



What Matters Most?

***is NOT maximising
private profit...but it is why
the corporate elite turned to
Agile***

Context

- *SkYROCKETING inequality*
- *80% world population lives on <\$10/day; just under 50% live on <\$5.50/day*
- *Global climate catastrophe*
- *Refugee crisis*
- *US/Aus threats of war with China*

Imagine a global poll...



Tech profits exceptional

- *80% of US profits in the tech sector (10%)*
- *7 Big Tech companies are top of the list*
- *Fuels 2/3's of the growth of S&P*
 - *Bottom 10% lose as much money as top 10% make*
 - *2x as many big companies have negative returns vs positive**

*McKinsey Global Research
Aswath Damodaran, NYU Stern School of Business

Largest Global companies in 2018 vs 2008

2018

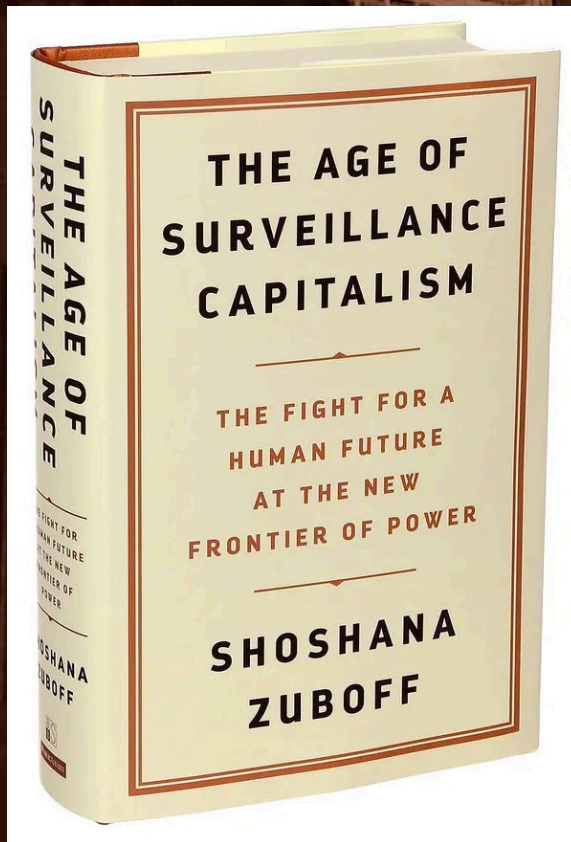
2008

Rank	Company	Founded	USbn	Rank	Company	Founded	USbn
1.	Apple	1976	890	1.	PetroChina	1999	728
2.	Google	1998	768	2.	Exxon	1870	492
3.	Microsoft	1975	680	3.	General Electric	1892	358
4.	Amazon	1994	592	4.	China Mobile	1997	344
5.	Facebook	2004	545	5.	ICBC (China)	1984	336
6.	Tencent (China)	1998	526	6.	Gazprom(Russia)	1989	332
7.	Berkshire	1955	496	7.	Microsoft	1975	313
8.	Alibaba (China)	1999	488	8.	Royal Dutch Shell	1907	266
9.	J&J	1886	380	9.	Sinopec (China)	2000	257
10.	JP Morgan	1871	375	10.	AT&T	1885	238

Souring on Big Tech

- *Snowden revelations, 2013*
 - *Massive global surveillance*
 - *All Big Tech companies involved*
- *Cambridge Analytica/Facebook 2016*
- *Data Profiling/Data Broking*
- *Monopolisation*
- *Tax Avoidance*
- *Inequality*

The future of AI



- *Mass surveillance*
- *Behaviour modification*
- *300-600 million jobs at risk**

**McKinsey Global Research*



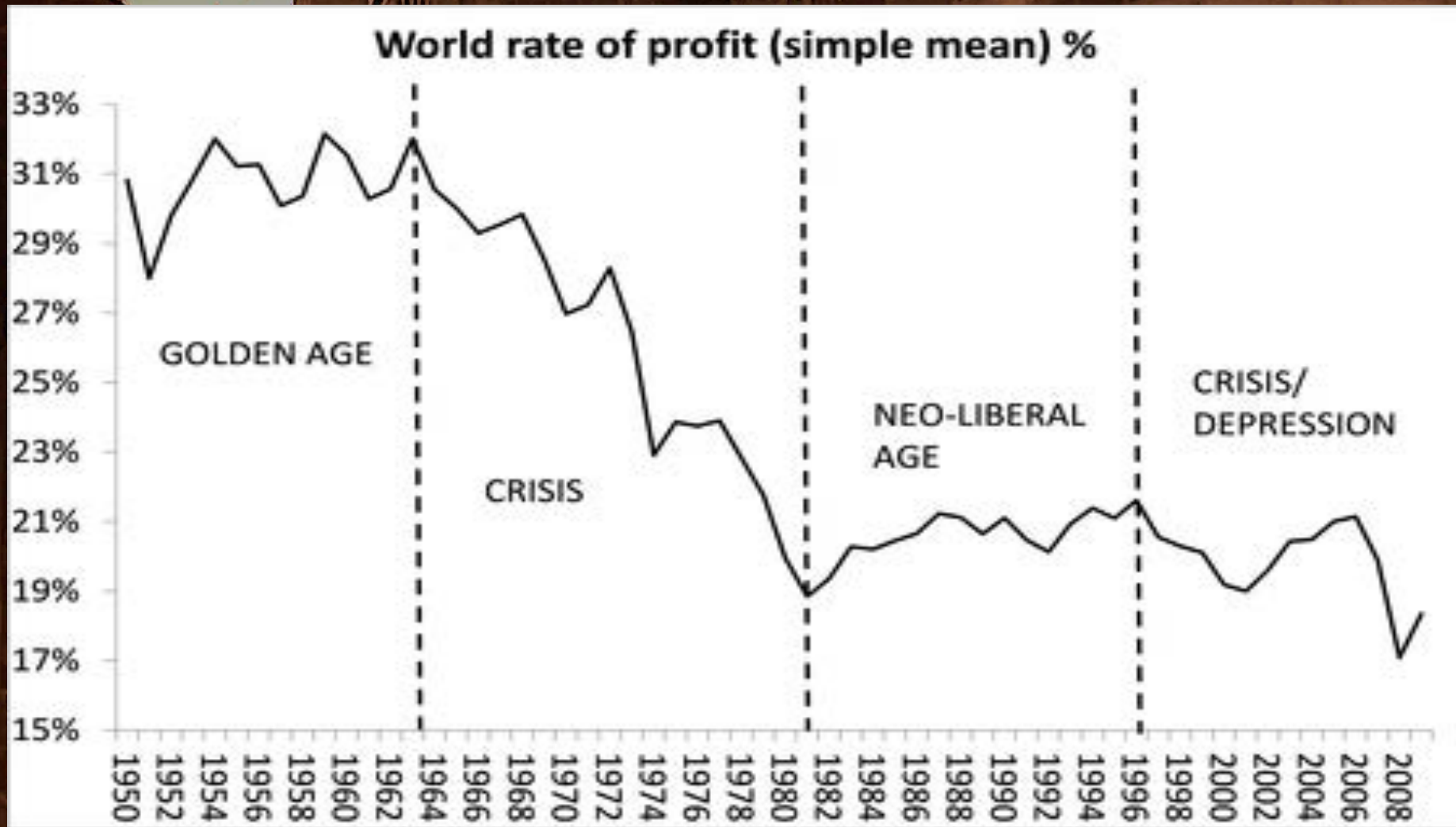
***A brief history
of the Agile movement***

Internet/Agile

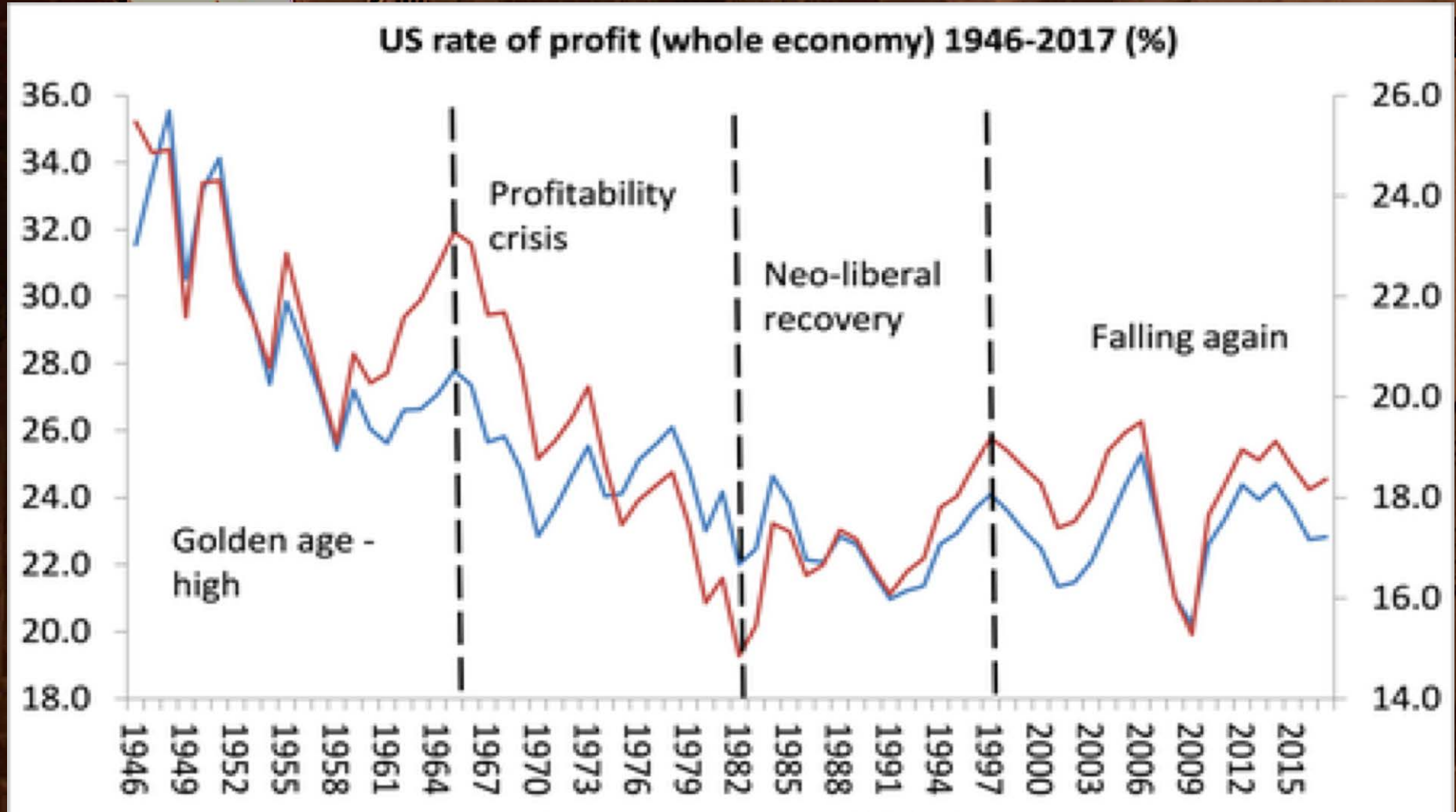
- *World Wide Web: 1991*
- *Early 90's: "the App Dev crisis"*
- *Agile Manifesto, Snowbird, Utah, 2001*
- *Internet revolution: late 90's, early 2000's*
- *Digital Transformation: mid-2000's*
- *Big data, IoT, social media, mobile, cloud*
- *Agile transformations*

*Aspirational
human-centred values
Democratic, unifying spirit*

The Declining Rate of Profit

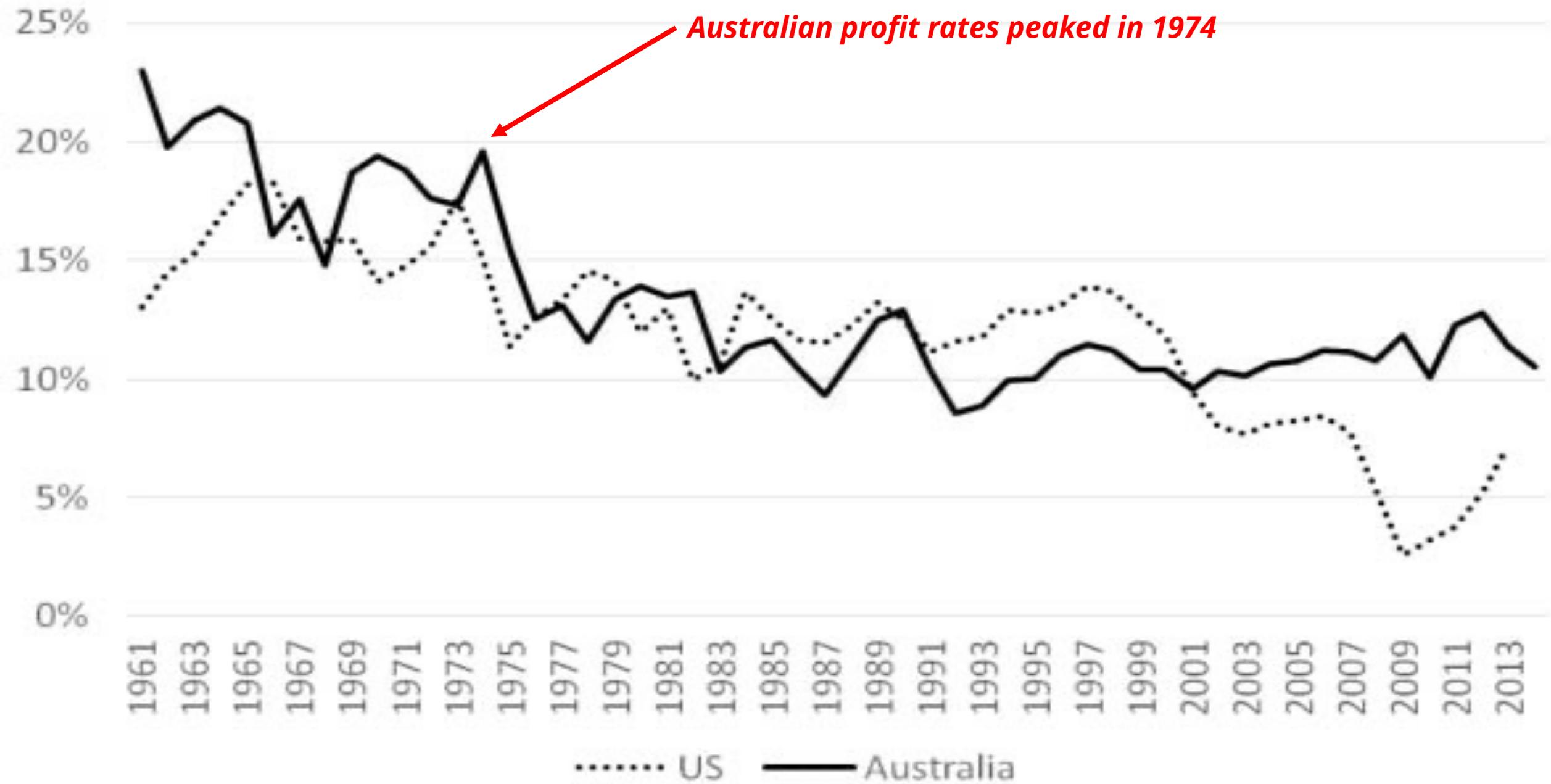


Declining Rate of Profit: US



Underlying Rates of Profit

Australian profit rates peaked in 1974



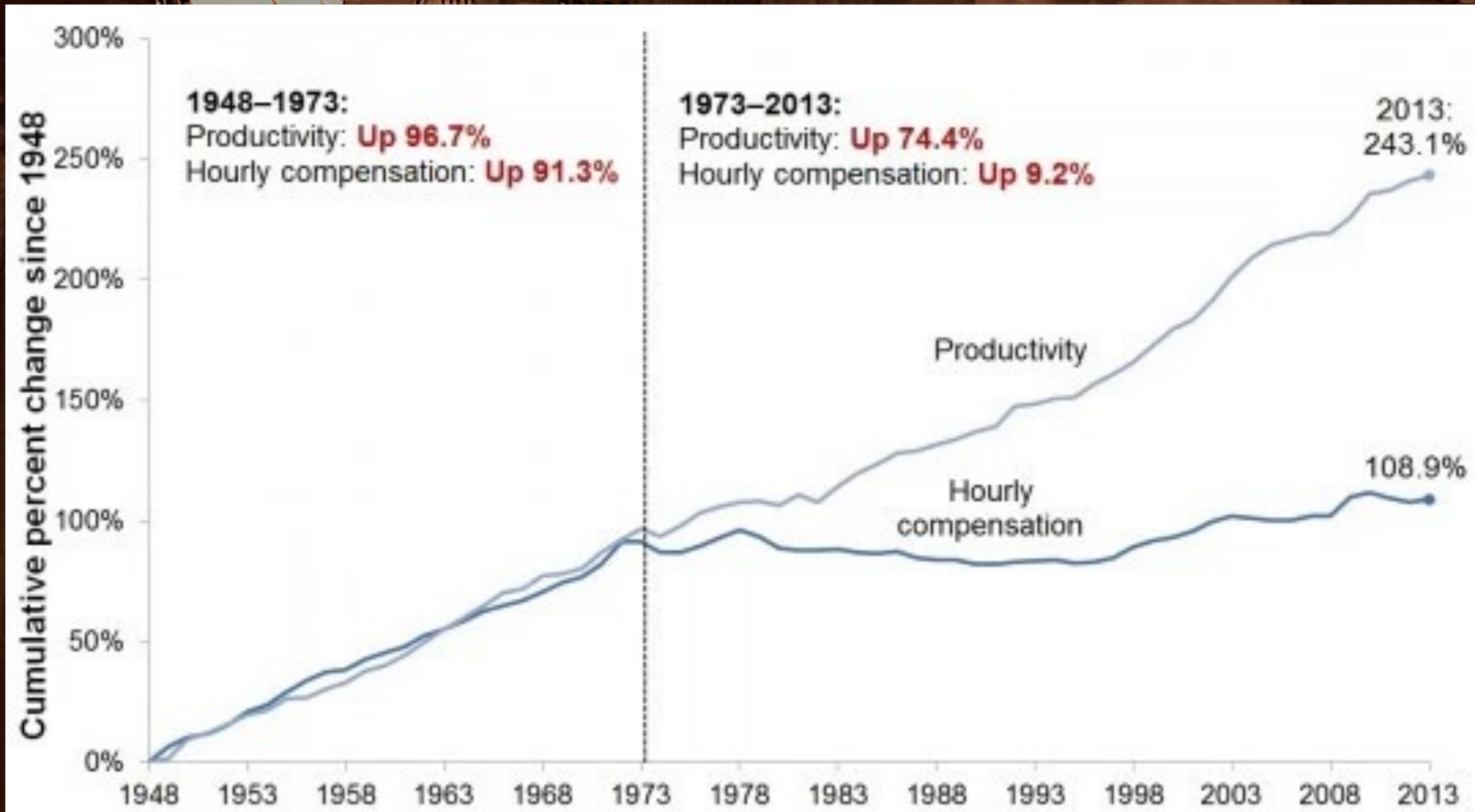
Neoliberalism: capitalist response



- *Globalisation*
- *Deindustrialisation*
- *Deregulation*
- *Privatisation*

- *Wage stagnation*
- *Tax dodging/stock manipulation*
- *Income/wealth inequality*

Wage Stagnation

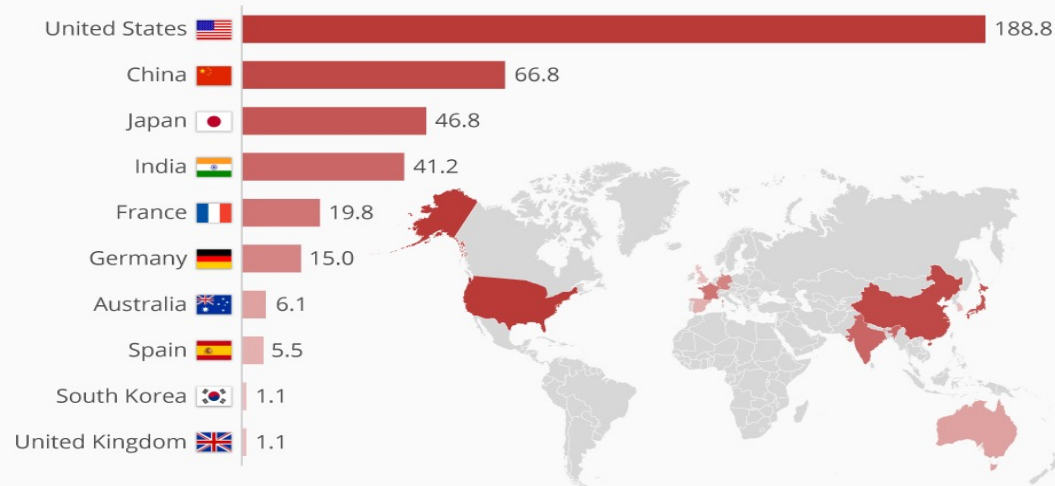


Tax avoidance

- **US corporate tax rate: 21%. Effective rate: 3.6%.**
- **Australia's corporate tax rate: 30%. Effective rate: 10.4%**
- **More than 1/3 of Australia's largest companies regularly pay no tax**

The Global Cost Of Tax Avoidance

Estimated annual corporate tax losses in selected countries (billion U.S. dollars)

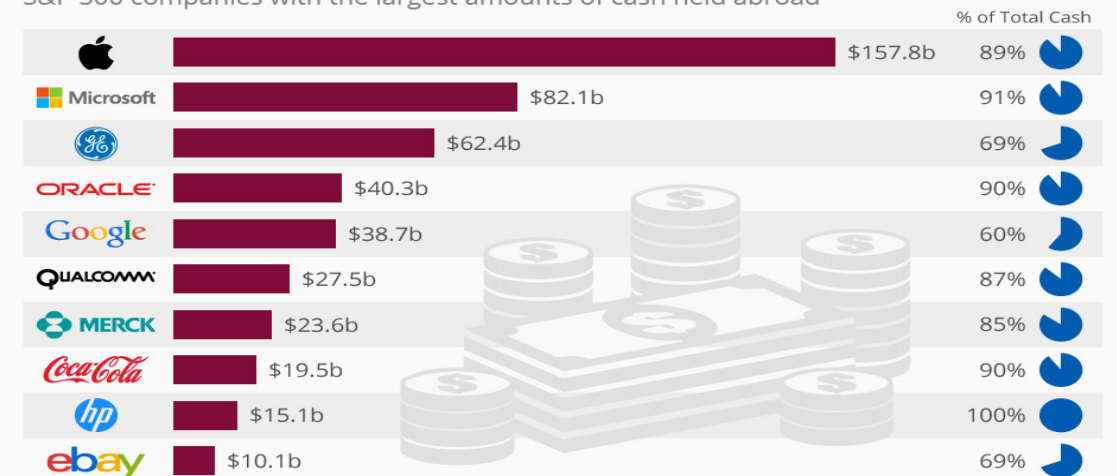


© StatistaCharts Source: UNU-WIDER

statista

These U.S. Companies Hoard Piles of Cash Abroad

S&P 500 companies with the largest amounts of cash held abroad



© StatistaCharts * Data based on latest public disclosure of foreign totals Sources: J.P. Morgan US Equity Strategy, Company Filings

statista

The Stock-Buyback Swindle

- *Buybacks were illegal until 1982*
- *Over \$7 trillion since 2004 – over 50% of profits*
- *Artificially keep stock prices high; keep investors from bolting*
- *60-80% of CEO/senior execs pay is now tied to stock performance*
- *Buybacks have become common in Australia: Telstra, Woolworths, Amcor, Nine Entertainment, CSL, JB Hi-Fi, QBE, BHP, Rio Tinto, Caltex, Mirvac, AMP, Big 4 banks, etc.*

Rise in Inequality

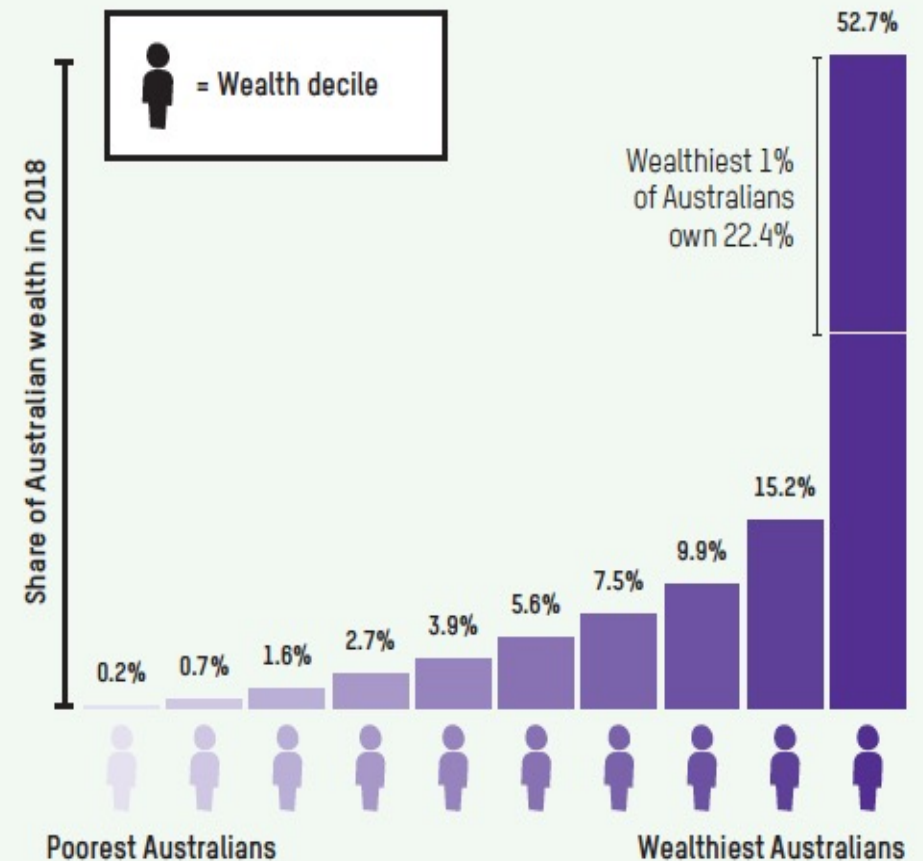
- *26 families own more wealth than the bottom 50%*
- *Top 10% holds 90% of the planet's wealth*
- *During Covid*
 - *Global billionaires added \$3.9T*
 - *Global workers' income fell \$3.7T*
 - *Post-Covid "recovery"?*

Inequality in Australia

- ***Richest 1% own more wealth than bottom 70% combined***
- ***Bottom half own 9% of the wealth.***
- ***Australia's 31 billionaires gained \$85 billion during Covid crisis***
- ***Gender pay gap is 40% for women of childbearing age***
- ***Women have 50% of the superannuation of men***
- ***More than 12.5% live in poverty***
 - ***More than 1/3 of single mothers***
 - ***Nearly 20% of children***

Figure 2: Australian wealth distribution in 2018.

Source: Credit Suisse (2018), Global Wealth Report Databook

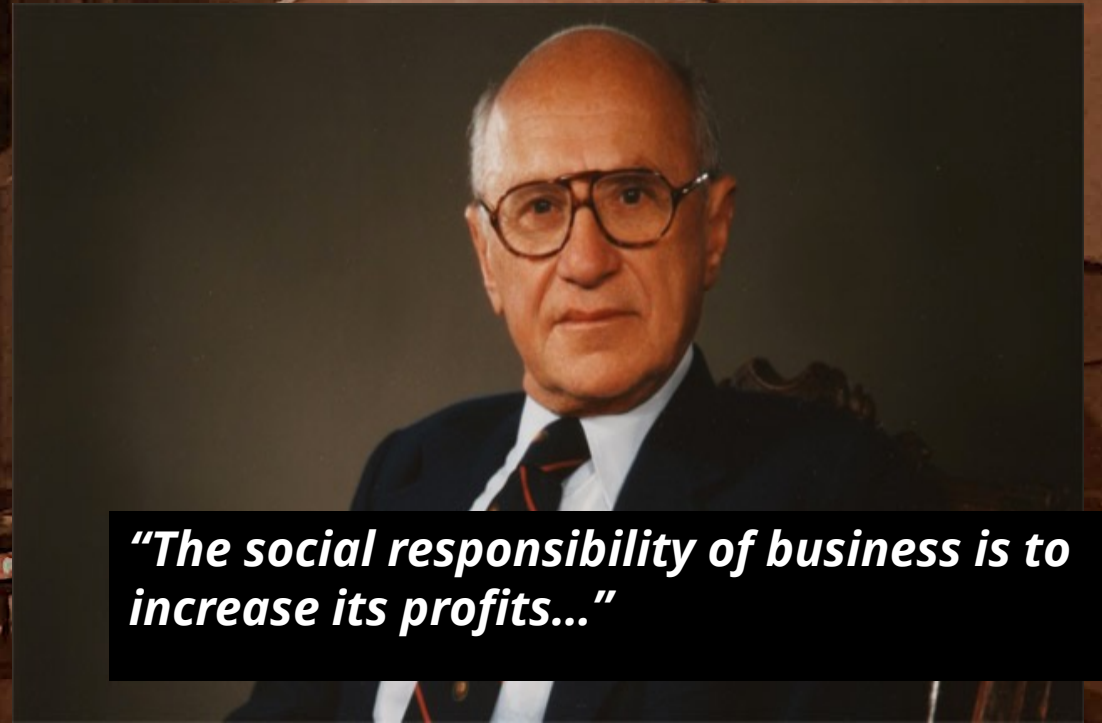




FINANCIAL

CRISIS

Capitalism needed a new narrative



"The social responsibility of business is to increase its profits..."


#1: Ensure management serves a higher purpose

- ***Maximising shareholder wealth... "inadequate", "insufficient", "not compelling"***
- ***Management must focus on "socially significant and noble goals"***

"Eliminate hierarchy", "Reduce fear", "expand diversity", "democratize information", "empower the renegades", "expand employee autonomy", "create internal markets for ideas, talent and resources", "depoliticize decision making", "unleash human imagination", "enable passion", "humanize the language and practice of business"

The
LEADER'S GUIDE
 to *Radical*
Management

REINVENTING the WORKPLACE
 for the 21ST CENTURY



How to Inspire Continuous Innovation, Deep Job Satisfaction & Client Delight


STEPHEN DENNING

AUTHOR OF The Secret Language of Leadership AND The Leader's Guide to Storytelling

McKinsey
 & Company

THE NEW YORK TIMES BESTSELLER

THE LEAN STARTUP



How Today's Entrepreneurs Use Continuous Innovation to Create Radically Successful Businesses

ERIC RIES

STEPHEN DENNING

THE AGE OF **AGILE**

How Smart Companies Are Transforming the Way Work Gets Done

Harvard Business Review

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 Joshua Kane, Erik L. Scott, and Scott Stern

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 Alison Wood Brooks and Leslie K. John

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 Combessia Rice and Amy Zagari



AGILE AT SCALE

HOW TO CREATE A TRULY FLEXIBLE ORGANIZATION

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Agile: adjusted to corporate priorities

- *Faster time to profit*

- *Short iterations*
- *Less BDUF*
- *Experiments*

- *War for talent*

- *Less top-down hierarchy*
- *Collaborative teams/work spaces*
- *“Empowerment”*
- *“Purpose”*

- *Digital channels*

- *Less headcount*
- *Digitisation = Profiling/Data broking*

- *Keep cutting costs*

- *Technology automation*
- *Job-shedding*
- *Outsourcing/offshoring*
- *Improve the bottom line*

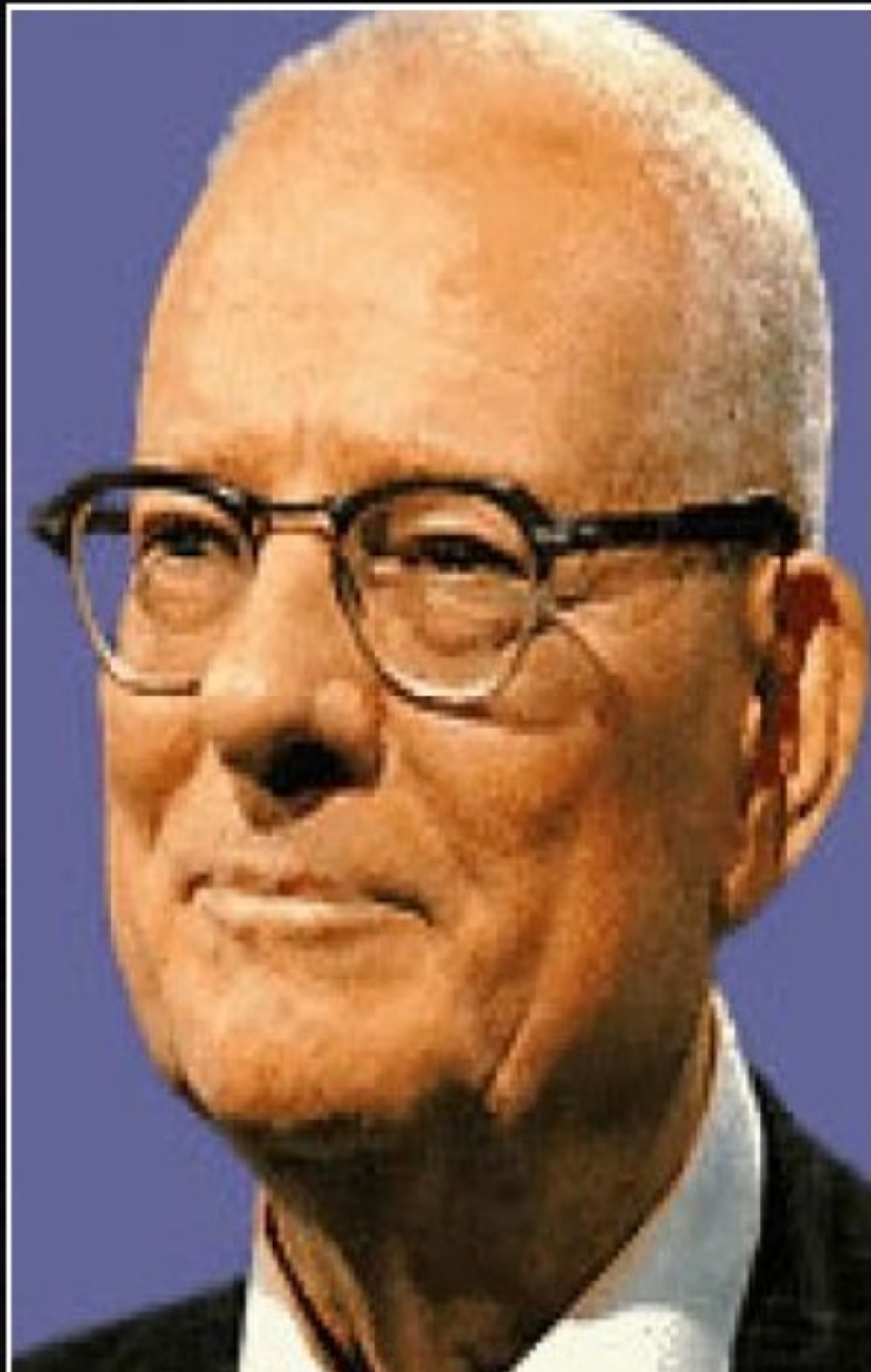


*Beyond terminology:
What we said and what management did*

- *Purpose*
- *One Metric that Matters*
- *Short iterations*
- *Focus on the customer*
- *Lean*
- *Less hierarchy*
- *More collaboration*
- *“Purpose-washing”*
- *Increase profit margins*
- *Faster, cheaper*
- *Profiling/privacy violation*
- *Cut costs, reduce headcount*
- *Lay off the “frozen middle”*
- *HR strategy*

Primacy of Profit

- *Capitalism 101: capital flows to where it can maximise returns*
- *Stock market quarterly expectations*
- *Senior executives' performance pay/stock*
- *Average CEO tenure < 5 years*
- *CEO innovation dilemma – 80% would pass on innovation*



A bad system will beat a good
person every time.

— *W. Edwards Deming* —

A photograph of a city street at dusk or dawn, with a warm, orange-brown color cast. Tall buildings line the street, and palm trees are visible on the left. A car is driving on the road, and a person is walking on the sidewalk. The text "That sucks." is overlaid in white, italicized font.

That sucks.

Is there an alternative?

A worldwide radicalisation every generation

- *European anti-monarchy revolutions, 1848*
- *Paris Commune, 1871*
- *World War 1 -> Russian Revolution, mass communist parties*
- *Great Depression, 1929-1939*
- *Post-WW2 colonial revolts, 1945-1975*
- *Chinese revolution, 1949 -> Nonaligned Movement*
- *Anti-Vietnam war movement, late 1960's*

We're overdue for the next one...

Changing views on socialism vs capitalism: US

Americans with a "somewhat" or "very" positive view of socialism

- 51% under 35*
- 47% under 50*
- 60% of blacks; 52% of Hispanics*
- 45% of all women*
- 65% of all Democrats/Lean Democratic*

Pew Research (June 2019) and CBS News (Sept 2020)

Resurgence of socialism in UK

- *Socialism is more popular than capitalism among under-45's*
- *67% of people under 35*
- *75% believe climate change is a "specifically capitalist problem"*
- *78% blame capitalism for Britain's housing problem*

CapX, August 2018 and Politics.co.uk (July 2021)

Australian millennials

- *58% were favourable to socialism*
- *A majority of all demographics were favourable, highest percentage was university educated (64%)*
- *59% thought "capitalism has failed"*
- *Highest % who thought "capitalism has failed" came from regional areas*

CIS/YouGov Galaxy Poll, June 2018



Smugmug
Dater
Feedster
favor
yako like
grouper
ODDPOST
agr
FireAnt
simply hired
veo
nkoo
standpoint
meebo
pix-gogo
DDA
SHOUTWIRE
iKarma
grovee
YouTube
Magniscent
Tailrank
TagWorld
nuvo
Lulu
oyogi

Escaping the bubble is hard

- *“Being determines consciousness”*
- *The 9.9%*
- *Spectatorship*
- *A meaningful life*



What Should Matter Most?

*Using your work/life
to help revolutionise the
human condition*

Not Charity!

Career?

Family?

NEW YORK TIMES BESTSELLER

WINNERS TAKE ALL

*The ELITE CHARADE of
CHANGING the WORLD*



"Trenchant, provocative and well-researched. . . . Read it and beware." —The Financial Times

ANAND GIRIDHARADAS

It will take revolutions to end:

- The rule of the 1%/inequality***
- The climate threat to life***
- Authoritarian governments/mass surveillance***
- The threat of a new world war***

***No ruling class in history has given up
without a fight.***

Who is up for it?

Interested?

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Thanks