

BIG BANG THEORY, WINE, FOOTBALL.... AND CREATING VALUE IN TECHNOLOGY

Presented by:

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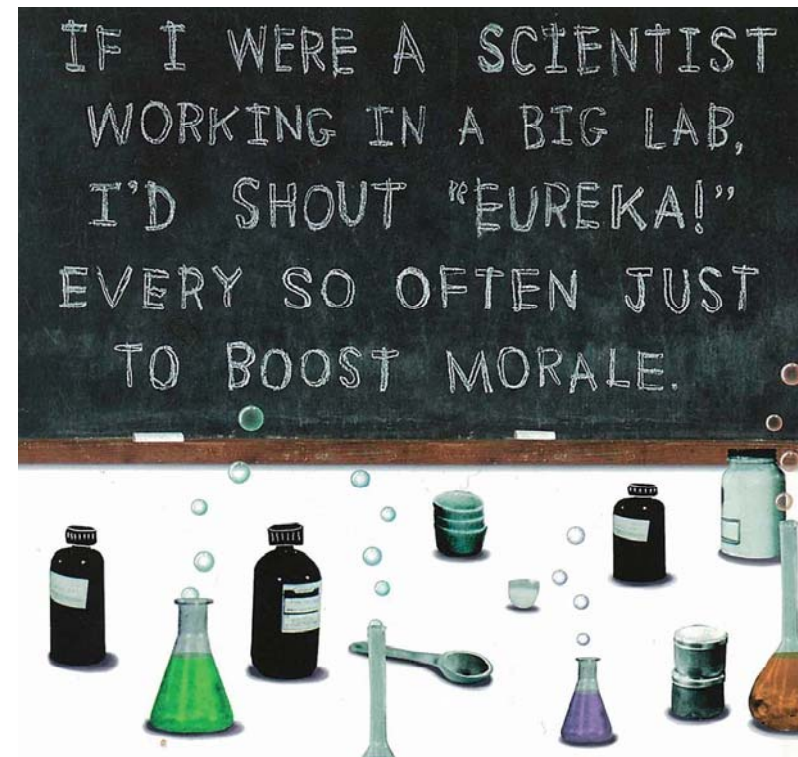
Lesson on Entropy

- **Every system tends towards a state of minimum energy (Enthalpy) and maximum randomness (Entropy).**
- In simple terms, that means that you do not get something out of nothing and you do not get order out of chaos. Rather, you get nothing but more chaos, more randomness.
- Every system becomes randomly disorganised and will not get any 'smarter', but rather 'dumber', the energy will minimise, energy dissipates to the lowest most random form possible.
- In developing value in a technology, there are numerous commercial random variables, many of which go ignored for long periods of time.
- Recognising the natural progression from order to disorder, and dealing with it robustly will lead to a greater chance of success and hence greater value.



The Point of Singularity

- The universe has been expanding, and evolving since the single instant of the Big Bang.
- Whilst maximum order existed the moment before the big bang, the point of singularity, order nonetheless has come out of chaos– solar systems, planets, life forms, and so on.
- Commercialisation of a technology begins the moment after Eureka!
- Recognising entropy in and managing the commercialisation process from the point of singularity has a greater chance of reducing risk, creating order and, more importantly, increasing value.



Château Pétrus

- 28 acre vineyard located in Pomerol owned and operated by the Moueix family since 1964.
- Produces, on average, only 2,500 cases per year and each bottle sells for over AUD2,000.
- Competes against 12,000 other produces in Bordeaux alone.
- Nature imposes the need for a robust commercialisation process.

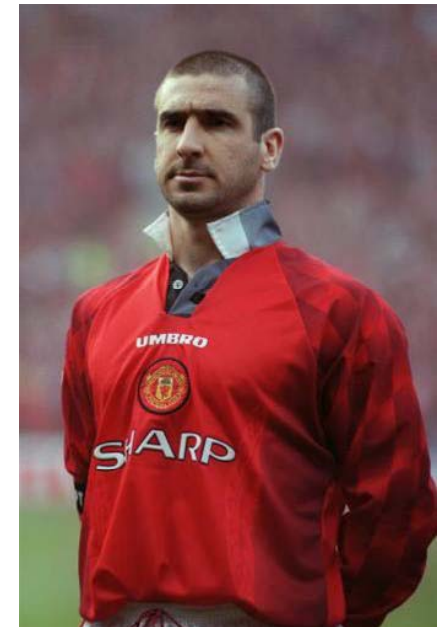
“More important than the food pairing is the person with whom you drink the wine.” - Christian Moueix



Manchester United

- 22 major honours since Alex Ferguson became manager in 1986.
- Reigning English Champions and Club World Cup Holders.
- Highest average attendance for all but six seasons since 1964-65.
- Currently ranked as the richest and most valuable club in any sport, estimated value of £897 million.

“Decision making is not done for me and not done for you; it’s done for the club.” - Sir Alex Ferguson



Robust Commercialisation & Value Creation



- Recognise that everything post the singularity of concept, is the commercialisation process, not scientific or technical. A technology or product will not simply walk out of the door.
- Seek order from the Eureka chaos by acutely compressing the risk profile.
- Invest as much in the people that manage and execute the commercial process as you do in the technology or product itself.

Robust Commercialisation & Value Creation



- Have a TOBASH Q policy in place and implement it.
- Decisions are not made for the inventor or the scientist, or even for the CEO or the Board, but in the interests of the 'get to market' strategy and creating value.
- Value has a cheque attached to it.

The Inter-Connectedness of Everything

- A valuable investment is a beautiful thing.

So is:

- Being a part of the Big Bang;
- A bottle of Petrus; and
- Football.