

THE NEXT 10 YEARS

Conflict, Change &
Opportunity

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3 FORCES SHAPING THE NEXT DECADE



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THE IMMEDIATE CRISIS

Iran, Energy & the
Economy Through 2027



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THE BIGGER PICTURE

From Rules-Based Order
to a Multipolar World



03

THE GREAT LEAP

AI, Robotics & the Most
Transformative Decade

SECTION ONE

The Immediate Crisis

Iran, Energy Markets & the Economy Through Early 2027

OPERATION EPIC FURY TIMELINE

FEB 28

U.S. and Israel launch surprise strikes on Iran — Operation Epic Fury — killing Supreme Leader Khamenei and key military officials

MAR 1–5

Iran retaliates with missile and drone strikes on U.S. bases, Gulf states, and Israeli targets; closes the Strait of Hormuz

MAR–APR

Strait of Hormuz transit collapses from ~130 ships/day to fewer than 6; IEA calls it the "largest supply disruption in the history of the global oil market"

TODAY

Ceasefire negotiations at a dead end; war entering its sixth week; Brent crude at ~\$100–120/bbl; global stagflation risk rising

THE ECONOMIC IMPACT — BY THE NUMBERS

~\$120

**Brent Crude
(per barrel)**

Up from ~\$70 pre-conflict

20%

**Global Oil Supply
Disrupted**

Strait of Hormuz effectively closed

\$140/bbl

**Recession
Trigger Price**

2 months at
this level = mild global recession

5.8%

**Projected Peak
Global CPI**

If conflict is sustained through Q2

WHAT THIS MEANS FOR YOUR BUSINESS



Input Cost Pressure

Energy, freight, and raw material costs are rising across the board. Diesel, jet fuel, and nitrogen fertilizer are all directly tied to oil prices. If your business ships, heats, or manufactures — your margins are under pressure right now.



Consumer Demand Risk

Higher energy costs reduce disposable income. Household consumption could decline as gasoline prices fan inflation. Your customers may pull back.



Stagflation Scenario

The toxic combination of rising prices and slowing growth. Interest rates stay elevated to fight inflation, making capital more expensive. Credit tightens. M&A multiples compress.



The Base Case

If the conflict resolves within weeks, Brent likely retreats below \$70 by year-end. But if it extends into Q3, oil prices could spike to \$130–\$150 and remain there for months.

SCENARIO ARCHITECTURE: WHAT COMES NEXT

BASE CASE

Most Likely

Conflict resolves within 4–8 weeks. Strait of Hormuz reopens. Oil retreats to \$65–75 by Q4 2026. Markets recover. Short-term inflation spike fades. M&A conditions normalize by early 2027.

ELEVATED RISK

Plausible

Conflict extends through Q3. Oil averages \$100–130/bbl. Inflation reignites globally. Fed holds rates higher for longer. Consumer slowdown. M&A market cools — buyer's market emerges.

TAIL RISK

Low Probability

Full regional escalation — Hezbollah, broader Gulf involvement. Oil sustained above \$140/bbl. Global recession. Credit markets freeze. Severe valuation compression for middle-market businesses.

SECTION TWO

The Bigger Picture

From the Rules-Based Order to a Multipolar World

THE WORLD WE'RE LEAVING BEHIND

The Post-WWII Rules-Based International Order (1945—~2020)



U.S. Security Guarantee

America patrolled global shipping lanes at its own expense, keeping trade routes safe and ensuring no great power conflict



Free Trade Architecture

Bretton Woods, GATT/WTO, the dollar as reserve currency — created the most prosperous 80 years in human history



Institutional Framework

UN, NATO, IMF, World Bank — a rules-based system where disputes were resolved through institutions, not force



Globalization As Strategy

The U.S. bribed the free world with market access and security to keep them aligned against the Soviet Union

WHY THE OLD ORDER IS BREAKING DOWN

1

The Cold War Ended

The strategic rationale for the American security guarantee vanished with the Soviet Union. Without a unifying threat, the incentive to maintain the system evaporated — across both parties.

2

Demographics Are Collapsing

Aging populations in Europe, Japan, and China are shrinking workforces, reducing consumption, and undermining the economic engine of globalization. You cannot sustain global trade with shrinking populations.

3

America Turned Inward

From Obama's 'pivot to Asia' to Trump's tariffs to Biden's industrial policy — both parties have moved toward disengagement. America no longer sees the benefits of being the world's policeman.

4

Competitors Are Filling the Vacuum

China's Belt and Road, Russia's aggression in Ukraine, Iran's regional ambitions — rivals are actively challenging American primacy and building their own spheres of influence.

IRAN IS THE CANARY IN THE COAL MINE

"In the attempt to try to prevent Iran from developing a weapon of mass destruction, the U.S. handed Iran a weapon of mass disruption."

— Ali Vaez, International Crisis Group



Chokepoint Vulnerability

The concentration of 20% of global oil in a single 21-mile-wide strait is exactly the kind of structural fragility that defines the old order's weakness



Regional Power Assertion

Iran demonstrated that a mid-sized regional power can hold the global economy hostage — a reality that was impossible under American unipolar dominance



Pattern Recognition

Russia in Ukraine. China in the South China Sea. Iran in the Strait of Hormuz. Each one is a regional power asserting control over its sphere — this is the new normal

THE EVIDENCE: MULTIPOLARITY IN ACTION

BRICS+ Expansion (2024–2026)

Saudi Arabia, UAE, Egypt, Ethiopia & Iran joined BRICS, creating an alternative economic bloc representing 46% of world population and ~30% of global GDP. Signals fracturing of Western-led institutional order.

China-Taiwan Tensions

Sustained military pressure in the Taiwan Strait, semiconductor supply chain weaponization, and AUKUS alliance formation reflect great-power positioning over critical chokepoints.

De-Dollarization Efforts

Central banks diversified reserves to gold at record pace (1,037 tons in 2023). China-Russia trade settled in yuan/ruble. BRICS nations exploring alternative payment systems.

Russia-Ukraine & NATO Expansion

Europe's largest land war since WWII triggered NATO expansion (Finland, Sweden), energy decoupling from Russia, and a fundamental reshaping of European defense spending.

Middle East Realignment

Abraham Accords, Saudi-Iran rapprochement (2023, brokered by China), and now the 2026 Iran war demonstrate shifting alliances where the U.S. is no longer the sole power broker.

Global Trade Fragmentation

U.S.-China tariff escalation, chip export controls, EU Carbon Border Adjustment, and supply chain re-shoring ("friend-shoring") reduce efficiency gains of the unipolar era.

The common thread: declining U.S. unilateral influence, rising friction costs, and higher structural risk premia.

THE WORLD WE'RE MOVING TOWARD

From Unipolar Hegemony To Regional Spheres Of Influence

NORTH AMERICA

Energy independent, food secure, demographically stable. The U.S. increasingly looks inward. Supply chains reshore to Mexico and Canada.

EUROPE

Energy-dependent, demographically challenged. Hit hardest by both Russia-Ukraine and Iran. Must build independent defense and energy security.

CHINA / EAST ASIA

Demographic crisis accelerating. Dependent on Middle Eastern energy and food imports. South China Sea becomes its own Strait of Hormuz.

MIDDLE EAST / GULF

No longer just an energy supplier — a geopolitical battleground. Regional powers (Saudi Arabia, Iran, Turkey) compete for dominance without an American referee.

WHAT DEGLOBALIZATION MEANS FOR YOUR BUSINESS

Supply Chains Get Shorter

"Just-in-time" gives way to "just-in-case." Nearshoring, reshoring, and redundancy become strategic imperatives. Businesses with domestic supply chains gain a structural advantage.

Energy Costs Stay Volatile

The era of cheap, stable energy is ending for much of the world. Businesses that reduce energy dependence or operate in energy-rich North America are better positioned.

Labor Scarcity Accelerates

Demographics are shrinking the global workforce. This creates enormous pressure — and enormous opportunity — for automation and AI adoption. More on this shortly.

Regionalism Creates Opportunity

As global trade fragments, domestic and regional businesses become more valuable. A \$30M manufacturer serving North American customers is better insulated than a \$100M company dependent on Asian supply chains.

SECTION THREE

The Great Leap

AI, Robotics & the Most Transformative Decade in Human History

3 TECHNOLOGIES ARE CONVERGING — RIGHT NOW



ARTIFICIAL INTELLIGENCE

Large language models can now reason, write code, analyze data, and make decisions. AI agents are beginning to autonomously complete multi-step workflows — from customer service to legal research to financial analysis. We've moved from AI that 'says' to AI that 'does.'



PHYSICAL AI & ROBOTICS

The sim-to-real gap is closing. ABB and NVIDIA achieved 99% correlation between simulated and real-world robot behavior. Humanoid robots are moving from labs to factory floors. UBS estimates 2 million humanoids in the workplace by 2035.



AUTOMATION & INTEGRATION

Agentic AI combines analytical and generative AI for real-world autonomy. Robots that predict, adapt, and collaborate — not just repeat. The 'digital nervous system' connecting IT and operations is enabling lights-out manufacturing.

WHY THIS MATTERS FOR BUSINESSES LIKE YOURS



The Labor Problem Gets Solved

You can't hire enough people. Neither can anyone else. AI and robotics don't replace your workforce — they multiply it. One skilled worker managing a fleet of AI-assisted robots can do what ten workers did five years ago.



Small & Mid-Size Firms Win

No-code robotics platforms are democratizing automation. You no longer need a dedicated engineering team. ABB's new platform lets operators deploy robots without programming knowledge. The cost of automation is falling rapidly.



Valuation Multipliers

Companies that adopt AI and automation command higher multiples. Buyers are paying premiums for businesses with scalable, tech-enabled operations. 'Digital maturity' is becoming a core due diligence criterion.



The Competitive Moat

The businesses that adopt these technologies in the next 3–5 years will build insurmountable advantages. Those that don't will find themselves competing on price against AI-enabled competitors. The clock is ticking.

THE LANDSCAPE IN 2036

What The World Looks Like After A Decade Of Deglobalization + Technological Transformation

SUPPLY CHAINS

Regional, resilient, technology-enabled. North America as manufacturing hub. AI-optimized logistics replacing globalized fragility.

WORKFORCE

Humans supervise; AI and robots execute. 2 million humanoid robots in workplaces. Chronic labor shortage resolved through automation, not immigration.

ENERGY

Dual transition: fossil fuel volatility drives accelerated renewable adoption. U.S. energy independence becomes a decisive strategic advantage.

BUSINESS VALUE

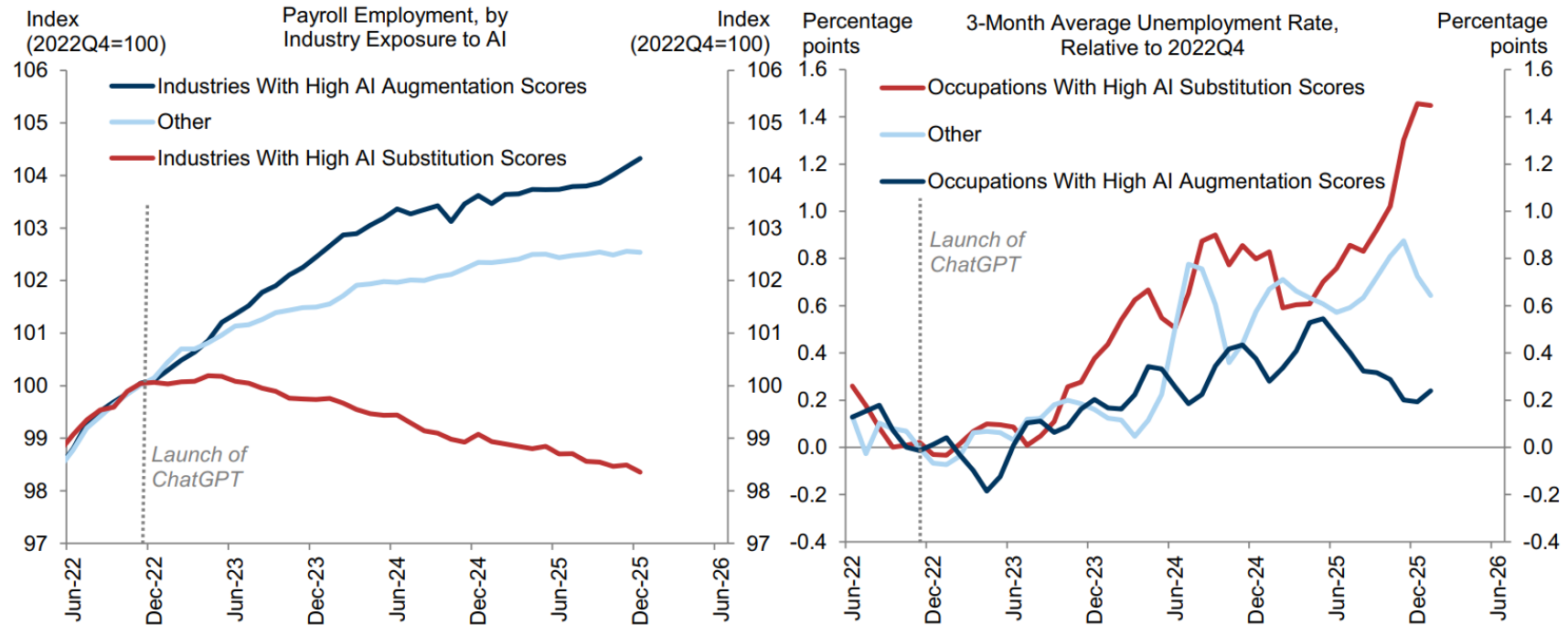
Tech-enabled businesses command premium valuations. Data, AI integration, and operational efficiency become the new 'location, location, location' of business value.

GEOPOLITICS

Regional blocs, not global institutions, define trade. North America, Europe, and Asia operate as distinct economic ecosystems. Volatility is the new normal.

DEPLOYING AI: AUGMENTATION VS. SUBSTITUTION

Since The Launch Of ChatGPT, Higher AI Substitution = Lower Employment

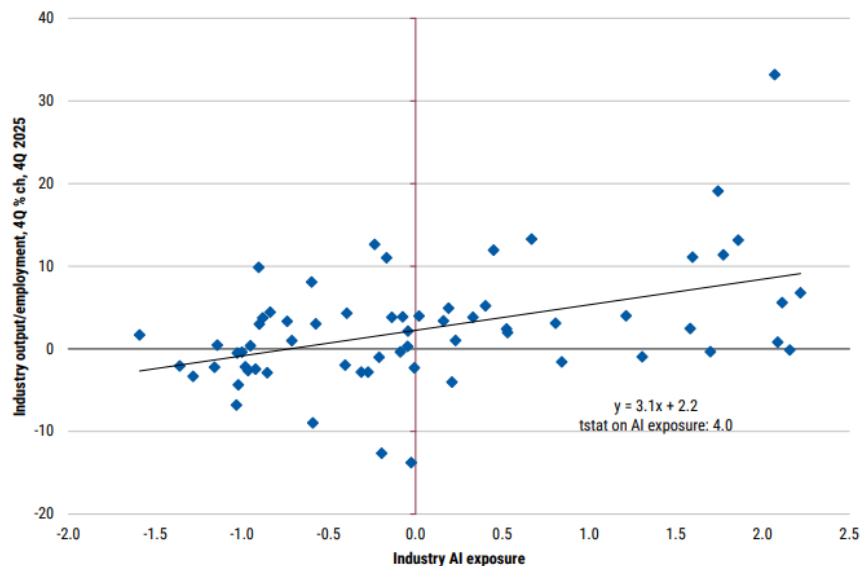


Note: We exclude healthcare, education services, and government industries, which saw strong job growth due to post-pandemic catch-up effects.

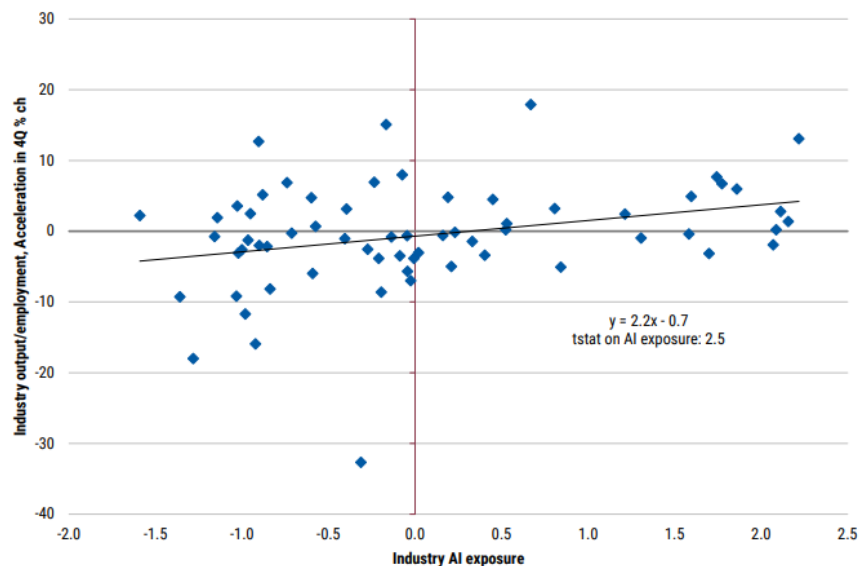
DEPLOYING AI: AUGMENTATION VS. SUBSTITUTION

In 2025, Higher Industry AI Exposure = Higher Productivity Growth and Acceleration

AI exposure was positively associated with productivity growth in 2025



AI exposure was positively associated with acceleration in productivity growth in 2025



3 STRATEGIC IMPERATIVES FOR THE NEXT DECADE

1

UNDERSTAND THE CYCLE

The Iran crisis will resolve. But the underlying volatility won't disappear — it will return in different forms. Build businesses that can absorb shocks, not ones that depend on stability. If you're considering a transition, timing matters — but don't let short-term turbulence obscure long-term value.

2

POSITION FOR REGIONALISM

Deglobalization is not a threat to well-run domestic businesses — it's a tailwind. Shorten supply chains. Strengthen North American relationships. Reduce dependence on global inputs. Your competitive advantage in a fragmenting world is proximity and reliability.

3

INVEST IN TECHNOLOGY — NOW

The AI and automation wave is not coming. It's here. Every dollar invested in digital transformation today compounds for a decade. Start with the operations that are most labor-constrained. Build a technology roadmap. Make your business the one buyers compete for, not the one they discount.

The next 10 years will reward those who see clearly and act decisively.

The world is changing. Your business is valuable.
The question is: what do you do next?

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Q & A

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