



Will Power

Craig R. Hersch *Florida Bar, Board Certified, Wills, Trusts & Estates Attorney; CPA*

GLOBAL THINKING, PART I

I'm going to step outside the box a little with today's column and discuss how this moment in history that we are all experiencing together is probably one of the most transforming periods in all of humankind. It will have broad repercussions in government and tax law, so I feel that if one understands, globally, what appears to be happening, one might also be able to adjust one's affairs, professionally and financially, to take advantage of the opportunities while avoiding the dangers.

When I say that we are in a global transformation, I am talking about how the internet, the use of computers and technology, and how databases are changing the world. To understand why and how these technologies are affecting each and every one of us, one has to look backward to find another transforming event and view how, historically, that affected mankind. I would point to the development and widespread use of the printing press as such a time that one can analogize to today.

The Printing Press Transformed Society

Dan Sullivan writes in his "Global Thinker" that the digital age is the fourth big crossover in the development of humankind. Sullivan explains that before Gutenberg's printing press, during the Middle Ages, the European masses were largely illiterate and dependent upon the Catholic Church for most information. This led to corruption within the church and a theocracy throughout much of Europe. If an individual wanted information, it came through church elders who used the levers of knowledge and dissemination of that knowledge as tools to control the populace. Two large groups operated outside of the church's control throughout Europe. These include the Jews – who had a long tradition of study, learning and literacy, as well as merchants, who had to be literate to conduct business. Often the two groups overlapped, and sometimes were persecuted precisely because they did not adhere to the teachings of the church.

When Gutenberg developed his printing press it became tremendously popular on the continent, and literacy took leaps forward. This transformation enabled the masses to learn and understand teachings outside of church doctrine and eventually lead to an explosion of new knowledge in the sciences, arts and literature. New ways of thinking and doing business developed, leading to a boom that up until that time period was inconceivable.

Digital Age Transformation

Just as the printing press transformed the 15th century, the digital age is transforming humankind. No longer are big businesses, big government and big bureaucracies the gatekeepers of jobs and information. The digital age allows

individuals to have a much larger voice in local, regional and national affairs. Take, for example, Internet "blogs". For those of you unfamiliar, many individuals post their insights and viewpoints on Internet "web logs". A very popular one can be found at www.andrewsullivan.com – known as the Daily Dish. Mr. Sullivan is a *Time Magazine* national correspondent, but posts his internal thoughts and viewpoints on his blog. Thousands more like him have formed grass roots campaigns on various matters of political, economic, social and business interest. Before the Internet and the technology to create a blog, these authors would have had to find a traditional media outlet or publisher to transmit these views to the general public. Unless these unpublished viewpoints exhibited profit or some altruistic benefit that could be recognized by the standard outlets, most of these views would never have seen the light of day. The digital age changed all of that, just as it is changing the way we do business. Amazon.com doesn't have any "bricks or mortar" stores that one can drive up and walk into, yet it does hundreds of millions of dollars in business annually. In my own little law office here in Southwest Florida, we conduct software training through the use of "webcasts" where a far off expert teaches my staff how to operate sophisticated software through our 37 inch monitor in a conference room.

Transformations Bring Difficulties, Too

As with any transformation affecting society, difficulties will ensue. General Motors, which operates under the old school of business (dictating to the consumer what he or she wants), will lose out to Toyota, which brings individual selections more closely aligned to the needs of the individual. Nightly newscasts will lose their influence over public opinion, as a wider array of opinions fragment the marketplace. Big government (federalism) will begin to lose its grip as local values take precedence. Privacy, a hallmark of the American way has already become a quaint notion from days gone by. As businesses, banks, credit agencies and government implement databases on everything from what brands you like to purchase at the grocery to what assets do you own, how you own them and what are they worth, your personal information can be scattered across the globe on a moments notice. This knowledge is already being used to specifically market products to you, and to target (beneficially and adversely) those with affluence.

The digital age transformation will also alter our legal and tax systems. Next week's article will forecast how these changes might affect your pocketbook.

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