

# Organizations should embrace these 10 value areas when preparing for the future...

**I PURPOSE & VALUES 4.0.** Organizations in 2025 will see purpose & values as a *license to operate*. The philosophy will have moved to hard (real-time) KPIs, clear owners, and reporting standards. Realtime data will become visible.

**II NON-LINEAR PLANNING.** High levels of uncertainty are expected, with both uncertainty related to megatrends (e.g. climate change), regulations (e.g. technology) and political stability compounding to shape an increasingly complex environment.

**III DIGITAL VALUE CREATION.** AI/IoT/Cloud/Big Data will change how strategy is done. Adoption of technologies will surge and move beyond efficiency gains, initiatives focused on *top-line growth* will rule. Every company is a data company.

**IV HYPERPERSONALIZATION.** Consumers increasingly expect 'n = 1' models instead of broad segmentation. This wave of hyper-personalization is increasingly made possible by technological advances like AI, 3D printing and 5G (data availability).

**V EXPERIENCE MARKETS.** Organizations will increasingly compete on the experience they can provide. This will be true externally (e.g. speed of delivery, convenience, personalized services for customers) as well as internally (e.g. employee experience).



**VI NETWORK OF NETWORKS.** The new analogy for companies will be a network of networks, optimized for rapid decision making, access to talent in secondary markets (e.g. gig economy), and flexibility/resilience. Boundary conditions will be centralized.

**VII RAPID DUAL LEARNING.** How fast you learn is a competitive advantage in 2025. This learning will need to happen on two dimensions, *humans* and *machine* (e.g. continuous updating of AI models for better predictions), and continuously.

**VII FRICTIONLESS OPERATIONS.** Frictionless Information flows in organizations will increasingly dominate over human-to-human systems, e.g. through shared interfaces. This provides response times, innovation, time-to-market, and economies of scale.

**IX RESILIENT DESIGN.** The relentless focus on efficiency will partly shift to a focus on resilience. This might mean simpler business models, de-globalization, nearby supply chains, deeper insight into partners, multiple-world strategies going forward etc.

**X LEADERSHIP 4.0.** Leaders in this world will need to create digital value, understand the ethics behind technology, be willing to re-train continuously, and adapt the leadership style. Leadership 4.0 is focused on purpose, continuous adaptation and orchestration.

Note: a dimension is added when i) it significantly changes how value is created in a market, ii) it happens across industries, iii) the economic changes are significant, with global opportunities in the hundreds of billions of EUR.

...whereas each areas represents major opportunities to differentiate

<b>\$1 trillion</b>	<p><b>PURPOSE &amp; VALUES 4.0</b></p> <ul style="list-style-type: none"> <li>• <b>82% of executives</b> agree on the relevance of corporate purpose.</li> <li>• Sustainable investments grew at <b>21,66% CAGR 2012-2018 (US)</b>.*</li> <li>• Embracing a long term view can generate <b>1 trillion USD</b> in value.</li> <li>• Purpose impacts <b>leadership, NPS, innovation, engagement</b>.</li> </ul>	<p><b>NETWORK OF NETWORKS</b></p> <ul style="list-style-type: none"> <li>• Gig workers are appearing <b>across all industries</b>, with <b>4% of workers</b> citing it as primary income and <b>19%</b> as secondary income.</li> <li>• In the US, <b>36% of the population</b> is involved in the gig economy.</li> <li>• The size of the gig economy is estimated to be <b>3,7 trillion USD</b>.</li> </ul>	<b>\$3,7 trillion</b>
<b>Survival</b>	<p><b>NON-LINEAR PLANNING</b></p> <ul style="list-style-type: none"> <li>• Survival time for organizations in the SP500 is shortening from +60 years in 1958, to 20 years in 2012, to a predicted <b>14 years in 2026</b>.</li> <li>• <b>&gt;50% of organizations</b> have returns below their cost of capital.</li> <li>• <b>Dynamic allocation of resources</b> is a key driver of success.</li> </ul>	<p><b>RAPID DUAL LEARNING</b></p> <ul style="list-style-type: none"> <li>• S&amp;P500 firms survived 33 years in 1964, but. <b>~12 years in 2027</b>.</li> <li>• <b>50% of the listed firms</b> won't survive the next decade.</li> <li>• <b>&gt;800 million jobs</b> might be lost to automation by 2030.</li> <li>• Companies in the '20s will compete on their <b>rate of learning</b>.</li> </ul>	<b>Survival</b>
<b>\$15,7 trillion</b>	<p><b>DIGITAL VALUE CREATION</b></p> <ul style="list-style-type: none"> <li>• AI is set to add <b>15,7 trillion USD</b> to global GDP in 2030.</li> <li>• The 5G market is set to grow to <b>24 billion USD</b> by 2025.</li> <li>• IoT managed services is a <b>90,8 billion USD</b> market by 2025.</li> <li>• Public clouds are a <b>509 billion USD</b> market by 2025.</li> </ul>	<p><b>FRICTIONLESS OPERATIONS</b></p> <ul style="list-style-type: none"> <li>• A mix of digitization, process automation, advanced analytics can leads to new levels of <b>speed, customer centricity and agility</b>.</li> <li>• ~45% of tasks can be automated, worth <b>2 trillion USD</b> in the US.</li> <li>• <b>Organizational drag</b> constitutes <b>~24% of the available time</b>.</li> </ul>	<b>24% more time</b>
<b>\$2,95 trillion</b>	<p><b>HYPERPERSONALIZATION</b></p> <ul style="list-style-type: none"> <li>• Already present in online ads, product recommendations etc.</li> <li>• Leaders show <b>+5-15% in revenue</b>, and <b>+10-30% efficiency in marketing-spend</b>, greater <b>loyalty</b> and <b>fewer returns</b>.</li> <li>• For retail, personalization is a <b>2,95 trillion USD</b> price by 2025.</li> </ul>	<p><b>RESILIENT DESIGN</b></p> <ul style="list-style-type: none"> <li>• In every crisis, 10-13% of companies fair better than the rest.</li> <li>• The TSR for resilient firms can be <b>150%</b> higher in a decade.</li> <li>• Organizations are improving <b>resilience next to efficiency</b>, done by cleaning up balance sheets, supply chain adaptation etc.</li> </ul>	<b>+150% TSR</b>
<b>+13% WTP</b>	<p><b>EXPERIENCE MARKETS</b></p> <ul style="list-style-type: none"> <li>• 82% of the-top performing companies track <b>customer experience</b>.</li> <li>• CX tech spending is up <b>8% CAGR 2018-2022</b>, to <b>641 billion USD</b>.</li> <li>• Average willingness to pay rises <b>+13%</b> with a great experience.</li> <li>• 32% of customers say they walk away after <b>one bad experience</b>.</li> </ul>	<p><b>LEADERSHIP 4.0</b></p> <ul style="list-style-type: none"> <li>• Leadership development spending is over <b>50 billion USD/year</b>.</li> <li>• Only <b>10% of executives</b> believe the efforts have a business impact.</li> <li>• A successful leader can <b>change the faith of a company entirely</b>, e.g. Nadella increased stock value in MSFT by 430 billion USD.</li> </ul>	<b>Survival</b>