



FutureScape Issue 2 – June 17th 2009

Welcome to the latest issue of FutureScape - our fortnightly research and insights newsletter.

In this issue we are responding to reader requests for us to provide an overview of the ten key patterns of global change from our recent book - 'Designing Your Future.'

We also include details of the Winning in a Downturn seminar I'll be running in London at 6pm on June 22nd. The seminar is kindly sponsored and hosted by the QEII Centre and all proceeds will go to charity. See the bottom of this email.

Details are also included of a selection of interesting upcoming events with a focus on futures, innovation and change.

Fast Future is a research and consulting firm which focuses on helping clients anticipate and develop innovative responses to the forces, patterns of change and ideas shaping the future. To book Rohit for a speech, or discuss your research and consulting needs please contact us at rohit@fastfuture.com

If this is not your copy and you'd like to receive future issues of our newsletters – please complete the email form below email bulletin@fastfuture.com

We hope you find this of use and interest and look forward to receiving your feedback and suggestions for future issues.

Rohit Talwar

CEO

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Ten Key Patterns of Change from Designing Your Future

A number of our readers have asked for an overview of the ten key patterns of change we profiled in our book **Designing Your Future – Key Trends, Challenges and Choices**. So this edition of FutureScape is given over to explaining these ten key patterns.

First a little background to the book. **Designing your Future** was published in August 2008 as the culmination of a six month research programme we undertook for the American Society of Association Executives and the Center for Association Leadership. The research involved a widespread scan of emerging trends and extensive consultation to prioritise the trends and assess their implications for society, business and the association and nonprofit worlds.

The aim was to cater for a wide spectrum of readers ranging from those who want to adopt a strategic approach to designing their future across to those who crave immediate action and want to focus on particular trends and emerging issues. In the book we identify 50 key trends and 100 emerging trends which

could be of importance to business leaders. These are then synthesised into ten key patterns of change and the resulting critical challenges for leaders. A strategic decision making framework is then presented to help leaders address the patterns of change and map a 'preferred future' for their organisation. A range of tools, workshop processes and decision support frameworks are presented to help the reader respond in either a tactical or strategic manner.

Every time one undertakes an environmental scanning exercise, a range of candidate patterns emerge. For this exercise, we felt the ten we chose best reflected the most important patterns facing those in our primary audience of associations and nonprofit organisations – although we have since learnt that frameworks have proved equally popular in the commercial world where it's been variously described as a 'roadmap for navigating the downturn' and a 'readable handbook for business strategy in the 21st century'.

We welcome your feedback on the patterns described here and on the critical changes you see emerging in the world around you

1. Demographic Destinies

The two critical demographic stories for the first half of 21st century will be population growth and ageing and the challenges presented by both. The UN predicts the global population will reach 9.1 billion by 2050. Based on current predictions, the population growth in Asia to 2050 could outstrip the populations of Europe, North America and Latin America combined. Indeed large chunks of Europe as well as Japan and a few others will actually see their population decline amidst the global boom.

The ageing component of the demographic destiny will bring with it tremendous financial liabilities for governments, business and families as well as providing a stern test for pension and healthcare systems. The IMF estimates the impact could be ten times that of the current financial crisis. Between 2005 and 2050, the working-age population of emerging economies will increase by 1.7 billion, compared with a decline of 9 million in the developed economies. Allied to the regional variation is a general pattern of aging; there will be almost 2 billion (22% of overall population) people over 60 by 2050 whereas this cohort currently accounts for 10% of the global population. Demographics are thus set to be the driver of economics for the foreseeable future.

2. Economic Power Shifts

Even without the downturn, economic power was already shifting around the planet. As a result, organizations must rethink assumptions about the balance of global opportunities and risks. The rise of the G20 in relative importance to the G7/8 indicates the growing importance of developing economies. Indeed rising government and personal indebtedness within developed western economies threaten to limit their economic potential with much talk of a lost decade and rich country debt rising above 100% of GDP. At the same time, power struggles within economies are evident as governments increase their share of the economic pie in many developed capitalist systems.

China and India contributed 58% of all global growth in 2007 and it is estimated that BRIC economies could be delivering 40% of all global growth by 2018. Current forecasts from the OECD (Chinese Economic Performance in the Long Run, 2008) suggest that China's GDP could overtake that of the U.S. as early as 2015.

3. Politics Gets Complex

The political agenda has become increasingly crowded and complex as increasingly diverse issues, interest groups and challenges compete over governments' attention. The global finance crisis has led to even further complexity inside nations, between nations, and between developing and developed countries. At the same time, the internet and social media are changing the nature of political dialogue and citizen activism - witness the role of Twitter in mobilising opposition protest in Tehran as we write this newsletter.

Complexity increasingly manifests itself as risk - 35 countries were on the highest risk 'alert' status in the 2008 Fund for Peace failed states index – a four year high, with 127 countries in 2008 at Alert or Warning status compared to 76 in 2005. The importance of rigorous country due diligence has thus increased. While finance remains a key global topic, other concerns over health, education, security and environment will arise. Against this backdrop there is a rising public apathy - according to a recent GfK poll, only 14% of Europeans trust politicians.

4. Business 3.0 - Expanding Organizational Agenda

Long held assumptions about how to compete and recipes for success are being overturned. The rapid rise of emerging countries has created a wealth of opportunities for business but also a more complex set of

challenges. Enhanced global competition, ever widening technological options, a quickening pace of innovation, and the pressure to create new business models have created a great deal of uncertainty.

At the same time, expectations concerning CSR and work-life balance amongst employees are increasing. According to Richard Edelman, chief executive of the Edelman communications consultancy, "Business leaders need to think differently about what it means to be a public company. No longer can their sole objective be to maximise profits." He argues that a new strategy of "public engagement" is needed to restore the public's trust in business. Indeed Edelman found that 77% of Americans and 62% globally trust corporations less than they did a year ago.

Against this backdrop the business landscape is evolving rapidly. Increased levels of women owned business, social ventures and of entrepreneurship generally are accompanied by CSR concepts becoming embedded within organizations. In a survey of 7200 privately held businesses in 36 countries (Grant Thornton, 2008) 65 percent of the respondents cited that recruitment and retention of staff was the most important factor for doing CSR. Saving the planet came fifth.

5. Science and Technology Go Mainstream

Nations and businesses alike are now recognizing and seeking to compete on the 'innovation advantage' that comes from leadership and investment in science and technology. Several national recovery packages feature heavy R&D spending - in Germany EUR 965m, France EUR 731M and large portions of China's 10Tn Yuan are also dedicated to R&D. Technology is increasingly embedded at the heart of business and is becoming a critical part of everyday life for the young middle classes. Technology is offering an ever-increasing array of options for connectivity and personalization of both products and services.

The Public awareness of the importance of science is also rising, as recognition grows of its contribution in fields as diverse as health, new materials, and environmental protection. The increase in R&D spending accompanies a rapidly evolving technological ecosystem that Gartner predicts will lead to mashups creating 80% of new enterprise applications by 2011. This evolving technological ecosystem also includes the consolidation of multiple electronic gadgets into one mobile device. There is also an increasing blurring of the boundaries between virtual and real worlds. For example 55% of internet experts in the U.S believe that by 2020 many lives will be touched by the use of augmented reality or be spent interacting in artificial spaces.

6. Generational Crossroads

There is an increasing prospect of intergenerational conflict as values and expectations differ. Each major group (Aging Baby Boomers (born 1946-1964), Generation X (born 1964-1980), 'Millennial' Generation (born 1980-1994) and emerging Generation Z (1994 - Present)) brings widely differing attitudes to working practices, communications preferences, the use of technology and work-life balance. The challenge for employers will be to create an environment where each group can feel valued and be effective. Indeed, a Randstad USA survey found that 51% of baby boomers and 66% of the generation that preceded them reported having little to no interaction with colleagues from Generation Y.

The European Commission's April 2009 Ageing Report warns the economic downturn 'could make the challenges created by ageing more acute,' and lead to intergenerational conflict. With house prices lower and thus individuals net worth reduced, retirement is becoming less of an option for some baby boomers, further increasing generational tension associated with the workplace.

7. Rethinking Talent, Education and Training

The so-called 'demographic time-bomb', describing the pending retirement wave of aging workers, is creating an impending skills crisis for employers - a 31% worldwide talent shortage was identified in a 2009 Manpower study. At the same time, the constantly evolving nature of the business environment, the work undertaken and the technologies used are driving the demand to update our existing skills and learn new ones. To this end, both schools and higher education institutes are embracing virtual learning. Rising life expectancy also implies that our working lives will increase and add further impetus to the need for lifelong learning.

Other education issues revolve around employer concerns over graduate literacy, numeracy, employability and cost of remedial education. A 2008 UK CBI found 23% of employers felt graduates struggled with literacy, and 20% complained about poor numeracy. A quarter said they were unhappy with graduates' employability skills.

8. Global Internet Expansion

The internet is increasingly becoming a core tool for business and the individual in Western societies, with

the developing world catching up fast. China has overtaken the US in terms of number of internet users and estimates put the total global web population at 1.6 billion. Social web tools such as blogs, wikis, social networks, virtual worlds and portable computing devices are becoming mainstream – evolving into essential tools for marketing, communications and engagement. Global internet usage grew 265.6% from 2000 to 2007.

Sectors such as mobile internet have significant growth potential - Nokia forecasts the total number of mobile subscribers will rise from 4 billion today to 5 billion by 2015 and expects extraordinary growth in mobile data traffic - rising 300-fold by 2015. Increases in cyber crime, cyber war, media spending and a major rise in user-generated content are also forecast. Active users of social media (MySpace, Facebook, YouTube, LinkedIn, Flickr) are expected to rise from around 700 million today to over 1 billion by 2012, representing 75% of all broadband users

9. A Society In Transition

Many countries are experiencing an increasingly diverse, multi-generational and multi-ethnic society with changing family structures and evolving views concerning values and standards of behaviour. Higher ethical standards and a sense of the greater good are two of these evolving trends. Increasing expectations are concurrent with a decline in trust of key institutions. Edelman's 2009 study found trust down from 2008 for most types of news outlet and organisational spokesperson. Corporate or product advertising is least trusted – down from 20% to 13% in 2009. In the US, trust in information from a company's top leader is at a six-year low at 17%. Outside experts at 59% remain the most trusted purveyors of information about a company. Only 29% and 27% view information as credible when coming from a CEO or government official, respectively, declining from 36% and 32% in 2008.

Greater corporate social responsibility (CSR), more transparency, and higher standards in public life are being demanded. These are being driven by growing public awareness of the scale of social challenges, environmental pressures, changing consumer values and a rise in 'ethical consumption', and will rise in prominence through the communications accelerator effect provided by social media and more widespread adoption of reporting and accountability standards. At the same time, volunteer rates are beginning to decline at a time when budget cuts for many public services mean the need has never been higher.

10. Natural Resource Challenges

For the last two decades, there have been many voices warning about unsustainable natural resource demands and unsustainable pressures on the natural environment. Over the next decade radical action is expected on a number of fronts. Forecasts suggest these voices will increase - achieving emissions targets could cost over \$11Tn by 2030 whilst energy demand is forecast by the IEA to increase by 50%+ by 2030. University College London says climate change poses the biggest 21st century threat to human health, while MIT's latest study suggests the threats posed by climate change could be twice as severe as previously projected.

From a business perspective, being more transparent and issuing CSR reports no longer helps you to stand out – it's expected. Rising eco-literacy amongst consumers, increasingly ethical consumption and the highlighting of 'green' practices are some of the trends placing this issue firmly in the public domain.

Conclusions

This is just a brief synopsis of some of the issues covered under the ten patterns of change. We'd welcome your feedback. If you'd like to know more about the book, just drop me a line at rohit@fastfuture.com.

SEMINAR ANNOUNCEMENT

**Winning in a Downturn – How to Survive and Thrive in Turbulent Times Presented
by Rohit Talwar – CEO – Fast Future Research**

6pm Monday June 22nd 2009

Kindly hosted and sponsored by

The Queen Elizabeth II (QE II) Conference Centre

Westminster, London SW1

All Proceeds to Save the Children and The Children's Society

Registration 17.30

Presentation and Discussion 18.00-19.30
Networking Drinks and Canapés 19.30-20.30

Following the fantastic feedback on our first public seminar on April 30th on Winning in a Downturn (see testimonials below), there has been strong demand to repeat the event and the QEII Centre have very kindly offered to sponsor and host the session once more at their excellent venue.

This seminar has proved highly popular with business audiences around the world. We do hope you can join us. Details of the event, bonus places for multiple attendees and testimonials from past attendees are included below.

If you are unable to attend please forward the details to any colleague who might be interested. If you'd like to know more about booking Rohit to speak at one of your events please reply to this email or call Tel +44 (0)20 8830 0766

All proceeds from the event will be donated to The Children's Society and the Save the Children Fund.

Winning in a Downturn – How to Survive and Thrive in Turbulent Times

As the global downturn evolves and market turbulence disrupts every sector of the economy, serious challenges are emerging for how we manage our businesses. At the same time, profound opportunities are being created. How can we ensure a winning strategy when the stakes are so high?

In this fast paced, practical and highly interactive session, global futurist and award winning speaker Rohit Talwar will share critical findings from Fast Future's current research programme on Winning in a Downturn. Rohit will describe the most innovative and effective case examples of strategies and tactics being adopted by businesses that are actually thriving in the current turmoil. His fast paced talk will cover the following key topics:

- *How might the downturn play out?*
- *How is business responding - where are the opportunities – who won in previous downturns?*
- *What practical and innovative tactics and strategies can businesses of all sizes adopt to win in a turbulent environment?*
- *What innovative approaches can we adopt towards customers, people, products, processes, markets and communications?*
- *How can you ensure your business is capable of creating, identifying and attracting opportunities for growth?*
- *What are the next waves of developments, emerging trends and challenges we need to prepare for?*

Prices and Discounts for Multiple Bookings

1 delegate - £50+VAT

Book 2 delegates at £50 + VAT each and receive 1 free place

Book 3 delegates at £50 + VAT each and receive 2 free places

Book 4 delegates at £50 + VAT each and receive 3 free places

Book 5 or more delegates at £50 + VAT each and receive a free place for every paid delegate

To reserve a place and request a booking form, please reply to this email.

ROHIT TALWAR is a global futurist, award-winning speaker, entrepreneur and specialist advisor. He is the

founder of the research and consultancy organisation Fast Future and was profiled as one of the top ten global future thinkers by the UK's Independent newspaper. He is currently running a number of research studies including a program to identify the key strategies adopted by businesses that are Winning in a Downturn. He has spoken to audiences of business leaders in 40 countries on five continents, and consulted with leading corporations, associations and government agencies globally on scenario planning, development of future strategy and driving innovation and change. Rohit can be reached by replying to this email or through Tel +44 (0)20 8830 0766

Testimonials for the Winning in a Downturn Seminar.

My colleague and I were delighted to be invited to attend a seminar hosted by Rohit Talwar at the QEII Conference Centre. The event proved to be an enlightening experience and gave a real insight into strategies that could push our business forward during these difficult times. Rohit's presentation was clear, informative and entertaining, giving a global perspective to the challenges faced by businesses going into the next decade. The presentation provoked a truly illuminating discussion among the delegates, facilitated by Rohit's insightful comments, everyone felt able to contribute to the conversation and this added greatly to the effectiveness of event. It was a shame we had to curtail the discussion but I think we would all still have been there for breakfast if we hadn't stopped when we did!! I would not hesitate to recommend Rohit's seminars to anyone who thinks and works on a strategic level, within a business or any other organisation.
Steve Cook - CEO - The CBS Group

Rohit, I thought you were fabulous last week. In fact I will write about it in my next monthly newsletter. 'Winning in a downturn' is an eye-opener of a presentation that fills the mind with ideas. It also either provides an affirmation of things you are doing or a sharp reminder to make change where change is necessary! Your easy style makes for compelling 'viewing' and interaction.
Trevor Foley – CEO – TF Connect Ltd.

Rohit's seminar – Winning in a Downturn – was one of those rare sessions which pass by in a flash and truly inspire new ideas. The combination of macro trends, practical actions and information from such a variety of sources really gave me food for thought and clearly inspired any number of ideas and questions from the other members of the audience. I have been remembering snippets all week and telling people about new trends, interesting facts and how we'll all live to 150! I can highly recommend Rohit as a speaker and this session in particular – you will not be disappointed."
Carina Bauer - Marketing & Operations Director - IMEX

Rohit is an excellent speaker and engages with the audience in an open and approachable way. The conference was an interesting insight into what the future economic climate might be and how to plan in uncertain times.
Sam Cork - Brand and Marketing Executive - Gulf Oil Ltd.

Just a short note to thank you for your presentation yesterday. It was fascinating and enlightening and clearly engaged the whole audience which was shown by the enthusiasm of the extended question and answer session.
Jane French - Director - The Right Address Ltd.

The subject matter was diverse and thought provoking. The audience were both engaged and entertained with many delegates debating a range of points from the presentation. Thanks for a great evening and an opportunity to encourage more lateral thinking. I certainly would have no reservations in recommending your services to our clients. I look forward to reading the book!
Paul Davis - Sales Director - McCullough Moore Ltd.

Thank you the Winning in a Downturn seminar. I found the evening very valuable. Your presentation was extremely insightful and thought provoking. It gave me the impetus to think strategically where my firm's services should be focused going forward. I agree that energy, infrastructure, healthcare, education, the internet as a core platform and the global shift in population will all play a key to success for companies going into the next round of scenario planning. The strategies and programs that you outlined will go a long way to help companies succeed.
Rick Weber Managing Director TimesPi Consulting

On behalf of the Kellen Europe organising team, I would hereby like to express our appreciation for your contribution to the success of this year's EuroConference. Your presentation was highly informative and much appreciated by the audience. We noticed a very engaged audience, eager to hear more or challenge you with "why Europe is important" - that is what it should do. The books went like hot cakes. It was a great pleasure to work with you again.
Alfons Westgeest Managing Partner Kellen Europe

Dear Rohit, I'd like to express our sincere thanks and most heartfelt appreciation for your excellent

presentation at the Middle East Duty Free Conference last week in Abu Dhabi. The delegate feedback we have received on you is also nothing short of outstanding. We greatly appreciated your commitment to the conference theme and the way you responded to the brief - it was spot on. Not only was your presentation informative and provided real learning experience, you also delivered it in a truly entertaining manner keeping delegates on the edge of their seats throughout. **Michael Barrett - Conference & Research Manager - Tax Free World Association**

"Rohit's dinner speech had the audience spellbound - I know because the room was absolutely silent! I even overheard a delegate on his mobile, relaying some of the points back to his European office at the airport the next day ..." **Jane Cartwright - Event Manager - Estates Gazette Industrial and Distribution Summit**

"Thanks for an excellent talk, I found it very enlightening! We at Business Link Yorkshire were delighted with the evening, the feedback from delegates was excellent and I know a lot of them had their eyes opened about how to Win in a Downturn and trends and opportunities in the world today". **Gavin Hine – Partnership Manager - Business Link Yorkshire**

Forthcoming Events of Interest

June 25th, The Future of Connectivity, The Club of Amsterdam at the RSA, 8 John Adam Street, London, WC2N 6EZ, registration begins at 6:30pm. Admission Free
<http://clubofamsterdamatrsa.eventbrite.com>

July 21st - 24th, TED Global, Oxford, England, Cost \$4,500, <http://conferences.ted.com/TEDGlobal2009/>

September 18th - 20th, Get Inspired - International Association of Facilitators European Conference, Oxford, England - Cost - IAF Members £592.25 / Non Members £649.75 www.iaf-europe-conference.org

October 14th-16th, 5th European Futurists Conference, Lucerne <http://www.european-futurists.org>

October 21st -24th, Poptech 09 – America Reimagined, Camden Maine, Cost US\$3,500 <http://www.poptech.org/>