

# FINANCIAL TIMES

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## BUSINESS LIFE MANAGEMENT

### TREND ANALYSIS

# Wake up to stronger tribes and longer life

In the second of two articles on futurology, Patrick Dixon looks at social developments that companies should be prepared for

Your company may have a reputation for brilliant leadership, outstanding innovation, clever branding and effective change management, but the business could fail if the world changes and you are unprepared.

Many debates about the future are about timing, such as the uptake of technology. But the future is also about emotion. Reactions to events such as bird flu are often more important than the events themselves.

A number of companies ask for help in risk management: to prepare for low probability, high impact events, each with the power to alter a market, process, product or public policy. The larger the corporation, the greater the risk that you are flying blind, misled by old data.

**'Put tribalism and ageing together and we will see some places where older people dominate every election'**

Such institutional blindness is common, which is one reason why so many organisations use futurologists and scenario planners to analyse future trends.

For businesses, trends can pose threats as well as opportunities. Two such trends that will dominate our future are tribalism and the ageing population.

Tribalism is a powerful force: it creates belonging, identity, family, community, teams and nations, but can lead to sepa-

ratism, violence, wars and genocide. Small activist groups, many influenced by religion, will learn how to wield vast influence in this asymmetric world, driven by passion for a better world.

All terrorism is extreme tribalism, fuelled by perceived injustice. Unless governments sort out the growing gap between the wealthiest and poorest nations, they are likely to see new protest movements become terrorist groups.

Many people are looking for new tribes, having lost their own through migration, family breakdown or weakened community. While this disrupts society, it also creates opportunities for businesses.

Successful brands create tribes and all successful companies nurture them. Tribal leadership is inspirational and dynamic, able to move an entire organisation of tens of thousands in the same direction – which is very different from merely running a team. Corporate tribalism is also an important factor in the success or failure of mergers. Watch out for tribal leaders: figure-heads who move large companies with single-minded purpose, and who understand mergers of tribes.

And ageing? Two-thirds of the people in history who have ever lived to 65 are alive today; they possess 75 per cent of the wealth in the UK and US. Yet few organisations are fully targeting this mainly female group.

Likewise, few companies have adjusted strategy to a childless, youth-less European future. On current trends eight great-grandparents will produce only one great-grandchild in some countries – equivalent

to Germany's 82m population falling to 10m-15m in four generations, without migration. France is offering new incentives to encourage child-bearing and others will follow, but the reversal will take time.

General Motors already spends more on healthcare for former employees than on steel and if life expectancy is just 3-5 per cent longer than predicted, many corporate balance sheets will be wiped out.

Take Peter, a 32-year-old executive with an "official" lifespan of 82. His high socio-demographic status means he can expect to live another five years, but what will bioscience offer him by 2055?

Official forecasts are too conservative, despite obesity, vulnerability to mutant viruses and other health challenges. The UK government increased its estimates of life expectancy last month, and is likely to do so again soon.

Adult stem-cell research offers intriguing glimpses of our medical future. Animal brains and spines have been partially repaired, while bone-marrow cells are helping recovery after heart attacks.

We are also learning more about the ageing process. Living cells share common ageing mechanisms – but it appears some creatures have learnt to avoid or contain these. Turtles, sturgeon fish and some kinds of humpback whales, for example, have comparatively long lifespans. Researchers are working to find out why some humpbacks die after 20 years while others live for more than 150 years. The secret may lie in the small differences in genes that encode anti-ageing proteins.

Put tribalism and ageing together and we will see wealthier parts of the world where large tribes of older people dominate every election, with a deep impact on every aspect of consumerism, design, leisure, fashion, employment, taxation, pensions and policymaking.

At a time when most of the world's population must still walk more than 15 miles to a doctor, and when life expectancy in places such as Russia and Zimbabwe is falling, these issues pose profound moral and social challenges.

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*For last week's article go to [www.ft.com/future](http://www.ft.com/future)*

### A USER'S GUIDE TO FUTUROLOGY

While companies can gain from considering radical ideas for the future, guidelines are useful.

#### DO

- Get patronage from the top of the organisation
- Provoke and disturb – especially when things are going well
- Use multidisciplinary teams to protect against oversight
- Include radical thinkers – challenge assumptions
- Look for the "so-whats"
- Cluster areas of uncertainty with common strategies
- Capture innovative ideas and commit to make them work

#### DO NOT

- Focus too narrowly at first
- Believe market research – except for the short term
- Rely on a "safe" team
- Contract out only to industry specialists
- Be fatalistic – the future is yours

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