



EXECUTIVE SUMMIT

STRATEGIZE. INNOVATE. NETWORK.

Innovative Implementation

Workshop

January 27, 2012

Adam Hartung



THE VISIONCOUNCIL

Innovative Implementation **Workshop**

When markets make a shift, organizations need to react to these market shifts in order to maintain profitability and growth.

Workshop format:

- Each table selects 2-3 trends you feel will have an impact on your business in the next 3-5 years.
(Circle selected trends below)
 - As a group, build scenarios that you envision will evolve as a result of these trends
- Identify how your business will be prepared to introduce new innovative products or services to support a customer need as a result of this market shift.
 - Trend Implementation Recap

For Example:

Three trends

Demographics – Younger generation sees products as more disposable

Globalization – Expanding middle class in developing countries

Environment – Green movement will continue but more scrutiny on return on investment

Now build scenarios tied to these trends that are at MACRO level

There will be more customers globally that can purchase my product but don't see it as a long-term investment so I will source my offerings with products that don't require a large investment in capital or focus on products that are not vulnerable to fluctuations in cost of raw materials.

If you have a physical business or offices, you may want to go completely virtual or online, which will enable me to expand my market reach and help my customers lower their carbon footprint.

Organizations will need to think about supporting a variety of cultures and languages to gain international loyalties. This will impact staffing and business hours of operation.

Now develop innovative products or services to support these scenarios

Example: I am an accounting firm with 120 employees

Customer need: As more and more companies begin to expand their reach into international locations, they may need to understand non-US based accounting practices and exchange rates. My business will transition to gaining expertise in international accounting practices and recruit a larger base of accountants from global locations that work virtually. This will allow me to not be vulnerable to the U.S. market only and forces that drive my business operations from a local customer base.

Technology

- Smart phone technology will become the new basis for computer designs
- Machines are getting faster, more accurate
- Improvements in information technology and data mining will bring additional supplier opportunities and additional competitors to business opportunities
- Desktop PCs will become obsolete, 24 hour plug-ins will continue to increase job stress
 - Efficient information processing and communication will be one of the critical drivers for successful national economies
 - Always on

Globalization

- Global economic growth will be driven by the middle class expanding in developing economies. Flexibility, speed and local presence will be essential to satisfy the growth, the diversity of needs/market segments and the increasing rate of change
- Exports and foreign markets will become less of a concern in the future as developing countries become more affluent
- Growth from emerging economies is requiring large amounts of resources to facilitate this growth
- Improvements in low cost labor markets manufacturing technology and logistic capability could bring new suppliers and competition to existing business operations

Demographics

- Increasing populations and wealth in a variety of cultures will require local knowledge, availability and production
- Population is aging. Older workers will stay on longer. New skilled workforce will be harder to find at current pay scales
- Management of multi-lingual, multi-cultural workforces will cause business to adjust training activities and workplace management practices
 - Asian population in the U.S. is growing
 - College enrollment continues to go down
 - Younger generation sees products as disposable

Environment

- Regulations will rapidly increase to provide a better environment as the population and wealth increases
 - Continued focus on sustainability
 - Green movement will be driven by ROI
- Concerns over air and water quality/pollution are providing new opportunities, that trend is likely to result in new technologies and business opportunities
- Regulations causing economic hardships; greens taking over the earth; not putting the issues in the right perspective

Transportation

- As the cost to transport goods continues to rise, I think we will see manufacturing jobs return to the U.S. only to find that we do not have the skilled workers to fill those jobs
- Will experience tremendous growth in developing nations with very high competitive intensity and lack of profitability. Major infrastructure changes will be launched to handle the increased use of transportation
- Steady incremental improvement in auto efficiency and emission. Some limited high speed rail project in the U.S. systems
- Trends away from combustion engines could result in opportunities in new industries

Financial

- Productivity will increase at rate higher than the last 10 years, which will result in additional availability of capital to fund expansion
- Acquiring access to money from banks will continue to be difficult
- High costs due to overregulation; too big to fail will cause further problems; profitable companies will excel
 - Interest Rates are low; Financing is tight due to concerns about risk
- The trend toward a weaker dollar should continue to drive export growth and domestic business opportunities

Government

- Governments will not be able to keep up with the increasing rate of change, probably resulting in boom and bust situations occurring more frequently and greater political unrest
- Spending and high debt will dominate politics through the next 2-3 elections
 - We need less government
- The trend towards increased regulation could result in changes in energy industries that could challenge current business or create new opportunities
- Conservative spending, except in development
 - National debt an issue as well as

Sources of Energy

- Electricity will become the primary form of energy, due to its ease of use, cleanliness and potential for storage and recovery
- The supply of energy will become more distributed model, with large percentage of power being generated close to its usage point by natural gas driven engines or alternative power sources, such as solar and wind
- Hydraulic fracturing will become mature in NA, but will expand beyond NA, increasing the global availability of natural gas and oil
- The market will support a continued supply of oil and gas at relatively low prices. Politics may try to force alternative energy on the market

Economy

- Housing is slow and there are global debt worries, which harm the general improvement in the economy
- Lower energy prices. The lower exploration costs associated with finding and getting oil & gas should allow for stable energy prices for years to come
- Some resurgence seems to be taking place in manufacturing, including some level of onshoring, business segments that have moved purchases off shore could be looking to expand their domestic supply base

- Slow growth in U.S.; hot spots depending on the industry; cost of entitlements and government spending putting big damper on economy
- Reduction in expendable income will continue – 2nd careers will begin to formulate, unemployment will go down
- How does it get jump-started and keep there if we become too reliant on the government?

For questions regarding this material or Adam Hartung, contact Nancy Munro, 630-221-8759
or nancy@knowledgeshift.net