

# BUSINESS TRENDS IN PRACTICE

THE 25+ TRENDS THAT ARE  
REDEFINING ORGANIZATIONS

BERNARD  
MARR

WILEY



# **BUSINESS TRENDS IN PRACTICE**



# **BUSINESS TRENDS IN PRACTICE**

**THE 25+ TRENDS THAT ARE  
REDEFINING ORGANIZATIONS**

**BERNARD MARR**

**WILEY**

This edition first published 2022

© 2022 by Bernard Marr

*Registered office*

John Wiley & Sons Ltd, The Atrium, Southern Gate, Chichester, West Sussex, PO19 8SQ, United Kingdom

For details of our global editorial offices, for customer services and for information about how to apply for permission to reuse the copyright material in this book please see our website at [www.wiley.com](http://www.wiley.com).

All rights reserved. No part of this publication may be reproduced, stored in a retrieval system, or transmitted, in any form or by any means, electronic, mechanical, photocopying, recording or otherwise, except as permitted by the UK Copyright, Designs and Patents Act 1988, without the prior permission of the publisher.

Wiley publishes in a variety of print and electronic formats and by print-on-demand. Some material included with standard print versions of this book may not be included in e-books or in print-on-demand. If this book refers to media such as a CD or DVD that is not included in the version you purchased, you may download this material at <http://booksupport.wiley.com>. For more information about Wiley products, visit [www.wiley.com](http://www.wiley.com).

Designations used by companies to distinguish their products are often claimed as trademarks. All brand names and product names used in this book are trade names, service marks, trademarks or registered trademarks of their respective owners. The publisher is not associated with any product or vendor mentioned in this book.

**Limit of Liability/Disclaimer of Warranty:** While the publisher and author have used their best efforts in preparing this book, they make no representations or warranties with respect to the accuracy or completeness of the contents of this book and specifically disclaim any implied warranties of merchantability or fitness for a particular purpose. It is sold on the understanding that the publisher is not engaged in rendering professional services and neither the publisher nor the author shall be liable for damages arising herefrom. If professional advice or other expert assistance is required, the services of a competent professional should be sought.

*Library of Congress Cataloging-in-Publication Data*

Names: Marr, Bernard, author.

Title: Business trends in practice : the 25+ trends that are redefining organizations / Bernard Marr.

Description: [Hoboken, NJ] : Wiley, 2022. | Includes index.

Identifiers: LCCN 2021033030 (print) | LCCN 2021033031 (ebook) | ISBN 9781119795575 (cloth) | ISBN 9781119795599 (adobe pdf) | ISBN 9781119795582 (epub)

Subjects: LCSH: Business forecasting. | Business—21st century.

Classification: LCC HD30.27 .M353 2022 (print) | LCC HD30.27 (ebook) | DDC 658.4/0355—dc23

LC record available at <https://lcn.loc.gov/2021033030>

LC ebook record available at <https://lcn.loc.gov/2021033031>

Cover Design: Wiley

Cover Image: © rvika/Getty Images

Set in 10.5/13pt Minion Pro by Straive, Chennai, India

*To my wife, Claire; my children, Sophia, James, and Oliver;  
And everyone who will be inspired by these trends to make the world a  
better place*





# CONTENTS

<b>PART I</b>	Introduction: Riding the Wave of Transformation	1
<b>Chapter 1</b>	The Five Global Shifts That Will Shape the Organizations of the Future	3
<b>Chapter 2</b>	The Ten Tech Mega-Trends Every Business Leader Should Know About	21
<b>PART II</b>	Rethinking Key Sectors	45
<b>Chapter 3</b>	How We Generate Energy: The Three Trends Transforming the Energy Sector	47
<b>Chapter 4</b>	How We Stay Healthy: The Seven Trends Shaping Healthcare	59
<b>Chapter 5</b>	How We Learn: The Two Main Shifts in Education	73
<b>Chapter 6</b>	How We Feed Ourselves: The Two Key Innovations Needed to Transform Agriculture	85
<b>Chapter 7</b>	How We Make and Build Things: Eleven Trends to Watch Across Manufacturing and Construction	99
<b>Chapter 8</b>	How We Move People and Goods: The Three Trends Revolutionizing Transportation	111
<b>Chapter 9</b>	How We Look After Our Money: The Four Shifts That Will Shape the Financial Sector	121
<b>PART III</b>	Rethinking What Businesses Offer	131
<b>Chapter 10</b>	Channel Digitization and Expansion: The Move from Physical to Digital/Hybrid Products and Channels	133

## CONTENTS

<b>Chapter 11</b>	Cognifying Products and Services: Smarter Products, Smarter Services	145
<b>Chapter 12</b>	Right Time, Right Place, Right for You: The Rise of Micro-Moments and Personalization	155
<b>Chapter 13</b>	Subscription and Servitization: The As-a-Service Revolution	165
<b>Chapter 14</b>	Cutting Out the Middlemen: How Brands Are Going Direct to the Consumer	177
<b>Chapter 15</b>	From B2C to “All to All”: The Rise of Platforms, the Sharing Economy, and Crowdsourcing	189
<b>Chapter 16</b>	More Immersive Experiences: How Brands Are Wowing Customers with Memorable Experiences	199
<b>Chapter 17</b>	Conscious Consumption: Consumer Demand for Sustainable, Responsible Products	209
<b>PART IV</b>	Rethinking How Businesses Are Run	221
<b>Chapter 18</b>	Sustainable and Resilient Operations: Building a Stronger, More Responsible Company	223
<b>Chapter 19</b>	Finding the Balance Between Humans and Intelligent Cobots: The Blended Workforces of the Future	237
<b>Chapter 20</b>	Finding and Keeping Talent: The Shifting Talent Pool and Employee Experience	249
<b>Chapter 21</b>	Organizing to Win: Flatter, More Agile Organizations	259
<b>Chapter 22</b>	Authenticity: Why Brands and Leaders Need to Keep It Real	271
<b>Chapter 23</b>	Purposeful Business: Why Does Your Business Exist?	281
<b>Chapter 24</b>	Co-Opetition and Integration: A New Age of Integrated Collaboration	291
<b>Chapter 25</b>	New Forms of Funding: The Democratization of Business Funding	301

## CONTENTS

<b>PART V</b>	Where to Go from Here	309
<b>Chapter 26</b>	Final Words: Four Key Takeaways for Business Leaders	311
	<i>Acknowledgments</i>	317
	<i>About the Author</i>	319
	<i>Index</i>	321



# PART I

## **INTRODUCTION: RIDING THE WAVE OF TRANSFORMATION**

Our world is rapidly changing and the pace of change has been accelerating. Business leaders tell me all the time how challenging it is to keep up with the pace and extent of change, and I couldn't agree more. I'm frequently staggered by the pace of change, particularly (although not exclusively) in technology advancements – and I say that as someone whose job title is futurist!

That, in a nutshell, is what sparked the idea for this book. I wanted to provide business leaders with an accessible overview of the key trends that are transforming the way we do business. In my advisory work with companies and government organizations, I noticed that the same transformative forces seem to be coming up again and again, irrespective of the size of the organization or the industry in which they operate. This book pulls those insights together in one place. My goal is to give business leaders a chance to learn from other industries and build a business that is more successful, more resilient, and better equipped for the changes coming our way. In short, this book is designed to help you ride the wave of transformation.

I believe the role of any futurist is to be practical. So, far from describing some sort of futuristic business utopia, I cut through the hype and distill each of the business trends into practical insights – insights that business leaders can translate into action.

## BUSINESS TRENDS IN PRACTICE

To help with this, I include plenty of real-world examples to show how other organizations are adapting and responding to change. There are use cases from all kinds of businesses, big and small, from startup eco toilet tissue makers to traditional manufacturers to tech giants, and a whole lot in between. I'm keen to demonstrate that the trends in this book apply to all organizations, regardless of size and industry.

Here's what else to expect from this book:

- In Part I, we'll start by exploring the forces – both societal and technological – that are driving the massive changes taking place.
- Then, in Part II, we'll look at the impact of these trends on key industries to illustrate just how transformative their collective impact is. (I must stress that I had to stick to just the most important industries here. But if your industry isn't featured, please don't skip this part – many of the insights will no doubt be relevant to your own industry.)
- Part III focuses on the key consumer trends that are emerging today – trends that will likely prompt a rethink of your products and services, and how to deliver them.
- Building on the consumer trends, Part IV is all about key trends that impact how businesses operate internally. In other words, as well as rethinking your products and services, you'll also have to rethink how your business is run.
- And in the final chapter, I'll pull these (often interlinked, sometimes disparate, even contradictory) trends together into some broader key lessons and takeaways. These are the things I want to leave you with as you look to the future.

As well as helping business leaders ride the wave of transformation, there is also a loftier goal at the heart of this book. As you'll see in the next chapter, it's not just businesses that are being impacted by these transformational forces; society as a whole is facing enormous changes and challenges. By building better businesses, we can collectively tackle the issues facing our world and create the future we want to live in. If this book plays a small role in that very big task, I'll be happy.

# CHAPTER 1

## **THE FIVE GLOBAL SHIFTS THAT WILL SHAPE THE ORGANIZATIONS OF THE FUTURE**

This is a book about business trends. But no business operates in a vacuum. Organizations are constantly shaped by the world around them. And that's why we start our journey here, with some of the biggest trends emerging in politics, economics, and society.

In this chapter, I outline five major global shifts that business leaders must take into consideration as they plan for the future. This is not just a “nice to know” chapter; these trends have very real business implications (you'll find some practical lessons at the end of the chapter). Each global shift outlined in this chapter indicates where future business opportunities may lie, meaning the most successful organizations of the future will be those that address and move with these shifts. The flip side, of course, is that these global shifts also pose risks for businesses, particularly the risk of being left behind. As a result, many businesses will end up sidelined, overtaken by their more forward-thinking competitors.

What struck me as I was writing this chapter is that many of these trends are contrasting. For example, we're seeing a trend toward cultural

convergence at the same time as growing divergence, which, on the surface, is a bit of a head-scratcher. Perhaps one feeds into the other. Or maybe it's simply a sign of the confusing, uncertain world we live in these days. One thing is sure: businesses will have to contend with some trends that are seemingly pulling in different directions. Adapting to this new age of uncertainty may mean rethinking what your business offers and how it is run (more on this in Parts III and IV of this book). For now, let's immerse ourselves in five of the biggest global shifts that are emerging, starting with our relationship with our planet.

### **Trend 1: Our Changing Relationship with Our Planet**

To put it mildly, we've not had the best relationship with our planet. We've chopped down forests, burnt carbon, dug mines, polluted waterways – all in the name of growing prosperity. For Western countries at least, this has paid off. Using our natural resources has led to greater prosperity. But it has also led to climate change, the collapse of ecosystems and loss of biodiversity, chemical and plastic pollution, and the decline of our natural resources (particularly water). As a result, our planet is under immense pressure and showing the strain through abnormal weather patterns and natural disasters, which, in turn, create pressures around crop production, food security, migration, and more.

Some food for thought on the emerging climate crisis:

- Climate change is happening so quickly, many species are struggling to adapt. The Intergovernmental Panel on Climate Change says that a 1.5°C average rise in global average surface temperature may put up to 30 percent of species at risk of extinction. Push that up to 2°C and most ecosystems will struggle.<sup>1</sup> For context, the temperature has already increased by 0.9°C since 1906 (the figure is even higher in polar regions).<sup>2</sup>
- By the end of this century, 150–200 million people could be forced to migrate from land that will be underwater.<sup>3</sup>



## THE FIVE GLOBAL SHIFTS THAT WILL SHAPE THE ORGANIZATIONS OF THE FUTURE

- Some of the biggest sectors in terms of greenhouse gas emissions include agriculture and forestry (responsible for 18.4 percent of global emissions), energy use in industry (24.2 percent), energy use in buildings (17.5 percent), and transportation (16.2 percent).<sup>4</sup>
- Our precious resources are under enormous pressure. Fresh water makes up just 2.5 percent of the world's total volume of water (and half of that is ice). So it's perhaps no wonder that 1.8 billion people are already living with water scarcity. Even more worryingly, 5.2 billion people are expected to face water stress by 2025.<sup>5</sup>
- Competition for land (particularly land for agriculture) is also growing, and many countries such as China and Saudi Arabia are already pursuing land in Africa. Global competition for finite resources, including land and water, is only going to increase as the population grows.
- There may also be a global fight for rare earths, some of the most important minerals and metals found in the ground, which are used in everything from lithium-ion batteries to electric cars. The US is 80 percent reliant on China (the world's biggest rare earths producer) for rare earth imports, and this could lead to further strains on political relationships in future.<sup>6</sup>
- To keep pace with the growing population (I talk more about global demographics later in the chapter), an often-quoted statistic is that we'll have to double crop and animal production by 2050. More conservative estimates suggest that, as food production has already increased in recent years, we may only need to increase production by between 26 percent and 68 percent by 2050.<sup>7</sup> But that's still a significant increase to accommodate on an already struggling planet.
- Plastic pollution is another pressing concern. Single-use plastics account for 40 percent of the plastic produced every year, meaning something that may be used for mere minutes ends up hanging around for hundreds of years. Every year, around 8 million tons of plastic waste finds its way into the oceans (the equivalent of five garbage bags of trash being placed on every foot of coastline around the world), and with plastic production expected to double by 2050, the problem is set to get a lot worse.<sup>8</sup>

If our relationship with our planet was a romantic one, it would be labeled “toxic.” Earth’s best friends would probably be telling her she could do better. And we must do better. We need to build a more balanced, sustainable relationship with our planet.

Yet the emerging climate disaster is probably the biggest challenge we’ve ever faced. So how do we overcome something of this magnitude? In his book *How to Avoid a Climate Disaster*, Bill Gates says that we’re adding 51 billion tons of greenhouse gases to the atmosphere every year. To stop global warming and avoid the worst impacts of climate change, Gates says we need to get that number down to zero by 2050. Let me say that again: zero.

The problem, of course, is that most zero-carbon energy solutions cost more than their fossil fuel counterparts. (Gates refers to the price difference as “Green Premiums.”) He says that using Green Premiums as a decision-making tool can help us decide which zero-carbon solutions should be deployed now, which nongreen goods should be priced higher, and where we need to invest in new innovations because the current zero-carbon alternatives aren’t cheap enough. (Some of the innovations Gates promotes include nuclear fusion, sea-based carbon removal, and direct air capture of carbon.)

Gates’s book is a fascinating read and I urge everyone to read it. But while he has brilliant and practical ideas, we can’t ignore the fact that solving the climate crisis is a global responsibility, requiring countries to work together and take collective action. The fact that global economic and political power structures are also undergoing huge changes will only make the job harder. This leads us to the next topic.

## **Trend 2: Shifts in Economic and Political Power**

The economic and political world order is changing and, by 2050, the list of the most economically and politically powerful countries in the world will look very different to today.

## THE FIVE GLOBAL SHIFTS THAT WILL SHAPE THE ORGANIZATIONS OF THE FUTURE

Take China as an example. Due to the impact of the coronavirus crisis, China's economy is now predicted to overtake the United States by 2028, five years earlier than previously thought.<sup>9</sup> China is one of the so-called E7 emerging countries – alongside India, Brazil, Mexico, Russia, Indonesia, and Turkey – countries whose economies are expected to exceed those of the G7 advanced economies.

Let's look at a few stats that highlight the startling shifts in power that are coming our way:<sup>10</sup>

- By 2050, the EU27's share of global GDP will be just 9 percent, while China's is expected to be 20 percent.
- BY 2050, India will rank second in the global GDP rankings, putting it behind China and ahead of the US. Indonesia will rank fourth. The UK could be down to 10th place.
- E7 economies could grow around twice as fast as the G7. In fact, the combined economic power of the E7 economies could be double that of the G7 by 2040 – that's from being the same size as the G7 in 2015 and half the size in 1995.

And then there are the “next 11” emerging economies, including Bangladesh, Egypt, Nigeria, Pakistan, and Vietnam. These economies are projected to overtake the EU27 in global power as early as 2030.<sup>11</sup>

Bottom line, the West has been on the rise for centuries, but that is about to change. The E7 and next 11 economies will increasingly hold more sway in the global economy and, in turn, in world politics. Earlier in this chapter, I mentioned that China is building close links with African nations for access to land and rare resources, and this is just one example of China extending its global influence.

This power shift will no doubt bring new tensions, particularly as the world's most precious resources become scarcer. We may also see a new Cold War emerge around technology. China has said it wants to be a world leader in artificial intelligence by 2030, and has introduced measures to control the export of AI technologies by Chinese companies.<sup>12</sup> President Trump's ban on Huawei's products and telecoms equipment

gives us another glimpse of how countries may seek to restrict the technological capabilities of other countries. In other words, rather than bringing the world closer together, technology may be yet another thing that exacerbates global tensions and contributes to growing divergence.

### **Trend 3: Growing Divergence and Polarization**

After decades of globalization has brought countries closer together, there are signs that countries (and the alliances and systems they participate in) are beginning to decouple. There have been some notable examples of political fragmentation and growing divergence in recent years. We've seen it in the US, when President Trump withdrew from the Paris Agreement on climate mitigation, announced plans to withdraw America from the World Health Organization, and even spoke about withdrawing from NATO. And we've seen it in the UK, with the country leaving the European Union. In the UK, Brexit really emphasized the way large sections of society have shifted toward extreme sides of arguments, with little or no ability to see the other side's perspective. People fell out with friends, neighbors, and family members because of their political opinions, and American voters experienced the same thing during the 2020 election. Groups are becoming more divided along ideological lines, and that goes for groups of voters, and groups within society (think of the often vitriolic debates around feminism or trans rights). A 2019 survey by the Pew Research Center found that partisan division and animosity have deepened since 2016; 63 percent of Republicans said Democrats were "more unpatriotic" than other Americans, and 55 percent said they were more immoral. Meanwhile, 75 percent of Democrats said Republicans were more close-minded than other Americans, and 47 percent said they were more immoral.<sup>13</sup>

In short, the world feels more polarized than ever. I find this both crazy and disturbing. When did society become so polarized that you're either a staunch Democrat or Republican (or a Brexiter or Remainer, or any other position, political or otherwise), with nothing in between? And when did the other side become immoral and less patriotic? Losing all

concept of the other side's perspective is, to me, a danger to our democracy and society. Yet that's exactly what's happening.

When information and analytics company IHS Markit set out its prediction of how the world would look in 2025, it said the "fragmented world" scenario is the most likely. In this scenario, the US, China, the EU, and other key players retreat from globalization and turn their focus inwards to concentrate on domestic challenges.<sup>14</sup> It's only a prediction, of course, but the COVID-19 crisis and the resulting economic fallout is likely to exacerbate the desire to turn inwards and focus on domestic problems.

There are a number of reasons why divergence and polarization have grown. There's no global enemy or external threat keeping disparate countries united. And, of course, we can't ignore the impact of social media ghettos that show people only what they want to see. Thanks to social media algorithms, we simply don't all see the same news. Instead, we're served a stream of content that's personalized to our habits, interests, and beliefs. This is known as the "filter bubble." Trapped in our bubbles – because this is something we're all susceptible to – we may begin to believe the world is *exactly* as we see it. Fake news spreads quickly in this environment, because the people in your filter bubble share the same views as you, and it's much easier to believe a fake news story when people you follow are sharing and talking about it. Meanwhile, real problems and issues – and the need to work together to solve society's problems – get lost in the noise.

Technology, then, may play a key role in this growing divergence and polarization. I've already raised the prospect of a technology "Cold War," and we see hints of this with China restricting companies from exporting technology services, and preventing citizens from accessing certain websites. China is the best-known example of a country with its own isolated internet, and this is something we may see more of in the future. This splintering of the internet even has a name: the "splinternet." Indeed, Russia has already confirmed that it has created a system that would allow the country to completely decouple from the rest of the world's internet and operate its own independent internet.<sup>15</sup>

Another factor that may be fueling polarization and divergence is racial and ethnic diversity. While diversity is a long-term benefit for society, in the short term it can trigger social and political conflict and a breakdown in trust. Which brings us to the next subject.

### Trend 4: Shifting Demographics

The global population in 2050, or even 2030, will look very different from today. Depending on where you are in the world, the population is growing and aging. We're seeing greater urbanization and more megacities. And, as I've previously mentioned, climate change may mean hundreds of millions of people are displaced and forced to migrate to other areas.

Let's get a quick overview of how the population is changing:

- According to a UN forecast, the world's population was expected to increase by 2 billion in the next 30 years, from 7.7 billion in 2020 to 9.7 billion in 2050.<sup>16</sup>
- However, recent estimates suggest the population may peak sooner than that, at 9.7 billion in 2064, and then decline to 8.8 billion by the end of the century.<sup>17</sup> In other words, it looks as though population growth is slowing, not least because more and more women can now choose to have fewer children.
- While the total global population is still growing, some countries are witnessing population decline due to factors such as migration and low birthrates. For example, Russia's population is expected to shrink by 18 million between 2006 and 2030, and Japan's population is projected to decrease by 11 million.<sup>18</sup>
- What's more, the world's population is growing older. As an example, in 1950, life expectancy in China was 40 years. By 2050, it will be 80 years.<sup>19</sup> This pattern is replicated across the world. In 2006, there were almost 500 million people in the world aged 65 and older. By 2030, that is projected to increase to 1 billion people, or 1 in 8 of the world's inhabitants.<sup>20</sup> This is good news because

## THE FIVE GLOBAL SHIFTS THAT WILL SHAPE THE ORGANIZATIONS OF THE FUTURE

it shows that we have improved healthcare and living standards to allow people to live longer, but it does create societal and economic pressures.

- People are on the move, too. The number of people living in urban areas is rising rapidly. The world's urban population grew from 751 million in 1950 to 4.2 billion in 2018. Currently, 55 percent of the global population lives in urban areas, and this will increase to 68 percent by 2050. Asia is home to 54 percent of the world's urban population.<sup>21</sup>
- The number of megacities (classified by the UN as cities with 10 million or more inhabitants) is also on the rise. By 2030, there will be 43 megacities, up from 33 in 2018.<sup>22</sup>
- The cities that we live in will increasingly become “smart” and connected. There will be more than 25 global smart cities in 2025 (more than 50 percent of which will be in Europe and North America).<sup>23</sup>
- Meanwhile, the shift to more urban living will drive huge economic growth in developing economies. The emerging megacities in developing economies are expected to outperform developed megacities in terms of share of the world's GDP by 2025.<sup>24</sup> This, in turn, will lead to a growth in the consuming classes. By 2030, 66 percent of the world's middle classes will be living in Asia.<sup>25</sup>

Each of these factors creates opportunities and challenges. Longer lives, for example, must be planned for. Age-related chronic diseases will rise. The costs of healthcare and social insurance will rise. Patterns of work and retirement will shift. And societal aging as a whole may affect economic growth as the ratio of workers to retirees shifts. (Europe currently has four people of working age for every older person, but that will shrink to two workers per older person by 2050.)<sup>26</sup>

In another example, the opportunities around the growing urban populations and middle classes are huge. But we must also ensure cities develop in a sustainable way and that we address global inequality. Currently, the world's richest 1 percent own 44 percent of the world's wealth, which hardly seems fair.<sup>27</sup> According to the UN, inequality affects more than

70 percent of the global population and is on the rise across the world, including in fast-growing economies like China.<sup>28</sup> This is just another example of global trends moving in opposite directions – more people are being lifted out of poverty and the middle class is growing, yet the gap between the very rich and the poor is also growing.

This rising inequality must be tackled at national and international levels. We may even need to rethink our economic and democratic systems and reshape systems that are no longer fit for purpose. If we don't tackle inequality, the problems of division, divergence, and polarization will be exacerbated, and economic and social development will be restricted.

Finally, let's turn our attention to the social and cultural shifts that are taking place.

### **Trend 5: Social, Cultural, and Workplace Shifts**

I find it fascinating that, while the world seems more polarized than ever, we're also seeing greater convergence between cultures. Think of Hollywood films influencing other cultures, or the global appeal of South Korean boyband BTS, or the way a Chinese teenager's video on TikTok can go viral in the US. Globally, 65 percent of people agree that we have more things in common than things that make us different.<sup>29</sup> Yet this is also an age of diversity and individuality; research suggests that individualism is a global phenomenon, not just a Western trend.<sup>30</sup> Once again, we see how global trends can contrast with each other.

Let's take a brief look at how society, culture, and the workplace are changing:

- Marriage is on the decline, and single-person households are the fastest-growing household profile in the period to 2030.<sup>31</sup>
- The gender gap remains a frustratingly stubborn problem. Women still remain less likely to participate in the labor market than men, are more likely to be unemployed than men, are overrepresented



in vulnerable employment, are constrained from achieving the highest leadership positions, and are paid less than men.<sup>32</sup> On top of that, it looks as though the socioeconomic impacts of the COVID-19 crisis have disproportionately affected women.<sup>33</sup>

- Closing the gender gap is important, not just for women but for the benefit of society as a whole. There is a strong positive correlation between countries that are successfully closing the gender gap and their economic performance, and narrowing the gender gap means the global income per person will increase by at least 20 percent by 2030.<sup>34</sup>
- The number of Gen Z (those born after 1997) and millennials (Gen Y, born between 1981 and 1996) in the workplace is on the rise and baby boomers are retiring. As the workforce demographic changes, so too do the needs and expectations of workers. To baby boomers, putting in long hours was often seen as essential for success, but those entering the workplace now prioritize flexibility and work-life balance. In this age of personalization and individualism, Gen Z are also looking for an employee experience that is tailored to them. They expect training and mentoring, as well as challenging, meaningful work.<sup>35</sup> They increasingly expect to identify with their employer's brand identity; as an example, 65 percent of people want to work for an organization "with a powerful social conscience."<sup>36</sup>
- How we work is changing, too. One in five global employees now work remotely at least some of the time,<sup>37</sup> and the coronavirus pandemic will accelerate this "work from anywhere" culture. (Indeed, major companies like Twitter said early in the pandemic that workers wouldn't have to return to working in the office if they didn't want to.) The pandemic proved that remote working is feasible and beneficial across many industries, and as such we'll see the global job market accelerate – meaning tech workers no longer have to move to Palo Alto and so on.
- This work-from-anywhere culture will likely fuel more "free agents" entering the workforce and the continued rise of the gig economy. The hierarchical organizational structures of the past

## BUSINESS TRENDS IN PRACTICE

may dwindle in favor of flatter, team- and project-based structures, where people can move between and within organizations depending on where their skills are needed at any one time.

- Diversity is also becoming more important as the global job market accelerates, and as more Gen Z-ers (who are more racially and ethnically diverse than previous generations)<sup>38</sup> enter the workplace. In a survey by Deloitte, two-thirds of business leaders said diversity was important or very important to their business.<sup>39</sup> This includes diversity of thinking, as well as demographic diversity; in fact, diversity of thinking may increase innovation by 20 percent and reduce business risks by 30 percent.<sup>40</sup> The high-performing teams of the future, then, will be both demographically and cognitively diverse. Furthermore, organizations with inclusive cultures – where people feel valued, respected, and that they belong – are eight times more likely to achieve better business outcomes and twice as likely to meet or exceed financial targets.<sup>41</sup>
- There's also an increasing emphasis and less stigma around mental health and well-being – another trend that has been accelerated by the pandemic. Going forward, there will be increasing pressure on employers to make sure their people have the right work-life balance and that employees have access to mental health support through third-party providers.

Now that we've got a broader view of what's happening in the world, let's dig into some specific technology trends that are also impacting our world and how we live in it.

## PRACTICAL LESSONS

All of these global shifts indicate where the biggest opportunities and risks lie for future success. So how should businesses be embracing or planning for these shifts? Here are a few key takeaways:

- The climate crisis. According to Ipsos, globally 73 percent of people agree we're on course for a climate disaster.<sup>42</sup> With a global majority agreeing that the world is facing a huge crisis, customers will increasingly gravitate toward more sustainable options. Businesses will have to do everything they can to maximize their green credentials and communicate that to customers.
- Economic shifts. As the E7 and next 11 economies grow, it will no doubt become more expensive for businesses to outsource their production and services to these countries. On the flip side, these economies will become much more attractive markets for products and services.
- Growing divergence. If the trend toward divergence and delinking continues, companies may potentially find themselves restricted from certain markets. A reliance on any one market is a risky strategy.
- Demographic shifts. For businesses, the growing consuming classes and greater urbanization around the world present huge possibilities, but participating in these new markets will mean adapting to different cultural and political environments.
- Social, cultural, and workplace shifts. Businesses must assess whether they are offering Gen Z, women, and global workers an attractive work environment, one in which people have flexibility and work-life balance, where they can be individuals and connect meaningfully with the brand.

## Notes

1. Impacts of 1.5°C global warming on natural and human systems; IPCC; <https://www.ipcc.ch/sr15/chapter/chapter-3/>
2. Effects of global warming; National Geographic; <https://www.nationalgeographic.com/environment/article/global-warming-effects>

## BUSINESS TRENDS IN PRACTICE

3. Climate change and resource scarcity; PwC; <https://www.pwc.co.uk/issues/megatrends/climate-change-and-resource-scarcity.html>
4. Emissions by sector; Our World in Data; <https://ourworldindata.org/emissions-by-sector>
5. Beyond the Noise: The Megatrends of Tomorrow's World; Deloitte; <https://www2.deloitte.com/content/dam/Deloitte/nl/Documents/public-sector/deloitte-nl-ps-megatrends-2ndedition.pdf>
6. Why Rare Earths May Leave Europe and U.S. Vulnerable; Bloomberg; <https://www.bloomberg.com/news/articles/2021-02-16/why-rare-earths-are-achilles-heal-for-europe-u-s-quicktake>
7. Double food production by 2050? Not so fast; Futurity; <https://www.futurity.org/food-production-2050-1368582-2/>
8. The world's plastic pollution crisis explained; National Geographic; [https://www.nationalgeographic.com/environment/article/plastic-pollution?cmpid=int\\_org=ngp::int\\_mc=website::int\\_src=ngp::int\\_cmp=amp::int\\_add=amp\\_readtherest](https://www.nationalgeographic.com/environment/article/plastic-pollution?cmpid=int_org=ngp::int_mc=website::int_src=ngp::int_cmp=amp::int_add=amp_readtherest)
9. Chinese economy to overtake US "by 2028" due to Covid; BBC News; <https://www.bbc.com/news/world-asia-china-55454146>
10. The world in 2050; PwC; <https://www.pwc.com/gx/en/research-insights/economy/the-world-in-2050.html>
11. Economic power shifts; European Commission; [https://knowledge4policy.ec.europa.eu/foresight/topic/expanding-influence-east-south/power-shifts\\_en#:~:text=The%20%E2%80%9CNext%20Eleven%E2%80%9D%20\(Bangladesh,in%20global%20power%20by%202030.](https://knowledge4policy.ec.europa.eu/foresight/topic/expanding-influence-east-south/power-shifts_en#:~:text=The%20%E2%80%9CNext%20Eleven%E2%80%9D%20(Bangladesh,in%20global%20power%20by%202030.)
12. Why is China Introducing New Export Controls?; China Briefing; <https://www.china-briefing.com/news/chinas-new-export-control-law-restrictions-imposed-23-items-technology/>
13. Partisan Antipathy: More Intense, More personal; Pew Research Center; [https://www.pewresearch.org/politics/2019/10/10/partisan-antipathy-more-intense-more-personal/?utm\\_source=link\\_news9&utm\\_campaign=item\\_268982&utm\\_medium=copy](https://www.pewresearch.org/politics/2019/10/10/partisan-antipathy-more-intense-more-personal/?utm_source=link_news9&utm_campaign=item_268982&utm_medium=copy)
14. Geopolitics in a post-pandemic world: A fragmented world; IHS Markit; <https://ihsmarkit.com/research-analysis/geopolitics-in-a-postpandemic-world-a-fragmented-world.html>

## THE FIVE GLOBAL SHIFTS THAT WILL SHAPE THE ORGANIZATIONS OF THE FUTURE

15. Russia “successfully tests” its unplugged internet; BBC News; <https://www.bbc.com/news/technology-50902496>
16. Growing at a slower pace, world population is expected to reach 9.7 billion in 2050 and could peak at nearly 11 billion around 2100; United Nations; <https://www.un.org/development/desa/en/news/population/world-population-prospects-2019.html#:~:text=The%20world's%20population%20is%20expected,United%20Nations%20report%20launched%20today>
17. World population in 2100 could be 2 billion below UN forecasts, study suggests; Guardian; <https://www.theguardian.com/world/2020/jul/15/world-population-in-2100-could-be-2-billion-below-un-forecasts-study-suggests>
18. Why Population Aging Matters; National Institute on Aging; <https://www.nia.nih.gov/sites/default/files/2017-06/WPAM.pdf>
19. 10 Mega Trends that are (re)shaping our world; Ipsos; <https://www.ipsos.com/sites/default/files/10-Mega-Trends-That-are-Reshaping-The-World.pdf>
20. Why Population Aging Matters; National Institute on Aging; <https://www.nia.nih.gov/sites/default/files/2017-06/WPAM.pdf>
21. 2018 Revision of World Urbanization Prospects; United Nations; <https://www.un.org/development/desa/publications/2018-revision-of-world-urbanization-prospects.html>
22. Ibid.
23. World's Top Global Mega Trends to 2025 and Implications to Business, Society and Cultures; Frost & Sullivan; <https://www.thegeniusworks.com/wp-content/uploads/2016/01/Megatrends-2025-Frost-and-Sullivan.pdf>
24. Emerging megacities to outperform developed megacities by 2025; GlobalData; <https://www.globaldata.com/emerging-megacities-to-outperform-developed-megacities-by-2025-says-globaldata/>
25. 10 Mega Trends that are (re)shaping our world; Ipsos; <https://www.ipsos.com/sites/default/files/10-Mega-Trends-That-are-Reshaping-The-World.pdf>
26. Why Population Aging Matters; National Institute on Aging; <https://www.nia.nih.gov/sites/default/files/2017-06/WPAM.pdf>

## BUSINESS TRENDS IN PRACTICE

27. Global Wealth Report; Credit Suisse; <https://www.credit-suisse.com/about-us/en/reports-research/global-wealth-report.html>
28. Rising inequality affecting more than two-thirds of the globe, but it's not inevitable; UN News; <https://news.un.org/en/story/2020/01/1055681>
29. 10 Mega Trends that are (re)shaping our world; Ipsos; <https://www.ipsos.com/sites/default/files/10-Mega-Trends-That-are-Reshaping-The-World.pdf>
30. Individualistic Practices and Values Increasing Around the World; Association for Psychological Science; <https://www.psychologicalscience.org/news/releases/individualistic-practices-and-values-increasing-around-the-world.html>
31. 10 Mega Trends that are (re)shaping our world; Ipsos; <https://www.ipsos.com/sites/default/files/10-Mega-Trends-That-are-Reshaping-The-World.pdf>
32. Facts and Figures: Economic Empowerment; UN Women; <https://www.unwomen.org/en/what-we-do/economic-empowerment/facts-and-figures>
33. Closing the Gender Gap Accelerators; World Economic Forum; <https://www.weforum.org/projects/closing-the-gender-gap-accelerators>
34. Beyond the Noise: The Megatrends of Tomorrow's World; Deloitte; <https://www2.deloitte.com/content/dam/Deloitte/nl/Documents/public-sector/deloitte-nl-ps-megatrends-2ndedition.pdf>
35. Gen Z Rising; Accenture; [https://www.accenture.com/\\_acnmedia/pdf-50/accenture-strategy-workforce-gen-z-rising-pov.pdf](https://www.accenture.com/_acnmedia/pdf-50/accenture-strategy-workforce-gen-z-rising-pov.pdf)
36. 10 Mega Trends that are (re)shaping our world; Ipsos; <https://www.ipsos.com/sites/default/files/10-Mega-Trends-That-are-Reshaping-The-World.pdf>
37. Ibid.
38. Early Benchmarks Show Post-Millennials on Track to Be Most Diverse, Best Educated Generation Yet; Pew Research Center; <https://www.pewresearch.org/social-trends/2018/11/15/early-benchmarks-show-post-millennials-on-track-to-be-most-diverse-best-educated-generation-yet/>
39. The diversity and inclusion revolution; Deloitte; [https://www2.deloitte.com/content/dam/insights/us/articles/4209\\_Diversity-and-inclusion-revolution/DI\\_Diversity-and-inclusion-revolution.pdf](https://www2.deloitte.com/content/dam/insights/us/articles/4209_Diversity-and-inclusion-revolution/DI_Diversity-and-inclusion-revolution.pdf)