The global financial crash has its roots in the concept of limited liability
And guess whose idea that was?
SOTOPORTEGO
DEL BANCO GIRO
The dangers and expense of sea travel led to the development of the 'commenda' corporate law and insurance soon followed.
The Renaissance laid the foundations for the modern world - from tech to attitudes to economics

By the 19th century the world was unrecognisable, but it took centuries.
This time it's different
The biggest mistake companies make is in preparing for **what is**, rather than **what might be**.
Any domain, discipline, technology or industry which becomes information-enabled and powered by information flows, sees its price/performance begin to halve/double approximately annually.

Once that pattern starts, it doesn't stop.
LINEAR VS. EXPONENTIAL

![Exponential Organizations book cover](image)

- **Linear** growth increases at a constant rate over time.
- **Exponential** growth increases at an increasing rate over time, often leading to disruption.

**Disruption** occurs when exponential growth overtakes linear growth, leading to significant change and innovation.
McKinsey advised AT&T not to enter the mobile phone business. Its models predicted that by 2000 there wouldn’t be 1 million mobile phones in use worldwide.

There were 100 million. McKinsey’s prediction was off by 99 per cent. AT&T passed on one of the most lucrative business opportunities of modern times.
At this speed, Evolution becomes Revolution.
The 2nd Renaissance and the birth of the exponential age
"A frog in a well only sees his piece of the sky"
Technologies are combining to create intense disruption.

Focusing on only one technology or sector can miss the broader impacts and opportunities driven by this convergence.
Global businesses are in the process of integrating their operations into a seamless, digital whole and changing the world in the process.
Everyone's reassuring each other that the upturn is coming, but the evidence doesn't support that.
• 3D printing technologies, micro-manufacturing
  - PwC
• Hyper-personalisation/near & nextshoring
• Circular economy transformation - 110-170m m/tons iron ore by 2025
• Augmented/virtual reality/mixed reality
• Blockchain/ smart contracts, frictionless trade
• The shipping industry is opaque and inefficient, destroying value in its companies and failing to satisfy its customers
• Owners speculate in tonnage, rather than investing in customer propositions
• Charterers/BCOs only care about the price - don't they?
• Digital infrastructure investment is hard when banks only finance assets
• Equity investments are probably what's needed, but PE made the mistake of listening to incumbents and speculated in tonnage instead
• Seaborne volumes by 2030 little higher than today - best case growing at 1% (Danish Ship Finance)
Don't fixate on the ship or the book or the CD

Digital products and services are different
They need platforms and ecosystems to function

Connectivity & mobility are merging, the second machine age.
The complexity and ubiquity of technology is growing exponentially, while bureaucracy grows arithmetically in response.

We are in the beginnings of "The Bureaucratic Singularity." For IMO cybersecurity may be the inflection point
The DX economy needs a new regulatory paradigm
But this is far wider than shipping
"The industry acknowledges that the current test method is outdated and is seeking agreement from the European Commission for a new emissions test that embraces new testing technologies and is more representative of on-road conditions." SMMT, UK.

Legacy Regulation

- evaluate once
- test for compliance rarely
- onus on regulators/authorities to exercise oversight
The complexity of managing, exploiting and extracting value from information and interacting as part of the intelligent digital mesh - people, things, processes - is huge.

Ecosystem partners collaborate to deliver productivity, responsiveness, automation - transparency drives trust.

AND security of operation
"According to the WEF concerns about corporate cyber vulnerability are beginning to act as a brake on technology investment, and failing to address it could cost the global economy US$3 trillion."

Cyber security is a foundational requirement for successful digital transformation and platform operation.
contagious accountability
Culture eats strategy for breakfast
Regulators need to establish trust with individuals, stakeholders, ship operators, crew and the wider public. That means leading the transition from the front...

It means building the platform for smart regulation
Realign regulation with commercial and economic benefit.

Rebalance enabling with restricting facilitation with constraint
An holistic, collaborative approach that can deliver both creativity and pragmatism is what we need.

This is a total reimagination of the regulatory framework.
The future has
  • no guarantees
  • constantly shifting parameters
Regvolution!
"Revolutions threaten incumbent elites because they democratise access and they devolve power. Where digital is truly disruptive is in its ability to widen participation. That’s why this heralds a regulatory revolution.

Digital connects, it listens to data and it can analyse and deliver back solutions which are magnitudes more accurate and personalised, and it can do that on a vast scale."

K D Adamson
Ask not what regulation can do for you, but what you can do for regulation.

These new ownership ecosystems are made up of you. The digital revolution is devolving the power to regulate your industry to you.
We're all tuna now
There's a difference between predictive and visionary
the future isn't somewhere we go, it's something we create