



## FutureScape 22 - Fast Future's 100 Predictions for 2011-2012 - Part 1 - Inevitable Surprises

Thank you for all the valuable advice on my personal request in the last issue and for the excellent feedback and discussion on the topics of the last two issues of FutureScape. If you didn't get a chance to read them you can download them [here](#).

We've had excellent feedback on our increased level of Twitter activity - where we've been sharing interesting developments and future issues we've come across in the course of our research. You can follow our Twitter stream at <http://twitter.com/fastfuture>.

We are breaking with our normal format over the next few issues to have some fun pondering what developments we might see over the next 18 months. We don't normally do 'predictions', but at the end of 2009 we published our 50 Forecasts for 2010 to help our readers in their planning for the year ahead - the response was phenomenal. However we held off repeating the exercise at the start of 2011 as so many others were making their 2011 predictions. We decide to wait until the mid-point of the year to share our views on what might happen between now and the end of 2012. We'll share the rest of our 100 predictions in the next few issues of FutureScape.

As always, we welcome your feedback, ideas and submissions for inclusion in future issues.

Copies of previous editions of the newsletter can be downloaded [here](#)

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Watch a short video of Rohit's keynote speech on global trends [here](#)

## The Future of Airline Retail

We've just launched our short report on the Future of Airline Retail drawing on key findings for the recent Airline Retail Conference in London. The report can be downloaded [here](#).

## Fast Future's 100 Predictions for 2011-2012 - Part 1 - Inevitable Surprises

Over the next few issues we'll share 100 predictions we've put together to help you in planning for the next 18 months within your organisation. We are starting with 20 'inevitable surprises' - what we see as likely outcomes of developments happening in the world around us right now.

Please share these with anyone who might be interested, let us have your feedback on our predictions, and share your own thoughts on what you expect to see take shape by the end of 2012.

### Economic

**1. A Harsh Economic Landscape.** The scale of national debt in the US and Europe in particular, combined with growing hesitancy and slowing investment in the commercial sector, the costs of Japan's rebuilding programme and a slowdown in China will create a turbulent economic outlook. Several developed economies will go back into recession or 'bump along the bottom' with close to zero growth. Growth will slow as a result in several export-led developing economies. Real incomes will continue to decline for much of the developed world - even in the stronger economies like Germany that maintain positive economic growth.

**2. Debt Default - Playing out the Greek Tragedy.** A heavily indebted Greece will be forced default on its current debt repayment programme as it fails in its struggle to drive through the required austerity programme. Default will result from the sheer scale of the debt, combined with a lack of real political will and an increasingly hostile public - angered by reductions in services, public sector pay cuts, job losses and hardships being felt across the economy. Greece will be forced into a messy and complex withdrawal from European Monetary Union and the single currency and return to the Drachma as a sovereign currency.

**3. The Euro - Bruised, Abused and Teetering** Portugal and Ireland may be able to avoid default over the next 18 months. However, the larger economies of Spain and Italy will struggle to keep their heads above water as the true scale of their national and regional government borrowings become apparent. The markets will also act to increase the pressure on them. Only a stellar upturn in economic performance will prevent both economies from defaulting on their debts and following Greece through the Euro's newly created exit door. Germany will keep the rest of the Eurozone intact for the period but only just. The losses suffered by those financial institutions who've lent heavily to Greece, Spain and Italy will lead to fresh calls for government bailouts.

**4. China and the Debt Dragon** - Chinese authorities will become increasingly concerned over the scale of local government debt, borrowing across the economy and the risk of inflation. Tight regulations will be introduced to control lending to businesses and citizens alike. At the same time the centre will continue to bail out heavily indebted local governments whilst exerting more control over their economic management.

**5. *Banking Regulation - Tearing down the House.*** Depending on how quickly and how deeply the next economic downturn strikes, and the problems highlighted by 'banking stress tests' the banks could face far tougher regulation. In a desire to appease an angry population, several countries in Europe may drive through legislation that forces banks to separate completely their retail and investment activities. Whilst the banks will complain and raise warning flags over the dire implications for everything from the economy to social stability, politicians will drive through these populist measures.

**6. *Jobless Growth and The Rise of Micro Businesses*** The sectors of the economy expected to see the most growth in the next 18 months are largely those which do not generate large numbers of new jobs e.g. internet services. Despite the scale and revenue of firms such as Google and Yahoo or the \$Bn+ valuations being placed on relatively new players such as Groupon, these firms do not employ equivalent numbers to firms with similar turnover in sectors such as manufacturing, retail or tourism. Governments across the developed world will start placing greater emphasis on providing support to the self-employed, sole traders and micro-businesses.

### **Social**

**7. *Citizen 2.0 - Angry, Vocal and Visible.*** Social unrest will rise in a number of developed economies - with the public regularly taking the streets. Key concerns will include austerity measures to reduce public debt, job losses in the public and private sector, pension reform, continued anger at the financial services sector, immigration, rising food and fuel prices and declining public service provision. In an effort to 'wrong foot' the authorities and get close to those in power, protest actions will increasingly be co-ordinated at short notice using social media.

**8. *Hacking the Media*** Following the discovery that the UK's News of the World newspaper had hacked into the voicemails of murder victims, relatives of soldiers killed in the Iraq War and the families of victims of the 7/7 London bombings, the newspaper was forced to close. Senior executives and journalists from the paper and its parent company News International will continue to resign, be arrested and called before parliament and a variety of enquiries to explain their involvement.

The UK government will take a lead in introducing tougher new controls on media ownership and on journalistic behaviour. These changes will be picked up and mimicked by governments around the world seeking to control their media. Possibly, the most interesting development will be the change in behaviour amongst journalists themselves. Previously unspoken taboos on exposing each others' errant activities have been cast aside and journalists will increasingly train their investigative eye on the behaviour and practices of their colleagues.

**9. *The Quest for Influence*** Social influence and connectedness ratings will become increasingly important, with businesses taking greater account of an individual's influence ranking when recruiting and promoting staff. New rankings will emerge that rate the influence of companies and their leaders. In response, major firms will employ automated posting tools and hire staff dedicated to posting and responding on behalf of senior executives to ensure they maintain a high ranking.

**10. *FIFA may rebid the 2022 Soccer World Cup.*** Soccer's governing body will face continuing negative speculation about how Qatar won the bid to host the 2022 World Cup. Concerns will also rumble on about how accessible the tournament will be to fans from around the world and the quality of football that can be played at temperatures of up to 50 degrees Celsius. Speculation will rise over the possible emergence of a breakaway body

formed by disgruntled nations. In response to all these pressures, we think there's a 50% chance that FIFA will find a way to wriggle out of its commitment to Qatar and re-run the competition to host the tournament.

### **Political**

**11. *The Arab Spring Uncoils.*** Protests and internal conflicts will continue across the Middle East and spread to parts of Africa, Asia and Central and Latin America. Even where regimes have been overturned, as in Egypt and Tunisia, the pace and path of reform will not be acceptable to much of the population and unrest will continue. Some governments will take major steps to respond to key public concerns such as youth unemployment and food prices. However, many will use severe force to try and keep the public in check. The 'international community' will become more muted and increasingly ineffective in voicing its disapproval of oppressive regimes. The probability of new concerted foreign military intervention beyond Libya is low.

**12. *Rise of the Shanghai Cooperation Organization (SCO).*** The SCO (current members China, Russia, Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan) will play an increasingly important role in Asia. The latest SCO Annual Summit announced further military co-operation, outlined plans for a new development bank and supported the notion of a new global currency. SCO also announced that consultations had opened up with India, Pakistan and Iran - which have all applied for full membership. The economic and security implications will raise concerns for the USA, NATO and the UN.

### **Business**

**13. *Service Becomes the Killer App.*** Economic pressures will see many firms and government agencies make increasing use of internet self-service portals, automated voice recognition based systems and generally try to reduce service costs by transferring them to customer. Outsourcing will also be used increasingly as a cost control device. In this undifferentiated environment, the firms that stand out will be those that deliver truly exceptional customer support - particularly in the event of service failure - offering human contact backed up by smart systems.

**14. *The Rise of Corporate Global Responsibility (CGR).*** Inspired by the launch of 'Google Ideas' - the 'Think / Do Tank' designed to go beyond the normal boundaries of Corporate Social Responsibility (CSR) - a number of firms will revamp their CSR to have more global, visible and lasting impact. Newer players in particular - especially from the technology and creative media sectors - will follow Google's lead in putting resource into finding solutions to some of the world's most intractable problems. In Google's case this includes issues such as improving the functioning of fragile states, increasing judicial access in the developing world and combating extremism.

**15. *CEO Tenures and Contracts - Love is in the Air.*** The average tenure and contract duration for CEO's of publicly listed firms will start to rise. As more boards acknowledge that their organisations need radical restructuring and longer term thinking to survive and thrive, for some the attitude to the role of the CEO will shift. Increasingly the emphasis will be on attracting, retaining and rewarding those capable of delivering longer term change and growth rather than simply focusing on quarterly earnings. More enlightened stock analysts will also begin to understand the value of thinking beyond the next three months.

**16. Google+ Disrupts the Disruptors.** Google+ will rapidly become the most talked about - if not the largest - social network. The platform will undergo continuous evolution through user feedback and internal innovation and by the end of 2012 may look very different to today. We expect Google to buy up and absorb a number of smaller networks focused on key geographic regions. Despite regular platform updates, more established platforms such as Facebook and LinkedIn will struggle to maintain member acquisition rates and may even see declines in total membership.

**17. Airline Competition - its Getting hot up There.** Continued economic uncertainty, rising fuel prices, corporate cost cutting and ever-intensifying competition will see more airlines around the world fail, seek bankruptcy protection or merge. The service gap will increase between the new standard setters from emerging nations such as Etihad Airways and some of their old, tired and increasingly flat-footed competitors from more developed economies. Governments will come under increasing pressure to deregulate and allow greater foreign ownership of domestic airlines.

**18. Discount Fever** - The popularity of and competition between demand aggregator sites such as Groupon and 'pay to bid' penny auction sites such as [madbid.com](http://madbid.com) will increase. The aggregators typically offer discounts of 50% or more if sufficient numbers of subscribers sign up for that day's restaurant, personal care or travel offer. We expect to see a proliferation of new general aggregator sites and far more travel providers enter this space - following the lead of Travelzoo.com in offering these deep discounted deals.

Airlines, magazines, social networks and anyone with a large customer and contact database will also look at these 3rd party discount offers as another route to monetizing their networks. Whilst the vendors hate the deep discounting model, the number and range making use of such aggregator platforms will increase. Competition will drive down the winning bid prices on auction sites and, in particular, the margins the aggregators can make on each transaction. Investors will begin to realise that, with few barriers to entry, the profit forecasts and resulting heady valuations placed on these sites were massively overplayed.

### **Science and Technology**

**19. A 3D Printing Revolution.** As the price and quality of 3D printing technology improves, we will see the growth of custom manufacturing outlets on the high street and online. Customers will be able to submit their personalised designs for an increasingly wide range of physical objects and have them manufactured on the spot. Larger manufacturers across a range of sectors from automotive to footwear will experiment with and adopt 3D manufacturing techniques.

**20. Powering up Alternative Energy** Decisions by Germany, Switzerland and Italy not to pursue nuclear energy will drive accelerated investment in R&D and production capacity across the alternative energy sector.

### **Rohit on the Road**

In the coming months I'll be delivering client speeches, workshops and stakeholder briefings on the world in 2015-2030, business complexity, strategic innovation, city development, the future of meetings, the future of aviation and airports, tourism futures, developing entrepreneurship, and the future for sectors such as media, hotels, packaging, satellites, retail, insurance and infrastructure.

Please let me know, if you'd like to arrange a meeting, presentation or workshop on one of my forthcoming trips. I'll be speaking in London, Copenhagen, Estonia, the Czech Republic, Slovakia, Lithuania, Leipzig, Vancouver, Florida and Las Vegas.

### About Fast Future

Fast Future is a research and consulting firm that works with clients around the world to help them understand, anticipate and respond to the trends, forces and ideas that could shape the competitive landscape over the next 5-20 years. We draw on a range of proven foresight, strategy and creative processes to help clients develop deep insight into a changing world. These insights are used to help clients define innovative strategies and practical actions to implement them.

