

Where my ideas come from *continued*

aligned with a lot of ideas we stipulate in here. We cherry pick bits of it.

I watch the business channel on Sky News and read *The Australian Financial Review*, *The Age* and *The Australian* to get other peoples' opinions. Because I was appointed to this role so young [D'Amato is 34] I had to be a sponge ... it was obvious I didn't know everything.

I'm the type to spend the weekend blogging to clients. I'm so lucky to combine my passion into my work life. Our clients are successful people. I take lots of calls from them and will take criticism openly. One of the things I've learned from Tim is that Australians have a rather nasty habit: they won't tell you when they're upset. They just go, and we want them to stay. We encourage clients to tell us if they are unhappy and then we can provide a solution.

I have done everything from selling diamond rings to building houses and worked in many different industries. I know my experiences have been invaluable in career development and for a business. It's about building a team with diverse experiences. In the analysts' room, the majority of managers are female and there's a United Nations – that diversity has to do with my upbringing. I grew up with an Italian background in Coburg, which is multicultural. I love travelling and learning about other cultures – we're so different but so similar.

When I was diagnosed [with the brain tumour], you would think I would have researched the condition. But in times like that, ignorance is bliss. I did a bit of research and I didn't like the first sentence I read. I remember speaking to a nurse who said, "You'll be amazed the number of people we've treated who shouldn't have made it but did, and the number who should have and didn't."

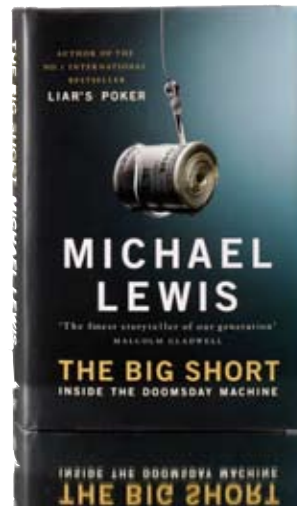
I didn't try to overload myself but had faith in the experts. I'd had a lot of vertigo attacks and was told it was an inner-ear problem. My approach to the diagnosis was I finally had an answer – just like the sharemarket hates uncertainty, then all of a sudden it starts to recover. So I finally had a solution and the means to get over it. It was nothing mystical.

In life in general I love my football and Carlton. One of the first lessons I learned was from a family friend when we were watching a game and I booed the opposition. The friend said, "Elio, never boo the opposition. You should cheer louder for your team." You never bag someone for their success.

Catherine Fox

BOOK REVIEWS by Mike Hanley

- Buy it, read it
- If you are interested
- If you must



- **THE BIG SHORT: Inside the doomsday machine**
Michael Lewis
Penguin Allen Lane
\$39.95
Kindle edition \$US11.99 (\$13.40) from Amazon.com

Readability ●●●
Usefulness ●

THIS BOOK is about credit default options on sub-prime mortgages. It is the measure of Michael Lewis's (*The Blind Side*) genius as a writer that he makes the world of the obscure derivative and global finance read like a Dickens novel.

It is poetry in prose, made all the more lively by the magnificent depiction of a brilliant cast of real-life characters.

Take Steve Eisman;

missing the gene that stops most of us from blurting out the first thing that comes into our heads, Eisman is a brilliant analyst who locked his team in a room with data from the US mortgage market and offer documents on sub-prime bonds until they understood what was going on.

Or Mike Burry, an autistic savant and former doctor who sat in his room reading prospectuses and securities documentation until he absolutely knew that the US housing market was going to collapse, spectacularly, sometime after 2005, taking vast swathes of Wall Street with it.

And Jamie Mai and Charlie Ledley, two 30-year-olds in a garage

who stumbled upon a formula for determining when the derivatives market had absurdly underpriced an asset and then started looking at sub-prime mortgages.

These folks not only saw what was coming, but also saw how they could profit from it – by taking a complex bet against the housing market. First, they had to convince Wall Street to take their money. Then, they couldn't believe their luck.

Again and again, each of these people kept confirming their hunch – that Wall Street was corrupt on an incomprehensible scale.

The Big Short is a masterpiece by a writer at the heart of the story of our generation and at the peak of his powers. Read it.

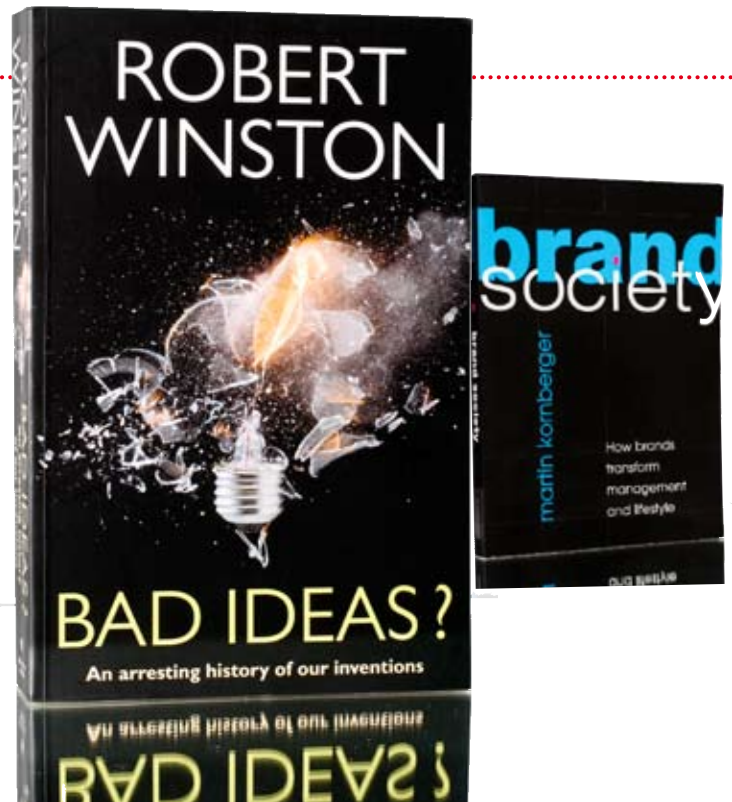
- **BAD IDEAS? An arresting history of our inventions**
Robert Winston
Random House Australia
\$35.00
Kindle edition \$US11.99 (\$13.40) from Amazon.com

Readability ●●●
Usefulness ●●

THERE'S NO such thing as a bad idea. So goes the banal cry from brainstormers everywhere – get the ideas out, don't censor yourself, we'll cut back later.

But the simple truth is – as anyone who's ever been in a brainstorming session will know – there is such a thing as a bad idea. Lots of them.

In fact, many of our best ideas actually turn out to be bad ideas in the end. Think of the



most glaring example: the nuclear bomb.

As Robert Oppenheimer saw his invention burst into the radiance of a thousand suns, he thought: "Now I am become Death, the destroyer of worlds". He helped bring the war in the Pacific to an end, but the world will forever struggle to force the nuclear threat back into Pandora's box.

Britain's Robert Winston has traced the history of invention and shown how those tools that have provided us with the greatest progress have

often come with the greatest unintended consequences.

The currency of business in the 21st century is ideas. But creating and disseminating ideas without seeking to understand their consequences, manage their risks, or explain them articulately and soberly to the public is accelerating humanity's extinction. Winston generates a Scientists' Manifesto that could, if adopted, wind down the dial on the hysteria surrounding science and its breakthroughs.

•• **BRAND SOCIETY**

Martin Kornberger
Cambridge University
Press
\$65.95

Readability ●●
Usefulness ●●

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THE ONE thing we do know about brands is that they matter. Beyond that, they are pretty mysterious.

We do know that in blind taste tests, most people prefer Pepsi, but, irritatingly for Pepsi, most people reach for Coke from the fridge. We know that we pay a thousand per cent

more for sunglasses and clothes labelled Armani. In a society based on consumption, brands have replaced religion as a source of meaning.

What we don't know is exactly why. As Martin Kornberger puts it: "Brands are a fact looking for a theory."

A philosopher by training, with five years as a founding director of "brand experience agency" PLAY, Kornberger brings a unique perspective and a swagful of obscure references. His theory is that brands are now the glue that binds

society's production and consumption spheres.

Take Dutch financial services company ING as an example. Like sugary fizz water, financial services are a commodity. Pretty much the only way to differentiate is through brand. For this group of disparate companies built by acquisition, the brand value that emerged to unite them was "easier" – as in easier for customers to deal with, easier to manage, easier to understand.

ING's head of branding, Ruud Polet,

says this simple value is now a shorthand that unites everything for the firm in terms of customer relationships, management, product development, marketing, operations – everything. This is easier?

The brand, in this view, is the DNA that holds the firm together and links it to its customers and suppliers.

There are numerous extremely insightful case studies in this book. It pays back the reader's intellectual effort in spades.

WHAT I'M WORKING ON

NICK PALOUSIS

Partner, the Shaper Group

I'M 29 years old. I received a future leadership award from the Australian Davos Connection (ADC) in 2008. At the 2009 ADC Future Summit, our firm was approached by the World Economic Forum to be a part of its sustainable consumption project.

We will be working on sustainability metrics to inform strategy. Many companies use global reporting initiative (GRI) indicators to measure and communicate sustainability performance. But [GRI indicators] don't show how a company can make money by doing business sustainably.

We're looking at the next level of metrics, which helps companies link sustainability to economic and business performance.

With many companies adopting sustainability agendas, the question that I always ask is: "Have you measured the return on investment?" Most say no.

Another mistake is that companies look at sustainability and automatically think: "Let's change our light bulbs, let's save some paper, let's go carbon neutral". All that stuff is nice and it's part of the picture, but if a business's sole objective is to make money, cut

costs or grow market share, then those changes don't matter squat. Sustainability should be like a lens that you look through to do business.

It should be about profiting, growing and succeeding, but by integrating environmental and social considerations to achieve those outcomes. In other words, if I'm going to raise my market share by 20 per cent, how do I use climate change, social issues or community awareness to achieve that?

Many aspects of sustainability excite me. The first is that it's meaningful. It also



changes the way a business perceives itself among its rivals – from being competitors to being collaborators. That doesn't mean holding hands and walking off into the

sunset, but it does mean working together. And it's challenging. I go by what I call the *MacGyver* principle. I've always liked *MacGyver*. Within one hour, including adverts,

he's got a chocolate bar wrapper and a Swiss Army knife and he has defused the atomic bomb. I'm a big fan of a big challenge. **Nick Palousis spoke to Jessica Gardner**

WHAT'S HAPPENING

JUNE



17

Vinnies CEO Sleepout. National. CEOs spend a night on the street to raise money for homeless services. ceosleepout.org.au

17-18

National PPP Summit. Melbourne. Address the role of public-private partnerships in future infrastructure. informa.com.au

JULY

14-25

Design:Made:Trade. Melbourne. Networking, workshops and trade shows as part of Victoria's Design Festival. stateofdesign.com.au/business-and-trade



20

The Mining Industry and Higher Education. Perth. Improve collaboration between academia and industry for mines of the future. www.bhert.com

29-30

Women, Management and Work Conference. Sydney. Speakers include AIG chief Heather Ridout and Minister for Status of Women, Tanya Plibersek. Imsf.mq.edu.au/wmwc

AUGUST
5-6

23-25

Better Boards Conference. Sydney. Governance development for non-profit boards. betterboards.net

Australian Economic Forum. Sydney. Nobel Prize laureate professor Joseph Stiglitz, business leaders, academics and government officials discuss economic strategy. australianeconomicforum.com.au

Email conference submissions to boss@ afr.com.au

PODS, BLOGS ETC

PRODUCT KARMA

This latest incarnation of social media adds a little colour to the branding game

SOCIAL MEDIA has overtaken pornography as the number one activity on the internet. If Facebook were a country, and its users its citizens, it would be the world's fourth largest. Social media, in fact, is another country. The difference being that you can't choose where you were born, but you can choose what social media you use.

It stands to reason therefore, that if you want to change the world, social media is the modern place to start. Active social media users may have noticed recently an acceleration in the number of "groups" they've been asked to join, from local rugby fan pages through to Free Tibet and Boycott Nestle.

But Craig Davis, chief creative officer of Publicis

Mojo Australia, has taken the concept a step further, building – in his own time and with his own money – a social media site dedicated to gathering the collective wisdom on the "goodness" – or not – of brands.

"People understand that their purchase decisions have consequences, and they want to do the right thing – if only they knew where to start," he says. His website aims to help.

Brand Karma (www.brandkarma.com) does everything that other social media sites do – its users create a profile, attract friendships and carry on conversations with other members – but at this website, it is all brand-centric.

For instance, you may love Google but hate

Shell, and thus become a lover and hater, respectively, of those brands. You can rate each brand against five criteria: planet, customers, employees, suppliers and investors. The aggregate rating for the label along each of these five axes generates a "brand flower", the colour and shape of which provide instant feedback on the crowd's opinion of that brand's "karma".

There are, no doubt, plenty of consumers out there with time and energy to chatter away about their chosen brands and rate them. We'll have to wait and see if this kind of thing ends up changing the world for the better.

Mike Hanley