

Hello Everyone,

***“Scarecrow: I haven't got a brain... only straw.***

***Dorothy: How can you talk if you haven't got a brain?***

***Scarecrow: I don't know... But some people without brains do an awful lot of talking... don't they?***

***Dorothy: Yes, I guess you're right.”***

***From The Wizard of Oz***

More often than not--- as I listen to the news--- I find myself agreeing with Dorothy. With that said, I hope you don't feel that away about today's missive! :>)

Today, we will use wine to make the point about investing in an age of accelerating disruption. It's not the normal connection people make, but I believe you'll see the potential for both good bad in this trend.

Signed, You're The-Roaring-20's-Are-Off-To-Quite-A-Start-Aren't-They? Financial Advisor,

Greg

## **2019.01.06 KKOB Disruption and Wine**

**Bob:** So, Greg, when I saw you wanted to discuss wine this morning, I did some homework. And I have three quick trivia questions for you.

*First, what country exports the most wine?*

**Greg:** I don't know. France?

**Bob:** Nope. Spain. *What country drinks the most wine per person per year?*

**Greg:** Italy?

**Bob:** No again. Americans drink the most wine. *Last one...what percent of wine consumed in China comes from China?*

**Greg:** I don't know. 20%?

**Bob:** Not even close. 80%. And that one surprised me. I just don't think of China as a wine producer.

Anyway, you didn't do very well on the quiz.

**Greg:** You sound like my high school chemistry teacher. My plan this morning though, was to use the wine industry to make a point about my investment theme of 2020.

And, Bob, though it's not very catchy, the theme is ***Disruption Acceleration***. So, let me explain...using wine.

I think we all know the wine industry is steeped in tradition...but not so much anymore. For example, wine enthusiasts will tell you before you drink wine, you're supposed to let it breathe...sometimes up to three hours.

However, new "smart" decanters use sophisticated air filtration systems not only to enhance the aroma & flavor of your wine, but also to remove impurities. And, Bob, it's all done in a few minutes.

**Bob:** That sounds good to me.

**Greg:** Me, too. Next, drones are crisscrossing vineyards making soil and vine inspections far more efficient. Plus, new technologies make harvesting, sorting, and filtration both better and easier.

Oh, and even the bottles are changing. There is now talk of using edible bottles made from sugar substitutes. Plus, they're experimenting with non-plastic glass to replace traditional glass wine bottles.

In short, new technologies are making wines better-- and cheaper-- than the supposedly old romantic ways.

**Bob:** I can see how all that would be disruptive in a good way. But, your theme is *disruptive acceleration* ---and though I'm not opposed to disruptive technologies, I must admit, I can only take so much change. And it seems to me some of this is coming way too fast.

**Greg:** I agree. And both disruption and acceleration are loaded words. With wine, I think the good will outweigh the bad. But, to your point, things like artificial intelligence, quantum computing, nanotechnology, & robotics all carry the potential for really good--and really bad---things.

And it's all coming at us like a freight train. And unless there is some huge natural disaster, or massive war, it's hard to imagine these trends slowing down.

So, Bob, as an investor, what do you do? Do you focus on the real potential for the cure for cancer? Or on the all-seeing eye of big brother?

**Bob:** Probably both. But it's probably even bigger than that. I mean see disruptions accelerating everywhere---politically, socially, culturally, militarily, and even religiously. Nothing is the same.

**Greg:** You're right. And, all of these areas touch on each other ...including finance....which my beat.

So, let's bring this around to investing. How do you invest when all is aflutter---and the fluttering is getting faster? I would say this--- don't focus on the things you don't know. That's impossible.

Rather, focus on the things you do know. Look for the near certainties. The constants. For example, I believe it is a

mathematical certainty national debts will rise...and not just here but globally. OK. So what does that mean for currencies? For interest rates? For pension funds and real estate investments?

Bob, in 10 minutes, your listeners could noodle through that one basic thing---debts will rise---and say, *“Hey, if that happens then this, this, and this, are likely to happen. Maybe I should see if I’m positioned financially to take advantage of that.”*

Anyway, it’s a good exercise...and it should relieve some investment anxieties. Oh, and if you do it over a nice glass of wine...all the better.

**Bob:** I will probably take you up on that ---but not at 7:47 in the morning. I liked how you linked wine with investing though. How do people reach you?

**Greg:** Just call me at 250-3754 or go to my website at [zanettifinancial.com](http://zanettifinancial.com).

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