Bad Apple – The double-edged sword of transparency

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One of my favourite movie lines is Jack Nicholson's class delivery of "*You can't handle the truth!!*"

I respect businesses that deeply understand the need to protect, nurture and grow their valuable intellectual property, to the extent it exists. In just about every single company in the world, this intellectual property belongs to the organisation, not to the individual. I do not expect any executive to share such proprietary insights with me or the world at large, be it in a media interview, on social media, in annual reports, presentations and interactions with sell-side and buy-side investment analysts and money managers. Therefore, whenever I notice an executive freely sharing such apparent insights it is a cause for serious concern. They are most likely engaging in misleading others or themselves, inside and outside their organisations.

It happens often that companies choose to disclose organisationally sensitive information, particularly when the information serves to promote an increasing share price. Their official motivation is usually given as increasing 'transparency'.

The trouble with transparency is once you start you cannot stop, at least not without consequences.

Apple, the company *formerly* known as the 2nd trillion US$ market cap, published their key product order numbers for many years, while the going was good and unit volumes grew. On November 2nd they suddenly stopped this practice, without explaining why. Like the very best horror stories, this leaves their audience to their own imaginations. Quite understandably, the Apple share price is tanking.

I question whether or not Apple had fully considered the long-term consequences of (a) sharing the truth and (b) stopping sharing the truth.

Our work continues…

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