



The Solari Report

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Making Waves: Entrepreneurship for Everybody with Jason Bawden-Smith

HOW I FOUGHT OFF SHARKS
TO SWIM WITH DOLPHINS

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Making Waves: Entrepreneurship for Everybody

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C. AUSTIN FITTS: Ladies and gentlemen, it's my pleasure to welcome to The Solari Report a very dear friend and ally, Jason Bawden-Smith, who is a highly successful entrepreneur from Australia. He's coming to us from Sydney. I'm going to let him explain.

I apologize for my laryngitis, but we delayed recording this since last week. Now we really need to record it today, so please bear with this.

Jason has just today published today his book *Making Waves*, so I'm going to have him tell you all about his background and history. It's all part of the book, which is really a business biography. I wrote the forward. It's excellent. I can't recommend it enough if you're interested in entrepreneurship. So, Jason, welcome to The Solari Report.

JASON BAWDEN-SMITH: Thank you so much, Catherine. It's such an honor to be invited on what would arguably be the best podcast in the world, as far as I'm concerned. I have learned so much from you, from your guests, and I'm so happy to be here with you.

C. AUSTIN FITTS: It's a delight to have you. It will be the best podcast in the world when I don't have laryngitis. So let's start with why you wrote the book, because we're going to get into your background and what the book teaches us. One of my favorite quotes from you that we used in our commentary is your call to action. So explain to what that means – your complaint is call to action – and explain why you wrote the book.

JASON BAWDEN-SMITH: Sure. We'll start with the reason I wrote the book. I think it boils down to two reasons. The first is people have seen me grow a company from my lounge room to one of the biggest contaminated land consultancy companies in Australia. We now turn over \$30 million



a year. We have profit margins at least double – probably triple – that of our competitors, and people remember me working from my lounge room really having no idea what I was doing.

It took some time. A lot of people think that success comes quickly. I can assure you it does not. I measure success in decades, not in months and not even in years. It does take a long time.

So rather than tell my story over and over again, I decided to put it in writing and describe it in full detail. It's very raw, it's very vulnerable, and I've been totally open and honest with everything that happened because I feel it's the challenges and the hardships that make us stronger.

I've been a long-time believer in personal growth for professional success, and I think you live that through your business, not just through your life. To me it's one and the same. I don't work; I live, and I've just found a passion that has allowed to pay me lots of money by doing good for the environment, good for my staff, and good for me. That's really the reason I wrote it.

There is a selfish reason. I think writing down your story is very cathartic; it's healing. To be a successful memoir, and whether it's business or life, you have to have dealt with your emotional, spiritual trauma. If you haven't dealt with those issues you can't finish your book. So it's one way to actually process it, reconcile issues that you may have had, and just reflect.

I was surprised. When you live your life, you just take it in stride. It's not until you take some time to really sit down and objectively reflect on what you've done over the past period of your life, and once you do that it's remarkable the insight you get. It's not just that you could write about it for others, but it's a way to grow and go to the next level. So there was definitely a personal reason as well.

C. AUSTIN FITTS: So start at the beginning and tell us the story of how you became an entrepreneur.



JASON BAWDEN-SMITH: A lot of people think that entrepreneurs are born and not made. I think they're both.

In life it's never either/or. It's always and/and. We always should look for a better way, and a better way is for everybody to win. So when I was a teenager, I grew up in Sydney's beaches. I used to go down to Maroubra Beach, which is a surfing beach, close to where I used to live. Today people wouldn't recognize Sydney beaches. In the 1980's when I was at school the beaches were heavily polluted. We had raw sewage that would come off the major treatment plants. The one closest to Maroubra was called Malabar Sewage Treatment Plant, and it would serve as a third of Sydney's sewage.

It would only be screened, so it was only primary treatment. I don't want to be too disgusting here, but all of the solid materials they would remove through screens, and then the rest would just float out close to shore. Then the winds would bring it onto the beaches.

I'll never forget the day I was walking down to the beach. It was one of those perfect days. It was early morning, the sun was rising, the winds were offshore so the waves were at their peak. The swell was good – about three or four foot. The sand had perfect banks. It was just one of those ideal days.

You start paddling out, and as soon as you get out there, you could start smelling raw effluent. It was so bad. There were condoms, tampons, feces. It was disgusting. It was so vile.

So here I am, a sixteen-year-old kid, and I'm just going, "Oh my goodness!"

And because the surf's so good, what are you going to do as a teenager? You continue to surf.

But when I got home, I spent about half an hour to 45 minutes in the

“A lot of people think that entrepreneurs are born and not made. I think they're both.”



shower. My mother wasn't too happy with me wasting all the hot water and spending so much time.

She said to me, "Why were you in the shower for so long?"

So I described what I'd just been through, and she looked at me and said, "Well, you're just going to have to go down and fix it."

I looked at her and said, "How am I ever going to do that?"

She said, "I don't know how you're going to do it. You're just going to do it."

It's funny how those little comments sit with you. So I spent literally the next six years of my life working out ways to solve Sydney's beach pollution. Now I'm not taking credit for it; I was just one small cog in the wheel. But I went on some incredible ventures, including going to a university specifically on water pollution, which I graduated with high distinction from because I was so interested in the topic.

Then I purposely went and worked for New South Wales Health Department because back then there was no API. The health department did most of the environmental work, and there was a state pollution control commission that just did licensing issues facilities.

They ran the beach pollution issue, which was growing and growing in importance. It got so big that they started having public meetings and parliament select committees.

So I was lucky enough to be invited into the Beach Sampling program, and I basically was the main person who went and collected the samples from the beaches along Sydney, sent them to our labs, and collated the results, and wrote up the reports.

Now obviously everything was confidential, but I was so motivated to fix this problem that I had to get the message out. So at these meetings I would wear hoods on my head and go in disguise outside of my area,



over on the other side of the harbor, and I'd ask really difficult questions to the API, the health department, and the water board, and all those people on the committees.

It got to a stage where I'd just get standing ovations for the questions that I'd ask because I was cheating. I knew the answers to the questions because I was collating the report. Through that process a friend of a friend asked me to get involved a bit more politically, and there was a radio announcer, a guy called Mike Petri on 2Day-FM, and he did the surf report every morning. Through about four or five people – so I wouldn't get caught – I would release the results to him, and he would announce it on Sydney radio.

Well, didn't that cause a stir! I never got caught because they could never trace it back to me, but the long of the short of it was wanted to pump the sewage back over the Blue Mountains and use it as compost for fertility of soils because Australia has very poor soils, but we didn't win that one. However, they did build better sewage treatment and put ocean outfalls in to disperse the sewage further out to sea.

So when you come to Sydney now, you will see whales during whale season. You'll see pristine water. It really is some of the cleanest city beaches and water.

C. AUSTIN FITTS: Oh, it's just so beautiful! The beaches are incredible, and the water is so beautiful. It makes Sydney such a beautiful city – one of the most beautiful in the world.

JASON BAWDEN-SMITH: Yes. I'm terribly biased, but I have to agree with you.

So that didn't start my entrepreneurship. Obviously it was using some skills as an entrepreneur on solving problems and creating value. If there are two things that I want to leave the audience with, you really need to be able to solve a problem and create massive value if you want to be successful.



So in the health department I was just not happy working there. Everything just moved too slow, and I was a ‘go get ‘em’ sort of guy. I was about to leave, and my supervisor said, “How about if we fund your Master’s degree and you can stay for a bit longer?”

So I thought, “Okay, I’ll get paid to get another science degree. That would be cool.”

So I went to the university part-time, and this is at a time where Australia’s last recession was occurring 24 years ago. We had mortgage rates of 7-8%, and I had a property then. Oh, it was hard. I was working two jobs and going to university.

While I was at university, I went up to my supervisor and said, “I’m just not really enjoying these classes. I’m just not learning as much as I’d like to.”

I enjoy experience. I don’t really like reading. I actually can’t read very well. I need to have my hands in and amongst what we’re doing, not just sitting in a lecture and taking notes and doing exams.

So my supervisor offered me an opportunity to do half the course via a project, as long as I found a decent project that suited the university. When I was at the health department, a pediatrician who was newly arrived from the US came in and said, “What are you guys doing about childhood lead poisoning?”

We all looked at each other and said, “What do you mean? We get two or three cases a year. What’s the problem?”

What he explained – and this was back in the late 1980’s and the early 1990’s – was that Australia hadn’t recognized the effect of low blood leads. So very low blood lead levels now cause neurological problems and brain damage and behavior problems and a whole host of other issues. The Australian health departments hadn’t caught up with that data.

So our blood lead levels were only when a child got symptomatic. Now if



a child has symptoms of lead poisoning, they're halfway to death. That's how far behind our health department was.

C. AUSTIN FITTS: Right.

JASON BAWDEN-SMITH: So I went, "Wow! There's an opportunity."

So I remember there was a study done in Balmain where we had all these lead poisoned dogs. The dogs were literally seizing and dying in an area of Balmain, which was only about 20 minutes from our office. So I pulled out the files and had a look and thought, "Wow! This would be a great environmental study."

I ran some environmental samples of some soil, some dust, some air, and worked out what the level of contamination was for lead.

Now my boss at the health department said, "That's great, but we want you to add blood."

I said, "What? I'm an environmental guy. I don't know how to take blood samples."

So I went to the university, and they said that would be fantastic. So I went, "Hmmm. How do I do blood leads?"

I knew the health department didn't have the skills in-house to understand the problem, so I went externally to try to find someone who really understood low blood lead levels. I found a trace element analyst, a guy called Graham Waller – an amazing man. He's an unbelievable man, and he taught me everything he knew about how to take biological samples for lead.

So we organized it all and I door-knocked an area in Balmain. There were about 800 houses, and I identified 50 children within the target range of nine months to 48 months. I was kind-of presented with an

"The dogs were literally seizing and dying in an area of Balmain, which was only about 20 minutes from our office."



issue of, “How do I convince a parent who’s got a potential invisible health issue in their child’s blood to offer their baby’s arm to have a needle stuck in its vein?”

It was quite a good sales effort! Of the 47 of the 52 who were identified in the area, I convinced their parents to offer their child’s arm for a venipuncture blood test, which apparently is still a record for a participation rate for a survey.

The interesting thing was that half the kids had blood lead levels over the World Health Organization or the CDC’s level of concern. That was a massive finding.

I can’t tell you the impact that had on the politics, on the health department, on the parents, on the community. It was quite staggering. I knew I had a hot potato with my thesis, so I carefully worked out ways that were going to protect me in case it got leaked – which was very fortunate because my university professor leaked the report to the media. It made national press. It was on the 7:30 report on ABC, which is a national freeway channel here in Australia.

I’m not going to go into what happened, but there were massive ramifications for me and my ability to maintain my job at the health department. They blamed me for leaking it, but it wasn’t me. The university refused to admit that it was them. They had this kind-of legal privilege they stand behind, and I don’t want to go through the stories of what happened next, but it was pretty horrifying.

I stayed on for a little bit longer. I really wanted to focus on the source of the lead because everyone in Australia wanted to blame lead petrol. We still had lead petrol back in the early 1990’s. I knew it wasn’t lead petrol, and I worked behind the scenes working on proving why lead paint was the biggest issue.

I have to thank my American colleagues who back then gave me so much support and evidence which I eventually released at a conference in Newcastle, an International Lead Conference. I got into even more



trouble there. It was very serious.

C. AUSTIN FITTS: I have to say that one of the things that creates thousands, if not millions, of entrepreneurs is having these kinds of experiences working with academia and government.

JASON BAWDEN-SMITH: It toughens you up! I can assure you of that. It makes you very resilient, and if you can get through it, then you come out so much stronger and wiser.

C. AUSTIN FITTS: I'm serious. I just want to interrupt for a second. It's one of the reasons when you need to implement a lot of change fast, it's important to understand that entrepreneurs are free to do that in a way that government and academia is not free. I think it's one of the reasons why entrepreneurship is so important right now.

JASON BAWDEN-SMITH: More than ever. I think as Franklin Sanders says, "Any dependency on the government comes with a sock to the jaw."

He's half right, because now it comes with a jab to the arm. I don't know if you know vaccination rules in Australia now, but any government support – whether it be child support for a parent or pension for the elderly – you are not entitled to any government money as of the first of January this year without having full vaccination. So more than ever, we need to be independent. We'll talk about how we're going to achieve that over the coming minutes.

So lo and behold, I wasn't meant to stay in the health department for much longer. They could not sack me; I was totally cleared of everything. However, I knew my time had come, and it had become a bit of an issue. I was getting lots of phone calls to do some assessments.

So I started my consultancy company. I was 28 years of age, and I started JBS Environmental from my lounge room.

The story gets a little more interesting because one of the traits of being a great entrepreneur is following your intuition and being able to have the



intestinal fortitude to make the big decisions when you really know it's right. It may not make logical sense – and I'm going to give you an example of what happened to me – but you just know inside your soul that you needed to do it.

So here I am. I actually enrolled in a PhD on lead because I wanted more and more evidence to show what was going on. I had a great supervisor, Professor Chris Winder. He allowed me to work with his consultancy company to collect more data. So this win-win scenario that you always look for where you get paid twice for doing the same job, so I could collect my data and get some money to pay for my lifestyle and my expenses.

I was about halfway through the PhD and I just realized that there had to be a better way to test the environment. I had been to a conference in the US a couple of years prior, and they had these amazing portable x-ray fluorescence spectrometers. Now what's that in English? It's like a portable hairdryer that you can point to a film of paint or the soil or dust, and it would give you a full element analysis of how much lead, zinc, copper, arsenic, and half of the periodic table. It was just fantastic.

And no one believed that you could have a handheld lab that you could actually hold in your hand, but I did because I saw the technology. More importantly, I had dogs dying, I had poisoned kids, I had contaminated areas, and I needed to know where it was coming from. It was imperative. I couldn't do my job because I was waiting three to seven days to get the lab results. By then it could be too late, and I just needed to get the results. So I had to buy this technology.

The problem was that our exchange rate was pretty low – kind of like it is today – and it cost \$70,000. Now that's a massive investment on a piece of technology.

My unit – my apartment – had about \$70,000 worth of equity in it. So I thought, "Okay, I'll sell my property and buy the instrument."

Now you can imagine my parents and my friends going, "You're crazy!"



What are you doing buying technology that has no proven track record, no one has ever bought one outside of America, and you're going to sell your property. You're crazy! Don't do it! Don't do it!"

But I had to. I just had to. Maybe today I'd find another way to raise the money, but back then it was my only option. So I sold the property and I bought the technology. Now the interesting story about that technology, which kind of became a hobby, was that it took me years to convince the mining industry. And before I get to that, I want to tell another story.

“Now the interesting story about that technology, which kind of became a hobby, was that it took me years to convince the mining industry.”

I spent years working mainly in residential and small commercial doing consultancy work, and I couldn't make ends meet. I really couldn't make ends meet. The clients wanted much more than what they could afford to pay for, and I was working around the clock – between 14-16 hours a day – just to keep the bills paid and things working. I just couldn't break out of it. I knew there had to be a better way.

Luckily for me, through an experience which I won't talk about today because we'll be here forever if we tell my whole story, I got a job in a mining community out at Broken Hill, which is Australia's longest-living mine. It's a lead, zinc, silver mine, and it really was the industrialization of Australia, and the union movement was all born in Broken Hill.

The new owner who purchased it was very concerned about the lead liabilities. He heard about me and what I'd done, and he invited me in and said, “Write a full risk management strategy for us purchasing this mine.” It was just a briefing paper. I didn't think we would even win the job because everyone on the street said another mining company was about to buy it.

Then out of the blue – because I'd let it go – he rings me up and says, “You know that briefing paper you wrote?”



I said, “Yes.”

He said, “You’ve got three months to do it.”

I said, “What?”

C. AUSTIN FITTS: Oh my God!

JASON BAWDEN-SMITH: I’ve got three staff and a small little office, I was struggling to make ends meet, and we’re given this massive, massive project. Of course I said yes. I said, “Yes,” hung up the phone, and thought, “How in the hell am I going to do this?”

So we did. I spent three months full-time in Broken Hill. I had a team that started with 20 young mainly delinquent guys out of South Australia – which is a massive story in itself. The good news is that project was a \$400,000 brief that came out to \$1.2 million by the time we left because when a client sees that you’re doing a good job and you’re actually looking at their outcome, so your mindset is the outcome of what the client is trying to achieve, and your alignment is totally coherent with their outcomes, they just give you more and more work.

That project went to \$1.2 million in a three-month timeframe, and we made over \$400,000 profit. It was a company-maker, and it proved to me that I could do the big commercial jobs. More importantly, it gave exposure to the technology of this portable XRF – the hairdryer.

It was then and there that I realized that working for the property industry and contaminated land and doing residential lead assessments wasn’t really my calling; it was to go to mining and help them reduce their impact. Mainly it was in exploration, but it was also in the mining itself.

They had the same problem I did when I was testing backyards. They weren’t getting the results, so they would be out in the middle of the bush, right in the outback in the middle of nowhere with these big drill rigs taking thousands of samples, and then sending them by courier to



the lab, and waiting for the results to come back.

The project management costs in those delays are in the millions; it's massive. To be able to do those assessments, even if they weren't what I call job compliant which is a standard procedure to provide the market – the stock exchange – with the reserves, it was still a great screeding tool, and you can make all your project management decisions in the field.

So we had an amazing impact on that industry, and I can say now that the portable hairdryer that I took the risk to sell my unit and bring to Australia is now one of the most common analytical tools on every exploration and mine site in the world. So it was a magnificent win for the kids, for the lead poisoning, for the mining industry, and for my back pocket because with no IP and no product, just a great company with goodwill and a good client list and fantastic staff, I sold that for several million dollars to a competitor just before the collapse of 2008, which was just a fluke because I'm not that smart.

C. AUSTIN FITTS: I think the point that really comes out both in your story and in the book is that first you try to sincerely figure out how to solve an important problem, and then you figure out how to make money on it. It would be great if you could do both at the same time, but you've got to stay entirely focused on solving that problem.

JASON BAWDEN-SMITH: You have to stay focused on the end result of your client. It must be outcome-focused. If you're not outcome-focused on behalf of your client, then there's no need for you because they can do it themselves.

C. AUSTIN FITTS: Right.

JASON BAWDEN-SMITH: Problem solving is really where you're at for business. So the book itself, maybe instead of just going through the book, a lot of people ask me what their fundamental purpose is. They all feel they're here for a reason; they all want to leave.

Maybe they're working for a company that's doing harm, and they have



a passion, and they really want to find how to manifest it. So what I'd recommend to those people is you've got to find something you're good at. If you're not good at it then you won't be able to pull it off. Then you have to find something that really upsets you – I mean, I would swear but we have a really polite audience, and I have a tendency to speak too much like an Australian – but it really, really upsets you. It's that pebble in your shoe that will not go away. It just hurts every time you walk, and it just drives you crazy.

It's like what the beach pollution did for me, and like the assault of lead on the kids in Sydney where people wouldn't take it seriously. It just really upset me. It was the impact that miners were making on the plant when they could have had a technology to minimize the amount of drilling and digging they were doing. What's the impact that's happening in your life that just totally pisses you off?

C. AUSTIN FITTS: Right.

JASON BAWDEN-SMITH: It's got to be strong. (I'm sorry I swore.) The reason why it has to be strong is because there are going to be many times when you start your company or your business that you just don't want to get out of bed. It's just one of those days, and it's been really tough. You're exhausted and whatever is happening in your personal life. You have to have something that annoys you to such an extent that you have to get up and just power through those hard times. And they're going to happen.

C. AUSTIN FITTS: Right, and the issue, to get back to your expression, is that your complaint is your call to action. One of the things that I always say is, "Don't ask how you can fix the problem; ask how you can make money fixing the problem because then you can fix the problem."

JASON BAWDEN-SMITH: Correct. Your beautiful saying, which I have stolen, we'll talk about in a minute. It's, "No transactions, no change."

C. AUSTIN FITTS: Right.



JASON BAWDEN-SMITH: That is so important.

C. AUSTIN FITTS: Right. And so many of the people who want change think that transactions are bad. It's crazy.

JASON BAWDEN-SMITH: It's totally crazy. I want to get into more detail about that in a minute, but I want to first talk about play and getting in touch with your inner child.

C. AUSTIN FITTS: Okay.

JASON BAWDEN-SMITH: A lot of people think that play is frivolous and something you do as a kid. They really don't understand how play is essential. It really helps your creative problem-solving skills, it balances out your stress, it increases your resilience, and the most important part of play is the imagination. We can talk about your invention room or things of that nature during this conversation if you'd like, but play is really, really important.

You'll find when you get back to that kind of time when you're seven, eight, or nine that there is something you did back then that can relate to what you're doing now, that will give you that fun, that fulfillment that you're looking for. It may be totally unrelated.

For me it was water and playing in the pool and pretending to be marine boy. That led me to beach pollution and the water things in my life. It was the business stuff that brought me back onto the land with mining and so forth. But play is really essential. I want people to really reflect on that. It's not all business; it's got to be fun, too.

I personally went back to when I was eight and worked out what I loved to do, and I've implemented that in my life now. I bought a table tennis table to play ping-pong. I put a pinball machine in the office so the staff can play pinball. I go to the beach as often as I can like I used to as a kid. I'm really putting that into my life because it just helps my stress levels, it helps my enjoyment, and makes life so much more fun. So I wanted to

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stress that.

C. AUSTIN FITTS: Right.

JASON BAWDEN-SMITH: The other thing you need to look at when you're trying to find out what your fundamental purpose is your personal history. Your story is your life. You have a life book there. You need to go back through your life and see what worked, what didn't work, what excited you, what you're good at, and really go through your personal history.

Once you've done those three things, then you can work out how to monetize it. The great thing about today is there are more opportunities to monetize an idea or a business than ever before.

There are a few more obstacles and regulations and government interference and big business trying to take over the world, but it gives us more opportunity, and the time is right for entrepreneurship. If we don't do it, when we talk about the next phase in the interview with the technology changes that are coming – the 'tsunami' as I call it – we really have no choice.

C. AUSTIN FITTS: Let's stop here and let's take a dive into what I call Global 2.0 to Global 3.0. So moving from an industrial economy into a networked economy, you've spent a lot of time looking at technological change. I think you're one of the people I know who really appreciates how dramatic the next five to ten years is going to be.

Maybe we could just take a few minutes and you could talk about your impressions of what is happening in technology and what you think it's going to do to the economy and why we're going to need an incredible amount of entrepreneurship to deal with it.

JASON BAWDEN-SMITH: Wow! That's a big subject. Where do I start? Let's start with why people can't see it. This is one of the biggest things that I find with people. Human beings are designed to think linearly. So it's one, two, three, four, five, etc. So it's small increments improving all the



time. What they don't understand is that technology is based on doubling, or what they call exponential. I'm going to give a couple of examples so people can really get it. It's a mindset that the people really struggle with.

Let's look at a pond, and you put one lily in that pond on day one. On day two there are two lily pads, and the process continues until the 20th day. On the 20th day the pond is now saturated; it's full of lily pads. Now what day was it when it was half full? It was the 19th day.

So you can see with exponential growth that it's the last step that has half of the growth. It's not 10% at a time; it's like a doubling all the time. So the last step is half the growth. I have some more examples if that wasn't enough.

The concept they use is called Moslaw. It's a basic bot through computers and I call it a technology s-curve. It relates back to transistors. One of the ways I got the computing power is that those old enough to remember had the old relay circuit boards, but they weren't circuit boards; they were relays. You could see them increasing like an s-curve, and then it tapers off. Well, exponential tapers off and it doesn't happen anymore, but what they don't understand is that the vacuum tube came halfway through the relay, and it increased it even more. Then the transistors came and increased computer powers even more. And now we're dealing with integrated circuits.

So even though a particular technology may become redundant after its growth stage because it does taper off, there's a new technology that allows it to grow even more.

That's where it's coming from. It's the computer power that's really pushing a lot of these technologies.

I don't know how many technologies you want to go through, Catherine, but let's just choose a couple because we literally could be here for two days.



C. AUSTIN FITTS: All day and all night, right.

JASON BAWDEN-SMITH: Let's pick artificial intelligence, and while I call the phenomenon a tsunami, like this massive wave that's coming, it has been a slow trickle behind the scenes. It's the boiling frog that we haven't realized that when I go to the gas station, or the petrol station as we call it in Australia, I can't get any fuel until a machine gives me permission. I can't go to the grocery store until a machine lets me purchase, and I can't even get any money until I go to a hole in the wall where a machine allows me to access my funds.

So we think we're not influenced overtly by artificial intelligence with computers and technology, but we are. We are totally controlled by it without even realizing it.

I tell people, "Mr. Global is reading your mind, and he has his fingers in your brain." This is how subtle it's been and how invasive. So artificial intelligence is taking us from this historical industrial revolution 2.0 scenario where we have a service economy which is listening to us and looking at us and reading us. It's even writing. You wouldn't believe that there's a company called Narrative Science that writes editorials for Forbes magazines and other major publications. So you have AI that is writing editorials. This is all integrated into what they call integrated knowledge.

C. AUSTIN FITTS: Right.

JASON BAWDEN-SMITH: So it's quite incredible what's coming. You couple that with sensors. People don't realize how many sensors they have in their mobile phone. You've got 20 different sensors in your mobile phone, you have all the sensors in your house which is even getting worse. We'll talk about that a little bit later maybe. You're being surveilled nonstop.

What else have we done recently? Well, we've invented drones. People think that drones are toys. There's nothing further from the truth. These are military weapons. They have capabilities and sensors, not just



cameras, and they can sense infrared, they can sense humidity, they can do lots of different testing, and soon – maybe as early as this year – governments around the world are going to allow commercial use of these drones.

C. AUSTIN FITTS: Right, and let me just mention the drones in combination with microsattellites are going to massively increase the internet access – not just through cable but through the air. With the rollout of smartphones, once you have everybody on the planet accessible through the internet, then you’re talking about a whole bunch of different models that can flip, and the drones are going to make an incredible contribution to that.

JASON BAWDEN-SMITH: Yes. It’s like another layer. You talked in your space presentations about the orbital satellites. Well now there’s another layer. It’s like the net is getting tighter and tighter around the earth, and they’re going to know anything at any time anywhere. These sensors on drones don’t turn off; they’ll use solar-powered energy to fly around nonstop and never turn off. It’s incredible, and this is happening now. Not tomorrow. Now.

“It’s like the net is getting tighter and tighter around the earth, and they’re going to know anything at any time anywhere.”

C. AUSTIN FITTS: Right. Well, the US has not approved the commercial yet, but it’s expected this year.

JASON BAWDEN-SMITH: It’s expected this year, and an AI international treaty is being negotiated this year. They’re rolling it out very, very quickly, the speed of which is very interesting to me on why it’s so, so important to be quick.

If you want to study things like this go to Qualcomm and see what they’re doing with sensors. There is so much stuff going on. I don’t want to spend too much time on it because it gets a little bit frightening and concerning. However, I’m going to get over that in a minute because I’ve reconciled that with myself, and it doesn’t mean that everyone can do



that.

What's another one we can do quickly? 3D printing. Why haven't we seen 3D printing take off as quickly as everyone said? It's because it's slow. But within the next few years it will be 100 or 1,000 times faster. So we really will take the factory and put it in our linen cupboard. It will be that dramatic in the next decade or so.

C. AUSTIN FITTS: Right. I think another wild card is energy technology.

JASON BAWDEN-SMITH: Exactly.

C. AUSTIN FITTS: If you look at both renewables and breakthrough energy, the possibilities are astonishing within a relatively short period of time.

JASON BAWDEN-SMITH: Yes. The biggest shock to me was the improvement in material science. So material science is now doing their own genome project. They're taking the periodic table with the 72 elements, they're putting it into an AI program, and they are combining it in the million different ways that they can, and popping out little samples and working out ways that they can use things.

So when it comes to energy, the photovoltaic cells that we've used in solar power are now going to be phased out with a new material that's called perovskite. It's a new material that they're going to use for solar cells that are 100 or even 1,000 times cheaper than the existing cells.

So with that technology that everyone says is not ready yet, remember we double our ability to improve technology. It's not small increments; it's a doubling.

So in 15 years it's predicted that humanity can use solar power for all its needs. That's a massive statement, and that shocked me when I learned that.

Now it doesn't mean that we'll use solar power for everything because it all depends on adoption and it depends on what Mr. Global wants to do



with his BP and Shell shares. Oil and gas own the infrastructure, so it might take a little bit longer, but when I see the oil price, Catherine, and you're the finance wizard – not me – I'm wondering if all this production is all about producing as much oil as they can while they can sell it because they know in the next 10-20 years there will be no market.

C. AUSTIN FITTS: Right.

JASON BAWDEN-SMITH: I just think that could be a reason. Now you've talked about cold fusion. We learned about that at the New Paradigm conference.

C. AUSTIN FITTS: The Germans have brought up the first fusion plant, and Lockheed Martin and Northrop Grumman have both said they had it. In fact, we saw last week Dennis Gartman come out and talk about it, which was pretty astonishing. You've got somebody who's known in the commodities markets for his market calls basically saying that the change is coming.

JASON BAWDEN-SMITH: Yes. So what does that do for your investments for commodities? Australia is a big commodity producer. With prices so low, we're having our blue chip stocks like BHP and Rio Tinto talking about cutting or even ending their dividends. Now that will have a horrific effect on their share price.

I know a lot of pension funds and what we call 'superannuation' have those shares because they're blue chip and they always issue dividends. So this has a big impact over the coming years for lots and lots of destruction.

C. AUSTIN FITTS: One of the things I said in the commentary for our discussion today was that a new technology can be very deflationary. I used Skype as an example. I know you're coming in from Sydney on Skype. Skype in 2013 had \$2 billion in revenue, but that was \$37 billion of losses to telco's. So an increase in productivity says I can now do for \$2 billion what it used to cost \$37 billion to do.



So that's unleashing lots of productivity at the same time. That's a \$35 billion shrink on the GDP. So it can be very deflationary, and there's one thing I wanted to bring up. That deflation has been going on for a long time. So let's use your example of the pond and the lily pad doubling up and doubling up.

While that has been going on, we have been doing both huge increases in debt and huge amounts of monetary inflation that has covered up the deflationary effects of technology. Now building a debt bubble and the quantitative easing is over just as the lily pad is about to go for 50% in one day.

In a market economy, we would have been adapting all along. It's not to say that we haven't been adapting, but if you look at the general population, their adaptation has really been misaligned as a result of the debt bubble and the monetary bubble and the different bubble tricks, and they haven't felt the real bite of technology that they would otherwise. They're going to feel it now just as it's really going straight up the s-curve.

JASON BAWDEN-SMITH: Yes, and it's going to hurt a lot more because they weren't expecting it coming. It has the potential to wipe them out. So it's significant.

C. AUSTIN FITTS: Right. So let's go back to entrepreneurship. I've spent a long time in America talking about why I'm so opposed to the not-for-profit model. I believe it is essential that all change be economically viable, and the only way you're going to make it economically viable is to find that point in the marketplace where it is economically viable.

So there needs to be a huge amount of what's done that is for profit, and we have a real culture that's grown up in the United States that somehow making money is bad. What they don't understand is that making money is not bad; it's making money in a way that is harmful is bad. Making money in a way that solves problems and adds value – the win-win model – is fantastic. It's the most efficient model going.



I think one of the reasons why I love *Making Waves* is you make that very clear – the enormous efficiency for all the humans involved in the whole ecosystem of having a win-win model. Maybe you could talk a minute about how that relates to responding to this acceleration in change.

JASON BAWDEN-SMITH: Sure. It's so important what you just said. The millennials who are coming through – the 20-year-olds – for some reason they just want to start not-for-profits. They are so insulted by the way the markets have been corrupted that they refuse to believe that we've never had a free market; it's always been corrupted since they've been alive.

“They are so insulted by the way the markets have been corrupted that they refuse to believe that we've never had a free market; it's always been corrupted since they've been alive.”

We need to teach them that when you look at the essence of a market, it is the most productive thing we can do. The best way I can explain this – and this is for the younger people – is to go to your local farmer's market. That's a market. That's the market. That's the same as any market, except it sells produce.

So you go to your local supplies of fruits and vegetables and meat and seafood, and some will have clothes. They have worked hard at home or in their gardens and brought that produce to a centralized position where they get to trade. Nine times out of ten they're going to trade for currency, for money. They may barter, they may swap things, but that's the essence of the market.

If you've ever been to a farmer's market, how do you feel? You feel great! Everyone is happy. Everyone is enjoying life. There is fantastic produce, they're exchanging things of value, and everyone is being treated fairly. That's a free market, and that's what I want people to think about when they think of a market economy – a farmer's market.

Don't think of Wall Street or the stock exchange; think of a farmer's market. That's where I want you to start.



So let's get into some solutions for everyone who is now freaking out that there is potential for 50% of people to lose their jobs. That is a real possibility.

Now humans are terrific at adapting and being creative, and it may not be as significant of an impact as that, but there are certain things we can do. I'm just going to give you some fun examples that relate to me, and hopefully they relate to you.

I enjoy coffee. When I go to America, I can never find a good cup of coffee because you all drink filtered coffee by the jug. I'm thinking, "I just need a good espresso." It's very, very hard to find. It's becoming a little bit more common now.

So when we're facing a wave, we've got two options. (I'm going to come back to the coffee example in a minute.) So you can run at the front of the wave. You can paddle out, get onto the wave, ride the lip where the power is, and you can motor home and take advantage of the situation.

The second option you have is: After the decimation has come through and wiped everyone out, there is an opportunity to help clean up and maybe retrain people.

So getting back to coffee, coffee is made by a barista. Now it's a very mechanical process where it comes down to the grinding the fineness of the coffee, and actually the humidity of the room. The froth is determined by the temperature of the milk before it starts – it has to be cold – and then the temperature of the steam to make the frothy milk when you're making a cappuccino or a flat white. That is all automated.

Now if I was interested in robotics, I would definitely be looking at setting up an automated barista coffee outlet across America. If you could automate that, you could make it very, very simple. Everyone is going to say to me, "You're going to miss the barista's smile and the chat you have."

Well, unfortunately, computers are getting very, very good at



understanding facial recognition, expressions, and the materials are coming out where they're going to even look like humans, and because they understand and recognize features, as you walk up to the counter, they're going to know your name, what coffee you like, and if you don't feel like coffee today what kind of hot chocolate you like. They're going to know more about it than any human could because of their memory capabilities.

So if I was to front-run a business opportunity in America today, I'd be looking at automated baristas. I think it would be hugely successful.

So now we've lost all our hospitality industry because most of it can be automated. We've got Japanese opening up a hotel that is totally run by robotics. Now I don't want to go to a hotel that's run by robots, but it's coming and we're not going to stop it.

So what are people going to do about the hospitality industry? I don't have a solution for that, but these are skills that people have, and I'm sure they can be retrained into other industries that need that type of worker. I can give you a different example.

I met a young lady who was so concerned about students not being able to get a job while they're studying and when they're at university and school and college. So she made up a company called Student Maid which is a cleaning, house chore company that only employs students.

With technology today, you've got all your platforms, whether they be Airbnb, Uber, and the other ones you all know about. She's been able to run a very successful company using a labor force that is in abundance and setting up work at a cheaper rate than they could normally do.

C. AUSTIN FITTS: Right, and they're very intelligent and very good at what they do.

JASON BAWDEN-SMITH: The other thing is that the problem with the millennials is they get a reward for participating today. Now unfortunately the world doesn't work like that. You're going to win and



you're going to lose, and in the world of business and life, you're going to get knocked down. You're going to have to learn to get up again.

So I'm sure there's something about cleaning a toilet that really brings life back to these students who may have come from quite a privileged background, and I think that's a really good life skill just to level the playing field and let them understand what a good performance is and a bad performance is, and how you get tips and so forth. So I think that's one of the life lessons in teaching students how to do that.

C. AUSTIN FITTS: Jason, one of the things I wanted to bring up is you and I were emailing the other day. A wonderful ally sent me a form saying that a business associate of theirs wanted me to jump onto a form that companies sign to commit to all sorts of higher-minded principles.

I wrote back and I said, "Never!"

It's very much in line with my opposition to something called BeCore. They're all sorts of models where an owner commits to undertaking all sorts of complex legal and environmental obligations, and the reality is that what it does is it makes the world safer for the bad guys and makes life much more complicated and dangerous for the good guys.

I was wondering when we talked about the win-win model if you could just talk a little bit about some of those hybrid models?

JASON BAWDEN-SMITH: There's quite a movement. It's called 'conscious capitalism' that's sweeping the world. It has two issues. One is the not-for-profit issue where we talked about how we need transactions to make change. The second problem is loading up all these new business with reams and reams and reams and hours and hours and hours of compliance paperwork.

There's nothing worse than being bogged down in a system that creates no value for your customers, no value for your clients, and no value for your staff. It's just a complete utter waste of time, and it's a purpose strategy to block young up-and-coming businesses from competing



against the bigger boys.

So ignore them, don't participate, and focus on your business. Focus on what's good for you, what's good for your clients, and what's good for your staff.

C. AUSTIN FITTS: Right, and keep it as simple as possible. You're going to have enough problems competing up against the bad guys.

I had to compete with bad guys who could get the Department of Justice to spend \$45 million to shut me down. One of the reasons I was fine was I kept my organizational structure very clean, very simple, and our compliance was impeccable. If I had had a BeCore, I'd be dead today.

JASON BAWDEN-SMITH: I agree.

C. AUSTIN FITTS: It's really important to understand that we live in a world of economic warfare, and to build an operation which can be successful inside of it.

You're down in Australia, and I think of the Australian people as very entrepreneurial. Clearly with commodities down and China's growth slowing this kind of transition is going on in Australia. Maybe you could speak a little bit about how the Australian economy is making the switch?

JASON BAWDEN-SMITH: A great question! Australia is generally the lucky country, and I can say that with evidence. We have not had a recession for 25 years. We sailed through the Asian economic crisis, we sailed through the GFC, the economy has pretty much grown around two to four percent. It's now a little bit lower at about two and a half percent at the moment. Our inflation rates are around 1.7. Our cash rates, the reserve bank which is the equivalent of the Federal Reserve, is two percent. The average mortgage would be around four to four and a half percent. You would think that with commodities really going to the

“Ignore them, don't participate, and focus on your business. Focus on what's good for you, what's good for your clients, and what's good for your staff.”



toilet that we would be struggling, but I can tell you that every restaurant is packed. You struggle to make a haircut appointment. Things are really moving, particularly in Sydney and Melbourne, and guess what they are? They're the 3.0 cities.

C. AUSTIN FITTS: Right.

JASON BAWDEN-SMITH: I was speaking to my brother-in-law the other day. He's a big property developer working for major listed companies. I said, "What's the number one floor space? Who takes more floor space in the commercial buildings in Sydney now than anyone else?" It has always been the banks, right? Well, now it's the tech companies.

C. AUSTIN FITTS: Right.

JASON BAWDEN-SMITH: You can see that Australia is not just dependent on mining. It makes about 7-8% of GDP, and agriculture is probably 5-6%, but we're a country that is really focused on its service sector, and we're really focused on servicing Asia as the economic powerhouse of the future.

So we have transitioned pretty well. Some of the companies that you might know are Atlassian, which just listed on the US stock exchange. We've had some other great companies. Cochlear is a technology company. We're very big in tourism, education, and aged care. That makes a big portion of our service sector.

We're not struggling as much as everyone would think so. It's mainly due to our management of our exchange rate. The exchange rate really buffers us. When everything gets a little bit tough, our exchange rate goes right down. We're down to about \$.70 today or \$.71. That gives us the buffer to our exporters and obviously makes the imports more expensive and the overseas travel more expensive, but it does help the local producers. I think that's one of our most effective strategies that we've used to keep the economy strong.

C. AUSTIN FITTS: I will have to tell you this. I used to run a nightclub in



Hong Kong many years ago. What was fascinating was every ethnic group was always fighting with another. The Chinese and the British were always fighting, the Russians and the Americans were always fighting, but what every ethnic did was nobody fought with Australia. Everybody loved the Australians. The Australians were always the guys who brokered the solution. It was amazing, and it was kind of funny.

You can tell who's really loved. When everyone got drunk, they were always the guys who stopped the fights. They didn't start the fights, unless one Australian was fighting with another.

Anyway, before we go, you're one of the guys who changed my life because you got me to go to the Australian outback. It was the first time in my life that I've ever been in a place where outer space was an intimate part of day-to-day life.

You really felt connected to the planets and the stars. Part of it is in the southern sky, you can really see everything, and it's so beautiful. But the other is the creation stories of the Aborigines. They really connect you to what's going on out there. The third thing is when I saw the rock formations, particularly Attila in the outback. You realize, "Oh my God! That's not a rock formation; that's a landing pad!"

In your mind you see the kind of civilization that would need a landing pad that looked like that, and you realize, "Now everything makes sense."

I think everybody should definitely take a trip to Australia. Maybe you could talk a little bit about the outback and why it will remove your disassociation from space.

JASON BAWDEN-SMITH: Before we get to the space, I just want to bring it back to life. We spent a lot of time talking about technology during this process, but technology is a construct; it's something we've invented. Life existed before technology. It's part of our world, we are not part of it. That makes us so much stronger and so much wiser than technology will ever be. So don't let the fear of all this change all this mad rush to adopt



technology which is disconnecting us from who we are.

Everyone's relationship with the divine is their own journey, but there is something bigger that we need to understand, that we need to appreciate, and we need to explore.

I've been fortunate enough to be standing in the middle of Stonehenge in the UK and the pyramids in Egypt, and other sacred sites around the world, but there is something just incredible that standing at Uluru or Attila, which is its neighboring rock, and there's not a soul to be seen. You look up to the sky at night, and it's littered with stars. I mean, you know why they call it the Milky Way when you go to Australia. It's like a big condensed milk spill. The density of the stars is so great, and it feels like you could touch them. It feels so close.

C. AUSTIN FITTS: Yes, it does.

JASON BAWDEN-SMITH: It's just like next door. It has this incredible feeling of, "Wow! How big, how beautiful is this universe, and how we are connected with them."

It has an effect on most people that changes their life, just like Catherine alluded to. It is an experience that everyone should have. You can probably get it in South Africa, and maybe down southern parts of Chile, but in the Australian outback it's something about being on the oldest continent in the world with the oldest original people. There's pretty good evidence that the Aboriginals were the first race, not the Negros. I know that's controversial, but there is some pretty good science behind it.

These Aboriginals look so primitive to us because we're technology advanced, but when you understand their ability to travel through dimensions, their ability to navigate with the stars, their ability to find water, find food, and to live so harmoniously with life and nature, it puts us to shame. It really does. And we've lost that connection.

A great way to step back into your power – into the power of your



beingness – is to stand in the middle of the desert in Central Australia amongst the most magnificent natural landforms, being Uluru, Attila, and the Olgas, staring at the sky while having a three-course dinner, and having some great guides explain the creation stories of how the Aboriginals say that they come from Pallades and the star systems. Words really can't describe it. That's how special it is.

C. AUSTIN FITTS: Right. I think it does help you go back to the basics where you realize that our ancestors have been having a great time on this planet for centuries without all this technology, and it takes you back to basics, which I think is an important place to be when you approach whatever you're going to do about what's happening.

To a certain extent we have unleashed, as you said, a tsunami. It's out of control, and to me the way to surf it is as an entrepreneur because it's going to be very difficult to go fast if you're part of a big institution. That's why, in some respects, I want to just touch on this before we close.

We're in an environment here in the United States, Jason, where the government between regulation and their manipulation of costs of capital is very hostile to entrepreneurship.

You know there are certain states that are friendlier than others, so it's spotty, but the handicaps that an entrepreneur carries vis-à-vis a big corporation are extraordinary. I think one of the things that's going to have to happen to make this change really happen is we've got to find a way to let government let up. If we can't, we're just going to have to root around them. The tsunami is big enough and fast enough that I think it may happen. Government won't be able to keep up with it.

I don't know if you wanted to mention anything about how we deal with a government that is trying to stop change.

“To a certain extent we have unleashed, as you said, a tsunami. It's out of control, and to me the way to surf it is as an entrepreneur because it's going to be very difficult to go fast if you're part of a big institution.”



JASON BAWDEN-SMITH: The only thing that I can think of is to ignore them without breaking the law. They can't catch us. They really can't. They're so sloppy.

You see what Uber has done to the world, and everyone is raising their hand, "Get rid of Uber. Go home, Uber," but it's too late. They're already entrenched. The best thing we can do as entrepreneurs is to see how we can aikido. We can see how we can take advantage and leverage some of that technology. There were lots of other things that I could have mentioned about Alibaba arbitrage where you can buy a product, get it manufactured, and sell it on eBay or on Amazon and make some margins there, repackage it, and build your own brand.

There are lots of ways to start thinking about leveraging the technology that is moving where we can find our little niche. Try to get several streams of income so if one gets shot off by the government, you have access to others.

Most millionaires will tell you that they have at least seven or more streams of income. So diversify, build your resiliency, and just ignore the government.

C. AUSTIN FITTS: Now describe your website and tell us how we can get the book. Am I right that it's publishing today on February 11th?

JASON BAWDEN-SMITH: It is. The easiest way is to go to my website, which is www.JasonBawdenSmith.com. You'll see a link directly on the home page. You can press 'Book'. Then you can buy it from Amazon or the publisher – international sales versus Australian sites. It should be available on Amazon and most retail outlets. It's *Making Waves: How I Fought off Sharks to Swim with Dolphins*.

C. AUSTIN FITTS: Okay. So what's next for Jason? I know you're stirring a lot of pots right now. Are there any you can talk about?

JASON BAWDEN-SMITH: There are two I would like to briefly mention. If you want to be very wealthy in the environment that we are in now, you have



to build a platform – whether that platform be Facebook or whatever – you need to have a platform that other people can access and you can leverage from.

I have a mutual friend who Catherine and I know who has invited me to help him build an online educational platform. I won't mention his name, but it's very exciting. I won't go into details here, but we're looking at building that platform for online education, which I think is going to be revolutionary.

C. AUSTIN FITTS: I agree.

JASON BAWDEN-SMITH: The other project I'm working on is a complaint that I've had for 20 years, maybe longer. My mother was hypersensitive to chemicals and also to EMF, electromagnetic fields. I've known for a long time the electromagnetic effect on humans being real. It is a real biological effect; it is not psychosomatic that the government and the health departments want to tell you that it is.

I haven't been able to talk about it or get involved with it because building a Faraday cage or putting on EMF clothing in the current mitigation processes are just too cumbersome for the average person. However, I am working with an amazing scientist engineer out of New Zealand. I won't mention his name or the product, but it's looking very promising. It's only anecdotal. It's only case-study driven. We need some more signs, but it looks like we found a way to not block the EMFs, but it allows you to swim in natural fields that your body will automatically absorb and ignore the artificial. I don't want to go into any more detail than that, but it's very exciting, all of which I'll let you know, Catherine, and you can let your members know.

C. AUSTIN FITTS: I know that all of my subscribers are looking for ways to protect themselves from EMF. It's a major, major concern. We've talked a lot on The Solari Report about it, but finding real practical solutions is tough.

JASON BAWDEN-SMITH: It is, but I think we've nailed it. I don't want to put



my reputation or put my brand behind it just yet, but I think in a month or so I'll be in a position to make some formal announcements. I'm probably going to resurrect my old technology company and have the inventor take it to the world. It's an issue that I really want to provide a solution to. It's that stone in my shoe that I need to get rid of. It's exciting.

C. AUSTIN FITTS: Well hopefully I'm going to see you down in Australia in May. So until then, Jason, keep us posted on everything you're doing. I can't thank you enough for joining me on The Solari Report. And I would like to mention, also, I wrote the forward to *Making Waves*. The book is terrific, and so is the forward.

JASON BAWDEN-SMITH: Thank you so much, Catherine, for everything you do – the forward, and everything you do. The number one thing you taught me is that I'm a patsy. Once I was empowered with that knowledge, I could take some action to learn what's going on. So thank you so much.

C. AUSTIN FITTS: That's my complaint – the call to action to build Solari – was to build everybody's immune system so they don't get rolled over or harvested.

Jason, have a great day. Thanks again.

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