

# INEVITABLE SURPRISES

# Thinking Ahead in a Time of Turbulence

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**PETER SCHWARTZ** is a futurist and business strategist who specializes in scenario planning. He is the cofounder and chairman of Global Business Network as well as a partner at Alta Partners, a venture capital firm. Mr. Schwartz previously headed scenario planning for the Royal Dutch/Shell Group as manager of SRI International's Strategic Environment Center. A graduate of Rensselaer Polytechnic Institute, Mr. Schwartz has also written *The Art of the Long View* (1991) and coauthored *The Long Boom* (1999), *When Good Companies Do Bad Things* (1999) and *China's Futures* (2001).

The Web site for this book is at www.inevitablesurprises.com.

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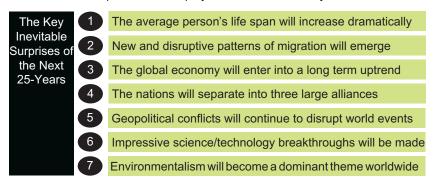


horizon.

#### **MAIN IDEA**

While it is inevitable there will be many surprises in the future, the driving forces that will actually shape these surprises can be studied now. By understanding these driving forces, you not only increase your ability to respond to whatever changes ultimately eventuate but you also pick up on the emerging commercial opportunities you could otherwise miss. Thus, to better prepare for the future, understand the critical factors which will shape the commercial environment of the future.

In particular, there are seven inevitable surprises that will play out over the next 25 years:



Since all of these surprises can be anticipated now, even if all of their flow-on effects are not yet clear, it makes good sense to start preparing for these future realities earlier rather than later.

Inevitable Surprise #1 – The average person's life span will increase dramatically
Over the next three decades, older people will become much more integrated into mainstream society. Instead of being isolated or forced into retirement, far more people will lead active and productive lives well
into their eighties and nineties. Businesses will need to adjust their offerings for this change in demographics.
Inevitable Surprise #2 – New and disruptive patterns of migration will emerge
In the future, there will be a permanent and unstoppable flood of people moving from poorer nations to richer nations which offer more opportunities. This migration of humanity to North America, East Asia and Europe will either be a huge driver of growth or an immense disruptive force. It isn't yet clear which of these two scenarios will play out.
Inevitable Surprise #3 – The global economy will enter into a long term uptrend
While the global economy might be down in the short-term, its long-term outlook is very favorable. Specifically, a "long boom" is coming which will allow literally billions of people around the world to move into comfortable, middle-class lifestyles. The basics are in place for an unprecedented era of prosperity over the next 25 years.
Inevitable Surprise #4 – The nations will separate into three large consortiums
Over the next few years, all the nations of the earth will align themselves into three general alliances:  1. The United States as the sole superpower.  2. A consortium of nations bound by a common law.  3. A set of disordely nations who support terrorism.  This alignment will solidify a genuine "New World Order".
Inevitable Surprise #5 – Geopolitical conflicts will continue to disrupt world events
Instead of becoming a safer, friendlier world, over the next 25 years an array of problems will emerge in the form of terrorism, crime, disease and famine within the disorderly nations. How the U.S. and the orderly nations respond to these events will dictate much of the direction the world's economy will take in the near-term future.
Inevitable Surprise #6 – Impressive science/technology breakthroughs will be made
The next 25 years promises to be a golden era in science and technology breakthroughs. In just the same way as pure science has pushed out the envelope over the past 25 years, many profound and impressive breakthroughs will be made in the next 25 years. At this stage, we can only speculate where these breakthroughs will take society.
Inevitable Surprise #7 – Environmentalism will become a dominant theme worldwide
Surprisingly, this is a good news area. There is a growing amount of evidence the Earth is becoming healthier every year as we rise to the environmental challenges. This doesn't mean we can relax, however, as there are still some very substantial and testing challenges in this area that are coming into focus on the

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