



Thoughts on the Futures of Different Sectors

Over the course of 2016 we have, from time to time, turned our thoughts and blog posts towards what the future might hold in different sectors such as finance and health.

The Future of Ageing

At the recent World Economic Forum, one of the tabled papers made the startling claim that people born in the developed world today could reasonably expect to live to be 120, or even 150.

That, probably, is the good news. Advances in medical technology are opening up the probability of longer life – some futurists see the possibility of immortality in the longer term. The cracking of genetic codes to predict future susceptibility to illness, effective early diagnosis and the use of biotech and technology to screen for the earliest signs of health problems, and advances in medicines all offer the chance of keeping ill-health at bay. Replacement of diseased body parts – new hearts and livers grown from stem cells, for example, is now in prospect, and the use of technology to enhance or replace non-functioning body parts offers new hope for tackling sight loss, hearing loss, and even paralysis.

So much for the good news. Such a major change in life expectancy throws up some major societal and economic challenges. The International Longevity Centre – ilc.org.uk – describes some of the problems facing today's aging society: problems that would be magnified in the scenario described to the WEF. In its document, Tomorrow's World: the Future of Aging (November 2015), the ILC warns that:

- Without action to better support more disadvantaged social groups and communities, the gap in life expectancy between the wealthy and the poor will continue to increase.
- Without action to address the current funding and workforce shortages in health and social care, the future needs of our ageing population are unlikely to be met.
- Without action to better highlight how long people are likely to live, and the measures that they need to take to ensure financial security later in old age, even wealthier older adults may experience financial difficulties in later life.
- Without action to encourage and facilitate longer working lives we will see a future drop in the UK's employment rate and reductions in overall productivity.
- Without action to build more houses, and houses which are adapted to the needs of older people, the housing shortage will continue.

For futurists, it's natural to try and counter the ILC's well-articulated list of warnings with opportunities. People should be healthier, and thus able to work longer, and retire later. Older people will predominate, even more than they do now, among the electorate. They will be a powerful, active and empowered lobby, to which democratic



governments will need to pay particular attention. Either the state will need to provide a gateway to health & social care, or facilitate personal provision through the tax and benefits system. Corporations will see the older generation as an increasingly key market, whether for goods, services, technology or housing, and advertisers will pursue the “silver pound” avidly. The old people of the future will be technologically savvy, and tech companies will target them. The aging population will increase the demand for carers and home support – potentially a useful counterweight to the loss of jobs as robotics and AI make their presence felt. The burgeoning population of Africa – which is set to increase 50% by 2050, and double by the end of the century, will provide a valuable potential source of carers and health workers.

Even if the above is true, there remains one fly in the ointment. Advances in medical science are slowest in the most complex human organ: the brain. There is a risk that our ability to prolong life outstrips – at least in the medium term – our ability to prevent and treat the degeneration of the brain. The prospect of longer life being for many no more than an eternal twilight clouded by dementia would be unacceptable – to people and to governments. A YouGov poll in January showed that just 1% of people polled would choose to spend their twilight years in a care home. The costs and the logistics of caring for increasing numbers of people, who were living longer, would be almost impossible, even given the assistance of carer robots. At that point, demand for the legalisation of euthanasia would become irresistible.

And even if, as seems inevitable, medical science eventually finds ways to prevent, or treat degenerative brain disease, the question of how and when we die, will remain. Death – a preoccupation of our Victorian forebears, but unmentionable in contemporary society – may make a comeback as a topic of polite conversation.

Written by David Lye, SAMI Fellow, published 23 March 2016



The future of financial services

Financial services have become a major component of western society. Today, the key questions for financial services professionals, as well as their customers, are whether this level of activity constitutes a bubble or whether it is sustainable. What will the industry look like in 10, 20 or 40 years time?

In 2012, we published a report called “In Safe Hands? the future of financial services” with Long Finance. This looked at the forces which would shape financial services through to 2050 and potential scenarios which might evolve. The report can be found on the SAMI web site: www.samiconsulting.co.uk/5insafehands.pdf

We developed four scenarios built on the best forecasts for 2050 in terms of population and the use of technology. Additionally, the report explored the imponderables: how will society organise itself, and what might be the role of financial services, within these scenarios?

Our thinking about the world in 2050 started with the geopolitical context:

Will the Washington consensus^[1] survive to 2050?

What could cause it to break?

If it does break, what will replace the international organisations and the values of the Washington consensus?

Recent discussions about the likelihood of another “2008” prompted us to take another look now, 4 years later – what has change? What did we get right? In a blog in the Long Finance pamphleteer series

<http://www.longfinance.net/news/long-finance-blogs/1006-in-safe-hands-the-future-of-financial-services-revisited.html>

we look at some of the areas where we were right – e.g. geopolitical – where the jury is still out – e.g. long term change in the insurance market – and where we underestimated the nature and pace of what was happening – the effect of technology. We did not anticipate the pace of technology driven change in financial services, with peer-to-peer lending becoming an accepted part of the landscape, and Blockchain offering revolutionary transaction speeds and costs. The impact of both has still to be felt – a good discussion of the second is by Chris Skinner in “ValueWeb, How fintech firms are using mobile and blockchain technologies to create the Internet of Value (ISBN: 9789814677172)”

We are holding a short workshop to explore in particular some of the implications of Blockchain – what are the implications if financial transactions are free and instantaneous?

If you would like an invitation to the workshop – in central London from 8:45 to 11:00 on 13th June – please contact gabi.cox@unlockingforesight.org or Linda.cook@zyen.com.

[1] <http://www.cid.harvard.edu/cidtrade/issues/washington.html> We use Washington consensus to mean the collection of policies identified by Rodrik (2001) which include, for instance, financial codes and standards.

Gill Ringland, SAMI Fellow and CEO, published 10 June 2016.



The Future of the Olympics

As the Rio Olympics wind down, amongst all the razzle and excitement of medal winners and achievement of all competitors, I wonder if this might be the end of an era? The athletes deserve all our congratulations and admiration. Nothing can take that away from them, or take away from us our appreciation of the Olympic spirit. But the world is changing on so many fronts —

For instance, what will be the impact of the transgender movement? We are seeing the impact in schools, universities and government. How can the traditional divide into men's and women's events evolve?

Will the line between para-olympic and Olympic competition blur as artificial legs and arms are developed which perform better than natural ones? Will there be a growth in implant technology which enhances natural limbs or circulation systems? How would these affect selection as an Olympian or Para-olympian competitor? How does this relate to doping, as new ranges of substances are developed which alter performance, but are perhaps not yet under regulation?

Competitors in the Olympics represent their nations. Medal tables show medals per head of population, where New Zealand led, as well as overall, with the US at the top. The medal table is a source of national pride. But in 2016 we saw the first "refugee" team. In previous Olympics athletes have competed for countries they had only recently become a citizen of, but as migration continues, nationality becomes harder to define. Will the medal table become a less meaningful reflection of national capability?

What will become of the "high tech" sports like cycling, sailing, rowing, pole vault, where investment in sports science research into the equipment pays medal dividends? Will we see the sort of regulations covering Formula One which aim to reduce the difference that technology can make?

And what is the future of the equine events with different but also high cost barriers to entry, as the world tilts towards a population of 9 billion, mostly in Asia?

And what about the desire of countries to host an Olympic Games- politically and economically as Brazilians' boos at the Rio Olympics opening ceremony were followed by, in many cases, the games playing at near empty stadiums?

So, trying to envision the Olympic Games in say 2052, the boundaries will have shifted in so many ways – "interesting times" indeed.

Written by Gill Ringland, SAMI Fellow and CEO, published 26 August 2016.



The Airport of the Future

This blog is based on the write-up on the Airport of the Future, which can be found on https://askhelios.s3.amazonaws.com/uploads/document/file/92/Helios-Future_Airports-2050-.pdf

Helios is a consultancy specialising in air travel – air traffic management (ATM) and airports. Their offices have a grandstand view of the Farnborough Airshow, and they kicked-off their 2016 Farnborough Airshow Seminar Week with a highly interactive seminar, challenging an invited group of senior professionals to consider the case of ‘airports in the 2050s’.

The seminar used scenario planning techniques, which encouraged the guests to challenge themselves, and their usual way of thinking. So, although the air show outside suffered disruption from torrential rain, inside we were using the example set by mother nature to consider how airports of the future might respond to unpredicted and challenging natural, man-made and geo-political circumstances.

The day was led and facilitated by two very different, yet complementary, experts in the field: Mike Pearson, Helios Sales and Marketing Director, has spent much of his career advising on major airport developments around the world and Gill Ringland, CEO and Fellow of SAMI Consulting, is a renowned expert, trainer and best-selling author on scenario planning and strategy.

Scenario planning is a powerful methodology that does not focus on a single ‘right’ answer, which is almost certain never to emerge. Rather, it explores several alternative futures. It is all too easy to fall into the mind-set of expecting more of the same and then doing nothing about it. This exercise demonstrated how scenarios can help us to better develop and future-proof strategies, identify early indicators of change and provide focus for long-term planning.

In this case, we set three broad scenarios with differing political models, global responses to new technology and even the hypothetical re-emergence of powerful city-states, all to explore how airports might evolve in the future.

As you might imagine, we enjoyed thoughtful, robust and wide-ranging interaction and interventions from all of our guests, who contributed fascinating observations to enrich each scenario. Here are just a few of the interesting threads from the day which resulted from consideration of how airports might evolve in different global scenarios:

The key to **unlocking additional capacity** in Europe is as much about a strong transport strategy with clear political backing, as it is about technology advances and physical infrastructure.

Continued developments in aircraft and ATM technology help to unlock **new traffic patterns and flows**, affecting airline models, passenger experience and opening up new opportunities for secondary airports.

Regional airports may face the threat of less government funding as political priorities shift and private investment in airports increases... ‘uberisation’ of transport, reductions in staff, increased virtualisation, charters and co-location with technological and industrial partners are all potential ways they can respond to make their business more viable.

A successful business model today will not necessarily be as effective in the future, as the competitive landscape and business environment changes. Bringing in an external



perspective can prove particularly useful when applying scenario planning techniques and allow the group to expand its thinking and understand the drivers of change.

Written by Gill Ringland, SAMI Fellow and CEO, published 2 November 2016.