

# SUMMARY

## THE

# GEN Z

## EFFECT

THOMAS KOULOPOULUS AND DAN KELDSEN

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# **Summary of “The Gen Z Effect” by Thomas Koulopoulos and Dan Keldsen**

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Learn about the six forces shaping the future of business

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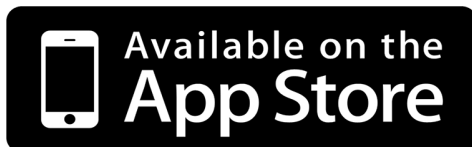


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# Introduction

It's natural for each generation to see itself as the pinnacle of civilization. Each one has a different view of the world and believes their society is always the best there can be. As a result, we always put ourselves at the end of history and believe today's problems must be solved immediately. If not, there will be no tomorrow. However, tomorrow always comes and with it comes more problems and challenges that require new solutions. This is why authors Thomas Koulopoulos and Dan Keldsen are focusing on Gen Z. Through working with hundreds of organizations, the two have found that the greatest struggle when collaborating is the generational chasms that have become so ingrained in our way of thinking that we don't even question them! They believe Gen Z can help bridge the gap between the generational divides that have stood in our way for far too long. In fact, "Post-generational thinking requires that we not only change our individual perceptions of the boundaries between generations but also build organizations that can do the same." This is the foundation of the Gen Z Effect, which is the new set of behaviors that allow us to work across generations driven by the technologies that are becoming increasingly shared across all generations. For example, grandmothers are on iPads Skyping children who are not yet walking; meanwhile, unemployed Baby Boomers are crowdfunding her latest innovation on Kickstarter. These examples are the Gen Z Effect at work, and they show that people largely have the desire to change and connect with others. In other words, the Gen Z Effect is "Many small steps for billions of beings, one giant leap forward for humanity."

Still, generational differences dictate the workplace. They shape our organizations, describe the markets, and define our assumptions about one another. With the Gen Z Effect, however, the future of business is changing. Six forces are driving the Gen Z Effect, each one impacting *how* we do business. "The six forces driving the Gen Z Effect are not subtle generational shifts. Instead, they challenge some of the most basic beliefs about the way we operate across all generations."

# What is the Gen Z Effect?

In the past, we've had Baby Boomers, Generation X, and Millennials. Each one is defined by their distinct set of beliefs, experiences, and values about the way the world works. Now, we have a generation unlike any other: Generation Z. With this generation, we now have the Gen Z Effect which compresses and eliminates many of the generational boundaries that have separated us for so long. Today, we now see people of all generations using the technology of today to connect with each other. We see older generations, who once found technology nearly impossible to master, now overcoming their fears and using smartphones and apps like Facebook. In other words, the technology that once divided us is now uniting us.

For Gen Z, technology is invisible. Technology is simply part of how they interact with their world. "In the same way that you expect a bee to sting, a dog to play, a bird to fly when approached, a child born into Gen Z expects objects to have behaviors, even personalities." For example, in 38 percent of American households, toddlers are introduced to tablets. In the case of two-year-old Julia, she uses an iPad. One of her favorite games is the matching game called Concentration, in which Julia flips cards on the touch screen by tapping them to reveal matching pictures. Whenever she gets a match, she squeals in excitement! This game is classic and is enjoyed by many children all over the world.

However, when Julia's mother decided to introduce her to a deck of real Concentration cards, Julia reached out and tapped one of the cards. Suddenly, she looked puzzled. So she tapped again, this time a little harder, then harder again. Finally, Julia burst into rage, this iPad was broken! You may be thinking that this reaction reveals how detached children have become from reality because of technology, but for Julia, that is her reality. In her world, objects interact with us and exhibit particular behaviors. Those objects, like the cards, don't follow these rules and are viewed as broken in the minds of children like Julia.

One day, Julia will be more than just a child playing with an iPad. She'll be your customer, your employee, a great entrepreneur, your senator, or even your boss someday. Therefore, it's important that we don't simply reject Julia's expectations of the world; instead, we should understand those expectations. For this reason, "Gen Z shouldn't be looked at as just another generation, but as a new set of behaviors and attitudes about how the world works and how we need to respond to it in order to stay current, competitive, and relevant... Simply put, Gen Z is not just a birthright; it's a conscious choice to adopt new behaviors."

When we embrace Gen Z, it means that we will be able to manage and work with people of all ages, benefit from the collaboration of each generation, build professional relationships that combine the energy of the youth and the wisdom of maturity, embark on a lifelong journey of learning, enjoy interacting with our kids and grandkids or nieces and nephews without a technology divide, embrace the value of disruption and uncertainty, and thrive in a world of accelerating change. In other words, you should never underestimate the powers of embracing the Gen Z Effect, so it's time to learn about the six forces that will influence business in the future.

# The Breaking of Generations

The first force that will influence business is the breaking of generations. For instance, the year 2080 will be remarkable. But it won't be remarkable for what you might think. Sure, the technologies will be light-years ahead of where we are today, but it will also be the first time in recorded history that every five-year age band, from newborns to sixty-five-year-olds, will each account for 6 percent of the world's population. This is because, in today's modern world, mortality is decreasing as people have greater access to better water, food, education, and medicine. Additionally, increased contraception means people are having fewer children.

You see, this will impact business for many reasons. Today, you are likely working with two or three generations in the same environment. In the future, workplaces will begin seeing five to seven generations working alongside each other, each one with varying attitudes and technological experience. Therefore, the Gen Z Effect is largely about rethinking the way age shapes those behaviors and attitudes and avoiding the trap of thinking about generations as separate and distinct. Think about education in which students have historically fallen within a narrow age range - the majority of students are in their late twenties, early twenties, and even early thirties. However, in the last decade, this has begun to change.

For the first time, the professor is no longer the oldest person in the room as more and more students are coming in on the back end of long careers. Today, there are students in their fifties and sixties entering their "Third Act," a time following traditional education (the first act) and a traditional career (the second act). You see, research suggests that 29 percent of the overall population does not expect to *ever* retire. This doesn't necessarily mean working is a necessity; instead, it's likely because work can now be done anytime, anywhere.

Over the past decade, remote work has become increasingly popular. For instance, a consultant for future trends, The Future Laboratory, even claims



that offices will one day become obsolete. Instead, more flexible work patterns will be introduced as workers try to embrace more flexible lifestyles. Of course, there are many benefits to remote work rather than just happier employees. It also has financial benefits. For instance, IBM began a remote program in 1995 which resulted in a 50 percent increase in productivity as well as a savings of \$700 million in real estate. Now, 39 percent of their employees work remotely.

# Hyperconnectivity and Embracing Reverse Mentoring

The second force is hyperconnectivity. Previously, older generations resisted learning about new technologies, like radios and computers. Today, that is all changing. In recent decades, even generations like the Silent Generation are embracing connective technologies like smartphones to connect to the internet. You see, with the power of the internet, everyone has access to the same information. I mean, you're probably reading this from your tablet or cell phone, right? In other words, everyone has the opportunity to learn and develop skills through the power of technology. In fact, we have become so connected to technology that we interact with various devices roughly 243 times a day! What's more, Koulopoulos and Keldsen predict that by 2100, the planet will have 100 times more computing devices than grains of sand.

Today, there are around 70 billion devices connected to the internet. So what exactly does this mean? Simply put, we are no longer satisfied with owning just one device. Many of us own phones, laptops, and tablets, sometimes even two of each. Therefore, employees must learn how to survive in a hyperconnected world. So what should companies do to ensure their employees succeed? First, companies should implement training and education on new technologies. Many companies already use mentoring programs by pairing new employees with veterans to teach them how the technology works.

When it comes to the Gen Z Effect, however, Koulopoulos and Keldsen emphasize the importance of learning in reverse. You see, older employees aren't as familiar with emerging technology that is necessary for communicating and connecting with both customers and employees. Therefore, these employees would benefit from learning the skills from someone younger, and perhaps even a newer employee. This concept is called *reverse mentoring*. Koulopoulos and Keldsen used this exact tactic at their company, Delphi Group, in 1994. At the time, they hired a young

musician to work on their IT system. His only qualifications were being skilled in Macintosh and technology. Over the next decade, this young man became the person everyone went to with their questions about technology, and he was able to keep everyone abreast of emerging technologies.

At the end of the day, hyperconnectivity isn't going anywhere. However, professors still try and use stopgap measures, like requiring students to turn off their mobile devices during lectures, but this simply won't work. Instead, we must adapt to the times rather than resist the changes. In fact, ancient Greeks once eschewed writing, believing it would result in forgetfulness and faux wisdom. Furthermore, when the laptop was first invented, people were skeptical about whether or not people would want to carry around a computer. Therefore, we should embrace the unknown and make business compatible with hyperconnectivity.

# Slingshotting Technologies

The next force is what Koulopoulos and Keldsen call slingshotting. Slingshotting occurs when people who eschew certain technologies suddenly find themselves immersed in a technological future that a select few have adopted and perfected. For instance, smartphones at first were only used by those who had access; however, smartphones soon became affordable and accessible, allowing them to be used by everyone. As a result, they became the norm in today's society. Slingshotting is the most efficient and least painful way to adopt new technologies because they've already been used and refined by others, making the experience more user-friendly and essentially bug-free.

There are two subgroups that will soon slingshot into a technological future are the Third World and senior citizens. The developing world is behind the developed world in regards to technology and connectivity; similarly, elderly people also find themselves lagging as they avoid using more beneficial technology. This is likely because they were first introduced to technology that wasn't as easy to use and was more complex than the technology of today. But what makes some technology slingshot and others not?

There are a few things that determine whether or not a tech product will slingshot. The first is that it needs to be simple and easy to use. Secondly, it should allow the user to be online more often. Finally, the technology must be able to collect data from the users so the technology can adapt to their needs. Another product that recently experienced slingshotting success is the iPad. The iPad was targeted at people who wanted to increase their availability on a device that does more than a smartphone. As a result, the iPad featured functions that allowed people to connect with their friends and family at any time. Along with it being easy-to-use, even members of the Baby Boomer and Silent Generation have slingshotted into such technologies as they connect with children and grandchildren from hundreds of miles away.

Of course, slingshotting technologies do more than just connect us to our friends and family. They also help businesses boost productivity and allow them to connect in new ways. For example, many companies use gamification to motivate people and allow them to utilize technology in a fun way. Instead of simply sitting through boring training sessions, a sales company might collect the data from their employees' devices and track their sales progress. Then, they can present the data in a fun, competitive way that allows employees to compare their performance with others. Not only does gamification allow employees to engage in playful competition, but it also motivates them to perform better.

# **Affluence Will No Longer Imply Influence**

In today's world, we are constantly bombarded with ads through television, newspapers, radio, and now the internet. In the past, the media has served to help the wealthy buy influence as ads were expensive and difficult to produce. However, all of that is beginning to change. No longer will expensive production be enough to influence your customer base. Instead, the Gen Z Effect is dismantling the relationship between prosperity and power.

You see, giant corporations like Coca-Cola used to have to spend an exorbitant amount of money to launch an ad campaign and market a new line of products. Today, this is all shifting. Instead of focusing on convincing people to buy products they don't need, companies must learn how to capitalize on people who are already searching for a particular product and get them to choose their brand. This means that companies must employ persuasive techniques, like giving out free samples to a potential customer. This process allows companies to foster personalization and gain trust from their customers.

With the rise of social media, companies are faced with the challenge of maintaining a good reputation. In other words, social media can be both a blessing and a curse. But how can companies ensure they utilize it to their advantage? Take a look at Dove, who created the Campaign for Beauty, in which they used social media to spread a powerful message about the impossible beauty standards society places upon women. This message allowed women from all over the world to embrace their differences and their beauty. As a result, the campaign became a viral success. You see, companies who use social media as a tool understand that creating a positive online presence can create a loyal following.

Take a look at the Free the Children project that earned advertising success through their loyal online followers. A not-for-profit organization, Free the Children aims to improve children's education around the world. In just

two short decades, the organization gained 2.3 million members and built 650 schools and classrooms without spending a single penny on marketing. They were able to do this by gaining a positive reputation online, which allowed them to build a loyal army of supporters.

# Education is For Everyone

According to Koulopoulus and Keldsen, “education is the single most important factor in separating or uniting us.” This leads to the fifth force: education for all. In our developed world, each living generation is, on average, more educated than its predecessors. The modern world is beginning to erode these generational gaps as education becomes more widely accessible and more affordable. In fact, the traditional path of education in which students go to university then choose a job may no longer be the norm.

With the introduction of technology and online schooling, the possibilities are endless. Students can learn any skill from anywhere in the world at any age. College students no longer look like twenty or thirty-somethings that have yet to enter the workforce. Instead, it’s possible for people later in life to learn a new discipline and create an entirely new career path. Access to free (or low-cost) education can drastically reshape the future. Through MOOCs, or Massive Open Online Courses, anyone can attend school from anywhere, no matter their age.

However, MOOCs aren’t just about distance learning; instead, they are a hyperconnected, non-hierarchical model of shared exploration and conversation. They don’t necessarily require a prerequisite degree, they are simply available to anyone with an internet connection. For instance, one MOOC at Stanford University experienced 160,000 registrants and had 23,000 complete the course. With slingshotting technology and hyperconnectivity, higher education is no longer seen as an upper and middle-class privilege. Because of this lack of constraint, MOOCs can foster lifelong learning across geographic and class barriers.

Education can also benefit from the use of gamification. By bringing components of game-play into education, learning can become more engaging and even lead to faster learning. Instead of traditional lectures, MOOCs are designed to engage their students and keep them from



becoming bored! When education is boring, students often zone out and miss key information. An example of gamification is the game Rocksmith, which teaches you how to play a real guitar through completing different tasks and testing your learning.

# Lifhacking Instead of Problem-Solving

The final force that defines the Gen Z Effect is lifhacking. Members of Gen Z have a knack for “lifhacking” the system. In other words, they question convention and aim to find ways of doing things that go against the norm. Lifhacking means finding cheaper and faster ways to solve problems, accomplish goals, or find a new perspective. It means using the opportunities that hyperconnectivity creates to find new solutions.

Lifhacking has three categories. The first is funding. Small businesses, for instance, innovate at higher rates than large businesses. However, small businesses are consistently being overshadowed by larger ones and they struggle to get off the ground. Therefore, one of the lifhacks that small businesses have used to hit the ground running is crowdfunding, which allows budding entrepreneurs to test their ideas on the market with little risk and no cost. Of course, crowdfunding isn’t just for new businesses. In fact, large corporations utilize crowdfunding for projects within their organizations. For example, IBM used crowdfunding with their iFundIT project.

Another example of lifhacking in fundraising is from the City of Honolulu. A few years back when the city of Honolulu needed a new website, they received an estimate from web designers that amounted to \$9,300,300 of tax payer’s money. Upon hearing this, citizens became enraged and aimed to solve the problem by finding a creative solution. In other words, they created a lifhack. So they set up an online competition inviting web designers to design the best website at the lowest price. As a result, the new website was built for a mere \$9,300.

The second category of lifhacking is manufacturing. With new technologies, there come countless new opportunities. Take 3D printing, for example, which enables people to produce things for themselves without the need for manufacturers. Finally, the third category is intellectual property. To the members of Gen Z, intellectual property is

consistently at odds with their ideal of unobstructed access to information. As a result, they view patents as obstructions to innovation. In fact, in some areas, patents seem to be on the downswing. Now, there is a rise in Open Source Software which allows everyone to contribute to the newest developments and modify as they see fit. In the future, this could result in a world where software becomes patent-less.

# Final Summary

Gen Z is more than just a new generation, it's about embracing new technology and opening yourself up to change and equality. With Generation Z, generational gaps can become a thing of the past as we continue to learn from one another and take advantage of hyperconnectivity and the technologies available today. With the six forces that drive the Gen Z Effect, society can unite as one and create a better future in business. To do this, we must first stop judging. Don't simply assume that teenagers and 20-somethings are lazy, entitled, or antisocial because of their reliance on technology. Instead, it's important to realize that they are some of the brightest and most caring people on the planet. Even more important, our future is in their hands!



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