

important to understand your role. If you're an executive in such a space then your role is to sweat and return dividends. You have to maximise this local opportunity until it is overwhelmed by the debt of the past. But, as a founder CEO of a company in that legacy position then you are likely to ask *"what's the plan for the future?"*

Tricky. The honest answer is probably none. I'll come to that *"probably"* in a moment. Your role is to sweat, return capital and disappear over the horizon — well, that's the investment view. Let us just say that most founders don't react well to this. However, as the CEO, you need to realise that you've not only got your sales team, employees (with the exception of a few rebels) and customers fighting against your attempts to make a future but if you're really unlucky then you've probably also got savvy hedge fund managers trying to dissuade you of the notion. Your future is one of rent extraction and the cliff, hardly the glorious image that most hope to create.

As the CEO, you can try and push back against the hedge fund but they will tend to fight you. As the fund manager then I would have already invested in those new entrants that are building the more certain future with their utility services. Anything you spend is capital that you should be returning to me not gambling on some uncertainty. I'm investing in you to maximise the local conditions and it's returning dividends that is keeping your share price and your rewards up. Get this wrong and you'll find the financial markets can themselves be a significant source of inertia to changing direction. From a point of view of the market, this is actually fairly optimal. The legacy is removed whilst the future flourishes. Your role in such a position is one of