

What's happening in the above is a constant undulation in average company age of the top 400 in the simulation. The system is constantly attempting to return to a higher average age but the constant wars and disruption by new entrants (on top of the normal product to product substitution) keeps this in check. However, the acceleration of evolution (due to industrialisation of the means of communication) is causing a shift downwards to a lower age and a new stable plateau around which age will oscillate. What's interesting about this pattern is it reasonably closely mimics Richard N. Foster's examination of average company age in the S&P 500 despite being a random agent model with set rules and parameters i.e. automaton in a variation of Conway's Game of Life.

Why is that interesting? Well, the agents are automaton that are blind to the environment. The pattern is highly influenced by the ability of the agents to adapt i.e. if we assume high levels of situational awareness and the ability of companies to evolve then this pattern doesn't happen and a completely different pattern of dominance emerges. This, combined with my own experiences of industry and previous experiments on situational awareness versus action was enough to give me some confidence in what I started to suspect in 2008. Large parts of industry are blind to the environment they are competing in.

We're not blind, we have principles!

A common counter to this idea that companies were playing blind was that it didn't matter. If we could find the ideal algorithms, rules or