

ARE WE THERE YET?

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Mr. Chairman, Mr. Secretary, Dr. Riley, fellow members of the Athenaeum Society and (guests). I'm sure you have all experienced the interrogation by youthful members of your family when an excursion to some remote destination has just begun. "How much further is it"? "Are we there yet?"

A mid-June vacation journey with my wife and two of our boys led us through the War Between the States battlefields of Virginia to the nations capital. As you might expect, we heard those two questions numerous times that trip. During the Washington visit I had the opportunity to witness a hearing of the Joint Economic Committee for the 21st Century chaired by Senator Connie Mack of Florida. Among the presenters were Alvin Toffler, of Future Shock and The Third Wave fame and Joel Kotkin a writer and professor of economics at Pepperdine University.

Fourteen years ago I presented a paper for this society entitled "Where Do We Go From Here". That paper was devoted to an examination of potential future business, governmental and societal circumstances. Those reviews were, for the most part, based on the study of immediate past and current events.

Induced by the ideas being shared at the Joint Economic Committee of the 21st Century hearing that I attended I have decided to take another look into the future. Even at the risk of being accused of revisitation of an old paper, this evenings paper which I have entitled, "Are We There Yet", is another look to the future based on the content analysis of the electronic media and

press reviews of local events on an international scale. Perhaps we can achieve a new and or at least fresher glimpse of the 21st Century.

The 1983 paper, which drew a substantial portion of its theory from the work of the Nasbitt Group, an international consulting firm, identified a number situations which they prophesied. The only recourse into that paper is to list a few of them. They predicted the death of industrial America is dead. Are we there yet? They foretold the evolution of a high tech/high touch society. Are we there yet? A global economy was predicted. Are we there yet? A move from centralization to decentralization, a shift from representative to participatory democracy, a focus on networking in contrast to hierarchal communication. Are we there yet?

In Hopkinsville we have been blessed and are benefiting from the efforts of industrial recruiters, where we've seen a growth of industrial jobs by over 2,000 in the past 13 years. This surely would not suggest the death of industrial America. Was this prediction wrong. Unfortunately it wasn't, industrial jobs in America, according to government surveys, have shifted from over 150 per 1000 population in 1983 to just over 130 per 1000 in 1994. Our growth, which one might suggest is temporary, is a direct function of another observation of the 1983 paper, a migration from North to South or from the Rust Belt to the Sun Belt. The North American Free Trade Agreement, referred to casually as NAFTA, has moved an even greater number of jobs from North to South.

Unfortunately for those Americans who find themselves in the lower half of the Bell Shaped Curve, this southerly migration is completely out of the country. Quite possibly our emphasis on the death phrase is jaundiced. Rather than, industrial America is dead, the emphasis should be industrial America is dead. Of the new industries established here, over 30 percent have a multi-national ownership.

Although organized labor and other pro-labor groups struggle to hold on to the past and promote negative ideas about the shifts before us, the positives continue to surface. The export of labor intensive manufacturing to third world countries does have a positive side. The 1900's were drive by an industrial economy which functioned on the physical strength of the work force.

Much to the chagrin of the women's movements in the last 50 years, the economy was "a man's world" mainly because of the required physical strength. Although members of this so-called women's movement would decry such facts, women's advances in the recent decades and in the 21st century are and will continue to be based on the level playing field introduced in the information age driven global economy rather than their political efforts. The nation has just celebrated the 75 anniversary of woman's suffrage and no one would deny the effect of Susan B. Anthony's efforts, but the real progress has been driven by other factors.

Let us look at some trends. In last 20 years, women have taken two thirds of the information based jobs. Seventy four percent of men work, 79% of women with no children under 18 work and 67 %

of those with children are in the work place. Women are starting new businesses twice as fast as men.

Women have reached critical mass in virtually all white collar professions. In the last 20 years the number of female physicians has doubled. In 1970 7% of medical degrees were granted to women in 1990 it was 32.3%. Female lawyers and architects have grown by 500 percent in the same period. Today, 49.6 percent of accountants are women..up from 17% in the 70's. In finance women are at 50% mark.

In the Gannett Company 40% of managers are women.

What phenomena of the approaching 21st century has prompted these shifts. The dominant principal of organization has shifted, from management in order to control an enterprise to leadership in order to bring out the best in people and to respond quickly to change. Women have an advantage in these developments, they don't have to unlearn the old authoritarian behavior to run their businesses. They tend to be self developer's, hence they are keys to organization's futures. They recognize that organizations cannot be relied on to take care of people and that their security lies only in the skills they take to their next job.

The shift from centralization to decentralization was perceived by many to be a reference to governments and in part it was but it has manifested itself in the corporate equally. This concept regarding the future change of industry can be noted in a recent goal established by the Siemens Corporation, a technology company which among other business interests has a world wide

manufacturing, distribution and sales organization for telecommunications equipment. Siemens' goal, a price lot unit of one. Explained more fully, Siemens desires to manufacture a single item for a customer for the same cost per unit as it has for another buyer whose order is for hundreds. This process, referred to as demassification will be the driving force for successful manufacturers of the future. If you don't believe it, examine the model change over time for American automobile manufacturers in the 90's with their counterparts in the 70's. The plants at Georgetown, Smyrna and Spring Hill were designed with that in mind.

Now, consider if you will high tech-high touch. Are we there yet? Well, yes and no. Just recently a computer service support firm which does business in this area installed a very high tech, computer drive, state of the art telephone response system with "user friendly menus", where the selectable options are in the actual voices of the proprietors of the business. Another similar example occurred with me just this past week. We needed to purchase approximately 10,000 yards of cloth for our Trace Industries camping stool manufacturing project. The order value is in the neighborhood of \$30,000. I called the manufacturer. A pleasant lady espousing a comely South Carolina accent answered the phone in a manner that would melt you butter. "Mr. Reid is not available, but I'll connect you to his voice mail and you can leave him a message". Impressed yet? We'll, I'm not. In both examples their service is certainly high tech but it is far from high touch. What these enterprise has actually done is just the opposite. They

have completely removed 'touch'. I am totally dependent on their time schedule regarding communication. Who knows when they will return the call.

A valid example of high tech-high touch is practiced by a legal insurance vendor with whom I am acquainted. When confronted with a question which you feel has legal considerations, you call an 800 number asking your question. The receiving party, by facsimile, sends your questions to an attorney who has a specialty area related to your question and within 15 minutes you receive a call from that attorney. Another example weds the high tech-high touch approach with another prediction of the 1983 paper, networking. A few month ago, we purchase a new computer and received with it a bundle of software, most of which was not applicable to our use. Included however, was a trial subscription to America Online, one of the numerous international computer network systems which have developed in the last 5 years. I helped Dr. Bob Sivley install that software on his home computer. I wasn't at all surprised to hear the next week that he and his wife had spent several hours on a 'chat' forum with persons all around the country. They were probably were discussing some facet of human behavior.

The fax machine is another manifestation of the high tech-high touch movement. How else can I jot down a hand written note and deliver it in mere seconds to a friend, half way around the world.

Digital communication technologies have but scratched the surface in the high tech-high tech future. Cellular phones,

cellular televisions, and yes, the genuine Dick Tracey wrist watch two-way video radio is coming.

As we discuss these events or activates one you might note, as I have, is a blur between their boundaries. Where does high tech-touch end and the global economy begin? It's no longer clear.

If you had to identify what you felt was the single most influential event in the demise of the Soviet Union and the breaking of the Iron Curtain or the Berlin Wall, what would it be? An aggressive national defense policy? Star wars developments? Oh, they certainly contributed, particularly in the consumption of economic resources, but I don't feel they were the real power. You guessed correctly, it was high tech-high touch. In Polish homes during the progressive beginnings of Solidarity, the most common commodity was a VCR. A complete underground network of fax machines spouting lists of news papers, sites of "banned" art exhibits, American movie videos and likely most influential sources of American music and fashion, blue jeans. Want to make another prediction. 75% of the television programs imported into mainland China are from the United States. Chinese teens wouldn't be caught dead in a Mao jacket while they will pay excessive black market prices for a pair of denim jeans. Want to guess where China's headed?

There are some other interesting phenomena which in the global picture which integrate several of the predicted trends; high tech-high touch, decentralization, networking, and the global economy.

One such movement is the expansion of the arts and their

migration of the from Broadway to the boondocks.

While the workforce in America has grown by 43% in the past two decades, the number of artists has grown by 145%. We're reading more too. Twenty percent of Americans buy at least one book each week. Individuals in the 18-34 bracket buy two. Of course these books are not discussions of world political developments. Many are romance novels like written Ms. Mederios our local author, whose last published book sold in the millions.

We listen a lot. Garth Brooks a popular country music entertainer recently broke all sales records of all music artists of all time.

And yes, we watch. For a fairly low investment, \$35-40\$ a month any household in America can have access to the Arts and Entertainment channel via Direct TV, Primestar or one of the other mini-dish satellite television systems. It's not so much what channel you can get but how many. More pointedly, we began the 70's with three television networks. In the 80's the A & E channel began on 800 cable systems in 9 million households and a single advertiser. Today their cable subscriptions exceed 3,000, their home penetration exceeds 40 million and they boast over 400 advertisers, a growth of over 400%.

New York's premiere Broadway theater had ticket sales last year greater that the Yankees and Mets combined. In 1992 national sales ratios for attendance at arts compared to sport events was 3.7 to 2.8 billion, a complete reversal from the late 70's.

The recent criticism of governments expenditures on the arts

is the best thing that could have ever happened to them. While many of the art world cried about their removal from the federal welfare roles, other capitalized on the opportunities. Companies have detected the shift in tastes and now their endorsement and sponsorship in the arts dwarf those they make in sports. They have found the "shelf life" on arts sponsorship is much longer.

In a merger of the global economy, decentralization, participatory democracy and networking predictions one has to look finally at governments.

The Socialist philosophies grew out of the world labor movements. With the 21st Century's downplay of the importance of labor, the percent of labor in manufactured goods approaching zero and the world wide export of Russia's perestroika (individual liberties) were beginning to see a mass alteration in world politics and government. The shift from socialism to privatization is in full swing. In Britian for example, home ownership is up 50% in ten years. The workers have purchased 96% ownership of British Telecom. Hungary permits personal profit, bankruptcies, bond trading, shareholding, and private businesses including contractors, shops, supermarkets, restaurants and taxis.

In Italy the teenagers crave jeans and in the U.S. Italian suits and shoes, a'la Rick Pitino.

English is becoming the international language. As an indication, 80% of the information in the world's 100 million computers is English. A Japanese/German corporate trade pact is most likely to be written in English.

The only negative in all of this movement appears to be the eruption of Cultural Nationalism. There are some countries, Quebec for example, who are trying to legislate language. They'll loose.

So men.... are we there yet. No.... we've really just begun but were moving at warp speed. So grab on.

Thank you!