



Seizing change: Turning global trends into opportunities

Tracey Keys
Director, Strategy Dynamics Global SA

FROM FINANCIAL CRISES TO INFORMATION WARS...

**FROM E-COMMERCE TO M-COMMERCE – IN FACT MOBILE
EVERYTHING...**

FROM ABUNDANCE TO SCARCITY OF RESOURCES...

**TRENDS ARE (NOT ALWAYS) SLOWLY
RESHAPING OUR LIVES AND WORK**

The challenge: How do we stay ahead of the many, rapid changes happening?



**Overloaded
with data?**



Understanding



Insight



**What
actions to
take today?**

Reliable crystal balls are in short supply...



It is essential to have a point of view on the future – and to start acting on it today



“I think there is an increasing reality everywhere in the world that the only constant [now] is change. The pace of change is getting faster and is often unpredictable. The days of long-term planning and predicting the future simply on the basis of the past are gone.”

“The most important challenge for businesses is to create a point of view about the future and, at the same time, manage the short term more dynamically than ever before.”

Harish Manwani, COO, Unilever

WHAT MAJOR CHANGES ARE CEOS/GLOBAL LEADERS AROUND THE WORLD WATCHING AND ACTING ON?

What do companies seeking to own the future see as fundamental changes to watch?

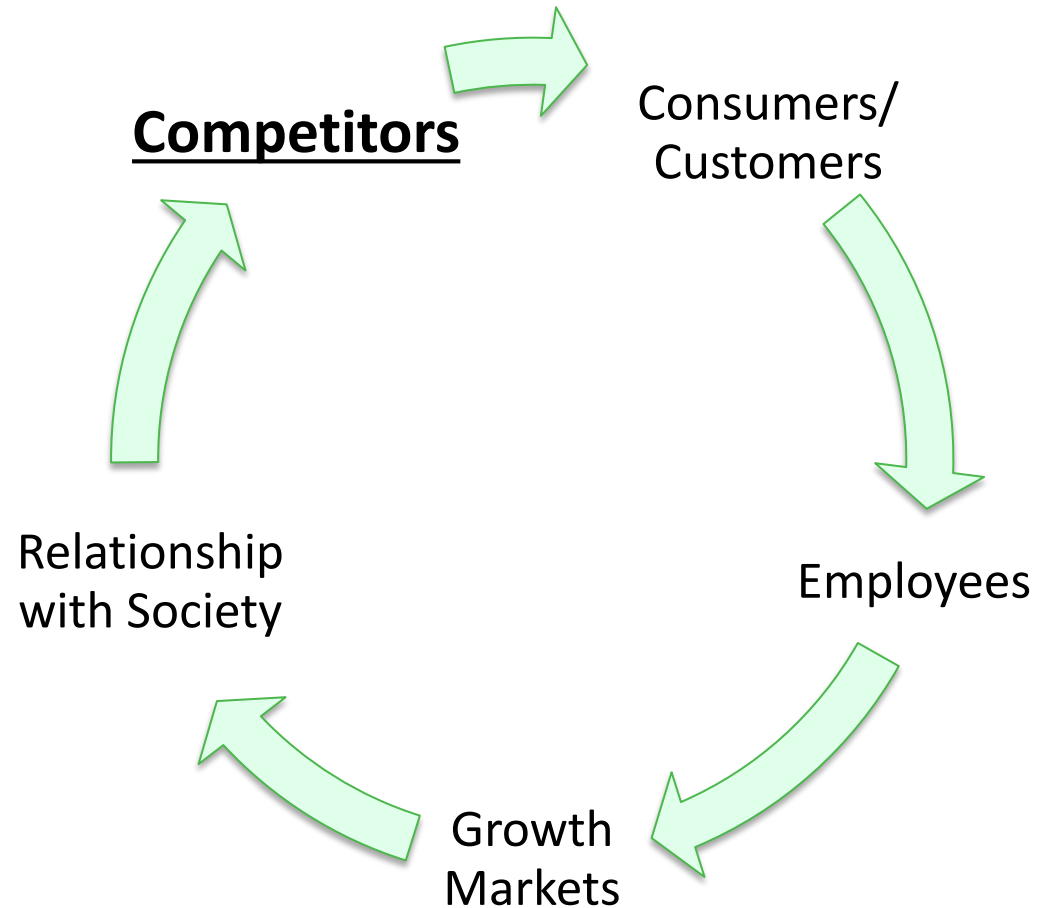


Areas of fundamental change identified by 156 CEOs and leaders:

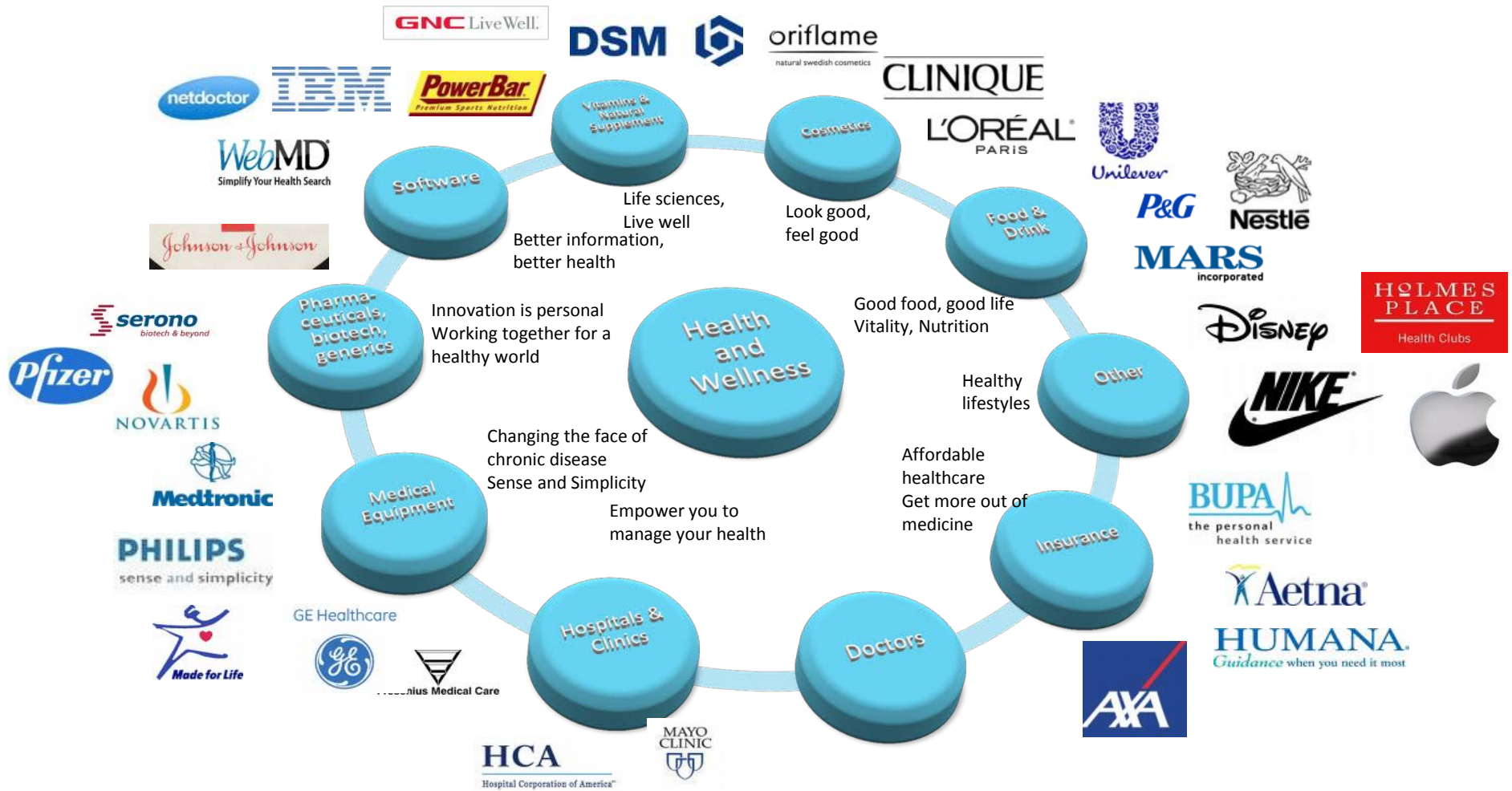
1. Industries and Competitors
2. Customers and Consumers
3. Growth Markets
4. Employees
5. Societal Expectations

Source: Ready? The 3Rs of preparing your organization for the future, Thomas W. Malnight, Tracey S. Keys, Kees van der Graaf, 2013

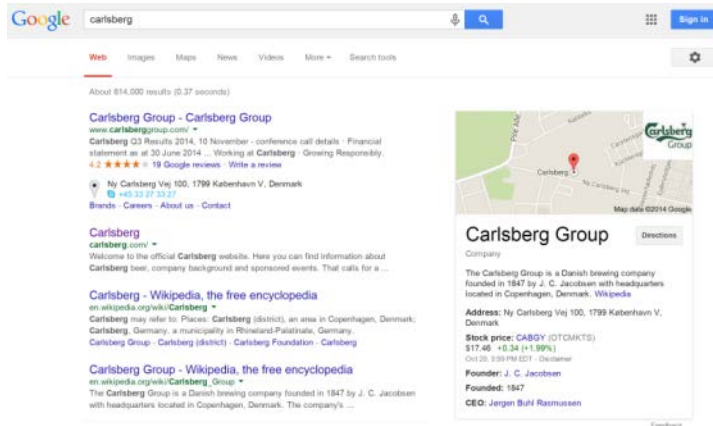
The changing playing field



Who are future competitors in health & wellness?



What industry will Google enter next?



Sources: Google Glass photo, author Tim Reckmann; Google Express photo, author Yngvadottir; both via Wikimedia, files licensed under the Creative Commons Attribution-Share Alike 3.0 Unported license.

Industry market share competition is being replaced by cross industry competition



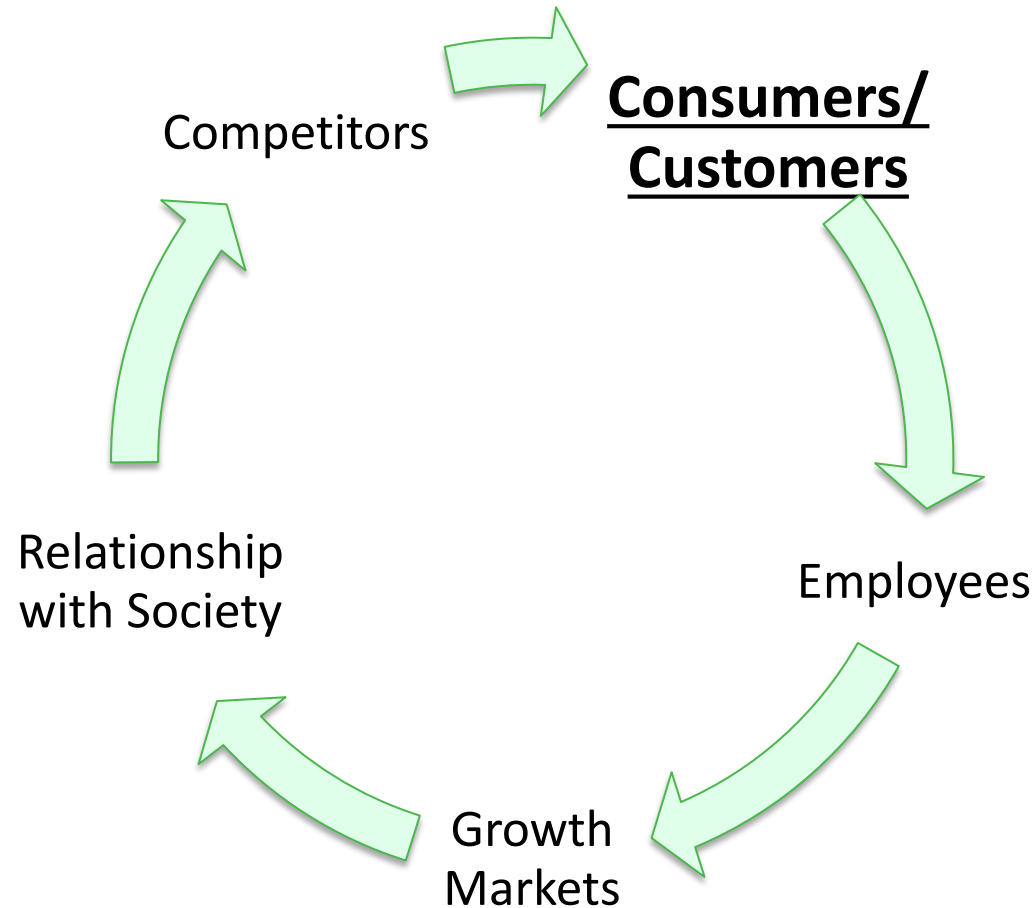
Future competitors are not those that

- **look** like,
- **think** like,
- **act** like,
- **do** the same things as you!

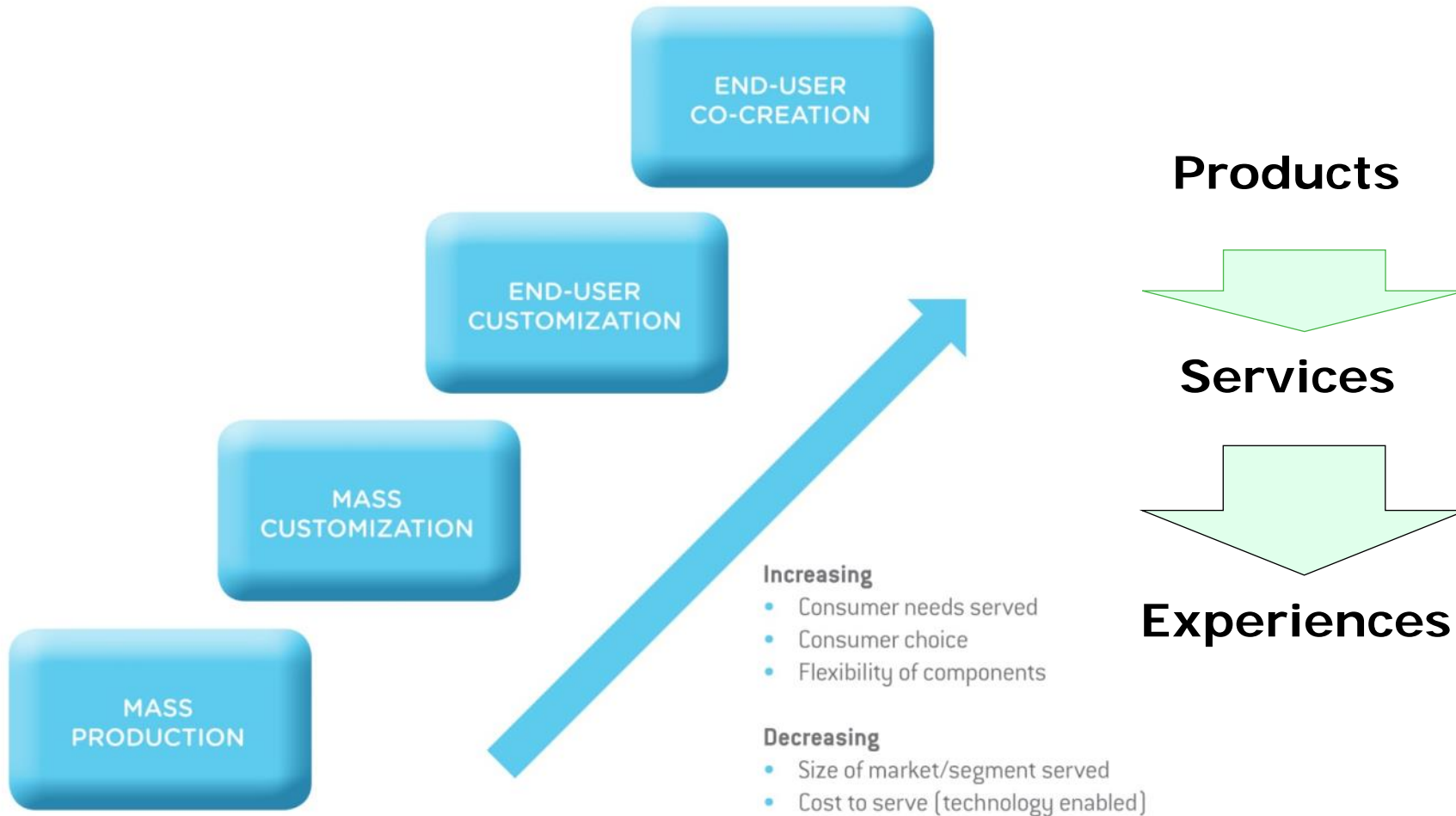
Competition is increasingly based on:

- different **businesses**,
- different **models**,
- different **mindsets**,
- different **value propositions**,
- different **profit formulas!**

The changing playing field



Expectations are rising in consumer-driven business models



Engagement needs to happen anywhere, anytime as the world becomes increasingly connected



1993 100 MILLION PCs



2008 1 BILLION PCs



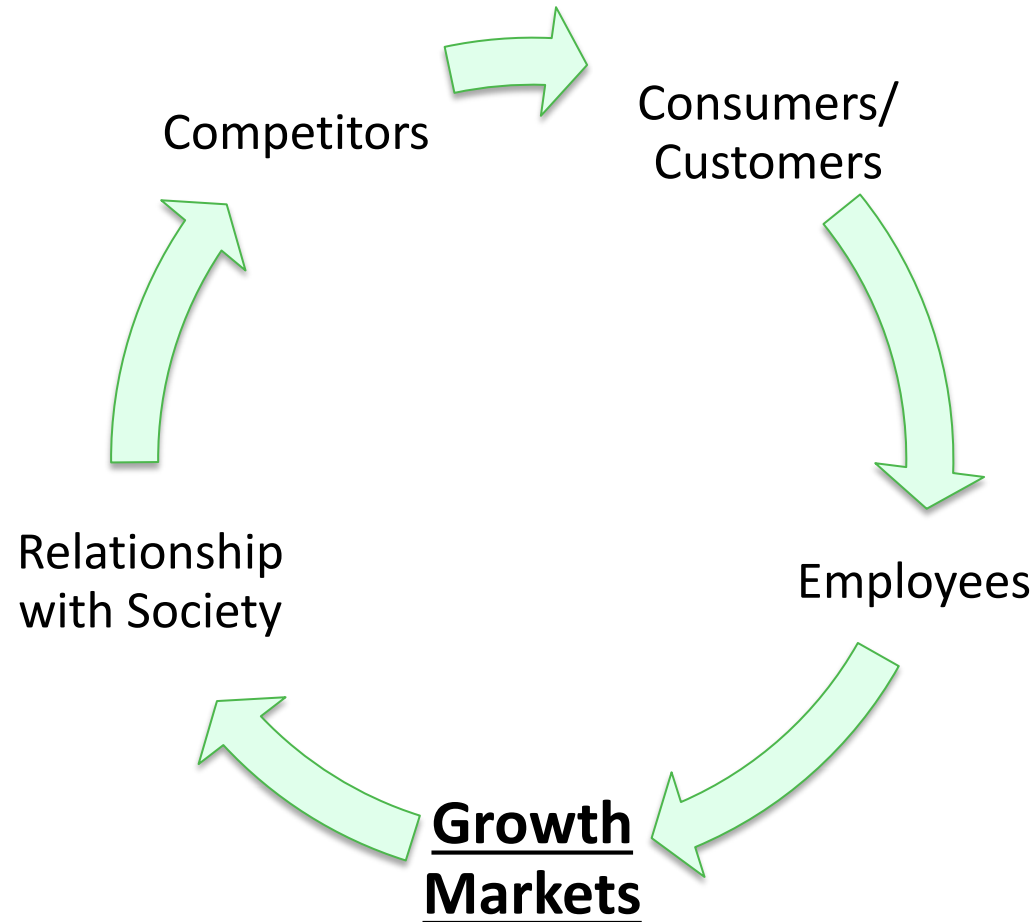
2020 10 BILLION MOBILE
CONNECTED DEVICES



2040 ? BILLION CONNECTED
PEOPLE

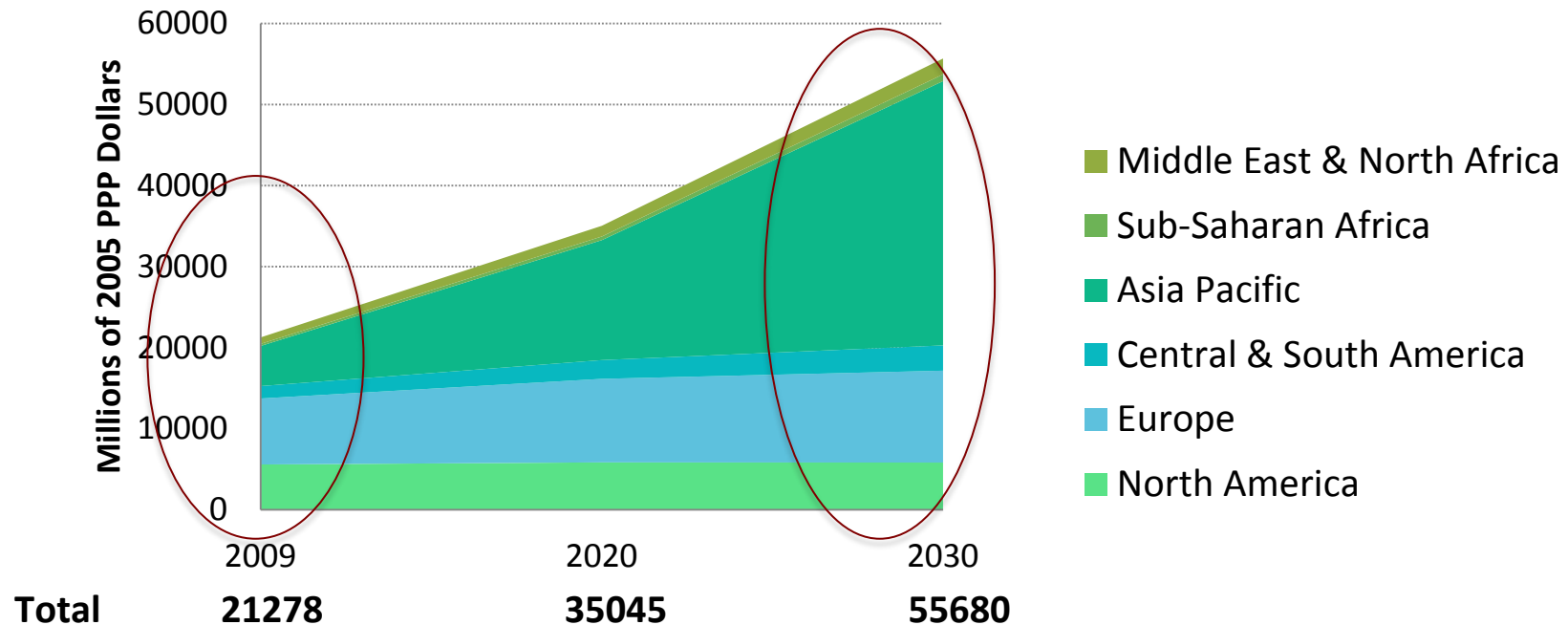
Source: The Economist-Beyond PC, various news sources

The changing playing field



A generational shift in economic power is underway: The spending power of the global middle class will increase dramatically

Spending by the Global Middle Class



The number of people in the global middle class will rise from 1.8 billion in 2009 to 4.8 billion in 2030 – with spending power rising by a factor of around 2.5

Source: OECD

Competition for future growth markets will increase, as will competition between business models and mindsets



India's Narayana Hrudayalaya Hospital

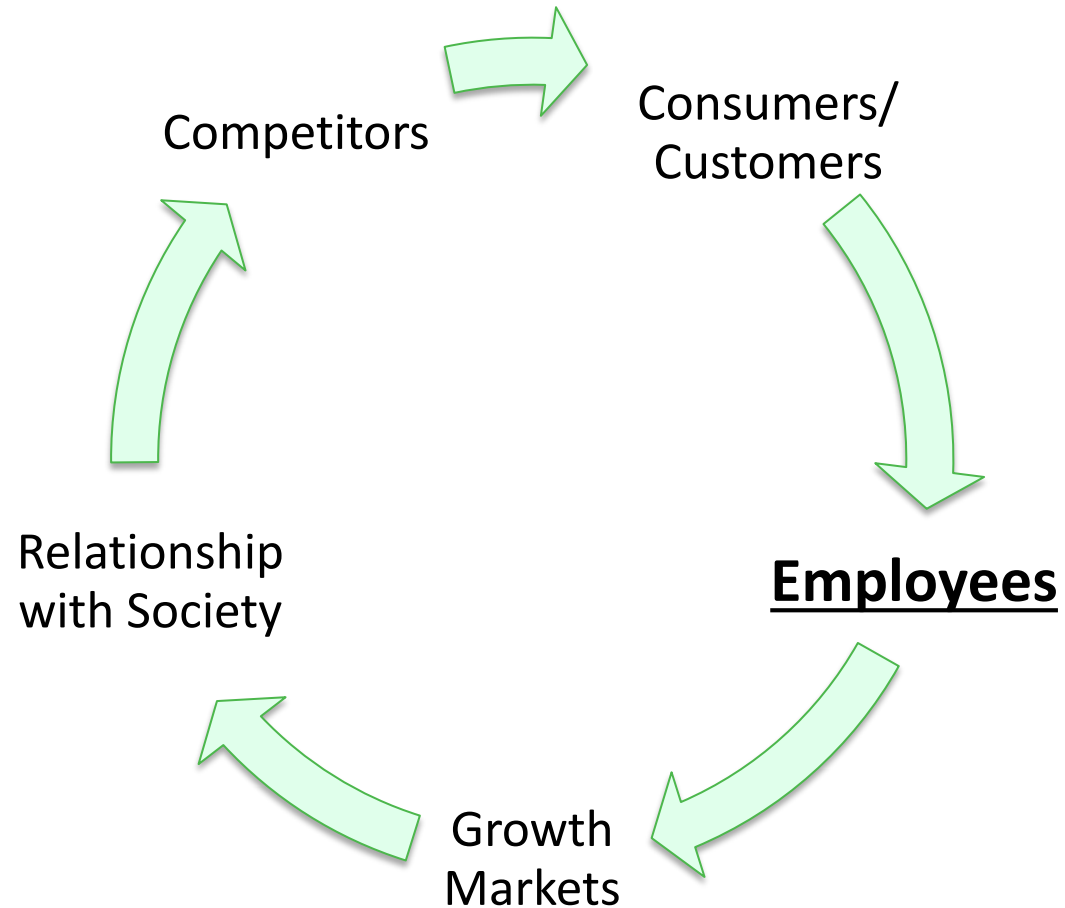
Speciality: Open-heart surgery performed at much lower cost than in the U.S. Labor cost cannot explain the difference.

How do they do it: Uses the same world-class equipment as top U.S. hospital the Mayo Clinic but by using it 20 times more, costs are driven down.

What's next: In the Cayman Islands, just a 60-minute flight from Miami, the hospital is now building a 2,000-bed hospital to serve American patients – potentially the first step in radically shaking up the U.S. healthcare industry.

Source: An interview with Professor Vijay Govindarajan via DNA

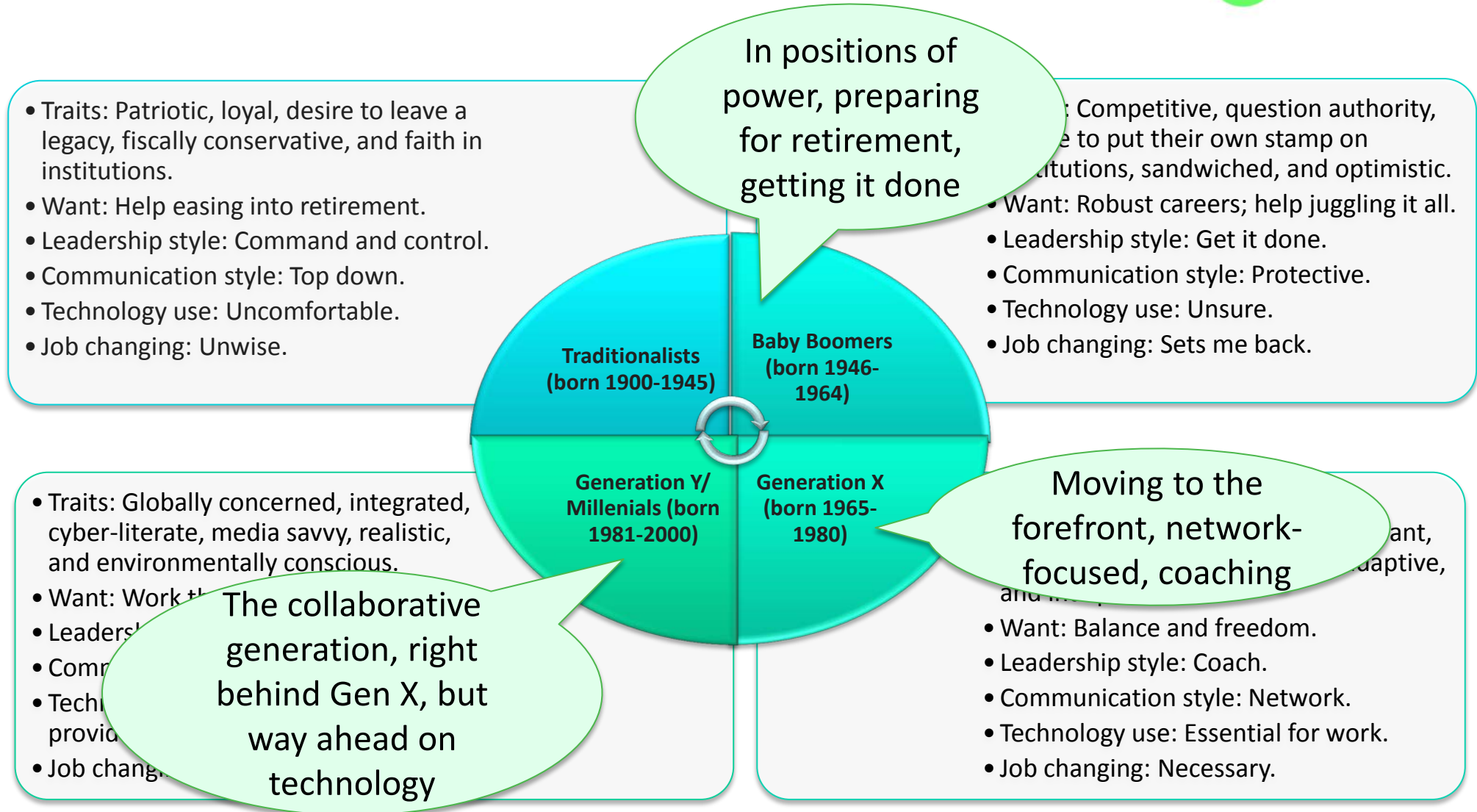
The changing playing field



There is a shifting generational center of gravity among employees Global Trends

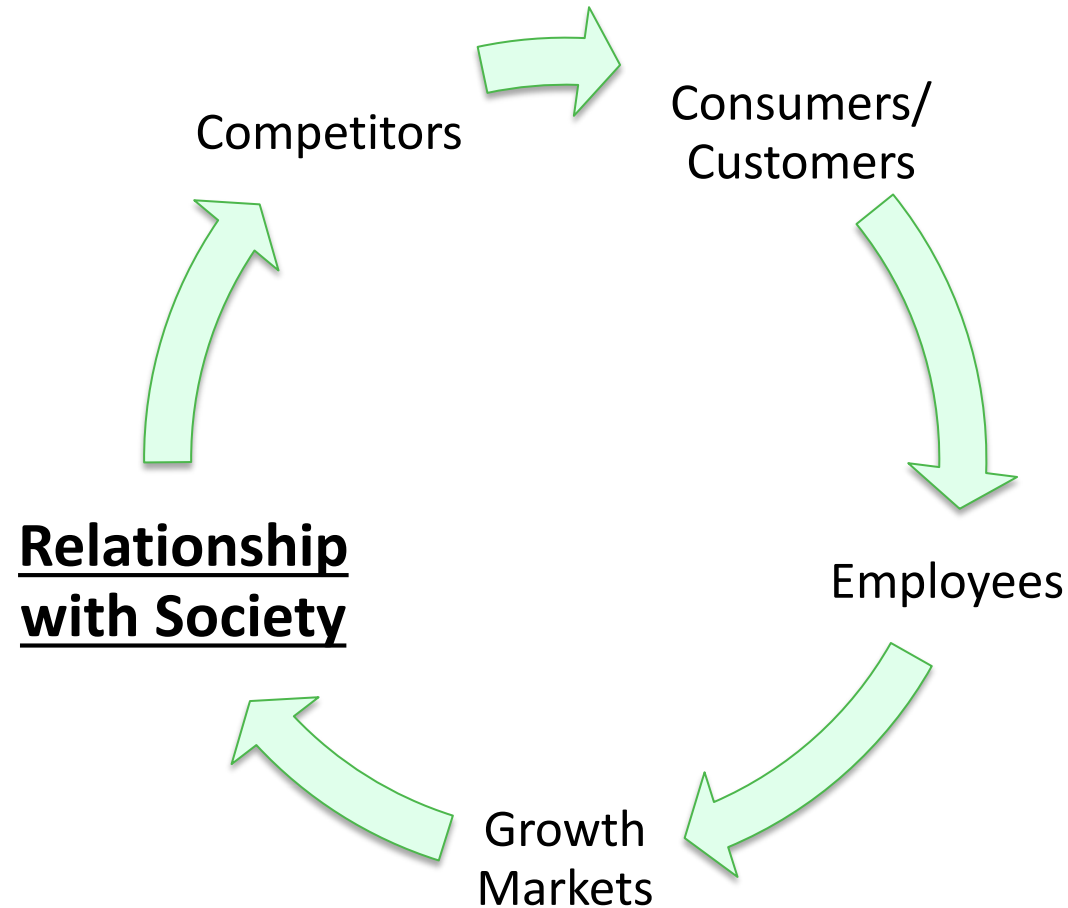
Multiple generations with different mindsets working together, while preparing for the next generation as well.





Source: Adapted from: BridgeWorks, Lynne Lancaster and David Stillman. Website: www.generations.com; authors of *When Generations Collide*, HarperCollins, 2003

The changing playing field



Natural resources are under pressure – and will continue to be

2030

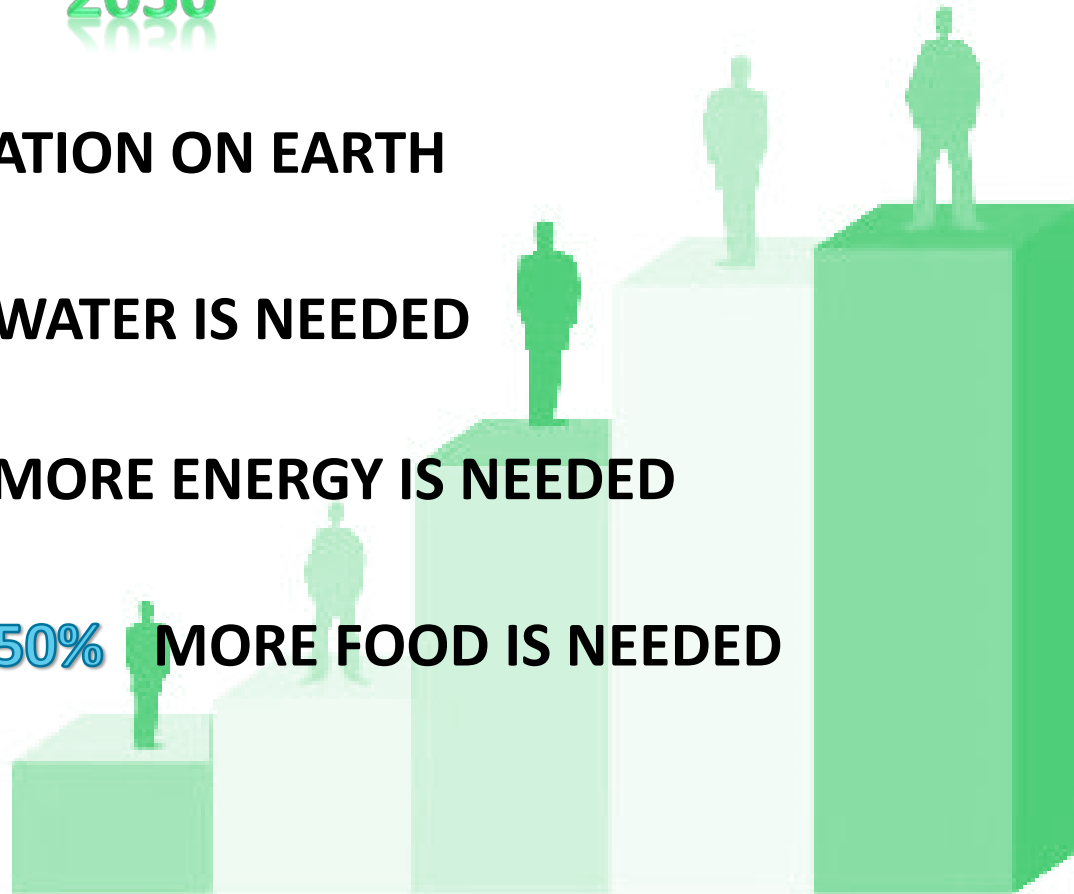
8.3BN IS THE POPULATION ON EARTH

30% MORE WATER IS NEEDED

40% MORE ENERGY IS NEEDED

50% MORE FOOD IS NEEDED

We will demand
2 TIMES
the renewable
resources that the
planet can supply



Sources: UN & Fast Company

Sustainability will be key in every part of the supply chain



A shift towards a circular economy could ...

- Add more than US\$1 trillion to the global economy by 2025
- Create 100,000 new jobs within the next five years

The relationship between business and society is shifting



“The market has spoken. The market cares. People care. They want you to be socially responsible or they will dismiss you as a legitimate company.”

Shelly Lazarus, Chairman Emeritus, Ogilvy & Mather

“If you look at success as a pure economist, then you may well conclude that profit is the highest value. From a purely economic point of view, that might be true. But companies are also a part of society, and you cannot measure the success of one without reference to the success of the others.”

Feike Sijbesma, CEO, Royal DSM

So what's changing?

1. Your competitors are not who you think they are!
2. Your customers/consumers (and their behavior) are not who you think they are!
3. Your growth markets (and battles) are not where you think they are!
4. Your employee expectations, and how they add value, are changing!
5. The expectations of you as a business are not what you thought they were!

WHAT OTHER TRENDS SHOULD COMPANIES – AND INDIVIDUALS – BE WATCHING?

Additional trends to watch

- Redefining value and value creation
 - The sharing economy
 - From individual power to the power of the crowd
- The next industrial revolution
 - From people-powered to robot-powered
 - From technology building blocks to game-changers
- Managing the digital world
 - Privacy and security: The genie is out of the bottle
 - Realizing the potential of big data and digitization
- The role of institutions – reshaping governance and regulations

There is a shift in how people define value



Experiences are becoming more important than ownership

Why own when you can rent and share?



Why buy when you can swap?



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The crowd is helping to redefine value creation, addressing societal challenges and driving innovation



Crop Mobs

Sustainable farms may enjoy the help of “wannabe” farmers.



The ILIAD project:

Crowdsourcing new drugs

Tapping into citizen scientists globally to find new antibiotics and other drugs, faster, more cheaply and more efficiently.

A key benefit: Drugs that may not be cost effective for the big pharmaceutical players could see the light of day.

At the same time, the next “industrial” revolution is happening as robots and smart machines reshape work...

Healthcare

The global medical robotic systems market is expected to reach US\$13.6 billion in 2018, growing at a compounded annual growth rate of 12.6% from 2012.

(Source: [Transparency Market Research](#))



Agriculture

Worldwide the agricultural robot market is anticipated to reach US\$16.3 billion by 2020, up from US\$817 million in 2013.

(Source: [Yahoo](#))

...along with new technologies including 3D printing
which are redistributing production



Photo: Author Kyle Pearce (www.diygenius.com) via Flickr; licensed for reuse under the Creative Commons Attribution-ShareAlike 2.0 license.

However, digital and other new technologies also bring challenges – privacy is only an illusion



Making the most of the digital deluge will demand new approaches and skills

Companies with the most advanced big data analytics capabilities are:

- **Twice as likely** to be in the top quartile of financial performance within their industries.
- **Five times as likely** to make decisions much faster than market peers.

Source: [Bain & Company](#)

In a changing world, institutions face enormous governance challenges

- Trust in institutions is falling
- The fall-out from financial and economic crises continues
- Inequalities are rising
- An increasingly polarized geopolitical landscape presents serious risks to global growth and stability
- A more multipolar world is increasing the power and influence of regions, cities and communities
- New technologies and behaviours are challenging existing governance and regulatory approaches

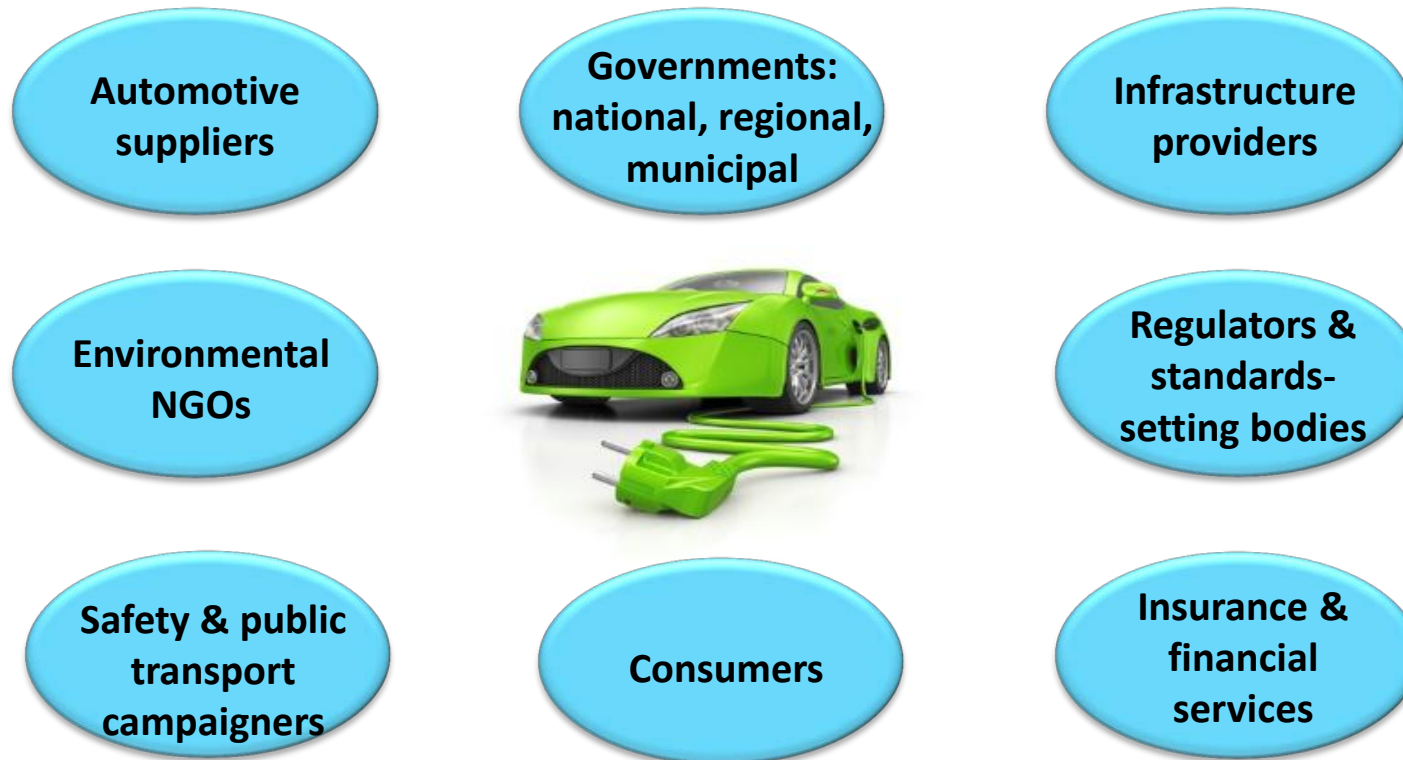


How do governments, businesses and societies create a positive and progressive environment for economic and social development?

Managing multiple stakeholders will be increasingly important for success

You are either at the table shaping the future, or you are outside waiting for others to set the rules, in which case you will be forced to play catch-up.

Shaping the Future of the Electric Car: A Simplified Ecosystem



Some implications of these trends

- Competition has never been higher
- Massive, rapid innovation – collaborative, crowd-sourced and technology-driven
- Rapid and frequent shifts in consumer behaviours
- Growth markets are among the Millennials and in rapidly developing economies, but they are fickle!
- Creativity among the workforce is increasingly important
- Resource management and sustainability has to be high on the corporate agenda to earn the license to operate
- New technologies will reshape the entire value chain, as well as the product and end-user experience
- Making the most of our digital age will demand new approaches and skills
- Governance and institutions need a massive rethink

LET'S NOT WAIT TOO LONG!

HOW DO WE SEIZE THESE OPPORTUNITIES?

A globe is centered in the image, surrounded by a dense network of fiber optic cables. The cables are illuminated with bright blue and green lights, creating a glowing effect. The background is dark, making the lights stand out.

THANK YOU!

www.globaltrends.com