

Dear Rick 9 – The Future of Business Cycles 1

Scott Douglas Jacobsen and Rick Rosner

December 10, 2016

Scott: Business runs in cycles, plural. What about the future of business cycles?

Rick: There are a bunch of different cycles in economics. There are the major stock market cycles, bull markets and corrections. Generally, more bull markets eventually, which played out over a course of years. Right now, we're headed towards what people suspect is the tail end of an 8-year bull market because after the crash of 2007 and 2008 the market had no place to go but back up.

There are the cycles of individual businesses, where if you want to pick a stupid clichéd example then you'd go with buggy whips. They were a successful business for many, many generations until cars replaced horses. You didn't need to hit your horse on the ass. There are lots of companies that follow some kind of cycle.

A cycle of creation, growth, and then obsolescence. Gonzo, typewriters, some companies have managed to hang around for a long time. GE is the oldest company or the original company on the DOW industrial. It's 10 years old. It was started by Thomas Edison, who was a prick.

JP Morgan had to take the company away from him because he was bankrupting it or messing it up. We saw George Westinghouse that made the light bulb. I just read a book about this. The

boom-and-bust cycle of some companies are super fast - so fast that probably normal approaches to securitization, to selling it or an IPO.

That stuff, especially software and internet companies - apps, all that stuff, a company can get hot and then cold faster than people can make it into a publicly traded company and get their investment traded back. You can imagine stuff will continue to accelerate

License and Copyright

License



In-Sight Publishing and *In-Sight: Independent Interview-Based Journal* by Scott Douglas

Jacobsen is licensed under a Creative Commons Attribution-NonCommercial-NoDerivatives 4.0

International License.

Based on a work at www.in-sightjournal.com.

Copyright

© Scott Douglas Jacobsen and Rick Rosner, and *In-Sight Publishing* and *In-Sight: Independent Interview-Based Journal* 2012-2016. Unauthorized use and/or duplication of this material without express and written permission from this site's author and/or owner is strictly prohibited.

Excerpts and links may be used, provided that full and clear credit is given to Scott Douglas

Jacobsen and Rick Rosner, and *In-Sight Publishing* and *In-Sight: Independent Interview-Based*

Journal with appropriate and specific direction to the original content.