

# MEGATRENDS

## Ten New Directions Transforming Our Lives

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### Main Theme

The world is in the middle of great transformation - from an industrial era to an information. However, society's perception as a whole has not yet made the mental adjustment to the new realities. This is understandable as the transformation is occurring so quickly, aided by modern communication technology.

Essentially, there are new sets of realities presenting themselves to businesses. These realities are exemplified by the trends. The business that can adapt to the new circumstances can be successful. Any business unable to adapt runs the risk of servicing a decreasing market, with falling returns.

We literally are watching the shaping of a new era, and can be part of the formative process.

### Trend 1

Industrial Society

Information Society

The transformation from the industrial society to the information society has already occurred. All that is now required is for society's perceptions to catch up with reality.

### Trend 2

Forced Technology

High Tech / High Touch

The more we become surrounded by high technology, the more we value the human touch in our lives.

### Trend 3

US National Economy

World Economy

All countries of the world are growing increasingly interdependent. The US economy is important, but it is not dominant.

### Trend 4

Short Term

Long Term

Society is becoming more sensitive to the long-range implications of all short-term decisions.

### Trend 5

Centralization

Decentralization

Culture in countries is now being stressed. Instead of encouraging everyone to be the same, diversity is encouraged and actively promoted.

### Trend 6

Institutional Help

Self Help

Society in general is becoming increasingly self-reliant. The industrial welfare state is being dismantled around the world.

### Trend 7

Representative Democracy

Participatory Democracy

Those who are affected by government decisions are demanding a bigger role in the decision making process, rather than leaving it all to elected representatives.

### Trend 8

Hierarchies

Networking

Networks are gaining popularity, as everyone gets a say. The pyramid structure, with a few at the top, is out of touch with modern thinking.

### Trend 9

Northern U.S.A.

Southern U.S.A.

The balance of economic wealth in the United States is currently moving from the northern to southern states. Society is restructuring along information industry lines.

### Trend 10

Either / Or

Multiple Choice

Society today is much less structured than in the past. Everyone now has a multitude of options they can follow, rather than one or two choices.

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Main Idea

The transformation from an industrial society to an information society has, in fact, already occurred. All that is now required is for society's perceptions to catch up with the realities involved.

Supporting Ideas

Society has to learn new sets of assumptions on which to base future decisions. In 1900, one-third of the population were employed in the production of food. By the 1980s, less than 3 percent of the workforce are producing 120 percent of the food needs of most countries, with the surplus being stored for future use. On the other hand, there has been a huge increase in the number of people working in information jobs - currently more than 65 percent of the workforce and increasing.

Technology is accelerating the trend towards an information society. For example, satellites have made it possible and commercially feasible for a global information economy to be developed. Today, many people are spending their entire careers creating, processing or distributing information. In an industrial society, the critical strategic resource was capital. Today, the critical strategic resource is information. The significance of this fact is that in the past, capital holders had an overwhelming advantage. Today, information-sensitive industries can be established and flourish with very low levels of capital investment.

In the information society, we have developed effective techniques to produce knowledge, and this is the driving force of the current economy. However, as a whole, society's perceptions of this change are still undergoing some refinement. The change from an agricultural society to an industrial society took almost 100 years. The change to an information society has occurred in only two decades. Society has not yet had time to absorb the latest change.

An information based society is significant because;

1. Information is renewable and self-generating. Knowledge can be created out of nothing, or destroyed or amplified through synergy - combining to produce a result that is greater than the sum of the individual parts.
2. We stand at the threshold of a huge revolution in communication technology, which will see the combined telephone, computer and television merged into a single, universal information system allowing two way interactions on a global scale.
3. There are oceans of information available to everyone today, no matter what their circumstances. The emphasis of the information society is shifting from supplying information to selecting relevant information from the mass. Information utilities, who help in the location of information, will proliferate.

There are three stages of development for any new technology;

1. The technology is applied to areas that don't threaten people, or in the areas of least resistance to change. (For example, in harmless toys or robots working in conditions unsuited to humans).
2. The technology is used to improve other products and to take over old technology processes. (For example, micro-processors are incorporated into cars, appliances, etc.)
3. New inventions and applications of the technology are invented that were not possible previously.

One of the keys to managing the information society is to have people available who are skilled in utilizing the technology. Education must be geared towards training staff in basic literacy

skills - essential to using computers. More and more, society is moving towards the generalist who can adapt, and away from the specialist whose inflexibility becomes his Achilles' heel.

The transition from an industrial to an information society doesn't mean manufacturing will cease to be important. Rather, the focus will shift from the physical to more intellectual functions on which the physical depends.

Information is an economic entity because it costs something to produce, and because someone is willing to pay for it. Value is whatever people are willing to pay. If an economy built around information seems less real than one built around steel & automobiles, it doesn't matter so long as people are willing to pay for information.

In the 1930s, society became organized around the automobile. All that the automobile contributed was transportation. Today's society is becoming organized around the computer, which has an orientation to expand your brain power through growth, education and learning. The computer age will deal with conceptual space, connected by electrons as opposed to physical space connected by the motorcar.

Key Quotes

*"The productivity of knowledge has already become the key to productivity, competitive strength and economic achievement. Knowledge has already become the primary industry, the industry that supplies the economy the essential and central resources of production."*

— Peter Drucker

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