

Business Trends That Will Shape Our Future

fast forward

by Kenn Tomasch

“The future has a way of arriving unannounced.”

George Will

“Prediction is very difficult, especially of the future.”

Niels Bohr

“I’ve seen the future, and it’s much like the present—only longer.”

Dan Quisenberry

It’s always tricky work, trying to look ahead to the next big thing (you didn’t get to the office this morning in a flying car, did you?). The future has endless possibilities, and a seemingly similar number of people with opinions about what it’s going to be like. In this issue of COMMERCE, we’re taking a look forward to how you’ll hire (see page 15), what you’ll wear (page 28), whether you’ll truly go paperless (page 16), the roads on which you’ll drive (page 26) and what you might run into if you don’t plan for your own inevitable future (page 14). We’ll even show you how the Chamber is doing some forward thinking of its own (page 24).

The future may be unlimited, but our space is not, so here we look at just a few business trends that will very likely affect you in the coming years:

You’ll Enter a New Age of Employees

If you’re reading this, there’s a good chance you either are a Baby Boomer, or you work for or with one. Some 79 million Americans are Boomers (born between 1946 and 1964 by most definitions), a generation that made seismic changes in our society. As noted gerontologist Ken Dychtwald said, Boomers “didn’t just go to

work; they transformed the workplace.” And they’re set to do it again.

As those like Kathleen Casey-Kirschling (a New Jersey woman sometimes called “the first Baby Boomer” because she happened to be born just after midnight on January 1, 1946) reach retirement age, it may create a ripple effect with tidal-wave results.

“A major concern is ‘who’s going to replace the retiring baby boomers?’” admitted Dr. Sandra Gill, Ph.D., Dean of the College of Business at Benedictine University in Lisle.

“At the same time, there’s a concern that many of those boomers who have not planned well or have been the subject of unexpected job declines will want to remain in the workforce,” Gill said. “There’s the concern from some of the younger population that the boomers will not retire and not open up the jobs that the younger workers are hoping to move into. So, there’s a great bit of tension there.”

Because the knowledge that many companies’ senior staffers possess is so valuable, firms will often look to retain them as consultants after they’ve officially left their employ. This “talent on demand” relationship is just one of the flexible working

arrangements that can mitigate the effect of a huge portion of the population leaving the workforce.

“We have a very talented and educated workforce in our region,” Gill said, “and people love to live here and stay here. They’ll likely continue to want to work here, too.”

You’ll Be More Concerned About Security Than Ever Before

Data security has been in the news more recently than ever before, and the financial ramifications of security breaches are growing. Companies that collect and store personal data are required in nearly half the states in the union (including Illinois) to disclose to customers when their data has been compromised (federal legislation is pending). This can result not only in a huge public-relations backlash, but a financial one as well, as customers are likely to take their business elsewhere when they feel their privacy has been violated.

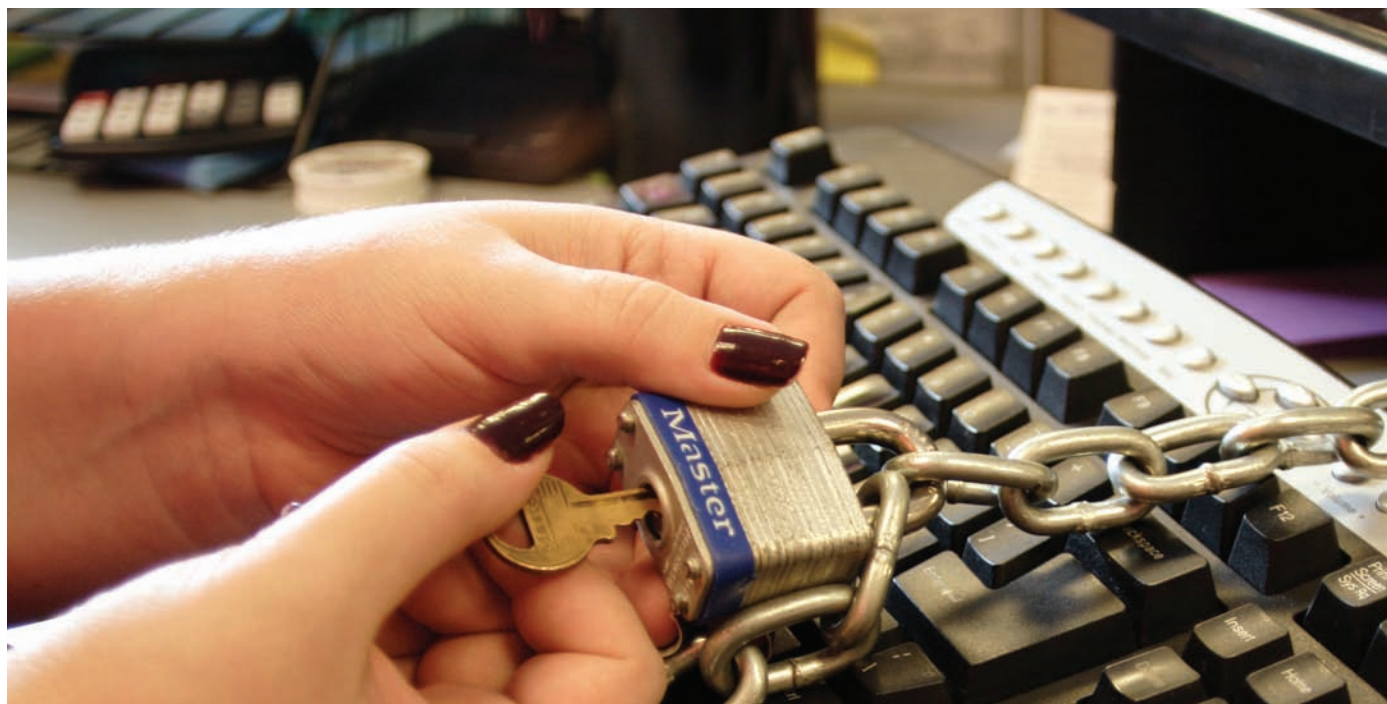
But what if your company doesn’t collect and store personal information? You’re still not free and clear. Any company with internet access for its employees has to deal

with potential intrusions of hackers, spyware, adware, viruses and denial-of-service attacks. Even small businesses aren’t immune, but there may be help on the way.

“You’re going to see more and more (protection) hardware and software for small business,” predicted Gregg Eisel of One-2-One Computer Assistance, Inc. “I don’t think the same tools that have been available for large businesses have been available for small businesses.

“Right now small businesses are wrestling with the fact that they don’t know how to take care of their computers, they don’t know how to avoid all the problems and slowdowns that lead to a lack of productivity,” said Eisel, who estimates he spends 40% of his time dealing with clients’ security issues. “These things slow them down to the point where they can’t get their job done. That’s all they care about - they want to get their job done. They don’t want their employees wasting time playing around with antivirus, antispyware, they just want to install it and have it work, and probably at a reasonable cost.”

Even businesses with one employee are at risk—if that one employee only has one computer.



It's a lock: security will be even more vital in the future.

"The home business user is really under attack more than anybody because they've got kids at home, they don't have multiple PCs and they're letting their kids use their business PC," Eisel said.

"I have four PCs in a network at home and my kids are absolutely forbidden from even (spending) five minutes on my PC because I know what happened the last time I let them use it," said Eisel.

You'll Be Into Outsourcing

Outsourcing has become much more elaborate than simply having someone in a far-off land providing customer service or technical support via telephone. In the future, you'll likely farm out more functions of your business because it's easier and more cost-effective.

"It's becoming more prevalent, particularly for smaller companies," noted Sun Kwok of Integral Corporation. "If either you don't want to do it yourself or your company has reached the size where you want to concentrate on what you do best, then outsourcing is a great alternative. If you're not that good at accounting, would you rather spend your time in front of the customer or crunching numbers?"

"It definitely helps you with turnover, too," Kwok continued. "If you hire a company, the turnover is their problem, whereas if you hire somebody and it doesn't work out, you're on the hook."

Outsourcing doesn't have to mean sending American jobs overseas ("offshore outsourcing") and doesn't have to mean a drain on our economy. In fact, letting businesses operate more efficiently leads to lower prices, which leads to higher standards of living and more jobs as the economy grows.

Locally, many Chamber Members outsource some operations to other Members. Companies such as Advantage Bookkeeping, the Chamber's 2005 Small Business of the Year in the Service: Business to Business category, have thrived by providing first-rate service as a third party.

"We don't even really have to advertise anymore," admitted Advantage Bookkeeping's

Shirley Fancher. "Our networking and good word of mouth have helped us grow by leaps and bounds, but it helps that the concept itself has gained a lot of validity with business people in recent years.

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Sun Kwok,
Integral Corporation

"Before, the old fashioned notion was that you had to do everything in-house," said Fancher. "Now, I think people are getting more and more comfortable with the notion that if you don't have that particular skill on your staff, then you go out and get it."

Fancher admits that her firm both benefits from and takes advantage of the outsourcing trend, as they hand off their tax preparation and marketing functions to other businesses. "It gets to be a nice family of alliances with people that align with their strengths," she admitted. "Marketing and taxes and creative things aren't my strengths, but numbers are."

Your Workspace Will Be Very Different

Employers are already starting to "rotate the crop" when it comes to the traditional "cube farm" office concept. The coming trend is toward more shared workspace with some private desk areas to encourage employee collaboration.

The office environment of the future will be more open, complex, and visually stimulating, especially for those in creative pursuits like advertising and design. Floor plans will actually encourage you to spend less time in your office and more in common areas—one theory being that moving about, interacting with your co-workers and being less sedentary will be a boon to employees' physical and mental health.

Technological advances in lighting, acoustics and ventilation will also help make your office more comfortable, hopefully paying off in increased productivity by your employees.

"Systems furniture," the official name for your basic Dilbert-like domain, still accounts for some 30 percent of annual office furniture sales because of its flexibility and versatility. But increased mobility for workers, in the form of PDAs and laptops, offers a chance for those workspaces to be smaller as employees spend less time in them.

Leading-edge companies like Pixar and Google have completely redefined workspace by designing wide-open, communal spaces that attract traffic all workday long. Individual offices and cubicles are personalized according to the employees' tastes and needs rather than a "one size fits all" approach.

You'll Do Business In Places You Never Imagined Before

The borders of DuPage and Will Counties encircle nearly 1,200 square miles of land, but those borders are expanding



Nontraditional workspaces like those at Google may soon be prevalent. Photo courtesy Google, Inc.

every day as local companies reach out and conduct business internationally.

Illinois' foreign exports in 2005 totalled nearly \$36 billion according to statistics from the state's Department of Commerce and Economic Opportunity. More than a third of that (some \$14 billion) came from exports to our neighbors in Canada and Mexico, but Illinois companies also did more than \$3 billion in business in Asia in 2005, with the developing market in China

"It is my firm belief that any business community will benefit from exploring international business and the resources available through those channels," said IBC member Pamela McGeorge of I Speak English, Inc. "Whether a simple import/export liaison or a more complex partnership, the benefits of international business speak for themselves in terms of improved bottom lines and increased productivity. I am of the opinion that in order

price to pay for ignoring these issues—and not just the price you pay at the gas pump.

Our country's dependence on foreign oil and the necessity of finding alternative sources while conserving existing resources means business has to re-think its approach. While switching to more eco-friendly ways of doing business can be done mid-stream, the construction industry is already seeing the need to start "going green" literally from the ground up.



Opportunities for international trade come into clear focus through the Chamber.

a likely target for local firms in the near future.

The Chamber's International Business Council has been educating our Members on international trade opportunities since its inception in 2000, and those efforts took a giant leap forward in 2006 with the establishment of a partnership with the World Trade Center Chicago (*see COMMERCE, Fall 2006, p. 14*). Every Chamber Member now also has a membership in the WTCC and access to resources that can create the trade culture our local economy needs to stay competitive.

for Naperville businesses to continue pursuing excellence and recognition on a national level it would behoove us to raise our level of awareness and involvement in the global business community and pursue international opportunities."

You'll Find Money in Going Green

While environmental concerns may not have been on the radar of the typical businessperson in the past, recent events have made it clear to even the most oblivious that there's a

"My son is an interior architecture major at Columbia and they're doing projects on green materials, so if they're learning it, it's here," said Debra Lellbach of Lellbach Builders.

"(If) the young kids are already learning it and thinking that way, it's kind of the trend," Lellbach continued. "I think it will take a lot of time to catch up to mainstream, but when you start to look into lower economic housing we're seeing it more and more. Communities are being developed that are meant to be sustainable and less expensive for lower-cost housing so

people can live and pay their own bills and have it be less expensive.”

Forest Reinhardt, the John D. Black Professor of Business Administration at Harvard Business School theorizes that one of the primary reasons for Americans’ concern for the environment is that those with higher incomes tend to demand environmental quality more so than residents of poorer countries. Once again, money talks, and it’ll speak loudly and clearly to businesses who don’t take heed of their customers’ desires for energy efficiency.

“For us to have a customer aware of it, that’s one in probably 20 customers a year for us, that’s a start,” Lellbach said. “If we don’t expose ourselves to that, slowly the demographics are going to change and as people become more aware of it they’re going to start demanding more of it. If we don’t change with it, we probably won’t be as busy or as profitable as we want to be.”

Be Visionary

The Chamber’s Vision Statement reads: *“Seize the future. Grasp tomorrow’s opportunity today. Watch for it. Recognize its potential. Seize it.”* Before the future turns into the past, start thinking about what you’ll do when it becomes the present. And remember who told you what was coming.



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