10 Key Trends to Watch – In Action!
GT Briefing, December 2010
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!**
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

- 2,000 videos watched on YouTube every day
- 550 million: The estimated number of Facebook users globally
- 2 billion: The number of videos watched on YouTube every day
- 550 million: The estimated number of minutes of video uploaded to YouTube in a year
- 442 million: The estimated number of minutes of video uploaded to YouTube in a year
- 200 million: The estimated number of Facebook users using Facebook via mobile phones
- 200 million: The estimated number of Facebook users using Facebook via mobile phones
- 175 million: The estimated number of Twitter users globally
- 175 million: The estimated number of Twitter users globally
- 95 million: The estimated number of Tweets sent daily
- 95 million: The estimated number of Tweets sent daily

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

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
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

<table>
<thead>
<tr>
<th>Country</th>
<th>Nile Water Use</th>
</tr>
</thead>
<tbody>
<tr>
<td>Egypt</td>
<td>Can use 80% of Nile water (According to 1959 Water Treaty)</td>
</tr>
<tr>
<td>Sudan</td>
<td>Can use 10% of Nile water</td>
</tr>
</tbody>
</table>

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

### The Nile

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

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

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

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

An Emerging Global Middle Class
(Middle Class as % Global Population & Global Income)

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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

Photo author: Rudolf Stricker; licensed under the Creative Commons Attribution-Share Alike 3.0 Unported license
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, %

<table>
<thead>
<tr>
<th>Stage 1</th>
<th>In Mature Market</th>
<th>In Developing Market</th>
</tr>
</thead>
<tbody>
<tr>
<td>Initial consideration set²</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Advertising</td>
<td>30%</td>
<td>18%</td>
</tr>
<tr>
<td>Previous usage</td>
<td>26%</td>
<td>17%</td>
</tr>
<tr>
<td>Word of mouth</td>
<td>18%</td>
<td>15%</td>
</tr>
</tbody>
</table>

| Stage 2                              |                  |                      |
| Active evaluation                     |                  |                      |
| Internet information                 | 29%              |                      |
| Shopping                              | 20%              |                      |
| Word of mouth                         | 19%              |                      |

| Stage 3                              |                  |                      |
| Moment of purchase                   |                  |                      |
| Internet information                 | 65%              |                      |
| Shopping                              | 20%              |                      |
| Word of mouth                         | 10%              |                      |

Source: McKinsey; Word of mouth marketing, 2010

¹ Figures do not sum to 100%, because percentages for several other factors are not shown.
²Excludes 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

<table>
<thead>
<tr>
<th>Examples of co-creation Products and Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>Design by Me Lego Factory</td>
</tr>
<tr>
<td>Harley Davidson</td>
</tr>
<tr>
<td>IdeaStorm Dell</td>
</tr>
<tr>
<td>Redesignme.com</td>
</tr>
</tbody>
</table>

Advertising going tribal

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

- Overall: 55%
- Millennials: 69%
- Xers: 56%
- Boomers: 49%
- Matures: 43%

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

Oops! We mortgaged the economy

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

Largest Sovereign Wealth Funds

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

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

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)

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

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
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**

**Price Check for iPhone**

Instantly check prices on millions of products.

- **Scan it**
  - Point your camera at a barcode to find the lowest price.

- **Snap it**
  - Snap a photo of a book, DVD, CD, or magazine.

- **Say it**
  - Just speak your product name and price.

- **Type it**
  - Type in the name, brand, or model.

- **Buy it**
  - Shop with confidence and complete your purchase.

**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**

<table>
<thead>
<tr>
<th>Motivator</th>
<th>Gen Y</th>
<th>Boomers</th>
</tr>
</thead>
<tbody>
<tr>
<td>High quality teams</td>
<td>98%</td>
<td>95%</td>
</tr>
<tr>
<td>A range of new experience</td>
<td>92%</td>
<td>85%</td>
</tr>
<tr>
<td>Opportunities to give back to society through job</td>
<td>95%</td>
<td>84%</td>
</tr>
<tr>
<td>Flexible work arrangements</td>
<td>89%</td>
<td>87%</td>
</tr>
<tr>
<td>Recognition from company/boss</td>
<td>93%</td>
<td>82%</td>
</tr>
</tbody>
</table>

**Increasing inter-generational conflict in the workplace**

<table>
<thead>
<tr>
<th>Region</th>
<th>Generation Y (18-29)</th>
<th>Generation X (30-47)</th>
<th>Baby Boomers (48-65)</th>
</tr>
</thead>
<tbody>
<tr>
<td>North America</td>
<td>35%</td>
<td>46%</td>
<td>39%</td>
</tr>
<tr>
<td>Asia Pacific</td>
<td>39%</td>
<td>51%</td>
<td>44%</td>
</tr>
<tr>
<td>Europe</td>
<td>35%</td>
<td>48%</td>
<td>43%</td>
</tr>
</tbody>
</table>

*Source: Center for Work-Life Policy*

*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)

- Competing for talent globally and in emerging markets: 41%
- Developing leaders and succession planning: 38%
- Retaining employees at all levels: 37%
- Managing and delivering training programs: 35%
- Creating career paths and challenging job opportunities for employees: 34%
- Sustaining employee engagement/morale: 34%
- Providing competitive compensation and benefit packages: 29%
- Recruiting hard-to-find skill sets: 28%
- Managing a globally diverse workforce: 28%
- Reducing employee headcount and costs: 21%
- Deploying critical talent around the world: 17%
- Providing flexible work options: 17%
- Evaluating and implementing HR/talent technology systems: 12%
- Aligning HR and talent with line of business priorities: 3%

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

Infowars, the Wikileaks fall-out

Source: Henrik Montgomery/Scanpix
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

Privacy
Security

Connecting anytime, anywhere

Our changing relationship
with the internet: An ongoing balancing act
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.

Read the Briefing here and register at www.globaltrends.com now to make sure you don’t miss our next monthly briefing!

About the Authors

Tracey Keys is Director of Strategy Dynamics Global Limited and also works with the International Institute for Management Development (IMD), in Lausanne, Switzerland, where Thomas Malnight is a professor of strategy and general management.