

Massey University Graduation Address:

Delivered by Ruth Richardson

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This graduation address was conceived on a cross-trainer in San Francisco last week, crafted on the return flight home listening to Fat Freddy's Drop as loud as the volume would allow, and committed to print in Sydney. The title of their hit CD "Based on a True Story" gives you something of a clue to my address to you today.

By my reckoning there are three great causes in life:

- Nation building
- Business building
- and the rock on which both are founded – personal and family well-being

Graduation is a time to salute you as individuals for your personal aspiration and achievement. However the honours, in truth, need to be shared with your families who proudly parade today to bathe in your reflected glory.

My family knows the feeling: of my parents' ten grandchildren, three study at Massey, two at Canterbury, two at Otago, one is a graduate of Lincoln and the youngest finishes at Palmerston Boys High this year. The one farmer would say that some-one has to dag the sheep to pay for all of this!

The keys to personal well-being are pretty evident to me:

- know your body and soul
- exercise well
- read widely
- set your compass, and stick by it
- be passionate and engaged
- celebrate the unique talent that is you
- refuse to accept barriers and boundaries that stand between you and your potential.

If I was to put this code to music I would treat you to a blast of Midnight Oil – “The Power and the Passion”

Playing out that code for me involves a life something like this:

1. The most important meeting you have every day is with yourself - take an hour each day to exercise. This morning for me it was at the Lido, yesterday a bike-ride in Canterbury and tomorrow a run in Wellington, before I finish on Friday in the pool in Napier.

2. Every day I read the Wall Street Journal, the Financial Times and the NZ Herald. Sadly my local newspaper is typically only good for coverage of the Crusaders, with much of the rest of the content devoted to lurid and detailed crime reporting.

Every week I read The Economist, and at all times a wide range of books to feed my mind and soul.

We need to see ourselves as perpetual students.
Reading is our window on the world.

Know that world both near and far.

Every serious Kiwi should be conversant with all things Australian – and that means much more than knowing the results of the weekend rugby codes.

So do expand your reading beyond the Sports Section.
The World Section is where it is at.

Understand why some countries are competitive and others complacent. Learn why some become catastrophic, and register who are the comers – I refer to the rise of the so-called BRIC's; Brazil, Russia, India and China.

Travel there, get to know their people and distinctive cultures.

Be struck, as I frequently am, at the difference between those who are in love with their past, and those who are in love with their future.

3. Our philosophical and moral compass is a crucial part of our DNA – who we are, what matters.

Philosophically I have never entertained magnetic North - where the needle shifts each year, with the temper of the times as it were.

True North it is for me - a steadfast commitment to the idea of freedom to be celebrated in all its forms; economic, political and personal.

With that freedom goes the assumption of personal responsibility, civic duty and burden sharing to preserve that freedom.

On the moral front I will venture to go where angels fear to tread in these PC days.

I make no apology for my advocacy of the Paradise Duck code; when choosing your mate, expect it to be for life.

The disintegration and dysfunction of too many families is as distressing to me, as it is destructive of personal, let alone societal well-being.

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This is a business school graduation, so permit me to impart something of my business code.

For the last decade I have primarily been involved in business building at the corporate governance level.

My Board responsibilities take me from the IT and Dairy entrepreneurs of Canterbury, to the best grape growing valleys of Marlborough, to the shiny pants of private equity in the Viaduct Basin, to the tough business of wealth creation in often troubled (un)Pacific, to the much regulated world of public company listed on the NASDAQ in the USA, and to the new corporate home of CCC, the Middle East and Manchester.

My generic observation is that business building is a function of the successful combination of human and organisational capital.

Today you reach another milestone in the continuous process of building your own human capital. You have a piece of paper to prove it!

So let me turn for a moment to its business twin – organisational capital.

Oodles of business gurus, a multitude of management books, let alone your lecturers indulging both their preferences and their prejudices, have much to say on the subject.

For my money, and I endeavour to take an economic stake in every company of which I am a director so I have the proverbial 'skin on the line', here is what others say that strikes me as true about the world of business.

I always pay a lot of attention to those who speak from experience.

Rupert Murdoch is one of the biggest business 'noises' originating from Downunder.

Recently he gave the annual Livery Lecture to The Worshipful Company of Stationers and Newspaper Makers in London (only the Brits could invent a title for an outfit like that!).

His address was entitled "Embrace Change or Die".

He spoke of the daunting challenge of the pace of technological change in these terms:

"The scientific revolution that began 300 years ago in Europe has accelerated exponentially, spreading knowledge at a speed that will, I believe, change our way of life.

It is difficult, even dangerous, to underestimate the huge changes this revolution will bring or the power of developing technologies to build and destroy – not just companies, but whole countries."

Murdoch concluded optimistically that "whatever our fears, we actually live in a second age of discovery"

Discovery and search these days is synonymous with Google.

The Wall Street Journal last week carried an excellent article entitled "Management a la Google" by Gary Hamel, one of those well-known gurus.

"The ultimate test of any management team is not how fast it can grow the company in the short term, but how consistently it can grow it over the long term.

In a world where change is relentless and seditious, this demands a capacity for rapid strategic adaptation. What matters today is not a company's competitive advantage at a point in time, but its evolutionary advantage over time" he wrote.

Hamel went on to identify four risk factors that so often erode an organization's evolutionary potential. Risk factor #1 he identified as a narrow or orthodox business definition that limits the scope of innovation.

There we have the philosophical touchstone again – at the heart of the matter is the individual, and my contention that success at every level comes when there is respect for the innate ability of the individual to make inspired choices, to innovate and to take responsibility.

It is important not to fall prey to what Hayek (a special philosopher to me) terms "The Fatal Conceit" - the assumption that the State knows best. Or indeed that the shiny suits in a traditional monolithic corporation know best. Sam Morgan did it by himself; TradeMe was not a product of a government subsidy, an incentive or a misconceived attempt by a Minister to pick a winner!

Hamel's showcases Google as an excellent contemporary example of building the right kind of organisational capital. He writes that Google is organised like the internet itself: tightly connected, flat and meritocratic. Control he says, is "more peer-to-peer than manager-to-minions".

So all power to you as peers as you enter this rapidly transforming business world – who in their right mind ever aspired to be a minion anyway!

Last, let me share with you what I think is really hot in the business book line – it's entitled "Results" and written by two American authors Gary Neilson and Bruce Pasternack, who both hail from the consultancy firm Booz Allen Hamilton. No guesses for how I tracked the book down - the January 21 edition of 'The Economist'.

They speak of organisational DNA, with four key building blocks – decision rights, information, motivators, and structure.

Let me briefly explain those four terms in case they get lost in translation.

Decision rights means responsible autonomy.

Information means efficient information flows to promote effective decision-making.

Motivators encompasses all levers, not just the financial ones - compensation yes, but recognition, promotion and attention as well.

And structure, while not the “secret sauce” of organisational success, does matter. The trick is to make sure that structure follows strategy, not vice versa.

I don't intend that this become just another business lecture - you are through with all of that and about to do the real thing, if not already in that mode.

What I do suggest is that family and friends be persuaded to buy you this book as a graduation present. It is a gem because it rings so true - definitely worth a read.

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So let me bring this speech in celebration of your success to a close.

You will all be relieved to know that I am not going to traverse on this occasion my third great cause of nation-building; that truly would risk losing my audience!

Suffice it to say, I have always thought it better to be a player than a spectator.

I don't just challenge you, but expect you, to make a difference, to New Zealand's prospects.

Don't short-change yourselves or this special and stunning country.

We individually and collectively have so much untapped potential.

It has been an honour to be invited to make this address as you graduate and I have relished the chance through a pretty personal lens to speak to you about what might be accomplished if you put your now trained mind to it.