

**MICHAEL McQUEEN**

Best-selling author of  
*Momentum*

**HOW TO  
PREPARE  
NOW** FOR  
**WHAT'S  
NEXT**

**A GUIDE TO  
THRIVING  
IN AN  
AGE OF  
DISRUPTION**



**WILEY**



*How to Prepare Now for What's Next* is a must-read for all those who wish to remain relevant. Michael points out the speed of change in our world and that now is not the time for leaders to simply tweak our organizations. Now is the time for change. Congratulations Michael on providing us with a useful path to follow.

—**Barry Rassin**, President, Rotary International 2018–19

In business today, you can't design your future by analysing the past. With our world changing so fast, the counsel of a wise and practical futurist such as Michael McQueen is more important than ever.

—**Andy Berry**, Managing Director, Ricoh Australia

Disruption is a concept that is widely cited but often poorly understood. In his latest book, Michael McQueen provides the insight and strategies that leaders have long been seeking. This book is your practical guide to future-proofing your business in an age of disruption.

—**Ben Lloyd**, Chief Operating Officer,  
Baker Tilly International

This book offers a powerful roadmap to the future that every leader should read. Michael provides a compelling vision of the future and asks all of the questions you will need to help you get there.

—**Brendan Sheehan**, Global Council Member,  
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With Michael's tips for success, this book is a must-read for anyone looking to stay relevant and embrace the future.

—**David Maiolo**, Senior Manager Learning & Development,  
Bendigo and Adelaide Bank Limited

In this new book, Michael McQueen de-clutters a very complicated business world with thorough research and real-life case studies. *How to Prepare Now for What's Next* is your ultimate guidebook to retaining relevance.

—**David Mulham**, Chief Field Development Officer,  
USANA Health Sciences

Michael has done it again. This book is a true wake up call. Read it now—tomorrow will be too late.

—**Fiona Ross**, Regional Head of Marketing, Travelport

Complacency is failure in the new economy. As a 112-year old organisation, [for us] Michael's unique viewpoint in this book is invaluable if we are to serve our members for another 112 years.

—**Ian Gillespie**, Group CEO, RACQ

In this book, Michael McQueen has clearly identified the unstoppable disruptions that will impact every sector in the coming years. In my industry, healthcare, understanding and proactively addressing the trends he highlights will undeniably result in business success but more importantly in improved patient outcomes.

—**James Britton**, Senior Corporate Development Manager,  
Multinational healthcare company

*How to Prepare Now for What's Next* captures Michael McQueen's unique insight into what the future holds. This book is smart, provocative and a great resource for helping any leader prepare for what is next.

—**Jennifer Jones**, 2017 Global Vice President,  
Rotary International

Michael has an innate ability to simplify the enormous complexity of change and then provide practical advice to business leaders. *How to Prepare Now for What's Next* is a compelling read and an invaluable tool for anyone wanting to stay ahead of the game.

—**Karin Sheppard**, Regional Chief Operating Officer,  
Intercontinental Hotel Group

Michael's books have changed how I think about the strategic direction of our company. We can't solve our issues with yesterday's thinking. Michael's thought-leadership is refreshing and invaluable.

—**Kevin Guest**, CEO, USANA Health Sciences

Michael does a superb job of simplifying the complex and provides leaders with a structured approach they can follow in order to stay one step ahead of disruption.

—**Mark Merritt**, Associate Director, KPMG

*How to Prepare Now for What's Next* implores us to accept the inevitability of change and face it by empowering those we lead to help create the future. Michael McQueen will inspire you by shining a light on the path forward for any business or industry.

—**Martin Nelson**, Automotive Industry Executive

Michael McQueen has an uncanny knack of making very complex topics seem simple. This book offers techniques that will help you make good business decisions in the eye of a proverbial perfect storm of disruption.

—**Steven Johnston**, Chief Executive Officer,  
ProVision Optometry Group

The future is here—you just need to know where to look. Through his new book Michael brings the future to our doorstep.

—**Mike Baird**, former NSW State Premier

Michael is one of those rare people who make the complex simple. This book has all the ingredients for learning how to thrive in turbulent times.

—**Nick Hakes**, General Manager



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*To my firstborn, Max.*

*You will inherit the world depicted in this book and I am honoured to  
help prepare you for the future that awaits.*



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# CONTENTS

<i>About the author</i>	<i>xiii</i>
<i>Introduction</i>	<i>xv</i>
<b>Part I: The Four Key Disruptions</b>	<b>1</b>
1. Widescale Automation	5
2. Empowered Consumers	33
3. Unconventional Competition	47
4. Emerging Generations	63
<b>Part II: 9 Keys to Thriving in An Age of Disruption</b>	<b>81</b>
5. Dig the Well Before You Get Thirsty	83
6. Fail Fast, Frequently and Frugally	99
7. Don't Pave the Cattle Track	115
8. Foster Healthy Paranoia	129
9. Focus on Friction	147
10. Be Different, Not Better	163
11. Spare No Sacred Cows	179
12. Adopt a Posture of Curiosity	195
13. Think Like a Startup	217
<i>Conclusion</i>	<i>233</i>
<i>Appendix A: The Disruptibility Index</i>	<i>235</i>
<i>Appendix B: The Societal Implications of Automation</i>	<i>239</i>
<i>Acknowledgements</i>	<i>257</i>
<i>References</i>	<i>259</i>
<i>Index</i>	<i>285</i>



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# ABOUT THE AUTHOR

Michael McQueen understands what it takes to thrive in a rapidly evolving world.

Widely recognised for having his finger on the pulse of business and culture, he has helped some of the world's best-known brands navigate disruption and maintain relevance.

As a leading specialist in social shifts, change management and future trends, Michael features regularly as a commentator on TV and radio and has written five best-selling books.

Michael is a familiar face on the international conference circuit, having shared the stage with the likes of Bill Gates, Dr John C. Maxwell and Apple co-founder Steve Wozniak. He has spoken to hundreds of thousands of people across five continents since 2004 and is known for his high-impact, research-rich and entertaining conference presentations.

Michael was recently named Australia's Keynote Speaker of the Year and was inducted into the Professional Speakers Halls of Fame.

He and his family live in Sydney, Australia.

[www.michaelmcqueen.net](http://www.michaelmcqueen.net)







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# INTRODUCTION

As I walked out the doors of my grandmother's nursing home on a sunny autumn day a few months ago, my mind was still processing the four hours I had spent with her that morning.

At the ripe old age of 93, my grandmother isn't showing any hint of slowing down. She's sharp as a tack and disarmingly irreverent. That day I had cleared my schedule to sit down with her and capture elements of her life story and my family heritage. As we sifted through scores of brown leather journals filled with beautiful handwritten script, dusty photo albums and countless loose documents, many of the names and stories I had heard throughout my childhood came to life.

My grandmother reflected on her career as a nurse and welled up when she recounted the day soldiers returned from war, maimed and broken. 'Shells of men' was the way she remembered them.

She recalled how as a young girl she'd watched the Sydney Harbour Bridge take shape over many months and wondered how cars would ever be powerful enough to drive up its steep arches — unaware that the arches were little more than a scaffold for the suspended road plate below.

As I drove home through the very suburbs in which many of the stories I had heard that morning had played out, I tried to imagine how the same city looked, sounded and smelled in my grandmother's early days.

My train of thought was interrupted by a phone call from my publisher, Lucy Raymond. I had left a message on Lucy's voicemail the previous day mentioning I had an idea for a new book.

'I'm excited to hear about this new book,' she said. 'What have you got in mind?'

In a flash, my thoughts were jolted from imagining how the street I was driving down would have looked in the 1930s to pitching the premise for the book you now hold in your hand. As I described my vision for a book that would help leaders and organisations navigate disruptions ranging from artificial intelligence to driverless cars and nanotechnology, the contrast with the morning I'd just spent with my grandmother couldn't have been more stark.

## **STUNNED BY THE PACE OF PROGRESS**

I'm sure you know the feeling. Every now and again most of us catch ourselves reeling at the nature and pace of change around us.

As someone who has spent well over a decade studying trends and forecasting disruption, I still find myself amazed when I reflect on the things I take for granted today — things that would have been utterly inconceivable a few short decades, much less centuries, ago.

To this point, celebrated blogger and TED speaker Tim Urban offered a great little thought experiment in a 2015 blog post where he encouraged readers to imagine teleporting a person from the nineteenth century to the modern day.

As Urban suggests:

*It's impossible for us to understand what it would be like for him to see shiny capsules racing by on a highway, talk to people who had been on the other side of the ocean earlier in the day, watch sports that were being played 1,000 miles away ... This is all before you show him the Internet or explain things like the International Space Station, the Large Hadron Collider, nuclear weapons, or general relativity. This experience for him wouldn't be surprising or shocking or even mind-blowing—those words aren't big enough. He might actually die.<sup>1</sup>*

And so while the modern day is extraordinary enough, much of my time is dedicated to forecasting the trends and changes that would spin our minds were we able to travel even a few decades forward in time.

# THE PERILS OF PREDICTION

Now, to be clear, this is not a book about pie-in-the-sky futurism. As stimulating as it can be to gaze into crystal balls, predicting the future can be a pretty risky business. As I recently heard one business strategist suggest, when it comes to predicting the future, humility is a virtue.<sup>2</sup>

Consider how many bold predictions by intelligent people throughout history have proven to be just slightly off the mark:

- ∞ Ken Olsen, founder and chairman of computer giant DEC, said in 1977, ‘There is no reason anyone would want a computer in their home’.<sup>3</sup>
- ∞ The legendary American businessman and inventor Alex Lewyt predicted in the 1950s that ‘Nuclear powered vacuum cleaners will be a reality within 10 years’.<sup>4</sup>
- ∞ A Boeing engineer boasted ‘There will never be a bigger plane built’ when Boeing’s 10-seater Model 247 was launched in 1933.<sup>5</sup>
- ∞ Lord Kelvin predicted in 1883 that we would one day discover that x-rays were a hoax all along. (It bears mentioning that Lord Kelvin was no fool. In fact, he was instrumental in formulating the first and second laws of thermodynamics and devised the method for measuring temperature we still use today.)<sup>6</sup>
- ∞ Steve Jobs predicted the failure of Amazon’s Kindle ereader upon its release because, in his words, ‘It doesn’t matter how good or bad the product is, the fact is that people don’t read anymore’.<sup>7</sup>

If nothing else, this list underscores just how hard it can be to predict the future with any degree of certainty. In the words of legendary film producer Samuel Goldwyn, ‘Only a fool would make predictions — especially about the future’.<sup>8</sup>

And yet of all the sensational business predictions that have emerged in recent years, one stands out in my mind above the rest. In June 2015, the retiring CEO of Cisco, John Chambers, delivered his final keynote address. He left the audience in stunned silence (and panicked much of the business world) when he said, ‘40 per cent of businesses in this room, unfortunately, will not exist in a meaningful way in 10 years’.<sup>9</sup>

Now while you could dismiss this prediction as misguided hyperbole, the reality is that Chambers may well be spot on. After all, according to the work of Professor Richard Foster of Yale University, ‘the average

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**The coming decades will see many businesses and industries disrupted in ways they cannot imagine today.**

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lifespan of a major listed company has shrunk from 67 years in the 1920s to just 15 years today’.<sup>10</sup>

I have spent much of the Past decade interacting with and interviewing some of the brightest and most visionary thinkers on the planet and their consensus is that the coming decades will see many businesses

and industries disrupted in ways they cannot imagine today — and certainly are unprepared for.

My interest in this started back in 2011. As significant businesses crumbled in rapid succession (from Borders to Kodak, Saab and Nortel, then BlackBerry and Blockbuster), what started out as a blog post for my website turned into a three-year research project examining the dynamics of business demise. Over the course of those three years, I tracked 500 brands, organisations and institutions around the world in an effort to answer two questions:

1. Why do the mighty fall?
2. Why do the enduring prevail?

My goal was to try and discover the habits, culture and mindset that separated enduring brands from their endangered counterparts. Those three years of research culminated in a book called *Winning the Battle for Relevance*.

While that book proved helpful for leaders and organisations trying to stay at the cutting edge, I quickly discovered that the scope of my research had been too limited. After all, it only identified the factors that were driving obsolescence for organisations and brands in the present.

In the years since that book’s release, the scope of my research has shifted to what lies ahead and the specific trends and disruptions that are set to shake up the status quo in significant ways.

# A UNIQUE TIME IN HISTORY

Having spent much of the past few years absorbed in the future, there is little doubt in my mind that we are standing at the precipice of the most significant change our world has known.

Historian and United States Senator Ben Sasse agrees:

*When people say we're at a unique moment in history, the historian's job is to put things in perspective by pointing out that there is more continuity than discontinuity, that we are not special, that we think our moment is unique because we are narcissists and we're at this moment. But what we are going through now — the past 20 or 30 years, and the next 20 or 30 years — really is historically unique. It is arguably the largest economic disruption in recorded human history.<sup>11</sup>*

Political scientist and international relations expert David Rothkopf agrees that we are at a significant and historical moment. That said, in his excellent book *The Great Questions of Tomorrow*, Rothkopf does liken this current point in history to one experienced by our fourteenth-century forebears who had little idea of the sweeping societal changes that the Renaissance was about to usher in:

*As was the case during the fourteenth century, we too are living in what might be described as the day before the Renaissance. The epochal change is coming, a transformational tsunami is on the horizon, and most of our leaders and many of us have our backs to it.<sup>12</sup>*

Rothkopf suggests that this lack of awareness of and preparedness for what lies ahead is a function of our very human nature. As humans, we operate with a range of biases and we expect the world to confirm them. As a result, we mishear, misread and misinterpret events around us. We live in a world where 85 per cent of the time today's weather is the same as yesterday's weather; people tend to let the immediate past shape their expectations of the future.<sup>13</sup>

And yet the future is going to be very different from what any of us have known.

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**As humans, we operate with a range of biases and we expect the world to confirm them.**

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We are sailing into uncharted waters. We are at an inflection point where we cannot discern what the future will hold by looking to the past.

And that's the purpose of this book — to get a clear sense of what's next so we can start preparing now.

In part I, we're going to look at what the future holds and how to identify the trends and disruptions that are going to radically redefine the status quo.

In part II, I am going to outline a plan for navigating the turbulent times that lie ahead.

So strap in: things are about to get a bit bumpy. But my commitment is to give you the insights and strategies necessary to thrive in an age of disruption.

PART I

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**THE  
FOUR KEY  
DISRUPTIONS**

When Harvard Business School professor Clayton Christensen first introduced the notion of disruptive innovation in his 1997 bestseller *The Innovator's Dilemma*, I wonder if he had any sense of just how profoundly impactful his ideas would become.

And yet while most of the leaders and organisations I work with understand the principles of disruption, many find themselves with little idea of how to predict or pre-empt the very disruptions that are looming large over their businesses and industries. What they often lack is a framework for making sense of the overwhelming barrage of changes they are facing.

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**After all, it tends not to be linear, incremental or evolutionary; disruption is generally unpredictable, fundamental and revolutionary.**

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Offering such a framework is my goal in part I of this book. By its very nature disruption is hard to forecast. After all, it tends not to be linear, incremental or evolutionary;

disruption is generally unpredictable, fundamental and revolutionary.

So while predicting specific disruptions is difficult, identifying categories or patterns of disruption is far more useful. To this point, I'd suggest that the disruptions that will re-shape the landscape for businesses and organisations in the coming years will fall into one of four broad categories:

1. widescale automation
2. empowered consumers
3. unconventional competition
4. emerging generations.



Part I will feature a chapter dedicated to each of these four disruption categories that will highlight what is driving the change along with a look at how the disruption is set to play out in a range of industries.

In the words of London Business School professor Gary Hamel, 'You can't outrun the future if you don't see it coming.'<sup>1</sup> To Hamel's point, the next four chapters are designed to give you the clearest possible picture of what is coming so you can get a head start.

**Quick tip:** Before you go any further, I'd highly recommend you flick to appendix A at the back of this book to complete a diagnostic tool called 'The Disruptibility Index'. This revealing exercise will give you an objective measure of just how prone your organisation or business is to disruption at this very moment.

Your disruptibility score may well provide a helpful context for what you'll learn in the coming chapters.

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# WIDESCALE AUTOMATION

It's not every day that a stocking manufacturer makes history—especially one with an unremarkable name like Ned.

And yet in the late 1770s, that's exactly what happened. Incensed by the gradual encroachment of new automated knitting machines that threatened to put him out of work, a stocking maker named Ned decided to take matters into his own hands. Smashing a number of these time-saving contraptions to bits in a fit of rage, little did Ned know that he had just sown the seeds of a revolution.

Taking up the cause a few short years later, a group of English weavers and textile artisans banded together in a coordinated assault on the industrial age. Inspired by Ned's act of defiance, this band of weavers and artisans was soon destroying a few hundred automated looms each month.

As you can imagine, the wealthy factory owners who owned the looms weren't thrilled. Using their political sway in the British Parliament, these industrialists arranged for almost 15 000 soldiers to descend on the loom smashers to put an end to the destruction. They even managed to have a law passed making the breaking of weaving frames a crime punishable by death—a fairly extreme reaction even by early eighteenth century standards. Dozens of the 'revolutionaries' were executed or exiled to penal colonies such as Australia.

Things simmered down in the years that followed, the revolution crushed.<sup>2</sup>

You may not have heard of Ned but you likely know his surname and the movement he inspired. Ned Ludd and his band of self-described ‘Luddites’ have been widely ridiculed in the history books as backward, small-minded and anti-progress. Even to this day the term ‘Luddite’ is used to describe an individual who stubbornly and naively tries to hold back the march of technological advancement.

It’s important to note that progress was not the chief complaint of the Luddites. Instead, it was the power imbalance and erosion of dignity that automation technology led to that caused most frustration. In fact, Luddites were primarily concerned with negotiating the employment conditions that we take for granted today—you could almost call Luddites visionaries! The Luddites were not opposed to the idea of using machines to increase efficiency and productivity—they simply believed that some of the additional profits these efficiencies led to should go back to ensuring the welfare of workers in the form of pensions, minimum wages and safe working conditions.

Regardless of whether you agree with the Luddites’ behaviour or beliefs, it is the context of this uprising and its parallels with the modern age that offer an important lesson as we begin considering the automation-driven disruptions that lie ahead.

The late 1700s were, after all, a time of significant upheaval in the English textile business. War with France had resulted in trade barriers that had a huge commercial impact on British manufacturers. Added to this, fashions had rapidly changed and men no longer wore leggings—opting for trousers instead. All of this culminated in a time of enormous cost pressure for wealthy textile manufacturers. In this perfect storm of upheaval, steam-powered looms came onto the scene offering sizeable productivity and efficiency gains for mill owners. It was the perfect recipe for a clash.<sup>3</sup>

## **THE ATTRACTION OF AUTOMATION**

Looking at the context we find ourselves in currently, the parallels are striking. Facing mounting pressure to decrease costs and increase

productivity, businesses today are again looking to widescale automation as the answer. What's significant about this first of the four forms of disruption we explore in part I is that automation is both a *result* of change and a *driver* of it. In other words, many of the shifts we've seen in recent years have left businesses with little choice but to automate. However, this in turn is going to kick off a wave of disruption that will re-shape entire business sectors and potentially leave untold millions out of work.

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**Automation is both a  
result of change and  
a driver of it.**

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This era we are about to enter is one that the World Economic Forum's founder, Klaus Schwab, has labelled the 'Fourth Industrial Revolution'.

While many of us refer to the 'Industrial Revolution' as if it were a single period of technological and social upheaval, Schwab suggests that there have actually been four distinct industrial revolutions that have brought us to the point where we find ourselves today:

- ∞ *First Industrial Revolution (1760–1840)*. This first phase of industrialisation saw society move from muscle power to machine power. It was this transition that gave rise to the Luddite movement as mechanical production became increasingly mainstream. Railroads were constructed as the invention of the steam engine transformed productivity forever.
- ∞ *Second Industrial Revolution (late 1800s – early 1900s)*. This second phase of industrialisation saw the introduction of electricity and the development of the production line, which made mass production possible.
- ∞ *Third Industrial Revolution (late 1960 – early 2000s)*. Sometimes referred to as the digital or computer revolution, this age of information technology catalysed development of mainframes, personal computing and the Internet. Knowledge became ubiquitous, the tyranny of distance all but disappeared and digital business platforms transformed the basis of commerce.
- ∞ *Fourth Industrial Revolution (early 2000s onward)*. Building on the digital revolution, this fourth phase of industrialisation has seen mobile Internet, the proliferation of smaller and more powerful sensors, nanotechnology and learning algorithms bring the physical and digital worlds together.

What Schwab refers to as ‘the Fourth Industrial Revolution’, MIT professors Erik Brynjolfsson and Andrew McAfee refer to as ‘the Second Machine Age’ and others have labelled ‘Industry 4.0’.<sup>4</sup>

Regardless of which label you use, any thoughtful analysis of the current state of play in business and society makes it clear that the years to come will be a time of rapid and fundamental change.

Throughout this chapter, we’re going to look at what the coming age of widescale automation is going to mean to a range of different industries and how it will disrupt the status quo in some surprising and extraordinary ways.

To get us underway, let’s briefly look at the two significant enablers of this age of widescale automation, as they offer a number of clues as to how this whole trend is going to play out.

## **Enabler 1: Ubiquitous data**

Data today is more plentiful than ever.

It’s widely accepted that 90 per cent of the world’s data has been created in the past two years<sup>5</sup> and Google’s servers alone handle 24 petabytes (equal to 24 million gigabytes) each and every day.<sup>6</sup>

While a lot of this data is generated in monitoring the mechanical world of turbines, tyre pressure and thermostats, a somewhat creepy amount of it is actually about us as individuals. Consider this: private companies today collect and sell as many as 75 000 individual data points about the average individual consumer.<sup>7</sup>

The raft of web-enabled devices and sensors churning out this data is often referred to as a trend called ‘the Internet of Things’ and it is a trend that’s only just getting started. It is estimated that by 2020 there will be 50 billion connected devices in use and more than a trillion sensors monitoring every conceivable facet of our lives.<sup>8</sup> By 2025, forecasts are that a full 10 per cent of the population will be wearing clothing or reading glasses that are connected to the Internet.<sup>9</sup>

Owing to its scope and volume, this ‘big data’, as it is often referred to, is transforming the nature of business. Reflecting on this, former GE chairman and CEO Jeff Immelt suggests that every company today is in the software and analytics business—whether they want to be or not.<sup>10</sup>