
Creating and Leveraging Revolutionary Wealth

September 19, 2006

Dr. Stan Rosen
srosen@toffler.com
310.642.4653

The Tofflers' *Revolutionary Wealth* was published in April 2006

- Alvin and Heidi Toffler's world-renowned works include *Future Shock*, *The Third Wave*, and *Powershift*.
- *Revolutionary Wealth* is a best seller around the world
- *Revolutionary Wealth* provides a context and ideas that help create and capture future value.



Artwork by Julian Puckett in David Hamilton, "No Substitute," *WSJ Interactive*, March 12, 2001.

Copyright © 2001 Dow Jones & Company, Inc. All Rights Reserved.

What's *Revolutionary Wealth* all about?

From the inside flap of the book *Revolutionary Wealth*

“Starting with the publication of their seminal best-seller, *Future Shock*, Alvin and Heidi Toffler have given millions of readers new ways to think about personal life in today’s high-speed world with its constantly changing, seemingly random impacts on our businesses, governments, families and daily lives.

Revolutionary Wealth is about how tomorrow’s wealth will be created, who will get it and how. But 21st Century wealth, according to the Tofflers, is not just about money, and cannot be understood in terms of industrial-age economics. Thus they write here about everything from education and childrearing to Hollywood and China, from everyday truth and lies to what they call our “Third Job” --- the unnoticed work we do without pay for some of the biggest corporations in our country.

They show the hidden connections between extreme sports, chocolate chip cookies, Linux software and the “surplus complexity” in our lives as society wobbles back and forth between depressing decadence and a hopeful post-decadence.

Blazing with fresh ideas, *Revolutionary Wealth* provides readers with powerful new tools for thinking about -- and preparing for -- their future.”

We will discuss a few of those ideas today.

Toffler Associates - Helps firms create their future

We are an executive advisory firm helping organizations address growth issues at multiple levels

Toffler Associates:

- Develops comprehensive views of technological, social, economic, and other environmental impacts that will affect business growth
- Formulates creative strategies that anticipate and pre-empt the competitive moves and counter-moves of others
- Implements high-impact strategic initiatives, in the context of deep organizational and cultural change
- Provides industry forecasts based on models that go far beyond trend analysis and reveal the 2nd and 3rd order causes and consequences of change



We are experienced in sectors ranging from aerospace, chemicals, information technology, financial services, health, to telecommunications

Our people come from a wide range of professional backgrounds, but share a common focus and expertise - the ability to adapt the Tofflers' insights to help build practical strategies and actions

Our people work in various geographic regions including Asia, the Americas, and Europe

Key Concept: We are revolutionizing humanity's links to the "deep fundamentals" of wealth

Deep Fundamentals matter in all economies, at all stages of development, in all cultures and every civilization, past or present.

The business "fundamentals" investors hear so much about are really "superficials" - underneath them is a set of far more important "deep fundamentals" on which all the others depend.

These "deep fundamentals" are Time, Space and Knowledge - and they are all changing, with significant social, cultural, psychological and economic implications

Examples of changes in the Deep Fundamentals

Simultaneous, radical changes in these three domains are having profound effects on our society

- Rearranging time
 - Business, society, government are changing at different rates of speed, creating stress as our rhythms are out-of-“sync.”
 - Productivity is less and less linked to time and synchronization
 - Humans are capable of measuring, exploring and controlling shorter and shorter, as well as longer and longer expanses of time
- Stretching space
 - Monumental transfer of wealth and wealth creation across the world map, especially toward Asia
 - Change in the criteria by which we value place or location
 - Emergence of cross-national regions
 - The creation of cyberspace
 - Globalization. Reglobalization? Deglobalization?
 - Unexplored wealth frontiers, including space
- Trusting knowledge
 - We are engaged in the fastest and most profound restructuring of knowledge in history
 - We are making the wealth of individuals and nations alike more dependent than ever on the growing global knowledge base

The “hidden” non-money economy is a substantial component of national and organizational wealth

Non-money wealth is value we all produce that (currently) has no price because it is not bought or sold in traditional markets

- The non-money economy includes the immense value our organizations create each day that we traditionally haven't measured, tracked, or paid for ... for example ...
 - Prosumption: consumers have become part of the production process (*e.g.*, digital camera home-printing)
 - Non-paid labor (*e.g.*, housewives, volunteers)
 - Knowledge assets (*e.g.*, informal training, experience, expertise we provide to our employees and customers)
 - Indirect impacts (*e.g.*, Oprah Winfrey's Book Club creates instant bestsellers with no compensation for endorsements)
 - Deep fundamentals: taking advantage of changing relationships our organizations have with space, time, knowledge (*e.g.*, value of being first to market)
- The non-money economy is greater than most organizations understand, and it will become more valued in the future ... by those who know how to value it

Few organizations are realizing the full value of the substantial non-money wealth they create

Whether you are a private or public sector organization, income statements and other traditional frameworks don't capture the true value you're creating

- Organizations that do, and that work to ensure others realize it too, can have real competitive, positioning, and other advantages, including:
 - Strengthen brand and deepen customer intimacy
 - Create and attract new revenue-producing, partnership, and other opportunities that many don't see
 - Inspire the confidence of external funding sources and other stakeholders to provide your organization the resources you need to grow and thrive in your mission
- Examples include:
 - Progressive publishes rates of rival companies, using this “free good” (knowledge) to create insurance prosumers - more of whom become Progressive customers each year
 - NIH immunizes and makes health information available to millions, reducing the spread of disease and the time and money people spend on healthcare ... leveraging this non-money wealth helped NIH budget grow 113% over 8 years

Six steps to understanding and leveraging the non-money wealth your enterprise creates

Understanding the key dynamics of the 21st century economy and society can help you unleash your revolutionary wealth

- Setting the Context: groundwork on understanding your organization's mission and activities in new ways
- Revolutionary Wealth Inventory: analyze the assets (tangible and intangible) you have and the activities you perform that represent and generate non-money wealth
- Impact of the "Deep Fundamentals": assess your ability to leverage time, space, and knowledge to create wealth
- Valuating Your Revolutionary Wealth: monetize or otherwise assign a value to your organization's most important non-money wealth assets and activities
- Identifying Options for Increasing Your Revolutionary Wealth: develop ideas for new products, services, and internal process changes that produce new value
- Telling the Story: strategic communications to convey to key audiences the value of your revolutionary wealth

Enterprises who want to create the future increasingly will be compelled to consider this question ...

You're already creating wealth and producing results you don't even realize ... You can create more, and communicate it to those who matter most

How can we convincingly monetize (value) our non-money wealth and how can we increase the non-money wealth we're able to generate in the future?

- Examples of the impact of public and private sector organizations' answers to that question ...
 - Government: materially influence the behavior of Congress, OMB, and others toward their agencies by providing "proof" of the results they produce by creating and leveraging non-money wealth
 - Commercial firms: shape the views of consumers, shareholders, and The Street about their businesses by demonstrating the impact that their non-money wealth has on their top and bottom lines

Toffler Associates helps clients understand and leverage their non-money wealth

“How do we begin tracking, measuring, and leveraging our non-money wealth?”

Answering this key question enables you to grow your business and deliver more effectively on your mission

- Customers turn to us to help them identify the non-money wealth inside their organizations and translate it into terms that key stakeholders understand (e.g., customers, Boards of Directors, employees, Congress)
- Toffler Associates’ commitment - we help you create your future - includes working with you to ...
 - Evaluate the immense wealth you possess and create
 - Convey the true impact of that wealth to the employees who create it, the customers who benefit, and the stakeholders whose resources and support enable you
 - Increase your non-money wealth and the impacts it creates by increasing your ability to “connect knowledge to knowledge” and leverage the “deep fundamentals”

Understanding and demonstrating the value you create through your non-money wealth positions you for long-term success