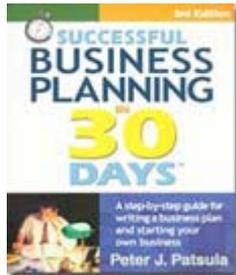


# The **ENTREPRENEUR'S** Guidebook Series™

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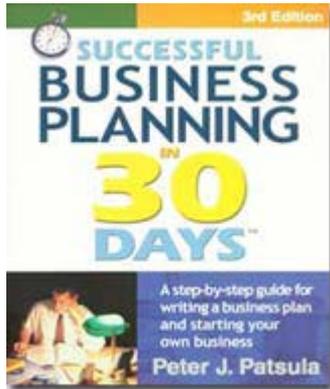


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# PERSONAL PLANNING

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*“Say, according to this STUDY here, you and I should be divorced and unhappy, but in the best physical and financial shape ever!”*

Smallbusinessstown.com

## ***UNCOVERING NEW CONSUMER TRENDS & DEMANDS***

**FORCASTING** the future is not as difficult as a fortuneteller would like you to believe. Scientists and economists regularly uncover trends by analyzing: patterns in government and corporate research policies; new technological advancements and discoveries; market supply and demand fluctuations; and present moods, needs and spending habits of consumers.

These patterns can be uncovered through the computer analysis of large amounts of data taken from databases, polls, news clippings, or any other medium where information can be accumulated. From these patterns – as well as knowledge of past tendencies, historical cycles, an empirical understanding of human nature, and primitive gut reactions – they piece together astoundingly accurate predictions. You can benefit from their sweat, blood and tears by searching for your own patterns in their predictions.

## TRENDS, FACTS & PREDICTIONS FOR THE YEAR 2000

---

THIS SECTION is a compilation of trends, facts and predictions from many sources, including Canadian and American Government booklets of facts and statistics, numerous magazine and newspaper articles, as well as other texts researched by the author.

### Africa

Expect Africa to develop slowly hampered by political and social instability, food and clean water shortages, high population levels, and poor education.

*Hindsight is much more accurate than foresight, but not as valuable.*  
**GENERAL A. J. GOODPASTER**

### APEC

Not to be confused with OPEC, the Asia-Pacific Economic Cooperation forum – which includes America, Japan, China, Taiwan, Malaysia, Australia and a dozen other countries with Pacific coastlines –

have pledged themselves to internal free trade by 2020, with the richer countries getting there by 2010.

**NOTE** APEC has as much to do with maintaining security in the Pacific as with economic initiatives.

### Arts & Entertainment

Expect a fundamental and revolutionary shift in entertainment spending priorities, as more people will be considering the quality of life not quantity. Expect a global renaissance in the arts, as well as the

emergence of new and diversified art forms. In fact, expect the arts to seriously threaten sports as society's primary leisure activity. More specifically, expect that:

- *Attendance at museums, symphonies, dance performances, etc.*

*will increase and open up many new jobs in those fields.* Nonprofit U.S. theater organizations have grown from less than one hundred in 1965 to over 400 in 1994 (source: NEA national Endowment for the Arts).

- *Folk art and country music will increase in popularity.* People are already rebelling against indifferent techno music.

*Oracles, palm readers, fortunetellers, scientists, stock investors, economists and entrepreneurs are all people who attempt to predict the future.*

### **POWERPOINT**

- *Home gardening will increase.* This is due partly because an average garden that costs \$19 yields about \$300 worth of food. Small herb gardens will become popular.

- *National TV audiences will shrink.* Pay per view and cable networks will increase their market shares.

- *Television sets will be as large and as flat as paintings.* The TVs of the future won't be the large projection TVs you see today but rather high-definition models with clarity approaching that of a movie screen. They will also likely perform double duty as computer monitors and be connected directly to the Internet.

- *The amount of time spent watching TV will stay roughly the same.* According to Nielsen, in 1994 the average daily viewing per-household was a little over 7 hours per day, up only slightly from, 1984. Men averaged four hours a day, women four and three quarter hours a day, and teens and children 3 hours a day.
- *There will be continued demand for leisure-related goods and services.* As North American workers put in fewer hours but earn more, and need more activities to occupy those extra hours, more and more, the body will be used for recreation and the intellect for working. Leisure activities that generate physical activity will continue to increase in popularity.

## Entertainment Spending

Music	\$10
Videotape Rentals	\$9.5
Bookstore (retail sales)	\$9
Movies	\$5.3
Video Games	\$5

**1994 billions of dollars spent**

Source: RIAA, VDSA; ABA; MPAA; EIA

## Recording Sales

Rock	32.6%
Country	17.5%
Pop	11.7%
Urban Contemporary	9.9%
Rap	7.8%
Classical	4.0%
Jazz	3.3%
Other	4.2%

**1993 Recording Sales**

Source: RIAA

- *Vegas will become the new Broadway.*

In their never ending quest to attract more gamblers, casinos will begin to offer full production musicals that will compete with Broadway musicals in talent and cost.

- *Virtual reality games will become unbelievably sophisticated.*

Game players will be able to take utterly realistic virtual vacations, battle aliens of Jupiter, and play tennis with André Agassi, all from their arm chairs.

*You possess a front-row seat to the most challenging yet most exciting decade in the history of civilization.*

**JOHN  
NAISBITT**

## Baby Boomers

The aging of the *Baby Boomers* – those born between 1945 and 1964 – is being watched with keen interest by all North American marketers. Over the years, their

needs have created many market trends. When they were born, baby food sales went up. When they started walking, shoe stores opened everywhere. When they wanted their own music, rock'n roll was

born. When they wanted to eat, fast food franchises exploded. When they started getting older and fatter, exercise machines and clubs became a familiar part of everyday life. When the majority of these Baby Boomers reach 50 +, shortly after the year 2000, expect significant changes in market structures to already be in place. More specifically, expect:

- *A decrease in the effectiveness of telemarketing techniques.* The aging of boomers will likely spell the end of, or in the least discourage, high-pressure

telemarketing. The telemarketing industry primarily targets an older generation that is less sophisticated and more trusting than the rest of the population. But they won't reach the more street-smart baby boomers by this same technique.

- *Fewer senior discounts.* The boomer generation is too large. You'd have to discount the whole market.
- *Increased female spending.* For years, baby boomer generation women have been suppressing their individualistic natures as they raised their children – often single-handedly. With their children grown, they will seek to satisfy their pent-up demand and think more about, as well as spend on,

*Rapid change has become a permanent part of our life.*

**POWERPOINT**

themselves again.

- *Increased old age spending.* As the baby boomers move into the 50+ generation, compared with the group they will be replacing, they are more interested in quick material success, have watched far more television, have a tendency to spend money more readily, have a greater desire to move about and have new experiences, have a greater willingness to indulge themselves, and have more desire for luxury travel.
- *Midyouth will become the new marketing buzzword.* Being fifty used to be called mid-life. But boomers always preferring half full to half empty, have a more generous perception of aging.

Midyouth will become a buzzword in the marketplace for decades – from midyouth fashion to midyouth music to midyouth cosmetics.

- *More baby boomer leisure products.* Presently, baby boomers are into health, leisure, and raising families. As they age, they will be into golf, walking and beach lounging.
- *More divorces once the kids are raised.* The proportion of people who admit to having extramarital affairs peaks in the 45-49 age group. Boomers will look for ways to escape the tedium of their lives and indulge more frequently in new relationships.
- *More 60's music.* There have actually

*An economist is an expert who will know tomorrow why the things he predicted yesterday didn't happen today.*

**DR. LAURENCE  
J. PETER**

been some studies which link music to hormones. The studies show that people become fixated on the music they heard when they were 14 when these hormonal surges were going through their bodies. It is no wonder more and more marketers are increasingly using 60's music to sway baby boomers towards their products.

- *The travel industry will boom.* Above all else, boomers yearn for adventure. And now since millions of them have the wealth to go after it, as they wind down their careers, they're going to be seeking out exotic destinations in droves.

## Banking

Expect a profound shift in the way people do banking. Expect that everyone in the future will carry something like an electronic financial passport – a card in which a powerful chip is embedded. This portable purse and record-keeper will render much of today's infrastructure obsolete.

It is however interesting to note that credit card companies are the ones most likely to benefit from Cyber-finance. They already have the customer base and are fast improving their technology to create and control payment systems. This fact has created an underlying current of paranoia within members of the existing banking infrastructure, a paranoia that seems justified, consider-

*In Canada, increasing debt, will require serious restructuring of all social programs.*

ing that at a recent banking conference, the biggest draw was Visa's virtual bank, a three-dimensional simulation of a bank branch.

**NOTE** Rather than compete head-on with traditional banks by setting up its own virtual bank, credit card companies like Visa will likely offer member banks the chance to buy their software, allowing them to insert their own brand name on customers' computer screen. At least for the time being.

## Canada

In Canada, expect the national debt and Quebec separation issues to dominate the political scene, as well as sway the financial markets.

- *Increasing debt will require serious restructuring of all social programs.* The Government of Canada consumes in excess of 50 percent of the country's Gross Domestic Product. Therefore, whether taxed today to tomorrow eventually this must be paid and brought under control. In desperation, expect the politicians to implement sneaky hidden or complicated taxes to fleece away a few more dollars out of the Canadian tax payer.

*Canada is taking the lead in educational use of the Internet. Already over half of its schools are connected to the Net. SchoolNet, an educational initiative supported by a variety of organizations across Canada, expects the rest of the schools to be on-line by the end of '96. No other country is even close to that level of connectivity.*

### **FUNFACT**

- *Manufacturing will continue to thrive*

*despite the conventional wisdom that Canadian manufacturing jobs are drifting off to Third World countries*

*where wages are cheaper.* In 1995 manufacturing made up 20 percent of the Canadian economy, up from 18.6 per cent in 1992. The strongest sectors were automotive, telecommunications, aerospace and pharmaceuticals. This growth proves that good old manufacturing is alive and well and driving a lot

of growth in the Canadian economy.

- *The concept of Canadian Federalism will be carefully redefined.* The

Quebecois separatist movement can be attributed not so much to culture, but to a desire to reassert control over their destiny. Expect a realignment of Canada as a federation with power being removed from the central government and its bureaucracy. In the end, this would mean benefits for all provinces and citizens of Canada, except the politicians and their immediate staff.

## Central America

Central American countries will experience rapid growth. However, this growth will bring with it inflation and overcrowding in the larger cities resulting in

*Canada was supposed to get British government, French culture, and American know-how. Instead, it got French government, American culture and British know-how.*  
**LESTER PEARSON**  
*Former Prime Minister*

wildly fluctuating economic conditions.

## China

China will experience rapid growth, inflation, and will become an increasingly dominant force in the world markets. Expect friction with the U.S. as China begins to flex its muscles.

## Communication

Improved telecommunications, which have made a global economy possible in the first place, will open up the doors to further interconnectedness between all advanced nations. Also, expect

that:

- *America will lead the way in developing communication networks.* Its' fair to say

that America is leading the race to build a full-fledged, high-speed network that connects all homes, schools and businesses. In fact, the U.S. congress is in the process of enacting its first telecommunications reforms in more than 70 years, providing immediate incentives for cable and telephone companies to finish building a broadband network.

**NOTE** Countries that have yet to lay their first kilometer of Cable needn't necessarily worry. In fact, it might be better for them to wait. The history of technology, especially computer-driven information technology has shown being late sometimes has its advantages. Since microprocessors are at the

heart of a communication networks, it stands to reason that building the network of the future will get cheaper over time.

*The new information economy may perhaps redistribute the wealth of nations, but one thing is certain: for any country to get a share, it needs a broadband network.*  
**TIME**

- *Companies will race to establish Communication Broadband Networks.* Communication Broadband Networks are coaxial and fiber-optic cable pipelines that have enough capacity to carry a digital streams of video, sound and text among computers (and, someday, among televisions). The idea behind them is to give everyone, anywhere, a superfast connection to any kind of information, from movies to books, from news to business and shopping data. Number crunchers estimate that the market for info-

highway-based goods and services will be worth \$3 trillion by the end of this century.

**NOTE** The Information pipeline will likely be developed by one of two businesses: the telephone company or the cable company. These are, after all, the industries most likely to have an information-carrying line already poking into our homes and businesses.

- *Communication satellites will become the primary symbol of economic power, not nuclear missiles.* Telephone companies will increase their range of computerized telephone services as well as easy and cheap access to all parts of the world. In many of the undeveloped poorer countries, cellular phones will be used

*English will continue to be the chief language of commerce.*

before telephone lines.

- *English will continue to be the chief language of commerce.* However, increasing numbers of North Americans will also be studying, Chinese, Japanese and Spanish while increasing numbers of Asians will be studying, in addition to English, Japanese and Chinese.
- *Fax machine and e-mail technology will also continue to grow and refine itself becoming an integral part of every business.* More and more homes will use e-mail and have fax machines.
- *Internet services will mature.* The Internet will become the third most important form of communication and information transfer after the telephone

and fax machine. Already Visa, MasterCard and Microsoft, are working towards standards to secure payments on the Internet. Telephone companies are also increasingly offering advertising services similar to yellow page listings. The Internet is changing the way business is done and those who are slow to adapt are likely to be left in the dust.

**NOTE** Although presently, the profile of the average Internet user is a male age 25 to 35 who is self-employed with above average incomes and education, in the future the average user will more likely be mainstream.

- *Personal telephones will be able to*

*Communications Networks made of copper and glass will cradle a global information economy, but first they must be built. The race is on to create national infobahns.*

*access the globe.* Wrist-size telephones that work all over the world, from the Amazon Jungle to the snowdrifts in icy Antarctica, have been the stuff of comic books for decades. However, within a few years, they could become real.

Cellular phones are already so small they can fit in a shirt pocket and so cheap that companies give them away for free. As for universal access, the problem is one of jurisdiction and limited airwaves not technology. International consortiums are already negotiating with individual nations for the right to provide round-the-world phone services. The money they invest will likely go to purchase swarms of

satellites.

## Computerization

Expect that computers will increasingly manage complex and mundane tasks leaving workers more time for creative thought. Also, expect that:

- *Computerized shopping and home deliveries of goods and services will increase.* This increase will be aided by more effective computerized shipping services.

- *Computers will become increasingly voice activated.*

New models will be able to follow ordinary conversational speech, allowing for variations in accent and rhythm. This technology will also be

available to all sorts of electronic information-receiving devices ranging from telephones to remote controls and from VCRs to automated teller machines.

- *Silicone chips will be replaced by optical chips.* The speed and power of a computer depends mostly on how well engineers can cram millions of electronic circuits and switches onto a tiny silicon chip. However, stretching the limits of this technology, computer designers are now moving away from electricity and toward light as an information-processing medium.

Light is faster, cooler, interference-free and already proven itself as an

*The countries that possess the rare combination of human and material resources will prosper and inherit the future.*  
**MARSHALL LOEB**

information carrying source in applications such as optical fiber telephone and TV cable. And now that scientists have come up with ways of using light to store data as well as operate on-off switches, institutes such as the University of Colorado have been able to build a fully operational, though primitive, optical computer.

Not to be out done, designers at IBM, AT&T Bell Labs and Japan's NEC are presently developing their own versions. In fact, it is predicted that within a decade the first useful optical computers will hit the markets and eventually, these light activated computers will make today's beasts seem as primitive as the room-size dinosaurs of the 1950s.

*Advancement within a large company will become more limited.*

- *Seventy percent of all homes will have computers compared to less than 20 percent today.* Computers will become as commonplace as VCRs and Video Cameras.

## Corporate

For North America, the days of monolithic Multinational corporations are numbered. In general, big companies are OUT and small companies grossing less than 300 million a year and with less than 250 employees are IN. More specifically:

- *Advancement within a large company will become more limited.* Large companies are downsizing through layoffs, attrition without replacements, golden parachute offers to middle management executives, and deliberate

creation of smaller divisions. This will result in lower corporate income opportunities and unhappy executives who will increasingly go into business on their own.

- *Both large and small corporate enterprises will put greater emphasis on individual creativity.* Everybody will be expected and encouraged to pitch in.
- *Companies will form associations with other companies rather than expand.* Large companies will no longer be expanding ad infinitum. They will instead split up and franchise, creating informal unions. Relationships instead of direct corporate links will become more important.
- *Companies with 1 to 19 employees will account for more than half of all new*

*jobs created in the U.S.* Larger employers touting a staff of 500 or more will provide only 6.1 percent of all new

## 10 Most Powerful U.S. Corporations

Company	Revenues in \$millions
General Motors	\$154,951
Ford Motor	128,439
Exxon	99,683
Wal-Mart Stores	82,494
AT&T	75,094
IBM	64,052
General Electric	60,109
Mobil	58,995
Sears, Roebuck	53,920
Phillip, Morris Co.	53,776

As of 1994

(total sales in millions of dollars)

jobs while more than one third of all firms with 25,000-plus employees, will likely continue to reduce their staffing needs. Overall, 85 percent of the labor force will be employed by companies with fewer than 200 people.

- *Companies with revenues between 25 million to 1 billion, will continue to grow three times the rate of the Fortune 500 companies in sales and in profits.* They will also add more jobs to the economy at three times the rate of job growth in the entire U.S. economy – Fortune 500 companies have been losing jobs steadily since 1970.

*According to the Bureau of Census, single-parent households have been steadily increasing from 1970 at a rate of 10% to a 1993 rate of 30%. This figure is more than double for black single-parent households (63%).*

### **BUREAU OF CENSUS**

- *Small companies will find themselves increasingly forced to explore more volatile international markets.* Safe local markets will become increasingly less profitable. However, more than 80 percent of these small companies need not fear the inroads of increased competition from abroad. Their biggest concern in the 1990s will be government regulations.

### **Culture & Society**

As lifestyles between nations grow more similar, there will be a surge in cultural nationalism, a desire to assert the uniqueness of one's culture and language, a rejection of foreign influences, and a backlash against uni-

formity. Increasing complexity of the world will also create a need for simplicity and balance between the physical and the spiritual. With increased change, more people will want things to stay the same. Furthermore, expect that:

- *Dual-income families will increase.* They will include 68 percent of all married women, 20 million of whom will be mothers of school-age children.
- *Ethnic pride, separatism, and neighborhood-watch programs will be on the upswing.* Centralized labor unions will struggle to stay alive.
- *People will have a need to belong to smaller groups.* They will also move from being spectators to participants.
- *There will a religious revival.* There will

also be a surge in global lifestyles.

- *There will be increased marriage rate.*

## America's 10 Wealthiest & Most Powerful Individuals

Company	Assets in \$billions
1 Walton Family	21.5
2 Bill Gates	15.0
3 Warren Edward Buffett	12.0
4 Mars Family	12.0
5 duPont Family	10.0
6 Richard Marvino DeVos & Jay Van Andel	8.6
7 Samuel I. Newhouse Jr. & Donald Edward Newhouse	8.6
8 John Werner Kluge	6.7
9 Rockefeller (John D.) Family	6.2
10 Paul G. Allan	6.1

As of 1994

This will be accompanied by reductions in divorce.

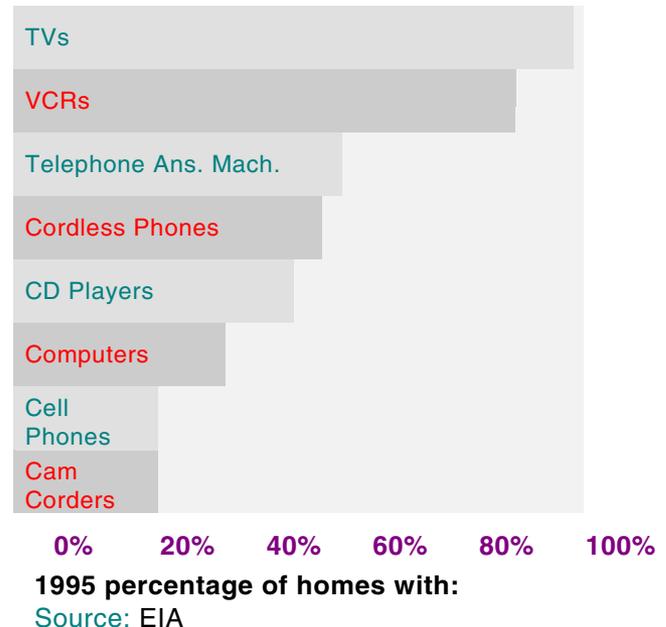
## Decentralization

Industrialization forced centralization. However, being that a large country's natural state is decentralization, and as the trend for developed countries is to become more information based rather than industrial based, in both Canada and the U.S. decentralization will become more dominant than centralization. In the post-industrial global economy, small enterprise, not central planning, will be the road to real prosperity. Also, expect that:

- *Citizens will increasingly lose faith in authority.* The Yankelovich Monitor, an annual survey of 4,000 citizens based on interviews conducted in their homes, shows a steep erosion of trust in

traditional authority. Among the fallen: doctors, religious leaders, big companies, schools and especially the

## Home Electronics Purchases



Federal Government. What makes people in the survey *very angry*, said 55% of them in 1994, up from 44% the previous year, is those in positions of power who “say one thing and do another.”

- *With the failure of large centralized welfare-state structures, North Americans will look elsewhere for leadership.* They will become more involved with events that directly affect them. Regionalism, local state and provincial rights, and special-interest lobbies will receive increasing attention and concern.

## Developed World

Developed countries will move from in-

*Developed countries will move from industrial societies to information societies – meaning more white-collar workers and less blue-collar workers.*

dustrial societies to information societies – meaning more white-collar workers and less blue-collar workers. This also means that manufacturing-based and goods-producing industries will be replaced by service-based enterprises. Overall, this change is similar to the changes that took place during the industrial revolution, when developed countries moved away from agriculture towards industry based economies. Also, expect that:

- *The G-7 countries, which include the US, Germany, France, Italy, Japan, Canada and Britain will continue to lose manufacturing to Pacific Rim, Mexico and South American Countries.* To remain world economic powers, they will increasingly focus on robotics, electronics,

alternative sources of energy, biophysics, fermentation, production of enzymes, gene-splitting, self-fertilizing crops, environment re-birth and protection, and gasoline made from plants.

## Education

Self-help will increasingly replace institutional help. Where we formerly relied on government, the medical establishment and corporations, we now rely more on ourselves. Also, expect that:

- *A growing number of parents will feel compelled to opt out of public schools.* According to the latest research, more than 700,000 children are now being educated at home, up from about 12,500 in the late 1970s.

*It is a mistake to look too far ahead. Only one link of the chain of destiny can be handled at a time.*

**SIR WINSTON  
CHURCHILL**

Daycare and private school operations, for preschool tots will also grow.

- *Self-help and education related businesses will prosper.* Businesses offering new programs, ideas, and even new kinds of school will try and cash in on the growing educational crisis in the U.S. and Canada. The success of “Hooked on Phonics” and similar self-help educational materials as advertised on infomercials will pave the way for more of the same. Furthermore, popular seminars and professional training will be widespread in an effort to close the gap between what people learn in schools and what people really need to know to survive in the business world.

- *There will be reduced regard for college diplomas.* Those with technical training, but less liberal educations, are increasingly landing better jobs and competing head to head with advanced degree holders. In the future, there will be raised credit given for technical and professional expertise rather than success in courses like the Greek Classics or English Literature 101.
- *The need for a more educated work force will rise.* Education will become a lifelong necessity. Learning will continue after schooling. Education for the masses will become more general, while on the job training will become more specialized.

*Business more than any other occupation is a continual dealing with the future; it is a continual calculation, an instinctive exercise in foresight.*

**HENRY R.  
LUCE**

## Energy

Natural resources and prices for energy will increase. This will include restrictions and higher prices for the use of water, electricity, and nondisposable containers. Also, expect that:

- *Car-pooling will increase under sponsorship by corporations and mandates by government.* As well, more corporations will decentralize their offices to reduce the necessity to use a car.
- *Energy development interest will reemerge.* Invention of new fuels, including solar, nuclear, fusion and energy from plants will eventually replace gasoline and oil.
- *Hydrogen fuel cell driven cars will*

*slowly begin to replace gasoline-powered cars.* In reaction to auto pollution and increasing oil prices, the use of gasoline powered cars will fall. They will be replaced by alternative energy cars. In fact, it is likely that the first company to design an affordable car that doesn't foul the atmosphere will race past its competitors. For years research has focused on the electric car, but since nobody has yet come up with a battery that is both powerful and cheap enough to do the job, car companies are opting for the more promising hydrogen fuel technology.

Presently the Big Three U.S. automakers, Germany's Daimler-Benz and Japan's Mazda and Nissan are all

*Hydrogen fuel cell driven cars will slowly begin to replace gasoline-powered cars.*

developing hydrogen powered cars. In fact, if the cost of a fuel cell can be brought down from its current level, as well as the development of an infrastructure of hydrogen stations, hydrogen powered cars could be on the road in significant numbers shortly after the year 2000.

**NOTE** A fuel cell is something like a rocket engine. However, rather than mixing the gases and letting them explode, the fuel cell keeps them apart with a semi-permeable membrane. This allows the reaction to proceed, but much more slowly, generating electricity, water vapor, and heat at about 80 degrees Celsius. It is also interesting to note that despite frightening memories of the hydrogen-filled Hindenburg exploding into a fireball back in 1937, the gas

is no more explosive than gasoline.

## Entrepreneurial

In general, society will shift from one of managers to one of entrepreneurs: if you don't like the boss, start your own company; if your child's institution is failing her, start your own school. Also, environmentally safe businesses, home-office based businesses, import & export businesses, mail order warehouses, specialized retail warehouses, communication networks, distribution networks, entertainment & tourist services, specialized personal services and high-tech computer services will flourish. Also, expect that:

- *Cafeteria style restaurants will make a*

*In general, more and more consumers are being asked to bag their own groceries, put together their own furniture etc. Since this saves them money, they are learning to appreciate the transfer of labor.*

### **FUNFACT**

*comeback.* Fast food operations will continue to diversify and offer more healthy alternatives.

- *Earnings in proprietorships will increase more rapidly than wage and salary earnings.* The 1990's are expected to bring continued sales growth for three-quarters of small entrepreneurs. In recent years, proprietorship income rose 9.6 percent, corporate profits 6.8 percent, and wage and salary income only 5.5 percent.
- *Mobile maintenance shops will become popular.* These mobile shops will come to customer's homes to handle everything from auto

emergencies to minor home repairs and installations.

- *More of the work force will become consultants.* New consultants entering various fields are growing at an estimated rate of 10 percent annually. They, too, are entrepreneurs, of the most flexible kind. Their startup costs are the price of some good stationery, possibly a separate business telephone, and sincere business attire.
- *More of the work force will become entrepreneurs.* There are presently more than 20 million small businesses in the U.S. and each year nearly a quarter of a million new ones are started. It is predicted that the total number of businesses by the year 2000

*More of the work force will become entrepreneurs.*

will increase to 27.2 million (from 19.3 million in 1985), which will include 21.4 million small unincorporated enterprises (up from 15.8 million in 1985). This trend is due to the fact that small businesses employ six out of every ten people, account for the majority of new jobs, are more flexible than big businesses in responding to shifting markets, and are able to bring new products and services to market much faster than larger companies. It is also due to the fact that the corporate world is offering fewer jobs and thus forcing citizens to reconsider their career options.

- *More people will be interested in do-it-yourself remodeling rather than buying new homes.* More and more consumers

are finding plumbers, contractors and electricians to be unaffordable, untrustworthy or both. *Home Depot* for example, the largest home-improvement retailer, posted record earnings of \$141 million for the third quarter of 1994, a 36% increase over the same period in 1993.

- *Nanny schools and placement services will steadily increase.* Especially where domestic and immigrant woman can be trained and placed in the growing number of homes with working mothers.
- *Small ventures will experiment and succeed with new products, new technologies, and new channels of distribution.* Innovations, formerly restricted to large industries or shunned

*Study the past,  
if you would di-  
vine the future.*  
**CONFUCIUS**

by more conservative older generations, will be the propellants of many new small businesses.

- *Specialty stores will increase.* Small limited space specialty stores in high-traffic malls will grow e.g., sock stores, stuffed animal zoos, all-white fashions, teen gadgetry, and specialty ethnic food shops.
- *Startups will occur more frequently in industries close to the consumer.* These will include retail stores and service businesses.

## Environment

The tension between big business and environmental concerns will escalate. There will be a backlash against big busi-

ness with polluting industries. This will result in an increasing number of ecologically sensitive enterprises. Also, expect that:

- *There will be increased ecological merchandising.* More products, packaging, and services that are beneficial to our planet, will not pollute, and are environmentally friendly, will be developed. Concern for the environment will spur social conscience marketing.

## European Union

Sixteen Western European countries – Austria, Belgium, Denmark, Finland,

*Education is one of the keys to survival for large corporations in the remaining few years of the twentieth century. We are in transition from an industrial economy to a post-industrial economy where more people are involved in managing information than in producing goods.*

**GORDON F. MACFARLANE**

France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Norway, Portugal, Spain, Sweden, and the United Kingdom (as of 1995) – have formed one

large economic family called the European Union (EU). The plan was implemented in 1992. Directives are already issued or in preparation to lower artificial trade barriers, open political boundaries, phase out separate currencies, discontinue custom duties and other obstacles to joint trade, and it is hoped, multiply prosperity. The total population of the market will be 320 million po-

tentially a 4 Trillion market for North American trade. More specifically:

- *The European Union will move towards*

*a common currency by early next century.* EU citizens will empty their pockets of francs, marks, pesetas and the rest and start paying for their goods with Euro-money. Euro-bills will likely have one common European side and one variable side that nations can decorate with monarch's profiles or other emblems of statehood as they wish.

However, not all EU members are likely to be allowed into the monetary union from day one. To prepare for the changeover national economies have to meet strict targets of low inflation, budget deficits and national debt. Under the timetable for the switch to a single currency, EU leaders should agree by mid-1998 at

*Trends are like horses: they are easier to ride in the direction they are already going.*

**JOHN  
NAISBITT**

the latest, which countries are ready. Six months to a year later, those nations will freeze exchange rates between their currencies and hand over control of monetary policy to an EU central bank. Money markets and banks will then start to use the new unit. It will probably take another three year's before citizens will be using the new currency for day-to-day business.

**NOTE** Britain is perhaps the least likely of the 15 EU nations to be using the common currency. Many Germans are also worried about dropping the mark – the symbol of postwar stability and prosperity and Europe's strongest currency.

- *Trade between EU members will increase.* The creation of the European Union, the world's biggest and most cohesive trade block, has already led to a substantial increase in inter-regional trade.

## Government

With the increasing complexity of the world, more and more citizens of countries will be looking for results not ideologies. Growing tired of empty promises, campaign bashing, and weak political platforms, people will increasingly look for leaders not “politicians” to run their countries. Also, expect that:

- *Business relations will replace politics.* The concerns of the free-market will

*From 1979-1987 businesses with fewer than 5 employees accounted for 50.6% of all jobs created. 40 % of all jobs are in small business. 85% of all new jobs in Canada created because of small business.*

### **FUNFACT**

weigh heavily on all government agendas. More and more people will look to the business world for leaders not government.

- *Democracies will demand more participation and less representation.* Modern communication and computerization will allow mass voting on key issues.
- *Smaller political units will find more success than larger ones.* There will be a return to ancient tribe like set-ups, in which communities with similar concerns will become more powerful. State and local governments will become more powerful.

- *There will be more controls placed on government spending as well as a reduction of services.* Government reliance was due to the great depression. However, with more governments and large institutions finding it increasingly harder to balance their budgets, many of us will be asking, “What programs can we do without and what programs can we afford to keep without bankrupting the treasury?” In fact, the increasing costs of central government supplied human services has caught up with almost all countries and overwhelmed many. For example, in the U.S., the ratio of working people to pensioners has declined dramatically since the end of World War II – from 32 to 1 to 3 to 1.

## Health & Medicine

Due to advances in medicine and health, and increased concentration in preventing sickness rather than curing it, in 20 years the average life expectancy for people in developed countries will increase from 72 for men and 78 for women, to 76

### Life Expectancy

Japan	78.7
Switzerland	78.0
Canada	77.4
U.S.	75.9
China	70.6
Mexico	70.3
India	60.4
Angola	46.5

#### Life expectancy 1990 - 95 Figures

Source: U.N., National Center for Health statistics, OECD, CCD

and 82 respectively. Also, expect that:

- *Alternative medicine will flourish.*  
Discontent with the cost and the sometimes impersonal delivery of health care has fueled growth in alternative medicine, now a \$14 billion-a-year industry. More and more people will treat themselves with homeopathic herbs and other forms of treatment like acupuncture and massage therapy.
- *Health related web sites will flourish.*  
Already patients are showing up in their doctors' offices armed with information about their problems or diseases gleaned from Internet sites such as:

<http://www.medicalonline.com.au/>

<http://www.yahoo.com/health/>

In the future, more and more patients

and families will be able to get access to medical university databases. They will be able to find out previous results from a drug or therapy they're considering, learn about experimental new drugs or discover unconventional

## Causes of Death

Heart disease	739,860
Cancer	530,870
Cerebrovascular Diseases	149,740
Chronic Obstructive Pulmonary Disease	101,090
Accidents	88,630
Pneumonia and Influenza	81,730
Diabetes Mellitus	55,110
AIDS	38,500
Suicide	31,230
Homicide	25,470

### Top 10 Causes of death in the U.S. for 1993

Source: National Center for Health Sciences

therapies that mainstream doctors don't like to discuss or don't know enough about.

- *Highly sophisticated bionic limbs will become more commonplace among the disabled.*

Engineers all over the world are working on replacements for almost any body part – skin, bones, blood, joints and internal organs. Scientists have already built replacement arms and hands that can be literally wired into the wearer's nervous system. These bionic replacement parts can be so advanced they can be designed to manipulate the keys of a saxophone.

- *Less people will smoke.* The percentage of those who smoke has

*The percentage of those who smoke has dropped from over 40% in 1965 to a little over 20% in 1992.*

dropped from over 40% in 1965 to a little over 20% in 1992 (source: UN National Center for Health Statistics).

- *Obesity in developed countries will increase.* In the U.S., although the percentage of people with high cholesterol is down, the percentage of people who are overweight is up from 25% of the population in 1975 to 34% in 1988.
- *Traditional forms of self-healing with whole foods and good clean living will become increasingly popular.* Health-conscious eating out will grow increasingly popular, with an emphasis on foods low in cholesterol, fat and high in nutritional value.

## Individualism

The broader our horizons and the more powerful our technology, the greater people will come to value the individual. It is individuals who will allow the world to successfully transform itself from an industrial society into an information society. In fact, expect in all the societies of the world an increasing emphasis to be placed on the individual. As Roger Conner a Washington lobbyist for community organizations says: “Responsibility is the key word for the 1990s.” Also, expect that:

- *Self-reliance will replace institutional reliance.* Strong individuals rather than strong companies will triumph in the 1990’s.

*The combined assets of the world’s richest 358 billionaires exceed the combined annual incomes of more than 45% of the world’s population (over 2 billion individuals).*  
**FUNFACT**

- *There will be increased need for self-determination.* The new measure of success, for a growing majority of people, is to be in control of their lives. For better and for worse, this need will reshape the way people educate their children, protect their families, invest their savings, run their communities, maintain their health, and view their government.

## Information Age

The birth of an information society, and the death of the old industrial society, is one of the most important trends in the world today and in the future – one that is perhaps not universally recognized as a reality. However, as the information age con-

tinues to burgeon, it will also become more sophisticated, ruling out opportunities for the smaller entrepreneur, who is unprepared to survive in an increasingly technical marketplace.

Also, expect that:

- *Information will cost money.*

More and more, people will pay for information based products like they used to pay for shoes.

- *Those who control information will control the world.* In the past, those who controlled capital controlled the world, but in an

*Trends come from the people. They indicate long-term changes in thinking and buying patterns. They should be regarded with great attention. On the other hand, fads are usually generated by other businesses trying to create new markets. They indicate short-term changes in thinking and buying patterns and should be regarded with great caution and suspicion.*

### **POWERPOINT**

information society the “world-controller” will be those who control information. In other words, although money is what fueled the industrial

society, in the informational society, the fuel, the power, is knowledge.

### **Japan**

Japan will continue to grow, but at a reduced rate, hampered by problems of sheer size, bad banking investments, financial mismanagement

and increased competition from other Asian countries. Also, expect that:

- *Japan will decrease its American investment.* It will instead pour more

money into the Pacific Rim and South American Countries.

## Labor Force

The labor force of the future faces a very different world than those of today. In America, for example: the average work-week will be reduced to 32 hours; the average age of the labor force will move up to 39; mandatory retirement will be moved up from age 65 to 70; and many existing labor unions will collapse. Also expect that:

- *People will still want to go to the office despite improved tele-communications.* Despite increase in home-based businesses and offices due to computerization and advanced communications, people will still like to go to the office. We won't live in our homes glued to computer screens.

- *Personal leasing will become commonplace.* In personal leasing, an employment agency pays all fringes, salaries, and benefits and handles all paperwork.
- *Skilled technical workers will be scarce and in demand.* Increasing

### Top 10 U.S. Employers

1	General Motors	692,800
2	Wal-Mart Stores	564,000
3	Pepsi Co.	447,000
4	Sears, Roebuck	359,500
5	K-mart	339,500
6	Ford Motor	338,000
7	AT&T	311,100
8	IBM	283,023
9	G.E.	216,000
10	JC. Penny	197,500

(1994):

technological complexity will create a tremendous need for technicians to service existing structures.

- *Wages will rise for skilled work and stay pretty much the same for service workers.* The rise in wages for skilled workers will necessitate an increase in per-capita worker output likely accomplished by increased managerial skills and better training of employees. However, for countries that employ excessive percentages of the workforce in the service industry, more low-paying service jobs will result, in effect reducing the buying power of many middle-income families.

## Latin American

South America will trade more and more with North America especially Flor-

## Labor Force Changes

	Fastest Growing	Fastest Declining
1	Home health aides <b>138%</b>	Railroad signal or track switch maintainers <b>-75%</b>
2	Computer scientists <b>112%</b>	directory-assistance operators <b>-51%</b>
3	Systems analysts <b>110%</b>	Shoe sewing-machine operators <b>-38%</b>
4	Physical therapists <b>88%</b>	Private child-care workers <b>-35%</b>

### Other fast growing areas:

- Paralegals
- Teachers for special Ed
- Medical assistants
- Corrections officers
- Child-care workers
- Travel agents

### Other fast declining areas:

- Job printers
- Roustabouts
- Cleaners & servants for private households
- Motion-picture projectionists
- Watchmakers
- Farmers

Source: Claritas

ida and Texas via Brazil.

## Management

In order to help prepare for future changes, business management will increasingly ask themselves *what* business are they really in, *who* are their real consumers, and *where* are they located. Also, expect that:

- *Decisions will be based more on the long term rather than the short term.* Successful management will depend more upon strategic visions rather than tactical maneuvering.
- *More and more decisions will be made from the bottom up i.e., from employees not managers.* Tapes, newsletters, self-help, exchanging

*The weather forecast has no effect on the weather but the economics forecast may well affect the economy.*

**SIR JOHN  
MASON**

information, mutual friends, heard it through the grapevine, and conferences, will dominate management techniques.

- *Old traditional hierarchies will be replaced by networking.*

Networking as a management tool will rise because baby boomers grew up networking in the sixties and now are increasingly moving into executive positions.

## Manufacturing

Repeatedly, through out this guidebook, you have read that the world is entering an information age and that the industrial era, especially for developed countries, is over. However, to believe that a nation can support itself by

solely providing services to its members and members of other nations is dangerous thinking. Manufacturing, just like agricultural will always be one of the cornerstones of human civilization. Though manufacturing plastic toilet seats may be a thing of the past for developed countries, as other low-labor cost countries can do it much cheaper, designing and manufacturing new improved water conserving flushers may not be. Also, expect that:

- *Manufacturing jobs will become more technical and less physical.* There will be increased automation, robotics and computer applications in manufacturing.
- *Production sharing between countries will become commonplace.* As the world

*Because collectively what is going on locally is what is going on in America.*

**JOHN  
NAISBITT**

economy becomes more and more diverse, production sharing among nations will become the rule rather than the exception. For example U.S. cow hides will be tanned in Brazil and made into shoes in South Korea.

- *The quality of North American manufactured goods will rise dramatically.* To differentiate themselves in the market place from the lower-cost Pacific Rim and South American producers, North America and other developed countries will take serious measures to improve their quality.

## Marketing

A recent survey indicated that the top five areas businesses anticipate increased

spending on are: direct mail marketing, public relations, ads in specialized publications, telemarketing and market research.

As well, the top five areas of concern for business marketers are: direct marketing, target marketing, effects of globalization, market research methods, and mature market strategies. As far as marketing is concerned, expect that:

- *Advertising and sales promotion will become more intense as competition stiffens.* Methods of merchandising will become more blatant and insidious, though not necessarily more effective.
- *People will increasingly rebel against institutional advertising and prefer specialized advertising.* Advertising of

*Individual trends are always closely related to other trends. Each can be examined singly, but can only be totally appreciated in association with others.*  
**SUPERTIP**

the future will cater to group, environmental and philosophical concerns.

- *Sales workers will become more service orientated.* Sales persons of the future will increasingly function as consultants and refrain from using high pressure selling tactics.
- *Shopping by phone will become more commonplace.* This is especially true for in large, urban apartment houses. Telemarketing via the TV screen, including meals and specialty foods will also rise.
- *Teen-directed merchandising will increase.* The marketing of clothes,

video games, tapes, foods, toys and novelties to entertainment will increase. This is due to the fact that kids have \$2,500 annual expenditures plus unknown millions in earned but undeclared income.

## Mexico

With the passage of NAFTA, Mexico is rapidly opening up many areas of its economy previously off-limits or restricted to participation by foreigners.

## Middle East

Middle East politics will continue to create instability and concern throughout the world. However, expect a boom of travelers from the Middle East as they increasingly spend their oil revenues.

*The farther  
backward you  
can look, the  
farther forward  
you are likely to  
see.*

**WINSTON  
CHURCHILL**

## NAFTA

No doubt, the North American Free Trade Act designed to reduce trade restriction between its members will have serious ramifications on business on the North and South American Continent. In July 1995, Chile began talking to the Clinton administration about becoming the fourth member of NAFTA, which presently includes the U.S., Canada and Mexico. By 2005, America expects NAFTA and the hotchpotch of FTAS covering Latin American and the Caribbean to be combined in a Free-Trade Area of the Americas that would in all probability realize Mr. Bush's Dream – a Free Trade Agreement stretching from Alaska to Tierra del Fuego.

## North America

The emerging global economy does not favor North America's large-scale, standardized, mass-production systems of manufacturing. And since the trend towards exporting major segments of manufacturing to low labor-cost countries is likely to continue, North Americans will instead be asked to play a new role if they are to continue as global economic powers – a role of leadership, innovation and know-how. In North America, also expect that:

- *Minority and immigrant populations will grow in percentage.* This will increase the creativity of North American entrepreneur as well as increase inter-racial tensions.

*IBM is the past,  
Microsoft is the  
present, and the  
future is un-  
known.*  
**ANON**

- *Society will become more introverted.* Friends and family circles will become more compact. People will increasingly buy anything that sells status and gratifies their ego to further separate themselves from others. There will also be increased paranoia about diseases, crazies, and strange trends and cults.
- *The North American economy will become more information based.* The shift from an economy based on manufacturing and mining to one based on services and information will continue in North America.
- *Well to do people will move out of the suburbs and into trendy down town areas.* Others will move to small towns,

with clean air and streets, and less crime. Population growth in the cities will decline.

## Old Age

Due to fewer 18 year olds entering the workforce, more and more elderly people will find themselves doing jobs they use to do when young. This will likely lead to younger and older generations growing closer together as they spend more time working with each other. In order to take advantage of this new camaraderie, marketers will appeal to the teenager in the elderly. “Just do it” will be answered by “Okay. I will but give me a minute.” Also, expect that:

- *More elderly people will be forced back into the work force.* Due to reductions in

old age benefits, and feelings of financial insecurity, more and more elderly people will get back into the work-force, either as part-time employees or as entrepreneurs of small businesses. Their small businesses will usually be different from their previous occupations.

*The number of North Americans over 75 will double in number.*

- *The number of North Americans over 75 will double in number.* More facilities for both able-bodied and dependent retirees will be needed.

## Pacific Rim

Although separated by cultural and political differences, the Tigers and Mini Tigers of Asia share attributes which enable their economies to grow at spectacular rates: booming exports, low manufacturing

costs, low labor costs, advantageous societal factors, close proximity to the potentially enormous markets of China, and the same characteristics as Japan during its formative economic period. The populations of Asia's Pacific Rim region are also twice as large as that of Europe and the United States put together. Any way you measure it, geographically demographically, or economically, the Pacific Rim is a powerful global presence. Expect much of the world's investors and economy experts to closely monitor its growth. Also, expect that:

- *Asian travel will boom.* If one demographic reality dominates the future of travel and tourism in the 21st century, it is the potential impact of the

*As the new millennium ends and begins, tens of million of wealthy Asians will join the ranks of globe-trotting Americans and Europeans.*

increasingly wealthy Orient. As the new millennium ends and begins, tens of million of wealthy Asians will join the ranks of globe-trotting Americans and Europeans. Asia will open up to tourism as never before.

Although, only about 12.6 million Japanese presently travel abroad each year, according to the World Travel & Tourism Council, by the year 2005, this total will balloon to 30 million. Add 20 million newly rich Chinese travelers, up from 3 million now; another 20 million Indian, currently about 1 million; plus millions of Koreans, Indonesians and Singaporeans and the dimension of the Asian travel boom becomes mind boggling.

Two factors which help fuel this explosion are: Pacific Rim economies have seen 6% to 9% annual growth in recent years, compared to 3% to 4% for the world as a whole; and many of the region's governments have awakened to the possibilities of tourism as a powerful engine of prosperity. Dazzled by the millions of dollars in potential earnings from tourism, many are in fact encouraging the rapid and often helter-skelter construction of new airports, hotels and holiday resorts.

**NOTE** Unlike Westerners who may prefer a beach mat in Bali, Asians are more prone to shop, eat and gamble on vacation. They also love karaoke so ex-

pect to see more touristy restaurants and bars catering to this need.

*By the year 2000 there will be no developed country where traditional workers making and moving goods account for more than one sixth or one eighth of the work force.*  
**PETER F. DRUCKER**

- *China and the Four Tigers – South Korea, Taiwan, Hong Kong, and Singapore will become the new Japans.* Although Japan is the regions' economic leader today, this East Asia region will rise to surpass them in the future. Projected annual real growth rate is considerably higher than in Europe and North America. Once the Asian region solves their present currency and banking industry problem, look out.
- *The cities of the Pacific Rim will become increasingly powerful.* Los Angeles, Sydney, and Tokyo will

take over from the old, established cities of the Atlantic regions – New York, Paris and London.

- *More Asians will reach middle class status.* By the year 2000, Asia's middle classes should number 500 million, twice the current population of the U.S.
- *The cost of living in many Pacific Rim cities will surpass the costs of living in large Western cities.* Due to high consumer demand, large populations and small living spaces, prices in Asia will become the highest in the world. Already Tokyo, Osaka, Singapore, Seoul and Taiwan having higher costs of living than New York, London and Paris.
- *The culture of the Pacific Rim will make*

*By the year 2000, Asia's middle classes should number 500 million.*

*further inroads into Western culture.*

The countries of the Pacific Rim speak more than 1000 languages and have the most varied religious and cultural traditions in the world. The shift is not only economic but cultural as well.

- *The growth rate of the Pacific Rim will increase much faster than the Western world.* Today, the Pacific Rim is undergoing the fastest period of economic expansion in history, growing at five times the growth rate during the Industrial Revolution. Like Japan, the Tigers and mini-Tigers have pro-business governments, ready markets for their products and bright economic futures. To their advantage they also have a work-force that is educated, hard working, quality-minded, eager to

improve living standards, and who cost one fifth the rate of Japanese and North American competitors.

- *The Pacific Rim's economic thrust will be reinforced with a solid commitment to education.* As early as 1985, a higher percentage of young Koreans attended schools of higher education than young Britons.
- *The Pacific Rim boom will lead to the largest consumer boom the world has ever seen.* In a global economy, the rise of the Pacific Rim need not signify the decline of the West unless the West ignores the significance of the trend

*The World Travel & Tourism councils in Brussels predicts that revenues from travel and tourism in the Asia-Pacific region will grow 7.8% annually during the next decade, growing from \$805 billion this year to nearly \$2 trillion by 2005.*

### **FUNFACT**

and fails to capitalize on it.

## Privatization

Distrust of all levels of government is behind the movement in Canada and the U.S. towards the privatization of public services. People are not waiting for the government to help them any more. People everywhere will increasingly scrutinize and blow the whistle on growing public spending. More and more of the Welfare State will become privatized. The privatization of the U.S. and Canadian Postal Service is a prime example of privatization that will become more prevalent worldwide.

## Real Estate

The surge in real estate prices in North America will ease, since the largest market segment, the baby boomers, have already bought homes. Housing prices and mortgage rates will decline. In Asian countries, real estate prices will steadily increase.

## Russia

Once the political climate of Russia and its neighboring countries stabilize, it will offer many economic opportunities to investors willing to risk a little to gain a lot. Eastern Europe is a highly important growth market.

## Science

With the industrial age in the outmoded

past, the world is shifting from the models and metaphors of physics to the models and metaphors of biology to help understand today's dilemmas and opportunities.

Physics suggests: energy-intensive, linear, macro, mechanistic, deterministic, outer directed. Today, however, the world is in the process of creating a society that is an elaborate array of information feedback systems, the very structure of the biological organism. Biology as metaphor suggests: information-intensive, micro, inner-directed, adaptive, holistic. Also, expect that:

- *Biological research will make enormous gains and start to influence our perception of life.* The world is poised on the threshold of a great era of biotechnology.

*The Mediterranean was the ocean of the past, the Atlantic the ocean of the present, and the Pacific the ocean of the future.*

### **FUNFACT**

- *Genetically engineered plants will generate a second Green Revolution.*

Scientists have found limitless applications of splicing DNA. Already special bacteria, designed in agricultural genetics labs, have been altered to act as mini manufacturing plants, churning out substances such as insulin and human growth hormone. And now, since new ultra high-yield varieties of staples like rice have been developed, along with other plants from potatoes to corn to cotton which been endowed with extra genes that offer better protection from diseases and pests, it is predicted that these and other advancements will certainly boost food production worldwide.

*Technology will never take the place of nor liberate us from personal discipline and responsibility.*  
**POWERPOINT**

## Technology

When you think of the 21st century, you might think technology, space travel, biotechnology, and robots. But the face of the future is more complex than the technology we use to envision it. The most exciting breakthroughs of the 21st century will occur not solely because of technology but because of an interaction between technology and an expanding concept of what it means to be human. Also, expect that:

- *More and more information will become digitized.* Books and entire libraries will be available on CD-ROMs and other computer storage mediums.
- *New materials will be designed based upon nature's miracles.* Having spent a

good part of the 20th century improving on nature, engineers and scientists may very well be spending more and more of their time letting nature help them improve on their technology. Already scientists are striving to unlock the secrets of biological materials such as abalone shells and spider silk, which can outperform anything humans have been able to manufacture. Spider silk for example is flexible yet five times stronger, gram for gram that steel.

*The thing is to be able to outlast the trends.*  
**PAUL ANKA**

- *New materials will be used in car engines.* While automotive engineers are now using aluminum in engines to reduce weight, they'll soon be using ceramics, which are even lighter and far more heat tolerant. This will enable

engines to run hotter and thus more efficiently and cleanly.

- *New materials will be designed using nanotechnology.* In the late 1980's, researchers at IBM discovered that a type of electronic microscope invented to study the properties of atoms could literally pick up the minuscule building blocks of matter and move them one at a time. To prove the point, the scientists took 35 xenon atoms shuffled them around and spelled IBM at infinitesimal scale. Similarly, scientists at Stanford University reduced the first page of "A tale of Two Cities" 25,000 fold.

In short order, a whole new science called nanotechnology – making

materials and machines on a molecular or even atomic scale – was invented. It is predicted that before long, steel mills will be making alloys that metallurgists never dared dream of, atom by atom.

- *People will rebel against technology that is indifferent.*

The more high technology surrounds people and controls them, the more they will seek out human touch.

- *Superconductors will begin to replace copper wires in high tech electronic equipment and other applications.*

A huge amount of energy is wasted in the act of pushing electricity through wires. This phenomenon is due to a kind of friction at the atomic level. This friction

*Super computers will make a comeback, as more people want to access the resources of the Internet.*

#### **FUNFACT**

guarantees that some of the current intended to run, for example, a light bulb is instead converted into waste heat.

Superconductors are the only class of materials immune to this problem, however until recently have been impossible to design. But now scientists at Los Alamos National Laboratory, have managed to mold a thin, flexible tape that can carry more than 1200 times as much current as house hold copper wire, with no resistance at all.

- *Technology will become more user-friendly.* In the past, technology has been forced upon consumers with little regard as to how they would interact

with it. For this reason, some forms of technology have been sent back to the shop. In the future however, whenever new technology is developed, its impact on the human organism and its ease of use will greatly affect its design.

- *Virtual reality technology will create artificial environments so convincing it will be difficult to distinguish from the real thing.* Within a decade people will not only be taking utterly realistic virtual vacations to other countries – or even other worlds – they’ll be learning how to operate sophisticated machinery without ever touching it, piloting an F-18 or driving a new GM sports car. And their kids will be playing

*Japan was the biggest overseas investor in the world during the late 1980’s early 1990’s period, but the United States has emerged as the top overseas investor since 1992.*

**KOREA  
HERALD**

video games that makes Super Mario Brothers seem as exciting as a silent movie.

## Third World

New relationships and tensions with the Third World will become critical as they seek to modernize. In doing so they will stretch the capital resources of the developed world with their need for investment capital and financial aid as well as aggravate existing environmental problems.

- *New information and communication technology will have a greater impact on third world countries than developed countries.* Experts are predicting that the real impact of the Internet will be

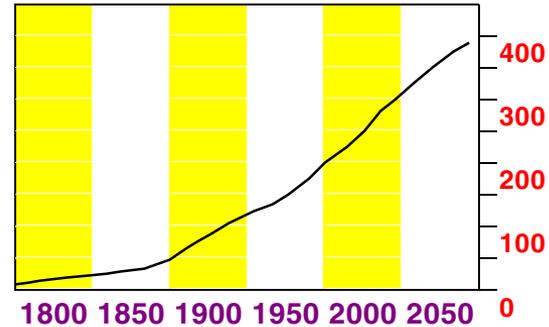
most obvious in poorer countries. On-line publications via the Internet will offer Third World countries a chance to participate in knowledge and gain access to resources without incurring costly setup charges or the costs of publication.

## U.S.

What is happening in the United States is a profound shift from a managerial to an entrepreneurial economy. New types of businesses will be based on a new management structure where more people will be given authority and responsibility. Also, expect that:

- *Emphasis will begin to shift from make resources productive to making people productive.* Too much emphasis in the US. is placed

## Population Growth of the U.S.



Year	Pop. In Millions	Year	Pop. in Millions
1800	5.3	1930	122.8
1810	7.2	1940	131.7
1820	9.6	1950	151.3
1830	12.9	1960	179.3
1840	17.1	1970	203.3
1850	23.2	1980	226.5
1860	31.4	1990	248.7
1870	39.8	2000	276.2
1880	50.2	2010	300.4
1890	62.9	2020	325.9
1900	76.0	2030	350.0
1910	92.0	2040	371.5
1920	105.7	2050	392.0

Source: U.S. Bureau of Census, 1990, April 1

on making resources, rather than people, productive. America's trade imbalance is not due as much to a real imbalance of trade as it is to bad pricing of their existing resources. For example, Japan today pays one-third less for raw materials from the United States than it did in 1980.

- *Florida, California and Arizona will continue to set trends.* Florida in particular will be watched closely because it contains the population diversification expected nationally by the year 2000.
- *Industrial output will increase at about 2% per year.* According to a research company called Data Stream,

*The number of prisoners in state and federal facilities at year-end in thousands is up from 200,000 in 1970 to over 900,000 in 1993.*

**U.S.  
DEPARTMENT  
OF JUSTICE**

America's industrial output expanded by 28.5% between 1985 and mid 1995 which was the biggest increase among G-7 countries. This makes for an average annual increase of 2.7%. Japan was the leader between 1985 and 1992 but its economic woes have cut its industrial production by 3%. As a result, it was the worst performer in the G-7 group with total growth of only 15.3%. Britain expanded by 19.5%, France 19.0% and Germany 18.6%. Italy was the second-best performer. Its industrial output has grown by a respectable 25.5% since 1985, which amounts to an average annual increase of 2.4%.

- *Many Americans will become*

*increasingly active within their communities, while others will prove to be selfish and inward looking.* Whereas some Americans simply retreat behind bigger door locks and stock up on guns, others are becoming increasingly active, joining street patrols, reforming schools and seeking alternative health care for their communities.

- *Mature industries in the North will continue to lose out to growing technology industries in the West and Southwest.* In the U.S., the North represents the lagging industrial economy, and the Southwest and West

*In the U.S., new trends and ideas almost always begin in individual cities and local communities, and later spread to the rest of the country. Key trend setting cities are Tampa, Hartford, San Diego, Seattle, and Denver, not New York City or Washington, DC.*

#### **POWERPOINT**

represents the booming information economy. Three emerging “megastates” will be California, Florida, and Texas.

- *More Americans will learn Spanish.* It is predicted in short order that thirty percent of all Americans will be bilingual, speaking both Spanish and English. This trend is already seen, especially in the lower states where there is increased use of bilingual signs and translations.

- *People will move to the Pacific Rim States.* The 20th century was the century of the Atlantic regions. The 21st century will be the century of the Pacific regions.

America's Pacific Rim states are well positioned to capitalize on this shift. People will continue to move from the North East to the South West and West.

Thus, Nevada, Arizona, Florida, Wyoming, Utah, Idaho, Alaska, Colorado, New Mexico and Texas will continue to grow in population. The fastest growing markets will be: Baltimore, MD; Charleston, SC; West Palm Beach FL; Orlando, FL; Norfolk VA; Raleigh NC; Knoxville TN; Miami, FL; New Haven CT; Washington DC; Allentown PA; Greenville SC; Boston MA; Las Vegas NV; Atlanta GA.

*According to a 1995 poll of 1000 adult Americans conducted by Yankelovich Partners Inc. for Time/CNN, the most serious problems facing the U.S. are crime, lack of morals, politicians, the budget deficit, the economy, unemployment, drugs and homelessness in that order.*

#### **FUNFACT**

- *Taxes will increase.* In the U.S. tax increases will be mandated by the need for more public funding for nursing homes, medical facilities and medications.

- *Violent crimes will continue to be a serious social problem* According to the U.S. Department of Justice, violent crimes per 100,000 people are up from 1974 figures of less than 500 to more than 700 in 1993. Although, burglaries per 100,000 people are down from 1,700 per 100,000 people in 1980 to 1,100 in 1993

**NOTE** In the U.S. there is one violent crime committed every 16 seconds, one robbery

every 48 seconds, one rape every 5 minutes and one murder every 21 minutes. There is also one larceny theft every 4 seconds, one burglary every 11 seconds and one motor vehicle theft every 20 seconds.

## Women

By the year 2000, about 63 percent of all the employees in North America will be female. Ultimately this will lead to more women assuming leadership roles and rising to greater positions of power, as well as having a much greater influence on buying decisions. Also, expect that:

- *The number of self-employed women will more than double – up to 5.5 million in 2000 from 2.61 million in 1985. Women now hold a large*

## Richest and Poorest Nations

TOP 20		BOTTOM 20	
Australia	\$835,000	India	\$4,300
Canada	704,000	Nigeria	4,100
Luxembourg	658,000	Mali	4,000
Switzerland	647,000	Kenya	3,800
Japan	565,000	Cambodia	3,500
Sweden	496,000	Burkina Faso	3,500
Iceland	486,000	Gambia	3,500
Qatar	473,000	Niger	3,200
U.A.E.	471,000	Bangladesh	3,100
Denmark	463,000	Mozambique	2,900
Norway	424,000	Sierra Leone	2,900
U.S.	421,000	Guinea-Bissau	2,900
France	413,000	Rwanda	2,900
Kuwait	405,000	Vietnam	2,600
Germany	399,000	Tanzania	2,400
Austria	394,000	Uganda	2,300
Surinam	389,000	Malawi	2,200
Belgium	384,000	Burundi	2,100
Netherlands	379,000	Nepal	1,600
Italy	373,000	Ethiopia	1,400

**Estimated wealth per capital in U.S. dollars – World**

Average is \$86,000 **Source:** World Bank

percentage of white-collar jobs (especially in business), and are starting up their own businesses at twice the rate of men. Having missed out on the past industrial era, women are positioning themselves for success in the information era.

## World Economy

In the future, world economies will become less and less national and more and more global. International Stock trading will occur 24 hours a day. Also, new economic forces will turn poor countries into in-

dustrial giants and send industrial giants scrambling to keep on top. Also, expect:

## Most Powerful Countries

Country	GNP \$bn
US	6,387.7
Japan	3,926.7
Germany	1,903.0
France	1,289.2
Italy	1,135.0
UK	1,042.7
China	581.1
Canada	574.9
Spain	534.0
Brazil	472.0
Russia	348.4
South Korea	338.1
Mexico	325.0
Netherlands	316.4
Australia	310.0
India	262.8

The total value of goods and services produced in a national economy over a specified period of time – the GNP – is regarded as the principal indicator of the status and power of that economy. The figures above (in billions of dollars) represent the GNP in 1994 of the 16 most powerful countries in the world.

**NOTE** The GNP is composed of both domestic production (GDP) and the net income from current (short-term) transactions with other countries. When the income received from other countries is greater than payments to them, a country's GNP is greater than its GDP. In theory, if all national accounts could be equilibrated, the global summation of GDP would equal GNP.

1996

- *Changes occurring now will lead to increased economic prosperity.* The computer age has entrenched itself. Massive restructuring for the most part has already taken place. Although, this has caused quite a bit of instability in many of the world's larger economies, with some industries being completely wiped out and others downsizing, history has shown that after periods of great change due to technological advancements, the general economic climate improves for all. With each new revolution, from the printing press revolution to the affordable automobile revolution, standards of living rise.

*In 1992, the World Industry Value was 65 trillion. The expected growth rate over the next ten years is 4.5% per year giving the year 2000 an industry value of 105 trillion.*

### **FUNFACT**

- *Countries that possess the rare*

*combination of human and material resources will prosper and inherit the future.* Out of the 192 countries of the world, under a new system of measuring national net worth being developed by the World Bank, Australians and Canadians are the richest people on earth while the United States lags well behind in twelfth place.

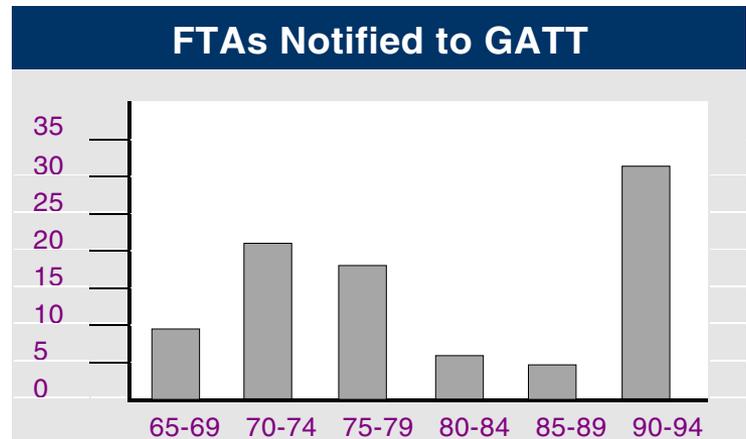
Instead of just concentrating on its annual economic output (GDP), the new system, aims to calculate a country's wealth by assigning dollar values to its **a)** capital investments such as machinery, factories, roads and other infrastructure required for industry; **b)** natural resources counting not only minerals but also land, water

and other environmental resources; and **c) human resources** counting criteria such as nutrition, health care, social flexibility and educational levels.

It challenges conventional thinking by looking at wealth, and other generally undervalued assets that can be important instruments of long-term growth, not just income.

More specifically, it asserts that two-thirds of the wealth of most countries can be found in their populations while produced assets, such as manufactured goods, represent only about one-fifth of the total. The values are chosen under the understanding that produced assets lose value over time, while humans can build on their abilities and learn more.

**NOTE** Essentially, this new approach awards the highest rankings to countries with abundant natural resources that are owned by relatively small well-trained populations. World Bank officials however, describe the system as a “work in progress” and caution against reading too much



The following chart shows the number of regional integration agreements notified to GATT.

Source: WTO

into the rankings, saying that they are likely to change as more research is done.

- *For countries that lack hard currency, barter agreements will become increasingly popular.* For example, wheat will be traded for cars.
- *Free Trade Agreements (FTAs) will increase and despite a reduction in world trade barriers, regionalism will flourish.* This trend is already apparent with the rise of the EU, NAFTA and APEC (see chart).
- *Inflation levels will decrease.* In general, the globalization of economies causes increased competition. Increased competition does not promote inflation. This will be particularly true in developed countries.

- *There will be a moderate global economic boom in the 1990's.* This will be due to advanced uses of telecommunications; no energy crisis to slow down or limit growth; increased competition, which tends to lower taxes; low inflation and interest rates; the

### Savings Per Country

Japan	14.6%
Switzerland	13.2%
Germany	12.1%
Britain	11.5%
Canada	10.6%
U.S.	4.6%
Australia	4.2%
Netherlands	1.6%

**Savings as a percent of 1993 Disposable household income**

Source: OECD

emergence of an Asian consumer boom; and the advancement of democracy and free enterprise.

- *World trade will lead to greater world peace.* As countries become more dependent on each other for trade, the possibility of war over ideological differences will become more remote. Superpower relations will improve, bringing greater economic cooperation.

## Year 2000

Today the world is emerging from a 20th-century version of the Dark Ages – the combined impact of industrialization and the intru-

## Important Economic & Financial Indicators

### Economic Indicators

GDP (output)

Retail Sales (demand)

Unemployment Rate (jobs)

Industrial Production (manufacturing)

Consumer Prices vs. Wages/Earnings

Major Labor Contracts

### Financial Indicators

Stock Markets

Interest Rates (keep an eye on three-month Treasury bills, bank's prime and bond yields)

Money Supply

Trade

Exchange Rates (strength of the dollar against foreign currency)

Foreign Reserves

When trying to find economic and financial trends, it is important to keep your eye on the above key economic and financial indicators, most of which are listed monthly in the *Economist*.

sion of technology into our lives, has suffocated our sense of humanity and spiritualism.

However, with most of the century behind us and the year 2000 looming ahead, many indications in the world today suggest that we are preparing to enter a great period of spiritual revival. Growing in our hearts and minds is a new commitment to life and to the utopian quest for peace and prosperity for all. We will attempt to confront the great challenges remaining in hopes of making a fresh start.

The milestone of the millennium will act like a deadline, encouraging us to end world hunger, find a cure for cancer and resolve our many other problems so

we can meet it with a clean slate. The *year 2000* will be, if not in reality at least in our collective minds, the birth of a new civilization.

*The year 2000 will see the world's GNP roughly divided into four quarters: the Pacific Rim, Europe, the United States, and the rest of the world.*  
**FUNFACT**

## Youth

The youth of tomorrow more than ever will be searching for identity and purpose. A “can’t change anything so make fun of it” *punk* attitude will become increasingly popular with young frustrated adults. However, of interest to entrepreneurs is the fact that youthful purchasers will become more mature, have more discretionary income and make more of their own purchasing decisions.



## CONTENT ANALYSIS – A TOOL FOR PREDICTING THE FUTURE

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CONTENT ANALYSIS is a process that involves compiling articles and newspaper clippings from many sources, which are then entered into a computer to be sorted, analyzed, and searched for patterns. The results are then used to establish trends. The validity of this process is based on the premise that the best way to predict the future is to get a clear idea of what is happening now in the present.

*Content analysis is a process that involves compiling articles and newspaper clippings from many sources, which are then entered into a computer to be sorted, analyzed, and searched for patterns.*

When & by whom was *content analysis* first used?

CONTENT ANALYSIS has its roots in World War II. During the war, British intelligence experts, needing a method to obtain information about whether conditions in Germany were improving or deteriorating, decided to set up an extensive analysis of the content of German newspapers.

Even though the British had difficulty smuggling out current editions, and even though information about supplies, production, transportation, and food reserves remained secretive, over time, they were able to piece together what was going in Germany by carefully tracking local stories about fac-

tory openings, closings, production targets being met, train arrivals, departures, delays, lists of names of area soldiers killed in action, and so on.

Impressed with what they learned about Germany's military casualties, and the strain of the war on its people, industry, and economy, they began to analyze the changing content of Japanese newspapers.

Today, the United States Intelligence annually spends millions of dollars doing newspaper content analysis in various parts of the world to predict the economic stability of those countries' governments. Experts wouldn't continue to do this if their analysis did not continue to give them useful information.

*The most reliable way to anticipate the future is to understand the present.*

**JOHN  
NAISBITT**

## Why is *content analysis* such an effective way to monitor social change?

FOR ECONOMIC reasons, the amount of space devoted to news in a newspaper does not change significantly over time. So, when something new is introduced, something else or a combination of things must be omitted i.e., you cannot add unless you subtract. The human mind is also like a newspaper's forced choice closed system. Individuals and societies can keep only so many problems and concerns in their head at any one time. If new problems or concerns are introduced, some existing ones must be given up. This entire process is a reflection of individuals and societies sorting out their priorities, a process that when observed

and measured can lead to the discovery of significant trends.

For example, John Naisbitt, author of *Mega Trends*, observed that in the 70's, American newspapers began to rapidly fill up with new concerns about the environment: there was extensive reaction to the Santa Barbara oil spills; students in California buried automobiles; Earth Day was followed by Earth Day II. He then discovered to accommodate the increase of column inches devoted to environmental news, news about civil right decreased – on a one-to-one, line-by-line basis. One yielded as the other gained.

*Beware the permanent trend. Nothing is forever. Not diamonds, not rising oil prices, not inflation, not depression, not the steady appreciation of real estate.*

**ANDREW TOBIAS**  
*Money Angles*

## How can *content analysis* help you make better decisions?

IF INTERESTED in a certain field, read everything you can about it. Whenever a piece of information strikes you as relevant, make note of it. Over time, you will accumulate enough bits of information to recognize patterns. Applying these patterns to what you already know, and with the understanding that social and consumer issues continually emerge, gain and lose market share, will enable you to anticipate change. Anticipating change is the key to being in a position to innovate – and innovation is the key to entrepreneurial success.

