Global Trends

10 Key Trends to Watch – In Action!

GT Briefing, December 2010

Global Trends

From currency wars to information wars
From natural disasters to geopolitical procrastinations
From e-commerce to m-commerce – in fact mobile everything

Trends are (not always) slowly reshaping our lives and work

Read on to see:

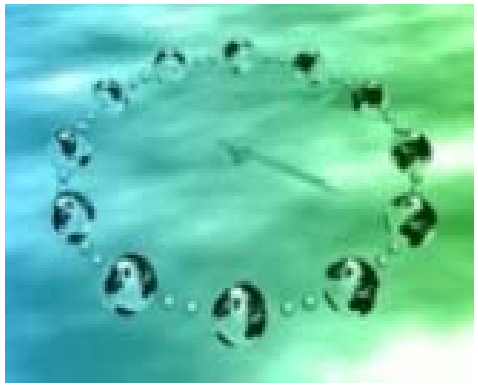
10 KEY TRENDS TO WATCH – IN ACTION!

Global Trends

BUT DON'T SIT BACK AND RELAX – IN ACTION MEANS YOU TOO!

GET THINKING! GET INNOVATING – IF YOU DON'T, SOMEONE ELSE WILL, MAYBE SOMEONE NOT EVEN ON YOUR RADAR SCREEN…

MOBILITY IS EVERYWHERE: RESOURCES, PEOPLE, PRODUCTS AND SERVICES, CAPITAL, KNOWLEDGE, BELIEFS, OPINIONS AND MORE. DATA HAS BECOME A DELUGE, INFORMATION CAN BE "TWEETED" GLOBALLY IN MINUTES, AND AN EVER-EXPANDING ARRAY OF DIGITAL MEDIA COMPETES FOR OUR TIME. AS MOBILITY EXPANDS, TIME IS BEING COMPRESSED. ORGANIZATIONS ABLE TO MANAGE THE DYNAMICS OF THIS MOBILE TIME MACHINE WILL HAVE AN ADVANTAGE.

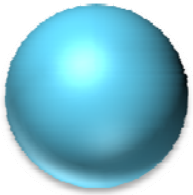


1. THE MOBILE TIME MACHINE

1. The Mobile Time Machine – In Action!

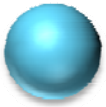
Social Media Time Spent: By the Numbers

Time spent on social network and blogging sites is growing at over three times the rate of overall Internet growth.



2,000

2 billion: The number of videos watched on YouTube every day



550

550 million: The estimated number of Facebook users globally

442

442 million: The estimated number of minutes of video uploaded to YouTube in a year

200

200 million: The estimated number of Facebook users using Facebook via mobile phones

175

175 million: The estimated number of Twitter users globally

95

95 million: The estimated number of Tweets sent daily

WIKILEAKS:
Compressing the time between when information is shared in the US government to when the public sees it .

1. The Mobile Time Machine – Look Out For…

More organizations seeking "quiet time"

Tools to help people overwhelmed by choice and multitaskers

THE WORLD'S POPULATION IS PROJECTED TO REACH 9.1 BILLION BY 2050, FROM 6.9 BILLION TODAY, PLACING SIGNIFICANT STRAIN ON CRITICAL RESOURCES. FOR EXAMPLE, BY 2030, THE WATER GAP COULD BE AS MUCH AS 40% BETWEEN DEMAND AND SUPPLY, WHILE THE FAO SUGGESTS FOOD PRICES WILL BE STRUCTURALLY HIGHER IN FUTURE. THE CAPITAL REQUIRED TO MEET PROJECTED ENERGY DEMAND THROUGH TO 2030 IS ESTIMATED AT US$1.1 TRILLION PER YEAR (OR 1.4% OF GLOBAL GDP). WITHOUT WIDESPREAD ACTION TO TACKLE THESE ISSUES, GEOPOLITICAL AND SOCIAL TENSIONS MAY RISE, ALONG WITH NEGATIVE ECONOMIC IMPACT

2. POTENTIAL FOR CRISES IN WATER, FOOD AND ELECTRICITY

2. Potential for Crises in Water, Food and Electricity – In Action!

After he signed the Egyptian-Israeli peace treaty in 1979, Egyptian President Anwar Sadat said: "The only matter that could take Egypt to war again is water."
Source: The Japan Times Online, May 2010

Nile treaty under pressure

Current Treaty

Egypt	Sudan
Can use 80% of Nile water (According to 1959 Water Treaty)	Can use 10% of Nile water

7 upstream countries can use the remaining 10% of Nile water

The Nile

Have signed contract to seek water from the Nile, 2010	Expected to sign contract to seek water from the Nile, 2010
Uganda, Rwanda, Tanzania, Ethiopia, Kenya	Congo, Burundi

Future Prospects

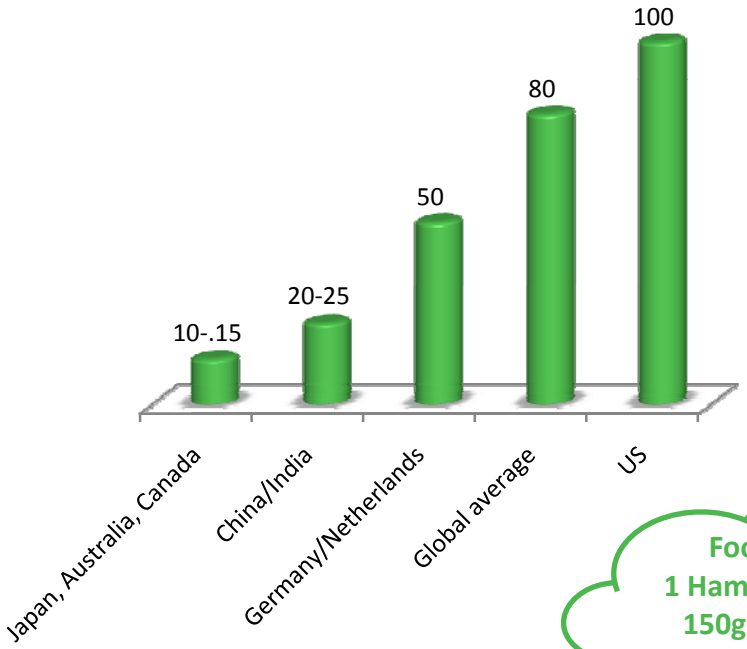
Rare earths: Supply under pressure, impacting clean technologies and high tech industries

Sources: Stratfor, The Japan Times Online, May 2010

2. Potential for Crises in Water, Food and Electricity – Look Out For…

Increased water-footprinting

Estimated Water Footprint per US$ of Industrial Output, Selected Countries (Litres of Water to Produce)



Source: The Water Footprint Network, www.waterfootprint.org

Food for Thought
1 Hamburger containing 150g of beef requires 2400 litres of water to produce!

A new steam age: The promise of geothermal energy – and don't forget nuclear

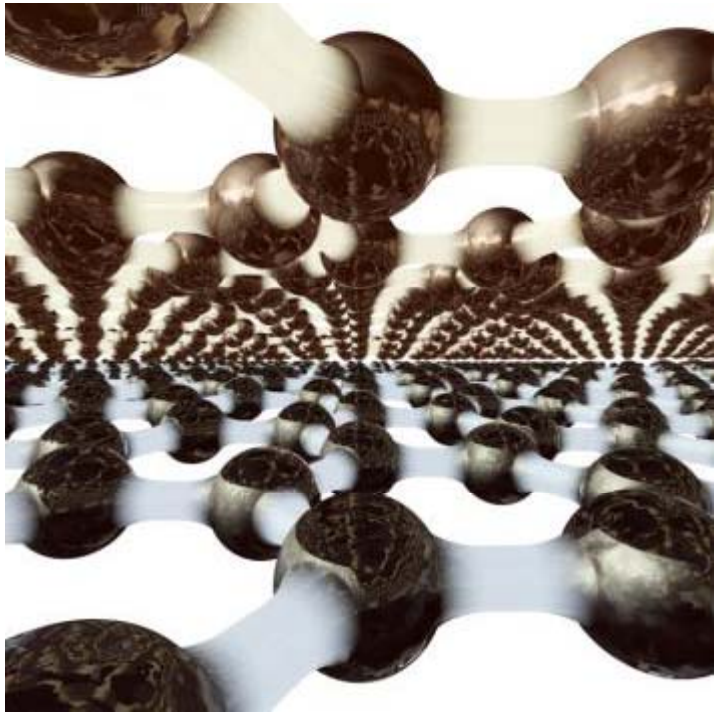
TECHNOLOGY OFFERS POTENTIAL SOLUTIONS FOR MANY OF THE WORLD'S PRESSING PROBLEMS, THE KEY QUESTIONS BEING "WHEN" AND "WHO" WILL DELIVER THEM. THE RACE IS ON FOR LEADERSHIP IN CRITICAL TECHNOLOGIES INCLUDING NANOTECHNOLOGY AND BIOTECHNOLOGY, AS WELL AS APPLIED TECHNOLOGIES THAT ADDRESS GLOBAL ISSUES SUCH AS HEALTH/AGEING AND RESOURCE CHALLENGES. EXPECT BRIC ECONOMIES TO BE AT THE FOREFRONT ALONG WITH INDUSTRIAL NATIONS.

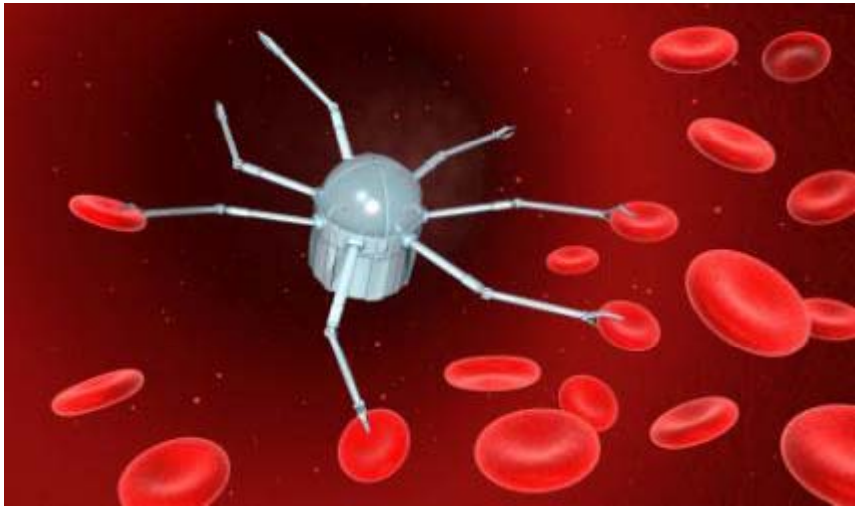
3. THE GLOBAL TECHNOLOGY RACE

3. The Global Technology Race – In Action!

Graphene:

Super strong, flexible, extraordinarily light and hyper-conductive, graphene boasts properties that could revolutionize industries. What could you do with it?



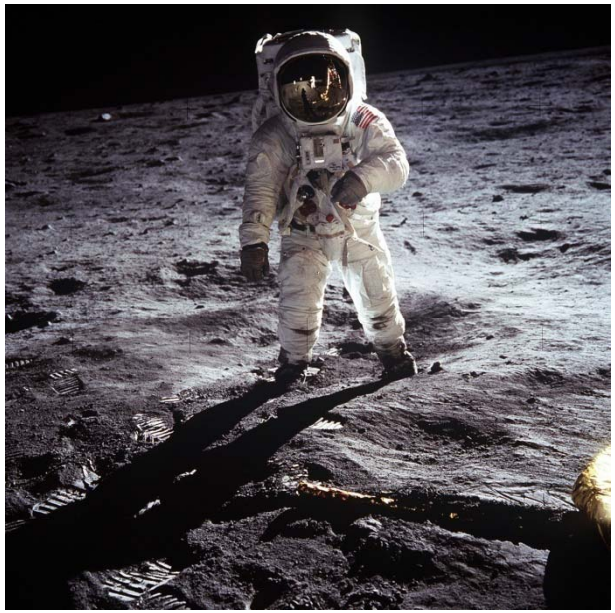


Medical advances: Robots in surgery, bioprinting and stem cell research

3. The Global Technology Race – Look Out For…

Commercial space travel

Source: Virgin Galactic/Mark Greenberg; licensed under the Creative Commons Attribution-Share Alike 3.0 Unported license



In fact, a whole new space race: With resources a potential focus

ECONOMIC POWER IS SHIFTING INEXORABLY TO BRIC, AND WILL CONTINUE TO DO SO. THESE COUNTRIES WILL ACCOUNT FOR THE MAJORITY OF FORESEEABLE ECONOMIC GROWTH AND THE EMERGING GLOBAL MIDDLE CLASS. BUT THE PLAYING FIELD IN BRIC IS GETTING CROWDED. IT IS TIME TO LOOK TOWARDS THE NEXT TIER OF ATTRACTIVE FUTURE MARKETS, WHICH ARE LIKELY TO INCLUDE: INDONESIA, MEXICO, TURKEY, IRAN, SOUTH KOREA, EGYPT, SOUTH AFRICA, THAILAND, VIETNAM, PAKISTAN, BANGLADESH, THE PHILIPPINES AND ARGENTINA. WITH BRIC COMPANIES ALREADY ACTIVELY MOVING THERE, FIRMS FROM ADVANCED ECONOMIES NEED TO EXPAND THEIR FOCUS.

4. COMPETING IN THE BRIC – AND BEYOND

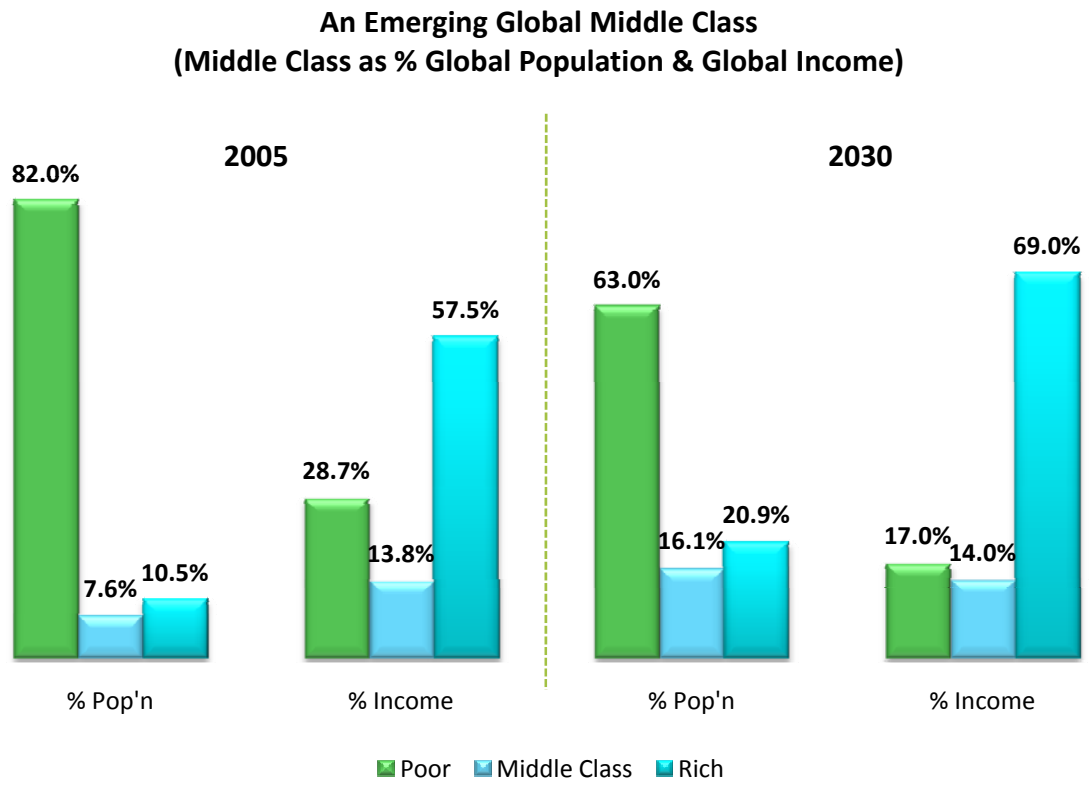
4. Competing in the BRIC and Beyond – In Action!

Africa rising

By 2020, Africa's consumer-facing, agricultural, natural resources and infrastructure sectors could together represent US$ 2.6 trillion in annual revenue opportunities.

Source: McKinsey Global Institute

The emerging global middle class



Source: World Bank

4. Competing in the BRIC and Beyond – Look Out For…

BRIC nations and beyond playing a greater role on the global stage

RDE consumer trends and business models impacting global markets, e.g. the Logan Dacia – built for Romania, a hit across Europe

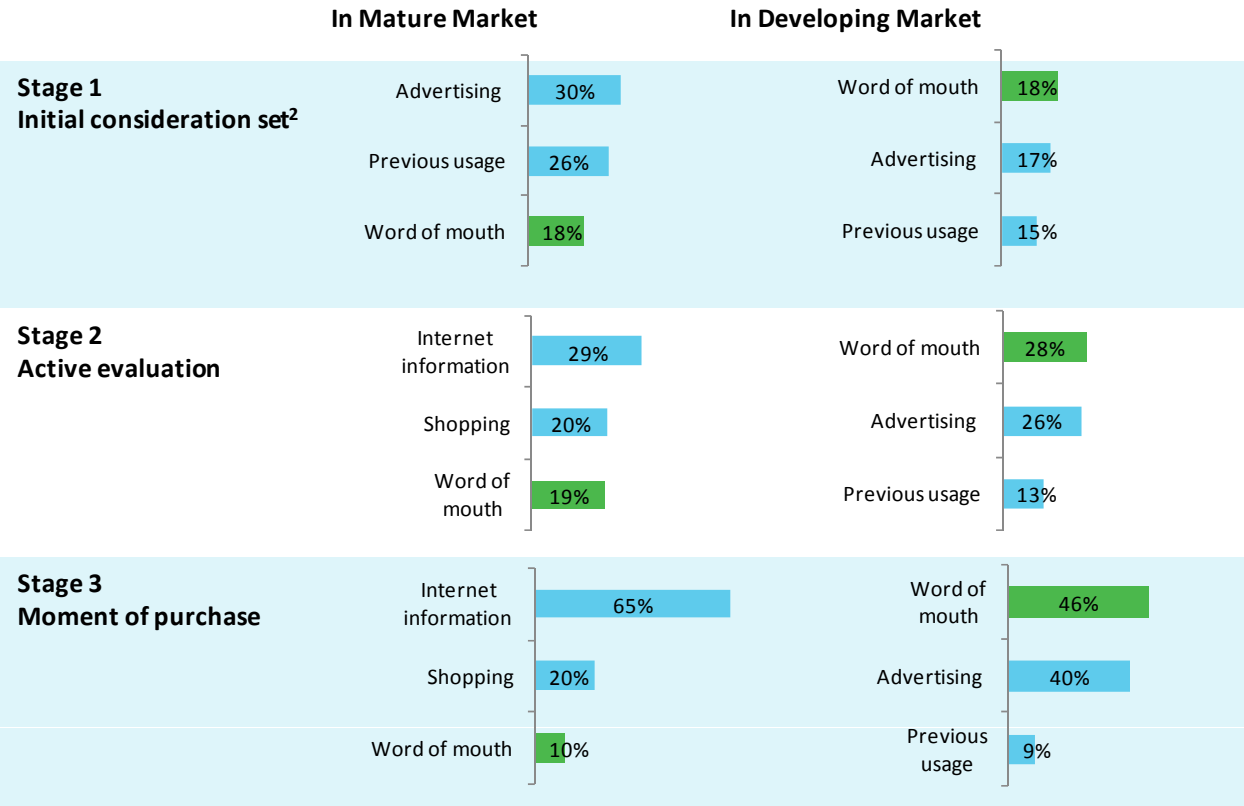
THE LAST TWENTY YEARS HAVE SEEN THE EMANCIPATION OF INFLUENCE. PEOPLE WORLDWIDE HAVE SEEN THEIR ABILITY TO MAKE CHOICES INCREASE BEYOND IMAGINATION. COMMUNICATIONS ADVANCES AND INCREASED DEMOCRATIZATION HAVE ALLOWED PEOPLE FIND THEIR VOICES. THE POWER OF "ME" HAS BEEN AMPLIFIED THROUGH COMMUNITIES OF CHOICE, INCLUDING SOCIAL NETWORKS AND BUYING GROUPS, WHICH ARE CHANGING HOW WE INTERACT AND BEHAVE. IN THIS NEW WORLD, TRUST AND DIALOGUE IS CRITICAL TO BUILDING AND MAINTAINING RELATIONSHIPS.

5. GROWING INFLUENCE OF "WE AND ME" NOT JUST "THEY"

5. Growing Influence of "We and Me" Not Just "they" – In Action!

The increasing role of word of mouth recommendations

Top 3 factors that influence whether a product is considered at each stage of the consumer decision journey, mobile-phone example, %[1]



The rise of the blogosphere and twitterati

Source: McKinsey; Word of mouth marketing, 2010

[1] Figures do not sum to 100%, because percentages for several other factors are not shown.

[2] Excludes consumers who were contacted by provider to extend contract after expiration.

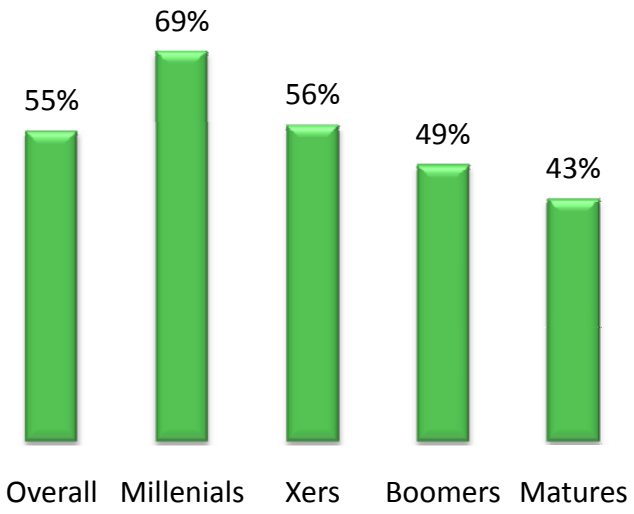
5. Growing Influence of "We and Me" Not Just "they" – Look Out For…

More and more co-creation

Examples of co-creation Products and Services	
Design by Me Lego Factory	Design your own original custom LEGO model, and then purchase all of the bricks and elements you need to build your model for real!
Harley Davidson	Bikers riding together and customizing their motorcycles.
IdeaStorm Dell	Online "brainstorm" sessions allowing customers to share ideas and collaborate with one another and Dell.
Redesignme.com	Get paid by product manufacturers to establish 'RDM Challenges', presenting a new product concept and asking the site's 3,000 or so active members to respond.

Advertising going tribal

Online consumer reviews and ratings influence my buying decisions more than any type of online advertising (% respondents agreeing strongly/somewhat)



Source: Deloitte State of the Media Democracy, 4th edition, 2009

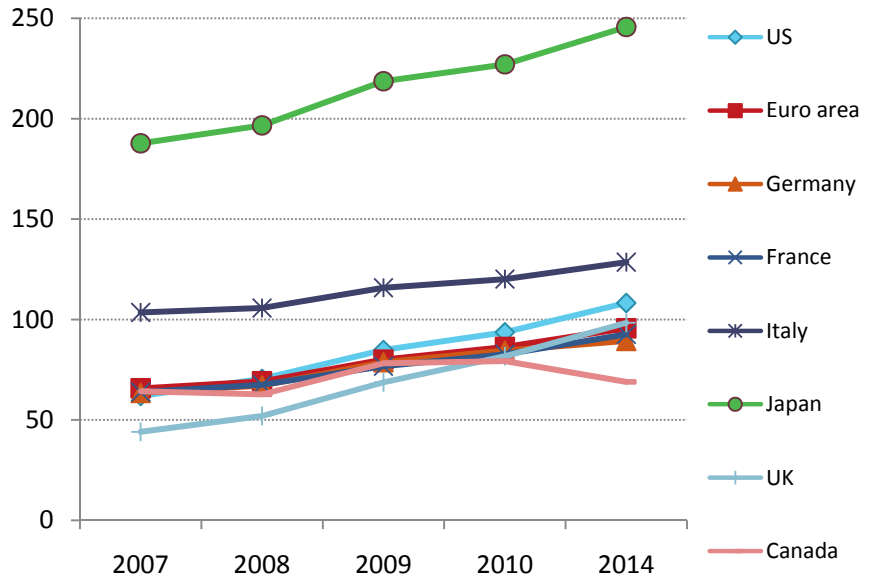
NEW POWER BROKERS ARE INCREASING THEIR INFLUENCE ON THE WORLD STAGE, FROM THE BRIC ECONOMIES TO SOCIAL NETWORKS TO THE G20. NEW FINANCIAL POWER BROKERS WITH VAST ASSETS WILL IMPACT CORPORATE GOVERNANCE AND INDUSTRIES. TOGETHER, THESE NEW POWER BROKERS WILL SHAPE GLOBAL ECONOMIC, POLITICAL AND SOCIAL DEVELOPMENT. THE AGE OF THE "SUPERPOWER" IS GIVING WAY TO AN AGE OF MULTIPLE POWER BROKERS.

6. THE RISE OF NEW POWER BROKERS

6. The Rise of New Power Brokers – In Action!

Oops! We mortgaged the economy

Increases in National Debt, Selected Economies (Gross Government Debt as a % GDP)



Note: Years 2009-2014 are estimates
Source: IMF WEO, Oct 2009

Largest Sovereign Wealth Funds

Country	Fund name	Assets in US$Billion
UAE - Abu Dhabi	Abu Dhabi Investment Authority	$627
Norway	Government Pension Fund – Global	$445
Saudi Arabia	SAMA Foreign Holdings	$431
China	SAFE Investment Company	$347
China	China Investment Corporation	$289
Singapore	Government of Singapore Investment Corporation	$248

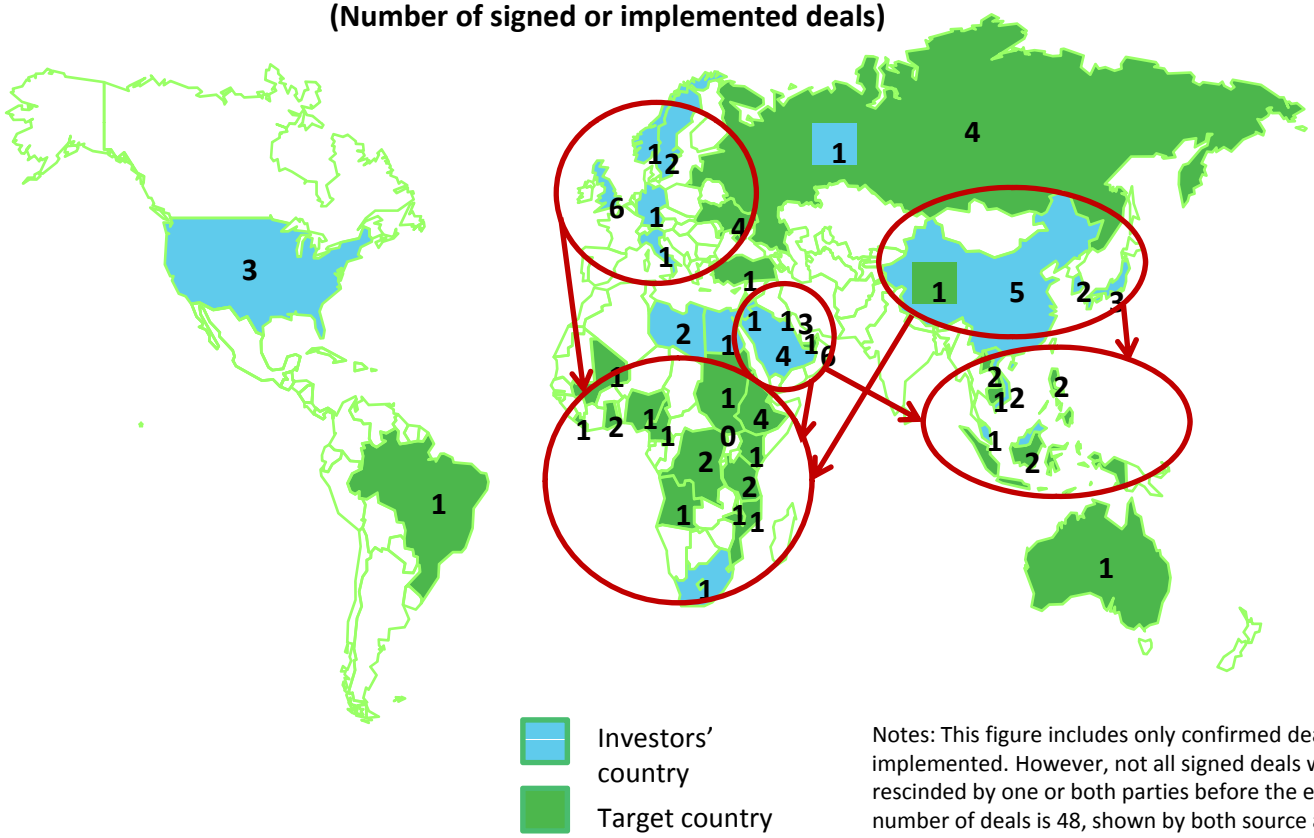
Increasing influence of sovereign wealth funds

Source: SWF Institute

6. The Rise of New Power Brokers – Look Out For…

Increasing south-south investment flows, with a focus on securing natural resources

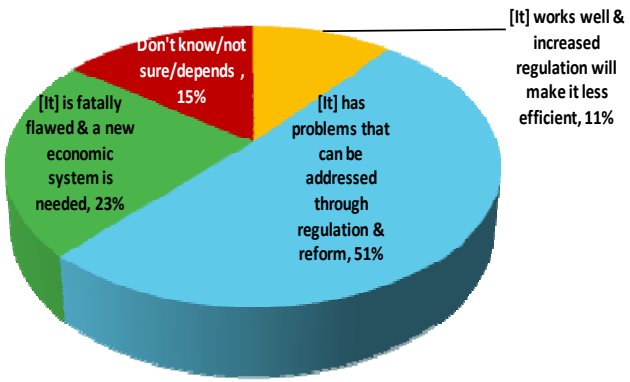
Investor and Target Regions and Countries in Overseas Land Investment for Agricultural Production, 2006–May 2009 (Number of signed or implemented deals)



Notes: This figure includes only confirmed deals that have been signed, of which some have been implemented. However, not all signed deals were eventually implemented, and signed deals that were rescinded by one or both parties before the end of May 2009 have been excluded from the map. The total number of deals is 48, shown by both source and destination countries. Source: UNCTAD

Rethinking capitalism

Views on Free Market Capitalism, 2009



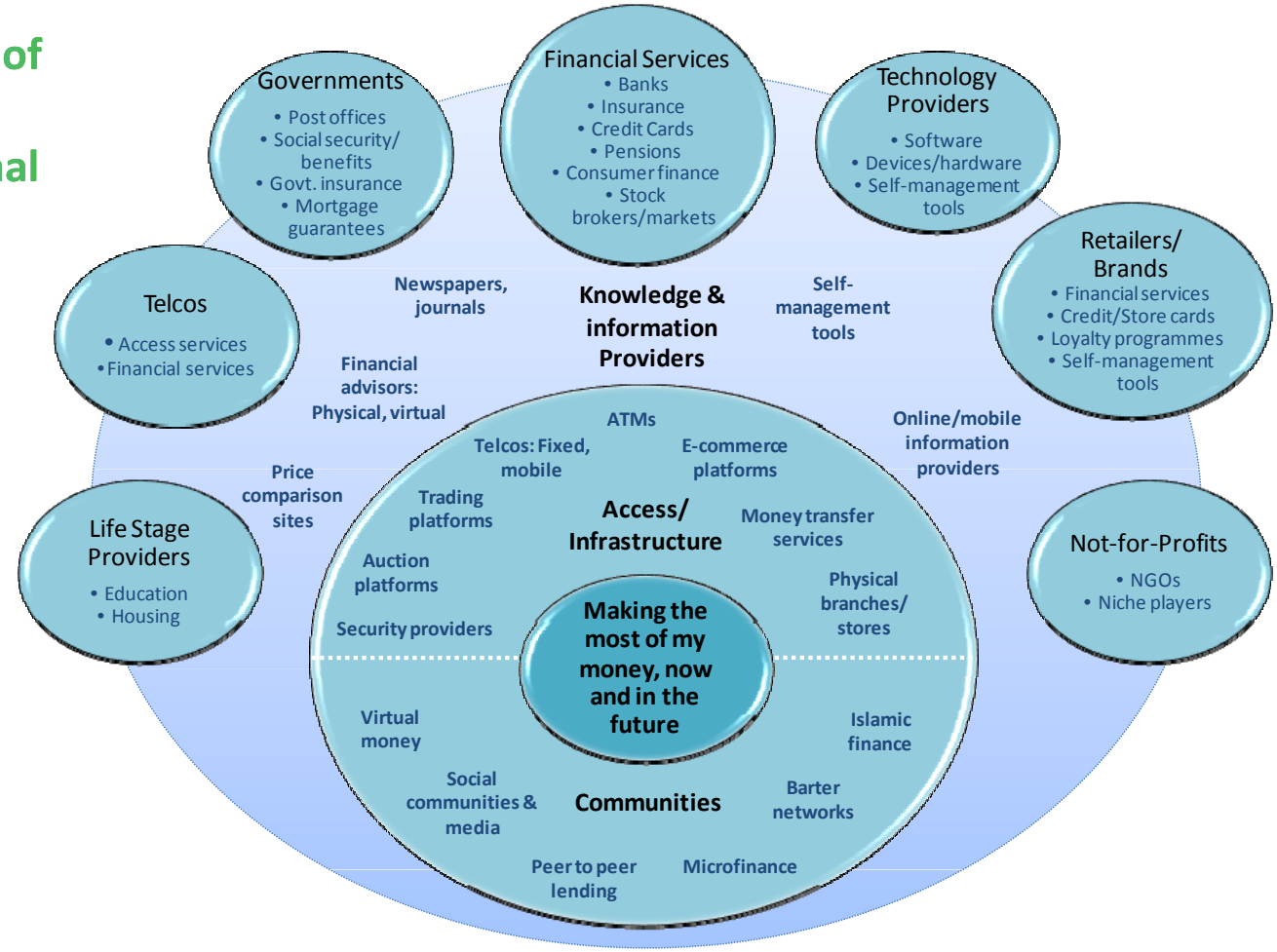
Source: Globescan/BBC World Service, poll of 29,000 people across 27 countries, June to October 2009

INDUSTRY BOUNDARIES ARE BLURRING AND SO ARE THOSE OF THE ORGANIZATIONS THAT COMPETE IN THEM. VALUE SPACES ARE INCREASINGLY BEING DEFINED BY CONSUMERS, NOT FIRMS. TAKE HEALTH AND WELLNESS – IN THE CONSUMER'S MIND THIS EXTENDS WELL BEYOND PHARMACEUTICALS AND DOCTORS TO FOOD, FITNESS, BEAUTY, ONLINE SERVICES AND MORE. AS BOUNDARIES BLUR AND EVERYTHING BECOMES MOBILE, PLAYERS ARE INCREASINGLY INTERDEPENDENT. THIS EXTENDS TO INTERACTIONS WITH SOCIETY, WHERE NEW FORMS OF NETWORKS AND SMART PARTNERSHIPS ARE EMERGING, TO DELIVER COMMERCIAL AND SOCIETAL BENEFITS SIMULTANEOUSLY.

7. INTERDEPENDENCE AND COMPETITION ACROSS INDUSTRIES, NOT JUST WITHIN

7. Interdependence and Competition Across Industries, Not Just Within – In Action!

The democratization of personal finance: The emerging personal finance landscape



7. Interdependence and Competition Across Industries, Not Just Within – Look Out For…

Your industry next?

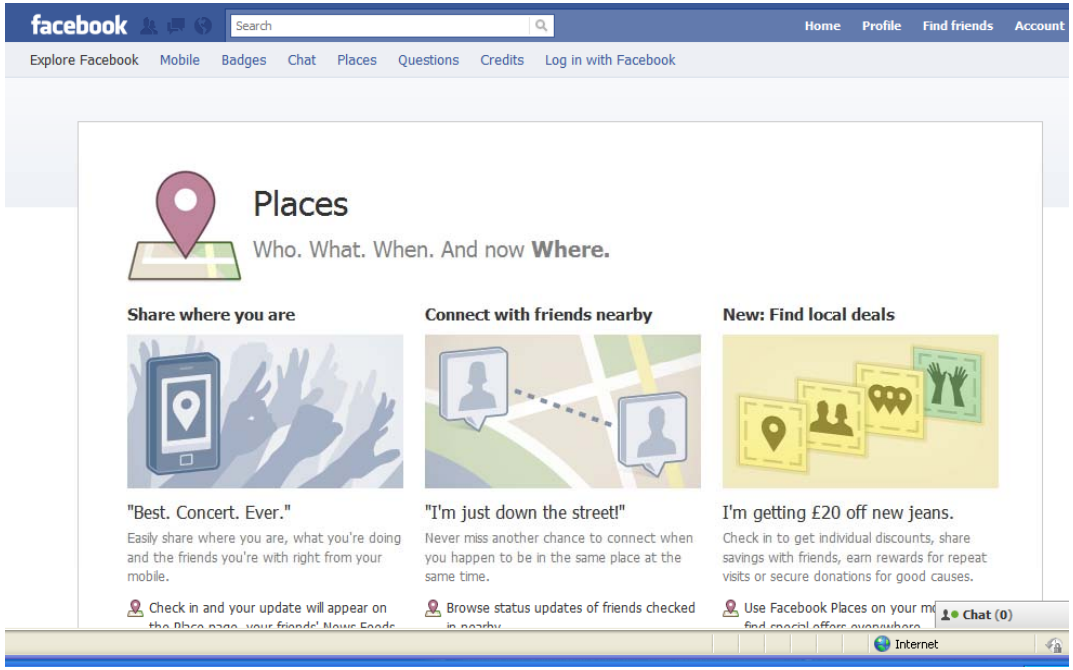
Where are your industry boundaries blurring?

THE FIGHT IS ON TO OWN THE NEW CONSUMER – A CONSUMER THAT WANTS MORE INVOLVEMENT AND PERSONALIZATION; THAT WANTS IT ALL ANYWHERE, ANYTIME, AND WANTS IT TO BE CHEAP AND CHIC AS THE CLIMATE OF FRUGALITY BITES. BUSINESSES AT ALL POINTS IN THE VALUE CHAIN ARE TRYING TO CONNECT WITH THE CONSUMER TO BUILD REPUTATIONS, TRUST, LOYALTY, RETURNS, MARKET POSITION AND ULTIMATELY THE LICENSE TO COMPETE. AS CONSUMERS INCREASINGLY DEMAND EXPERIENCES AND SOLUTIONS, THIS FIGHT MAY EVOLVE INTO NEW, CREATIVE FORMS OF COOPERATION BETWEEN FIRMS AND OTHERS.

8. FIGHT TO OWN THE NEW CONSUMER

8. Fight to Own the New Consumer – In Action!

Amazon Undercover



Location-based services

8. Fight to Own the New Consumer – Look Out For…

More companies trying to create captive markets

Categories and Examples of Apps for the iPhone, iTouch and iPad

UNESCO and World Heritage Team Up With TripAdvisor

UNESCO and World Heritage partnered with leading online travel advisory site TripAdvisor in 2010 to promote awareness of the need to protect World Heritage Sites around the world.

TripAdvisor aims to engage its large and passionate community of 25 million monthly visitors to help in several ways: (i) Encourage the contribution of reviews and opinions from its members to provide information about the condition of nearly 900 World Heritage sites so that these may be better protected; (ii) Ask travelers to vote on the places they want to protect most, and encourage donations to help conserve and support sustainable and responsible tourism.

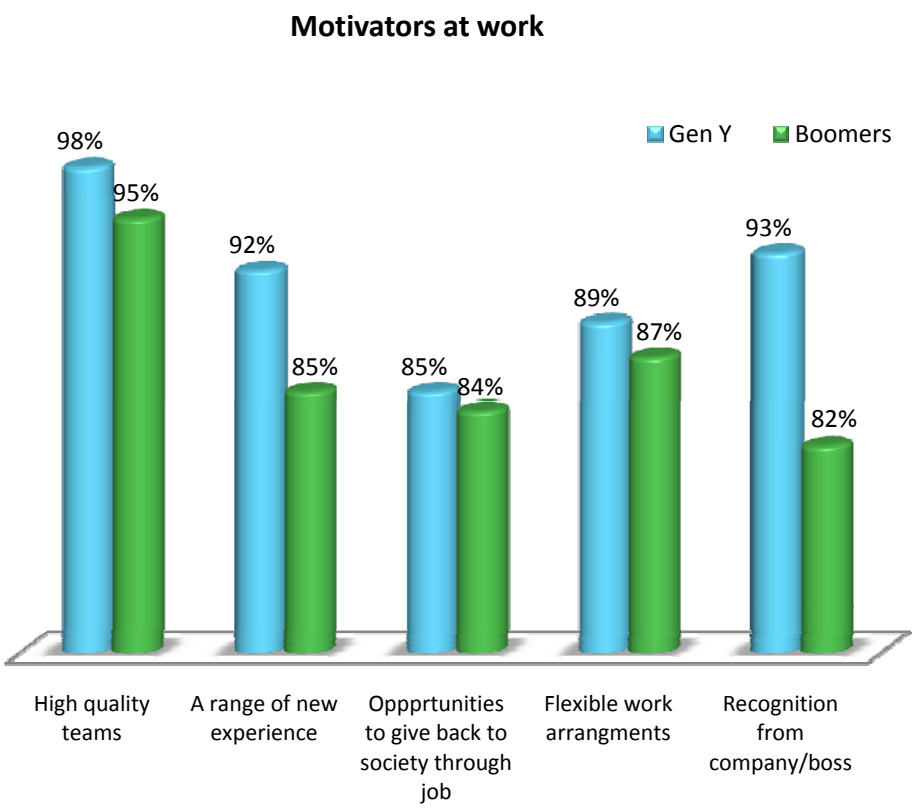
More innovative partnerships to reach key communities

FOR THE FIRST TIME, FOUR DISTINCT GENERATIONS ARE PRESENT IN THE WORKFORCE IN MANY DEVELOPED COUNTRIES. THE RESULTING DIFFERENCES IN GENERATIONAL AMBITIONS, ATTITUDES, TECHNOLOGY SKILLS AND ETHICS ARE IMPACTING MANAGEMENT STYLES, HOW WORK IS DONE AND THE ABILITY TO ATTRACT TALENT. SUCH DIFFERENCES ARE ALSO PLAYING OUT IN DEVELOPING ECONOMIES, WITH INDICATIONS THAT TRAITS AND VALUES ARE BECOMING MORE SIMILAR WITHIN GENERATIONS ACROSS BORDERS, THAN BETWEEN GENERATIONS WITHIN A REGION. GENERATIONAL GAPS WILL DEMAND MORE FLEXIBILITY IN WORK, MARKETS AND SOCIETIES.

9. GENERATIONAL GAPS

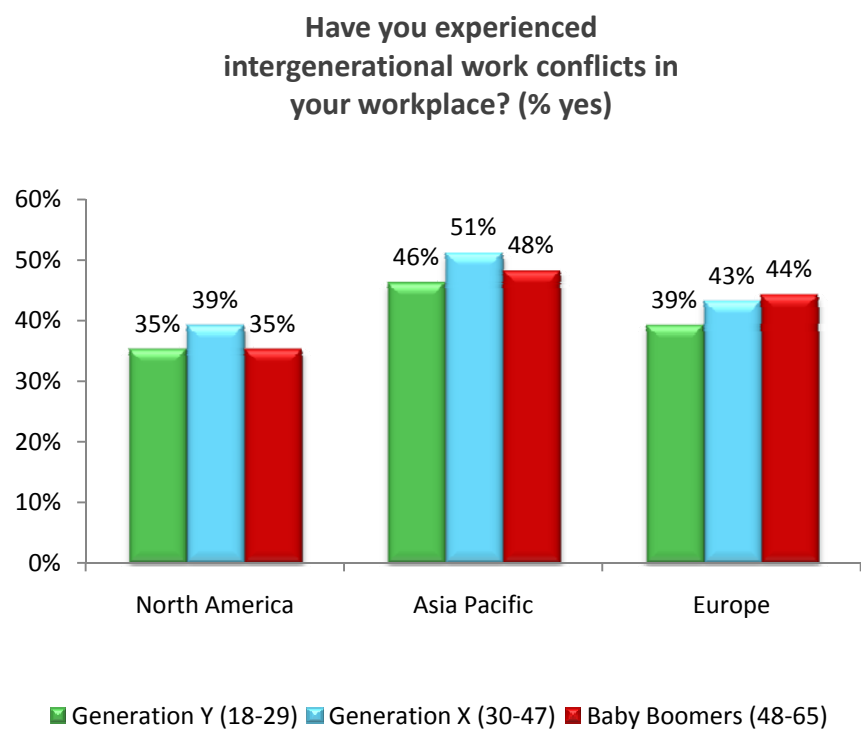
9. Generational Gaps – In Action!

Differences in motivators at work



Source: Center for Work-Life Policy

Increasing inter-generational conflict in the workplace



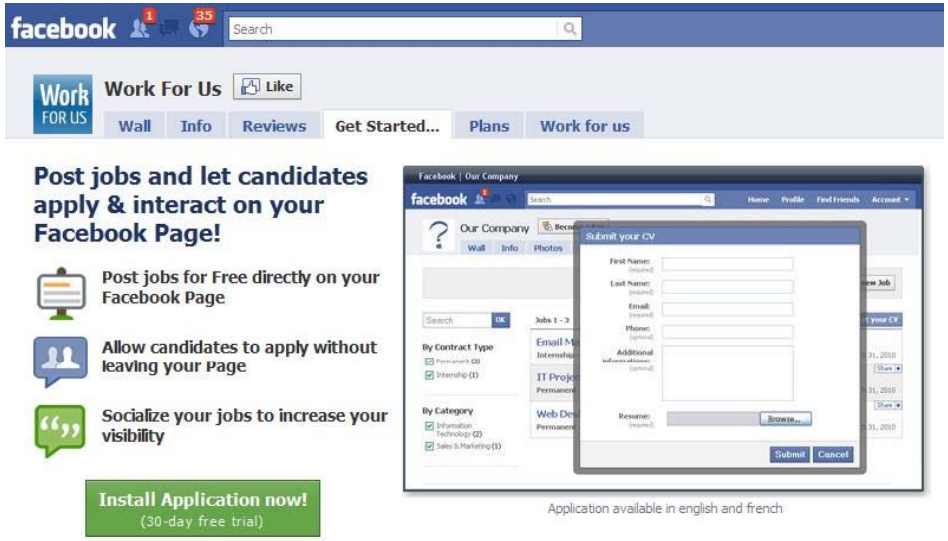
Source: Kelly Services 2009 Global Workforce Index (survey of c. 100,000 people across 34 countries)

9. Generational Gaps – Look Out For…

Focus on creating the next generation of leaders

What are your organization's most pressing talent concerns today? (% respondents)

Source: Deloitte Talent Edge 2020: Blueprints for the new normal, Dec. 2010



Coming to a social network near you, soon: Talent search, professional networking and more

EVEN AS THE TIDE OF GLOBALIZATION AND INTEGRATION CONTINUES, THERE IS A GROWING AND OPPOSING TREND TOWARDS GREATER FRAGMENTATION WHERE TRIBALISM, NATIONALISM AND CULTURAL CONFLICT IS ON THE RISE. EVEN CYBERSPACE IS UNDER THREAT OF FRAGMENTATION, AS GOVERNMENTS INCREASINGLY SEEK TO ERECT NATIONAL BOUNDARIES TO BLOCK OR MONITOR CONTENT, AND TECHNOLOGY PROVIDERS DEVELOP PROPRIETARY "CLOUDS." HOW THE POTENTIALLY COMPETING FORCES OF GLOBALIZATION AND FRAGMENTATION INTERACT WILL HAVE A SIGNIFICANT IMPACT ON THE ECONOMIC, SOCIAL AND POLITICAL DEVELOPMENT OF THE 21ST CENTURY.

10. TENSIONS OF GLOBALIZATION AND FRAGMENTATION

10. Tensions of Globalization AND Fragmentation – In Action!

Failures of global forums

Source: Henrik Montgomery/ Scanpix

Infowars, the Wikileaks fall-out

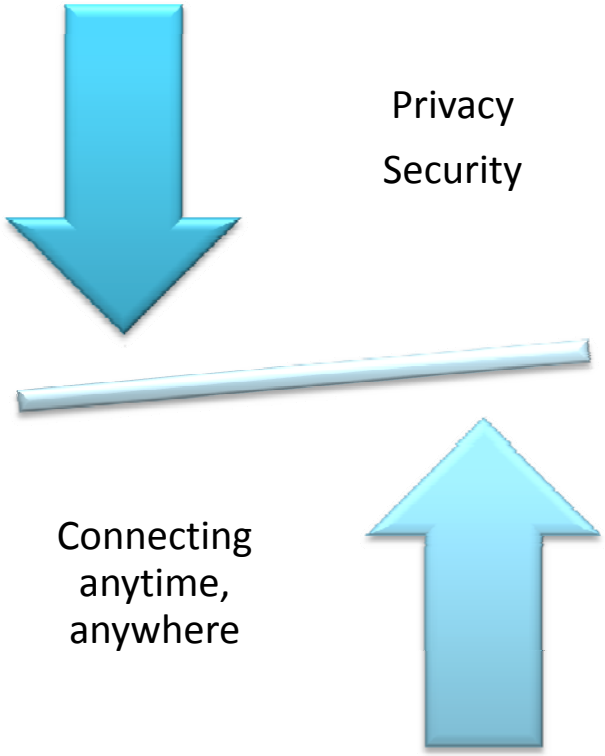
10. Tensions of Globalization AND Fragmentation – Look Out For…

Internal interests diverting external focus

"India to create new southern state of Telengana"

"The Indian government is to allow a new state to be carved out of part of the southern state of Andhra Pradesh… Supporters of the state are celebrating after days of violent protests... Dozens of Andhra Pradesh assembly members and at least one Indian MP with a seat in the state have announced they are resigning in protest at the move... Correspondents say Telangana state is likely to include one of India's major software hubs, Hyderabad... home to leading world companies in India like Microsoft and Google... The demand for separate state status for the underdeveloped and drought-prone area dates back 50 years."

www.news.bcc.co.uk, 10/12/09



Our changing relationship with the internet: An ongoing balancing act

Global Trends

How will these trends impact your organization?

Are you ready?

www.globaltrends.com

This presentation is adapted from the GT Briefing "Ten Key Trends to Watch – In Action!," by Tracey Keys and Thomas Malnight, first published in December 2010 on www.globaltrends.com.

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About the Authors

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