

# The Fourth Industrial Revolution Is Here



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**The Internet of Things is powering a Fourth Industrial Revolution that will transform business, markets and billions of lives.**

A technological revolution has begun, one with the potential to fundamentally alter the way we relate to each other as humans, the way we work, grow food, feed our people, enhance our health, engage our youth, care for our elderly and repair our planet.

This transformation — the Fourth Industrial Revolution — brings with it component and systemic breakthroughs the likes of which mankind has never known. These changes will affect every industry, in every country and every single human being.

Unlike previous industrial revolutions, our command today of massive amounts of computing power, access to knowledge and analytical frameworks has enabled

these advancements to evolve at an exponential pace.

Change is here, and it's moving fast.

So, what's driving it, and where will it take us in the next 10, or 100, years?

As for the driver, the Internet of Things — an increasingly interconnected network of physical objects that can “talk” with one another — is reshaping the way humans live and the way firms do business.

What we are witnessing is nothing short of a transformation of the global marketplace.

Cisco estimates that 50 billion devices will be connected by 2020, up from 15 billion today. A recent McKinsey report concludes that the

Internet of Things could have an economic impact of \$11 trillion per year by 2025.

These are heady numbers, but what does this transformation look like at the level of industry, the firm and the individual? How will it change what people actually do, and how corporations map out their business models?

One of the easiest ways to relate to the Internet of Things is through the prism of health care.

For example, in order to lose 12 pounds in the next year, you would need to burn a certain number of calories per month, per week and per day. The Internet of Things makes it easier.

If your 6 p.m. meeting is canceled, your iPhone — by being networked to other devices — can tell you, “Your 6 p.m. was canceled, and there’s an open spot in a 6:30 spin class. Would you like to go?”

Your networked iPhone lets you know that if you do the spin class, you will burn enough calories to meet your weight-loss goal, and it will help you arrange your life to make that happen.

From our first years to our last, the Internet of Things is bringing new ideas and solutions to health care. Connected smart devices monitor children’s vital statistics, track fitness in middle age and allow seniors to remain independent at home.

A decade from now, we could see dramatic improvements in public health because connected devices nudge people toward better fitness decisions and provide caregivers more information.

The Internet of Things will also drive enormous savings for health care

businesses. One recent report estimates connected devices could reduce costs by up to a quarter through more proactive monitoring of patients at home and in facilities.

The efficiency gains also will help governments curb rising healthcare costs.

The Internet of Things is cutting waste and driving savings for other industries as well, like auto insurance.

Dealing with insurance companies after even a minor auto accident is usually a costly, time-consuming endeavor. Smart apps like Digital Garage, from Solera, a software firm acquired by Vista this year, offer a better way.

The app allows someone who’s just been in an accident to pull out a smartphone, capture all the information about the car’s make and model, and the damage, and file a claim directly to the insurer.

This saves insurance companies approximately \$170 per claim because they no longer have to pay an adjuster. When multiplied over time, that adds up to something transformative.

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reshape business, markets and individual lives.

Yet this transformation also poses risks. The increasing linkages between technology and our daily lives mean we could lose an important element of who we are — the empathy, humor, spontaneity and intuition that make us distinctly human.

And as our gadgets make us less prone to avoidable errors, will we lose the humility that is so vital to our emotional connections with those around us?

I worry about these questions. And I believe the way we as a human community answer them will determine whether we become a better, more inclusive and trustworthy society, or if we fall victim to technology, become slaves to our devices and lose touch with one another.

But even as I worry, I have faith humanity will rise to the challenge. Interpersonal connections have driven our progress throughout the ages. As the Fourth Industrial Revolution takes hold, I am confident these links will endure, and allow us to channel the awesome power of this phenomenon in the direction of global good.

