# Whatever Happened to the Second Nestlé?


*Nestlé: "little nest" in German. Est. 1866. Its logo evokes one generation's duty to sustain the next. Switzerland hasn't built one like it since.*

A partially built genetic engineering factory still stands in Meyrin, outside Geneva — its empty fermentation vats perhaps the most instructive monument Switzerland never meant to build. It marks more than a missed company. Meyrin was the moment pharmaceutical science crossed a threshold: from therapies built on chemical compounds to ones built on genes and molecules. Switzerland, home to the greatest chemical pharma companies on earth, blinked.

Biogen was founded there in 1978 as Europe's answer to Genentech, gathering leading scientists including Charles Weissmann and Nobel laureate Walter Gilbert. It struggled to secure funding, faced regulatory resistance in genetic engineering, and eventually relocated to Boston. Today it is worth roughly $30 billion and employs thousands. The royalties from Weissmann's interferon work became one of the largest single contributions in the University of Zurich's history — nearly CHF 300 million — yet the company itself wandered to America.

Of the twenty most valuable companies in the world today, none are Swiss — or even European. That absence is striking. A century ago, Switzerland was the archetype of a startup nation: small, landlocked, no natural resources, no colonial empire, no captive domestic market. Yet it produced Nestlé, Novartis, ABB, and Roche — firms that did not merely compete globally but defined entire industries.

These companies remain the backbone of Swiss prosperity, contributing over half of total tax revenues and the lion's share of research and high-paying jobs. Yet their appetite to invest domestically — both in capital and employment — is steadily declining, and their attachment to Switzerland itself is no longer assured, as UBS has stated plainly.

**Switzerland's Crown Jewels**

Density of ***Fortune*** 500 companies

| | Switzerland | Germany | France | USA | Japan |
|---|---|---|---|---|---|
| Companies in *Fortune* Global 500 | 11 | 29 | 30 | 139 | 40 |
| Population | 9.1m | 84.5m | 68.2m | 344.2m | 122.5m |
| Companies in *Fortune* Global 500 per capita | **1.21** | 0.34 | 0.44 | 0.40 | 0.33 |

Data. Sources: QEF Internal Analysis, using *Fortune* Global 500 (2025/26) and World Bank (Population Est. May 2026).

I was speaking recently with Philipp Navratil, the new CEO of Nestlé, a company whose revenues exceed the GDP of all but a handful of nations. We asked each other a simple but unsettling question: whatever happened to the second Nestlé? Where is Switzerland's answer to Apple, Google, or Nvidia? The talent is here. The technology is here. The capital is here. So what is missing?

My argument is that the answer is not structural. It is cultural.

Peter Thiel has observed that the distance from zero to one is, in a sense, infinite: you have created something from nothing. The distance from one to sixteen is merely incremental. Switzerland's great multinationals were zero-to-one companies. Nestlé transformed food preservation and distribution, enabling mothers who could not breastfeed to enter the workforce. ABB reduced heat loss in electricity transmission so dramatically that it powered villages beyond the reach of cities. Roche's defining breakthrough was Valium — the first blockbuster drug to work effectively in the brain, an organ with 84 billion neurons once considered beyond chemical reach. UBS built the world's largest private wealth franchise by selling billionaires the stability of

the Swiss political system and the antifragility of the Swiss franc through hyperinflation, defaults, and wars.

What they shared, beyond ingenuity, was audacity — a willingness to act before the evidence was sufficient. When Weissmann told me, "I succeeded because I was unrealistic," he was not being falsely modest. At the moment that matters most, there is never enough proof. Progress requires someone to believe in an outcome before there is a rational reason to do so. It is closer to courage than to optimism, though both are required. Stephan Schmidheiny had to fight to raise capital for Nicolas Hayek's rescue of the Swiss watch industry, because Geneva's watchmakers thought it absurd to produce a Swiss watch for twenty dollars. Schindler's 1980 decision to enter Communist China was widely dismissed as folly — yet China has since accounted for more than 60 percent of the company's lift sales. Who would have expected a running shoe made from a gardener's hose to dethrone Nike? In each case, the industrialist was not working from a map. There was no map. That was the point.

*Beijing, 1978. Schindler (Alfred Schindler and Uli Sigg) signs collaboration with the Communist Party — the first Western company to do so. China has since lifted 800 million people out of poverty. Elevators helped.*

The culture that produced these breakthroughs has since lost much of its boldness. Switzerland has optimized so thoroughly for avoiding failure that it makes breakthrough success structurally difficult. Prof. Ralph Eichler, who helped elevate ETH to Europe's top-ranked university, put it plainly: "We have so many rules to avoid failure — with the result that we fail." A CEO of one of Switzerland's most

successful companies told me bluntly: "We no longer have the cultural acceptance for outsized winners."

This brings me to the essay's central observation: our fridge is full. When we have so much to protect, the asymmetry between what we might gain and what we might lose shifts from ambition toward caution. A society that votes to limit population growth and to fund a thirteenth month of AHV (social security) — despite the highest wages, longest life expectancy, and lowest unemployment in the world — is clearly doing many things right. The danger is in mistaking comfort for security.

A recent Semafor survey found that twenty-eight of thirty CEOs of major American multinationals could envision reducing their workforces by 20 percent within five years because of AI — and the white-collar jobs Switzerland specializes in are most vulnerable. Disruption of this magnitude also opens doors. The second Nestlé will not come from defending the existing hand, but from the nerve to play a new one.

*Charles Weissmann's 85th birthday, with Fritz Gerber, longtime CEO of Roche. As his scientific advisor, Weissmann guided Gerber toward Genentech — the acquisition that, along with Biogen, redefined pharmaceuticals. A zero-to-one moment. The Altman and Amodei of their day. Where is their equivalent now?*

So what could we improve? Four measures:

The first, and most fundamental, is Switzerland's relationship with failure. A society that treats failure among its youth as a character defect rather than the price of admission to serious innovation stifles the kind of audacity needed to start game-changing companies. The "one strike and you are out" conditioning does not begin at university — it begins far earlier, in how we regard the person who tried and fell short. Zero-to-one outcomes are rare by definition. You only find them by tolerating a great deal of failure along the way.

The second is education. In my lectures to Swiss students, I am struck by a consistent pattern: they value prosperity but have little idea where it came from. They can tell you what happened at Murten and which peaks exceed 4,000 meters, but not what it means to build a company — or that prosperity is built one company at a time. Sweden has been particularly successful at founding valuable startups — producing 42 unicorns including Spotify and Klarna despite a population of just 10 million — and its approach directly addresses both constraints. It reduces the risk of entrepreneurship by granting employees up to six months unpaid leave to start a business while protecting their job. And through Ung Företagsamhet it gives high school students a year to run real companies. Research shows it produces graduates measurably more likely to found firms, earn more, and reach leadership positions. As Marc Walder of Ringier noted, the curriculum at Rämibühl Gymnasium has barely changed since he attended forty years ago. If Switzerland is serious about the next generation of founders, that is where the rewiring must start.

The third is transmission — where Switzerland's technological excellence is generated and how it is commercialised. ETH and EPFL are world-class sources of innovation. Fewer than 5 percent of ETH professors are involved in startups, against roughly 30 percent at MIT and Stanford, despite ETH's explicit mission of applied science. Having served on the Venture Kick jury for over a decade — a program to foster ETH and EPFL spinouts — I have watched founders consistently hug the shore: adapting proven American models rather than creating new categories. A Zalando rather than an Amazon. With American universities destabilized by political turbulence, there is a unique opening to recruit top academic talent. Why not an “Entrepreneur Visa “ attracting serial entrepreneurs seeking what Switzerland offers best — quality of life?

The fourth is capital. Swiss pension funds invest less than 0.2 percent of assets in domestic venture capital, compared to 2 percent in the United States — a stunning abstention for institutions whose long-term solvency depends on companies that do not yet exist. Patient capital is precisely what early-stage companies need, and pension funds are structured to provide it.

There are encouraging signs. A decade ago, the most ambitious Swiss graduates headed straight for McKinsey, Goldman, or Nestlé. Today those firms are downsizing, their luster fading — and the most ambitious graduates are founding companies instead. At the St. Gallen Startup Summit, over 7,000 young people gathered — some to launch startups, others to join them. Through pioneers at the ETH and EPFL; robotics like Roland Siegwart, Marco Hutter, and Raffaella D'Andrea, a world-class ecosystem in robotics has taken root that could spawn the country's next multinational.

The central challenge is not only to preserve the multinationals that underpin today's prosperity, but to renew them — by allowing younger, technologically superior companies to emerge alongside them. Companies, like people, do not last forever.

What built this country was not caution. Alongside protecting what exists, it needs the audacity that creates what doesn't.