

**Division of Economics and
Financial Studies**

Occasional Graduation Address

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Deputy Chancellor, ladies and gentlemen, good morning. It's a pleasure to be asked to address you today and I'd like to thank the organisers for giving me the opportunity to do so.

May I begin by congratulating the graduates on your achievement. You have much to be proud of. I'd also like to offer congratulations and a vote of thanks to those who helped you get to this point – your families, friends and the academic and administrative staff of the University.

As a graduate of the University, and now a faculty member, it's interesting to see how much has changed and how much hasn't since the day when I was sitting where you are now.

For example, back then the University had a computer. Just one. It was kept over there and filled that room. It had to be programmed by feeding it punch cards

(which were sold at what is now the U@MQ shop) and using it for any kind of computational task typically involved a 24 hour turn around before you got your results. Those of you with anything other than a basic mobile phone have more computing power in your pockets than resided in that entire room. I suspect in 25 years, students to come will be amazed that one had to carry around a piece of electronic equipment to listen to music, make phone calls and take photos.

Back then, it wasn't uncommon for students and lecturers to smoke in class. I recall a lecturer I had for linear algebra who used to stub out his cigarettes on the tray where one put the whiteboard markers.

About two thirds of the students were male back then, which makes it all the more remarkable that I was able to meet my wife while studying here. She was doing actuarial studies, one of only 3 women in her year. In another sign of how things have changed, she was

only the 18th female actuary in Australia. It's thus perhaps not surprising that when she qualified she received a letter in the mail from Visa card, saying "Dear MR Dolan, now that you are a qualified actuary, would you like us to increase the spending limit on your Visa card?".

On the other hand, some things have not changed. I still recall a Conception Day scavenger hunt that involved the "liberating" of anything not bolted down from Cheltenham Station, which was then reconstructed in the courtyard. One particularly enterprising group of students used a hydraulic jack to uproot the parking toll booth that used to stand at the Herring Road entrance, not realising it had a sink, and hence a tap and water pipe, inside it. This, of course, completely flooded that entrance to the University. No wonder pay and display parking was introduced.

Enough of the past. It is customary for the occasional speaker at such ceremonies to give advice, so in keeping with tradition, let me do so by encouraging you to take the greatest possible advantage of the new skills you have acquired. Of course, doing so will involve taking some risks, and I'd like especially to urge you be prepared to back yourselves, take some risks and always be on the lookout for ways to turn any setbacks you encounter to your advantage.

History provides some good examples:

For instance, the Italian Renaissance master, Michaelangelo was in 1505 asked to go to Rome to do a major sculpture. He had always thought of himself first and foremost as a sculptor, and was keen to further his reputation by doing Pope Julius II's tomb. It was customary back then for Popes to build their tombs while still alive, as there was no guarantee that a successor would fund one of sufficient magnificence after one's death. Italian politics being what it was,

rivals who were jealous of his skills sought to sabotage him and advance their own projects by convincing the Pope to force him to first take on a very tough painting assignment, where the chances of success were very small. He would either be shown to be inadequate, or he would quit in frustration. He could have gone home, and decided the price was just not worth paying. Or, he could have done a bad job to register his disapproval. Either way would have represented an admission of defeat to his rivals, especially as the job involved painting while standing on a 70 foot high scaffold - higher than the roof of this auditorium - for 4 years, painting a tunnel-vaulted ceiling, of a private chapel that typically only came to notice when used for papal elections.

Instead he took the job, gave it his best shot, and the result was the ceiling of Sistine Chapel, one of the most famous artworks ever created. It established Michaelangelo not only as one of the greatest sculptors

of all time, but also one of the finest painters to have ever lived. On a wide, unbroken canvas it would have been one of the most remarkable paintings ever executed. On a curved ceiling with windows and lunettes it was clearly the work of a genius. This was hardly the result his rivals expected. The lesson here is that sometimes it doesn't matter if what you're being asked to do is a job you want, or may not even regard yourself as being suited to, you have the chance to make a lasting impression if you are prepared to give it your all.

Consider another example from the IT industry. Steve Jobs co-founded Apple Computer in his parents' garage when he was 20. In 10 years Apple had grown from just two people in a garage into a \$2 billion company with over 4,000 employees. They developed the Macintosh, a revolutionary new personal computer. Jobs had just turned 30. But then his vision of the future began to diverge from that of the Apple Board and Jobs was forced out.

Jobs thought about quitting Silicon Valley. He was after all, independently wealthy and had other interests. But he still loved what he did, didn't want to be seen to be running away, so he decided to start over.

Jobs now says getting fired from Apple was possibly the best thing that could have ever happened to him. During the next five years, he started companies named NeXT and Pixar, and met the woman who would later become his wife. Pixar went on to create hugely popular computer animated feature films, such as *Toy Story* and *Finding Nemo*, and became the most successful animation studio in the world. He eventually made a highly successful return to Apple, where products like the i-Pod and i-Phone have been incredibly profitable and have created whole new industries. Jobs says none of this would have happened if he hadn't been fired from Apple in the first place. Again, a seemingly disastrous setback was turned to an advantage by someone prepared to learn from an experience, take a longer-term view, and not afraid to try again.

Let me give one final example, from my own field of finance. I was enormously fortunate to have as my PhD supervisor Professor Bill Sharpe. When Bill was himself a PhD student, he was working steadily through what he thought was some pretty “good” research in the scintillating area of transfer pricing. It was hardly revolutionary, but nevertheless he was on track to get his PhD awarded. After spending some months on his work, a trusted mentor suggested he was capable of something better and that he ought to tackle one of the major unsolved problems in finance at that time. The easy option at that stage would have been to stick with his original topic as he’d already written about 60 pages.

It was a hard choice to start again, and tackle a much tougher problem, one where there was no guarantee that he’d come up with a publishable result. He took a chance, gave it his best shot, and the end result was a thesis that won him the Nobel Prize in Economics. The

lesson here: sometimes the harder decisions will have payoffs that far exceed the extra effort required – although that is often far from clear at the time. Also, a trusted mentor can often be the source of valuable advice.

All of these situations involved taking significant risks. Not all risks payoff – by definition. If they always paid off everyone could and would do them. Anyone who has never had a project fail has just not attempted enough projects. Anyone who's never lost money on an investment is just not doing enough investing.

The knowledge you've acquired in your time at university has equipped you to make intelligent and successful decisions, not just in your chosen careers, but for life in general. I'd urge you to make the most of the investment you've made in your own human capital by taking calculated risks, learning from any setbacks, and, when the time comes, sharing the benefit of your

experiences with the next generation. You'll have ample opportunities over the years to come to "put something back into the system". I'd encourage you to take them.

I'd also encourage you to make a point of having at least one outside activity – if only to maintain your sanity. My knowledge of Michaelangelo in the example I mentioned earlier was a result of a weekly lunchtime class I'm taking in Renaissance art appreciation. Travel, have a hobby, play a sport, learn a second language (for some of you it may be a 3rd or 4th), join a community club, donate time to a charity. Have a life beyond work.

Your presence here today shows each of you has got ability, knowledge and dedication. Demand for people like that will always exceed supply. You've got what it takes to make a difference – to your own lives and the world around you. Go and do it!