

The Hedge Fund Manager

To begin, let us focus for a moment on cloud computing. It represents a timely expression of this form of product to utility substitution with a rapid period of change and co-evolved practices that were all highly anticipatable. At the same time this is occurring, there is also a significant legacy of activities and practice. So, ask yourself the question of where do you invest? The immediate response tends to be — *“in the cloud space”* — because that’s now seen as the future. But this wasn’t the case in 2008. There was still lots of uncertainty in the market due to poor situational awareness despite the change being highly anticipatable. Let us assume that you are that rare beast, a hedge fund manager with a good helping of situational awareness. You don’t tend to be caught unawares by highly anticipatable changes. You’re not the sort of person who lets go of the glass of wine and complains in surprise that it fell to the ground rather than levitated through the magic of thought leadership. You know that there are precise and meaningful patterns in life and incantations of *“ecosystem, innovation, platform, abracadabra”* don’t actually work.

In this case, you will understand that for you then longer term capital gains will be made by investing in that future focused space i.e. those utility providers. However, you’re a canny sort and know this is only part of the story. There is also the potential for shorter term benefits as companies provide services to those with legacy activities and practice. As the hedge fund manager you should be aware that the legacy will eventually diminish but there exists money now. Any short term