



2020 – Our life in the future ... and five predictions for business

by **Sven Gábor Jánosky**, futurologist and head of the *2b AHEAD ThinkTank*

For the last nine years, 300 CEOs and innovative minds in the German-speaking world of business have been invited by futurologist Sven Gábor Jánosky to draw up a scenario of what life will be like ten years from now. In the *2b AHEAD ThinkTank* under his leadership, they develop the business models of the future. For Insight International, “Germany’s most innovative trend researcher” outlined five predictions for business from his recently published trend book, “2020 – Our life in the future” (2020 – So leben wir in der Zukunft!)

Imagine you woke up tomorrow and everything in your house had its own IP address: your bathroom mirror, coffee cup, kitchen table, even your handbag... What would your customers demand of you, what would the competition do and how would you react? It always surprises me that many of my listeners and readers jump when they hear this, as if I had just pronounced some awful prophecy. And yet we have been heading down this road for some time already. After all, when chip producers talk of fitting antennas to their products as standard, when tiny computers are built into everyday items, then every object will soon be able to access the Internet. And not just that: the whole world will become one big hyperlink. Step by step, the coming years will see our existing Internet logic conquer every square inch and every device of everyday life.

Natural interfaces between man and machine

Go to any international computer trade fair this year and there’s no getting around the new intelligence built into devices: image analysis, image recognition and observational interfaces ensure that everyday objects observe the behaviour of their users, combine real-world with virtual data and supply situational information for all variations throughout the user’s day through 3D displays.

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The forerunners of the “data economy” are already in clear view. I forecast that in ten years many of you will be making much of your business in analysing your customers’ daily actions on their behalf, evaluating their data, and turning this data into usable information for their benefit. The fact is that the interesting businesses of the future will draw the real world into the virtual one and ensure that virtual services are intelligently applied to the real world with the aid of glasses, contact lenses, window panes and 3D displays on every monitor. Sensors, RFID tags or even implants will make it easy for even the non-technically-minded to operate these intelligent assistants. That’s because, at the same time, interfaces between man and machines are becoming more natural as voice, gesture and thought control make their advance.



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Forecast 1: Your customers... en route to a professional society

Technology would be mere toys if people could not master their use. Let’s be honest. Firstly, all these visions of a networked world are fast becoming impossibly complex for people to understand. We can access data and information to our heart’s content, whenever and wherever we want. Who would be able to deal with it all? And who would want to? No one. Which is why we need filters. A basis for business models of the future are intelligent filters that sort out the masses of information according to individual preferences and situation-based needs.

As customers, we will gradually get used to dealing with our everyday business with an expertise currently known only to pros. Think of the hobby athlete who is coached every second he jogs by way of pulse, aerobic zones and an intelligent assistant, just like professional sportspeople in the past. Or imagine the house owner who uses smart metering and an intelligent assistant to not only control power use, but also to buy and sell it at a second’s notice, just like traders on the electricity market in former times. Picture the TV viewer who receives a viewing package put together by the intelligent assistant, something that was previously only possible for the directors of large broadcasters. And, finally, imagine the daily visit to the supermarket using a barcode scanner connected to an intelligent assistant that knows better than any shop assistant which product suits you and where you can get it at a lower price.

Forecast 2: Your experts... on the verge of extinction

But there’s nothing new about the use of intelligent assistants like these. In fact, they have a long history. In the past though, we usually called our assistants experts. These were the travel guides when we went on holiday, newspaper

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editors for information, estate agents when we went house-hunting and financial consultants for our money. The business models behind all these experts are based on the asymmetric distribution of information; in other words, they offer exclusive access to certain information or at least a time advantage.

But if we pursue the forecast that everyone in the life-worlds of 2020 will have access to all information at all times, then these present-day experts are in danger. That's because with time, people will realise that technological filters are far superior to human filters in broad areas. Will salespeople be replaced one day by an individual assistant? Yes, of course. Will tax consultants be replaced one day by an individual assistant? Why not?

To put it plainly, consumers of the future will trust their mobile phone more than an advisor. If they have any questions, they will ask their mobile phone. There is nothing wrong with this if they are using *your* application on that mobile phone. This way, you will still be handling their business. If you fail to do this you can be sure they will use your competitor's application.

The consequence for industry will be that the intensity of your customer contact, and thus your business, will in future depend on whether you know how to provide consumers with an electronic assistant that can help them intelligently and as helpfully as possible in everyday situations. And not only that: your success will depend on whether you understand this better or worse than the competition. The upshot of this is that you become the software provider and your main task in future will be to intelligently filter data on behalf of your customers. Only once you have secured your place on your customers' mobile displays will business continue to run through you. If a rival beats you to it, the game's over.

Forecast 3: Your communications... appreciation rather than attention

To date, most business and marketing strategies have concentrated on the "economics of attention". After all, in times of the mass economy, the strategic task of the marketing department was to emphasise its company's products over those next to it on the shelf. As a result, products and their marketing campaigns tended to be loud and high-pressure, playing with people's emotions.

A rethink is now needed: if our customers use an augmented reality application, products that have sold because they are a brand XY product will have a problem. The reason: when an electronic assistant compiles a list of suitable product suggestions for the customer, emotional brand ties take second place to rational, mathematical benefit calculations. If your customers allow just one assistant on



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Strategically, this development has recently led to a paradigm shift for companies: having hardly had time to get used to the new standard of real-time communication with their customers, what with Web2.0 and its Facebooks, Twitters and so on, they have had to rethink yet again. The fact of the matter is that real time is no longer fast enough. Enterprises that take this trend seriously right now must shift their business strategies to a new paradigm. Their task will be to be faster than real time, so that when customers contact them they will already know what they want.

It is the augmented reality applications of the future that will become assistant systems pervading our everyday lives, predicting what your users expect in the current situation as soon as they tap a finger to start them. But naturally this paradigm shift applies not only to communication using augmented reality applications, but for traditional customer communication through the call centres too. Technology gurus expect that the subject-matter of 80% of calls will one day be known in advance, allowing call centre agents to react accordingly.

Forecast 5: Your products... no longer individual but adaptive

The insoluble dilemma of a mass-market business was always that it mass-produced products for mass markets. Customers termed it “off the peg”, meaning that any individuality was very largely absent. This wasn't exactly praise, and it prompted companies and advisors to figure out how they could lend their mass-produced products at least a modicum of individuality, and the more the better. And yet even the significant mass-customisation trend of recent years has remained limited in its effect. As things stand, all our products are merely flexible, meaning they can be adapted for customers within the framework of the scenarios for use envisaged by the manufacturer at production.

But what does the future hold in store? Is there room for even more individuality and flexibility? Yes! Your products of the future will not only be more flexible and individual, but adaptive too! A product is adaptive when it can be adapted to new uses, even if these scenarios were neither envisaged nor planned. The choice for customers of being able to adapt their products whenever they wish to keep up with changing uses is paving the way for a brand-new product generation. We can already see how adaptive products work in other industries, for example in the plans of the automobile industry in becoming “mobility service providers” and in the first adaptive mobile phone rates. The basic concept is the same for them all: Since people's needs fluctuate according to their situation in life, the products of the future will be adaptable to them.



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Missed business opportunities

To conclude, let us shift the focus once again away from your business and more towards our society. Our world has become less certain. Is that right? First with 9/11 and later with the financial crisis, a feeling of uncertainty has grown in our everyday lives and will not go away. Why is this? Well, the real world is certainly no less insecure than it was before. And yet we feel that it is. By “we” I mean the first truly post-war generation, the 40-somethings who currently shape the stories in the media, in business and in politics. It is this generation that has so far seen life as planable and predictable, and has now realised that they are losing their ability to make an accurate forecast of what is to come. It is this generation that is unable to understand the new geopolitics and new technologies, and is unable to communicate its values and traditions in a way younger generations understand.

From a futurologist’s perspective, the insurance industry also has homework to do in this area. The fact is that it is insurers who normally provide security for people and enterprises. Traditionally, this is done by tagging a number to a perceived uncertainty; in other words, making it calculable. In the process, uncertainty becomes a risk, something we can easily act on. We feel safe. But if people are feeling less and less secure, then it could be argued that insurers have not been doing their job over the last few years. The new sources of insecurity appear neither calculable nor insurable. The greatest causes of insecurity in the coming years will be knowledge, transparency, data, networks and education. With this in mind, insurers need to develop new products and solutions ready for the society of 2020.

I wish you all a great future.

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