

Investing in the Obsolete

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When you decide to sit down for an evening to watch a movie, on what do you watch it? Do you go on your Netflix account, or perhaps Apple TV, to pick something? Perhaps you pull out a favourite Blu-Ray disc, or maybe an old DVD? How many of you still use VHS tapes to watch that old favourite movie with the family? There are more people than you would imagine who still use older, and in some cases obsolete, technology. It's natural to stick to what we know, because it is comfortable, but we must be careful we don't jeopardize our future with obsolete technology.

I know an older gent who still has all his old VHS tapes and refuses to buy any new movies, because he is "invested" in VHS. You may quietly chuckle at the thought of still being "invested" in VHS, but we all invest a little bit in the obsolete. There are a lot of people who still fax documents. The patent for the first fax machine was applied for in '43...1843. In 1860, it was successfully demonstrated to Napoleon, who put to use in Paris in 1865, over a decade before the invention of the telephone.

An old friend asked me last year what number he could use to send me a fax. I explained I couldn't get one, because of where I lived. In a surprised voice, he asked me where I lived. "The 21st century," I replied. I was being a little cheeky when I said it, but with new technology the fax has really become obsolete. We can now email pictures or scans of documents right from our cell phones in less time and with less effort that it takes to send a fax. I don't even keep paper receipts for taxes anymore. My phone scans them to the cloud where they are stored as PDFs securely, and for as long as I need them.

My wife and I are building a house to better accommodate her parents, who have lived with us for almost 13 years now. My plan was to not put in a house phone, since everyone now calls our personal cell phones. It's simply the new reality, or at least I thought so until my mother-in-law had to return her obsolete flip cell phone. She tried a newer digital cell, but she just couldn't get the hang of it, so she is back to using the house phone. Sometimes it isn't so much about what we are used to, as it is about what we can't adapt to.

I have written about how we still invest a lot of money in landline technology while our competitors in places like China and the Middle East have completely leapfrogged us. They didn't invest in landlines, but went right to wireless. Yet most of us still feel there is security in landline technology, and we simply want that direct phone line connected to the wall. Our connection to the obsolete, however, is more pervasive than just changes in technology.

So many of our communities are still investing in the obsolete because they think everything will be-or rather they think things **should** be-as it's always been. There are a lot of communities investing in curling rinks, even in communities where the number of people curling is in steep decline; within a decade, no one will be using the facility. There are communities investing in connectivity and broadband in ways that will be functionally obsolete within a decade. There are communities investing in traditional economic development strategies that may show very short-term returns, but will completely fail when those businesses become obsolete within the decade.

The mindsets that lead to such decisions are one of two types. Either we seem to feel there is no time to see where the future is headed, and prematurely commit to investing in something with very high

probability it will become obsolete; or we abide by the "sunk-cost fallacy", where we presume we must keep investing in what we already own to preserve its value. It's a fallacy, because investing in the obsolete does not preserve its value.

Trying to manage where the future is headed and what you should invest in is hard to do. We too often don't realize where change is coming from and where it is headed. It is important, for the future of our communities, that we do our due diligence to ensure we aren't investing in the obsolete.

This syndicated content is provided by Doug Griffiths, best-selling author and chief community builder at 13 Ways, a company with a mission to push communities to face their challenges to find their unique path to success. For more information visit www.13ways.ca, or we can start the conversation at info@13ways.ca.