

POST CORONA

From Crisis to Opportunity

SCOTT GALLOWAY

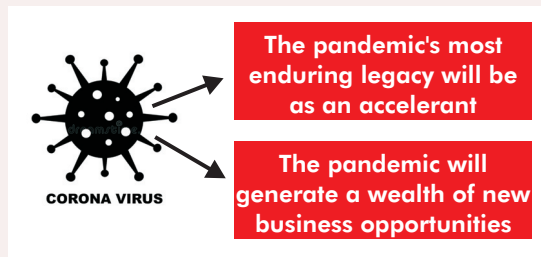
SCOTT GALLOWAY has served as professor of marketing at New York University's School of Business for 19 years. He is also a serial entrepreneur, founding nine companies and counting, including Prophet, Section4, Red Envelope, and L2. He is the author of several books including *The Four* and *The Algebra of Happiness*. Scott Galloway currently serves on the board of directors of The New York Times, Gateway Computers, and Eddie Bauer. His podcasts Prof G and Pivot, his blog *No Mercy / No Malice*, and his Prof G YouTube channel reach millions. He is a graduate of the University of California, Los Angeles and the University of California, Berkeley.

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MAIN IDEA

How will the Corona pandemic reshape the business environment of the next few years?

While some details are still hazy, two points are already abundantly clear about the pandemic:



1 The pandemic's most enduring legacy will be as an accelerant

2 The pandemic will generate a wealth of new business opportunities

Specifically, the Corona pandemic will power five overarching business trends:

- 1** The strong will get stronger
- 2** The "Big 4" tech firms will dominate
- 3** Lots of industry disruptions will arise
- 4** Higher education will be transformed
- 5** Politics will undergo a revival

"I begin with two theses. First, the pandemic's most enduring impact will be as an accelerant. While it will initiate some changes and alter the direction of some trends, the pandemic's primary effect has been to accelerate dynamics already present in society. Second, in any crisis there is opportunity; the greater and more disruptive the crisis, the greater the opportunities. Pandemics, wars, depressions—these shocks are painful, but the times that follow are often among the most productive in human history. The generations that endure and observe the pain are best prepared for the fight."

– Scott Galloway



CORONA VIRUS

Pandemic Trend #1 – The strong will get stronger Pages 2 - 3

Despite Covid, capital markets have performed strongly in 2020. There will be an inevitable culling of weaker companies during the pandemic, but post-Covid today's biggest companies will continue to go from strength to strength. The strongest companies will keep getting stronger.

Pandemic Trend #2 – The "Big 4" tech firms will dominate Pages 3 - 4

Even in a pandemic, there are four big tech firms which have done exceptionally well – Amazon, Apple, Facebook, and Google. These "Big 4", along with Microsoft – which currently make up 21% of the market value of all publicly traded U.S. companies – will turn the pandemic into an opportunity to get bigger, stronger, and even more dominant in the future. Don't bet against them.

Pandemic Trend #3 – Industry disruptions will happen Page 5

Pre-pandemic, many industries generated unearned margins – dramatic increases in price with no accompanying increase in value or innovation. Those industries have now become ripe for disruption as a result of the pandemic. Look for many more industry disruptions to happen post-pandemic.

Pandemic Trend #4 – Higher education will change quickly Pages 6 - 7

Higher education is ripe for disruption, and it looks like Covid-19 will bring about permanent changes for the better. A major reconfiguration of the \$600-billion-a-year higher education industry is already happening, and most of the radical changes the pandemic forced will become permanent changes for the better.

Pandemic trend #5 – Politics will undergo a renewal and refresh Pages 7 - 8

Over the past forty years, government institutions have been weakened, and individualism has been prized above all. The pandemic has exposed the folly of that path. Look for a wholesale renewal of a sense of community, and for government to again be seen as a respectable necessity. Look also for a sense of collective sacrifice to again come center stage.