

# Imagining the future.

Where is the next Google, Facebook, Uber, Airbnb or Priceline coming from? Or, put another way: What will be the next large-scale trend to transform entire economic sectors, such as the Sharing Economy, Social Media or the Gig Economy?

Today these questions are being asked by many business leaders, government policymakers, and innovators. As an inventor named on more than 650 U.S. patents across a dozen industries, I take a different approach to U.S. economic challenges and opportunities. I believe that every wave of commercial innovation always comes at the intersection of the latest technologies (including mobile, broadband, Big Data, the cloud and others) and the unchanging realities of human nature and behavior.

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**Giant opportunities arise when innovators find a way to monetize an asset that everyone has, or a behavior everyone does, but where few see commercial possibilities.**

Facebook, for example, monetized your personal connections. Uber monetized cars and available drivers. Airbnb monetized spare bedrooms and vacant homes. Google monetized topic-based Internet access. And Priceline, which I founded, monetized unused air and hotel inventory for leisure travelers.

To identify the Next Big Thing, we might ask: What widespread yet undervalued assets can we identify, price, market, sell, and service in an innovative way by using today's digital technologies?

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**Consumer "micro-flexibility" is an extremely valuable, yet widely overlooked, asset that buyers and sellers can both capitalize on.**

"Micro-flexibility" means buyers' willingness to make small changes to their purchases to get something they want, such as lower prices, better rewards, or some other desirable benefit.

This already happens, in a modest way, every time the average supermarket customer temporarily switches packaged good brands, such as from Tropicana to MinuteMaid juice, simply because one brand is on sale.

Yet, these ad hoc substitutions are just the tip of the iceberg. I believe the ability to systematically monetize micro-flexibility, at scale, will disrupt and transform several multi-trillion-dollar industries. A new "Flexibility Economy" will arise, alongside the Sharing Economy and the Gig Economy.

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**Monetizing micro-flexibility solves a huge, expensive problem for payers who cover the bills for a whole range of buyers.**

Sometimes you buy a good or service but somebody else is paying for it. Since the cost isn't coming out of your wallet, you may be less concerned about prices and more concerned about quality, convenience or even rewards. The typical bill-payer ends up wondering, "How can I hold down these costs?"

This dynamic is easily seen, most notably, in the U.S. healthcare market. Consumers are not incented to save money on care when their total out-of-pocket cost is the same co-pay no matter the price.

A similar problem affects business travel costs, particularly at small and medium-sized companies where employees select their own flights and hotel. Sometimes everyone in this travel market seems unhappy. Management often feels employees do a poor job of finding low prices. Employees may feel any savings they can realize aren't worth their time, trouble, inconvenience, discomfort and inefficiency. And suppliers struggle with total price transparency, where competitors can see and instantly match any price reduction from anywhere in the world.

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**The Flexibility Economy addresses these problems for buyers, sellers and suppliers.**

My new company, Upside, is all about monetizing micro-flexibility to benefit all three parties. Upside typically saves a company 10-15% on the cost of every business trip, while giving the traveler a free gift card – typically worth \$100-\$200 – for making those savings happen. With Upside, travelers are actually delighted to try to hold down travel costs. Meanwhile, airlines and hotels get a new way to use lower prices to capture valuable customers – without destroying their public price integrity.

This was never possible before. But today, new and ubiquitous digital tools such as Big Data, the cloud and smartphones can be used to easily monetize micro-flexibility to deliver both lower prices and higher rewards – simultaneously.

Specifically, Upside's Big Data algorithms instantly scan and score 10,000+ possible itineraries for each trip, locating the dozen or so best flight and hotel options. The customer's choices of flights and room are then combined into a single purchase for one low price. Component discounts are concealed within that price to encourage supplier discounting.

The result: companies and travelers get significant benefits, while airlines and hotels get more customers.

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**The Flexibility Economy will touch many industries beyond small business travel.**

At Upside, we're using small business travel as the proving ground to demonstrate how a \$200 billion sector of the U.S. business travel market can be transformed when micro-flexibility is monetized in a simple, motivating and profitable way.

The Flexibility Economy will soon revolutionize even larger industries. When we combine the power of imagination with new digital technology, we can monetize flexibility to reward consumers, strengthen our economy and help companies large and small become more globally competitive.

— Jay Walker  
Chairman and CEO  
Upside / Upside.com

 **UPSIDE**  
It's all about the upside.

*First in a series of essays imagining the future of business.*