

# Understanding Our Future

Lance J. Descourouez, MA, MSOD

December 3, 2014



# Understanding Our Future ... Emerging Worlds



## Areas of Focus:

- Five trends impacting our world today and tomorrow.
- The role that an “these emerging trends” has on business and life.
- The difference between "company" and "community" based organizations.
- Organizational dynamics and the personality of the leader.
- The need for relationship between innovation and collaboration.





*The five significant trends that are  
changing our world:*

**Demographics**

**Technology**

**Institutions**

**Relationships**

**Speed**



Leonardo Da Vinci

**“For once you have  
tasted flight you will walk  
the earth with your eyes  
turned skywards, for  
there you have been and  
there you will long to  
return.”**





# THE ECONOMY

# From Anemic to 'Regular' Economy

## Drivers

- Fed monetary policies
- Low interest rates —normalizing
- Inflation 2%
- Exports — EE growth needs
- Business investment
- Private sector hiring
- Consumer spending
- Housing



## Anchors & Brakes

- Politics
- Federal debt
- Weak European Economy
- Wage gaps
- Emerging market volatility
- Underemployment
- Weather

# California Recovering....





# California Forecast Looks Good!

	2014	2015
■ Personal income	3.3%	3.3%
■ Payroll Employment	1.9%	2.2%
■ Unemployment	7.9%	6.9%
■ Building permits	104%	124%

• Taxable sales up	• Two California's persist
• Rising home prices	• Labor markets still not healthy
• Much regional growth	• Growing income inequality variation


# SF Bay...Best Regional Economy

- Large broad based economy — \$595B
- Fast job growth >3%, high end jobs
- Highest per capita Income-\$80K
- #1 in productivity (twice U.S.)
- 46% have Baccalaureate vs 28% U.S.
- Vibrant multi-cultural high end workforce.
- Global Innovation Hub
- Highest concentration of VCs, \$\$\$ in U.S.
- Global Trade Leader
- Habit of re-invention — Serial diverse innovations

Anyone tired at work?



# You Need the Right Skills to Play

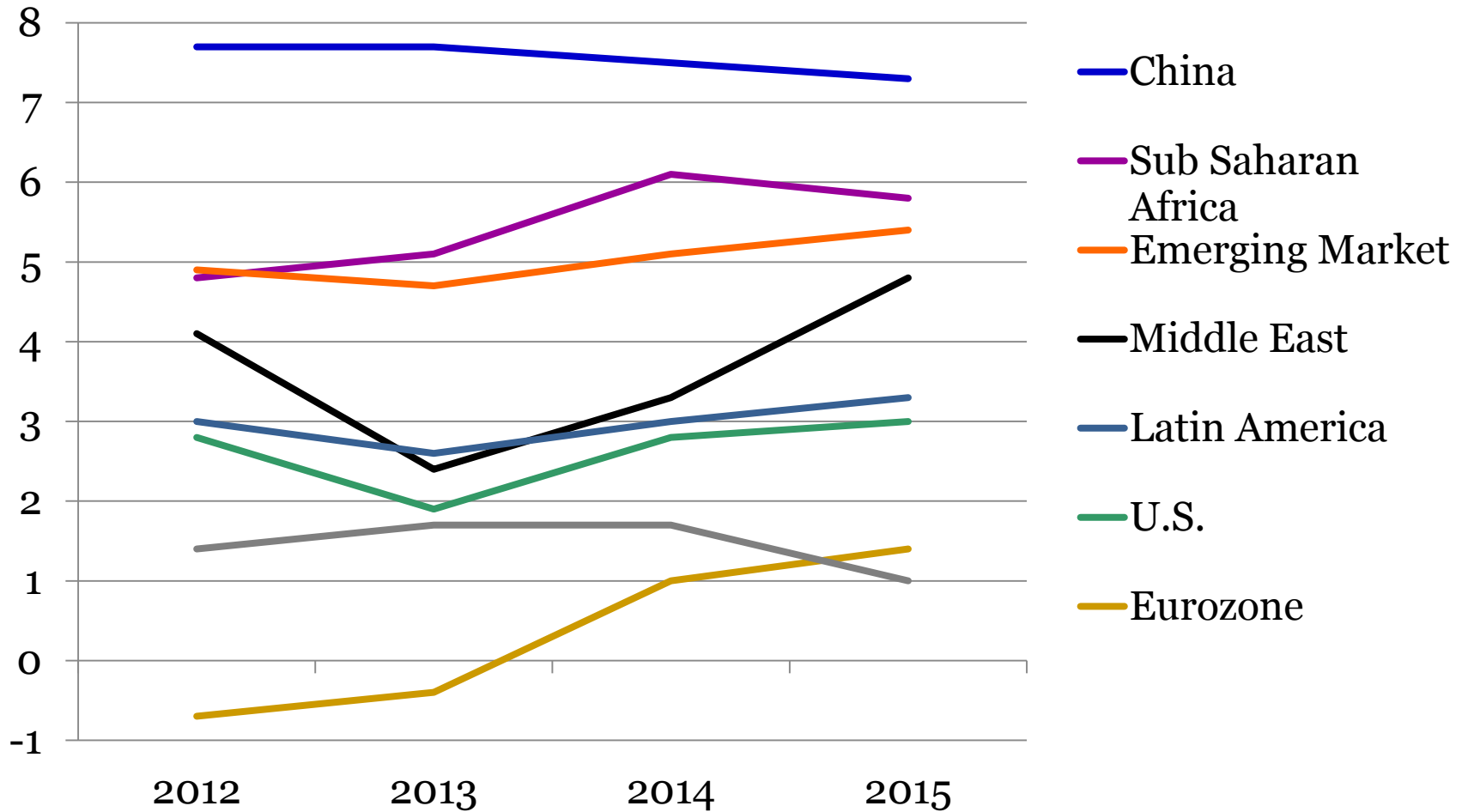
- 
- Read/write native language
  - English language competency
  - Understand math and science
  - Computer literacy
  - Facile with information
  - Share/create knowledge
  - Business basics
  - Group work skills
  - Cross cultural competency

# The Downsides to Being a Growing Global Innovation Hub...

- Housing costs
- Traffic congestion
- Recruitment barriers
- Income inequality
- Diminishing quality of life

Source: UCLA Anderson Forecast, OCT 2013; Data  
Source: Accenture

# Global Outlook GDP



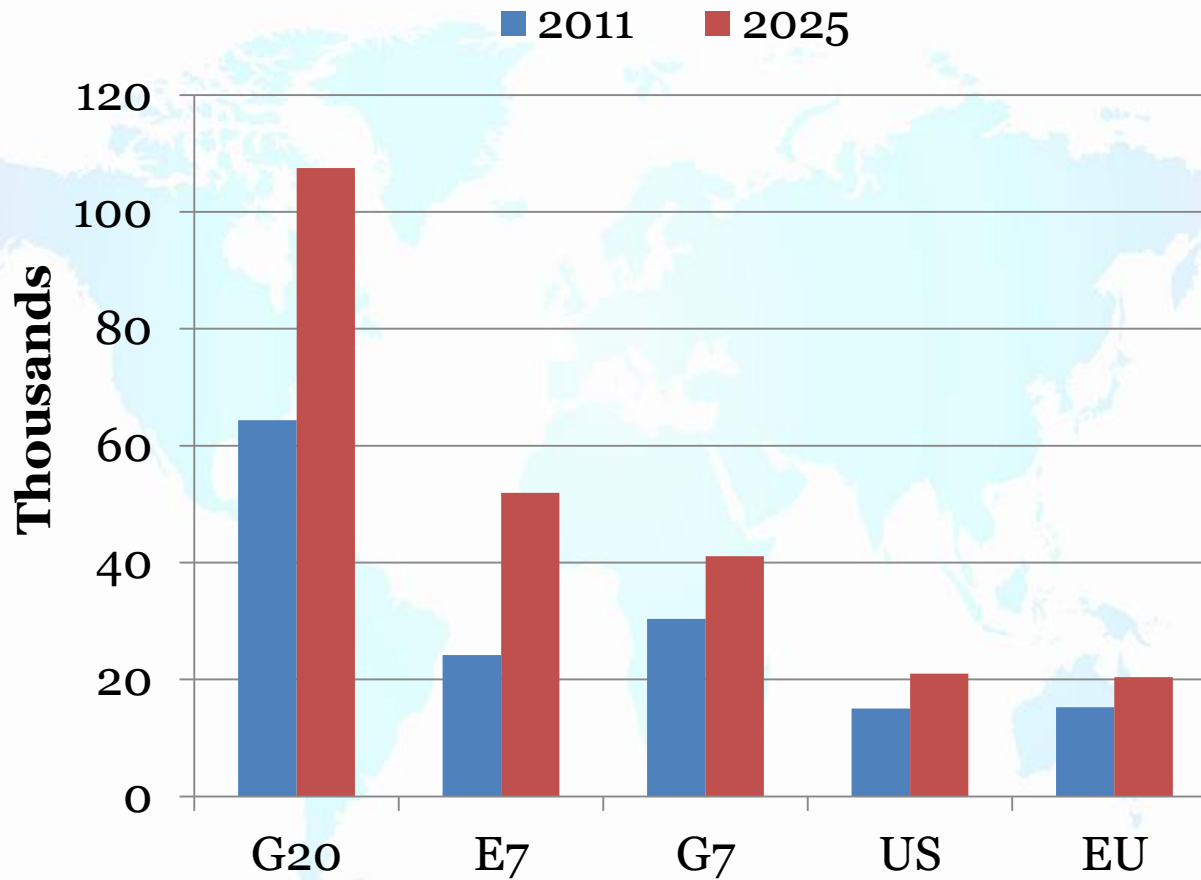
Source: IMF – World Economic Outlook (WEO) Update



GDP %  
contribution shifts  
from advanced to  
Emerging  
economies.

# Emerging Markets Move Ahead

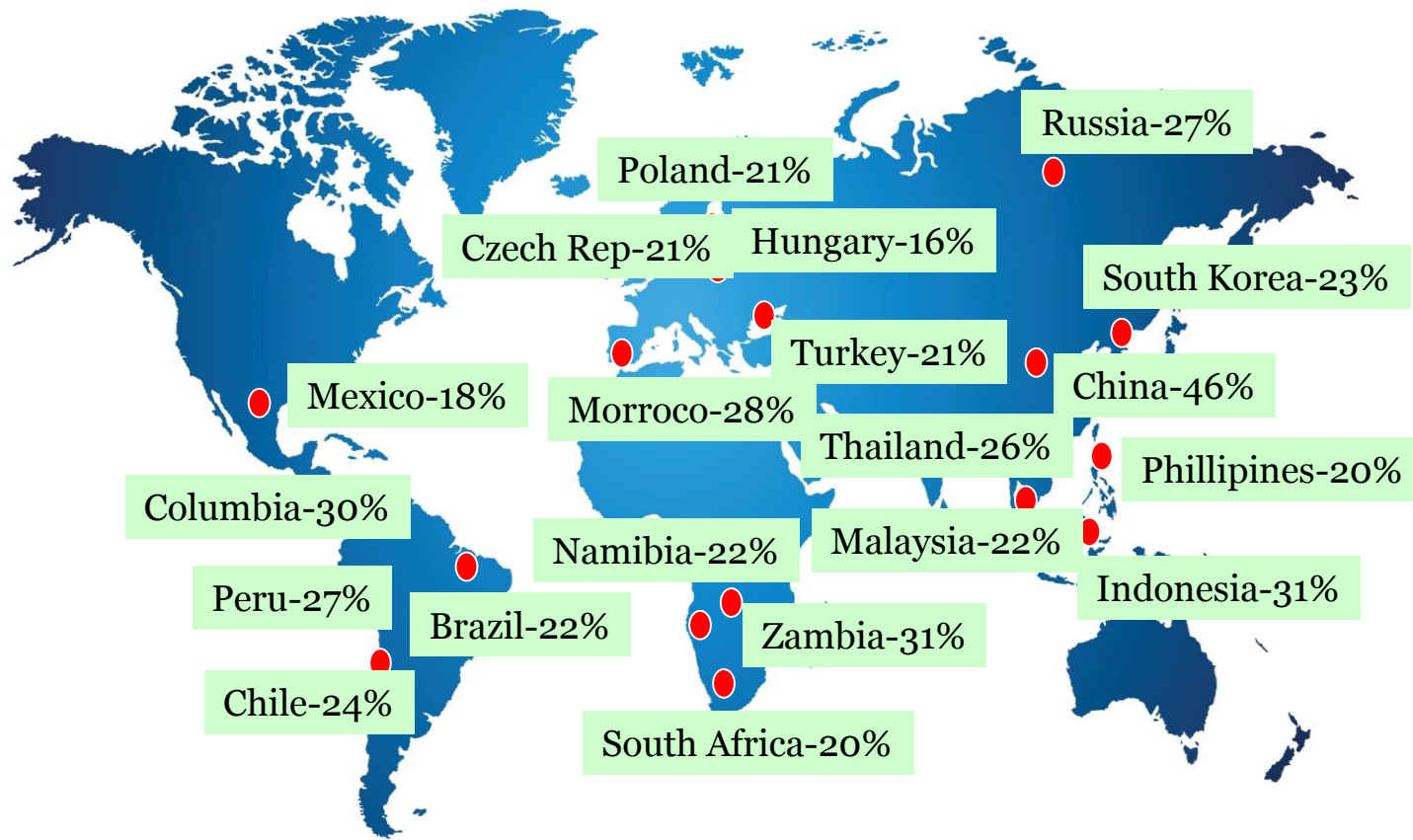
GDP at PPP





# 20 Fast Growing Emerging Markets to Watch

(GDP Growth 2013-2017)



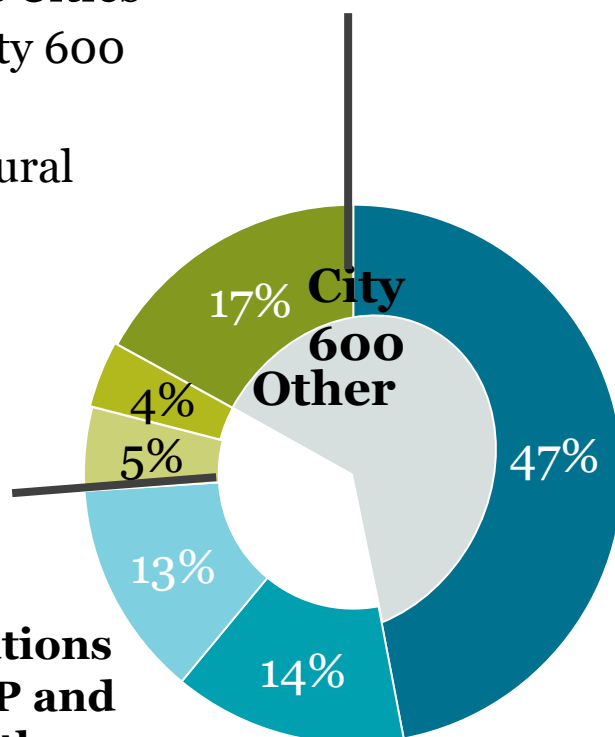
Source-Bloomberg 2013, Global Foresight

# 600 Cities Drive Global Growth to 2025 443 are in Emerging Markets

## Developed-Market Cities

- 157 cities in the City 600
- Other large cities
- Small cities and rural areas

**Cities  
%Contributions  
Global GDP and  
GDP Growth**



## Emerging Market Cities

- 443 cities in the City 600<sup>2</sup>
- Other large cities
- Small cities and rural areas

# Most Future Innovations Will Come From Emerging Markets

Scan Around  
The World



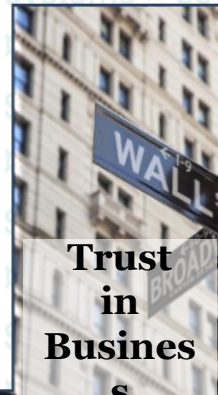
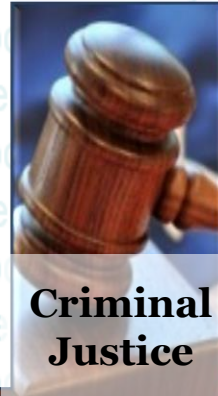
Steer Toward  
Your Best Targets



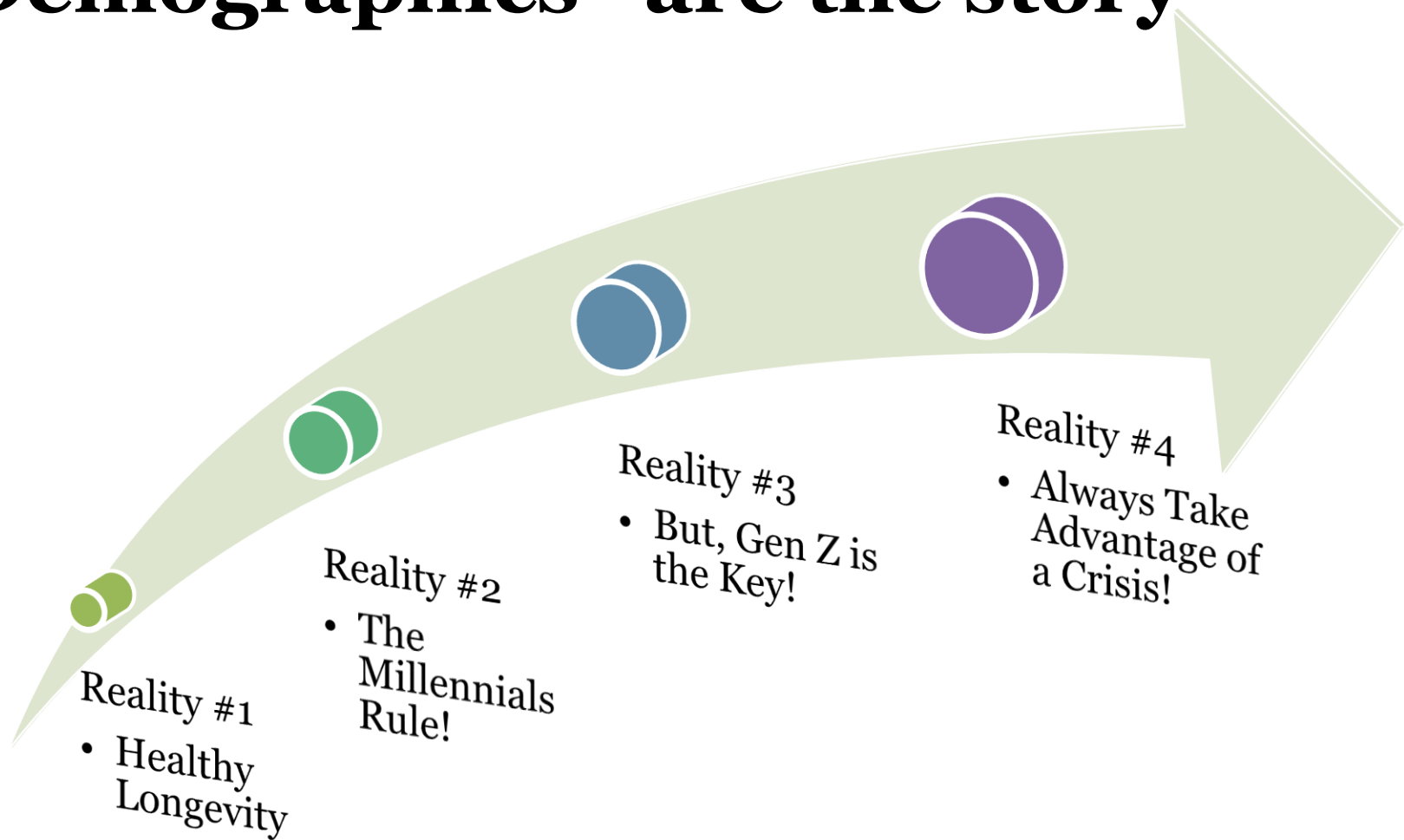
Scout Fast Growing  
Midsize Cities



# Our Social Systems Are Failing



# Demographics “are the story”



# Second Middle Age 60-80

---



- Bio-genotechnology extends life.
- From When will I die to who will I become?
- What will humans do with 25 more years of life?

# Generational Fault Lines At Work

## Boomers

The World is  
Ours to  
Change

- 1945-1964
- 51-68 today
- Driven

- 1965-1980 •
- 34-50 today •
- Minimalists •

## Generation X

Raised by  
Wolves

## Millennials

Raised by  
Soccer Moms

- 1981-2000
- 14-33 today
- Determined

- 2001-2013 •
- 0-13 today •
- Pragmatic •

## Generation Z

Rebels with  
A Cause

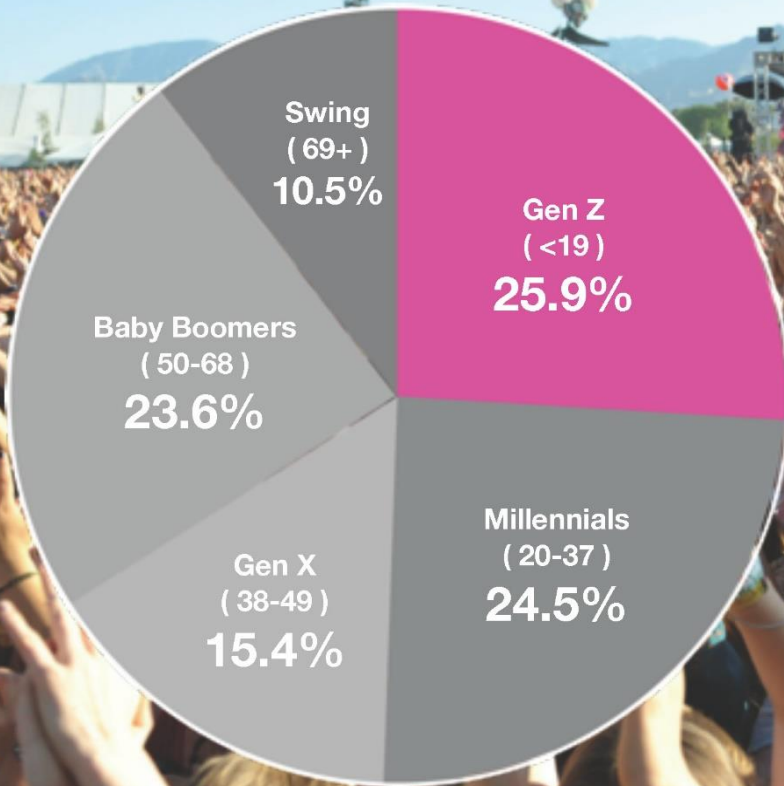
# Big Shift

1980

2025



# There is a population tsunami approaching



**361,000**

Approximate number of babies born in the world each day.

More than a quarter of America's population belongs to Gen Z, and with each birth, the segment is growing.

Source: U.S. Census Bureau, 2012 (via Mintel 2014)



## #3 - Rise of Generation Z



## Rebels with A Cause





**72%**

of high school students want to start a business someday (compared to 64% of college students)

## Entrepreneurship is in their DNA

**61%**

of high school students want to be an entrepreneur rather than an employee (compared to 43% of college students)

Surrounded by DIY education and crowdsourcing, these teens dream of self employment. They feel pressured to gain professional experience at a very early age. Low wage entry level Gen Z jobs lead to competition with struggling Millennials, fueling competitiveness.

Source: Millennial Branding and Internship.com, 2014, Mintel 2014



# They are eager to start working

**55%**

of high school students feel pressured by their parents to gain early professional experience

**4 in 5**

high school students believe they are more driven than their peers

Parents of Gen Z encourage their children to find jobs early and independently without their help.

Source: Creative Artists Agency & Intern Sushi (2014) Millennial Branding & Internship.com surveyed 4,597 students (172 high school students and 4,597 college students): American Freshman Survey



**+400%**

increase in multiracial marriages (Black and White) in the last 30 years (with a 1,000% increase in Asian-White marriages)

**+50%**

increase in the multiracial youth population since 2000 (to 4.2 million)

**Multiracial children is the fastest growing youth group in the US**

**Modern families come in all colors and sizes. Long-standing views of race have been challenged by culture: celebrities, artists, politicians and athletes of mixed heritage have changed discourse, along with trans-racial and international adoptions.**

Source: Census: "The two or more races population: 2010 Census Brief";  
American Academy of Child and Adolescent Psychiatry



# The *Emerging* World of Business

## **The internet of Things:**

- 3D Printing
- Human Augmentation and Wearable Technology
- Robotics and Autonomous Machines
- Cognitive Machines (how to compete as a low cost manufacturer)
- Cybersecurity
- Big Data (pizza story)
- MEME

## **Other Trends:**

- Company vs Community
- Demographics (Millennials)
- The “Experience” economy
- Companies larger than countries
- New forms of currency

“This ipad works!”



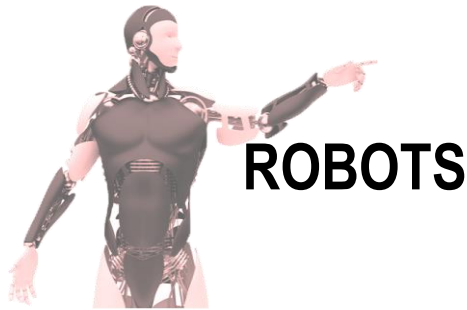
“This ipad is broken!”



**BIG DATA**



**3D DISPLAYS FOR SMART PHONES/TABLETS**



**ROBOTS**



**ON DEMAND SERVICES**



**SOCIAL SOFTWARE**



**Work 2025**

**INTELLIGENT ELECTRONIC AGENTS**



**AUGMENTED REALITY APPS**

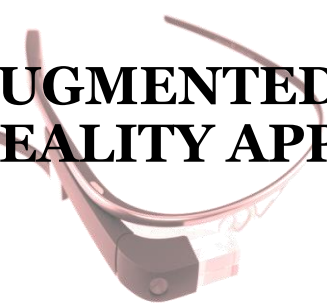
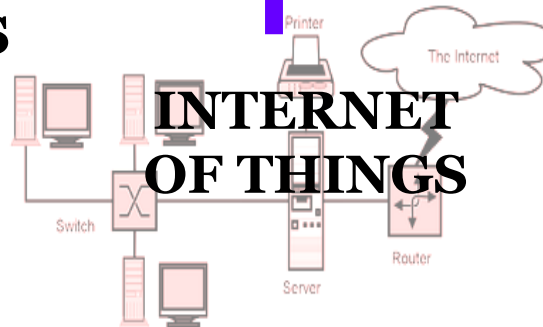


**INTERNET OF THINGS**



**“Siri, find me an app.”**

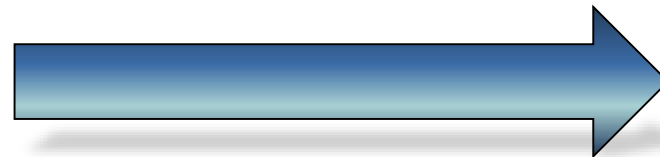
Source: Global Foresight



# Disruptive Shifts in Work

- Employee → Entrepreneur
- Career ladder → Experience portfolio
- Permanent → Velcro relationships
- Outsourcing → Crowdsourcing
- Physical → Digital infrastructure;
- Desktop → Device

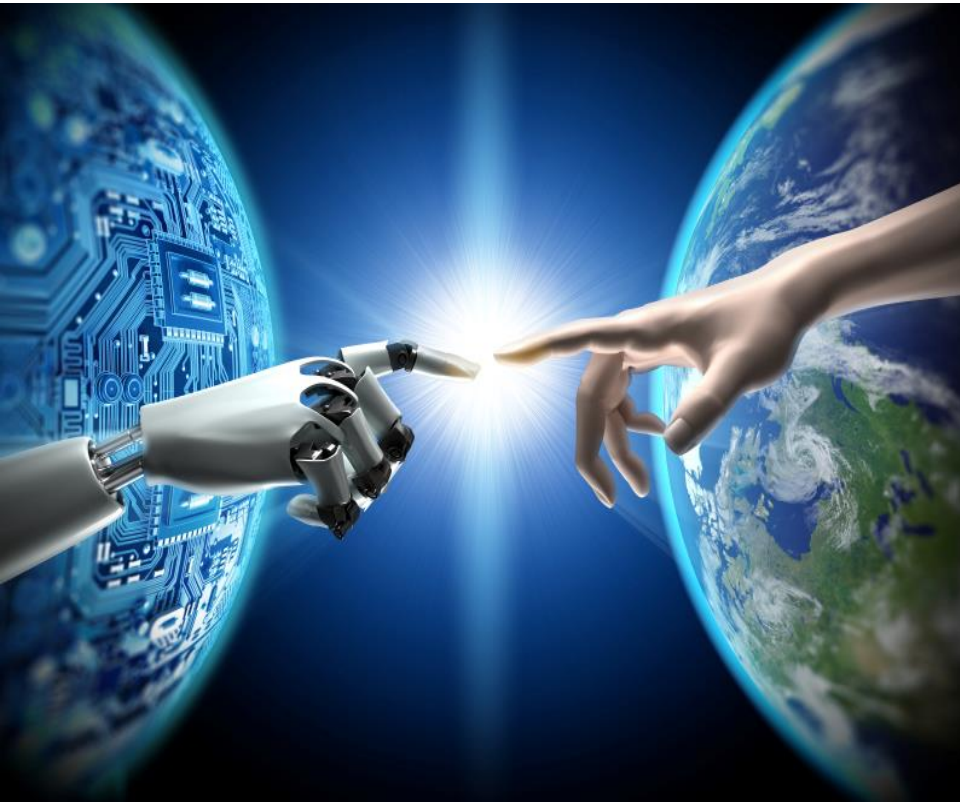
- Organizations → Social networks
- Protecting knowledge → Sharing knowledge
- Sharing knowledge → Creating context for persuasive conversations





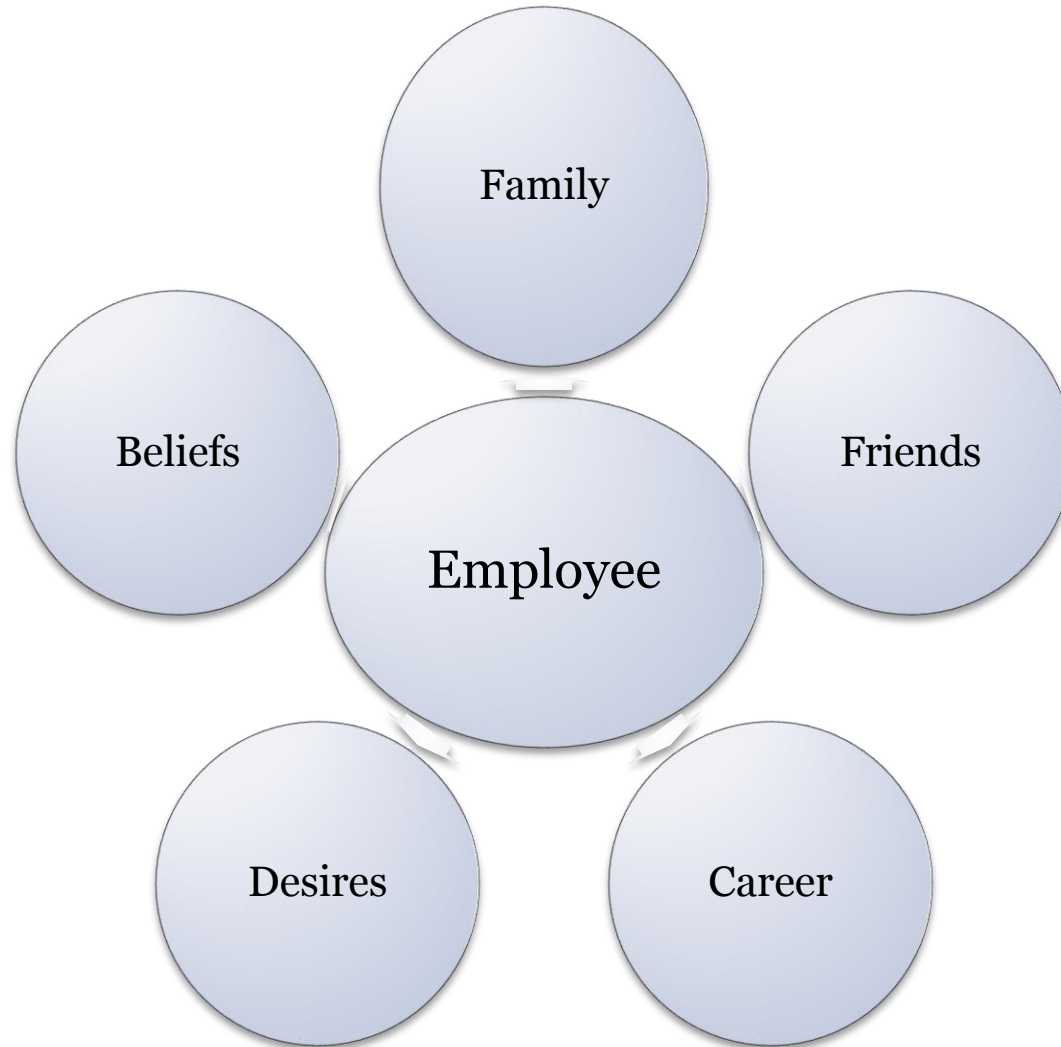
---

## #4-Disaggregation of Work



- From jobs to tasks
- Rise of Smart Machines
- Critical new skills

# *“Company” versus “Community” based Organizations*





## **Company**

Taxi

Litigation

Bank

Board



## **Community**

Uber

Just Resolve

Kickstarter

Vistage

# ***SPEED wins !***

Only 74 of the original 500 companies in the S&P Index were still on the list 40 years later – a mortality rate of more than 10 per year. The average life span of an S&P 500 company has steadily decreased from more than 50 years to fewer than 25. Projecting forward, it's likely that only about one-third of today's major corporations will survive as significant businesses for the next quarter century. –

Companies don't survive unless they're agile and innovative.

Agility has many definitions. I define agility as the ability to see and seize opportunities in the marketplace. Thus, **Transformational leaders** possess the following 3 skills:

**Quick to see (analyze)**

**Quick to choose (good enough)**

**Quick to act (agile)**

“The speed of the leader determines the speed of the gang.” – Mary Kay Ash

# Personality

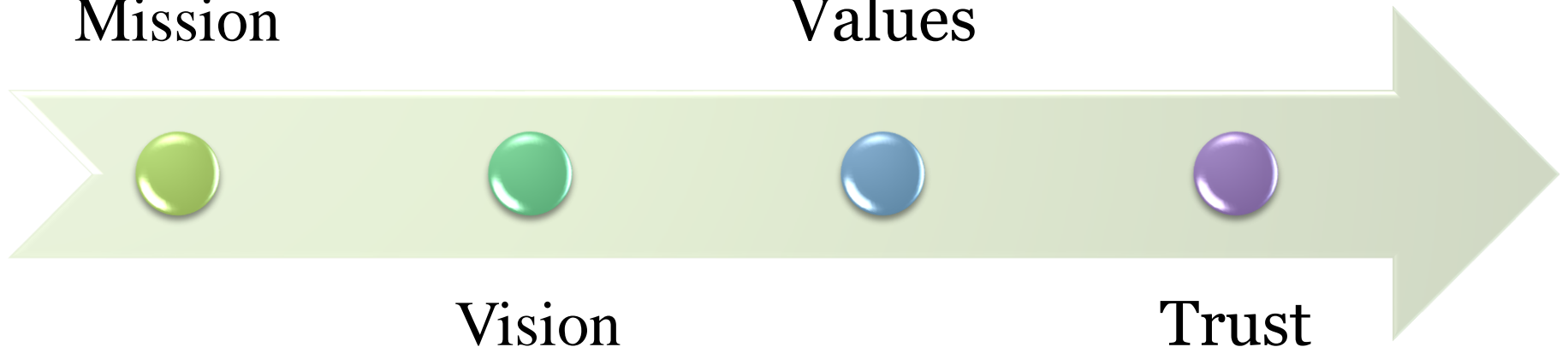
The NEW paradigm in Leadership



***Stability*** = “Culture” ... Those items that provide the foundation we stand on ... creating “Roots and Wings!”

Mission

Values



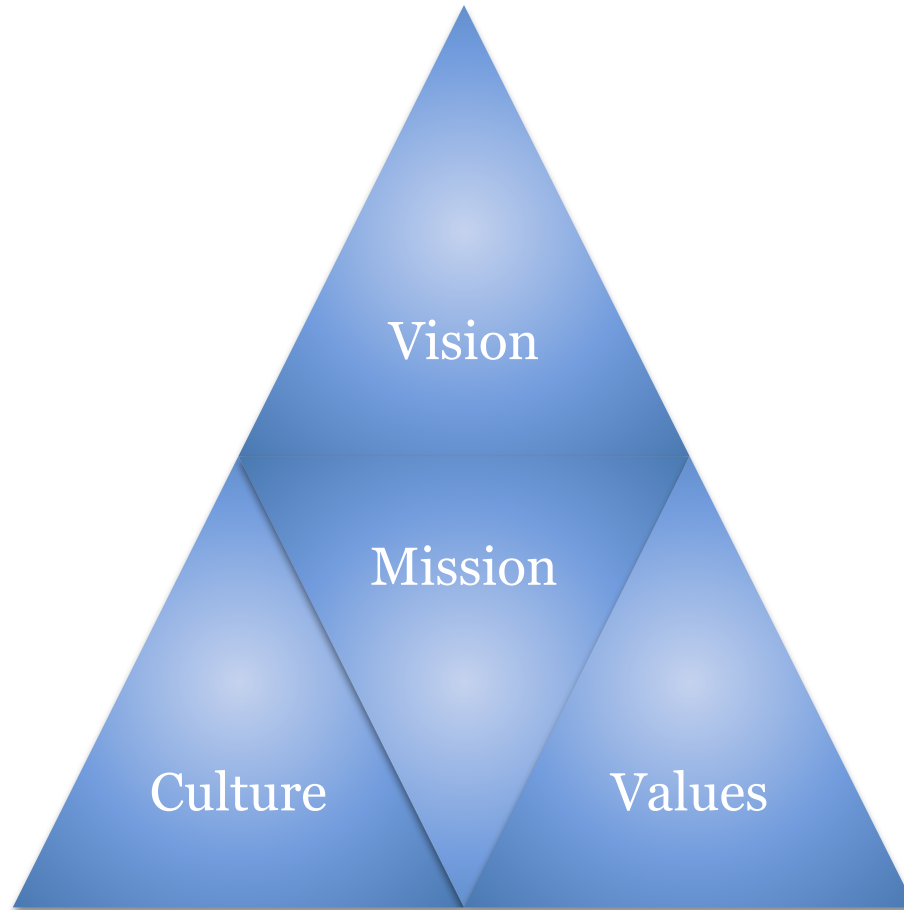
Vision

Trust

# ***INNOVATION***



# What is your secret?





Am I becoming the best  
version of myself?

What is one step I will take today?





# Lance J. Descourouez

1345 Concord Ave.

Los Altos, CA 94024

[www.lanceconsulting.net](http://www.lanceconsulting.net)

[www.vistage.com](http://www.vistage.com)

650-279-1248