

Backwater to the Future

**Craig Davis – Keynote to Caxtons, Noosa
October 23 2009**



Hi everyone. It's great to be here.

As you may have heard, I've been the butt of a few backwater jokes in the last week or so. My letter to Sir Martin Sorrell has turned into a bit of a transmedia conversation. I'm actually relieved to be hiding out up here in Noosa, putting off the inevitable Sorrell slap that I'm sure is coming down the pipe.

Seriously, I'm speaking to you today as a true believer in our backwater, and as an advocate for our industry.

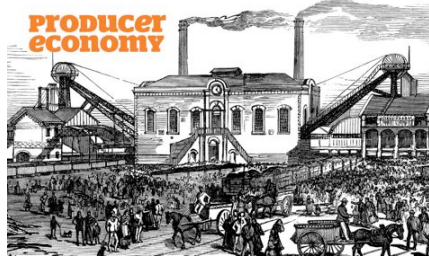
And I truly believe in the power of this thing we do, in this thing called Creativity and in its central importance – way beyond being a differentiator in our industry.

I'm talking about Creativity as a restorative and rebalancing force in the world.

Truly creative thinking has never been more relevant, nor more critical, than it is right now.

Paul Saffo, director of the Institute for the Future, describes the era we've entered, post GFC, as the third tectonic shift in the economic continuum.

He lays out the shifts - from Producer Economy...



.. to Consumer Economy



.. to Creator Economy.



1900



1950



2009

manufacturing based
efficiency focused
worker as central actor
birth of brands

post-war over-abundance of goods
demand vs. production problem
consumer as central actor
rise of TV; mass media emerges

financial crisis
interactivity led
central actor
consumes & produces
simultaneously



Examples of Consumer access to/ use of Creator tools

- In 1991 a 1.3MG camera was \$13,000 – it's now free with most mobile phones
- 1 billion iPhone apps downloaded in the last 9 months
- 2 trillion tweets have been sent to date - that's 9,000 per second..
- In 2007, 8000 hours of video was uploaded everyday onto Youtube
- Now it's 29,000 hours per day - the equivalent of 604 full length Hollywood movies every hour, every day

So what is the role of our industry in this new Creator Economy, one where Creators are ordinary people whose everyday actions create value?

Where there is almost universal access to information, communication, and creative tools?

Where everyone with a desktop or laptop or mobile, as Joe Talcott said in Sydney the other day, is a publisher?

I don't claim to be a futurist, and I don't have the answer, but it's pretty clear to me that we can't just sit around to find out.



Simply put, we have to create the answer for ourselves. We have to design our own destiny – one that is in sync with where we are as human beings, and with where we are going as a race.

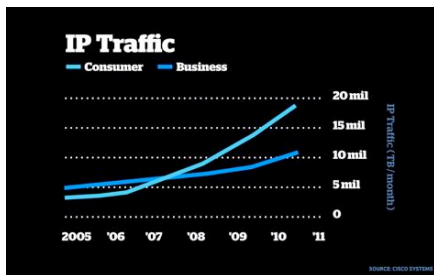


In advertising, we've cast ourselves as problem solvers for our clients – the guys that can connect business to people. But in reality, it seems to me that we've been solving smaller and smaller problems.

We've been dancing around on the head of a pin, putting our creative minds to work creating more & more advertising that exists, by & large, to help sell more stuff.



And in the meantime, consumers, aka creators – the very people we're supposed to be influencing, have moved on.



[Explanation]

I think we're all aware that advertising as we know it is simply a whole lot less relevant than it was, even five years ago.

But I'm not going to dwell on that, because – frankly – it's the least of our worries.

In fact, we're staring at the biggest set of problems the world has ever faced. The obsession with the dwindling Global Financial Crisis seems to me a bit like Nero fiddling while Rome burns.

Because in four short years, as so clearly depicted by three times Pulitzer Prize winning journalist and author Thomas Friedman, we've moved from "THE WORLD IS FLAT" to this scenario:



Consider these 3 factors – these *facts* - in more detail for just a moment.

No. 1: Climate change is accelerating

The world's leading scientists have been warning — in just the past few months — that climate change is happening faster and will bring bigger changes much more rapidly than we anticipated a few years ago.

“The pace of global warming is likely to be much faster than recent predictions... We are basically looking now at a future climate that’s beyond anything we’ve considered seriously in climate model simulations.”

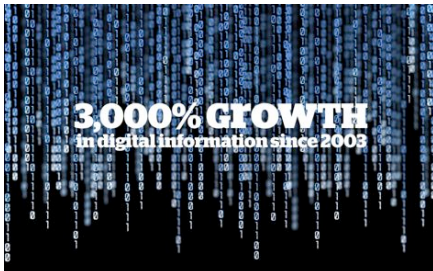
- Christopher Field, Director, Carnegie Institution Dept of Global Ecology, Stanford University, February 1 2009

“MIT’s recently revised projection indicates that if we stick with business as usual, in terms of carbon dioxide emissions, average surface temperatures on Earth by 2100 will hit levels far beyond anything humans have ever experienced.”

- Physicist and climate expert Joe Romm, January 2009

No. 2: Rise of an empowered middle class drives up consumption

What Friedman calls ‘flattening forces’, driven increasingly by access to technology and communication, are empowering more & more individuals to reach further, faster, and deeper than ever before.



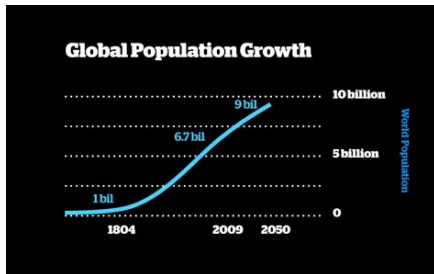
But these same forces are also driving a massive rise in the size of the global middle class, concentrated in particular in the BRIC economies. Consumption will balloon, and this will place an unbelievable strain on the planet’s already stretched resources – from energy, to water, to food – in coming years.

“In BRIC nations, the number of people with an annual income over US\$3,000, will double in number within three years and reach 800 million people within a decade. In 2025, the number of people in BRIC nations earning over \$15,000 could reach over 200 million... Consumption is likely to rise when the rapid economic growth in China and India feeds through to the rural population.”

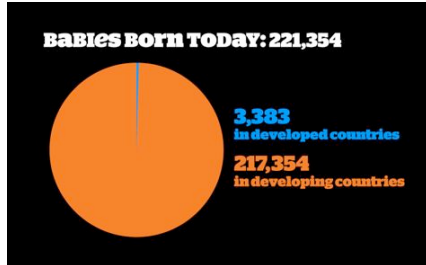
- Goldman Sachs Global Economics team report – August 2009

No. 3: Population Growth & Poverty

This very human problem isn't getting any smaller.



- In 1804 the world's population reached 1 billion
- In the last 40 years, it has doubled to 6.7 billion
- By 2050 it will be 9 billion.



These statistics might not look so bleak if it weren't for the fact that every year, nearly 11 million children living in poverty die before their fifth birthday.

Or that 1.02 billion people go to bed hungry every night.

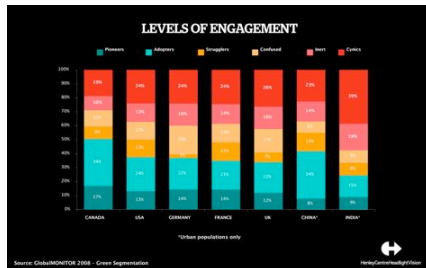
.. I could go on. But this is Noosa, it's nearly the weekend, and we've got surfing/fishing/drinking to do, right?



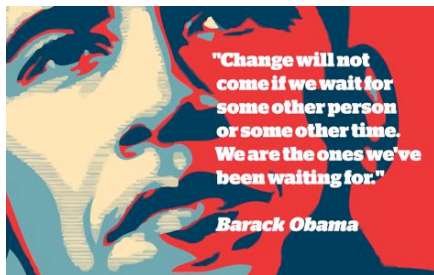
Wrong, people. This is a titanic problem that we can't walk away from.

It's not about science; it's about a future for our kids.

And – to my earlier point about Consumers being ahead of us - it's something that the people we and our clients talk to, care very much about.



Consumers know they are implicated in this crisis, but clearly they need some help – from us, the architects of the consumer economy – to understand what to do about it.



So let's talk about the first creative leap that we need to take here. That leap is to shift the role of Creativity: away from scrapping over crumbs in the Consumer Economy, to leading the way for business in the Creator Economy.

We're a creative community right?

What is a monumental problem for the planet and people is also a monumental opportunity for our industry, IF we step up, and if we can do what's needed.

Then we start to become useful and truly potent once again.

These themes that I'm talking about are finding their way into conversations at the top tables. I'd like to show you a little film that was made to show at Davos this year – the world's most important gathering of political and economic movers and shakers.

PLAY Girl Effect : <http://www.girleffect.org/>



If you've been following me, and if you believe, as I do, that there is a higher purpose for Creativity than making advertising, let's talk for just a moment about how we might reframe the issue of Growth.

Growth is something that, as media owners, marketers and advertisers, we've gotten pretty good at. Since the dawn of the Producer age, and right through the Consumer age, Growth has been the single-minded focus, and the primary currency, of business.



And look where it's landed us. Even Consumers themselves know that they have an image problem.

I think that we as an industry need to step up to the responsibility of the bed we've made. We have built and fueled a mass consumer culture with an insatiable desire for new and better stuff – and in doing so, we have also seriously compromised the ability of future generations to meet their needs.



In looking for a solution here, I'm not advocating throwing the baby out with the bathwater. Our capitalist system has been built up over centuries, and it's unrealistic to expect the world to reject its obsession with growth overnight.

But I *am* with John Mackey, CEO of the US-based grocery chain Whole Foods. Mackey maintained in a face-off with economist Milton Friedman that we have lost sight of the humanitarian dimension of capitalism.

Now, some of you might be thinking I'm being naïve and that no large scale, right-minded company would ever even acknowledge this debate. But here is one that has – one of the world's largest financial services group.

PLAY HSBC 'LUMBERJACK' <http://www.youtube.com/watch?v=UaRYR7wQPsk>

We need to quite radically expand our notion of Growth, to become more people-focused, sustaining *and* ultimately, sustainable.

[Slide]

| | |
|------------------|----------------------|
| Growth is | Prosperity is |
| institutional | personal |
| linear | multi-dimensional |
| singular | inclusive |
| financial | cultural |
| unsustainable | unlimited |

That's quite a lot to chew on isn't it? So let me recap before pressing on to one last point.

1. We've moved from Producer to Consumer to Creator economy. That should work for us.
2. Creative people are good at solving problems and the problems we face are of unprecedented proportions. "When written in Chinese, the word "crisis" is composed of two characters – one represents danger, and the other opportunity" John F Kennedy. Let's think opportunity.
3. Changing our ideas of success from growth to include sustainability and wider notions of prosperity seems like a good place to start.



And so back to Australia.

Where does Australia fit into all of this, and what is the role we can play?

My view is that from here in the 'lucky country' out here on the edge of the planet, we have a box seat on some of these global issues.

Note, I said box seat, not sandbox. I don't mean lucky in the sense of Australia's ample mineral endowments, or our beautiful beaches.

What I *do* mean is, that Australia has a unique cultural personality that positions us really well to lead the way with solutions.

Here's how Minister of Trade Simon Crean, who is leading the pitch for the new Brand Australia, sees it:

"We have got to change the perception that we're just a beach. We need people to know that ... we are an inclusive people, with good social infrastructure, and good community involvement. It's this notion that we've got to sell a lot better."

I think Mr Crean's instincts are right. We're doing some things brilliantly, and our leadership on the Prosperity scale is pretty enviable.

On the UN's human development index, which measures a combination of health through life expectancy, knowledge through literacy, and standard of living, Australia ranks #2.

Yet we need to take that leadership opportunity more seriously.

On another global index - one that maps life expectancy and life satisfaction against resources consumed, Australia ranks way down the list, at No. 102.

We rank very highly on life expectancy and life satisfaction. But if everyone on the globe consumed resources at the same rate as Australians, we would need 2-4 planets to sustain us.

The findings of this index clearly show that Money doesn't buy Happiness.

Though resource consumption has increased over 70% in OECD nations since 1961, 'happy life years', that is, life expectancy and life satisfaction, have only increased by 15% in the same period.

Here in Australia, we continue to behave as if consumption, longevity and happiness were a glorious ménage à trois.

But, assuming we can keep our consumption patterns in check, I think Australia is poised to become one of the world's most progressive nations of this century.

We have a strong economy emerging from the Global Financial Crisis; a seat at the table of the G20, and a highly educated, literate population.

And the 'tyranny of distance' is diminishing, as we take up our ringside position in the new world epicenter of China and the emerging Asian economies.

But what's perhaps more relevant, and certainly more interesting to me, are the cultural traits – those that make up the kind of Soft Power that will fuel the Creator Economy.

We started to pick up on these shifting characteristics when we embarked on the 'All of Aus' cultural study for Qantas. 22,000 Australians participated, sharing their stories, feelings and views on the new Spirit of Australia.

Three in particular are important to our discussion today:

I. Diversity



Australians have moved beyond mere racial tolerance, to a genuine acceptance of our society as dynamic and inclusive of a variety of cultures, sexualities, and ideas.

Diversity, creativity and innovation are inextricably linked, as these different thoughts collide and lead to entrepreneurship, innovation, social cohesion, development of the individual and peaceful co-existence.

2. Mateship



The notion of mateship now extends well beyond blokes across gender. The “fair go” mentality is now a fair go for all. It’s about egalitarianism, equal opportunity, a level playing field and, ultimately, entrepreneurship.

3. Can-Do



There’s a new sense of optimism and feeling of desire and responsibility to contribute to the wider world.

No worries – it doesn’t matter has become ‘No Worries – we’ll sort it out’.

And Germaine Greer’s piece in *The Guardian* 5 years ago suggesting that any Australian with ambition or talent had to leave the country to fulfill their potential is feeling decidedly tired now.

So how can our industry use the tools of our profession, embrace and leverage these Australian values to impact global issues?

By doing what we do best.

WE KNOW PEOPLE

.. and what moves them. We know how to solve problems with creative thinking.. We know how change behaviour and how to create action. Those skills feel very important right now.

TELLING POWERFUL STORIES

.. across three dimensions - Entertaining, Informative, and Useful.

Note – sustainability stories are coming through strongly in popular culture.. e.g. Ben Lee's lyrics; *Girl With a Dragon Tattoo* book.

BUILDING CULTURAL MOMENTUM

.. around the new ways that will allow people's quality of life to grow in a more sustainable and regenerative way.

This should be the principal measure of our success as an industry – not, with all due respect to the Caxtons – awards.

A few dos.

This presentation is not about me, or Mojo, or the industry per se. It's about all of us as people. That said, we in this room have very particular and potent talents.

So let me finish with some challenges we should all consider.

As an industry, we need to evolve from creativity that merely sells more stuff, and look to our higher creative purpose, i.e. to drive progress via a focus on Prosperity – people + sustainability.

The world's greatest backwater is well positioned to lead the world in this regard; far from being a backwater, we are educated, ambitious and enlightened people, with a real handle on Prosperity.

Our core cultural values of Diversity, Mateship and Can-Do attitude have been upgraded to meet the needs of the 21st Century; we are ready to lead.

We need to leverage these values through the power of storytelling and networks of every kind, to inspire our clients, each other, and the world, to greater good.

“WE WRITE OUR OWN DESTINY, WE BECOME WHAT WE DO”

Do good.

Thank you.

Sources:

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2. Thomas L. Friedman, *The World is Flat*, (Penguin, London, 2006)
3. The Unhappy Planet Index 2.0 - *Why Good Lives Don't Have to Cost the Earth*, (New Economics Foundation, London, June 2009)
4. 'Digital platforms reshape communication' presentation by Michael Mendenhall, HP SVP & CMO, Cannes, 2009
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6. Joe Romm blog <http://climateprogress.org/>
7. *The BRICs as Drivers of Global Consumption* - Goldman Sachs Global Economics Team report – August , 2009
8. The Guardian – '*G20 protests: riot police clash with demonstrators*', Sam Jones Jenny Percival and Paul Lewis – 1 April, 2009
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