

# Audio-Tech Business Book Summaries



## ***In this issue:***

- **Discover...**  
the five dozen trends that will lead to enormous successes — or dramatic failures — for large and small companies in every industry.
- **Consider...**  
the facts and statistics that drive each trend, the implications for businesses, and the opportunities for your company and your career.
- **Assess...**  
the trends in the economy and global politics, technology, and society that can make or break your company's fortunes in the years ahead.
- **Analyze...**  
the consumer trends, business trends, and workplace trends that can lead your company to higher sales, lower costs and more effective management.
- **Master...**  
a powerful methodology called Trendblasting that any business can use to generate new business ideas that are based on trends.



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## **60 Trends in 60 Minutes**

**by Sam Hill**

*A summary of the original text.*

**W**e are constantly exposed to thousands of trends each year. The daily newspaper and the evening news are full of them, adding up to over 100,000 articles and broadcast pieces each year.

If you assume that adults get a 30-minute dose of trends each day from the media, that means a 37-year-old MBA has spent more time reading and hearing about trends than he's spent studying for his professional degree.

But observing trends does not turn a person into a trend expert. If you want to start a business, design a new product, change careers, invest money, make an acquisition, or sell off a corporate division, you need to truly understand trends.

In Sam Hill's new book, *60 Trends in 60 Minutes*, he explains the art and science of trend analysis. It's the

same process his team uses with Fortune 500 companies to generate new business ventures.

Hill is the cofounder of the Helios Consulting Group, which helps top management solve complex strategic problems. He was previously a partner and Chief Marketing Officer at Booz-Allen Hamilton and Vice Chairman of DMB&B, a top 20 global advertising agency.

In this summary, you'll learn about the six categories of trends, and you'll be introduced to a powerful process, called Trendblasting, that will enable you to analyze trends and profit from the enormous opportunities they present.



### **THE SIX CATEGORIES OF TRENDS**

Trend analysis means systematically dismantling a

trend to understand *what* is behind it, *why* it is or isn't important, *how* it will manifest itself in the day-to-day world, and *when* it will break into the mainstream. Each of those four elements — what, why, how, and when — is important if you want to profit from trends, instead of just observing them.

Anyone can tell you that SUVs have become a huge trend. But what does it mean? Where did it come from? And more importantly, where is it going? What ancillary businesses and products can you develop to take advantage of a vast population that's willing to spend \$50,000 on a family car?

Better still, if SUVs are today's trend, what's tomorrow's trend? How will it show up in our daily lives? And when will it reach critical mass like Palm Pilots and personal computers have done?

### **THREE GENIUSES AT UNDERSTANDING TRENDS**

**People who can accurately identify and analyze a trend have proven that it can lead to the creation of a successful new business, and they can do it time after time. Consider the stories of three geniuses at understanding trends: Jerome Lemelson, Ed Kaplan, and Howard Schultz.**

**Jerome Lemelson isn't well-known, but he should**

**be. Consider this:**

**Thomas Edison holds 562 patents, and Lemelson has 558.**

**More than 750 companies license Lemelson's patents, including Alcoa, IBM, Ford, Cisco, Boeing, and Dow Chemical. So far, license fees have brought Lemelson and, since his death in 1997, the Lemelson estate nearly \$1.5 billion. If you have ever owned a Sony Walkman or a Mattel Hot Wheels car, you have contributed a tiny portion to that amount. Lemelson may well be the best-paid inventor in history.**

**Lemelson profited by analyzing new technologies, learning where they were going, and filing patents that would intersect that path. And he didn't discover trends by accident; he used a very deliberate and disciplined approach to analyzing trends so he could predict *what would happen before it happened.***

**Another visionary who foresaw trends before his peers was Ed Kaplan. In 1985, Kaplan owned a business called DSI, which made machines for punching holes in spools of paper tape. The holes that were punched in the tape conveyed information to computers.**

**But after a decade or so of success in that niche, Kaplan began to see the digital writing on the wall. He could see the day coming when those huge spools of paper would be**

**replaced by a wire that ran from a computer in the office to the factory floor.**

**Instead of waiting for his paper tape machines to become obsolete, Kaplan started looking for the next big trend.**

**In 1985, he sold the still-successful paper tape machine business and formed Zebra Technologies the following year. Zebra manufactured bar code printers, which was an unproven technology at the time. Bar codes existed on supermarket packaging, but Kaplan saw the trend: Soon bar codes would be everywhere and would be used to convey all sorts of information.**

**In addition, making a bar code printer wasn't that different from making a paper tape machine. However, it demanded a huge leap of faith — faith in himself, and faith in the trend — and it paid off. Zebra Technologies made *Fortune* magazine's list of the best small businesses six times from 1994 to 2000.**

**Today, its products are sold in 90 countries and are purchased by 70 percent of Fortune 500 companies. While the old DSI has faded into obscurity, Zebra is now approaching half a billion dollars in sales. And all of this came about because Kaplan understood what the trend to digital really meant.**

**Our final example of an**

**entrepreneur who built a profitable business by understanding a trend is Howard Schultz. Schultz had been in Milan and had seen that there were espresso bars on every corner and that people gathered there to have more than a cup of coffee. They had a social function in Italian society.**

**He thought the idea could catch on in America, where people needed an alternative to socializing in bars. He launched his first espresso bar, Il Giornale, in 1986. A year later, he had bought the Starbucks name. And if you look around, you'll see that Schultz's vision of the future of the trend was right: There's now a Starbucks on nearly every corner.**



Trends are all around us, but you won't make money off of them through casual observation, or by reading about them at the same time that everyone else reads the newspaper.

Instead, you have to see trends developing, and then exploit the business opportunities they make possible.

Let's take a closer look at the types of trends you should analyze. Hill has divided the 60 trends into six broad categories. They are:

1. Economic and geopolitical trends.

2. Technological trends.

3. Social trends.

4. Consumer trends.

5. Business trends.

6. Workplace trends.

The first category consists of **economic and geopolitical trends**. They are big trends with big effects. For example, the fact that everyone is now connected by Internet and telephone is changing the face of our world, right down to the most remote places.

In **technology trends**, Hill doesn't focus on electricity or the invention of the computer. Instead he focuses on the things that new technological trends can do that will change the business environment and create opportunities. For example, the doubling cycles of technological innovation have created instant obsolescence. There's a patent issued in the U.S. every three minutes.

**Trends in society** are usually reactions to trends on the economic and geopolitical level. The world changes, and then society adjusts and adapts. For example, the widespread mixing of cultures has led to the changing face of traditional religious beliefs. With the traditional family structure in flux, new forms of the social unit are springing up everywhere.

At the same time, people

have become in many ways more insular, less open and trusting. Trends in society, such as those, produce discontinuities and new opportunities for everything from ways of connecting people to ways of disconnecting people who feel overloaded by too much connection.

That leads to our next set of trends: **consumer trends**. For example, consumers are no longer so easily satisfied as they were 50 years ago. They're fickle, picky, and sometimes even a bit angry.

**Business trends** are booming, but that's not necessarily good news. The problem is that thousands of new trends are spotted every year, and it's difficult to see the trees for the forest. There can't be an infinite number of Next Big Things. But after careful research, Hill has narrowed it down to 11 of the most important trends from the general to the specific, such as the shift from demographically purchased media space to take-it-or-leave-it pricing.

The last category concerns **workplace trends**. For example, the trend used to be that a person would get a job, remain for an entire career, and retire with a gold watch. Today the workers are mobile, the management mercenary, and the players traded more frequently than baseball outfielders. The members of any given enterprise are also just as likely to be scattered across the globe as gathered around the

water cooler. And at the same time, work has gone from 40 hours a week at the office to being available wherever you are, 24 hours a day, seven days a week.

Now, let's take a closer look at each particular trend. In each section, we will define the trend, then discuss why it's happening and what the implications of it are. We will clearly analyze the opportunities that the trend points to on both a business level and an individual level.

Then, after thoroughly analyzing all the trends, we will explore a detailed methodology for how any business can put those trends to immediate use in generating new business ideas that will work.

Also, please note that you can find a complete list of the 60 trends at the end of this transcript. This convenient chart allows you to explore all of the trends quickly and easily. For each trend, we've provided a key fact, an implication, and an opportunity that you can pursue.



## ECONOMIC AND GEOPOLITICAL TRENDS

The nine economic and geopolitical trends are:

1. ***Interconnectedness.*** This means that cell phones, the Internet, and FedEx can bring information, goods,

and even people to any place on earth faster than ever before.

2. ***Little India Is Coming.*** That refers to the cross-filtering of one culture into another, as people move around more than ever before. In most major cities, you'll find clusters of restaurants, grocery stores, and import shops catering to people of each national origin. Relocation services will be in high demand.
3. ***My Oh My, Megalopoli.*** By 2015, there will be over 63 cities with more than five million people. Cities are getting larger. But not everyone wants this type of lifestyle, so expect an exodus to smaller cities.
4. ***Barbarians at the Gated Community.*** As Americans become wealthier, they are becoming more and more security-conscious. Businesses can make money by locking people in, or locking them out. The prison population has more than quadrupled since 1980, to 1.3 million. At the same time, gated communities have increased 1,000 percent, to 20,000.
5. ***Comrade Adam Smith.*** That refers to the trend of workers owning more and more capital in America than ever before. That includes

such worker-owned companies as United Airlines. Today, 15 million Americans, or 12 percent of the workforce, share ownership of the companies that employ them.

6. ***The Incredible Growing Government.*** It's no surprise that government spending is growing. But it's still a trend. It's going to grow even more.
7. ***Balkanization.*** Even as cities are getting larger, countries are getting smaller. Expect to see more and more new countries appearing as the geopolitical face of the world changes.
8. ***Company States.*** Even as countries get smaller, corporations get larger. They will eventually take the place of governments if they haven't already.
9. ***Babelization.*** As countries proliferate, so will languages. The global trend is toward linguistic diversity, not unity.

Since all the other trends are an outgrowth of ***interconnectedness***, let's focus in on that trend.

Interconnectedness started with transportation, and it started long ago, perhaps in Egypt and China. Ships brought goods across the sea. When the railroad was introduced in England in

the 1800s, numerous isolated communities were connected to the mainstream. Trade and culture began its cross-pollination.

Then came the telegraph, telephone, computer, the Internet, and Blackberry wireless e-mail. Now everywhere is connected with everywhere else. You can get almost anything anywhere, from information to goods.

In 1930, a New York to Los Angeles flight took 36 hours and cost almost \$5,000. Today it takes less than six hours and can cost less than \$200.

Consider the progress that has occurred in just the past six decades:

- In the 1940s, railroads and cars connected every city in the nation.
- In the 1950s, airliners began becoming ubiquitous.
- In the 1960s, the Interstate highway system reduced travel time drastically, giving a boost to a burgeoning business in trucking.
- By the 1970s, you could already buy most things in Paris that you could find in Chicago.
- By the 1980s, overnight delivery of goods and telephone service were extending into the most remote parts of the world.

- By the 1990s, the Internet, fiber optics, and cell phones stitched the world together in ways that had never been imagined.

Today you can read the morning's *New York Times* in Irian Jaya, or the *Irian Jaya Times* in Manhattan. There are now nearly 70 million cell phones in the United States alone, and twice as many per capita in Scandinavian countries.

And that world is growing more connected all the time. In a couple of years, a billion people will be connected to the Internet. Information, people, and goods are flowing across the globe faster and faster all the time. No man is an island, but no country is either, and soon no corporation will be able any longer to hide behind the wall of secrecy known as an annual report.

The author believes that interconnectedness is the most important of all the trends he has analyzed, and it's easy to see why. Many, if not most, of the other trends are an outgrowth of it. It has created, for example, the possibility of custom manufacturing and changed the face of many industries.

The same phenomenon is responsible for the increased pace of all businesses. If your product or service is the next big thing, you had better move fast, because before you know it, everyone will be copying it. Ideas that used

to take centuries to spread can now span the globe in a day or a week.

As a consequence, being connected isn't a luxury, it's essential. There are still many fortunes to be made connecting people and places to what has become the technological mainstream. Some 95 percent of the capacity on all that fiber optic cable that was laid during the 1990s still goes unused. There's a gold mine there for someone who can figure out how to use it, especially someone who can take it the last mile.

And now that people can be connected to everyone and everything, no matter where they are, the workplace can be anywhere. The portable job is becoming a reality. The business class section of a Boeing 777 is now a portable office, with phone lines and Internet connections and a place to plug in a laptop.



## **TECHNOLOGY TRENDS**

The technological trends are all a result of colliding technologies, the coming together of disparate developments in engineering and science. These 10 trends are:

1. ***Instant Obsolescence.*** The patent explosion, the proliferation of new products, and technologies from cellular to satellite to microchips to medicine, have all

meant that things get older faster.

2. ***Infinite Reach.*** As with interconnectedness, we are all within reach all the time now, in every way imaginable. Voice recognition, cellular phones, artificial intelligence, and fiber optics have merged to provide this reach.
3. ***Swarm to Warm.*** People are migrating south, largely because of the convergence of air conditioning, materials science, and insect control. However, people can't stay in their homes or cars all the time, so there are still opportunities for inventions like portable air conditioning.
4. ***Pills 'R' Us.*** In 2000, some \$121 billion worth of prescription drugs were consumed in the U.S., along with billions more in herbal and over-the-counter remedies, as pharmacology, nutrition, and nanotech collide.
5. ***Itsy, Bitsy, Teeny Weeny, Little Microscopic Machines.*** Technology is not only getting faster and better, it's getting smaller, as micro-tech, nanotech, artificial intelligence, biochemistry, chaos theory, and robotics collide.
6. ***Bionicism.*** Replacement parts for the human body are big business. The

technologies include material sciences, metallurgy, telemetry, medicine, and pharmacology.

7. ***It Ain't Heavy, It's My Product, Brother.*** As products get smaller, they also get lighter. Colliding technologies include microprocessors, materials science, and ergonomics.
8. ***Down in the Data Mine.*** Information has always been collected and stored. Now for the first time, we have the tools to use it in new, more profitable ways. The technologies involve wireless, microprocessors, data storage and compression, and numbers theory.
9. ***One Extra Lifetime per Person, Please.*** On average, people are living longer. But what is the quality of that last 15 years of life we've added in the last century? Making it worth living will depend on hormone therapy, nutrition, pharmacology, and biomedical engineering.
10. ***Helpless in Seattle.*** Now that we are overrun with technological gadgets, how are we ever going to learn how they work? Telecommunications, ergonomics, artificial intelligence, and digitization will help. Companies should also retrain their employees

to help customers use the technology they sell.

The main trend from which all others grow is ***instant obsolescence***, which equates to an explosion of technological advances. One of the reasons we don't understand half the technology we use is that people who make it are so busy making the next thing that they don't have time to explain it. Besides, we'll be throwing it away soon, so who cares anyway? That can be good for business or bad for business. It makes timing crucial.

The number of patents issued in the U.S. is growing at 10 percent a year. Eight other countries are producing more than 50 patents per million citizens per year, including Switzerland, Sweden, Finland, Germany, Canada, the Netherlands, and France. That results in a continuous stream of innovation, and with new interconnectedness, it means that the stream circles the globe in days or weeks, instead of years. Everyone grabs the latest thing and runs with it. As a result, the time to market has been getting shorter by half every 50 years since the 1800s.

Part of the reason for this trend is that people can afford to buy technological products. That makes it possible for companies to invest in research to develop them. U.S. R&D spending hit the quarter-trillion mark in 2000.

Another reason is that as science and technology grew more complex, the problems became so complex that specialization was required just to solve them. Specialization led to isolation, but now interconnectedness has brought diverse specialties together again.

Technology is now a team sport and fiercely competitive in both industry and academia. That has resulted in the speeding up of the R&D cycle and hence the product cycle.

Palm has produced new models of its PDA so rapidly that it has gotten stuck with the old ones, driving down its stock price. The overall effect is to shrink market size. Many companies turned to this tech boom to improve existing products and found a backlash effect. Tires improved so much over the last couple of decades that sales were cut in half. They just didn't wear out fast enough.

But one man's shrinking market is another man's opportunity. Some people have turned obsolescence into authenticity, bringing back the old in newer form. We've certainly seen that in the auto industry, where numerous out-of-date styles have become the latest fad, the Chrysler PT Cruiser and the Volkswagen bug among them.

However, no one seems to be nostalgic about old models of personal computers, with

their slow processing speeds and tiny memories. By 2004, 315 million computers will become obsolete. Companies that upgrade or recycle old equipment will prosper.

Whatever way you intend to take advantage of this trend, the watch word is *speed*. You can't expect a product to lie around making money for years anymore. The profit margins are out there. They get in, make their money, and get out fast.



### SOCIAL TRENDS

If economic and geopolitical trends shape the world, and if technological trends shape how we live in it, societal trends show how we cope with those two major forms of change. There are 10 main societal trends:

1. ***Polytheism.*** Traditional religion is still alive and well, but it is being supplemented with other faiths and activities.
2. ***Post-Nuclear Families.*** The traditional family model is also changing. Less than 24 percent of U.S. households are now composed of a husband, wife, and children under age 18. The number of children who live with just one parent has tripled, providing opportunities for services that fill the role of the missing parent, from

teaching baseball skills to cleaning the house.

3. ***Retribing.*** As a result of trends one and two, people are joining social groups that share common interests.
4. ***The Trust Deficit.*** We have become a society in which no one trusts what they read or hear and only part of what they see.
5. ***Driving the SUV to the Recycling Center.*** There is no longer any clear dividing line between right and wrong. Morality has gone to a sliding scale.
6. ***The Never-Ending Traffic Jam.*** The world is getting more crowded than even a population explosion can explain.
7. ***You Talking to Me?*** We receive an ad every 20 seconds, an e-mail every six minutes, and a phone call per hour on average.
8. ***Instant Polling.*** People are now spending more money getting other people to tell them what they think, more quickly, than ever before.
9. ***Lawyers, Guns, and Money.*** America is more litigious than anywhere in the world. We no longer take responsibility for ourselves. Instead, we sue.

10. ***Screw You Very Much.***  
Society has become rude.

Perhaps most emblematic of all those 10 trends is ***the tendency of people in this nation to sue others — over anything.*** In 1999 alone, more than 15 million civil cases were filed in the U.S., up 30 percent since 1984.

Suing people is an entrepreneurial business run by the people who make the rules — they pass the laws. It is a kind of monopoly, and it pays very well. Lawyers are allowed to work on contingency (a rule they made) and get some 95 percent of their cases settled out of court.

The cost of going to court is so high (from fees set by lawyers) that defendants would rather settle than try a case. Also, they know that going to court is a coin toss — about half the plaintiffs win.

A typical product liability or medical malpractice suit pays out about a quarter of a million dollars. A quarter of the medical malpractice cases go over a million. Suing is a big business and a profitable one.

On the supply side, the effective number of lawsuits is encouraged to grow because the number of lawyers in need of work is so high. There's a lawyer for every 300 American citizens, half again as many as in Canada and the UK. And the number has quadrupled in the

last 50 years.

The stakes are very high. Cendant Corporation settled a stockholder suit for \$2.8 billion recently, and some 20 to 30 percent of that, \$700 million, will go to lawyers. Numbers like that make suing people a growth industry. Administrative efforts to limit the number of lawsuits have traditionally failed.

Obviously, the main targets of lawsuits are apt to be institutions or people with a great deal of money, otherwise there would be no point in suing. Today, everything from churches to not-for-profits are the object of legal action, not just corporations.

As a result, the internal legal staff of institutions is growing and becoming more powerful. Legal departments will control more and more of the strategic aims of corporations, even while more and more lawyers occupy top management positions.

At the same time, law firms have come to resemble industrial giants, with competitive bidding, professional marketing, and other trappings of industry. Formerly the domain of cheap criminal or personal injury attorneys, media advertising is becoming the norm for high-end corporate firms as well.

While lawyers are limited from practicing in certain businesses now, that could change, as they branch out the way banks have

done. Look for lawyers to deregulate themselves. The trend provides significant opportunities, of course, and beyond the obvious ones are such things as lawsuit prevention. Sexual harassment policies are a form of lawsuit prevention, as are those back supporters factory workers now wear when they have to lift heavy objects.

At the same time, insurance companies are offering policies to cover sexual harassment suits, along with wrongful termination and other labor-related civil actions that might crop up. It's like corporate malpractice insurance. And it's growing.

As the legal industry grows, it will attract a whole constellation of smaller firms to serve it. There are now consulting firms that serve only legal firms. There are PR firms aimed at lawyers, too. Smaller businesses will find numerous ways to make money off the money that lawyers are making off of them.



### **CONSUMER TRENDS**

Consumer trends are a lot like societal trends, but on a smaller or narrower scale. While a societal trend might affect the whole country, a consumer trend will influence one market or market segment. Hill identifies 11 of these trends:

1. **Peter-Panism.** Baby boomers aren't aging. That has created a new class of consumer: Old young people. Or young old people.
2. **Pre-Maturity.** In a related trend, boomers don't want to be adults. They think someone else should be the adults. In some cases, it's their kids.
3. **Escalating Expectations.** Consumers are less satisfied, despite better products and services than ever before.
4. **The Concrete Consumer.** Customers have also stopped listening to the hype. They've tuned out.
5. **Faux Authenticity.** In a fake world, consumers are searching for anything that feels real. That's why retro is happening in everything from cars to clothes.
6. **Born to Be Wired.** This generation gets technology and expects to have an endless supply of it.
7. **Nibble and Nap.** The old structure of sleeping, waking, and eating has been replaced by grazing, snacking, napping, and time-outs.
8. **Buy Now, Pay Never.** Consumer debt is at an all-time high, and lots of

times people just aren't paying it back.

9. **Upscaling.** It used to be Timex. Now it's Tag Heuer. People want the best.
10. **The Frugal Rich.** Rich people used to shop at Saks, while the rest shopped at Sears. Now the rich are looking for bargains, too.
11. **Plumposity.** People are getting fatter.

One of the most important things that drives consumer behavior is how people see themselves. And **Peter-Panism** underlies the way the boomer generation sees itself.

As the author succinctly puts it, "The best part of belonging to the biggest demographic group in history is that we control the media, which means that things are whatever we say they are. And we say old age is not us."

The average age of students at certain posh Western snowboarding camps is 40. The response of 50-year-olds to the question of when old age begins is 80. People over 65 have sex more than twice a month. And 10 percent of health club members are over 55 and growing.

Plastic surgery grew by 200 percent between 1989 and 1995. And some 15 percent of college students are over 40. This generation is

determined to stay young — at any cost.

That means dressing young and buying the toys of the young. But the body has to stay young, too, in order to ride all those skateboards and run all those marathons.

Now every element of anti-aging will boom, from plastic surgery to hair coloring and replacement, to new forms of exercise equipment and anti-aging drugs.

The obvious opportunities here are to sell to the boomers an upgraded version of the same products you make for the young. Relaxed fit jeans are an example of such an upgrade. And Vermont Teddy Bear sells 90 percent of its stuffed animals to adults for adults.

New services have appeared to cater to this group, such as the almost \$19 billion in sports-related medical treatment in 1998, with a parallel growth in the number of orthopedic surgeons.

As the boomers age, they'll need more age-related products, only there'll be a new marketing twist: Don't call them old folks. They don't like it.



## **BUSINESS TRENDS**

Out of the thousands of business trends available, the author has picked 11 that are most representative and have the broadest

implications both for individuals and businesses. They are:

1. ***The Death Of Demography.*** The traditional ways of buying advertising are moving away from demography and toward the more specific kinds of information that are now available.
2. ***Niche Picking.*** Smaller is not necessarily less profitable if you choose the right segment.
3. ***Experience This!*** We've gone from being manufacturers of goods to being providers of services to creating entire experiences.
4. ***On the Brand Wagon.*** More brands have been created in the last 10 years than ever before. Everyone's doing it.
5. ***A la Carte Business Models.*** One reason for all the brands is that creating a company is easier than ever before.
6. ***Reintermediation.*** Disintermediation is dead. Intermediaries are back in a big way.
7. ***Strange Bedfellows.*** One reason creating a company is so easy is that mergers, alliances, and collaborations are all the rage.
8. ***The Price Is Wrong.***

Take-it-or-leave-it pricing is dead. Flex-pricing is back.

9. ***"Gotcha" Tactics.*** Companies are getting more and more ruthless in marketing aggressively and exacting often hidden fees from customers. Consumers are not amused.
10. ***Mass Personalization.*** This is the answer to making one-to-one marketing more than just a bad dream.
11. ***A Pound of Risk to Go.*** The buying and selling of risk has changed the price of everything.

Most of these trends are about ***information*** and the new ways in which it's handled, moved, bought, and sold. Marketing is fundamentally about information, and the trend toward rapid and sweeping changes in marketing suggests the nature of all the others.

The established ad agencies are being replaced by upstarts in consulting firms and direct marketing organizations. This constitutes a shift away from earlier marketing trends toward geographic or demographic marketing. The emphasis now is toward smaller and more well-defined segments.

In the 1840s, for the first time, stores and companies began to advertise to create new business instead of just waiting for people to wander

into the general store. That gave rise to larger companies and to advertising agencies.

There were newspapers in every town to absorb all the ads and after 1922, there was radio, too, which built a whole universe of programming around ads for everything from soap to miracle cures. The key was reaching the right community. It was the age of geography.

After World War Two, Bristol-Myers sponsored the first commercial television program. As TV began to reach into every community in America, geography no longer mattered. There was only one geography — Television-Land.

But advertisers found a way to single out demographic groups, such as housewives who were concerned about their kitchen floors. Life was simpler. There were a lot of housewives worried about ring around the collar. That was the age of demography.

Things are more complicated now. A woman of the same age today is just as likely to be head of strategy for Amoco and cruising around the world in a corporate jet. The person at home worrying about the kitchen floor is just as likely to be a man. Where a person lives or even how much he earns no longer tells you what he's likely to buy. Enter the Age of Singularity, where marketing segments get very, very small.

The previously mentioned trend of data mining allows marketers to track the exact purchasing behavior of individuals, not groups. The interconnectedness trend allows them to communicate directly to a given household.

The concrete consumer, who has tuned out all the radio, TV, and newspapers ads, will only respond to something specifically targeted to her. That leads to cable TV, direct mail, and e-mail, not to mention those ads that pop up while you're trying to search the Internet.

You can throw something out, see what sticks, and change it if it doesn't work. Crayola recently developed 72 e-mail messages and tested 16 of them at a time. That approach would have been impossible just 15 years ago.

As annoying as those personalized ad strategies are for consumers, there's no sign that they're going to disappear. And even though we say they're annoying, we respond to them in greater numbers than ever before. A micro-message campaign at a bank in Norway had a 60 percent response, a dozen times the historical average.

Carefully planned megacampaigns will vanish as radical experimenters find the freedom to try a lot of stuff and see what sticks. The consumer is already under a microscope. This trend will simply bump

up the magnification until you can tell the color of her eyes and what lipstick she's wearing.

Look for huge technological trends inside this trend, as marketing tools get more and more sophisticated. Modern Media analyses web traffic. Manna produces analytical software. Marketing Analytics develops algorithms for sales data analysis. Verbind stores consumer transaction history and predicts behavior.

Another company can deduce hidden buying preferences people don't even know they have. The field is so new that there's still plenty of room at the bottom for people with new ideas.



### WORKPLACE TRENDS

Work is almost an American religion. And sweeping trends have overtaken it in the wake of all the other trends we've just discussed from the 24-hour work day to casual everything. There are nine basic workplace trends to examine. They are:

1. **Diversity.** This has been happening like never before, as race, sex, and religion get pushed aside.
2. **Paraprofessionalism.** From paralegals to paramedics, every profession now has its piggy back para-profession. They

are the factory workers of a service economy.

3. **What, Me Work?** No one likes to work like Americans. No one likes to get away from work like Americans, either.
4. **The Last Job Review.** Legal actions are making honest job reviews impossible.
5. **Celebrity CEOs.** CEOs are now bigger celebrities than some celebrities.
6. **Mercenary Management.** Both workers and management are for sale to the highest bidders as the work force goes mobile.
7. **24/7/365.** Everyone works all the time now. And the job can follow you around, thanks to tech trends.
8. **Retooling.** As key skills become obsolete, so do people. The survivors are learning new skills and changing careers in mid-life. Hence the trend for returning to school.
9. **In a Land Far, Far Away.** Extreme teleworking goes beyond telecommuting. We are the first anywhere-anytime work force of the world, and if Sunday's the same as Monday, then Chicago is as good as Amsterdam.

David Newkirk of Booze-Allen & Hamilton compares today's workforce with medieval society. The feudal lords couldn't afford to have a standing army but they sometimes needed the protection of one. So they kept a small army of highly paid, competent soldiers and used **mercenaries** when things got hot.

Today corporations are the feudal lords of our society and top management is the standing army. All the other workers are mercenaries. By one estimate in 1998, there were 33 million free agents.

There are free-lancers and self-employed consultants and people working under specified term employment contracts. There are mobile armies of workers from such companies as Accenture, Computer Associates, and the Global Services Division of IBM.

It's as likely as not that if you find yourself in a major corporate meeting, about half the people in the room will be mercenaries. When a plan gets written for a new business, the percentage might be even higher.

Many of the other trends feed into this one. For example, the trend toward mergers, acquisitions, and collaborations leads to uneven work loads. When two companies come together, they might need a few dozen people for integration, but they won't need them

forever. The answer? Call Deloitte's or PWC and order an army of mercenaries. When you're done, send them home.

In addition, managerial skills apply across industries these days. With business schools spewing out standardized MBAs, you can plug a manager in anywhere, and he'll pretty much fit in. Programming and accounting are the same. You may have to go to McDonald's University to learn to flip burgers but not to run the company.

And finally, more and more people are deliberately choosing to be mercenaries because while it's not altogether secure, whose job is? At least you know up front that you're going to get fired, and you may even know when.

Expect a legal shake-out of mercenary job definitions, at least at the low end of the pay scale. Companies may not be able to cut costs just by forcing full-time employees into the fringes. There's a difference between voluntary mercenaries and draftees. A group of Microsoft's temp employees sued the company, saying they were actually permanent employees — and won.

Meanwhile, the more senior mercenaries will volunteer in greater numbers. For people who know marketing, programming, accounting, or writing business plans, such

opportunities will always be there.

For those who don't, they can consider services that bring the mercenaries together with employers who need them. The Brenner Group, for example, has an army of CFOs for hire. Jay Alix provides temporary CEOs to companies in trouble.

Mercenaries are also businesses in their own right. They need ancillary services, such as Kinko's or graphic services or databases. The opportunities are endless.



### **TRENDBLASTING**

It's one thing to spot a trend. It's another to make use of it, and to make money from it. The author has put together a way of rapidly getting to the heart of a trend and developing the opportunities, which he calls **Trendblasting**. He holds Trendblasting workshops at companies around the globe, but anyone can do it.

There are four basic questions involved in effective trend analysis. They are:

1. What's really changing here?
2. Why is it happening?
3. What's the timing?
4. What's the opportunity?

The four techniques for

answering those questions are: Systematic observation, studying the trend in depth, projecting the trend out three to five years, and creating ideas using the observations and the experience of others.

To answer the first two questions, he assembles a small, focused team to spend weeks or months talking to experts, digging through research, analyzing data, and formulating trends that seem to emerge. The blasting part of Trendblasting comes with the second two questions. He uses energetic interactive sessions to blast through the trends rapidly.

In order to do a Trendblasting session, you need to identify 30 trends and have between 12 and 24 people to work on them. The whole workshop can be done in a day with the right group and the right ideas. You'll need four elements:

1. A suitable place.
2. A team of smart people.
3. A trends basebook
4. A workshop facilitator.

The best place to do a Trendblasting workshop is in a room large enough so that the break-out groups can get privacy without leaving. That allows a certain amount of natural cross-pollination even while the teams are working separately. The room should be off-site, not at the company.

The team should be isolated from their usual surroundings, and there should be no cell phones or pagers.

The people should be chosen for their business smarts and business diversity. People from different professions, different functions within the organization, or different business units, will all see things differently, and that is the catalyst that sets off ideas. People from different geographies can help and even a few outsiders from an ad agency, consultant, or distributor can add to the mix.

The weeks or months of research mentioned are used to compile a book of trends. They should concentrate on those first two questions. Supply the basebook before the session.

The facilitator is important to keep things moving, to keep people involved, and to synthesize things at the end. An aide is also important to give your managers time and room to think.

The workshop follows a simple structure:

1. A brisk presentation of the trends to get people thinking.
2. Break-out sessions with small sub-groups focused on a few of the trends.
3. A whole-group discussion to test and refine the results from the small groups.

The typical day-long workshop goes from 8:30 to 5:30 and begins with Trendblasting to identify and define the trends quickly; breakouts to identify the implications; and then a 10:30 to 11:00 break for phone calls, coffee, and so on.

Lunch is at 12:00, and at 1:00 the group discussion begins with the most interesting implications being first on the agenda. At 2:00, you break out your working sessions again to identify opportunities and refine them.

At 3:30, there's another half-hour break, and at 4:00, all the teams report in with their results. The last half hour is a tasking session.

Let's take it step-by-step. The term Trendblasting means that trends are identified quickly and succinctly, not laboriously. Stick to 90 seconds per trend, max. If you picked smart people, they'll get it.

Once that's done, tell each team to pick two trends and go discuss them. They have one hour to generate two pieces of flip chart paper, one for each trend. They should know why they picked the trend, who it's going to affect, and how it's going to play out.

Once the flip chart presentations are over, the group spends an hour deciding which two or three trends are the most significant.

Then break out once again and give each group one of the selected trends. This break-out session is aimed at generating opportunities. Have them define it, say who would be the consumer, what it would take to make it happen, and what's missing for a complete business plan.

The final half-hour is for making sure everyone has a job to do in connection with the chosen trends and opportunities and a deadline for doing it. That, in essence, is how trends are analyzed and put to use.



Trends are all about change, and change is a fundamental American right and tradition. The American Dream was always about reinventing ourselves. The key to that reinvention is vision and opportunity. And in our extraordinarily complex and interconnected society, trends are the road signs to opportunity. It's all a matter of seeing the signs first, and then following them before anyone else does.



## NOTES

## **ECONOMIC AND GEOPOLITICAL TRENDS**

### ***Trend: Interconnectedness***

**Fact:** A billion people on the Internet by 2005

**Implication:** The world gets smaller and faster

**Opportunity:** Plugging people in

### ***Trend: Little India Is Coming***

**Fact:** 145 million people living outside their home country

**Implication:** Global best-of-the-best cultural standard

**Opportunity:** Travel, import/export, secure money transfer

### ***Trend: My Oh My, Megalopoli***

**Fact:** 63 cities of five million by 2015

**Implication:** Boomburbs instead of suburbs

**Opportunity:** Exportable expertise

### ***Trend: Barbarians at the Gated Community***

**Fact:** One of 12 American households is a millionaire

**Implication:** Mass upper class wants security

**Opportunity:** Anything that makes it feel safer

### ***Trend: Comrade Adam Smith***

**Fact:** 52 percent of Americans in 1998 owned stock

**Implication:** Ownership is powerful

**Opportunity:** Attract talent with ownership options

### ***Trend: The Incredible Growing Government***

**Fact:** Congress can pass 1,000 laws in 300 days

**Implication:** Government is a never-ending boom market

**Opportunity:** Sell to and service government

### ***Trend: Balkanization***

**Fact:** UN members double since 1961

**Implication:** More borders, more trade agreements

**Opportunity:** Cross-border management

### ***Trend: Company States***

**Fact:** 40,000 multinationals

**Implication:** Companies are becoming states

**Opportunity:** The company-state as a market

### ***Trend: Babelization***

**Fact:** 175 languages spoken in U.S.

**Implication:** More languages, not fewer

**Opportunity:** Schools, translation, multi-lingual marketing

### ***Trend: Instant Obsolescence***

**Fact:** A patent filed every three minutes

**Implication:** Shrinking markets

**Opportunity:** Authenticity, old tech, recycling

## **TECHNOLOGY TRENDS**

### ***Trend: Infinite Reach***

**Fact:** 21 million smart phone in three years

**Implication:** Fewer devices/greater reach

**Opportunity:** The portable office and going unplugged

### ***Trend: Swarm to Warm***

**Fact:** Fastest growing metro areas are in south

**Implication:** Hot boomtowns

**Opportunity:** Cooling people off

### ***Trend: Pills 'R' Us***

**Fact:** \$121 billion worth of prescription drugs in 2000

**Implication:** New miracle drugs

**Opportunity:** Satellites to pharmaceutical industry

### ***Trend: Itsy, Bitsy, Teeny Weeny, Little Microscopic Machines***

**Fact:** 80 companies involved in micro-machines

**Implication:** Machines the size of a grain of sand

**Opportunity:** Revolution in manufacturing

**Trend: Bionicism**

**Fact:** Average bra size increases from 34B to 36C in the '90s

**Implication:** Booming bionics

**Opportunity:** New medical devices

**Trend: It Ain't Heavy, It's My Product, Brother**

**Fact:** First cell phone weighed two and a half pounds

**Implication:** Everything's getting lighter

**Opportunity:** Sports equipment, outdoor gear, clothing

**Trend: Down in the Data Mine**

**Fact:** 90 percent of data hasn't been mined

**Implication:** The boom in data mining

**Opportunity:** Databases, purchase prediction, targeted ads

**Trend: One Extra Lifetime per Person, Please**

**Fact:** Since 1951 life span has increased by six years

**Implication:** People will die from different causes

**Opportunity:** Make the second half of life better

**Trend: Helpless in Seattle**

**Fact:** Most people don't understand the technology they use

**Implication:** It'll only get worse

**Opportunity:** Help people navigate the maze

**SOCIAL TRENDS**

**Trend: Polytheism**

**Fact:** Only 20 percent of Americans attend church regularly

**Implication:** Quasi religions replace traditional ones

**Opportunity:** Self help, gurus, and therapists

**Trend: Post-Nuclear Families**

**Fact:** Five million households are unmarried couples

**Implication:** The traditional family structure is changing

**Opportunity:** Infrastructure for post-nuclear families

**Trend: Retribing**

**Fact:** People are forming new, nontraditional communities of common interests

**Implication:** Such affiliations will supplant national ones

**Opportunity:** Promoting communication and assembly

**Trend: The Trust Deficit**

**Fact:** Only 12 percent of Americans trust the evening news

**Implication:** Harder to communicate to consumers

**Opportunity:** Protect the brand, use evidence-based advertising

**Trend: Driving the SUV to the Recycling Center**

**Fact:** We're using more, not less, energy

**Implication:** We'll have to balance conscience with economics

**Opportunity:** Sell the lesser of two evils

**Trend: The Never-Ending Traffic Jam**

**Fact:** Drivers in LA spend 56 hours a year in traffic jams

**Implication:** People live in their cars

**Opportunity:** Make it faster and more enjoyable

**Trend: You Talking to Me?**

**Fact:** Each person makes eight phone calls a day

**Implication:** Communication density increases

**Opportunity:** Selling communication services, selling quiet time

**Trend: Instant Polling**

**Fact:** Technology is making polling faster

**Implication:** More contact with customers at more points

**Opportunity:** Real-time marketing

**Trend: Lawyers, Guns, and Money**

**Fact:** Civil cases up a third since 1984

**Implication:** Law becomes industry

**Opportunity:** Lawsuit prevention

**Trend: Screw You Very Much**

**Fact:** 89 percent of Americans think rudeness is a problem

**Implication:** It will take more effort to be socially at ease

**Opportunity:** Politeness as competitive advantage

**CONSUMER TRENDS**

**Trend: Peter-Panism**

**Fact:** 10 percent of health club members are over 55

**Implication:** Boomers aren't aging

**Opportunity:** Young products and services for the old

**Trend: Pre-Maturity**

**Fact:** Kids become adults younger and younger

**Implication:** A shadow market in adult products for children

**Opportunity:** Services for exceptional children

**Trend: Escalating Expectations**

**Fact:** Consumers return \$100 billion in goods each year

**Implication:** Customers are less satisfied than ever

**Opportunity:** Personalized service

**Trend: The Concrete Consumer**

**Fact:** 91 percent of viewers can't name brand after TV ad

**Implication:** Consumers have stopped listening

**Opportunity:** Targeted, lean, creative advertising

**Trend: Faux Authenticity**

**Fact:** Retro Thunderbird makes car of the year

**Implication:** Old is in

**Opportunity:** Sell your heritage

**Trend: Born to Be Wired**

**Fact:** 60 percent of new toys have computer chips

**Implication:** Soon they'll be in everything

**Opportunity:** Sell your tech savvy

**Trend: Nibble and Nap**

**Fact:** We're snacking more and sleeping less

**Implication:** The environment changes to suit the habits

**Opportunity:** Redesign work and selling space

**Trend: Buy Now, Pay Never**

**Fact:** Household debt is \$7.5 trillion

**Implication:** It will continue to grow

**Opportunity:** Credit counseling, bankruptcy law

**Trend: Upscaling**

**Fact:** Average home is 50 percent larger than in 1970

**Implication:** People want the best of everything

**Opportunity:** Scale up from up-scale

**Trend: The Frugal Rich**

**Fact:** The rich aren't buying up scale

**Implication:** Value propositions are back

**Opportunity:** Bargains for the high-end consumer

**Trend: Plumposity**

**Fact:** 61 percent of Americans are overweight

**Implication:** Slim is still in

**Opportunity:** Make heavier look trendier

**BUSINESS TRENDS**

**Trend: The Death of Demography**

**Fact:** Almost every purchase can be tracked

**Implication:** Market research becomes valueless

**Opportunity:** Ground floor of a whole new era in marketing

**Trend: Niche Picking**

**Fact:** Miller Beer was unprofitable as number 2 but profitable as number 12

**Implication:** Corporate giantism creates great niches

**Opportunity:** Find a niche and own it

**Trend: Experience This!**

**Fact:** Companies expand service faster than product

**Implication:** Experience replaces product and service

**Opportunity:** Make your business fun

**Trend: On the Brand Wagon**

**Fact:** Smirnoff brand goes on balance sheet for \$1 million

**Implication:** Explosion of brand as strategic asset

**Opportunity:** Build a brand and use it

**Trend: A la Carte Business Models**

**Fact:** Electronics is 73 percent outsourced

**Implication:** The virtual company

**Opportunity:** Outsource everything or supply outsourcing

**Trend: Reintermediation**

**Fact:** Some Chrysler dealers won't service cars sold on the Internet

**Implication:** Intermediaries are here to stay and more are coming

**Opportunity:** Efficiency and new intermediary services will rule

**Trend: Strange Bedfellows**

**Fact:** 10,000 mergers and acquisitions a year

**Implication:** Even the competition is a partner

**Opportunity:** Bootstrap new business with a partner

**Trend: The Price Is Wrong**

**Fact:** Consumers know prices better than you do

**Implication:** Everything is negotiable

**Opportunity:** Make prices flexible and mysterious

**Trend: "Gotcha" Tactics**

**Fact:** Local phone rates have risen by almost the same amount as long distance has fallen

**Implication:** Companies are gouging customers

**Opportunity:** Promote your solid, honest value

**Trend: Mass Personalization**

**Fact:** \$6.5 billion in customer relationship management software sold each year

**Implication:** Customers want you to know them

**Opportunity:** Get personal with "contact" management

**Trend: A Pound of Risk to Go**

**Fact:** \$18.2 billion on corporate insurance in 1995

**Implication:** Every risk is for sale

**Opportunity:** Learn what your risks are worth

**WORKPLACE TRENDS**

**Trend: Diversity**

**Fact:** In a securities industry employment study, 75 percent of executive jobs were held by white males

**Implication:** Diversity will grow

**Opportunity:** Consulting on diversity

**Trend: Paraprofessionalism**

**Fact:** Physician assistants will double in five years

**Implication:** Professional services are being industrialized

**Opportunity:** Specialize early

**Trend: What, Me Work?**

**Fact:** Personal time taken off from work has doubled

**Implication:** Good work will cost more

**Opportunity:** Hire older people and young MBAs

**Trend: The Last Job Review**

**Fact: More lawsuits over bad performance reviews**

**Implication: Reengineering will grow**

**Opportunity: Develop a law-suit-proof appraisal system**

**Trend: Celebrity CEOs**

**Fact: Media coverage of CEOs has risen 53 percent in 10 years**

**Implication: More managers will push for the top**

**Opportunity: Market yourself internally**

**Trend: Mercenary Management**

**Fact: There were 33 million free agents in the U.S. in 1998**

**Implication: Management style will change**

**Opportunity: Specialized staffing agency**

**Trend: 24/7/365**

**Fact: One of six people works at night**

**Implication: We're becoming an around-the-clock society**

**Opportunity: 24-hour day care**

**Trend: Retooling**

**Fact: Adult education has doubled in 10 years**

**Implication: Second careers are booming**

**Opportunity: Adult education and infrastructure**

**Trend: In a Land Far, Far Away**

**Fact: People don't have to live where they work anymore**

**Implication: Teleworking communities like San Diego are growing**

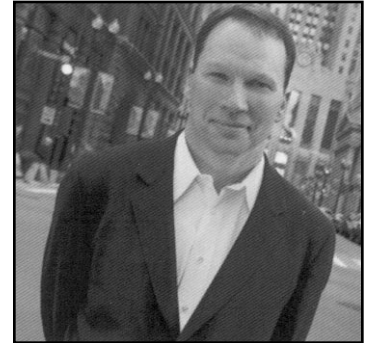
**Opportunity: Infrastructure for teleworkers**



## ***ABOUT THE AUTHOR***

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