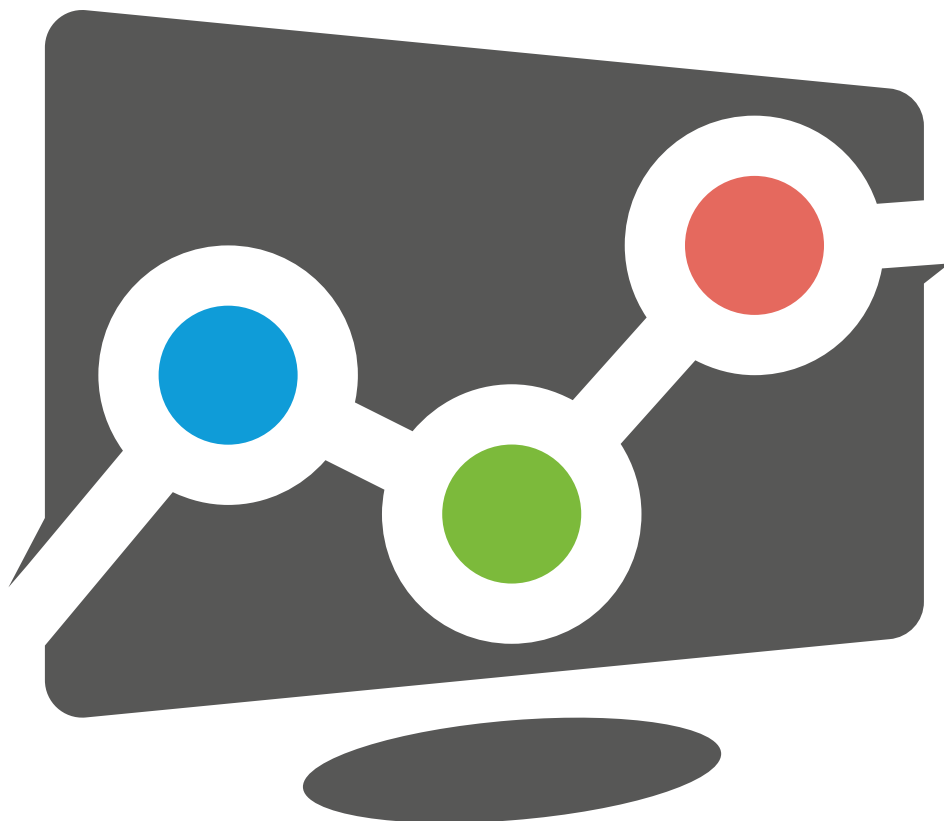# THE WORLD IS CHANGING FAST

can you keep up?

In this white paper we will go through the need to adapt innovative thinking and a willingness to let go of how things have been done in the past. We are living in a period where there is no longer business as usual but rather a time when businesses need to change mindsets to ride the wave of constant change in all levels of society - in order to gain longstanding revenue and secure future survival. Digitalisation is a buzzword that never been more essential and during the next pages we will be discussing obstacles, opportunities and examples of solutions that will ensure a smoother, easier and more cost-effective transition.

"We live in unprecedented times."

How many times have you heard this sentence during the past months? Words that describes the ongoing pandemic but also applicable to the world before Covid-19 took hold. We experience political developments, global protests, policy changes, climate change, technological advancements and consumer behavioural changes at a speed we have never seen before. To ease our way into the subject, let's have a look at the definition described by Oxford Dictionary:

Digitalisation: the process of changing data into a digital form that can be easily read and processed by a computer.[1]

Doesn't sound too hard, does it? Admittedly, the roadmap for our digital journey is much more complex in reality. For many, digitalisation is an abstract concept that is hard to grip and perhaps connected with long development times, expensive system implementations and complex transition periods.

" Think the unthinkable "

The world is experiencing a digitalisation that has been in a long time coming, but reached new levels when our physical movement became restricted with the arrival of Covid-19. In a matter of eight weeks during spring 2020, the digital adaptation for businesses increased to an equivalent of five regular years of development.[2] We are being forced to reimagine our reality at a pace of which we have never experienced before. What is digitalisation and what helps us on the journey?

"Think the unthinkable" is being advised by experts when we are entering a new decade that already has given us a financial crisis, a pandemic, protests, profound political changes and further proof that climate change is already rapidly well underway. Digitalisation may seem complex but it also comes with an offer of a new - perhaps even better - world where previously seemingly impossible problems can be solved at lower costs, with better outcomes. How do we change our mentality to be prepared for the unknown? What are the tools that enable dynamic change and rapid evolvement during a time that is spinning faster and rocks harder than ever before?
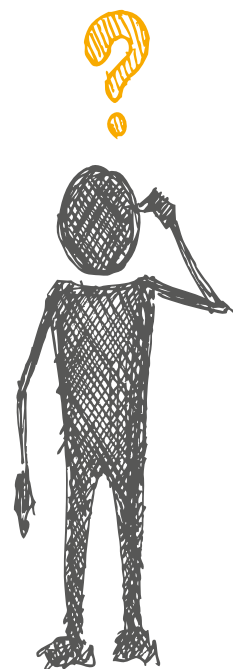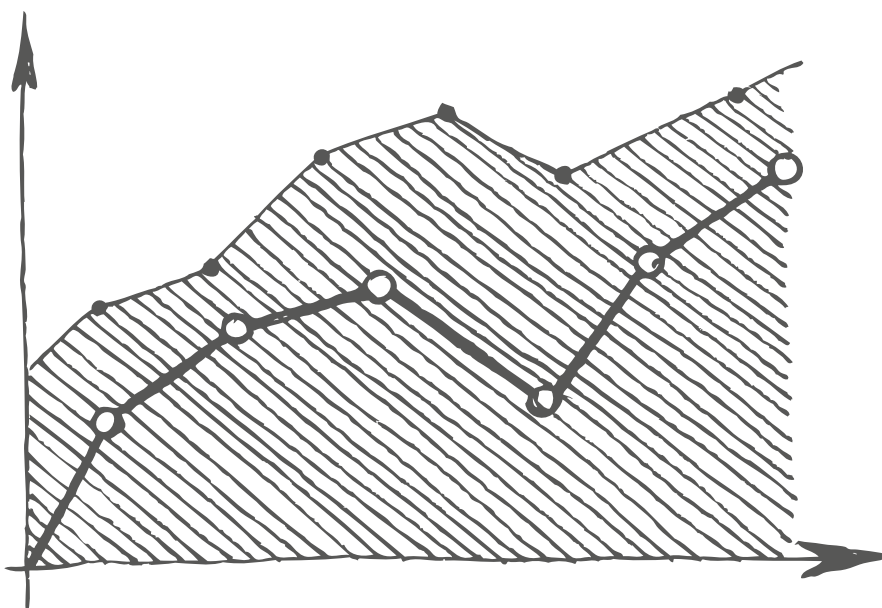
THE UNDENIABLE NEED FOR A DYNAMIC MINDSET

Things are happening at a speed we haven't experienced before - the headlines from yesterday are forgotten and replaced by the unfolding events of today. Opinions change with events and events change opinions. What was unthinkable yesterday, a month ago or just a year back is our reality today. What we believe to be the cemented truths are reshaped and we are forced to rearrange our entire worldview.
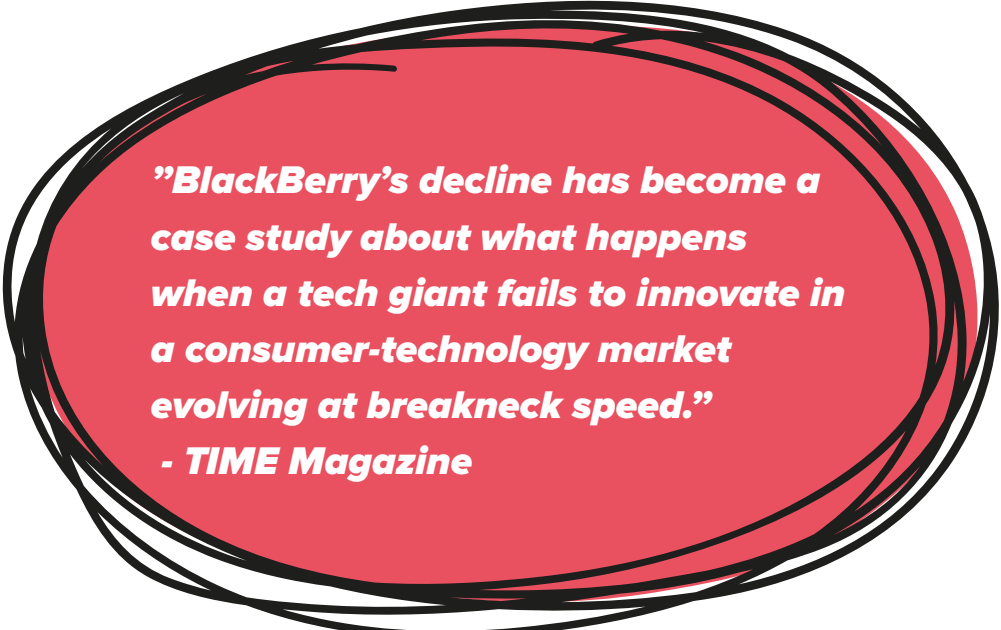
Things that we have taken for granted are being replaced with new realities and whether we like it or not the world is changing in an unprecedented way. Pandemics, political changes and climate changes leads to policy changes - changes that requires action. According to experts, business disruption will only increase and become a more and more prominent feature of the future. Are we willing to change our mindsets too?

The digitalisation picked up speed during the 2010's and brought along a change in the way we interact and do business. In 2012 only 36% of the European Union population aged 16 to 74 used mobile devices to access internet while on the move - in 2019 that had increased to 75% percent.[3] The smartphone sales have increased from 297 million units in 2010 to 1518 million units in 2019.[4] With constant access to the whole world in our pocket, the companies have been forced to work out new ways of reaching their customers.

An evident effect of the global pandemic in 2020 has been the exponential rise of the digital shopping.

Some companies that already have a strong digital profile have seen an unprecedented surge in online sales to supplement for closed stores and for the moments where physical movement was restricted. As a consequence the US spending in non-store channels grew with 20.5% year on year in April 2020, which is the second-highest growth rate for that month since recording started.[5] Amazon saw a year on year sales increase with 26.4% during Q1 compared to same time in 2019, resulting in a net revenue of $75.452 billion. Rather than putting staff on furlough or letting them go, they hired an additional 175,000 employees during March and April to meet the increased demand. [6]

5.

While speaking about the need to adopt a flexible and innovative mindset, not many case studies proves the point better than the story about the - once market-leading - phone company Blackberry. At one point Blackberry controlled 50% of the smartphone market in the US, and 20% globally.[7]

"BlackBerry's decline has become a case study about what happens when a tech giant fails to innovate in a consumer-technology market evolving at breakneck speed."
*- TIME Magazine*

It was the 'it' object of the successful with popular features such as instant and unlimited communication through Blackberry Messenger, and its signature qwerty-keyboard. At its peak in June 2008 the share price reached $144,56 - by May 2020 those numbers had shrunk down to $4.66/share. A gradual decline begun with the rise of other smartphone brands and as of today the company controls virtually 0% of the global smartphone market, with their latest release launched in 2018.

WHAT WENT WRONG?

Around the same period that Blackberry reached their high another competitor was launching what would become the biggest threat to Blackberry; Apple released their iPhone. During the launch in 2007 Steve Jobs took a moment to describe the features of Blackberry:

> *"They all have these keyboards that are there, whether you need them or not to be there. What we're gonna do is get rid of all these buttons and just make a giant screen."*

Jobs was willing to take everything that up to that point had been proven successful, wipe the canvas clean and visualise something anew. Blackberry fell behind and refused to give up their beloved features, in addition to never realising that consumers and not business customers would drive the market. They realised too late the emergence of the 'app economy' and they failed to envision mobile phones as full-fledged entertainment hubs rather than mere communication devices. Lack of vision, lack of insightful willingness to change led to the downfall of a global corporation that once was the crowned king on a giant smartphone market.[8]
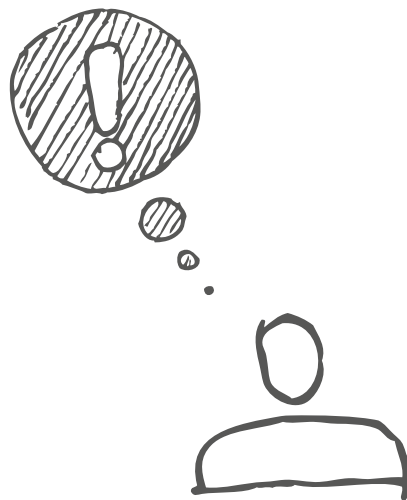
THE OBSTACLES OF A DIGITAL TRANSFORMATION

Your digital journey starts with a mindset that allows truths - previously taken for granted - to be questioned in order to welcome new thinking patterns. Patterns that will generate new thoughts and ideas, and in the long run, fresh and ground breaking innovations.

Digitalisation means that conventional thinking patterns, processes, policies and management must be scrutinised. Managers need to engage in mature dialogues where challenges are addressed and actionized.[9] To be dynamic and have an open mindset may sound as easy as 1, 2, 3 in theory but transferring it into practice can be trickier than expected. The Swedish think-thank Fores did a research to measure the political ability to implement and manage the digitalisation in Sweden. One of their initial discoveries was that the representatives in charge of the strategies for each party said that they don't know very much about the question themselves, and one of the conclusions was that there is an urgent need of further training with consulting and better information provided.[10] So if the very top level of the Swedish government are experiencing difficulties on how to grasp their digitalisation journey, what does it look like for regular businesses and organisations? Common points of obstacles look like this:

 - There is a need for better information and consultation. The information gap makes it hard to know where to begin and even harder to get an understanding of how develop a full-fledged strategy.

 - There is a fear of financial investments that generally is believed to be a requirement for all digital implementations. When there is no easy way to calculate the return of investment it can easily lead to uncertainty and apathy.

 - Connectivity and cyber security. How do you build security standards in new networks and systems when you're unsure of its functions. Seeing that companies are vulnerable to cyber-attacks as it is, this may seem like a daunting task.

According to a global study made by McKinsey in 2018, eight of ten companies say that they have undertaken efforts during the past five years to digitalise their organisation in order to keep up with competitors and trends.11 However, the implementation of these transformations have proven to be trickier than expected - less than a third managed to improve performance and sustain gains with the changes. There is also an abundance of different technologies that may increase the complexity further. In the same study traditional web technologies were the most used method (85%) for the successful transformations but the variety of solutions following after showed the wide range that there is to choose from:

→ *Cloud-based services (81%)*

→ *Mobile internet technologies (68%)*

→ *Big data and big data architecture (eg, data lakes) (56%)*

→ *Internet of Things (IoT) (45%)*

→ *Design thinking (44%)*

→ *Artificial intelligence tools (31%)*

→ *Robotics (21%)*

→ *Advanced neural machine-learning techniques (17%)*

→ *Augmented reality technologies (15%)*

→ *Additive manufacturing (13%).*
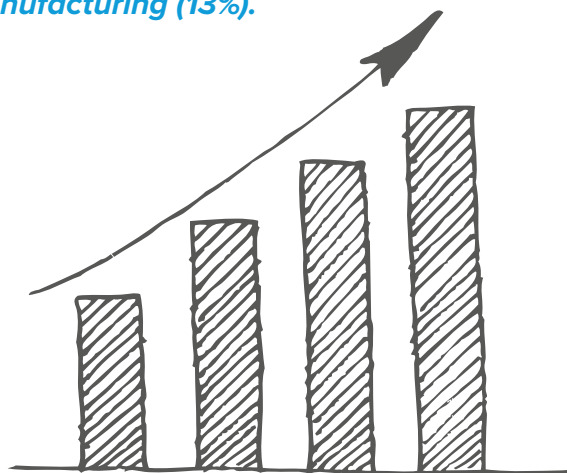
THE KEY TO SUCCESS

As we can see there are obstacles on the path but what mustn't be forgotten is that there are tools and skill-sets out there that will help to unlock and enable prosperity in ways we have never experienced before. What we need is a willingness to re-think what is normal, cast archaic processes and thought processes aside to make room for better and more simple solutions.

Code for America is a non-profit organisation that was founded in 2009 with a goal to improve lives and governmental services around the US.

The group gathers skilled coders to build solutions that are being used by the government to enhance and improve lives for millions; "by the people, for the people, that works in the 21st century." Jennifer Pahlka is the founder and speaks about their solutions during a TED talk:

"" *Procuring software usually takes a couple of years. We had a team that worked on a project in Boston last year that took three people about two and a half months. It was a way that parents could figure out which were the right public schools for their kids. We were told afterwards that if that had gone through normal channels, it would have taken at least two years, and it would have cost about two million dollars. And that's nothing. There is one project in the California court system right now, that so far cost tax payers two billion dollars - and it doesn't even work. And there are projects like this at every level of government.*

This is a typical example on how complex and time consuming a regular development cycle may be for systems that are being used all over the world. Going through archaic channels and development cycles will use extortionate sums of money and take too long - time that is no longer available. By the time your new system or feature is finished it will already be outdated and competitors will have outdone what you can offer.

You need the right tools to keep up speed and with the right tools you will be able to lead the way and stay ahead of development.

Companies that are using all-encompassing systems - albeit being powerful, user-friendly and multi-functional - will know that they also can be difficult to adjust to the specific needs of your organisation. What you need is a supporting system that allows you to create those extra functions - specific, fast and easily deployed - and even if you don't possess a group of expert coders there are alternative platforms that can help create the same solutions but by simpler means.

Let's have a look at an example:

Imagine a building material company (A) that is selling building supplies to handymen within both small companies and large corporations. It's a common occurrence that the smaller companies are being contracted by the large corporation and the building material company A want to give all parties the benefit of a loyalty program. With the program they want to achieve the following:

The big building companies that often are responsible for the building projects should receive statistics and discounts on purchases made for the various projects. But since the majority of purchasing is being done by the small companies, building material company A wants to extend the loyalty program to include them too in order to attract more buyers and increase profit. The small company should be able to state project name and in that way, receive loyalty points while the purchase will be registered with the large corporation who in their turn will receive a better overview of spending, improving their overarching project administration and tighten customer relations with building material company A.

Material company A knows that the process may need to change in the future where additional suppliers should to be added to their program and where the functionalities will have to be extended. They can purchase a loyalty program that comes with the traditional business CRM systems, but these programs will only be able to meet a small part of what company A requires and they are also difficult to modify. Modifications will mean a major project with a lot of work - time consuming and expensive where external consultation may be required. If the cost is too high with too many insecure variables the likelihood of the project falling through increases, which means that company A will miss out on an opportunity to increase revenue, customer satisfaction and important brand building.

Rather, company A need a solution that will enable them to offer a service that makes their company unique and that will fit perfectly into their situation, something that will make them stand out amongst their competitors. A solution that will give them freedom to test a variety of options - with room for trial, errors and successes - without having to invest in expensive pre-configured, static systems or expensive consultation. They choose a cloud-based solution that doesn't cost anything until they have deployed their new system that lowers their upfront cost to zero. It's easy to build with pre-configured triggers and the way the service is constructed means that you can build with blocks - almost like a vlego - lowering development costs and evading the need for expensive consultants.

FROM TODAY INTO THE FUTURE

It's impossible to glance forward without addressing the changes that Corona will have created. The Corona pandemic has forcefully incorporated an acceleration of digital transformation that won't end with the end of the most immediate crisis. Wherever you turn the discussion revolves the new normal - businesses will not look the same and when we emerge on the other side we will be forced to look over our way of lives, business and values to better adapt to a future in constant fluctuation.

"This crisis is forcing everything which can digitise, to digitise". Our entire lives have been forced to change and this crisis has shown us that we are capable of just that, when no other option is available. In the Covid-19 strategy compiled by Eurochambres, one of their points for moving forward says the following:

Embark on an unprecedented push to put in place advanced digital infrastructure across Europe and invest in digital capacity, cyber-security and networks

A wider need for self-sufficiency is recognised amongst experts.[12] What happens in a similar situation in the future if our movement is restricted, people have to be off work and vital competence is out of reach? Brands should focus on the empowerment of customers to become more self-sufficient and give them the right tools to help the empowerment. Not only will that help in future crisis but also unleash new innovations that in the long term will give birth to better solutions for future generations.

IT needs to become a facilitator for all departments in all companies, not just a concept that is uniquely owned by the IT department. For all line of businessbusiness, the digital aspect should have a clear presence and also function as something understandable, something of which everyone can take ownership. This means that services, systems and platforms needs to operate with enough simplicity that any layman within any department could visualise and even build the systems themselves. The digital platforms and systems should enable the digital shift

and activate everyone in the process for the most successful outcome. Luckily, with the technology on the market today, this is not a distant future but rather our current reality. Things are changing and things are changing fast. A value estimation made by World Economic Forum saw a potential value opportunity of $100 trillion on a cumulative basis across ten industries within both business and society by 2025 thanks to the digitalisation.[13] To truly embrace the opportunities you need the right tools for your tool box to be able to follow the quick turns and to stay one step ahead. We still don't know exactly what we need for the future and no one is able to predict it - this is why we need flexible solutions and easy platforms that will share the load and enable your company to create quick and swift change. Some systems and solutions will take years to develop and by the time it's launched - the features may already be obsolete. You need resources at hand that can help with tweaks along the way - even if you are sitting with a large-scale system it shouldn't be stopping you from creating supporting systems and services that can be fully integrated and giving your business a digital boost and additional user-friendliness as well as adapting to customer needs.

No development process is ever without bumps and issues along the way. Our society is constantly being reshaped. With the right tools at hand you can take hold of the situation and turn it into something positive - for yourself, your business, our shared society and planet as a whole.

To learn more about how Bosbec can help in times of change, visit: www.bosbec.com

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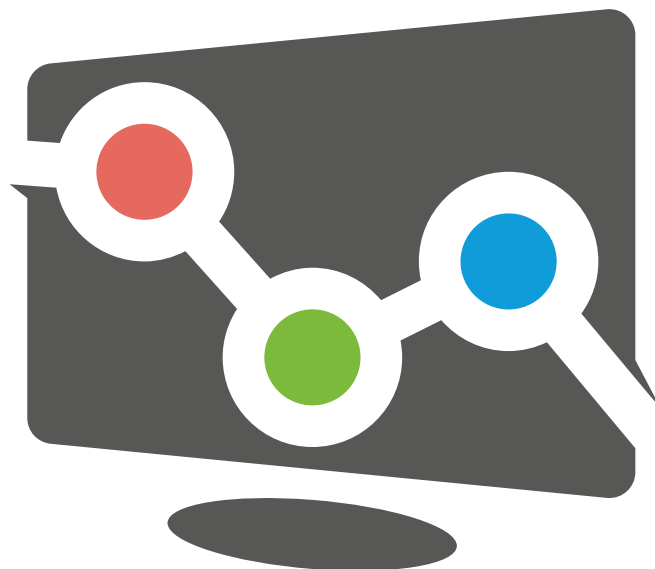
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