

A FEW NOTES THAT MAY BE OF INTEREST

Over the last six years, Pita has attended six conferences and seminars in New Zealand, Australia and USA listening to good speakers talking about business and future issues - all experts in their own field - the following are Pita's collections of notes in no particular sequence arising from these addresses which just happened to surface from our recent office shift.

- (1) A person or a country who have been through a serious crisis of their own making will have it happen again - and maybe again – the worst lies are the ones you tell yourself.
- (2) Several speakers said there were definitely some climate changes but they did not want any questions as to whether these changes were man made or god made - there was loud applause at Dallas when this statement was made by one speaker.
- (3) The higher up the tree people get in their profession or industry, the more black and white they seemed to become on key issues – but the more you accept responsibility the more you change yourself positively.
- (4) Don't get 'yes people' at your shoulder - long term, a difficult person at your shoulder who thinks well, listens well and has a reasonable sense of humour is more use and more fun.
- (5) If you cannot delegate well, then you create your own low ceiling.
- (6) Cold, fresh, pure water for sale in a small bottle is surprisingly expensive.
- (7) The USA has only 5 million sheep but just on 100 million beef and dairy cattle and 325 million people.
- (8) People want to immigrate to the USA but not many emigrate from the USA - Mr Trump is not the only one building walls - there are 77 other walls and big fences between countries around the world.
- (9) Approximately 11% of the world (795 million people) is undernourished with about 40% of the world's adult population being overweight - this is very noticeable in America.
- (10) Washing your hands on a regular basis is one of the best personal health issues you can action.
- (11) It is estimated that around the world right now there are some 400 million children who are not mastering basic mathematics and literacy while at school - you don't have to look very hard in New Zealand and you will see we have some of them – the spoken comment was that it is our fault, not theirs.
- (12) The world's oceans absorb about 26% of the earths carbon dioxide - plants absorb around 28% and the atmosphere absorbs the balance of 46%.
- (13) Many speakers commented about inequality of income and inequality of assets around the world - I remember one speaker saying the owner of any business who is running it well and paying its employees well needs an overall return of five to 15 times the average employee remuneration in that business - there was lots of questions to this speaker, some quite strong and annoyed, but I felt he made a good point and handled the questions well - the USA figures are miles higher than this but New Zealand would probably be inside this bracket.
- (14) Get the purchase price right - there needs to be one sleep between agreeing and signing.

- (15) If you can't see quality in something, let someone else have the joy.
- (16) Religion has created probably more problems around the world than it has solved.
- (17) Everybody undervalues their own time - badly.
- (18) Risk equals rewards or regret - 50/50 is nothing like good enough - calculated risk must look 80% to say yes.
- (19) Relationships are important - you can't do all the work yourself – people tend to spread themselves too wide.
- (20) When you are really, really annoyed about something, don't count to ten before you say anything - count to 50.
- (21) The world has a lot of negative people - that's life, but let them be - they will be no use to you.
- (22) The customer is not always right - but the price is not always right either.
- (23) In business attack is often the best defence, but not inside the house.
- (24) You need to be 10% above your industry benchmark.
- (25) Losses manage themselves - stop losses early.
- (26) Businesses tend to underpay their top performers and overpay their bottom performers.
- (27) If you can't explain something on two sides of an A4 page, then you don't understand it well enough.
- (28) The world will need, within 30 years, apparently 50% - 60% more food of a higher quality but with less land, less water, less fertiliser and less environmental damage - at two conferences, this point was raised - the feeling was that, yes, it was possible, but the costs would be higher and the food price would need to be higher and about 30% of the world would not be able to pay for it.
- (29) The worldwide crop yields have only increased by around 1% a year for the last 20 years.
- (30) The world's population longevity in many countries is increasing at about a month a year - several senior financial advisors in the USA said if a couple got to 70 years old then at least one of them should get on average to 93 years - many people in New Zealand will need to work quite a lot longer beyond 65 years of age - the combined gross New Zealand Superannuation at present is around \$36,000 - say, \$30,000 after tax - a New Zealand couple, even with a freehold house, will really struggle to live on \$30,000 - their annual rates and insurance bill will be of the order of \$5,000 - \$7,000.
- (31) Take pictures when things are going well.
- (32) In New Zealand, we call it 'iron disease' - in other countries it tends to be called 'man plant disease'.
- (33) Often optimal is more important than maximum.
- (34) Pay tax and build wealth. An even better result is Government reducing tax and increasing everybody's wealth.
- (35) At the bottom of your business cycle, there are usually much more opportunities than at the top of your cycle.
- (36) Ask the top operators the 'what if' questions.
- (37) Sometimes face to face is the only way – doing nothing can sometimes be a good option and decision but mostly it just leads to more and more problems.
- (38) Lead from the front - you are the key member of the team.
- (39) Debt is like rust - don't let it be on its own.
- (40) Working in your office should be worth ten times what you would be worth on the factory floor.
- (41) Losses create disharmony - profits can create loose decisions.

- (42) Good cashflow is always good, but it is not wealth at that point.
- (43) Don't spend a lot of time cutting the cake - expand the cake.
- (44) Practice saying no as gently as possible.
- (45) What appreciates in your business and what depreciates?
- (46) Listen to your colleagues and neighbours even if you don't agree with them - include spouses and children in this group.
- (47) The words 'fake beef' and 'fake milk' cropped up quite a lot - I came away thinking that both will grow their market share but for New Zealand the answer was about quality and marketing - the point was made in the USA seminars that about 10% of American consumers were not too worried about price - they wanted quality and key products – the feeling though was that for the future, more crop and less protein would be the key.
- (48) Education issues cropped up often - we need to concentrate hard on New Zealand education which in the main we are doing - young adults without skills will compete with robots and the internet and they will lose - this comment was made a number of times.
- (49) I can remember two good speakers saying at the outset that they wanted to concentrate on 90% of the population regarding jobs, education and the future - they were careful how they worded it but they felt government needs to focus on poverty, lack of skills and people with unfortunate health etc.
- (50) Several speakers talked about 'spending money by helicopter' to get cash across to 100% of the country's population to help cope with the inequality of income issue - both Switzerland and Finland have had a good look at this but have backed away at this point. This seemed incredible to me but right now this inequality of income and inequality of assets is causing significant and serious civil unrest in about six countries around the world - the present USA election planning is pushing this issue also.
- (51) There are around the world some 15,906 desalination plants creating fresh water from salt water. The energy costs though are enormous as was mentioned many times - this desalination issue does not look as though it will ever be financially sensible for farm irrigators - it is a process to supply cities and towns with fresh water - end of story - the desalination process also acts against climate control issues – desalination plants that can operate with wind, solar and tides may have more and more of a place.
- (52) At present in many countries, around 70% of the available fresh water is being applied in agriculture - this applies in California, India and significant parts of Africa - the highest court in the land in each country is going to have to get involved in this issue - there will be more wars between countries and significant civil unrest regarding fresh water.
- (53) Many parts of Africa are going to have a food problem within 20 - 30 years - they are not growing enough for their population increase and they can't afford to purchase it from other countries - this point surfaced at four of these conference seminars.
- (54) The risk of global conflict was a risk and concern by many speakers - some close to 2% of many countries' gross income was meant to be spent on their defence - an enormous financial sum achieving very little.
- (55) The New Zealand family average health annual insurance cost is probably around \$3,000 - \$4,000 per year - the family figure in the USA is about three times this - rising health insurance costs are getting really serious in the USA - right now they are the biggest single cost increase each year for a New Zealand family - this issue cropped up with many speakers - many people around the world have no insurance cover of any kind - we feel the 85% potential surgery cover insurance is always worthwhile but you pay everything else from normal going.
- (56) The Netherlands is by far the most advanced country regarding sea water flooding, tides and how to cope with it - there is a major delegation from countries around the world to the Netherlands every fortnight to learn how they have coped with flooding and protecting land below sea level.
- (57) Tourists are very important for many countries but big numbers can be a pain as well - Venice is heading for serious problems - tourism and immigration will more and more become a potential issue.
- (58) Sea water expands as it warms - if nothing else, this will bring about increases in the sea level - Miami is dealing with this right now - it will tend to be the effect of very high tides that we will read about first.

- (59) Several very knowledgeable speakers spoke strongly about the overall benefits of GM (Genetically Modified seeds/plants etc) but several other speakers were against the concept - it seemed to depend whether you were deep in science or deep in business.
- (60) Quite a number of speakers were against trying to look 50 - 100 years out - the more on the ground one seemed to be, the shorter their future time frame - politicians simply want to stay in power or get into power - not too many politicians really get much deeper than 5-10 years out – only statemen think beyond their lifetime.
- (61) A speaker who had spent time in Mumbai (India) talked about the enormous number of slum dwellers being flooded several times a year with unbelievable effects - the speaker said moving the whole city inland looked the only solution – 18.41 million people – several speakers very diplomatically said the world already has enough people.
- (62) Several speakers talked about the increasing insurance costs in many areas of low lying property near the coast - several speakers said that insurance companies and local councils will set the agenda in many areas and countries.
- (63) A speaker from the UN Food and Agriculture said that at present, more than 50% of all human calories came from rice, maize and wheat - this speaker said there were about 5,500 different varieties of edible plants but the world only really concentrates on a very narrow selection.
- (64) Several speakers referred to vegetable based diets versus meat based diets - they mentioned that many people in America have some meat at every meal - there was talk also about being aware of how far in food miles your food has to travel.
- (65) Pita's son, Paul, keeps hammering us about less is more - a successful businessman speaker in Canberra employing a lot of people said less is more - within reason, he said, the less you do the better you will do it – and it should mean you won't complicate things.
- (66) Several speakers said the real crunch will come if we start seeing glaciers melting - 50% of Asia's population depends upon water from Himalayan glaciers.
- (67) I remember one speaker saying that there is real irony in climate change in that about 25% of all greenhouse gas emissions come worldwide from agriculture, but agriculture will be more critical than ever with another 2 - 3 billion people.
- (68) There was a lot of talk about 30% of the world's food being wasted, apparently almost 60% of the world's land is farmed for beef, yet beef only supplies 2% of the calories the humans consume. American beef, though, eats much less grass than New Zealand beef - it mainly eats maize in the last 120 days of its life - several speakers talked about a tax on red meat.
- (69) A younger speaker from Europe said the six concerns in descending order that younger people had in his opinion were:
- Climate change;
 - Larger scale conflicts;
 - Inequality of income;
 - Poverty;
 - Religious conflict;
 - Government accountability and transparency.
- (70) The phrase 'lack of fresh water' surfaced probably 50 times - we, in New Zealand, need to store fresh water more than we are doing - with some countries, the evaporation loss with storing water was an issue.
- (71) Many speakers referred to the main issue is to increase the productivity of agriculture - in a sustainable manner - what they didn't say at the same time is that by choice they wanted this to happen:
- With less land;
 - With less fertiliser;
 - With less water;
 - With less chemicals;
 - And at an acceptable price.

To me, this opening phrase was not answered well - they also want this to all take place by 2050, that is 30 years - several large scale farmers in my seating vicinity thought this would be very, very hard to achieve – and so do I.

- (72) There was reference to enormous tracts of land being purchased by mainly Asian countries in Africa - the feeling, though, was that this was more a farm-to-plate home base integration issue rather than for the good of African people as a whole.
- (73) One speaker spoke about the number of people in America living paycheck to paycheck - pay day loans were big business and very expensive for the borrower - even the smallest town in America has several pay day shops that I have seen long queues at - seemingly on a Thursday afternoon - I saw one pay day shop in Mississippi open from 6.00 am to 10.00 pm for six days a week.
- (74) Very few of the speakers provided written notes - I suppose we were meant to remember those five to ten key issues - it is still surprising how many cellphones go off for a few seconds during an address - probably we have all done it.
- (75) A Banker in Dallas said corruption is all around us – usually it is invisible, often it is very clever and you usually don't recover even the overall costs of the investigation.
- (76) If you can't sell it and you can't eat it – then what is the Business model – the speaker was a well known Liquidator.
- (77) One speaker said he didn't learn much at school but he learnt an enormous amount from his first major business loss - and still woke up at night thinking about it.
- (78) If you are a good decision maker at 25 years of age it will probably last forever – if you are a poor business decision maker at 25 years of age it will definitely last forever.
- (79) Never have any doubt - pay yourself first - a comment from the summing up by a good local chairman.



Pita Alexander
PS Alexander & Associates Limited
DDI: 03 364 9330
M: 021 465 426
E: pita@alexanders.net.nz



Alister Stevenson
PS Alexander & Associates Limited
DDI: 03 364 9332
M: 021 843 820
E: alister@alexanders.net.nz



Karen Prue
PS Alexander & Associates Limited
DDI: 03 364 9344
M: 027 535 3191
E: karen@alexanders.net.nz

5 December 2019