

THE AUSTRALIAN NATIONAL UNIVERSITY

# MARGIN

ANU College of Business & Economics  
Quarterly magazine

Spring 2013



## Riding the sixth wave

Dr James Moody waging war on landfill

## Making the most of the personal touch

Professor Susanna Ho investigates web personalisation

## Catching up with the big boys

Dr Lin Cui talks international business strategy

# From the Dean's Desk

Innovation in its many forms is a common theme throughout this edition of Margin. Whether it is waves of innovation driving the world economy and affecting every one of us, or the imaginative rethinking of classroom method, innovation is crucial to our ability to adapt, compete and survive in a rapidly changing world.

If James Moody's argument provides a compelling vision of how we might build a sustainable future, his own also example also provides real inspiration. As we saw in our Q&A event with Graham Tuckwell back in July, altruism can have an increasing part to play in business. How refreshing it is to see an entire business based on the principle of caring and sharing.

It is not an accident that innovation is often paired with entrepreneurship (not least in some of our courses). Success in business is frequently a combination of the two – along with a lot of hard work. It is encouraging therefore to see a couple of our young graduates, Yashas Alur and Sanchit Baweja, embarking with confidence on an entrepreneurial venture attempting to provide something new in the world of e-commerce.

Whilst these ideas often find their natural expression in the world of business, and Susanna Ho and Lin Cui provide some fascinating insights into how it operates in their specialist fields, it is particularly encouraging to see innovation taking place right here in the College with Adam Butt's new thinking on classroom presentation. To remain world-class educators we need to constantly adapt to our students' learning needs and find innovative ways to illuminate our fields of expertise.

Innovation is about ideas, but for those ideas to inspire it takes great communication – something James Moody has amply demonstrated, and we look forward to hearing more from him when he visits the University for a Public Lecture in late October.



Professor Jayne Godfrey  
Dean and Director  
ANU College of Business and Economics



# MARGIN

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Editor-in-Chief: Stephen Green

Sub-editor: Amy Taylor

T: 02 6125 6726

F: 02 6125 0744

E: mdo.cbe@anu.edu.au

W: cbe.anu.edu.au

Mail: Margin  
Marketing and Development Office  
ANU College of Business and Economics  
Australian National University  
Canberra ACT 0200

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## NEWS

# Outstanding teaching award for Dr Bradly



Dr Andrew Bradly

**International business lecturer Dr Andrew Bradly is the recipient of a 2013 Citation for Outstanding Contributions to Student Learning by the Office for Learning and Teaching (OLT).**

Dr Bradly, from the Research School of Management, is one of three outstanding ANU educators who were presented with the citation in September 2013.

The annual OLT awards are presented to educators around Australia who have made a significant contribution to the quality of student learning in a specific area of responsibility.

The citation acknowledges Dr Bradly's "sustained excellence in developing

and teaching engaging curricula that bridge theory and practice in management and international business education".

The award is a fitting national accolade for a lecturer dedicated to developing and enhancing the student learning experience and whose efforts are duly recognised in his popularity with students and the respect he commands amongst his colleagues.

It is quite rare for first time nominees to receive this award, which is further testament to Dr Bradly's growing national reputation as one of Australia's leading educators. He has also previously been a recipient of the ANU College of Business and Economics Award for Teaching Excellence; an ANU Commendation for Outstanding Contribution to Student Learning; and was voted as Unijobs Top Lecturer of the Year in 2012.

Dr Bradly currently teaches and coordinates courses in international business, strategic human resource management and the global business environment.

The 2013 OLT award was formally presented at a ceremony at the Museum of Contemporary Art in Sydney on 17 September.

To find out more about all of the ANU National OLT Citation recipients visit the ANU Centre for Higher Education, Learning & Teaching website at [chelt.anu.edu.au/awards-grants/awards](http://chelt.anu.edu.au/awards-grants/awards)

## College welcomes education agents from around the world



The ANU College of Business and Economics hosted education agents from China, India, Nepal and Sri Lanka during mid-September for a familiarisation visit highlighting the great opportunities that the University and Canberra offers as a study destination for international students.

Education agents provide an invaluable service in helping international students select a university in Australia. They also provide assistance with the application process, obtaining visas, finding accommodation, and other associated logistics. Around 80 per cent of international students in Australia arrive with the assistance of education agents, so they are a very important partner for tertiary institutions in attracting high-quality students.

The highlight of the afternoon for the agents, all of whom were visiting Canberra for the first time, was the College's speed-networking session, where they had the chance to speak to College representatives in five-minute bursts. It was like speed dating, only with better results!

One-on-one conversations allowed each agent to ask questions particular to their area, or about programs of particular interest. The approach proved very popular. Ms Angela Luo from DongFang International Centre for Education Exchange noted that the one-on-one sessions were a "great and innovative idea", giving agents a chance to speak with a wide range of College staff.

## ANU and Tsinghua celebrate 10 year partnership



Associate Professor Chris Jones, Deputy Dean (Education), Professor Pam Morrison, Director of the Research School of Management, and Mr Ed Russell represented the College at a ceremony at Tsinghua University in Beijing in August.

**The ANU College of Business and Economics and Tsinghua University recently celebrated the tenth anniversary of their joint Master of Management.**

The program is taught by academic staff from the ANU Research School of Management at the School of Continuing Education Tsinghua University campus in Beijing, China.

The ANU-Tsinghua Master of Management, which was recently awarded a Tsinghua Education and Training award for program excellence, celebrated a decade of international collaboration with a formal ceremony held on 3 August 2013 in Beijing.

Associate Professor Chris Jones, Deputy Dean (Education) of the ANU College of Business and Economics, Professor Pam Morrison, Director of the Research School of Management, and Mr Ed Russell of the Research School of Management were among the attendees at the event.

Established in 2003, the graduate

coursework program aims to educate and inspire future industry leaders through innovative management theory and practice. The joint Master of Management has attracted some of the best and brightest students as the curriculum benefits from the education and research of not just one, but two, world-class institutions.

The ANU-Tsinghua Master of Management has taught experienced professionals from firms spanning a wide range of industries. Each student undertakes two years of part-time study alongside their work commitments.

In the ten years since its establishment the program has produced eight intakes of graduates, amounting to 620 students from 30 provinces of China and more than 200 cities. While 88 per cent of the cohort already held senior management positions, over 50 per cent have reported a further promotion upon graduating. Many others have chosen to continue further postgraduate education and doctorate qualifications.

## IN BRIEF...

### Fei Huang takes out College 3MT competition

Congratulations to PhD candidate Fei Huang who won the chance to represent the College in the ANU-wide Three-minute thesis competition by beating off stiff competition from fellow College students. She summarised her research in just 180 seconds in her presentation: 'Modelling the Pension System: A case study of China'.

### ANU student joins BAT Hall of Fame

An incredible performance on the Bloomberg Aptitude Test saw Actuarial Studies and Finance student David Broomhan inducted into the monthly Hall of Fame.

The Bloomberg Aptitude Test (BAT) is a standardised global online exam for college and university students, developed by the Bloomberg Institute in collaboration with leading academics and business professionals around the world. It is both comprehensive and objective, covering topics such as business, finance and economics and skills such as analytical reasoning.

David took the exam in June, achieving a ranking of third in the Asia-Pacific region.

### Xi Chan wins Naked CEO competition

In our Winter edition, accounting student Xi Chan shared her experience of the visit of CPA CEO and self-styled 'Naked CEO' Alex Malley and encouraged readers to consider entering the Naked CEO Competition.

Xi has duly taken her own advice and was one of four winners in the latest iteration of the competition. Congratulations Xi.

# Altruism and business with Graham Tuckwell



Graham Tuckwell during the panel session in July, with from left, Professor Kieron Meagher, Director of the Research School of Economics, Sebastian Robertson, CEO of Batyr and ANU Young Alumnus of the Year 2013 and (far right) Dean and Director of the College, Professor Jayne Godfrey.

**In July influential philanthropist Graham Tuckwell joined Professor Jayne Godfrey, Professor Kieron Meagher, and alumni Sebastian Robertson and Alastair Walton for a Q&A panel entitled “Altruism and business: conflict or complementarity?”**

The panel engaged in a wide-ranging discussion on the evolving connection between business and philanthropy, with moderator Distinguished Alumnus Alastair Walton offering perceptive and entertaining commentary on proceedings.

In the largest donation to an Australian university by an Australian citizen Graham Tuckwell (ANU BEc Hons/ LLB), Founder and Chairman of ETF Securities Limited, and his wife Louise recently donated \$50 million to ANU to fund the new Tuckwell Scholarship program. Graham Tuckwell took this opportunity to explain the motivation behind his generous donation:

“My wife and I have benefited enormously from our education experiences, which we have used to

enhance our lives,” he said. “We’ve since been fortunate in health and business so we feel it’s only right to give back. Our view has always been that education is the best place to start.”

The focus of the Tuckwell Scholarship program is not only on student intellect and academic excellence, but also on their natural abilities and desire to make a difference.

“The ideal candidate we have in mind is not just defined by actual output,” says Graham Tuckwell. “We’re looking for a young person who is innately smart, someone who has a fire in their belly, and wants to do things for others. The students I’ve interviewed all have a natural altruistic streak.”

Tuckwell also shared his broader views on the culture of altruism:

“We wanted to start something transformational. That’s why we devoted our philanthropic effort into one large endeavour rather than spreading a little bit here and there. It’s about widespread impact and a desire

to establish a broader, and lasting, transformational altruistic culture which people just gravitate towards.”

The altruism and business Q&A panel also provided insights into the culture of philanthropy in Australian society from Sebastian Robertson (ANU BCom/BEc). As the CEO and Founder of not-for-profit organisation Batyr, which supports youth mental health, Sebastian has extensive experience working with social entrepreneurs and volunteers:

“Workplace volunteering can’t just be tokenistic. It’s got to be ingrained into the culture,” he says. “You need to look at not just how many dollars or how much time can a business or an individual give away, but rather at how to best utilise your skills and assets in order to make a real difference.”

Dean and Director of the College and leading accounting expert Professor Jayne Godfrey discussed the role that business leaders might be able to play, while Director of the Research School of Economics Professor Kieron Meagher provided a theoretical background on the economics of philanthropy.

“It’s a challenge because these attributes are difficult to quantify,” he said. “It’s easy to measure money, but much harder to measure other aspects of altruistic behaviour. However, research on high-performing workplaces is beginning to show that managers and supervisors, who are altruistic and caring can have a huge impact on employee wellbeing and on workplace efficiency.”

“It’s interesting to apply traditional economic theory, particularly Darwinian theory, to firms and behaviours today,” added Professor Jayne Godfrey. “Yes there may be people out there who are self-interested, and they may be survivors to a certain extent. But it’s ultimately those who have the altruism to think about others and to work together as a team, who will be the ‘tribe’ that survives and thrives.”



Australian National University



GRADUATE STUDIES  
AT ANU

**Monday 14 to Thursday 17 October 2013**

A series of face-to-face evening events hosted by the ANU academic Colleges will enable future students to learn more about graduate coursework & research programs at ANU.

**Event details** [students.anu.edu.au/events](http://students.anu.edu.au/events)



Photos: CY Creations

# ANU Young Business Leaders Challenge 2013

The ANU Young Business Leaders Challenge has become a much anticipated fixture in the College's calendar and is proving popular with students and teachers alike. The 2013 competition was a challenging and tightly fought contest between teams from five Canberra high schools.



Local secondary schools visited The Australian National University on Friday 16 August to compete in the 2013 ANU Young Business Leaders Challenge. After three competitive rounds it was Canberra College students Adelaide Carter, Mackenzie Rice and Maggie O'Neill (aka Team AM<sup>2</sup>) who were announced as this year's winners.

The annual challenge hosted by the ANU College of Business and Economics provides an opportunity for Year 11 and 12 students to apply their understanding of business and economics concepts to real-life scenarios. In 2013 the challenge was enhanced by a collaboration with family owned company York Foods from Goulburn, New South Wales.

Teams of students from Canberra College, Lake Tuggeranong College, Narrabundah College, Radford College and St Francis Xavier College acted as junior consultants for the day, competing in a range of challenging

activities and pitching their ideas to York Foods executives.

Following a selection round task earlier in the year, where students undertook a mini market research exercise into the eating and cooking habits of their friends and families, the top ten qualifying teams were invited to test their business acumen in the on-campus finals.

The day began with short presentations from each team on their research findings. As the students delivered their report observations it was already apparent that this year's contestants were performing to an exceptionally high standard.

Next up, students used their marketing, management and international business expertise to develop an integrated communications strategy for York Foods. Dr Vinh Lu, an international business lecturer at ANU and one of the judges for the challenge, was very impressed by the innovative tactics demonstrated:

"The teams used traditional platforms like print, television and radio advertising. But they also came up with some really unique out-of-the-box ideas," says Dr Lu. "There were creative suggestions for supermarket placement and demonstrations, social media marketing, Australian-made accreditation, recipe inspiration and QR codes for smart phones."

For the final activity of the day, the ten teams were then asked to add a costing model to their pitch as part of the tender process. Each group gave compelling arguments for their pricing implementation, outlining the expected economic return on investments for the client.

"The teams seamlessly integrated budget considerations into their existing business strategy proposals," said Dr Lu. "We were all very impressed with how comprehensive and feasible their pricing was."

At the end of the three rounds the final scores were extremely close - with less than one point differentiating the top teams. After much deliberation the judges announced that it was

Canberra College's business plan which best captured their brief.

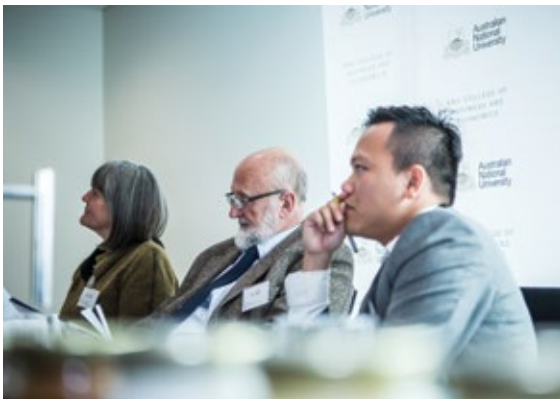
As the winners of the 2013 ANU Young Business Leaders Challenge, Canberra College received a \$500 book voucher for their school, along with tablets and York Food products for each student on the winning team.

Now in its third year, the challenge continues to receive overwhelmingly positive feedback from all those involved. Acting Dean of the ANU College of Business and Economics Professor Neil Fargher complimented the day for its ability to engage with the next generation of business professionals:

"The ANU Young Business Leaders Challenge provides secondary students with valuable insights into both the university experience and the world of business," said Professor Fargher. "It's great to see such enthusiasm and passion amongst all our contestants and I have no doubt that these bright young students will go on to become influential business leaders in the future." AMY TAYLOR



From left to right: Professor Neil Fargher, Acting Dean of the ANU College of Business and Economics; Lynne and Ted Philpott, owners of 2013 client company York Foods; Canberra College students Maggie O'Neill, Adelaide Carter, and Mackenzie Rice; and Dr Vinh Lu, international business lecturer at ANU





# Riding the sixth wave

Dr James Moody is a passionate advocate for the innovations of science and technology and how they can bring great benefit to society. In his 2010 book *The Sixth Wave*, he argues that history has witnessed successive waves of innovation since the industrial revolution which have fundamentally changed the global economy and society in general. He also predicts that the next wave of innovation will be around resource efficiency, and that the Global Financial Crisis is a signal that this is upon us. Now the ANU alumnus, and former Executive Director of Development at CSIRO is putting his money where his mouth is by launching a company aiming to build the world's largest community of resource-efficient sharers.

BY STEPHEN GREEN

'Waste not, want not'. Remember that mantra from childhood as your parents tried to encourage you to finish your dinner? Homespun platitude perhaps, but the sentiment points to a universal truth: much of what we throw away is still usable. Whether it is something as apparently minor as the leftovers from the kitchen table or as global as the vast dissipations of waste energy and pollution involved in industrial processes, we throw away a large proportion of what we produce.

At the same time, worldwide demand for resources continues to climb, putting ever greater pressure on diminishing supplies:

"Name almost any resource that you can think of," says James Moody, "whether it is water, or ore grades, or phosphates, they are getting scarcer... and what happens when we have scarcity and greater demand? The cost of the resource becomes a bigger part of the cost of the product. So the companies that are going to succeed are the ones who embrace this problem and find a way to bring value without necessarily increasing resource consumption."

This challenge is at the heart of the thesis of James' 2010 book, *The Sixth Wave: How to Succeed in a Resource-Limited World*, co-authored with Bianca Nogrady. Building on the concept of successive eras of innovation which have given impetus to economic growth and social change – the so-called Kondratiev waves – the book predicts that the sixth wave of innovation will concern resource efficiency, and argues that the Global Financial Crisis is the signal that a transition from one wave to the next is now upon us.

An electrical engineer by training, James' career has increasingly combined his professional interests in technological development with a concern for the

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The Stone Age didn't end because we ran out of stones, it was because we found something better. Look at some of the challenges around fossil fuels, for example. There are lots of ways in which we do things at the moment, like with the internal combustion engine, that are very inefficient. So the notion that we have to wait, or will wait, until we run out of oil before we start shifting to other forms of propulsion doesn't necessarily hold.”

environment and the social benefits of innovation in its broadest sense:

“I guess my passion has very much become around the roles that science and technology have to play in building a better world – in creating positive impact,” he says, “and all these things came together to prompt me to write *The Sixth Wave*.”

So, if the next stage in our economic development is really about resource efficiency, how can this be achieved at a firm or individual level? There is any number of approaches, but says James, the key to this is freeing ourselves from a long-established paradigm:

“If our prediction is correct,” he explains, “we are going to witness a decoupling of economic growth and resource consumption. At the moment, the economies that are growing fastest are consuming the most. It may well be that, in the future, it will be the economies who find the fastest way to decouple that will be able to grow the most. For two hundred years we have seen economic growth and resource consumption tied together, and so this leads to arguments such as ‘which is more important, the environment or the economy?’ The interesting thing is, if we are about to see this decoupling, it is no longer about which is more important, but how quickly can we separate the two. What are the business models that will work, what are the institutional factors involved and what role does the government have to play?”

There is an illuminating analogy of this decoupling process in the first wave of innovation – the beginning of the Industrial Revolution. With the introduction of machinery we no longer needed more people to increase production, we could produce more with the same workforce. Thus economic growth was decoupled from labour and mankind was spared the doom of barely subsisting in a crowding world famously prophesied by Malthus.

It could be argued that we, in the 21st Century, face a similar impasse. With our dependence on diminishing resources, maybe Malthus' predictions are actually more pertinent now than when first stated in the early 1800s. Certainly we should be at least as concerned about the amount we are taking out of the earth as we are about the amount we are releasing into the atmosphere. However, the reason for optimism about resource efficiency being, at least in part, the solution to our sustainability problems, lies within the market mechanism itself. Finding these efficiencies could represent not only a means to combat the threat of the increasing costs of resources, but perhaps more significantly, an opportunity to gain competitive advantage.

The most obvious area to search for such opportunities is in the physical waste that a company produces. Firms

who identify the usable waste in their processes, who ask themselves what they are creating that they are not selling, argues James, will be well-placed to extract more value from their businesses without increasing the use of resources.

“Another way of looking at waste,” he says, “is as unsellable production. This will include, for example, any landfill that your business creates. So the question is, can you find another use for it? My favourite example of this is a Canadian company called ‘Storm Brewing’. They worked out that their grain waste, which ordinarily they couldn't do anything with because animals won't eat it, could be used to grow shiitake mushrooms. So now they have become a company that sells beer and shiitake mushrooms! But what's more, by growing shiitake mushrooms on it, they convert the grain waste into animal feed. So now they are not just a beer company, but a beer, shiitake mushroom and animal feed company!”

In *The Sixth Wave*, James and his co-author set about identifying some rules of thumb about how to become more resource efficient. The overriding principle is ‘waste equals opportunity’, so perfectly demonstrated by the Storm Brewing example. However, waste also exists in less tangible forms than the leftovers of the production process. One of the big impacts of the fifth wave of innovation, which is around computerisation and the internet, is the reduction in transaction costs. Think how online retailers are saving us the time and effort of traditional shopping. Digitisation remains a key consideration for resource efficiency.

A second rule concerns the changes we are beginning to see in the way we consume:

“We are seeing firms move from selling products to selling services,” says James. “This points to the fact that, as consumers, we are moving from a world of ownership to a world of access. This is the space known as ‘collaborative consumption’. And it's not just about the things that we consume but actually all the stuff that is just sitting around – idle assets, in other words. Take the car. 85 per cent of the energy produced by the internal combustion engine doesn't go into mobility, it goes into heat and noise. Then, of the remaining 15 per cent, about 90 per cent of that is to move the car, not the person. On top of that, it's probably only being used about five per cent of the time. Not only is it very inefficient when it is being used, it's a very idle asset too.”

Enterprises like car share company, GoGet are already demonstrating the commercial possibilities of addressing these kinds of inefficiencies. The simple principle of access instead of ownership is turning an idle asset into a well-used service. Could car share schemes ultimately change our attitudes to car ownership in the same way

that downloadable media has transformed how we buy and consume music, movies, and increasingly books? It seems a big leap to make, but such revolutions in the communal mindset are frequently the ultimate outcomes of these big waves of innovation. Well-established societal norms may be a big impediment to changes in consumer behaviour, but they are really the result, not the cause of the commercial status quo.

“There is a saying that success is the big inhibitor of innovation,” says James. “Each of these waves of innovation had to overcome the status quo. And the status quo is where there is already a lot of value being created. These waves of innovation unlock a source of value that wasn't there before, but it has always been hard. With any of these changes there are winners and losers and the challenge with innovation is that often the losers are very big and vocal and the winners don't exist yet. It does make for a slightly unbalanced competition.”

However, as history has shown, where innovation truly uncovers new potential, there comes a point where the balance is tipped. Whether it is the car overcoming the challenge of the horse lobby, or society putting aside safety concerns about electricity, ultimately the innovation becomes the norm because it has become more of a benefit than a threat.

“There is another interesting saying,” says James, “which is that the Stone Age didn't end because we ran out of stones, it was because we found something better. Look at some of the challenges around fossil fuels, for example. There are lots of ways in which we do things at the moment, like with the internal combustion engine, that are very inefficient. So the notion that we have to wait, or will wait, until we run out of oil before we start shifting to other forms of propulsion doesn't necessarily hold. The process isn't that linear.”

Getting to that tipping point though, as history has also shown, usually involves a confluence of many factors. James undertook a PhD in business administration at ANU looking at complex product systems as applied to the FedSat venture – Australia's first satellite project for thirty years – in which he was closely involved. It was an opportunity to learn much about the dynamics of innovation that lie beyond technological development.

“One of the most important lessons I learnt during my time at ANU, was that innovation is the process of technological change. It's a journey, not a thing. You may have an invention, but that is just part of the process. And there are three ways in which technological changes occurs. You have technological change – new technology is created. Then you have changes in market place, ie, when people demand changes, for example, people wanting to text rather than talk. And then the most interesting factor is that



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If we share and collaborate we not only utilise resources more efficiently but at the same time save money across the whole community. If you can find a way of unlocking those idle assets, getting them to someone who uses them, everyone benefits.

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you have change in the institutions which bind technology to the market place. These could be business models, rules and regulations, or business structures – things like that. So it happens that a huge amount of technological change is not about new technologies as such, it's about existing technologies reaching the market place in brand new ways.

“So if you are thinking about innovation, you can look for the big institutional shifts that we might be experiencing. Now the big shift is this space called collaborative consumption: the idea that if we share and collaborate we not only utilise resources more efficiently but at the same time save money across the whole community. If you can find a way of unlocking those idle assets, getting them to someone who uses them, everyone benefits. I think it's a very compelling business model change, as well as a social movement.”

It was with these kinds of considerations in mind that James has now launched his own venture that aims to ride the sixth wave of innovation and find value in the waste. Having described a thesis for this new development, he decided that he wanted to, in his own words “put my money where my mouth was – that if the sixth wave really is about resource efficiency I would like to practise what I preach.”

The move was also born out of a desire to get back to his engineering roots – “to build something and really

concentrate on one thing.” For seven years James had been working in senior roles within CSIRO, firstly looking after business development in the Land and Water division and then as Executive Director of Business Development for the whole organisation. Having taken some time out around the birth of his second son, James sat down with his business partner and began to consider what they could create that would put the ideas in The Sixth Wave into practice.

“We had been talking about this for a while,” he recalls, “and we realised that one big source of waste is all those products that people buy that don't see their full lifespan. Those products generally fall into one of four categories. They can be life-stage items – things like baby clothes – your child usually grows out of them before they wear out. Then there are media items – things like books – once you've read them you don't necessarily need to read them again. The third type is ‘upgradeables’ – items like mobile phones, sports equipment and so on. You buy the newer one because your skill levels have risen, or it has greater functionality, although the old one is still fine. And then the fourth one is about fashion. So we did some research, and we found that there are tens of billions of things that fall into those categories sold every year – things that are basically destined not to reach their full lifespan with their first owner. So our quest was to find what it would take to help these items reach their full lifespan.”

The answer they came up with was TuShare, a concept that builds on the social networking phenomenon to provide a forum for people to share items that they no longer need. It is not unlike eBay, except, crucially, it is free.

“What we had to figure out was: what does it take to get an item to the next user as easily as possible? We realised that there were three pieces to that puzzle. Firstly, giving is actually the easiest way. Selling is complicated – you have to set a price, maybe negotiate, and put as much information as you can to get the best price – whereas if you are giving something away, you can provide as little information as possible. We also loved the gratitude and generosity angle. Giving actually makes people very happy. And a lot of people are very time poor. So a giving market place started to be very interesting.”

The second element was that the market place would have to be very easy to use, and should be very visual and very social – much like familiar social networks like Facebook and such like. James and his partner realised that they needed to tap into existing, trusted networks – that friendship groups would be a great starting point.

“The third point was the big leap for us. We realised that our competition was actually the bin. So we had to make it as easy to give something away as it would be to throw it in the bin. We needed to give people a number of options. One was that the receiver could pick it up from the person giving it away. The other was providing a postal service that would be receiver paid. It's like the opposite of retail where you pay for the product and might get the postage for free. Here you get the products for free and you just pay for postage.”

This third factor is likely to prove crucial to cutting through the inertia that might stand in the way of a giving market place being a truly nationwide phenomenon. Consider how much easier it is for us to recycle cardboard, tins, bottles and the like because we have bins and regular collections. If TuShare can replicate this kind of phenomenon for goods that still have plenty of life left in them, it can make a serious contribution to resource efficiency, and with some beneficial side effects. Initial signs are encouraging:

“Our entire purpose is to avoid landfill... but also to try to do something nice for people. People already do nice things for their friends. This kind of thing is already happening all over the place – over the dinner table, at schools. What we are trying to do is get some more information into the system and make it really easy. There are already people who have become friends using TuShare. There is someone in Brisbane and another in Sydney and they've worked out that they have children about a year apart, and that they have the same taste in clothes – it's perfect. They would never have connected otherwise. The person giving things away knows they are going to a good home, and getting a lot of gratitude, while the person receiving them is getting all these clothes for just the cost of postage.” ■



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## PUBLIC LECTURE

### Unleashing innovation in a resource limited world

Dr James Bradfield Moody

Thursday 31 October 6-7pm

Lecture Theatre 2, Manning Clark Centre (Building 26a), ANU

Presented by  
ANU College of  
**Business &  
Economics**

The lecture is free and open to the public. It will be followed by light refreshments. Please register your attendance.

Registration: [unleashinginnovation.eventbrite.com.au](http://unleashinginnovation.eventbrite.com.au)  
Information: [cbe.anu.edu.au](http://cbe.anu.edu.au)

# Making the most of the personal touch

With personalisation an increasingly ubiquitous feature of the online shopping experience, retailers are clearly on to something. But how are they tapping into customers' preferences, and how are they making it pay? Professor Susanna Ho is taking an innovative approach to understand more.

BY STEPHEN GREEN

One of the paradoxes of modern life is that while we retreat ever further from face to face interaction and conduct more and more of our daily transactions online, at the same time our online retail experiences are becoming ever more personalised.

Professor Susanna Ho has been researching web personalisation for over thirteen years, during which time she has seen the phenomenon grow from the relative simplicity of its early stages to an increasingly sophisticated example of know-your-customer marketing.

"Back in 2000 it was much less common. We were looking at a single recommendation and how we structure that recommendation to attract the user. Now we are looking at pools of recommendations and how they work. In the future I'd like to investigate how recommendations affect user activity across the entire website – because that is what online merchants are ultimately concerned about."

Whilst a purchase recommendation is a familiar and apparently simple idea, within cyberspace it is an extremely complex process. In the first place, you need a basis for your recommendations – how are you learning about your customer – what are the means at your disposal? Secondly, how do you present your recommendations so that they will encourage your

customer to do what you want – ultimately of course, to make a purchase. Then there is how you can interpret your customers' behaviour online – what is that telling you about how they are reacting to your recommendations and your website in general?

As web personalisation has become more complex, so it is now demanding more sophisticated analysis. Susanna's latest research uses an innovative approach which combines two existing theoretical models to try to make personalisation research more valid as a practical guide by widening the scope of the effects that are measured.

"The practical problem is more than why a user clicks on something. It is how many users click on something, and then after they click, do they really process the information. That is why we have integrated two theories. One looks at how many items a user clicks on, and the other on how the consumer processes the information afterwards."

Building a theoretical platform from two existing approaches is always a challenge but particularly so in this instance, because the two theories are drawn from different academic traditions.

"We use the Elaboration Likelihood Model (ELM), which is drawn from cognitive psychology, and Consumer Search

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Depth of processing is meaningful because it will implant a message in the memory. Someone may not buy the product in this transaction, but because they thought more deeply about it, they may come back after three months and then make the purchase. ”

Theory (CST) which is really a set of mathematical models. The two theories provide different perspectives on users’ information processing. ELM tells us how deeply a person processes a stimulus: depth of processing; while CST tells us about the extent of information-seeking going on – in other words how many recommendations you will click on before you make a purchasing decision. It took us three months to come up with a logical, convincing way to integrate these two theories.”

The Elaboration Likelihood Model is born out of research into how people process a stimulus and the factors governing the depth of their mental processing that might then lead to a decision:

“Some people like thinking,” explains Susanna, “their elaboration level is likely to be high. For others it is low, and they are more likely to rely on something peripheral to make their decision. For example, when students do a teaching evaluation, if they have high ability and are highly motivated, they will carefully evaluate course structure, its relevance to practice and the depth of classroom discussions. But for students who don’t like thinking so much, their evaluation might be based on whether the PowerPoint presentation was good, or lecture notes are available online – they base it on something peripheral.”

Consumer Search Theory applies mathematical models to describe sampling behaviour where a potential buyer is searching a range of different purchase options. In the integrated model, the researchers developed a construct called ‘attitude confidence’ which hooked the two theories together. This is based on the finding from CST that consumers actually build up confidence in their decision through the search process.

“For example,” Susanna explains, “if a manager is interviewing for a secretary. The more candidates that he or she sees – the more interviews he or she conducts – the greater the confidence he or she will have about the quality of the job applicants. In CST this is a mathematical measurement, but we frame it as part of the consumer’s attitude – it is more like a psychological construct. The resulting model can then explain the effect of web personalisation on user information processing AND on the extent of search.”

Existing research has not attempted to explain how consumer attitudes are formed towards the online merchant (or ‘personalisation agent’) or how these attitudes relate to two kinds of consumer behaviour – item sampling and item selection. There has also been a tendency to treat depth of processing and breadth of search as just a single dimension – effort of search. The integrated theory should make it easier to analyse these factors side by side, whilst distinguishing the effects of each.

For the empirical part of their research Susanna and her colleagues set up both laboratory and field testing which made use of an ongoing collaboration with Hong Kong-based online digital music provider, EOLAsia. The researchers had been working with the company since 2002 and had built up a relationship of trust and mutual benefit through some small-scale projects which made it possible for them to recruit registered EOLAsia customers for the current study. As Susanna says:

“Having their customers for our experiment would really enhance the quality of data collection, because these were real users of the system.”

In the first place, laboratory testing was carried out using students as participants. This enabled the researchers to control the environment, separate out particular effects they wished to test whilst minimising ‘noise’ and confounding factors and obtain a rich set of data which would increase the internal validity of their findings.

“We wanted to see whether the users chose the personalised recommendations or if they in fact ignored them and did their own search in the general categories. And then, at the end of the study they have downloaded a song that they can keep. I think that is one of the strengths of our study. It motivates the students to make a more careful selection because they are actually getting something.”

Whilst a laboratory study enables researchers to control for complicating factors, it is of course an artificial environment, and so combining this with a field study, in a more natural environment similar to real websites was a means of balancing that effect which gave ‘external validity’ to the findings. Although participants were existing EOLAsia users, the test website was deliberately designed differently to the EOL website to “control the effect of familiarity with the merchant – we wanted to eliminate that,” says Susanna.

Web personalisation is significant in achieving two business aims for the merchant: increasing advertising revenue and increasing sales revenue. Advertising revenue is generated through users clicking on third-party content on a site, so this is related, although not in an entirely linear fashion, to item sampling, the ‘breadth of search’ dimension – in other words, number of clicks. Conversely, sales revenue is all dependent on inducing the customer’s intention to purchase. But how do these behaviours correlate to attitude formation and how the customer reacts to personalised material? The study reveals some interesting insights:

“We wanted to look at the quality of the recommendations and how varying the recommendations would affect the depth of processing (how much the customer thinks

about it) and the breadth of searching (how many they click on). What we found was that if the items are more varied, the quality is very different, and maybe the items are from different categories, it meant the user would click on more items – they would have a general look at all the recommendations. If a recommendation is more relevant to the user’s initial aim they will click on that and think about it more.

“We also found that if the user clicks on the recommendations more they would sample stock items – outside the personalised categories – less. This is very interesting because it means that with web personalisation users will actually click on the website less overall. And as a general rule, if they click on the website less it will mean that the website will get less advertising revenue. But if they click on a recommendation they are more likely to buy it. So it means that the sales revenue and the advertising revenue are actually competing with each other. Online merchants therefore need to think about whether they want to attract the customer to buy, or to click on more items to increase the advertising revenue.”

Whilst the study provides useful indicators about user behaviour within a single visit to a website, it has implications for the merchant-customer relationship over the longer term – for encouraging repeat visits and building trust and brand loyalty.

“Online merchants are interested in breadth of searching because the number of items that a customer browses will affect the likelihood of a purchase,” says Susanna. “But depth of processing is meaningful because it will implant a message in the memory. Someone may not buy the product in this transaction, but because they thought more deeply about it, they may come back after three months and then make the purchase.”

This is, of course, one of the reasons that established brand leaders continue to advertise – to maintain the company’s position in customers’ memories. It is not just about encouraging a purchase decision now, but about raising the likelihood of purchases in the future.

Technology continues to enhance firms’ ability to draw useful conclusions about customer attitudes and preferences and take advantage of them. Each time a customer buys, or browses online, their personal market place becomes better defined for the merchant. As well as continuing to investigate the impact of personalisation on consumers’ website use, Susanna now hopes to extend her research to examine how personalisation and the use of mobile devices is being exploited to encourage impulse purchases. ■



Dr Adam Butt. Photo: Andrew Taylor

# Innovation in the classroom

Actuarial studies lecturer Dr Adam Butt explains how he is using new techniques to enhance his students' learning experience. BY AMY TAYLOR

Having just completed a Master of Higher Education, Dr Adam Butt, from the Research School of Finance, Actuarial Studies and Applied Statistics, was excited to re-evaluate his teaching practices.

"I always had the enthusiasm but didn't really know how to approach it," says Adam. "My recent studies provided exposure to new teaching methods and to a framework for evaluating what you're doing. I've now got this tool kit of things to try depending on what might be most appropriate for the course."

Adam decided to experiment with a 'flipped classroom' approach for his Semester 2 2012 Actuarial Techniques class of final year undergraduate students.

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...as academics we have a duty to explore more engaging and interactive ways of presenting courses.”

So what exactly is a flipped classroom? The fundamental difference between a traditional face-to-face higher education model and a flipped classroom is that the content acquisition and content application are 'flipped' or 'inverted'.

Instead of delivering weekly course content inside a lecture theatre, Adam expanded all of his lecture notes to ensure they were sufficiently detailed as a standalone resource. Students received these readings ahead of time and went through them independently. They then arrived at their allocated 'lecture' time prepared to discuss the content in a more collaborative and interactive workshop.

By flipping the delivery sequence around, Adam was able to move a passive theoretical component of the learning outside of the classroom and move the more active elements of the learning – such as practical activities, demonstrations and clarification on specific queries – into its place:

"A flipped classroom lends itself to a more traditional higher education syllabus," says Adam. "It offers a different way of delivering weekly course content without entirely reinventing your curriculum. You flip the order around so the knowledge acquisition, that is the reading and listening, is going on outside of allocated class times allowing for the practical application, the 'doing', to occur inside the classroom."

The flipped classroom module still uses the same assessment items, with students turning in assignments and sitting exams. While the reversal of teaching and independent learning roles may take some adjustment, the aim is to keep the weekly workload expectation the same.

Adam conducted surveys of his students both at the start and end of the semester to obtain their views on lectures in general and the flipped classroom structure, and his paper about this is forthcoming in the journal, Business Education & Accreditation. The responses he received were overwhelmingly positive:

"What was most powerful for me was that after experiencing the entire course with this teaching style, student views towards the flipped classroom became far more positive," says Adam. "At the start it was a fairly even split between students who thought this sounded like a good idea and those that didn't like it. But looking back at the end of semester the majority viewed the flipped classroom as being beneficial to their learning experience."

Despite such positive feedback from last year's trial, Adam is currently midway through teaching the same course, Actuarial Techniques, from another entirely new perspective. After the curriculum and learning outcomes were recently redesigned to make it a capstone actuarial course, Adam has adapted his approach again. In Semester 2 this year he is now implementing a 'problem-based learning' model with group work.

"We had very strong ideas for what we wanted the new course assessment and learning outcomes to look like," says Adam. "We wanted to present our final year students with problems that mirrored those that actuaries would face in the workforce. These exercises are much larger than what you'd encounter during first or second year undergraduate courses, so I guess it made sense to develop the course components around these challenging assessment tasks."

The objectives of problem-based learning are not all that different to that of the flipped classroom; however it aims to do so through a much more unstructured approach. Problem-based learning centres on assigning students large problems which they can complete either individually or in groups. All of the learning throughout the semester occurs in the context of those problem sets.

"We provide students with frameworks to guide them through tasks, but a lot of what they learn is actually through their own exploration of the problems," Adam explains. "We teach a tool or a technique to be able to solve problems effectively, and then I'll work through demonstrations until students feel confident with their abilities and learn to transfer those skills."

As appealing as these classroom alternatives sound, Adam notes that they are not without their challenges. A big hurdle for teachers can be combating resistance to change from students who have ingrained expectations for how university learning should occur.

Another consideration is that it is impossible to promote one universal ideal or best practice teaching model. While Adam sees potential for innovation across any content, the specific approach chosen does largely depend on the structure and learning outcomes of the course.

"It's an iterative process. What works best for certain material might not work quite so well for another course," says Adam. "But given the improved experience for students, as academics we have a duty to explore more engaging and interactive ways of presenting courses – including but not limited to the flipped classroom and problem-based learning approaches."

"I'm always looking for what might be the most effective way of teaching. My classes are driven by what will best assist my students to succeed on the assessment tasks and then more broadly in the workplace. That's the best possible outcome for both the educators and the students." ■



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# Catching up with the big boys

With small domestic markets offering limited scope and foreign competition threatening a diminishing slice of the pie, going global is often the best route to growing your firm. But what are the attributes that make a company ripe for overseas expansion, and what are the strategies that will ensure success when you get there? Dr Lin Cui gives us a crash course in international business strategy.

BY STEPHEN GREEN

Some of the key questions in international business are: why do firms become multinational; why do they engage in international business activities such as export, foreign direct investment and licensing; and what determines the mode of business they select?

By his own admission, Dr Lin Cui, a senior lecturer in international business at ANU takes a slightly unconventional approach to these questions:

“I want to look at how firms who are in a disadvantaged position can use international business to grow better and stronger. Our field typically assumes that for a firm to internationalise, it needs to have a sufficient amount of advantage already, because when you go overseas you are automatically in a disadvantaged position in terms of local knowledge and socio-cultural legitimacy. So you must have a sufficient amount of competitive advantage to overcome what is known as ‘the liability of foreignness’. That’s the typical view: that you must be strong first and then go overseas.”

A relatively recent phenomenon has seen firms from emerging markets, such as India and China, expand their business overseas very aggressively. And says Lin, they are doing this not from a position of strength, but “precisely because they are not strong. They are technological laggards who need to learn.” This practice is challenging the conventional wisdom and has drawn Lin to investigate further in his research.

Lin is the recipient of a Discovery Early Career Researcher Award (DECRA) from the Australian Research Council to carry out research in this area. The project, still in its early stages, aims to draw some useful conclusions about the important factors governing success in international expansion plans. It will draw on data from public listed manufacturing companies in both China and Australia.

“I chose these two countries because the manufacturing centres there are not currently among the global leaders,”

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... you can have a defensive strategy for the short term, but ultimately if you don't have a high level aspiration and you aren't proactive, you may face a gradually reducing comparative advantage locally.

So the target is to achieve a level of excellence on a global scale: catch-up with the best in the world, not just the local competition.”

he explains. “In China, firms are lagging behind in terms of technology, brand name and customer recognition outside the domestic market. In Australia, the limitations are more to do with the size of the domestic market – population is small, so market demand is small. I think manufacturing sectors in both countries need to think about going global. Chinese firms face new competitive pressure from foreign firms as well as new domestic firms starting up. In Australia, there is a desire to grow manufacturing to gradually reduce our reliance on the natural resources sector.”

Lin's argument is that for these differing reasons, Chinese and Australian firms need to go global to improve their competitive position. Comparing and contrasting their approaches and experiences should be illuminating. There are two main lines of enquiry, firstly:

“Which firms are more likely to engage in a global scale growth – in other words, which are the more suitable candidates to achieve global success? And secondly, once they go overseas to pursue their global aspirations, what factors will influence their success in achieving the targets they have set themselves?”

Whilst there are a variety of ways that firms can expand into foreign markets, Lin will focus on the use of Foreign Direct Investment (FDI) as a means of acquiring strategic assets overseas. For Chinese firms there is more opportunity through the foreign channel than

they have access to at home, and there are some high profile instances of this strategy being pursued quite aggressively. A much-cited example is the acquisition of IBM's PC business by Lenovo Group in 2005. Similarly, car manufacturer Geely was a relatively obscure name outside China when it purchased Volvo from Ford in 2010.

Although they face different challenges, this is also a viable channel for Australian firms, says Lin. However, they need to take a long-term view financially:

“They may have to sacrifice short to mid-term financial performance and take time to acquire market knowledge, familiarise themselves with the cultural differences, the political and institutional environment. The important thing to realise is that it isn't just: go overseas, make money right away. It is a learning process.”

So is asset acquisition the best option for companies seeking to go global?

“Some Australian firms are doing really well by just exporting,” says Lin. “For others, there is no current urgency to establish equity holdings or a real operation overseas – they can just sell directly as exporters. But firms need to think about this from a competition point of view. It's not about immediate rivalry, who you are currently competing with. It's about who you will be competing with in the future. Acquisition is a long-term, proactive measure.”

Assets do not have to be acquired, of course. Another option is so-called “green field investment”, where a new subsidiary is built from scratch. You can still benefit, says Lin, from local knowledge by hiring local people and you also enjoy the advantage of building something organically:

“In that process you can integrate from the start, what you already have and what the local environment can provide, merging two advantages to create what is known as a unique valuable resource bundle. Once you have that, there's a new value proposition for your customers.”

Of course, this kind of enterprise requires a considerable ongoing commitment of non-financial resources. Acquisition, as some of the examples from emerging economies have shown, does not have to be so hands-on. In either case, however, the upfront financial commitment is large and the return on investment is well down the track.

So what are the significant factors that govern a firm's suitability for foreign expansion, and the likelihood of their success? Perhaps the most important point to consider is that, although global business success is a macro-level phenomenon, the will to take a company in that direction occurs at a very micro-level – in the mind-sets of the key decision-makers.

“In strategic management theory,” explains Lin, “scholars previously tended to think of firms as the actor. So it would be said that the firm ‘decides’ to do something. But of course the firm cannot make any decisions. It's the people within the firm – the top management team, the CEO, the strategic leaders. So the background of these people and the environmental influences on them will have a strong impact on how the firm expands its business.”

Entrepreneurial spirit, appetite for risk, willingness to be proactive, capacity for innovation – these are familiar traits of the successful leader. How these kinds of attributes are distributed amongst the management team, and how they interact with the circumstances facing the company are likely to determine its readiness to make major strategic commitments. Good information and current and future market awareness are also crucial.

“If senior managers can observe current competition and predict future rivalries, they are more likely to engage in strategic asset seeking overseas,” says Lin. “It also depends on the perceived likelihood of achieving it. As individuals we do things for two reasons: one is because we think there will be a positive outcome from that action. The second is that we need to perceive that realistically we can achieve it: in this context, that you can actually identify and acquire those assets overseas.”

A big part of that capability is of course financial resources. That is, to both fund the initial asset acquisition and to provide the financial buffer to cover the period in which the company is committed but not yet seeing a return on investment. Another element is foreign management knowledge and experience. This can be part of the senior management's profile, and indeed can be an integral part of their personal confidence in global expansion. It could also be a strategically developed human resource, not necessarily within the leadership team. Wherever it lies within the company structure though, this kind of management know-how can reduce the level of fear, and the perception of cultural and psychological distance – all potential inhibitors of overseas expansion.

Lin's research will investigate many of these factors and try to understand how they interact with different market conditions and cultural environments. This is one of the reasons for selecting samples of both Australian and Chinese firms:

“Firms in both countries are facing the need to go overseas – but with a different emphasis,” he explains. “It gives us an opportunity to compare the two situations and see in detail how their approaches differ. China is representative of the emerging markets, whereas Australia is a developed country with a limited domestic market. They will give me very good empirical opportunities to solve some theoretical issues. I particularly want to look at small to medium-sized

firms that are in the growing stage – firms that are typically more vibrant, their CEOs and top management teams are generally more entrepreneurial and they have a relatively short operating history overseas.”

At the heart of his investigation is the role of managerial intentionality in engaging in the game of ‘competitive catch-up’. How the key decision makers come to the decision to go global, and where they set their sights may prove to be pivotal.

“The target is important. In my view, if you are not the leader, you are in a catch-up position,” says Lin. “The global leaders are the Fortune 500-type multinational companies who are generating a lot of value and profit on a global scale. For domestic firms, survival is one issue, but becoming really successful is something else. Yes, you can remain relatively successful by simply implementing certain defensive strategies. You can hold local advantages because you know your customers and you have established distribution networks and that will allow you to defend your position. But it's only temporary because foreign competitors can get in there and learn that local knowledge. Ultimately it's about the resource bundle: who can produce the product at a cheaper price with higher quality.

“You can have a defensive strategy for the short term, but ultimately if you don't have a high level aspiration and you aren't proactive, you may face a gradually reducing comparative advantage locally. So the target is to achieve a level of excellence on a global scale: catch-up with the best in the world, not just the local competition.”

It will be fascinating to see just how these company aspirations are formed – what cocktail of managerial traits, firm structure, resources and market pressures provides the initial push towards a global strategy, and in turn what are the typical ingredients for translating this aspiration into success.

Lin's research is set to run through to 2015. He hopes the empirical findings will support and augment his theoretical predictions and that there could be benefits on a couple of levels:

“There are potential practical and policy implications. The most immediate policy benefit could be in helping governments identify the candidates for foreign investment support who are most likely to succeed. From the managerial point of view, the research model predicts the kind of circumstances and managerial characteristics that will motivate a firm to go overseas. Some firms may then have to look at their existing competencies and capability base to understand the areas they have to improve before pursuing foreign expansion.” ■

# Smart movers

Recent ANU graduates **Yashas Alur** and **Sanchit Baweja** have plunged into the world of e-commerce within a year of graduating. Here Yashas reflects on life as an international student and how the ANU experience helped him in this start-up venture.

## What influenced your decision to study at ANU?

When I had completed my International Baccalaureate in India, I wanted to study at a reputed overseas university. I had always been interested in economics and finance and wanted to eventually start my own company. I was attracted to ANU because of its high reputation and its well-balanced student population.

## As an international student, describe the experience of studying abroad?

It was my first time away from home and I would be in a new environment for a long time. The feeling is very hard to explain. I was definitely nervous but also excited to experience and be exposed to a whole new country. It was definitely the best choice that I ever made. The people I met, the knowledge that I attained, the experiences I had and the friends I made: I would have never been able to experience the same if I hadn't studied abroad.

## What did you most like about your student experience?

I value each and every experience I had during my time in Australia. I lived on campus and stayed at Fenner Hall for all four years of my degree. Living in that kind of community was another new experience for me but I loved it. I met students from really diverse backgrounds and learnt a whole lot from them all. My last two years in Fenner I was a Senior Resident which was a chance to give back something too.

I think what I liked most was the education technique where the emphasis was on self-learning as opposed to rote learning. Having been used to the latter, it was challenging to get accustomed to a new system, but I feel that I was able to retain a lot more through this way of learning and it has helped me tremendously in running a start-up.



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Starting my own business was always part of the plan, but perhaps a few more years down the road! ...Knowing that we could provide something of benefit to other people was inspiring enough for us to quite looking for jobs... ”

## Tell us about your career progression since graduation.

After graduating in December 2012, I was submitting applications to graduate positions and waiting for responses. During that time my close friend and fellow ANU alumnus Sanchit Baweja told me about an idea to sell men's suits online. We had noticed that access to good quality suits that fit perfectly was lacking in Australia due to cost constraints. This idea that genuinely solved a problem was our focus from then on. We spent the next six months working hard to get the business up and running: organising the supply chain and setting up our website and getting it working perfectly. We now have a user-friendly e-commerce website, Buttons 'n' Threads dedicated to providing custom tailored suits for men looking to dress sharp and feel exceptional.

## What inspired you to start a business and how did you make it happen?

Starting my own business was always part of the plan, but perhaps a few more years down the road! However, when Sanchit and I came across the idea as a solution to a problem that we had faced ourselves, it was captivating to get stuck in to developing it. Knowing that we could provide something of benefit to other people was inspiring enough for us to quit looking for jobs and devote ourselves to creating an online shopping experience for men looking to buy suits. It took six months and a lot of legwork before Buttons 'n' Threads was operational online.

< Buttons 'n' Threads entrepreneurs Yashas Alur (left) and Sanchit Baweja (right). Photo courtesy of Buttons 'n' Threads

## What was it like embarking on a new business venture from the ground up?

Up until now it has been a big learning experience. The amazing part is that you are exposed to all the different aspects of a business and not just focused on one. Having studied finance I had no idea about e-commerce, search engine optimisation, user experience etc. Discovering all these new concepts and applying them really broadened my understanding. There have also been tough times when deals didn't go through or suppliers refused to partner with us. But, we took the experiences on board and tried to think about the ways we would have done things differently. So although it has been challenging at times, I have learnt a whole lot and enjoyed the journey.

## Do you think your studies have helped you pursue this?

Yes - studying at ANU has definitely helped me in various aspects of the business. Having studied economics and finance, the understanding of business operations and financial requirements were much simpler. However, there are two other important aspects of the university experience that have helped in my opinion. Firstly, the grooming in self-study gave me the flexibility to explore a field of business that wasn't directly related to my studies. Secondly, the diversity that I was exposed to during university helped prepare me to communicate more efficiently with the various people that I come across at work.

## How do you think e-commerce has changed the retail environment?

E-commerce has been a huge disruption to the traditional marketplace. Big retailers such as Myer and David Jones are finding it extremely challenging to cope with the growing e-commerce retail space. The e-commerce model works primarily due to two factors: convenience and most importantly price. The retail channel is disrupted as the middlemen are cut out and these cost savings are passed on to the consumer. We explored a number of markets for our e-commerce start-up and chose Australia as our main target. The e-commerce model was adopted much later by Australia compared to North America and Europe. The projected growth rates and adoption rates are much higher for Australian e-commerce. It is expected to grow at 14 per cent per year and generate revenues of over \$37.1 billion in 2013 alone. ■

Sanchit completed a Bachelor of Finance in July 2012 and Yashas graduated in December of the same year with a combined Bachelor of Economics/Bachelor of Finance degree. The Buttons 'n' Threads website (buttonsnthreads.com), supplying bespoke tailored suits went live in 2013.

Yashas Alur was talking to BRONWYN PARSONS.



Photo: CY Creations

## ALUMNI Despatch

ANU alumnus **Adam Ford** has worked in Australia, the UK and the US for big names such as Goldman Sachs JBWere, Citigroup, Henderson Global Investors, the New York Board of Trade and Macquarie Bank. He developed an entrepreneurial start-up called Touchinvest, and co-founded a charitable children's foundation.

Although he now calls America home, Adam remains passionate about connecting ANU graduates around the world. The current President of the ANU North American Alumni Association talks to AMY TAYLOR about the potential benefits of tapping into your alumni network.

Originally from regional NSW, Adam Ford completed his high schooling in Canberra before enrolling in an economics degree at ANU.

Adam fondly refers to ANU as a "town and gown" university campus, benefiting from the unique combination of academic opportunities, proximity to city centre facilities, and the sense of community amongst its students.

"To say that I took to university life would be an understatement," says Adam. "I found the diversity and freedom in learning and social interactions to be both liberating and distracting. I met a lot of new people and began to realise that the class and college that I had joined was an incredibly impressive and talented group of people from all over the country and the globe."

After graduating with a Bachelor of Economics, Adam pursued a career in finance as a stock broker in Canberra and Brisbane. After several years in Queensland, he and his wife moved overseas to the UK. He worked in institutional finance in London, until a few years later when they had the opportunity to move to the United States:

"New York City was an offer that was too good to refuse," says Adam. "My career continued to develop and evolve and I eventually had an opportunity to join Macquarie Bank in their US headquarters. My wife's career was also flourishing and the US was proving to be the land of opportunity for our family that you hear about – even during the worst economic period since the great depression."

Adam and his wife concurrently worked on their own start-up venture called Touchinvest, focusing on tangible but illiquid assets. Their goal is to create an information hub of independent advice for investment passions – such as art, wine, precious gems, collectable cars, watches, coins and horses. In his spare time, Adam also co-founded the United Foundation for the Future of Kids in 2009 and continues to undertake various fundraising projects generating educational resources for school children in developing parts of the world.

Twenty years on from his own graduation, throughout all of these endeavours, Adam still sees great benefits from his network of alumni colleagues. Since relocating to the United States, he has volunteered much of his time towards helping the university develop this global community.

"The fundamental skills that I picked up and honed in Australia have definitely fed through to everything else that I've done. When ANU reconnected with me while I was in New York, I recognised this as my chance to get involved with the alumni community."

Adam joined the ANU North American Alumni Association, and was later appointed as President of the committee. He has since been instrumental in establishing the ANU US

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While alumni engagement is often the road less travelled, this path has made all the difference to my ANU experience... By opting in to the alumni network, I chose to open myself up to the idea of unknown benefits.”

Foundation, a formal structure for US based alumni to give back to the university. For Adam, alumni involvement can vary greatly depending on the individual:

"You can choose your level of involvement. There are opportunities to network with accomplished people. Or at the very least, you can remain engaged and connected with your former institution just through the flow of information."

Earlier this year Adam was awarded a Vice-Chancellor's Special Commendation for Alumni Volunteer Leadership and Service to ANU in the 2013 ANU Alumni Awards in recognition of his dedication and work.

"I've been thrilled by the response from the US based ANU alumni community and the group of people that I've met," says Adam. "ANU alumni occupy impressive positions across the spectrum of business and industry and have also shown an incredible entrepreneurial flair, starting companies in various industries. We can all take pride in the depth of our college ranks – with heads of industry, science and government alongside Nobel Laureates."

Recently delivering an address at the ANU College of Business and Economics July 2013 graduation conferral ceremony, Adam quoted Robert Frost's famous poem 'The Road Not Taken' to encourage our newest graduating cohort to remain connected and to continue to share their experiences and opportunities with fellow alumni:

"While alumni engagement is often the road less travelled, this path has made all the difference to my ANU experience," says Adam. "There are two choices – you can opt in or opt out. By opting in to the alumni network, I chose to open myself up to the idea of unknown benefits."

"Every connection that the ANU alumni community makes brings us closer to each other and works to the benefit of us all. The personal and professional leverage that you can derive from this network is significant and could be a turning point for you in your future career or personal pursuits." ■

## COMING UP IN 2013

### Business and Economics Graduate Studies Information Evening

*Tuesday 15 October*

5.30 - 7.30

Staff and Academics from the ANU College of Business and Economics will be on hand to answer one-on-one questions on our range of graduate coursework and PhD research programs. To register please contact: [mdo.cbe@anu.edu.au](mailto:mdo.cbe@anu.edu.au)

[cbe.anu.edu.au](http://cbe.anu.edu.au)

### Public lecture: Dr James Moody

"Unleashing innovation in a resource-limited world"

*Thursday 31 October*

ANU Alumnus and Founder of TuShare Dr James Moody explains how we are experiencing a new wave of innovation all around resource efficiency.

Registration: [unleashinginnovation.eventbrite.com.au](http://unleashinginnovation.eventbrite.com.au)

[billboard.anu.edu.au/event\\_view.asp?id=104265](http://billboard.anu.edu.au/event_view.asp?id=104265)

### ANU Advisory Sessions in December

*Tuesday 17 December Melbourne*

*Thursday 19 December Sydney*

*Friday 20 December Canberra*

Information about times, registration and venues will be made available closer to the events. Please check the website for further details.

[students.anu.edu.au/events](http://students.anu.edu.au/events)

*For information about study options at the ANU College of Business & Economics, or to arrange an appointment to talk to one of our representatives please email:*  
[info.cbe@anu.edu.au](mailto:info.cbe@anu.edu.au)

# RECENT PUBLICATIONS

**Gaurab Aryal** and Dong-Hyuk Kim  
A Point Decision for Partially Identified Auction Models  
*Journal of Business and Economic Statistics (forthcoming)*  
doi:10.1080/07350015.2013.794731

This paper proposes a decision theoretic method to choose a single reserve price for partially identified auction models, such as [Haile and Tamer, 2003], using data on transaction prices from English auctions. The paper employs [Gilboa and Schmeidler, 1989] for inference that is robust with respect to the prior over unidentified parameters. It is optimal to interpret the transaction price as the highest value, and maximize the posterior mean of the seller's revenue. The Monte Carlo study shows substantial gains relative to the revenues corresponding to a random point and the midpoint in the Haile and Tamer interval.

**Alison Booth** and Huong Thu Le  
Inequality in Vietnamese Urban-Rural Living Standards, 1993 - 2006  
*Review of Income and Wealth* (published online June 2013)  
doi: 10.1111/roiw.12051  
Using data from five waves of the Vietnam Household Living Standard Survey, we find evidence of significant urban-rural expenditure inequality. Urban-rural inequality in Vietnam increased dramatically from 1993 to 1998, and peaked in 2002 before reducing slightly in 2004, and significantly in 2006. The urban-rural gap also monotonically increases across the expenditure distribution. We use a variant of the Oaxaca-Blinder decomposition method, applied to the unconditional quantile regression method of Firpo, Fortin and Lemieux (2009), to explain the components of the per capita expenditure differentials

between urban and rural households at selected quantiles of the distribution. We also compare these estimates with those at mean obtained by OLS. Our results show a number of factors contributing significantly to the high urban-rural gap. These include inter-group differences in education, household demographic structure, industrial structure and their related returns. Adjusting the average characteristics of rural households to those of urban households will reduce about a half of the overall urban-rural expenditure gap. A significant part of the remaining unexplained component lies in the intercept differences; that is, the inter-group differences in other factors not captured in the model that favor urban households

Deborah Cobb-Clark & **Tue Gorgens**  
Parents' economic support of young-adult children: do socioeconomic circumstances matter?  
*Journal of Population Economics* (August 2013)  
doi: 10.1007/s00148-013-0484-6

We assess how the support parents provide to young adults as they leave school and begin working is related to their family's socioeconomic circumstances.  
We do this using an innovative Australian data set which merges survey and administrative data. The survey data inform us about intergenerational co-residence and financial gifts and the administrative data about the family's welfare receipt history. We find that disadvantaged young people are more likely to be economically independent of their parents than are their more advantaged peers. This disparity is larger for financial gifts than for co-residence and increases with age. Moreover, there is a complex

relationship between parental support and participation in study and work. We find no evidence, however, that a lack of parental support is the source of the socioeconomic gradient in either studying or employment. These results are important in eliminating one potential pathway through which socioeconomic disadvantage limits young people's outcomes.

**Shirley Gregor**, Ahmed Imran and Tim Turner  
A 'sweet spot' change strategy for a least developed country: leveraging e-Government in Bangladesh  
*European Journal of Information Systems* (published online July 2013)  
doi: 10.1057/ejis.2013.14

Information systems have the potential to improve societal conditions in developing countries, and yet design theory to inform interventions to encourage uptake and use of these systems is sparse. This paper reports on an action design research project that addressed the problem of limited adoption of e-Government in Bangladesh. Inadequate knowledge of the nature of e-Government systems had been identified as an underlying cause of many other problems in this 'wicked' problem context. The project aimed to reduce knowledge deficiencies among key decision makers through activities that included the delivery of a custom-made training program and a handbook targeted at senior government officers. The project had modest resources and yet yielded significant outcomes. Critical reflection established a number of design principles for a 'sweet spot change strategy' for interventions of this type, with the most important principle being to first identify a 'sweet spot', a point of maximum leverage, and then to act on it.

Parveen Kalliath and **Tom Kalliath**  
Work-Family Conflict and Its Impact on Job Satisfaction of Social Workers  
*The British Journal of Social Work* (published online August 2013)  
doi:10.1093/bjsw/bct125

Job satisfaction of social workers has captured the attention of social work researchers for many decades. Several organisation and client-related factors have been associated with reduced job satisfaction among social workers. Scant attention has been given to work– family conflict as a potential contributor despite growing evidence of its detrimental impact on the job satisfaction of varied sample groups of working men and women. The present study examined the impact of three forms of work-to-family conflict (WFC) and family-to-work conflict (FWC): Time, Behaviour and Strain, on job satisfaction of social workers in Australia. Data were gathered via an online survey from members of the Australian Association of Social Workers which yielded 439 usable data. Hierarchical multiple regression analyses showed that, in the direction of work-to-family conflict, WFC-Time and WFC-Strain were significant predictors of reduced job satisfaction. In the direction of family-to-work conflict, FWC-Behaviour significantly predicted reduced job satisfaction. These findings have implications for social work workforce planning and retention of social workers and it emphasises the importance to have organisational policies that enhance the ability for social workers to manage their work and family commitments responsibly.

Parveen Kalliath and **Tom Kalliath**  
Work-Family conflict: coping strategies adopted by social workers  
*Journal of Social Work Practice* (published online August 2013)  
doi: 10.1080/02650533.2013.828278  
There is a growing literature investigating the association between coping and work stress among social workers. An area that remains under-researched is the association between work–family conflict and

coping. The present study explored the coping strategies adopted by social workers in dealing with the competing demands emanating from their work and family domains. In a larger study involving 439 Australian social workers, we analyzed the responses to two open-ended questions that explored the challenges experienced by social workers in meeting their work and family demands, and the coping strategies they adopt to deal with these challenges. The findings confirm that social workers experience work– family conflict and they adopt several coping strategies to deal with it including support from supervisors and colleagues, cognitive reframing, timely communication, setting clear expectations, time management, job flexibility and developing personal hobbies. We discuss the implications of our findings for social work policy and practice.

Karen Granger, **Vinh Lu**, Jodie Conduit, Roberta Veale, Cullen Habel  
Keeping the Faith! A preliminary investigation into the drivers of participation in spiritually based communities  
*Journal of Business Research* (published online April 2013)  
dx.doi.org/10.1016/j.jbusres.2013.03.013

Spiritually based communities (SBCs) provide a range of economic and social benefits to society. Declining memberships prompt a need for greater understanding and insight into the factors that drive participation in these communities. This study provides a conceptual model depicting religiosity as the core driver of donation of time, money and attendances at religious services. The model further indicates that the impact of belief in a 'higher being' on participation in SBCs is moderated by age, income, time available for socialization, desire to make a social contribution, and need for social interaction. A preliminary investigation in Australia provides strong support for the model, serving as a starting point for a number of future studies on the behaviors of SBC members.

Rogério Mazali and **José Rodrigues-Neto**  
Dress to Impress: Brands as Status Symbols  
*Games and Economic Behavior* (Volume 82 November 2013)  
dx.doi.org/10.1016/j.geb.2013.06.009

We analyzed the market for indivisible, pure status goods. Firms produce and sell different brands of pure status goods to a population that is willing to signal individual abilities to potential matches in another population. Individual status is determined by the most expensive status good one has. There is a stratified equilibrium with a finite number of brands. Under constant tax rates, a monopoly sells different brands to social classes of equal measure, while in contestable markets, social classes have decreasing measures. Under optimal taxation, contestable markets have progressive tax rates, while a monopoly faces an adequate flat tax rate to all brands. In contrast with extant literature, subsidies may be socially optimal, depending on the parameters, in both market structures.

**José Rodrigues-Neto**  
Monotonic Models and Cycles  
*International Journal of Game Theory* (published online May 2013)  
doi: 10.1007/s00182-013-0385-7

A partitional model of knowledge is monotonic if there exists a linear order on the state space such that, for every player, each element of her partition contains only a sequence of consecutive states. In monotonic models, the absence of alternating cycles is equivalent to the property that, for every pair of players, the join of their partitions contains only singletons. Under these equivalent conditions any set of posteriors for the players is consistent (i.e., there is a common prior). When checking for consistency in a monotonic model, it is not necessary to evaluate all cycle equations; if the cycle equations corresponding to cycles of length two hold, then there is a common prior.



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