

## 10 TRENDS FROM THE TRENCHES 2019: CHANGE ISN'T COMING, IT'S HERE. ARE YOU READY?



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After a busy 2018 of [Vistage](#) workshops, keynotes and client engagements across the country and around the world, I thought this was a good time to reflect on the Trends from the Trenches I've been hearing and seeing from CEOs and their key executives—and from their clients, college students and customers.

What are they seeing? What are the major trends they are confronting as they wrap up 2018 and begin to plan for the new year?

Well, some are rather disturbing. Others are very encouraging. Here are ten that are worth sharing. But please, don't get change fatigue. The pace and path of change are not slowing down. I invite you to enjoy the journey and learn how to "see, feel and think" in new ways. Here we go...

### Pay Attention to these Top 10 Trends

#### 1. The tariffs are challenging. Even damaging.

It doesn't matter whether you are a recycling company trying to sell your products to China or a manufacturer hit with tariff charges for raw materials bought before the tariffs were even implemented, the impact of tariffs is everywhere. CEOs are shrugging their shoulders and wondering how they can adapt quickly enough to recoup, in some cases, \$1 million in additional costs. Several are trying to open manufacturing facilities in other venues to avoid the tariffs but are concerned about how to survive in the interim. One particular CEO is worried that his growth is now seriously limited in the U.S., i.e., flat, and expansion may only be feasible outside our borders. Others are already passing along the cost increases to their customers.

Few are seeing more business here. Some, for example, are unable to buy steel from U.S. steel companies, which was one of the gains that was supposed to come out of the tariffs. While I am hearing these reactions firsthand, you don't have to look very far to see the impact on virtually every industry, from whiskey and bourbon sales to casino attendance. This [story](#) about which foods are being impacted by the current tariffs captures it so well.

Many business leaders are wondering, where are the benefits? We at [SAMC](#) ask the same question. Why are we doing this?

## 2. Where are all the workers?

Another recurring theme is the [absence of workers](#), much less qualified ones. There are 7 million empty jobs in the U.S. but only about 6.4 million people to fill them. The job shortage is impacting every type of industry we work with or speak to: from the roofers who cannot put on roofs in North Carolina to the cybersecurity experts looking for people to manage their clients.

Careful who you sit next to on an airplane flight across the country. Their agony is contagious. It doesn't matter if they are road builders or manufacturers, software engineers or potato farmers. The ubiquitousness of missing workers is not a small blip on the screen. It is a massive concern.

Sure, increasing wages is one strategy for solving the problem, but businesses are seriously looking for alternative ways to get their work done. Robots might be coming faster than they are even now. For example, [machines](#) are beginning to pick the grapes that human hands used to harvest. While grape-picking machines have been coming for a while, they are now becoming essential.

## 3. Then there are those robots.

While robots are running [hotels](#) and cooking meals in Japan and transforming manufacturing in [Mexico](#), we are beginning to see them entering businesses that we work

with or lead workshops for. For many mid-market leaders, there is a certain reluctance to embrace robotic options. We are not sure why, but if these businesses are going to thrive, there must be a new willingness to embrace robotic options.

There are an expected 3 million robots that are going to enter the workplace by 2020. I already see them as security guards in hospital parking lots in California. I see them in factories in Connecticut making highly-specialized parts for airplane engines. We all see them coming soon to those new Amazon distribution warehouses.

Something we at SAMC need to put on our calendar for 2019: attend robot trade shows to see where else they are going to be, soon! You might do the same.

#### **4. Not enough caregivers for our seniors.**

Ironically, one of the most significant areas with substantial yet unrealized potential for robots is the [care of the elderly](#). There used to be seven people caring for each of our older citizens. Now it is down to four, and shrinking. What is clear is that we will need better, more innovative ways to care for the growing population of older adults who have neither a loved one nearby nor enough money to move into an assisted living facility. [Japan](#), for one, is already building robots to care for their elder population. We in the U.S. are behind.

Whether the answer lies in the use of “care robots” along with telemedicine systems is not yet clear. But something big is coming. It has to. Men typically die 10 years before their spouses, leaving their wives without the benefit of their companionship, their pension or their financial support. Many of us are worried that those wives may end up homeless. Without caregivers or resources, we as a society are facing a very big problem, or a huge opportunity, depending on whether you are a pessimist or an optimist. Regardless, prepare now, for this trend is unavoidable.

#### **5. The cloud is no longer scary. Your staff's responses to it are scary.**

Whether you're a law firm or accounting firm or any firm, you're facing a major transformation to move your IT, your finances, your data, call it whatever you wish, to the cloud. Following suit, the resisters are now reluctantly coming to the realization that the times are a' changing, as their clients move their services into more fast-paced, cloud- and AI-supported solutions.

Accountants are learning how to help their clients in new ways (i.e., becoming more consultative). Attorneys are studying how to compete with simpler, easier, online legal options. And “billing” methods of the past are changing, too, as hours turn into value.

Back in 2016, already [93% of businesses](#) were using the cloud in some fashion. The challenges, as we are seeing with our clients, lie in the outdated cultures and work patterns that have to change to make cloud-based systems effective. You cannot keep doing your business operations the way you always did them if your QuickBooks is now on the cloud, along with your receipts, bill paying and payrolls. Companies are less concerned with the cloud, *per se*, than in getting their staff to do new jobs faster and better.

## 6. Healthcare is being flipped upside down.

Hospitals and doctors, many of whom are our clients, are facing major changes in their cultures, the way they do things, the things they value, and the way they deliver care. Technology used to support them. Now it is replacing them. Think about the current plethora of wristbands and the data points being captured by those wristbands. Think about the monitoring of devices, like pacemakers, remotely.

Because access to everything related to your health is becoming critically important, doctors are being pressed to expand their scope of services by adding nurse practitioners, offering patients everything from online appointments to telemedicine options, and even giving special cell phones to moms who don't want to go to the ED. Apple watches are now offering care management solutions. And on top of all that, today's young doctors are changing the medical workplace with new ideas about how they want to deliver care and how and when they want to work.

If you want to see how this trend is playing out, just try and call a doctor's office for an appointment. It's easier to go online and make one yourself, check in online yourself, and maybe someday soon even look up your illness and prescribe some remedies, yourself.

## 7. Higher Education is facing a redesign.

Universities, colleges, community colleges and even prep schools are all facing new demands, challenges and the need to change. Demographics are powerful. There are fewer high school students graduating and going to college. Foreign student enrollment is way down. Colleges are being asked to change their academic offerings. Employers want colleges to better prepare students for the demands of the workplace, and on and on.

I recently did an [On The Brink podcast](#) with the chief strategist of George Fox University which is working with major employers, such as Nike, to design new degrees to prepare their future workforce, together. Re-skilling [older employees](#) is opening up new opportunities for employers to work with colleges to help their staff remain vital as they age and as their workplaces are transformed with new technologies and business models.

One model that is emerging, we believe, is that of the college as a platform where it is less about faculty and classes and more about connecting people to employers or others who need educated, skilled staff, regardless of what level of skills. Many of our clients are getting requests from employers for even partially trained students to fill empty job slots that are essential for the employer. Desperation might lead to innovation.

## 8. Agriculture is going through its own transformation.

One of our SAMC clients is a major agricultural college, among the top ten in the U.S., which is being asked to re-skill agricultural workers for a new, hi-tech agricultural world. Autonomous tractors need software technicians. Highly-sophisticated seeding equipment and automated laser milking machines need different skills from the old traditional labor force. And new ventures, such as cannabis farms, are paying managers good wages. Then there are the [urban farms](#) that are springing up in rebuilt warehouses and on roof tops in major urban areas, with great success. Soon, farm-to-table might be from your rooftop to your table.

## 9. Consolidations are posing interesting challenges.

Businesses that have been acquired are having to adjust their cultures, sometimes with great difficulty. In turn, the acquirers are trying to make sense of their “great” acquisitions. Did they just buy more capacity or is there real value there? Those companies that are remaining independent are often picking up the clients of the newly-merged ones—those that still want the personal attention of a smaller firm. It doesn’t matter if it’s a foundry that makes steel parts or a food distribution business. The challenge for the merged entity is to build a new brand and a culture to go along with it—often without the skills, processes, people or know-how to do it.

## 10. People are reaching their “limits.”

Everyone is trying to find a better lifestyle. Long hours, heavy workloads and the pressures of more work and too few staff are creating workplace stress levels that are increasingly untenable. Regardless of the type of organization we work with—healthcare, service firms, distribution centers, manufacturers—there is a recurring concern among workers that things are growing faster and larger than they can cope with. People are even asking for ways to address “change fatigue.” This, of course, has been going on [forever](#). People are most comfortable when there is predictability to their daily lives. Right now, there is very little that is predictable for many people.

Along with this growth, mental health issues are becoming ubiquitous. Almost one-third of Americans are struggling with depression or some sort of mental health problem. One of



our clients that deals with mental health in Colorado is focusing on helping people pay attention to their well-being *before* it falls apart.

Certainly, having a growth mindset is essential for a [company's strategy](#) and culture, but it creates serious potential problems as organizations struggle to find and keep talent, and work to deal with clients who are also trying to find and keep talent. If you feel like you are on a tightrope, you are. Keep looking ahead and stay in balance and hopefully you'll be fine!

## How to respond to these changing times: wait for a crisis or change now?

Every time I offer my Trends from the Trenches, such as this one, I realize how valuable the [power of observation](#) is when I am out watching how people are building businesses in these fast-changing times. I have often said that if you want to change, “have a crisis or create one.” It is not fun to watch smart men and women struggling to figure out solutions to these trends. For many of them, they are reaching crisis moments.

On the other hand, throughout human history, evolution has always occurred as people have struggled with changing environments. I don't think today is much different. It will not be the sluggish “farmers” who thrive. We need nimble “hunters” and “explorers” to transform businesses and the people working in those businesses for the next period in our own evolution.

As I always say: Darwin was right. It is not the smartest or the strongest who survive. It is the most adaptive that thrive.

Onwards!



*Andi Simon*

### About the Author

[Andrea \(Andi\) Simon, Ph.D., corporate anthropologist](#). I founded [Simon Associates Management Consultants](#) (SAMC) over two decades ago to bring the unique perspective of anthropology to businesses and organizations that need or want to change. As a [culture change expert](#) and trained practitioner in [Blue Ocean Strategy](#)®, I inspire a diverse range of organizations to “see, feel and think” in new ways, finding better solutions for their current customers and “big ideas” to attract future ones.

[Contact SAMC](#) to find out how we might help your organization drive change, overcome challenges and reach your potential for success.

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