

PM WORLD TODAY – VIEWPOINT – FEBRUARY 2009

Peak Mobility

*By Joe Ruck*

Airline travel is awful. I won't bother to justify this statement further since I know that 100% of the readership will accept this statement at face value and are probably cringing as you recall your own particular examples of indignity.

I don't plan to say much about the reasons for this, except to note that all of the drivers – increased security, increased oil prices, difficulties restructuring, concern for the environment, as well as the political nature of landing rights – are long term issues. I don't see much respite in any of these factors for the foreseeable future. At the same time, higher bandwidth and improvements in the software have taken web conferencing from a niche to a mainstream productivity tool. Particularly in business travel, the higher quality of remote meetings, coupled with the growing difficulty and expense of physical meetings have changed the balance for good. It is now likely that in the next few years we will start to see behavior change on a mass scale, and with it, a decline in air travel. Much as many energy experts believe we are at or near peak oil, I believe we are similarly near 'peak mobility'.

There are, of course, plenty of reasons why air traffic will continue to grow. Globalization not only increases the depth of supply chains, which are supported by a commensurate amount of business meetings, it also increases personal networks with and makes migration more widespread. Obviously, some parts of the world, such as China, will continue to see growing air travel as the country continues its rapid economic expansion and Americans tend to have family spread across both coasts and between. Still, whereas in the past you might travel during both summer and the Holiday Season, perhaps now you are thinking of just one trip per year.

It's not just the burdensome nature of air travel that are causing this behavior shift. The recent practicality of video conferencing, coupled with free international telecommunications through IP peer-to-peer networks like Skype, has lowered the cost and increased the quality of keeping in touch. A video call across the Pacific of reasonable quality can now be had for free, using consumer grade equipment and standard networks (in many countries at least),

something that was not possible even a couple of years ago. Also, technology leaders such as Cisco and HP have rolled out high-end video-conferencing systems which are finding eager takers among the executive ranks in large companies.

The somewhat startling growth of social networks is indicative of a society that is embracing the idea of socializing online. The original idea behind Facebook was to allow recent graduates to keep in touch as they spread across not just the country, but across the globe. Although aging boomers may characterize social networks as an Orwellian retreat into a controlled fantasy world, millennials see it a useful vehicle to develop new friends from a larger pool and to maintain your existing relationships. Moving away today no longer means saying farewell.

If minimizing an aversion to commercial air travel means spending more time on the Web, then there are some significant consequences. First, all forecasts for airport capacity, airliners, and jet fuel (and hence oil consumption) have been built upon the premise of sustained growth. I think that premise needs to be challenged, especially when you consider the economic and environmental costs associated with increasing air travel. There is a plausible scenario that we will end up with a battery of half-empty airports 20 years from now.

Second, I think this will provide a substantial commercial boost to all parts of the ecosystem that provides electronic communications. Technology companies that address this challenge well, whether communications infrastructure, or hardware or software, should do quite well. The additional growth in communications traffic will drive new and enhanced collaboration applications. Internet stocks now start to look cheap in this vision of the future. Also, if my argument is correct, before long we may be diverting capital expenditures from runways to undersea cables.

I think there is a model for this, albeit a somewhat exotic one is space travel. Like many who grew up in the 60's, I looked in awe at our first trips into space. I will never forget the fuzzy, broken up, black and white images beamed back from Apollo 11. Surely, this was the future: rockets, space stations, and habitats on Mars. What happened is of course, rather different. First, the relaxation of cold war tensions removed the major justification for the space race. Based purely on scientific/exploratory merits, it was just too expensive to launch a huge

rocket to get average folks to Mars. Second, our technology (ironically developed in large part as a result of the space race) made robots practical. ‘We’ didn’t go to Mars – the robots went in our place, and at a fraction of the cost of a manned mission. While we now plan to return to the Moon, these projects will have yet to be tested in an environment of a staggering national deficit and countless other conflicting priorities. Much as I would personally like to see it, I think it is more likely than now these plans will be ‘postponed’. Looking back on that era, we now see the 1960’s as the period of ‘peak mobility’ for manned lunar exploration.

I could of course, be completely wrong. But before you dismiss my theory, ask yourself these simple questions: Do you have to travel more next year or will it be less? For that matter, do you want to? And when it comes to communications will your rely more on the Internet or less? And that of course, is precisely my point.

#### About the Author:



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