



**Linea Insights**

**Can a Company Become too Big?**

**Sustainable growth is a key strategic objective for most companies and has been since time and memorial.**

Throughout the credit crunch a number of organisations were termed 'to big to fail' and received respective support from governments to enable them to continue trading. Whilst such actions divided opinion, at least Governments were in a position to bail them out, should they wish to do so.

Given Apple's latest valuation and likely similar valuations from companies such as Google / Alphabet and Amazon, are we starting to see a further evolution and the development of 'mega corporations' with significantly more money than many countries and the associated power and market dominance to see further significant growth in the future?

Take Apple as a case in point, the company is now worth over half of Canada's \$1.7-trillion dollar economy and far more than most other countries.

In fact, there are only 16 countries with a GDP equal to or greater than Apple's current market valuation, according to World Bank data:



- Australia: \$1.3 trillion
- Brazil: \$2 trillion
- Canada: \$1.7 trillion
- China: \$12 trillion
- France: \$2.6 trillion
- Germany: \$3.7 trillion
- India: \$2.6 trillion
- Indonesia: \$1 trillion
- Italy: \$1.9 trillion
- Japan: \$4.9 trillion
- South Korea: \$1.5 trillion
- Mexico: \$1.1 trillion
- Russia: \$1.6 trillion
- Spain: \$1.3 trillion
- U.K.: \$2.6 trillion
- U.S.: \$19.4 trillion

Given that Apple has managed to grow its company valuation from \$0 - \$1tn in c.40 years, what's possible over the next 40, with the benefit of c.\$0.3tn in reserves?

How will Government manage to control such 'mega corporations' and more importantly how will these organisations manage power, resources and market dominance at a scale never seen before?

I'm sure there will continue to be many breakthrough technologies that continue to change the world in which we live, but whether these are advantageous or disadvantageous will largely be dependent upon many factors, not least how the various social, moral and ethical considerations are managed and by whom?

So I pose a few questions:

1. Can a company become too big?
2. If so, when does a company become too big?
3. And finally, how should governance be facilitated;
  - a. externally by Government with reduced power, or
  - b. locally through self-governance / autonomy / morality?

**I welcome your thoughts!**



## About the Author



### Ian Chambers

A Business Improvement specialist with over 20 years' experience devising and leading complex Operational and Financial Turnaround, Transformation and Continuous Improvement Programmes.

With a background in Change Management, Lean Transformation, Financial & Commercial Management, Supply Chain / Procurement Optimisation and Programme Delivery gained within leading UK and International Public and Private sector organisations.

Ian possess an extensive track record of devising, managing and implementing comprehensive, multi-million pound, cross organisational transformation and continuous improvement programmes for NHS, Public and Private organisations and is an expert in delivering sustainable operational improvement and financial balance in challenging situations.

He received national recognition for collaborative programme delivery in the Government Efficiency Awards, was shortlisted as finalist in two further National Awards for NHS Transformation and achieved runner-up in the IFT Public Sector Turnaround Programme of the Year.

Ian holds an Honours degree in Business Management, is a Fellow at the Institute for Consulting, Fellow at the Institute for Operations Management, Fellow at the Chartered Management Institute, Fellow at the Institute of Logistics and Transport, Member of the Asia Transformation & Turnaround Association. Member of the Institute for Turnaround and committee member for the IFT North of England.

He has held numerous board and senior advisory positions, is a certified Lean Practitioner, Master Coach and a member of government and corporate turnaround panels.

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