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# MDRT Minute

## Preparing for Change

A business transformation is coming in the next decade. Demographic shifts, economic changes and technology are combining to create powerful change in every business.

### The Second Curve

Two business curves stand in contradiction to one another. Most industries are currently following the first curve, or conventional ways of doing business, with success. But forces of change will result in a second curve — a radically different way of doing business. Both curves will coexist for a period of time before the first curve declines as established business practices become less profitable.

The challenge is to prepare for the second curve without abandoning the first, which represents business practices that are still lucrative. He said the best way to manage change is to understand the forces responsible for it:

**New consumers.** Today's consumers have higher quality and service expectations. Everything has to happen better, faster and cheaper. Companies must find new ways to serve and satisfy them.

**New technology.** There are 1.6 billion Internet users globally, and two-thirds worldwide have a cell phone. Technology and innovation will be significant sources of wealth creation in the future. Technological changes will require producers to develop high-tech methods of reaching clients.

**New geographical markets.** By 2050, the vast majority of population growth will take place in developing countries. Emerging markets in Asia, Eastern Europe and Latin America will also be sources of great economic growth. Meanwhile, life expectancy rates in developed countries will continue to rise. These changes will create challenges, but also potential for new business opportunities worldwide.

**Opportunities for growth.** The currency of the future is service. The shift from a goods-oriented to a service-oriented economy will continue to create new opportunities for growth in financial services.

Traditional financial products and services represent the first curve. As the developed world ages, a second curve will continue to emerge. There will likely be an increase in the demand for new products, such as long-term care, disability and critical illness insurance. With that, new ways of doing business will be necessary to meet changing client expectations.

To successfully prepare for the second curve, you need to be agile, flexible and adaptable. You have to learn continuously, and that's what MDRT is all about.

Futurist **Ian Morrison** is an internationally known author and consultant specializing in long-term forecasting and planning with an emphasis on health care and the changing business environment. Morrison has worked with more than 100 Fortune 500 companies in health care, manufacturing, information technology and financial services. His book, "The Second Curve – Managing the Velocity of Change," was a *New York Times* business best-seller and *Business Week* best-seller. Morrison's entire 2010 Annual Meeting presentation is available at [www.mdrtpowercenter.org](http://www.mdrtpowercenter.org).