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## The Influencers

### What forces will affect your business in the coming year? Here are the 25 people, trends and events you can't afford to ignore

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*To see a slideshow of this year's influencers, [click here](#).* **Entrepreneur.com**

In our first-annual look at the nation's top 25 influencers, we name the individuals, groups and trends we believe will have a substantial impact on business owners in the coming year. In our view, no entries here are merely interesting for you to know about. They are essential—the forces you must take into account now so your business can reach full strength.

Naturally, some of the topics overlap. One could argue, for instance, that consumers' trust in the products they buy—or lack of it—is one reason more of them want to purchase from socially responsible companies. Or, to take another pairing, it's easy to see how a look at the mortgage debacle and its effects leads to questions about what Federal Reserve Chairman Ben Bernanke can do to bolster the economy.

As you survey our choices, you may think, "Why is this here? And where's (fill in the blank with your favorite person or trend)?" These are our picks. We know you might have others. No matter how we debate the nuances, we believe it will pay off for you to know about these influencers in 2008.

#### Steve Jobs

Steve Jobs dropped the price of his fabled iPhone by \$200 just a couple months after it went on sale. When hundreds of peeved early buyers wrote to complain, Jobs admitted they needed to be treated better and offered them a \$100 credit toward another Apple product. That's what we call intelligent marketing to win back consumer trust.

Entrepreneurs can learn from the Apple CEO because he makes smart choices. "What makes Apple different is [that] marketing leads the effort and doesn't follow it," says

technology analyst Rob Enderle of Enderle Group. "Most companies develop a product and then think about how to sell the darn thing. Apple thinks of that upfront, and that is why their offerings typically capture more excitement."

### **The 2008 Elections**

The Entrepreneurs' Organization surveyed its U.S. members about the presidential elections. Nearly 50 percent of them ranked the contest important or very important. The survey found that affordable health care is at the top of their wish lists, but it's just one key item among many in this presidential race. "Everybody's concerned about the economy," says Alan Carsrud, executive director of the Global Entrepreneurship Center at Florida International University. But the presidential election isn't the only one to watch. What happens in Congress and the state legislatures can have just as much of an impact on your business.

### **Climate Change**

The world's top climate scientists warned in a 2007 United Nations report that global warming is real. The consequences for entrepreneurs could be significant, especially for those who manufacture goods or produce services that lead to higher emissions of carbon dioxide and other heat-trapping gases. "There's a very large push that was not there even six months ago for congressional legislation [in this arena]," says William Moomaw, professor of international environmental policy at Tufts University. Moomaw, part of the Intergovernmental Panel on Climate Change, which won the Nobel Peace Prize last year, says consumers will be looking more closely at "carbon content"—how much carbon was produced to create and transport a product. That means opportunities for entrepreneurs who improve their systems accordingly.

### **China**

Expect to see more Chinese investment in the U.S. in the coming year, says David Parsley, professor at the Vanderbilt Owen Graduate School of Management. Parsley, an international finance expert, says that since the Chinese currency has appreciated against the dollar, the Chinese have increased buying power. Chinese investors are buying U.S. companies, manufacturing facilities and service institutions. He also sees opportunities in tourism, as the U.S. is becoming a cheaper place to visit.

### **Declining Dollar**

If you think of currency values as a seesaw, the euro and the British pound are the lucky kids who've been flying high while the dollar scrapes the ground. In 2007, the dollar sank about 10 percent on average against other major currencies. Should that trend continue through 2008, many entrepreneurs will feel it because imports will be more expensive, says Nate Parmelee, senior analyst in international investing with The Motley Fool. "Service businesses should be able to avoid some of the direct hit from a weaker dollar," Parmelee says. Who benefits? U.S. exporters—and creative businesses with websites that attract foreign customers.

### **Oil Dependence**

Will this be the year we reduce our dependence on foreign oil? Nope, says Scott Shane, author of *Illusions of Entrepreneurship*. "The only way that dependence on oil will lessen is if there is a recession, and even then, the effects will be small," he says. "None of our leaders has any good ideas for reducing our dependence." But entrepreneurs can reduce their power consumption with more efficient technology. Some are even involved in developing clean energy alternatives.

### **Trust**

E. coli in spinach. Lead in toys. With all the product concerns of the past few years, you might assume Americans' trust in global business is at an all-time low. But according to the "Edelman Trust Barometer 2007," 58 percent of U.S. college-educated opinion leaders age 35 to 64 say they trust business, up from 44 percent in 2002. Overall, people trusted local brands more than global ones. Another key finding: "People are nearly twice as likely to believe a regular employee of a company as [they are] the CEO," says Laurence Evans, president of StrategyOne, the research arm of Edelman. So empower your employees to be truthful and act on problems; make them worthy of your clients' trust.

### **Mortgage Crisis**

Continuing fallout from the mortgage crisis will undoubtedly affect you and your business in 2008. Banking consultant Bert Ely predicts that, "The housing sector will be a drag on the economy," hurting the construction trade and its suppliers, related service businesses, and ultimately lenders. As banks wrestle with the problem of bad home loans, it may reduce their capacity or willingness to hand out money to entrepreneurs.

### **Oprah Winfrey**

Oprah's first-ever endorsement of a presidential candidate hasn't meant a slam-dunk lead for Barack Obama. But it's clear that whether Oprah is touting a new book or a presidential candidate, Americans take note. The woman is everywhere, from YouTube to the O Ambassadors program, which is designed to inspire U.S. schoolchildren to learn about families in developing countries. What she talks about—and how people react to it—could affect what you're buying, selling or providing, especially if your audience is women.

### **A Generational Shift**

The first baby boomers are becoming eligible for retirement, the Millennials are on the rise, and the nation is on the verge of a generational shift as those under age 44 assume more power. But ignore boomers at your peril—they are highly influential as clients, customers, potential employees and potential competitors. Tamara Erickson, author of *Retire Retirement: Career Strategies for the Boomer Generation*, says she's seeing more boomers itching to leave corporations and start their own businesses. She believes services that help them, such as small-business counseling or virtual back-office support, should fare well. More older boomers are looking for meaningful part-time work that helps them leave a legacy; savvy entrepreneurs who create flexible opportunities can reap rewards from their talents.

### **Bill Gates**

Bill Gates isn't leaving Microsoft, but on June 30, he goes part time at the software behemoth and full time at . . . what? That's the big question on everyone's mind. Officially, he'll be devoting his attention to the Bill and Melinda Gates Foundation; it concentrates on health-care issues and promoting equality. But he's also invested in the ANTY Project, which is developing an "intelligent, huggy robot" as a friend for children in hospitals. Some say robotics is the next hot field. Will Gates be changing the world—again?

### **Emerging Economies**

U.S. entrepreneurs can't afford to take emerging economies for granted. "We're going to see a continued acceleration of jobs [moving] offshore," predicts James H. Johnson Jr., a business professor at University of North Carolina, Chapel Hill. He believes those hardest hit will be small businesses that benefited from minority set-aside and corporate diversity programs. "I see major corporations [going] elsewhere," says Johnson, who says small businesses are losing contract work to India and other emerging market countries.

## **Immigration Issues**

Over the past seven years, the U.S. has attracted more than 10.3 million new immigrants, more than half of which are here illegally, according to the Center for Immigration Studies. This topic is especially fiery during a presidential election year. As we debate, business professor James H. Johnson Jr. urges entrepreneurs to remember that illegal immigrants spend money. "They are a major cog in our economy and contribute to economic prosperity," he says, citing a UNC study stating that Hispanic purchases and taxes in North Carolina alone had an economic impact of \$9.2 billion in 2004 and generated more than 89,000 spinoff jobs. He also foresees labor shortages if illegals are forced to leave.

## **Bill Drayton**

An early recipient of a MacArthur "genius grant," Bill Drayton founded Ashoka, a global association of social entrepreneurs who aim to solve the world's most urgent social problems. Among Drayton's innovations is an open source online community for sharing ideas and results.

The man behind a new social movement has advice for everyday entrepreneurs, too: The success of any group depends on the proportion of people in it who are change-makers. Says Drayton, "You cannot run an 'everyone-a-change-maker' organization [autocratically]."

## **Ben Bernanke**

We've got a sub-prime lending fiasco, troubling results for several financial corporations, and banks are starting to hoard credit. At the center of all this is Federal Reserve Chairman Ben Bernanke. His options may be limited, but he'll be powerful in 2008; some experts believe any further interest rate cuts may trigger inflation. Says banking consultant Bert Ely, "The focus is going to be on steering the economy away from a housing-related recession." The focus will also be on Bernanke, as he promises more openness on how the central bank makes its decisions.

## **Software as a Service**

Five years ago, you needed a hard drive to access important documents. Now you can have your entire desktop online. Web e-mail accounts were the early versions of this trend, but it's gone far beyond that. Investment banking firm TripleTree forecasts the SaaS market

may exceed 40 percent of the total software market, or \$50 billion, by 2010. "As [SaaS] proliferates, entrepreneurs will be the biggest winners," predicts Stephen Wiehe, president and CEO of SciQuest, an SaaS provider.

### **Shrinking Middle Class**

Working longer, commuting farther, sinking financially—that's how *The Trends Journal* described the average member of the U.S. middle class last year. The nation's "barbell economy" with its thinning middle class will only get worse, says publisher Gerald Celente. He points to new IRS data which shows that 1 percent of the population earned 21.2 percent of all income in 2005—up from 19 percent in 2004—while the bottom 50 percent took in 12.8 percent—down from 13.4 percent the previous year. What can entrepreneurs do? Believe that the high cost of oil will have real consequences on buying power, and make it easy for clients to work with you, whether it's with convenient locations or via the internet and other technologies.

### **Auction of TV Airwaves**

January brought a landmark event that could reshape the way you do business: the FCC auction of TV airwaves. "The next innovation leap in mobile media could occur from this [sale], because whoever controls [airwaves] will be able to deliver content, products and services into and out of the home rather easily and quickly," says Barbara Bickham, founder and CEO of TechGenii, a media and interactive strategy provider. These Superman frequencies can cross long distances, penetrate walls and carry loads of information in a single bound. Look for everything from enhanced search on TV and mobile phones to the possibility of new forms of communication altogether.

### **Mark Cuban and IPTV**

Your TV and computer are blending, right in your own living room. If you don't believe it's happening, just consider IPTV, or Internet Protocol Television. That's personalized TV delivered over the internet. IPTV is poised to grow in 2008, and one reason why is Mark Cuban, owner of the Dallas Mavericks and co-founder of HDNet, an HDTV channel. "Cuban is a force," says Ajay Chopra, a venture partner with Trinity Ventures. "He's one of the guys driving the effort. Just because of who he is, he can push developments forward."

### **Health Care**

For years, health care has been a major worry facing business owners. "This is an issue that scares entrepreneurs to death," says Alan Carsrud of Florida International University. You know the dilemma: If you don't offer employees health benefits, some talented prospects will pass you by in favor of companies that do. If you do, you are stuck with a rising expense that feels increasingly out of control. Proposed fixes include eliminating employers from the health-care equation entirely—although that seems a stretch. No doubt the 2008 elections will bring change to our national health-care policy. The question is what kind.

### **Google**

It's hard to imagine a single U.S. entrepreneur untouched by Google. The company that turned into a verb and its web-enabled services have transformed the conversation about what computers can do for us. From its rumored gPhone and potential to run its own network to its investment in renewable energy research and plans in cell phone software, video advertising, audio and video podcasting, web-based storage, maps, satellite images and more, Google will remain essential to entrepreneurs in 2008.

### **Nydia Velázquez**

Few politicians sought to land the unattractive job of chair of the U.S. House Committee on Small Business. But Rep. Nydia Velázquez (D-NY) actively sought the leadership role and has brought great passion to the work. "If you're looking for a true small-business advocate, Nydia Velázquez is the number-one name," says Paul Miller, a small-business lobbyist with Miller/Wenhold Capitol Strategies. In her first year as chair, Velázquez saw the passage of 17 bills through the House. The bills ranged from helping businesses recover from disaster to assisting entrepreneurs in expanding their markets overseas. For 2008, her priorities include promoting small-business R&D and legislation to ease the regulatory burden felt by small firms.

### **Social Media**

You've seen the articles exhorting entrepreneurs to find fame and fortune through social media. We're not sure about the fame part, but social media may help in terms of fortune. "Small-business relationships will become increasingly virtual," according to the "Intuit Future of Small Business Report." As more social networking and community sites focus on local issues, goods and services, it can pay to participate in them to build your professional network. Social media offers business support, too, by letting you connect

with other entrepreneurs who understand what you're going through.

### **Socially Responsible Companies**

Consumers care more than ever about corporate social responsibility. The "Edelman Trust Barometer 2007" found that top concerns include employee treatment and open communication about a company's conduct and impact, whether good or bad. Come clean, or your customers may learn the truth anyway through customer comments on blogs or websites. "People are looking for responsible products, and they're willing to pay a premium," says Chris Deri of PR firm Edelman. "Take advantage of your smaller size and be nimble enough to be responsive to those demands."

### **Mobile Media**

"The shift to mobile is accelerating," says Andy Belt of The Monitor Group. "Many major markets, such as India, are growing up wireless." That helps account for the 3.3 billion mobile subscribers expected worldwide by 2010. The revolution brings the promise of highly targeted mobile advertising. Retailers are creating services just for mobile devices. Other innovators are designing fresh ways for search and social media to go mobile. Verizon opening its network to other phones may lead to a broader range of choices from all the carriers. Advances in mobile data services will help business owners communicate more easily with customers. Every entrepreneur needs to think about his or her place in this shift.

*—By Andrea Cooper, who has written for Time, National Geographic Online and other major outlets.*

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