The New York Times Magazine

DECEMBER 12, 2004 / SECTION 6

The 4th Annual

Year in Ideas

In what has become an annual tradition, The New York Times Magazine takes stock of the passing year by creating a mini-encyclopedia of the most noteworthy ideas of the previous 12 months. We put out feelers, fine-tune our journalistic antennae and call on a fleet of reporters and researchers to scour the infosphere for the most captivating, baffling, promising and influential ideas from all walks of life — not just science and technology, politics and policy, but also tattoo culture and fast-food management, horticulture and shoe design. Once we separate the wheat of innovation from the chaff of familiar notions, we offer up the alphabetical harvest now

A Z*

The 4th Annual

Year in Ideas

* An annual compendium of ideas from A to Z. (Or at least Y. And, frankly, also missing J, O, Q, R and X.)

Benign Corporate Oligarchy, The / When Google went public in August, investors hoped the much anticipated event would herald a return to late-90's stock-market populism: the idea that the Internet would not only make us all rich; it would also give us power.

But the real idea behind the Google initial public offering goes

PHOTOGRAPH FROM COMME DES GARÇONS

back much further — to the kind of noblesse oblige that J. P. Morgan championed. Google's founders, Larry Page, 32, and Sergey Brin, 31, seem like nice modern fellows, but they have old-fashioned ideas about shareholder relations. The shareholder, in their view, is a child — fickle and hyperactive. Care for him, provide for him and, above all, keep him from the ruinous path of instant gratification.

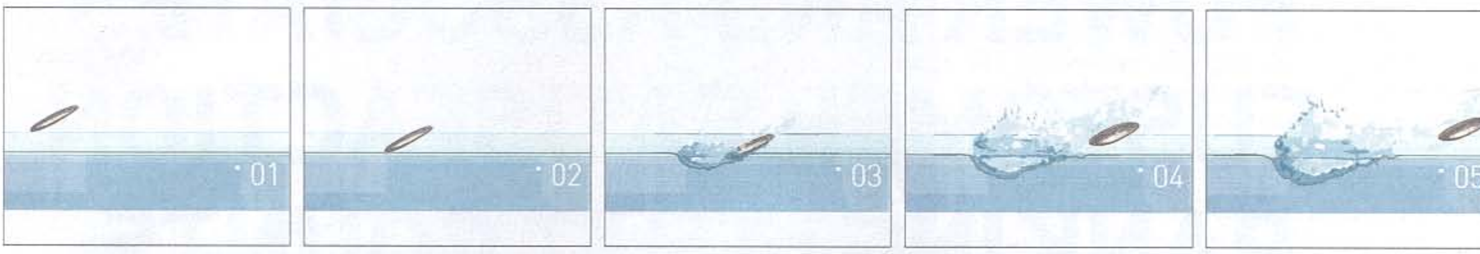
What modern shareholders crave above all are earnings that rise steadily, quarter after quarter, or, even better, earnings that "beat expectations" — the number that analysts predict the company will report — even by a penny or two. To achieve such beautifully turned out earnings every three months, executives sometimes do dumb things — go on a merger spree, cut back marketing or fiddle with the accounting — to give the stock a short-term pop. A recent survey by Campbell Harvey, professor of finance at Duke University, found that a remarkable 78 percent of 302 chief financial officers said they would take some action to "smooth" quarterly earnings and meet expectations, even if that action sacrificed long-term value.

In the Google prospectus, Page rejected this nonsense in the kind of straightforward English sentences rarely encountered in securities filings. "Many companies are under pressure to keep their earnings in line with analysts' forecasts. Therefore, they often accept smaller, predictable earnings rather than larger and less predictable returns," he wrote. "Sergey and I feel this is harmful, and we intend to steer in the opposite direction."

BRIN AND PAGE

Google's policy was inspired by Warren Buffett, who has been preaching long-term management at Berkshire Hathaway for four decades. Buffett feels no pressure from Wall Street because he is arguably the most successful investor of all time. The young founders of Google don't have that kind of track record, so they sold stock to the public that comes with diluted voting rights. They were thus able to raise lots of money while still retaining control over the company. In the past, this has often spelled trouble. Executives who aren't accountable to shareholder votes can be prone to mischief. The Google founders seem to be saying that executives get into more mischief when they are overly solicitous of short-term investors. Mindful of all the companies that went astray and sometimes lied to meet analysts' expectations, Google will not even issue earnings forecasts. Like latter-day corporate barons, they advance the proposition that shareholders will be better off if the executives are trusted more and interfered with less. ROGER LOWENSTEIN

Best Way to Skip a Stone, The / Want to break the stone-skipping record? Here's a hint: throw the stone at an angle of precisely 10 degrees to the water. That's what a team of French scientists discovered when they constructed a machine to determine the ideal technique. Lydéric Bocquet, a physicist at the Université Claude Bernard Lyon, became interested in the mechanics of skipping two years ago, while out tossing stones with his son. "He asked me, why is the stone skipping and not sinking?" he recalls. Bocquet realized that while stone skipping had been around since the ancient Greeks, no scientist had ever deduced the ultimate equations for mastery. He wrote a short paper pondering "the stone-skipping problem," whereupon a fellow physicist, Christophe Clanet, suggested they solve it with the aid of a robot. They went on to create a device that could whip metal disks at a tank of water with utter precision.



French scientists used a robot to determine the optimal angle for stone skipping. But a human still holds the record of 40 skips.

BEST WAY TO SKIP A STONE ILLUSTRATION BY +ISM

As they began blasting away, the scientists quickly noticed something remarkable. No matter how fast or slow their robot threw, the disks always seemed to skip farther if the stone hit the water at an angle of roughly 20 degrees. Why? In a January paper for Nature, titled "Secrets of Successful Stone-Skipping," they concluded that this was because such an angle produced the briefest impact with the water and thus the least drag on the stone. Armed with this knowledge, they could figure out how to break the world record — a bouncy 40 skips, set in 2002 by Kurt Steiner. They began pitching stones faster and faster, but at its top performance, the robot could only manage 20 skips. "It was vibrating, and pieces were falling off it," Bocquet says. Nonetheless, the experiment this fall gave them the answer they needed. To achieve a record-breaking 41 skips, you'd have to throw a stone four inches in diameter at 60 miles an hour and at an angle of 10 degrees. You'd also want to perform this trick on a glass-smooth pond, since the scientists' tests were conducted in a perfectly still experimental tank.

The scientists admit that there is probably no practical use for this knowledge. For his part, Bocquet admits that he can't manage more than 15 skips himself. "Going from theory to practice," he says, "is still difficult." CLIVE THOMPSON

Blogo Ad, The / Blogs are known for their brutal honesty, independence of spirit and genuine emotional conviction. None of these attributes play much of a role in corporate advertising, of course, but they are values that corporate advertisers strive to imitate — and, where possible, co-opt.

So it wasn't all that shocking when Nike launched a blog this June. As a brand, Nike is youthful and forward-looking, and blogs are a great way to reach the young, hip and carefully shod — those who bristle when products get pitched at them but enjoy discovering cool new things on their own. Nike's blogo ad, titled "Art of Speed," ran for 20 days, posting short films, speed-related trivia, inspirational athlete stories and so forth.

So far so good, until October saw a blog launched by . . . General Motors. Not your father's Oldsmobile, indeed. Why would an earnest corporate dinosaur like G.M. get involved with an upstart medium like the blog? "It's a different attitude from our corporate Web site," says Michael Wiley, G.M.'s director of new media and

ILLUSTRATION BY ALEXANDRA COMPAIN-TISSIER