, he notes, his main preoccupation lately is creating a library about time to accompany a Stonehenge-size clock that tolls once a century.

What?

Before he can explain, his fax machine, wedged in a nook he carved with a saber saw into the beached hulk's bow, fires up and issues a distraction: a summons to a Hewlett-Packard pow-wow on the implications of piping data through cable TV lines.

From its name you might conclude that the Global Business Network is one of those too-cool-to-get-real consulting firms that dish out gigabytes of vision from graying dweebs who spend most of their time beaming down from cyberspace for techno-babble panels. You'd be partly right.

GBN does have a rather ethereal quality--one of its main functions is to foster open-ended

conversations about the future over the Internet among its clients' executives and a loosely affiliated network of what it calls "out of the box" thinkers --minds tending to zig when most zag. They include GBN staffers and a far-flung group of about 100 box-jumpers, including oil industry historian Daniel Yergin (The Prize), alternative-energy guru Amory Lovins, avant-garde musician Laurie Anderson, poet Gary Snyder, and garden tool entrepreneur Paul Hawken (Smith & Hawken). Admittance to this highly wired intelligentsia is by invitation only--most are people that Brand and GBN's four other principals have bonded with over the years.

GBN's earth base in a renovated factory also shows the Brand touch: a big, comfy living room surrounded by offices. He designed the place as a demonstration of ideas in his latest book, How Buildings Learn. Pithy, fresh, and nonchalantly erudite, the 1994 tome is as hard to classify as his famous catalogue. Ostensibly about architecture, it gleefully zings many of the field's big names as narcissistic ninnies who pride themselves on glitzy dreck with leaky roofs. (Roll over, Frank Lloyd Wright.) But it also can be read as a guide on how to build flexibility into institutions--in fact, it's partly a primer on GBN's methods--showing how Brand has integrated his immersions in biology, ecology, design, technology policy, and business startups to craft a planning philosophy with heft and bite.

"Hindsight is better than foresight," he writes. "That's why evolutionary forms such as vernacular buildings (e.g., the Santa Fe adobe style or the New England Cape Cod house) always work better than visionary designs such as geodesic domes. They grow from experience rather than from somebody's forehead...

"The iron rule of planning is: whatever a client or an architect says will happen with a building, won't. Architects always want to control the future. So do clients. A big, physical building seems a perfect way to bind the course of future events. ('Once we move the company in the new building, then we can use it to limit our growth.') It never works...The only reliable attitude to take to the future is that it is profoundly, structurally, unavoidably perverse."

Companies pay $35,000 a year to participate in GBN's freewheeling electronic cappuccino klatch. Its main venue is the Well, or Whole Earth 'Lectronic Link, the computer network Brand co-founded in 1984. Clients also get other perks, including GBN reports on technology and social trends. Topics range from research on ways to mimic Darwinian evolution inside computers to the exploding number of teenagers worldwide.

Sounds intriguing, but what does this have to do with planning capital budgets for the next three years?

The answer brings us to GBN's specialty, a forecasting technique called scenario planning. Developed by the U.S. Air Force to help foresee opponents' moves, the method was polished at Royal Dutch/Shell in the late 1960s. It helped the British-Dutch company anticipate the 1973 OPEC caper and other shocks that rocked big oil's Seven Sisters. GBN president Peter Schwartz, a former Shell planning manager, gives it much of the credit for transforming his corporate alma mater from a weak sister to the mightiest one.

The method rejects the idea of making best guesses to place corporate bets. Instead, it pushes leaders to envision and keep in mind three or four distinctly different futures. These scenarios are encapsulated in stories with memorable titles like "800-Pound Gorilla Market." Importantly, they include wild-card forecasts that normally wouldn't rate planners' radar screens.

The main goal is to minimize unpleasant surprises, and the central logic is this: If mind-boggling change is the only constant, focusing on the avoidance of major blunders yields better results than the single-minded pursuit of the big win.

In essence, it's an attempt to abrogate that hoary edict, Murphy's Law, by finding strategies that work at least passably well in every scenario you can imagine. And Brand is just the kind of brilliantly twisted thinker whom scenario planners treasure to help make sure their imaginings have covered the waterfront. Says Kees van der Heijden, a planning manager at Shell during Brand's stint at the company: "It is not just that his insights are remarkable. He also makes them stick in your mind. I remember his suggestion that nature does not evolve toward goals but away from constraints. That made a few strategic planners thinking about survival of the fittest in the marketplace sit up."

Okay, maybe you had to be there. But lest you mistake perspicacity for poppycock, consider how listening to out-of-the-box thinkers helped Shell. In 1982, OPEC's grip on oil prices seemed a given to the company's managing directors, whose thinking had been channeled by nine years of dealing with the 800-pound cartel. But that year Schwartz and other company planners proposed an unthinkable: the "Humpty Dumpty" scenario.

They had asked themselves whether there was a plausible near-term scenario in which OPEC lost its

grip and oil prices collapsed. Pulling together data on rising energy efficiency and non-OPEC oil reserves, they found that, surprisingly, the answer was yes. The clincher was the insight that once OPEC's price-fixing power was smashed, the cartel's fractious politics might prevent its ministers from putting it back together again. Amused and hooked by the name, Shell's top brass duly factored the H-D scenario into their decisions, and consequently avoided heavy investments in new oil fields and inventory when prices were peaking. When prices crashed in 1986, Shell had the bucks to buy reserves at half the price it would have paid a few months earlier. Shell's profits last year were $6.2 billion, a tidy $1.1 billion more than those of Exxon, its closest industry rival.

Shell's success has inspired a growing number of corporate imitators during the past few years. Foreseeing just that scenario, Schwartz left Shell in 1988 to team up with Brand and three other gurus of curvilinear cognition to form GBN. Today the firm is the leading oracle of scenario planning and boasts a client list that includes Xerox, IBM, BellSouth, AT&T, Arco, and Texaco, as well as a White House advisory panel and the Joint Chiefs of Staff.

GBN's clients also include potential competitors. Says Andersen Consulting's Portante: "Building scenarios is just about to become a skill set offered by Andersen, primarily on the strength of our relationship with GBN. Its message is catching on because so many upper-management types have been burned by betting on the most likely future."

Helping competitors may seem to represent some confusion at GBN between out-of-the-box and out-of-your-mind. But then, you wouldn't expect the usual rules to apply at a company that might be described as an emergent overmind pulsating in cyberspace. And it was Stewart Brand, after all, who coined the cyberhacker rallying cry: "Information wants to be free."

Brand's sun-wrinkled face seems etched with all the paths he has gone down. But its contours have resisted gravity's bejowling pull. Draping a floppy old hat over his bald head, he looks a lot like the lanky prankster Tom Wolfe met almost 30 years ago, resplendent in bead tie and butcher's coat hung with Swedish medals. Brand is by nature laconic and shy, a hater of parties and small talk. But that young jester reappears when he surprises himself with some outlandish idea, which is often: he just throws back his head and roars.

Wolfe perceptively noted that Brand was part of the "restrained, reflective wing of the Merry Pranksters"--unlike most of the gang, he clearly was dropping in, not out. Brand describes himself as being driven by ravenous curiosity and an outsize fear of boredom. The two induce him to seek immersion in watershed events, toss off some clairvoyant commentary, then move on as his learning-to-sweat ratio drops. Says he: "You could say I've just discovered a way to exploit my failure to commit. Creaming the market, as they say in the mail-order business. But a generalist is a specialist in the surface of things, and you can develop ways to fake depth in situations where a fake is just as good as the real thing. Like Marlon Brando. 'How did you do that?' they asked. 'It's all just tricks,' he said."

Always trucking on down the line, Brand has never gotten rich--by the time money starts greasing a bandwagon's wheels, he's long since gotten bored and skedaddled. He lives in an 83-year-old tugboat docked on the Sausalito waterfront that he and his wife bought for $8,000 in 1981 and converted into a houseboat for $150,000. He never made much from his catalogues--he capped his annual salary from their nonprofit publisher at $36,000. Recently his income topped $100,000 for the first time, thanks to his GBN job. Says he: "One advantage of doing things on the cheap is that it forces you to be original."

Not wanting to invest in a pricey lock for a new bicycle, he made it look like trash by spraying it with rust-colored paint and coating it with dirt while still wet. For a studio/library, he rents an idle 8-by-8-by-40-foot shipping container near the waterfront for $250 a month. Inside, he installed plywood shelves, wiring for lights, and an old couch. When the summer sun made it too hot, he swabbed the roof with white paint, stuck a black-painted piece of stovepipe out the top, and sawed a vent in the wood floor. (It works.)

Brand's boredom and curiosity emerged early, propelling him along a life path so nonlinear it seems almost loopy. In 1954-- three years before Jack Kerouac's On the Road was published-- young Stewart, 16, borrowed his parents' car and rambled with high school chums from his hometown of Rockford, Illinois, to northern California to pan for gold. Rockford's nascent beat poet also began wearing a beret around, dismaying his ad-man dad but merely amusing his out-of-the-box mom, a homemaker with a passion for space travel. But he then went preppy, graduating from Phillips Exeter Academy and from Stanford, where he earned a biology degree. Next he plunged into the bohemian New York artist scene, then looped around to join the U.S. Army, where he served at the Pentagon. "It would amuse my New York artist friends no end when I would come in wearing my uniform, take it off, and put on theirs," he says.

Despite having good vibrations about the military, Brand left it after two years to hang out with San Francisco's LSD-popping merrymakers. One night he climbed onto a roof, dropped a restrained half-tab of acid, and saw a stunningly groovy connection between NASA and flower power--an epiphany that moved him to travel coast to coast in a top hat, selling buttons that asked, "Why haven't we seen a photograph of the whole Earth yet?" Millions soon did, via his next visionary move: the Whole Earth Catalog, whose cover picture of earth from outer space at once celebrated the Apollo program's far-out tools and chided us not to mess up the only planet we've got. The title page famously declared: "We are as gods, and might as well get good at it."

Getting good at it requires the right tools--including mind wrenches--which of course is what the catalogue he started in 1968 is all about. The kitchen-sink compendium--a three-way cross between L.L. Bean, Consumer Reports, and psychedelia--rapidly became a mainstream hit with its hip, homespun humor and largely reliable information. It seems millions were shopping for solar stills and meditation cushions back then--or maybe they just craved relief from all the violence of the era without turning their backs on its spirit. Says Art Kleiner, a former Brand protaga who is writing a book about business reformers: "Stewart showed Sixties people it was okay to be part of civilization and an entrepreneur. He brought joy back into business."

The continually updated catalogue won a National Book Award in 1972, establishing Brand as a counterculture luminary. What a yawn. Dodging ennui, he started hanging out at the Xerox Palo Alto Research Center, or PARC, where most of the ideas for the look and feel of today's personal computers were just then being hatched--the mouse, screen icons, menus, windows. He fit right in.

Says Alan Kay, former top conjurer at PARC and now a research fellow at Apple Computer: "The first book PARC owned was the Whole Earth Catalog. It was a symbol of what we thought PC tools should be like. For instance, Stewart had discovered that people only went to the parts of the catalogue with the things they liked. But he wanted them to read the whole thing. So he got a friend to write a novel about a VW bus with a soul, and on each page of the catalogue was one page of the novel. We thought that was one of the coolest ideas ever. It led to the PARC browsers, the predecessors of net browsers that use the serendipity of bringing up a lot of linked text" along with selected items of interest. (Sound familiar, Netscape?)

While immersed at PARC, Brand wrote a 1972 piece for Rolling Stone auguring the personal computer revolution, likening its consciousness-bending potential to that of psychedelics. A dated analogy, perhaps, but consider this: Before Marc Andreessen, Netscape's star cyperpunk, was out of diapers, Brand had introduced the world to computer viruses. One young "computer bum," he reported, wrote a program that randomly jumped around in computer memory and periodically printed out "I am the unknown glitch. Catch me if you can."

It's no surprise that Brand--whose cosmic catalogue urged, "Stay hungry. Stay foolish."--sometimes blunders. Given his restless audacity, the wonder is that it hasn't killed him. Heights make him nervous, so naturally he took up skydiving and hang-gliding. He quit the former after his main chute once failed to open and the latter after several notable glider fatalities. Now he's into sports more fitting for the over-55 set, like in-line skating and boogie boarding.

His biggest bad idea was the Whole Earth Software Catalog, a mid-1980s tome that came out too infrequently to keep up with fast-changing computer technology. Its flop blew away a $1.3 million advance and almost bankrupted his nonprofit company. "But the disaster was tremendously freeing for me," he says, "because it meant that it was okay for me to leave" and start new projects, including his work at Shell.

His abandoned enthusiasms might fill a small catalogue supplement, including the Wall Street Journal (the editorial page has become too predictable), unrestricted public access to explosives (they really aren't just another tool), and geodesic domes (sorry, Buckminster, they leak). Says he: "I often let my eloquence carry me away. Once I got an A-minus on a philosophy paper at Stanford that was crossed out and replaced by a B-plus. The teacher said, 'I was misled by the quality of your writing.' Good for him."

Some of the curve balls Brand throws to corporate clients also must go down as wild pitches, such as the time he got Royal Dutch/Shell's planning group to host a talk by Nicholas Negroponte, one of MIT's jet-setting digerati. "Negroponte thought they were knotheads, and they thought he was unbelievably arrogant," he acknowledges.

But other Brand pitches have led to big hits. "He changed my whole life in one scenario planning session," enthuses Brad Hoyt, a senior project manager at Senco, a Cincinnati toolmaker. "He asked whether we'd heard about complexity theory," an emerging set of mathematical tools for predicting the behavior of complicated systems with many interacting parts, such as the economy or a swarm of

bees. "Little did I know he's on the board of the Santa Fe Institute," a New Mexico hive of complexity theorists. Hoyt says he's since read about a dozen books on the subject and uses it to guide his thinking about the housing industry and other ecosystems affecting Senco.

Recently Brand introduced Xerox managers to the work of Richard Normann, co-author of a book titled Designing Interactive Strategy. Normann's main idea is that businesses should envision themselves working within a web of customers and suppliers, rather than as one value-adding station in a production line. Says Xerox's Mauceli: "We were very taken by Normann and invited him to speak to 500 of our executives this summer. We already use some of his stuff in work we've done. Now we're thinking of bringing him back."

Brand sees making such connections his primary function as a consultant. True to contrary form, his main splicing tool flies in the face of his cyberhip milieu: He mails books to people. In fact, about once a month GBN dutifully ships a Brand-picked book to its clients, along with a short essay he writes on the work. Past picks include: Envisioning Information, an elegant style book on statistics and graphics by Edward Tufte; Understanding Comics, by Scott McCloud; The Diamond Age, a sci-fi morality tale by Neal Stephenson; de Tocqueville's Democracy in America, and Being Digital--Nicholas Negroponte's treatise on the computer communications revolution. "It's funny," says Andersen Consulting's Portante, "you sometimes look at these books Stewart sends and think, 'What the hell am I supposed to do with those?' But they disappear, and we routinely have roundtable discussions on them."

That gab, says Brand, is where it's at: "Companies don't have strategies. They have ongoing strategic conversations by a body of people. Out of those ongoing conversations, decisions are made." And good decisions, he insists, are more likely when the conversations range all over the map.

Brand is taking a stand on judgment here, and when pushed on it, he bobs, weaves, then punches: "There is a kind of internal storytelling that is multiple in people with good judgment. Like the way language works, with different sentences vying to be said. Historians like Churchill may have good judgment because they have a really rich and diverse ecology of stories, anecdotes, and sequences of events in their heads. Hitler had terrible judgment. He'd bore people silly, always paring things down to two choices, both stupid."

Which bends us around to the 10,000-year clock, an idea originated by parallel-processing computer pioneer and GBN networker Danny Hillis. Since we're so bedazzled by change, our inner ecologies are getting thin on history, Brand worries. The clock might "pop people into a long view of time." The project is in the "pre-vaporware" stage, he adds, but to get it rolling he's assembling a library of books about time and history to become part of a clock complex.

There he goes again, right out of the box. But fittingly, this time he's looping back into history: "It would be," he says, "the temporal equivalent of seeing the whole earth from outer space."

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