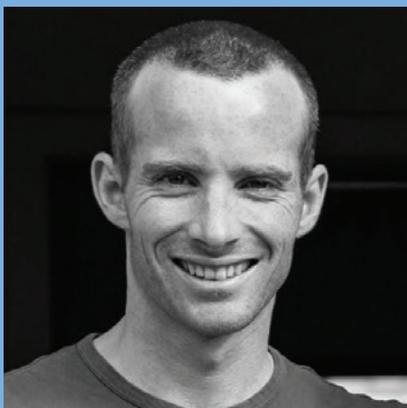


THE TALENT THING

SAM MORGAN



I first met Sir Paul Callaghan at the *StrategyNZ* workshop organised by the McGuinness Institute in March 2011; I was one of the speakers who followed Sir Paul's keynote address. He was a hard act to follow.

I loved the simplicity of Sir Paul's ideas, and the way he talked of a 'New Zealand where talent wants to live'. Finally, something clicked and made sense among the collective angsting about New Zealand's future that I had seen drifting into my inbox over the years. Before Paul talked about 'talent' the thinking all seemed so top-down and

abstract, so esoteric and disconnected from what I was personally seeing and doing. He just cut through all the fluff. Of course it is about the talent, I thought, because those are the people who get shit done or, as Paul put it, do the 'weird stuff' that creates value. A prerequisite for changing things is an understanding of how things actually are in the first place. While Paul was best known as a scientist, he also understood something of economics and the rough and tumble of business – about risk, opportunity and the necessity of earning your keep in the world outside the laboratory.

Paul chose to talk in a way that allowed for a degree of personal interpretation. *A place where talent wants to live* can be interpreted as anything from the environmental (clean rivers for 'talent' to swim in) through to ensuring we have world-class food, entertainment and cultural attractions to entertain the 'talent' or enough bandwidth to connect them to the wider world.

My own interpretation of the world as it is, vis-a-vis 'talent', is as follows:

Talent is in demand. Talent can leave New Zealand whenever they want (but they quite like it here). Capital, goods and services can enter or leave New Zealand quickly and easily. Billion-dollar companies can be built in a few years with technology that didn't even exist a couple of years ago. Niches are being redefined and companies built in a way that previously wasn't even possible. Standards are being defined and fought over in everything. Platforms are being built. The friction of doing stuff anywhere in the world is going away. Information asymmetries are dropping away. Everything is much, much faster. Everyone is specialising, but the generalists are the ones capturing the value. We're all connected now, and the world is just a plane ride away. If you want to compete you had better be good at what you do.

While this brain-dump may be a bit 'Silicon Valley', industries everywhere are being turned on their heads by the mega-trends of the globalisation of markets, finance, technology, communications and talent. Ten years ago there was no Facebook or iPhone. Today, the fastest-selling luxury car in California is battery powered and has a 17-inch touch-screen and 3G mobile network built in. Lost your car? There's an app for that. And no carbon emissions. Wow.

mid-sized city. We're actually pretty easy to get to for most of Australia, Asia and California. And it's easy for us to go do business overseas and then come back and do real work.

The 'brain drain' is the wrong way to think. It suggests we are victims of fate. Brains are actually draining from everywhere to everywhere else. If just 1% of the smartest people in the world decided to live here and another 1% decided to come here regularly,

The capital markets here can only do so much – we need to back ourselves to go and raise smart money elsewhere to help grow our ideas – wherever in the world the smart money happens to be. (Tip: talent knows where this money is hiding and how to get it.)

We need to build on our natural competitive advantages – our environment, our lack of corruption, our smart and honest approach to business, our transparent and conventional approach to governance, our lifestyle, our general compatibility with the wealthier parts of the world. Most of the world's talent hotspots are in bleak winter when we are enjoying our summer – that must be used to our advantage too. New Zealanders are great generalists. We are widely liked. We can make things happen and are natural networkers.

We can all do our bit. We need to get out there in the world and learn and come back with a talented friend in a suitcase. We can do this.

Sir Paul Callaghan knew that building value based on 'weird stuff' is a bit messy and that success favours the brave. He knew about the importance of connectivity, and of creating some momentum by getting us thinking about talent rather than 'brain drains' or GDP per capita. He knew that it is only by being valuable to others that we increase our own prospects.

By nurturing the talent we have and by ensuring we are *a place where talent wants to live* we can realise Sir Paul's vision and make sure New Zealand has the prosperity we know is ours for the taking.

So what are you waiting for?

I THINK THE PRIZE IS TO HAVE NEW ZEALAND AS A MEANINGFUL NODE IN THE GLOBAL NETWORK OF PLACES WHERE TALENT GOES TO GET STUFF DONE

So what does this all mean for New Zealand? How do we get more and more relevant rather than less and less so?

I think the prize is to have New Zealand as a meaningful node in the global network of places where talent goes to get stuff done. This varies by industry and opportunity. Alongside New York, San Francisco, London, Sydney, Austin, Singapore, Shanghai, Hong Kong and many others should sit New Zealand. We're obviously not just one city, but our population is similar to that of a

we would be pretty sorted – and that sounds quite achievable. But to achieve that, a lot more than 1% of our most talented need to get on a plane and go and make some noise. We all need to do more of this.

We need to get a big conveyor going where talent leaves and then comes back, where we pull great management in from abroad to help us grow our companies and develop our greatest opportunities. We need to partner with our complements.