
BAILLIE GIFFORD ON DISRUPTION

At Baillie Gifford, we don't focus on the present. We focus on what the world could look like in 15- or 20-years' time. We focus on how our needs and expectations are evolving and what they might look like in the future. We explore the industries in which disruption and innovation are creating change, and we dedicate ourselves to finding the companies driving this change. Watch this animation to find out more.

What if the star customer of the companies of the future was 5 years old today? How would they feel in 15- or 20-years' time looking back on today's world and today's companies? What would they see as inefficient, or quaint, or ridiculous, or objectionable about the things we take for granted, or the way we've always done certain things because, well, that's what we've always done.

It might feel like, for example, looking back today at dial up internet. Did it really take 30 seconds to connect? And did it really make that strange crackling noise, like your modem was trying to make contact with an alien species? At the time, of course, dial up internet felt novel – even, sophisticated. Now it feels positively prehistoric. And yet the gap between then and what we take to be completely natural nowadays is less than half a generation.

So, to return to our 5-year-old, what might they make of today's world, tomorrow? Perhaps by then their internet connection will run even faster via Starlink; one of the constellation of internet satellites that SpaceX is launching. There won't be any wires or clunky modems at all. But what about the more fundamental topics? What will their expectations be of transport? Healthcare? The way we feed ourselves? The way we pay for goods and services?

What might our 25-year-old in 2040 think about the still mostly oil-powered world of today, centred around personal car ownership? Would a car even be their main mode of transport? Or could faster and more exciting ways of moving around, like electric aircraft, make the motor car seem like the canal boats of today? Would they look back in horror on the blunt and often sadly unsuccessful ways we treat certain diseases today? What if chemotherapy, for example, were replaced by more advanced therapies such as mRNA, that leverage the body's own immune system to fight the disease, turning formerly fatal diagnoses into survivable ones? How would they view the fact that half of the world's habitable land surface is currently dedicated to farming cattle for human consumption? Will animal meat itself be seen as niche and expensive? Or even abhorrent? And how will they think about payments, and the concept of value in general, when cash is long dead, gone the same way as chequebooks?

Steve Jobs famously said that everything around us, what we call life, has been made up by people no smarter than us. And we can change that, we can influence it. Thinking about the world in these terms, it becomes clear that, as long-term investors, the skill we must strive to cultivate is open-mindedness: we must be radical enough to imagine what our star 5-year-old might want from the companies of their future, and then dedicate ourselves to finding them.

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