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The Premier Association of Financial Professionals[®]

2009 Top of the Table Annual Meeting October 7–10, Kauai, Hawaii, USA

Title: The Second Curve Meets the Flat
World

Speaker(s): Ian Morrison

Day: Thursday, October 8, 2009

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The Second Curve Meets the First World: Managing the Velocity of Change

Ian Morrison

I'm a professional futurist. My definition of a futurist is an economist who couldn't handle calculus basically. I work in a lot of areas, but one area I work in a lot these days is health care, and I'm going to talk a little bit about that later in my talk. You may detect I'm from Menlo Park, California, but I'm not a native Californian. I'm a Scottish-Canadian/Californian, which gives me a unique perspective on health care and all things to do with health care, including death and dying for that matter, because the Scots see death as imminent. Canadians see death as inevitable and Californians see death as optional, actually.

So I'm a futurist. I'm in the sweeping generalization business. I want to just start off your meeting by helping you think about the future. I've been doing this for more than 25 years. I want to perhaps share with you a kind of theory I developed in a book called "The Second Curve." I'll get to that in a second.

Let me just start by explaining that we futurists have different methods of thinking about the future. One is that we forecast beyond our lifetime, that way nobody can ever check on whether we were right or wrong. The second is we make so many forecasts, one of them has to be right. I do that all the time. I make a lot of use of "scenario planning" and everyone thinks I'm really smart because one of them actually turns out. The third is we forecast things that have happened already. Actually, this is true, because in the area of health care I have a partnership with the Harris Poll and the Harvard School of Public Health and we work with everybody in health care from Kaiser to Pfizer literally, helping them think about the future. A lot of what we do is basically measuring the present. Much of what you can do in terms of anticipating change is to be really current with what is going on in the marketplace today.

I personally come from the Goose Gossage school of futurism. Goose was a pitcher. Near the end of his career, he was asked about the future. He said, "The future is a lot like the present, only longer." That, actually, is a pretty wise statement.

What I want to talk about, in our brief time together, is to give you this sort of quick theory of the second curve, and then talk about big trends that create change. There are really three things that you can sort of anchor your analysis of change on. One is demography, one is economy and the changing economy, and the other is technology. I'm going to touch on each of these and use the example of health care on the one hand and newspapers on the other to sort of tease that out. I'll close with some thoughts on how to think about change in terms of challenges and opportunities for the future.

A little bit of theory first. I wrote this book many years ago, but I actually keep working with clients using the same theory and updating some of the ideas. Essentially it's a very simple, embarrassingly simple, notion. The notion is that every business in every industry is going along quite nicely on the first curve. That's the base business. It's the business you know how to operate on a daily basis. It's where you make all your money and all of your profit. But, you have this sneaking suspicion in your gut that it's going to decline in absolute relative terms. It

could be a decline in revenues. It could be a decline simply in growth rates and be replaced by a second curve, a new business or a new way to doing business that is radically different from the first.

The dirty little secret of futurism is we cannot predict the future. It doesn't mean you can't think systematically about it, but you can't predict. There is this natural human tendency to overestimate the impact of change in the short run and underestimate it in the long run. We'll come back to that in a second.

So the essence of the argument in the book is you've got to basically start building that second curve and anticipate that future. But if you jump too soon onto the second curve, you're walking away from all the current business and all the current profit. But if you don't build it, you may not be around later in the 21st century.

And that's my talk, thank you very much.

I'll say a little bit more. Understand this has happened countless times in a lot of different industries. The best example I can give you is IBM. IBM has gone through several iterations of this first curve, second curve model over the last 80 years. Adding machines was the first curve, the second curve was mainframes. Then mainframes became the first curve, and the second curve was PCs. Then PCs became the first curve, and the second curve was the internet. Then the internet became the first curve, and consulting services became the second curve. IBM today is the world's largest consulting company. It doesn't make PCs anymore.

Understand then that with these two curves, the first curve is the old way of doing business, most of the current profit and revenue slowing in the long run. The second curve is a new business or a new way of doing business, radically different from the first either in scope or business model, and the source of all future growth.

So how do you deal with these? The first thing is to understand the source of change? Where does the change come from? I just want to point to three drivers. The first is a demographic change: new consumers who want anything, anytime, anyplace, a very different set of people from the past; new technologies, like the internet, which means things have to happen faster, better, cheaper; and new emerging markets around the world whether it be Asia, Latin American, Eastern Europe. Big question over Islam and we'll come back to that.

One of the great quotes I got in working on the book years ago was from Jim Morgan, the head of Applied Materials, who said to me, "Everything that can be made will be made in China in the long run." He was talking about the move to manufacturing offshore. One of my old friends (I was retained by Accenture for many years) argued that any service that can be delivered over the internet will be delivered from India or Russia. So these are powerful forces of change.

Let's just tease them out a little bit. Let's give you a primer on some of the demographic shifts that are important. Perhaps it's important to understand the differences around the world in terms of values. There is common cause in most countries, certainly in the developed world, around the

notion of freedom, democracy, peace and security. Markets as an agent of wealth creation. Adam Smith beat Karl Marx basically, which was good news.

There are value differences across the world, even in the developing countries, in terms of the role of government, guns, capital punishment, a whole bunch of issues, even things like favorite sports. The U.S. is number one in sports that nobody else plays. The great British philosopher, John Cleese once said, "At least when we have a world championship, we have the good manners to invite people from other countries."

We have this set of differences across the world. Now, understand the basics and I always like to think about demographics as facts about the future. There are no facts about the future, but demographics are the closest we can get to it. There are about 6.5 billion on the planet today. There will be 9 billion in 2050. Thirty percent of them are under 15 years of age, 7 percent over 65. And they're split, these 6 odd billion people in a way that's kind of interesting. In social science we use the term MECE which stands for mutually exclusive and collectively exhausted. So this is not MECE. But, basically, there are one billion who I would call rich people, meaning making over \$25,000 in household income. That's not rich by this crowd's standard, but that's rich according to the international monetary fund. And they tend to be old, white, fat and cranky as a generalization, not this crowd but others.

There are 1 billion Indians, there is 1.3 billion Chinese, there is less than 1 billion Africans, 1 billion Muslims around the world, and the rest of the world is sort of a diverse, divided, dangerous lot. So these demographic differences mean that long division, division between rich and poor, between these different values we talked about, will be issues with us for a long time. That's part of the demographic landscape.

The second thing to understand is that all of the growth in world population is in developing countries. In 2010, the developed world flattened out. One of the things Tom Friedman, in his book, "The World is Flat," didn't talk about is that world population in the developed countries is flat, as of 2010. All of the growth is in developing countries. One of the interesting phenomenons here is the distribution by age that I mentioned. I just picked a bunch of countries here that are in the news, Afghanistan, Iraq, Pakistan. The blue bar is the proportion of the population that's less than 15. The red bar is the proportion of the population over 65. It may be a little hard to read, but let me just talk you through it. Basically, in places like Afghanistan, Iraq and Pakistan, somewhere between 30 and 40 percent of the population is under 15. In the U.S., that number is about 20 percent. At the other extreme, you look at Italy. There are more people over 65 than there are under 15. The reason for this is very simple: It's called fertility rates. When you're talking about fertility rates, if you're going to replace your population, you need 2.1 births per woman of childbearing age. The fertility rate in Italy is 1.4. What that means is the Italians may be the best lovers in the world, but they're not making enough babies to sustain their population.

The other thing that's true, as a result of this, is if you look at countries like Sweden or Norway where the fertility rate is equally low, there will be no blondes by 2100. That's basically what some forecasters have figured out. I'd be hard-pressed to believe that looking in this room.

I normally do not give out this chart. All these charts are available on the Web site and you can download them. Once you have this chart, you too are a futurist. If you know the number of births in a given year, you have a vague clue about the number of 20-year-olds 20 years from now. Call me crazy, but it works for me.

What we're seeing is this enormous bulb. You're going to hear from our colleague, Tom Hegna, in a bit about the issue of the baby boomers and how to deal with them. But this bulb of baby boomers shapes every institution that comes in contact with it. This is the group born in the post-war period. There was a decline in fertility rates in 1968 driven by two very important cultural changes: The Beatles' White album and the introduction of the birth control pill, basically, together reduced fertility rates.

We are, as a consequence of these demographic changes, aging as a society. It's not true that we're older than other countries. Japan, in particular, and most of the other European countries have a higher proportion of people over age 65 and we have, historically, not been that old. You can't blame aging society for our high health care costs for example. We've had about 12 to 13 percent of the population over 65 for the last 30 years. But, we're on the edge of a very significant change, because the baby boom literally turns 65 starting about this year. 2011 is really the year the official baby boomers born in 1946 qualify for Medicare. That's one of the reasons why there has been so much attention on Medicare driving us bankrupt in the long-run, because of this bulbous effect over 65 that is coming at us. All of us baby boomers, in 2020, are going to be sitting around in nursing homes singing "I've Got You Babe" to each other. It's going to be profoundly unpleasant.

The other thing to understand, and we're nearly there in terms of these demographic changes, is that the world is shifting in terms of diversity not only by race but also in terms of the role of women. The majority of degrees granted in the U.S. now are to women, and increasingly the majority of professional degrees. I teach different courses at Stanford and Berkeley and first-year medical students at Stanford are disproportionately 53 percent female. Candidates at most law schools, most of the professional schools are now more than 50 percent female. The reason for that is quite simple: Women are smarter than men and better than men, absolutely, at everything, apart from orthopaedic surgery and linebacking.

The other point, obviously, is that we see a population in the U.S. that is increasingly diverse. Everyone is a minority in the future. Certainly we see it in the California school system today, but that will be true by mid century almost everywhere. So, demographic changes have a big impact: an aging society, big demands on social services, particularly health care.

Let's talk a little bit about the economy. Now, I'm not a real economist, but I did graduate from Edinburgh University 200 years to the day after Adam Smith went there to write "Wealth of Nations," and we still see each other at alumni meetings. So, I've read a lot about the economy, and this is my simple distillation of how the global economy worked up until about the middle of last year.

It's in 10 easy steps. Hardworking people in communist countries made good cheap products, these are folks from China and Vietnam, and exported them to America at a profit. They saved as

much money as they could. The savings rate in Asia is about 30 percent. Up until this year, our savings rate in the U.S. was nada. They loaned their money to the U.S. banks and government and then our banks leveraged the money, 30-to-one, and loaned it to Americans to buy big houses we couldn't really afford. Many Americans and a lot of immigrants were fully employed building these houses, cleaning them, selling mortgages and title insurance. Some Americans worked as nurses, doctors, teachers, waiters or cooks, because they weren't any good at real estate or construction. And the rest of Americans were prison guards or gave Power Point presentations to each other.

I couldn't get a job at the corrections department. We all had jobs. We all could borrow money to buy stocks and more houses. There was great demand, so the value of the houses and the stocks kept going up. Because we all felt rich, we got to borrow even more money. We filled our houses with good, cheap products made by hard working people in communist countries.

As we say, in Glasgow where I'm from: "Half joking, full serious." Because that really is how the global economy works: American consumers stepping up to the plate, borrowing money against a rising home equity to essentially finance consumption of goods and services produced elsewhere in the world. Now the question is, is that going to be re-inflated? Are we trying to re-inflate right now? Or are we going to find a new economic base for the future?

I want to touch on health care, and I'm not going to go through all of these points. This is a very smart audience. Some of you are actually in the health care business, I know. The point is that the economy and health care are intertwined in very important ways, not the least of which is that with a meltdown in the economy, with real median incomes going down by 3 percent in the last year, the burden on middle class folk has gone up enormously. Without getting into all the details, here is the basic dilemma with regard to health care. The average family can't afford the average cost of health care. If a family annual premium is \$15,000 and people are making \$50,000, they just simply can't afford that. And, there are not enough rich people to go around to subsidize them. The reason health care is expensive is not because of the insurance companies. It's because of the delivery system. We have expensive health insurance because we have expensive health care delivery.

Just to give you an indication, I'm on the board of the California Healthcare Foundation, which is a major philanthropy on the West Coast that was born out of the privatization of WellPoint many years ago. We do a lot of health services research, studies. Back in 1970, according to one of the studies done, health benefits were 10 percent of the minimum wage. Today they are 100 percent. So, if you hire a minimum wage worker and give them health insurance, it's like hiring two people. This cost issue is just phenomenal. If you look at us relative to other countries, we're spending about twice as much. If we had an hour and a half, I could go through all the reasons why we're different. I'm not trying to suggest that somebody's got it right, because every health system is an ugly compromise.

I'm giving a talk next month to the Ontario Hospital Association. I'm the warm-up act for Michael Moore and Newt Gingrich, if you can imagine. I can't wait. I'll be selling tickets for that one I'll tell you.

But the point is we're spending twice as much (on health care) as most other developed countries. We're not getting a great bargain for it, to be honest, if you look at some of the data. The point is nobody has the perfect solution. The only country that gets anywhere close to us in spending is Norway. Norway is kind of an interesting place. It's a cross between Sweden and Saudi Arabia. It's socialists with oil.

We're spending more, we have an unaffordability issue. We have a lot of people left out of the system. So, what's going to happen? Don't shoot the messenger here, because I basically make a living advising all the people in health care, trying to tell them what I think will happen, not what should happen. I'm not describing my biases here. What I think all of the bills have in common that are working their way through Congress is what I've labeled "the new American compromise."

Essentially, those of you who are familiar with what happened in the great state of Massachusetts, the Massachusetts-created compromise that Mitt Romney led in that state over the last five to 10 years is made up of a number of different components. The first is this notion of shared sacrifice. Health care is both a right and an obligation. So, you have a right to expect something, but you have an obligation to pay for it. The second is that it's incremental. It builds on existing programs. All of the bills, and some are more extreme than others, tend to be focused on an incremental view where there's expansion of both existing private health insurance models and expansion of programs like Medicaid. The third is that they compel participation. Understand, in no country in the world, there is no such thing as voluntary universal coverage. You've got to require people to do it. And even when you require it, we're probably going to cheat. I mean, even liberals cheat. We all listen to NPR and nobody pledges. So the notion of compelling participation includes an employer mandate, some penalty if you don't provide insurance. There are debates at what level, with what kind of penalty. There has to be an individual mandate, which is in most of the bills right now, that you have a requirement to purchase health insurance, that there are some sort of give-backs from various stakeholders — doctors, hospitals and medical device manufacturers. There also has to be some supplementary sources of revenue whether it is givebacks on the Medicare program or surtaxes. And all of this is working its way through.

The most contentious part for your industry, obviously, is all of the action basically says there's going to be some kind of health insurance exchange or connector bill. If the bill is successful and becomes law, there will be rules around guaranteed issuance. It's become very contentious and, in my view if I may editorialize, was really a sidetrack because I advised all of my clients over the last year that the public plan will get traded away. This is not likely to survive the legislative process through the Senate, and has really caused a lot of heat and not much light over the last year.

The idea of insurance reform is something that is fairly central in all of the bills. If I had to make a forecast today, many of you following the news last night, the Senate finance committee's current version of the bill was scored by the congressional budget office: It's going to pass the threshold of reducing our deficit, increasing. And you could argue about whether that's right or wrong, but that's the official CBO view of it.

My sense is that there is probably a 60 percent chance something will pass (a toned-down version of Massachusetts). There's a 40 percent chance that we may get nothing. I would call it a replay of California. Because, if you recall, in California, we went through this entire list. We had Schwarzenegger pushing it and the democrats kind of shot themselves in the foot and the economy overwhelmed it. So I would say about 60/40 probability of it passing.

Now, it doesn't solve all of the problems. It certainly doesn't solve some of the big issues coming at us in the very long run, particularly the whole issue of rising need and rising demand, driven by obesity and the related heart disease and diabetes, by cancer as a chronic condition, and by the tsunami of stress that is overwhelming many Americans and causing high rates of depression.

Now, the reason we have an obesity problem is pretty simple. We make bad choices. We have the best junk food from everywhere else in the world. It's too hard to resist. So the U.S. is number one. Mexico is actually number two in terms of obesity rates, then come the fish and chip and shortbread countries like the United Kingdom, Australia and New Zealand. I come from that tradition. Canada is in there. Then come the sausage countries like Germany, Iceland, Belgium and Poland. And then the smoked fish countries like Sweden, Holland and Denmark. Then there's France which is a little piece of bony fish on a bed of arugula for 45 Euros. Then the sushi countries are at the bottom. We have a big problem. All over the world, people are concerned about the obesity. In south Europe, the highest rates of childhood obesity are in Malta, southern Italy and southern Greece where there is something about the Mediterranean-diet-meets-McDonald's which is very bad. Anyway, so this is a problem globally.

The other issue we have is that we have an epidemic of stress. Partly, this is a study which takes too long to go through all the details here, but I'll give you the punch line. Let me first concede that Americans are better looking and have nicer teeth than the English. This study was a classic study done comparing the middle-aged, white population in England with the middle-aged, white population in America. They focused just on the white population. They left out the Scots, which was important because we're a drunken, slothful, indolent lot. We would have dragged the average way down.

What they found was the steep gradient by socioeconomic status, adjusting for everything you want to adjust for, that it's good to be at the top of the food chain. Being at the top of the food chain, you're going to live a much longer healthier life than being at the bottom of the food chain. And they found that in both countries. But what was interesting was the poorest third of Brits are healthier than the richest third of Americans when it comes to diabetes, hypertension, heart disease and cancer. It wasn't in the *National Enquirer*, this was in *JAMA*, the prestigious medical journal.

A columnist from the Financial Times of London, who is a friend of a friend, said, "Do you believe this?" I said, "Well, actually I do a little bit," and I turned him on to the guy at Stanford who studies all this and a Euro biology guy named Bob Sopalsky to explain all this stuff. But it really is about stress and the fact that we work very, very hard and, as a consequence, have a lot of stressors in our lives. So my advice and counsel to you is throw away your BlackBerry and go to the bar.

So health care: We need change. We need to reform the delivery system. The current bill, if it passes, may or may not do that in the short run. In the long run, I think more work needs to be done because we basically have a delivery system for the long run can't afford.

Let me just give you one other example here of change and adapting to change, or failing to adapt to change, that really is driven by the whole issue of technology, and some facts about technology that are sort of fun that you can amuse your friends with at cocktail parties.

We're approaching 2 billion internet users globally. Importantly, about two-thirds of them are outside the U.S. and the European Union. Again, it's developed countries. About two-thirds, a recent report came out, of the world population has a cell phone, up from 15 percent in 2000. There are about 4 billion cell phone users in the world; 3 billion of them are in developing countries. The U.S. ranks 17th in cell phone penetration per 100 population. And, we're behind countries like Brunei, Slovakia, Hungary, Poland and Portugal in terms of that infrastructure, which is really an interesting view.

My old mentor in Boston passed away a few years ago, Ryan Maura, who is my predecessor in running the Institute for the Future in the 90s, taught us all that, as I said earlier, there is a natural human tendency to overestimate the impact of technology in the short run and underestimate it in the long run. That's a very profound set of changes.

The internet has quietly changed everything over the last 30 years.

I want to give you an example of how this shift has occurred and how an institution failed to adapt. This charming little person is my daughter, Caitlyn. She is my little hippie chick. She went to Sarah Lawrence College in New York, a very small liberal arts school. She has a little nose ring. That's an entry requirement at Sarah Lawrence actually. Caitlyn is a wonderful kid. She graduated last year. I was giving a talk a few years ago to the Newspaper Association of America and I was talking to Caitlyn about the fact she was going to New York and she should get *The New York Times* every day because *The New York Times* is the sort of the newspaper of record. I told her that since she was in the New York metro area, it was important as a college student to be reading newspapers. I gave her this little lecture and, as always, she had a better response. She said, "Why would I buy the New York Times? It costs \$1. It's made of paper. It takes up space. And there's nothing in it I can't get from the BBC Web site." I said, "Well, what about the classified ads?" "Dad, two words: Craig's List."

I'm giving a talk to the Newspaper Association of America in Orlando to 800 marketing executives. We're at the rehearsal the day before and I'm going through my slides and the AV guys (who are always the best audience) said, "That's a great picture. Is that your daughter?" "Yes, yes." "That's a very funny quote." So we're all laughing away about it. The next day, I give the talk to the newspaper executives and the slide came up, dead silence. Because she nailed it. She absolutely nailed what was the problem. If you look, and I've updated these numbers since, at what happened to the newspaper business, they saw a flattening out initially and then a decline in advertising revenue, classifieds in particular. If you dig underneath that, it started off with the green line here. If you remember the Super Bowl, I guess it was 1999, when

Monster.com, the job board spent a fortune on Super Bowl ads. They had these wonderful ads which said, "When I grow up, I want to file all day long." It basically transformed the way in which jobs were posted. So employment ads have disappeared. It's all online. It's all on Craig's List. Automotive, real estate and other things followed very, very quickly.

The newspaper industry did not respond quickly enough. I made suggestions for them then and I continue to do so. For example, blog aggregators, my son works for a blog aggregator, bleacherreport.com, in San Francisco, where they aggregate amateur sportswriters' views into a Web site, the company was started by two 25-year-old kids. My son is 24, so he's a junior guy. He's a community organizer basically, not in the Barak Obama sense, but he organizes all this rabble of amateur sportswriting. They get 3.8 million unique hits a month and will eventually sail up the food chain, ironically probably to a newspaper.

So there's a bunch of things to think about in the newspaper business. One of the things they have not done a good job of is monetizing online growth. They understand the internet. They were the early adopters of it. They were the early experimenters in putting things up. They just haven't figured out how to make money at it.

For example, 10 percent of *The New York Times*' readership is print and yet that's 90 percent of their ad stream. Yet only 10 percent of ad revenues come from online, even though 90 percent of people reading *The New York Times* are doing so online. So, part of what I suggested to them was you need to get organized news for the BlackBerry generation.

Well, who is the BlackBerry generation? This fine figure of a man in the middle is my friend, Lyle. He's from Calgary. I know some Calgary folks here. The guy on the left is Bill Gates' lawyer, Tim, and the guy on the right is my brother-in-law, Fred. Now, the thing that's interesting about this, apart from their wonderful physiques, is where this took place. They're all on their BlackBerries. Fred is on a wireless modem. At the time this was taken, we were on this boat and, by the way, I'm now a show for the Turkish tourist board. You can rent this boat, food, booze, crew, \$100-\$150 per person per day. It's the best trip you'll ever have. We were in a bay 30 miles from the nearest village. We had five-bar cell phone service, which just shows the way in which other countries have leapfrogged their cellular technology over the past. I wasn't answering my e-mail. I was having a beverage in the back of the boat. I figured out a long time ago if you don't answer your e-mail, people will stop bugging you. And my wife was having a sage tea. She was a bit more restrained.

Let me just conclude, there are five challenges I think everyone is facing. One is this whole issue of long division, the demographic shifts that cause pressure on pension programs and on health programs. Brutal global competition. The world is flat, as Tom Friedman so wisely said. Expect dislocation, whether the United Autoworkers or AIG. Advance can change things rapidly. One might argue that higher taxes are inevitable because of all this aging population in developed countries. And making a good living may get harder and harder, although this crowd will not have a problem. You are smart and savvy and will adjust.

The opportunities I think is to understand that the economy shifts, as Daniel Bell said 50 years ago, from goods and services to symbols and experience. Insurance is a higher Maslow-ian level

of activity, so you are on the right pathway for the future. But understand that technology and innovation, just as it did to the newspapers, can kill your business if you're not embracing it, adapting and incorporating it to reach higher levels of productivity over time. Personally, I believe that you're okay if you're in a Mediterranean climate, and I'll come back to that.

And I think there is going to be increasing opportunity in the health and well-being area, in wellness and health promotion and prevention, as an aging society wants to live forever and see death as optional. And, if you have a do-gooder side to you, solving this long division issue is a great opportunity.

Why do I say the Mediterranean climate? I was originally trained as a geographer, and I figured out I really wanted to live in a Mediterranean climate either on the shores of the Mediterranean or western Australia, which is a wee bit remote, and then the next three places: central Chile, South Africa and Orange County, California. Aside from California, they're all politically unstable. So, you end up in the Bay Area where I live now.

And, finally, I'll just close with some thoughts on change. You have to anticipate dislocation. Don't get caught like the newspapers did. Be looking ahead. This health care is a prime example. Don't get mad about Max Baucus or Obama. Figure out how to prosper when the change is made. I was talking to my friend, Mark Gayna. He lives in Massachusetts. He has thrived. There are 23 million new people, potentially, who will be coming through the connector looking for health insurance. So, you've got to talk to Mark. He's figured out a way to make that work for him in a state that is going to look very much like the rest of the country if health reform passes. And, the way you do that is you have to be personally and organizationally fit for change. You have to be agile. You have to be flexible. You have to be prepared to adapt. You have to do what you're doing right now, which is learning continuously.

Free agency: The world is a world of free agents. It's not about unions. It's about free agents and that's why I think your products and services will always find a welcome home. But, you've got to remember that the world is changing in terms of how people connect and identify. Robert Putnam, the great sociologist talked about bowling alone. We're not bowling alone, we're bowling online on Facebook and finding new ways to connect.

And the final thing I would say is don't listen to futurists. OK? The best advice I can give you comes from the back of Hellman's mayonnaise, it says something deeply profound. It says, "Keep cool. Don't freeze." And that's my counsel to you, that's how to embrace change. Thank you very much for your attention.

Kevin Casey, Apple Valley, Minnesota:

Thank you, Ian. What a great start to these proceedings. It strikes me, in fact, that the Scottish dialect is really not all that different than the midwestern northern plains dialect. In fact, while you were speaking, I kept conjuring images of you, Lou Pierce and maybe Sean Connery and I ice fishing in Tartan plaid kilts. It was just wonderful. So, thank you, Ian, for a truly enlightening perspective on the future.

It strikes me that our country's economists posing as futurists really could use a dose of what you're prescribing there. And speaking of economists as you did, you guys all know that there are only two types: those who cannot forecast interest rates and those who don't know they cannot forecast interest rates. And, much like Ian said, economists are really just number crunchers who if they had any charisma, they would be accountants. Stick with me folks. This is pretty good. If you laid all the country's economists end-to-end they would never reach a conclusion.

We jest and we shouldn't be making fun of these geniuses of commerce and markets after all they have effectively predicted 14 of the last three recessions.

Ian Morrison is an internationally known author, consultant, and futurist specializing in long-term forecasting and planning with particular emphasis on health care and the changing business environment. Morrison has written, lectured and consulted on a wide variety of forecasting, strategy and health care topics for government, industry, and a variety of nonprofit organizations in North America, Europe and Asia. He has worked with more than 100 *Fortune* 500 companies in health care, manufacturing, information technology and financial services. Recent client sponsors include XL Capital, Pfizer and Kaiser Permanente. His book, "The Second Curve — Managing the Velocity of Change" was a *New York Times* business bestseller and *Business Week* bestseller.

Eagles Talent Connections Inc.
57 W. South Orange Ave.
South Orange, NJ 07079
Phone: 973.313.9800
Fax: 973.313.0040
E-mail: eeagles@eaglestalent.com