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1 – THE FUTURE OF BUSINESS

The future of business is:

FREE

Just as Gillette gave away razors to sell blades, in the coming age of unlimited bandwidth and cheap computing power, it will make sense for more and more businesses to give products and services away and make their money through other value propositions (for example, premium products and services, advertising, aggregation of markets for third parties, licensing, or collecting consumer/user information). [Chris Anderson (Wired.com)]

SOCIAL

Amazon, Netflix, Virgin Mobile, P&G, Dell and Starbucks are all moving from a firm-centric to a network-centric organization, building and leveraging their community of users by giving them a voice in strategy, product development, and marketing decisions. They understand that crowd-sourced and peer-to-peer business intelligence helps them overcome the “not-invented-here” syndrome, reconciling “inside-out” and “outside-in” innovation. Companies that open themselves up to promoting and fully leveraging the social dimension of human beings in order to create smarter and more effective solutions for social problems will be the winners of this new social economy. [Tim Leberecht (frogdesign.com)]

TRANSPARENT

We are entering an extraordinary age of transparency, where businesses must for the first time make themselves clearly visible to shareholders, customers, employees, partners, and society.

Financial data, employee grievances, internal memos, environmental disasters, product weaknesses, international protests, scandals and policies, good news and bad; all can be seen by anyone who knows where to look. Welcome to the world of the naked corporation. Transparency is revolutionizing every aspect of our economy and its industries and forcing firms to rethink their fundamental values. [Don Tapscott, David Ticoll (nakedcorporation.com)]

FEMALE

Women have become the engines of global growth over the past decade, according to The Economist magazine. This is especially true in East Asia. In the Philippines, 89% of companies have women in senior management positions. China, Hong Kong, Indonesia, Taiwan and Singapore follow closely in terms of women in top jobs. Even in India, where more than half of girls are illiterate, a higher share of women hold senior management positions than women in countries such as Germany, the Netherlands and Portugal. According to a recent study by McKinsey, companies with a higher proportion of women in senior management positions are on average 48% more profitable than rivals. [Helen Mees (ft.com)]

INTEGRAL

John Mackey is Chairman and CEO of Whole Foods Market, a \$4 billion Fortune 500 company, the largest natural foods retail chain in the world, and a “Fortune 100 Best Companies To Work For” for 8 years running. He runs Whole Foods as an Integral Business, which “helps people at every stage of development be the best they can be at that stage.” A happy employee is a productive

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employee, so it is truly a win-win situation. And because an Integral Business recognizes the transformative impulse in human beings, people are always invited to step into their next level of growth and fullness. [Ken Wilber (integralinstitute.org)]

CONTEXTUAL

Harvard Business School professor Andrew McAfee coined the term “Enterprise 2.0” to describe Web 2.0 in a business context, defining it as “the use of emergent social software platforms within companies, or between companies and their partners or customers.” McAfee established six key attributes of Enterprise 2.0 that he describes with the acronym SLATES: Search, Links, Authoring, Tags, Extensions, and Signals. These attributes explain what social computing technologies such as wikis, RSS, and “presence” are accomplishing and why they will play an increasingly important role in the future of business.

Enterprise 2.0 tools will break the E-mail addiction and our reliance on other outmoded apps. They unlock value in the form of transparent, contextual communication, ease of access to information, and more effective use of data inside applications, on desktops, or in E-mail attachments. They let us capture the knowledge and opinions in the minds of workers through simple participation. Early adopters are finding them powerful and liberating. [Steve Wylie (informationweek.com)]

VIRTUAL

Virtual and computer-generated worlds are set to revolutionize how people, and businesses, interact. A study by Deloitte, “Breathing a second life into synthetic worlds,” has concluded that such worlds, often dismissed as the preserve of geeks and teenage boys, are in fact growing in popularity yet their potential has not been grasped by most businesses.

Such virtual worlds have created a new way for people to socialize, entertain, innovate and

transact business. As they become more popular and use increasingly sophisticated technology, they could potentially have a significant impact, particularly in the way they change personal and business interactions. [Nic Paton (managementissues.com)]

GREEN

Climate change, renewable resources, carbon footprint, energy consumption, water conservation, responsible investing, global supply chain, and alternative fuels – terms that once were used only by environmental activists are now considered essential to global business strategy. It’s no longer acceptable to create and sell products without considering the environmental implications on your supply chain, raw materials, employees, consumers, partners, customers, and of course, the planet. [businessgoesgreen.com]

ANALYTICS

Seen as an effective decision-support tool primarily for the military and financial services markets just 20 years ago, analytics has now attracted the attention of a growing range of companies that see the field as an important way to gain a competitive edge through the strategic mining and analysis of multitudes of customer, partner and employee data. As an integral part of an organization’s business strategy, analytics can also improve their bottom line and – through real-time, interactive decision-making – enhance relationships with their many constituents.

The applicability of analytics continues to expand, reaching into more business and industry sectors and unlocking findings in databases that only recently could be probed with sophisticated software applications. The tools of analytics – hardware solutions, algorithms, and real-time support software – continue to evolve and grow more powerful. [sdsic.org]

Consulting in:

- Market and industry analysis
- Strategic business direction
- Growth dynamics

Providing:

- Trend identification and analysis
- Keynotes and presentations
- Proprietary research and reports

Trend Analysis That Builds Business Decisions

TELEPRESENCE

The future of business will be the ability to cost-effectively leverage your knowledge workers around the world wherever their geographic location, connecting them instantly with a lifelike experience and providing familiar and contextual tools to easily collaborate with colleagues, partners, vendors and customers.

Telepresence is a conferencing technology where participants feel as if they are in the same physical space. It is an entirely new visual collaboration paradigm with substantially greater end-user acceptance and usage than traditional video-conferencing. This ability to effectively conduct global inter-company business will be the killer-app of the 21st century, and an application with potential for the same exponential growth that characterized telephony, the Internet and other communication networks. It is the ultimate disruptive technology with a substantial and proven Return-On-Investment (ROI) for the organizations that have deployed telepresence solutions to reduce travel, accelerate productivity, and improve distance learning. [humanproductivitylab.com]

CHINA AND INDIA

Today's economic projections suggest that in less than a generation China and India will become the largest and third largest world economies, respectively, in terms of purchasing power parity, and together they will account for nearly 40% of world trade, a position they occupied a century ago and more than their collective 15% today. Demographic projections based on current populations – 1.3 billion in China and 1.1 billion in India – suggest that within the same period the weight of the world economy will shift from today's developed nations onto the two emerging countries. Billions of entrepreneurs will ultimately power this transition, and not just Chinese and Indian entrepreneurs who take companies public,

but also politicians who lead anew and idealists who force us to imagine better futures. The world's future is irrefutably tied to that of China and India. Yet the United States is woefully uninformed about the past and present of both countries. [Tarun Khanna (*Billions of Entrepreneurs*)]

BUSINESS MODEL INNOVATION

Business model innovation is regarded already today as the major driver of value creation and growth. In a few years, it will be the main source of competitive advantage. The opening of markets and continuously accelerating global competition are leading to a situation in which competitive advantage based purely on product advantage will at best be only short-term. The way products are created, delivered, and maintained will make the greatest difference in the future. **How** companies do business will often be more important than **what** they do. Consequently, companies will have to continuously review and reconfigure their business models.

In the process of business model innovation, the challenge for companies is to balance stability and reliability with innovation and change. Without a systemic approach that ensures that all involved internal and external parties work "in concert" to develop and implement one consistent business model that can leverage existing assets and that is aligned with the markets that won't be possible. Business model innovation needs to be turned into a systematic process that enables organizations to execute it with operational excellence and to repeat it successfully again and again.

Organizations that start to think about work on business model innovation and to institutionalize the process soon discover that they have to find new answers for a whole range of questions and have to struggle with many challenges. [iioe.eu/ebmif.html]

2 – THE BUSINESS OF THE FUTURE

What will the enterprise of the future look like? To answer that question IBM spoke with more than 1,000 CEOs from around the world about their firms' challenges and proposed plans to meet them. These conversations, together with IBM's statistical and financial analyses, provide a unique perspective on the future of the enterprise.

First and foremost, CEOs are rapidly positioning their businesses to capture growth opportunities. The IBM Global CEO Study: The Enterprise of the Future also revealed several other prominent findings:

Organizations are bombarded by change, and many are struggling to keep up. Eight out of ten CEOs see significant change ahead, and yet the gap between expected change and the ability to manage it has almost tripled since the last Global CEO Study in 2006.

CEOs view more demanding customers not as a threat, but as an opportunity to differentiate. CEOs are spending more to attract and retain increasingly prosperous, informed and socially aware customers.

Nearly all CEOs are adapting their business models – two-thirds are implementing extensive innovations. More than 40% are changing their enterprise models to be more collaborative.

CEOs are moving aggressively toward global business designs, deeply changing capabilities and partnering more extensively. CEOs have moved beyond the cliché of globalization, and organizations of all sizes are reconfiguring to take advantage of global integration opportunities.

Financial outperformers are making bolder plays. These companies anticipate more change, and manage it better. They are also more global

in their business designs, partner more extensively and choose more disruptive forms of business model innovation.

These findings – across industries, geographies and organizations of different sizes – paint a surprisingly similar view of the traits that IBM believes will be needed for future success. At its core, the Enterprise of the Future is:

- **Hungry for Change**, capable of changing quickly and successfully. Instead of merely responding to trends, it shapes and leads them. Market and industry shifts are a chance to move ahead of the competition.
- **Innovative Beyond Customer Imagination**, surpassing the expectations of increasingly demanding customers. Deep collaborative relationships allow it to surprise customers with innovations that make both its customers and its own business more successful.
- **Globally Integrated**, taking advantage of today's global economy. Its business is strategically designed to access the best capabilities, knowledge and assets from wherever they reside in the world and apply them wherever required in the world.
- **Disruptive by Nature**, radically changing its business model, disrupting the basis of competition. It shifts the value proposition, overturns traditional delivery approaches and, as soon as opportunities arise, reinvents itself and its entire industry.
- **Genuine, Not Just Generous**, going beyond philanthropy and compliance and reflecting genuine concern for society in all actions and decisions.