"The pessimist complains about the wind; the optimist expects it to change; the realist adjusts the sails."
-William Arthur Ward

Welcome! The quote is so apt. This month Zip shuttered its pending acquisition of Sezzle, Elon Musk is trying to wriggle out of acquiring Twitter, and Google announced that it will slow hiring for the rest of the year.

Buckle up - turbulence ahead - adjust the sails.

During a recent strategic off-site that I ran for a client's leadership team, a throwaway comment regarding the hot topic of SASE became a light bulb moment for me. Has the term "SASE" been good for anyone other than its creator, Gartner? See more below.

Previous Newsletters, including this one, are available on our site in pdf HERE

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CEOs biggest worry – Cyber risk. Will that change?

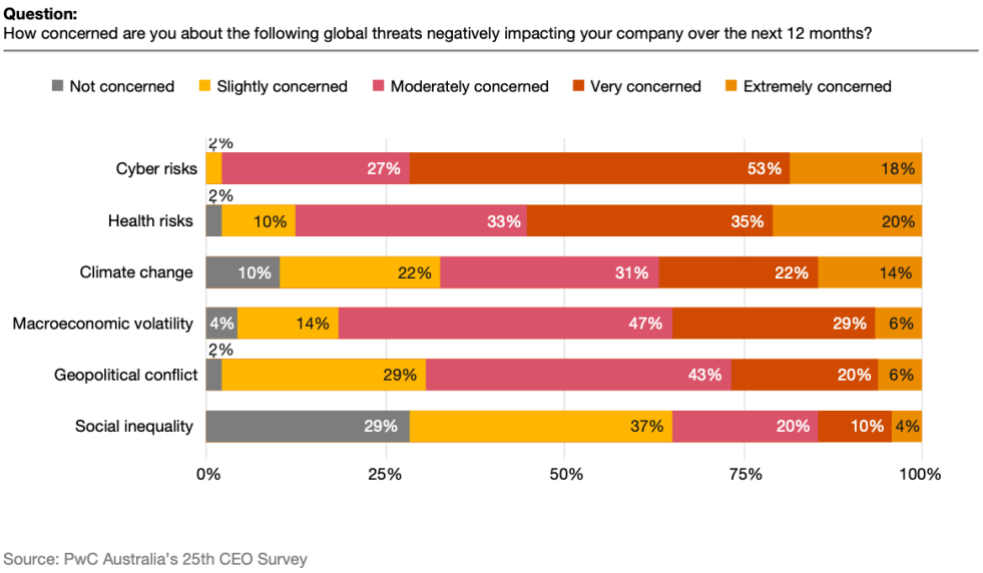
-PwC 25th Annual CEO Survey LINK

"CEOs highlighted three threats that could damage their companies' reputations and impact sales: cybersecurity, climate change and skills shortages".

PwC's reports that by late 2021, CEOs in Australia had underlying confidence in growth, despite concerns about the risks posed by cybersecurity threats, ongoing COVID-19 impacts and climate change. As shown in the graph, 71 percent were concerned by cyber risk. In fact, cybersecurity risk is a key point of difference between Australian and global leaders. Of the more than 4,400 worldwide CEO respondents, only 50 percent were concerned about cybersecurity risk.

Australia's CEOs are also more concerned that cyber risks could affect their ability to sell products and services (67% compared to 60% of their global peers).

Given two interest rate rises in two months, do CEOs still feel the same - or would they reprioritise macroeconomic volatility?



Source: PwC Australia's 25th CEO Survey

SASE: Has Gartner helped or confused?

The head of sales for an MSP client was reviewing sales performance regarding SASE. He claimed that frankly, it had been a struggle and neither his sales team nor customers really understood it.

To recap, SASE (Secure Access Secure Edge) is a marketing label coined by Gartner in 2019 that converges several security functions relevant to SD-WAN, into one 4-letter acronym.

The problem is that SASE is not a product - it refers to an arguably, complex collection of products and/or security functions, most of which had been around prior to 2019. By over-simplifying a complex area, salespeople and customers typically have no idea what the marketing term 'SASE' does, what it comprises or how it can be implemented.

While Gartner can be commended for its inspired marketing, SASE needs to be deconstructed back into its components. By so doing, various stakeholders will better understand what each function does, whether it meets their needs and if so, how to prioritise the implementation of the various functions for their specific situation.

Like the "Magic Quadrant", one wonders who really benefits from inspired marketing constructs such as SASE … other than its creator.

Not so crazy, nbn® Multi-Technology Mix (MTM) delivers Gigabit/s cheaper, sooner

In 2015, when the incoming government and the nbn announced that it was switching from a single focused Fibre-to-the-Premise (FTTP) approach to a "multi-technology mix" (MTM), the 'experts' - mainly academics or people with no telecommunications expertise at all - went into a spin.

MTM included a mix of fibre (FTTP), copper (FTTN) and Hybrid Fibre Coax (HFC) access technologies and their individual deployment selection would be based on practical, economic, technology and timing considerations.

The experts' objection assumed that copper and HFC were legacy technologies that wouldn't sustain much higher bandwidths. They believed that every Australian household needed gigabit broadband and they needed it now (ie in 2015).

In 2014, we made a submission to the incoming government and Communications Minister, that made the following simple proposition: *the existing HFC networks could be upgraded to provide broadband services to approximately 3 million homes at an estimated cost of $500 per home, within 3 years of commencement. Back then, the equivalent cost for FTTP was $5,000 ie 10x the cost of HFC.*

Let's now consider the situation as it stands today.

This month, nbn announced that it can now deliver 1 Gbps to the entire HFC footprint (approximately 2.5 million homes) - actually18 months earlier than the original target of end 2023 [CommsDay 14-7-22].

- Cost to upgrade HFC: $160 per premise
- Cost to upgrade FTTN: $1,350 + $750 lead-in per premise

By July 2022, the GPON overlay for FTTN has reached 230,000 premises and is slated to take another 18 months to pass two million homes and connect just 200,000 homes.

With hindsight and actual data, you can now be the judge of whether MTM and HFC was a good call.

Footnote: DOCSIS 4.0 is around the corner. DOCSIS 4.0 technology supports up to 10 Gbps speeds downstream capacity and up to 6 Gbps upstream capacity, easily allowing for multi-gigabit symmetric services over HFC networks. LINK

Simple Maths

xy × 11 = x (x+y) y where x+y < 10

eg 42 x 11 = 462
eg 36 x 11 = 396

Contradiction

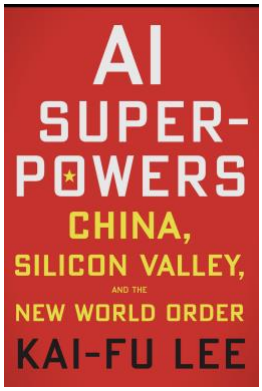
Let:	$a = b$
Multiply both sides by a, giving:	$a^2 = ab$
Now add a^2-2ab to both sides:	$a^2+a^2-2ab = ab+a^2-2ab$
Simplify:	$2(a^2-ab) = a^2-ab$
Divide both sides by a^2-ab and we get:	$2 = 1$

Fatal flaw: when you divide by a^2-ab since a=b, it is therefore equivalent to dividing by zero. Zero will go into any finite quantity an infinite number of times. By creating infinity on both sides we have allowed a contradiction to creep in.

AI Super-Powers. China, Silicon Valley, and the New World Order

By Kai-Fu Lee, 2018 LINK

"If artificial intelligence is the new electricity, Chinese entrepreneurs will be the tycoons and tinkerers who electrify everything from household appliances to homeowners' insurance."



Kai-Fu Lee believes China will be the next tech-innovation superpower and in this book, he explains why. Taiwan-born Lee is perfectly positioned for the task with more than thirty years in the AI industry including Chairman and CEO of a Chinese VC fund and AI Institute, senior roles in Google, Microsoft and Apple and a holder of ten patents.

Lee provides rich insights into three diverse, yet allied topics – AI, China and self-purpose. The latter was a surprise bonus in which he shares insights into his personal journey.

Lee argues that because of the unprecedented developments in AI, dramatic changes will be happening much sooner than many of us expected. Indeed, as the US-Sino AI competition begins to heat up, Lee urges the US and China to both accept and to embrace the great responsibilities that come with significant technological power. He claims that the AI world order will combine winner-take-all economics with an unprecedented concentration of wealth in the hands of a few companies in China and the United States. This, he believes, is the real underlying threat posed by artificial intelligence: tremendous social disorder and political collapse stemming from widespread unemployment and gaping inequality.

As is the case with most technologies, if you believe that the US is once again leading in AI – think again. Lee provides data and several examples of China's focus (government mandated and funded), investment and success in AI already, way surpassing its US rival. He also provides insights into China's competitive advantage. For example, China has more internet users than the US and all of Europe combined; transactions on China's mobile payment platforms were greater than China's GDP. Think about the data China has and is generating every minute – data is what fuels AI.

Lee provides commentary on AI and its impact on work.

"For centuries .. many of us have been conditioned to derive our sense of self-worth from the act of daily work. The rise of artificial intelligence will challenge these values and threatens to undercut that sense of life-purpose in a vanishingly short window of time"

In a powerful assessment of his thirty-five year AI career, Lee says:

"I got my sense of anatomy mixed up. Instead of seeking to outperform the human brain, I should have sought to understand the human heart"

Stay connected

Kevin