'Technophobia' is doom for business

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James Canton sees the future — and he believes many businesses aren’t ready for it. As the leader of The Institute for Global Futures, Canton advises businesses on how to get ready for a world in which computer networks and technology will assume a larger role in day-to-day activities and strategic planning.

His thoughts on technology carry some weight: He’s a guest host on CNN Financial News Network, and an advisor to the White House Science and Technology Office and the Massachusetts Institute of Technology Media Lab Europe.

He was in Charlotte March 25 for the Metrolina Entrepreneurial Council’s FutureTech conference, which drew a crowd of 200 at the Adam’s Mark hotel.

Canton spoke with Staff Writer J.C. Zoghby over breakfast about technology, the slumping stock market and traditional industries. What does a futurist eat? An egg-white omelet with vegetables, freshly squeezed orange juice and strong black coffee.

Despite the pervasiveness of technology, some companies are slow to embrace it. Why?

Oftentimes it isn’t about a company recognizing the new technology. It’s about having the right kind of culture to identify change, the readiness of people to identify change and then the willingness to do something about that. The technology comes after that.

It’s not that we don’t have access to those innovations. We, as a culture, move differently in the United States than other cultures do in terms of adopting new innovations. Just because you invent something doesn’t necessarily mean that people are going to use it or it will be packaged, promoted or deployed the right way.

What do you make of the technology naysayers in a slumping stock market?

There is no Old Economy, New Economy. There is only the next economy and the evolution of the economy definitely is being driven by high technology.

At the end of the day, you still need networking. E-business is not going away. We’re not going to decide because of the dot-com crash that we are going to throw out e-procurement and e-learning, we’re going to stop using e-mail, and we’re going to stop using computers. Yes, there were a number of pure dot-com plays that had no business plans that could be sustainable.

Dogfood.com would probably have been a bad idea to begin with. I don’t need to buy my Kibbles online. A lot of people don’t need to get their pooper-scooper online. You had irrational liquidity available in the private markets and the public markets. They weren’t worried about (the market’s hysteria) because you, Mr. or Mrs. Investor, got in on the private placement at $1 and we’re bringing it out at $5. You’re going to get a 400% return. Wow. For a number of technology companies, there was no return on investment or basic fundamentals in terms of supply and demand. That whole game was irrational. It had nothing to do with good, old-fashioned capitalism. The jig was up.

What about the Federal Reserve’s role in reining in the market’s “irrational exuberance?”

Alan Greenspan did not understand this phenomenon. He didn’t understand that one-third of real Gross Domestic Product is being driven by information technology.

What we’re doing right is we’re investing in innovation. The United States is where the innovation is, this is where the engineers are, this is where the deepest pockets for venture capital are, and this is where innovation is born.

Greenspan didn't understand that we had a new evolution of industry, global society and economics. What happens to the dollar is now intrinsically linked to every other stock market in the world, every other monetary system.

In the midst of this dot-com experiment, Alan Greenspan went ahead and raised rates to try to quell something he didn't understand. By doing that, in my estimation, he screwed it up.

How would you advise traditional businesses, such as banks, to make the best use of technology and recast themselves for the future?

Many of our customers are banks. The banks have a lot of challenges to learn how to be better at being customer-focused. They don't do a good job of that.

Banks need to be at the forefront in integrating a number of technologies already available.

The Institute for Global Futures does business with about five banks. I've never once gotten an e-mail from one. Not one. No tailored information. No segmented information. No sell. Nothing.

To change these cultures to accept and champion innovation is very difficult. The only thing that stops them is that they're in a traditional business. Banks are not suffering so they don't feel the need to change. What's going to happen is that non-traditional competitors, who are leveraging technology, are going to start breathing down their necks.