

Deloitte.










Recharting our
course: The evolving
focus of business leaders
in a challenging world

BY EAMONN KELLY AND JASON GIRZADAS



MAKING AN
IMPACT THAT
MATTERS
since 1845

Contents

	Authors' foreword	04		Create the next, more human-centric economy	18
	Introduction	06		Four human-centric ecosystems likely to be accelerated by the pandemic	20
	Help rebuild civic and global trust and coherence	10		Align growth strategies with opportunities to resolve urgent societal challenges	23
	Resilience	11		Work	25
	Communication	12		Inequality	26
	Walking the talk	13		Climate	27
				Manufacturing	28
	Accelerate digitization, focus on making new markets, and future-proof business models	14		Closing thoughts	29

Authors' foreword

These are very difficult times. The COVID-19 pandemic has challenged us in new and painful ways, causing unequally shared human suffering, abnormal pressures on health and other critical systems, serious economic damage, and deep peril to many sectors and businesses. The path forward remains very uncertain and still hazardous. Now, as we release this paper, our country is suffering extraordinary civic pain and strife, underscoring the harsh reality that systemic bias, racism, inequality, and injustice continue to exist. This adds even greater urgency to our arguments expressed below. Whatever happens in the months ahead, we should assume that we will eventually emerge from the current chaos into a differently ordered society, economy, and business environment. A simple return to the way things were before

this crisis appears to be extremely unlikely. Too much has been learned. Too much has been endured by too many. And too bright a spotlight has been placed on too many systemic tensions, weaknesses, and failures of the prevailing order.

Like many others, we wrestle with the uncertainty and scale of all that is happening just now. We therefore share this perspective with deep humility. It is intended simply as an early contribution to what we believe is an essential dialogue regarding the evolving priorities for business leaders and our growing role in helping shape a better future.


The coauthors perform very different roles within our firm. [Jason](#) is managing principal and member of the Deloitte US

Executive; while [Eamonn](#), as chief futurist, helps anticipate the future implications of key trends for us and our clients. We have collaborated closely for years to integrate short and medium-term decisions and priority-setting with continued progress toward clear longer-term aspirations and imperatives.


The “tyranny of the urgent” has seldom felt more acute; and the importance of tempering this with sharp-eyed focus on our longer-term goals seldom more profound.

 Authors' foreword

 Introduction

 Help rebuild civic and global trust and coherence

 Accelerate digitization, focus on making new markets, and future-proof business models

 Create the next, more human-centric economy

 Align growth strategies with opportunities to resolve urgent societal challenges

 Closing thoughts



Authors' foreword

As our organization (like so many others) has had to address the new challenges of the pandemic, the importance of this integration across time has never been more important. The “tyranny of the urgent” has seldom felt more acute; and the importance of tempering this with sharp-eyed focus on our longer-term goals seldom more profound. The last couple of months have also reinforced a related shift that some organizations have been making—extending the **conception of strategy beyond making choices to more fully focusing also on continuous generation of new (and sometimes provocative) options** for inclusion in our consideration set. But most importantly, the responses to the pandemic from businesses across the United States and the world have already powerfully confirmed three of our beliefs that sit at the heart of this perspective:

- Most business leaders care passionately—about our people, customers, communities, and broader society;
- Individually and collectively, business leaders have extraordinary agency and a deep willingness to play a central role in forging positive societal change;
- This broader role has been growing steadily in importance and urgency, and it is now imperative that many business leaders embrace it more fully as a central part of the rebooting of their own businesses.



Authors' foreword

Introduction

Help rebuild civic and global trust and coherence

Accelerate digitization, focus on making new markets, and future-proof business models

Create the next, more human-centric economy

Align growth strategies with opportunities to resolve urgent societal challenges

Closing thoughts



4



Introduction

- Authors' foreword
- Introduction
- Help rebuild civic and global trust and coherence
- Accelerate digitization, focus on making new Markets, and future-proof business models
- Create the next, more human-centric economy
- Align growth strategies with opportunities to resolve urgent societal challenges
- Closing thoughts



Introduction

Years before any of us heard the term “COVID-19”, business leaders were already debating the unprecedented levels of disruption and change of our times. The word “unprecedented” should generally be used cautiously. The human experience has rarely been static—plagues, famine, drought, war, occupation, and revolution have regularly and profoundly disrupted lives. And massive, often abrupt, advances in technology, medicine, education, literacy, longevity, and prosperity have been core positive drivers of the long arc of human history—accompanied over the past 300 years by mass urbanization and a tenfold increase in our numbers. Change has long been the rule; it is certainly not the exception.

Change has long been the rule; it is certainly not the exception.

Yet it is reasonable to view the past couple of decades as a truly unique period, characterized by many profound, simultaneous and rapid shifts. An **increasingly powerful and self-accelerating digital technology system** has been creating extraordinary new capabilities and releasing disruptive new forces, including advanced automation, artificial intelligence, hugely enhanced connectivity, and the rapid emergence of digitized data as a new and transformative factor of production. The **nature, location, and security of work** has been changing dramatically

for many hundreds of millions of people, business models evolving rapidly and the entire economy restructuring profoundly. **The global distribution of power and influence has been in serious flux**, and the post-WW2 international institutions and networks of trade, security, and rule-setting alliances are under increasing stress. **Geopolitical tensions have been rising**, along with populism, nationalism, and a drift toward protectionism. **Civic polarization within countries** has also grown rapidly and common ground has shrunk—with even the most fundamental perceptions of reality and “truth” diverging. Last, but certainly not least, by any objective standards, **the climate has been changing at an alarming pace and scale**, with environmental degradation also reaching critical levels.

- Authors' foreword
- Introduction**
- Help rebuild civic and global trust and coherence
- Accelerate digitization, focus on making new markets, and future-proof business models
- Create the next, more human-centric economy
- Align growth strategies with opportunities to resolve urgent societal challenges
- Closing thoughts

Introduction

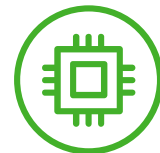
Of course, many business leaders recognized these forces and the challenges they posed directly to their businesses, but may not have always appreciated their full power, importance, and broader consequences. Some may argue that businesses have been driving on slippery roads—maybe sometimes faster than they should. If there was any complacency before, COVID-19 has surely seized everybody’s attention now. In addition to presenting its own obvious, urgent, and extraordinary trials, the pandemic has revealed—starkly—broader challenges that were already approaching profound tipping points. Six months ago, many business leaders could certainly glimpse a lot of the messy, intimidating complexity ahead of us. But it was hard to discern what Oliver Wendell Holmes described as “the simplicity on the other side of the complexity.” **Today, the pandemic is crystallizing that new simplicity and providing a clearer line of**

sight and a much sharper call to action for business leaders in four key areas:



Help rebuild civic and global trust and coherence

Trust, coherence, and productive engagement across borders and constituencies have been steadily eroding, causing multiple deepening divides both between and within many nations. The pandemic is already, very visibly, intensifying this dynamic—but is just as clearly generating both heightened imperatives and new desires to reverse it and heal the fractures. Business leaders can play a deliberate and determined role in helping promote the latter.



Accelerate digitization, focus on making new markets, and future-proof business models

Businesses have been digitizing core functions and systems for years. Those

furthest along in virtualizing and automating are typically faring better during the pandemic and should consider going faster and deeper after it. More traditional, incumbent businesses, as they reclaim and rebuild their old markets, should also seek to make new ones and reimagine their business models. Newer, more disruptive businesses should scrutinize their current tactics and playbooks and prepare for new challenges to their social “license to grow.”



Help create and shape the next, human-centric economy

Increased customer-centricity is a long-standing business trend. More recently and less visibly, it has helped drive a powerful new macroeconomic trend. Old industrial and sectoral structures are blurring to meet human needs and wants more directly through multi-actor, collaborative

Authors’ foreword

Introduction

Help rebuild civic and global trust and coherence

Accelerate digitization, focus on making new markets, and future-proof business models

Create the next, more human-centric economy

Align growth strategies with opportunities to resolve urgent societal challenges

Closing thoughts



Introduction

and competitive “ecosystems.” Several are emerging at a breathtaking pace already—and more of the economy will follow. Aspirational leaders should identify their role in shaping and playing in the next economy now being forged by this profound and permanent shift.

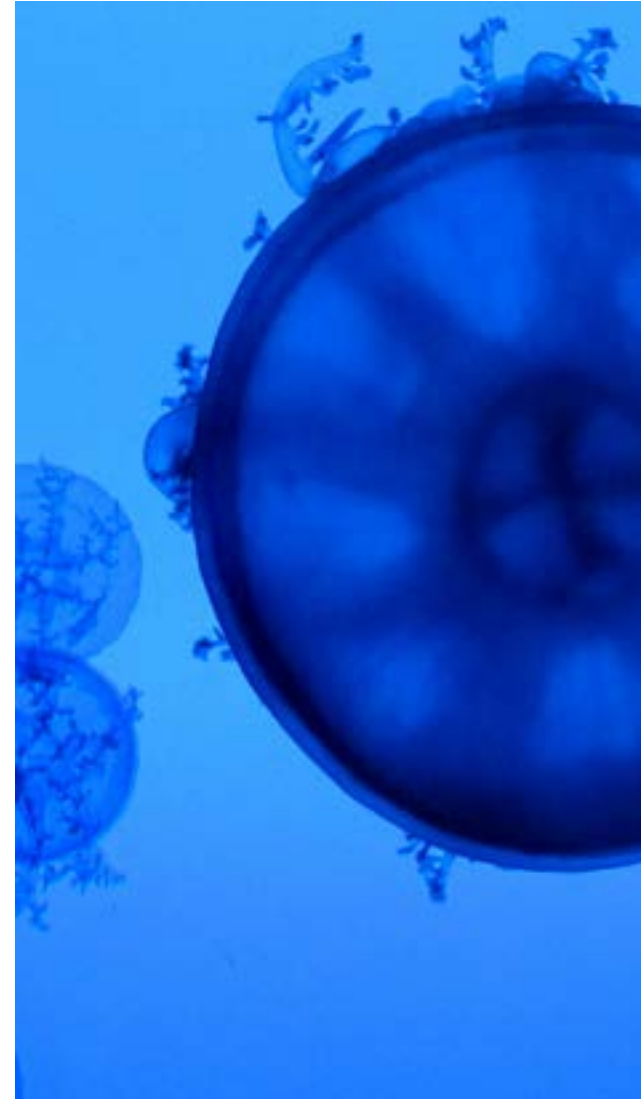


Align growth strategies with opportunities to resolve urgent societal challenges

Businesses have played an increasingly central (and truly remarkable) role in driving human and social progress across more and more of the planet over the past century—and continue to do so. But societal challenges constantly evolve. Four—inequality, human work, climate change, and manufacturing—

are becoming increasingly urgent, now highlighted by the pandemic. There are profitable business growth opportunities in helping address each. But identifying and pursuing these requires a reintegration of short-term shareholder value maximization and long-term growth and responsibility.

These rallying cries are not straightforward—as we know well from our own experience. But business leaders need not adopt neutral or disinterested perspectives on the post-pandemic future. It is neither partisan nor overreach to take clear principle-based positions. Businesses need a sustainable, healthy, and vibrant business environment to prosper, which requires an equally sustainable, healthy, and vibrant society.



- Authors' foreword
- Introduction
- Help rebuild civic and global trust and coherence
- Accelerate digitization, focus on making new markets, and future-proof business models
- Create the next, more human-centric economy
- Align growth strategies with opportunities to resolve urgent societal challenges
- Closing thoughts



Help rebuild civic and global trust and coherence

○ Authors' foreword

○ Introduction

● Help rebuild civic and global trust and coherence

○ Accelerate digitization, focus on making new markets, and future-proof business models

○ Create the next, more human-centric economy

○ Align growth strategies with opportunities to resolve urgent societal challenges

○ Closing thoughts



Help rebuild civic and global trust and coherence

Trust cannot be claimed; it must be earned. Business leaders can play a critical role in its restoration by focusing very deliberately on:

- How to combine essential efficiency with increasingly important resilience
- How to communicate more effectively with the rest of the world
- How to more fully “walk the talk” regarding societal aspirations.

Resilience

Over decades, most businesses have made extraordinary progress in continuously improving and speeding up processes, practices, and systems. True operational excellence has been turned from a once-elusive holy grail into an essential hygiene factor – and therefore delivered greatly increased efficiency across most sectors, which leaders should obviously continue to focus on. However, these efficiency gains have often been achieved at the expense of **resiliency**—of businesses and of the communities and broader society we serve and depend upon. These dangers have been exposed by the pandemic, and some new criticisms of businesses should be expected. However, public trust can be boosted by genuine commitments to changes that will

increase resilience in businesses, markets and the economy generally. This will involve uncomfortable decisions—to design in some redundancies, invest in contingencies, and even accept limited reductions in cost-efficiency. But the greater potential prizes of enhanced civic trust and reduced operational fragility should be sufficient motivation to make increased resiliency a high and visibly pursued priority.

But the greater potential prizes of enhanced civic trust and reduced operational fragility should be sufficient motivation to make increased resiliency a high and visibly pursued priority.

Authors' foreword

Introduction

Help rebuild civic and global trust and coherence

Accelerate digitization, focus on making new markets, and future-proof business models

Create the next, more human-centric economy

Align growth strategies with opportunities to resolve urgent societal challenges

Closing thoughts



Help rebuild civic and global trust and coherence

Communication

Businesses should also focus on communication and “mind the language.” The development of sophisticated PR techniques and training have significantly improved businesses’ ability to articulate precisely and consistently their most important messages. This is essential—but it is also increasingly important to ensure that it does not lead to perceptions of insincerity. The business world has evolved its own jargon and metaphors that appear distinct from the more human languages spoken at home and socially.

Corporate communications also often have a distinctive cadence and style that may not fully resonate with many citizens. Restoration of trust requires more genuine, open, dialogue and less prescribed monologue, new and more flexible engagement muscles, and greater confidence in the power of the authentic voice. In the words of Maya Angelou: “I have learned that people will forget what you said, people will forget what you did, but people will never forget how you made them feel.”

Restoration of trust requires more genuine, open, dialogue and less prescribed monologue, new and more flexible engagement muscles, and greater confidence in the power of the authentic voice.



Authors’ foreword

Introduction

Help rebuild civic and global trust and coherence

Accelerate digitization, focus on making new markets, and future-proof business models

Create the next, more human-centric economy

Align growth strategies with opportunities to resolve urgent societal challenges

Closing thoughts



Help rebuild civic and global trust and coherence

Stronger action on strong commitments

Finally, many businesses are not—yet—putting good (and sincere) words into fully scaled action. Important speeches at Davos, public letters to investors, and new, thoughtful debate about the emergence of new models of “stakeholder capitalism” represent some progress. Many leaders have individually and collectively made clear, bold commitments to deepen and accelerate their contributions to a healthier, more just society. For example, the October 2019 Business Roundtable declaration, signed by many leading CEOs, pledged to deliver greater value for “all stakeholders.” It argued unambiguously that achieving broader prosperity and quality of life was not just “nice to have,” but fundamental to the purpose of every business. Happily, most have already moved into action in important ways, including embracing diversity and inclusion; actively engaging in important pro bono efforts; providing time and resources for

employees to contribute to their communities; investing in their physical and mental well-being; and creating internal and community learning opportunities for professional and personal growth.

Businesses have declared the right direction and embarked on the right journey—but there remains a long way to go. The paths forward will be made by walking them—through innovation and by explicit acknowledgement of many inherent dilemmas and tensions. But most important innovation is driven by new hypotheses and potential new answers to existing, unanswered questions. Business leaders today face many challenging questions—each requiring bold new thinking and pragmatic experimentation. Let’s choose to focus on several of the hardest: Can we meaningfully integrate profit and responsibility without addressing the still widely held orthodoxy that maximization of

Business leaders today face many challenging questions—each requiring bold new thinking and pragmatic experimentation.

shareholder value is the primary (and some have argued only) purpose of business? Can existing policies for addressing important social and environmental “externalities” become more robust? How can leaders respond to increasingly intense short-term performance pressures without resorting to myopic and ultimately damaging behaviors? These are questions for which there are no easy answers—but they require urgent attention, and business leaders, in honest and productive dialogue and collaboration with governments, policymakers and not-for-profit actors, should play a critical and proactive role.

Authors’ foreword

Introduction

Help rebuild civic and global trust and coherence

Accelerate digitization, focus on making new markets, and future-proof business models

Create the next, more human-centric economy

Align growth strategies with opportunities to resolve urgent societal challenges

Closing thoughts



Accelerate digitization, focus on making new markets, and future-proof business models



- Authors' foreword
- Introduction
- Help rebuild civic and global trust and coherence
- **Accelerate digitization, focus on making new markets, and future-proof business models**
- Create the next, more human-centric economy
- Align growth strategies with opportunities to resolve urgent societal challenges
- Closing thoughts



Accelerate digitization, focus on making new markets, and future-proof business models

The pandemic's impact on different sectors varies greatly, with those most heavily dependent on travel, in-person experience, and direct human interaction inevitably incurring the greatest damage. But relatively few businesses have been unaffected, and most will face a recovery period with new pressures to build back cash reserves, pay down debt, bring employees back safely to their workplaces, and probably encourage many of them to work differently, reconfigure distribution channels, and reconnect with customers and other stakeholders—all while the old competitive pressures resume. The temptation to rush back into action and rev up our engines again will continue to be very strong. But the benefits of retuning and recalibrating those engines could be even stronger.

Unsurprisingly, businesses that, pre-pandemic, most aggressively embraced technology to digitize, virtualize, and automate as many functions and systems as possible, are faring better than those who did not. For many business leaders, committing to significantly accelerated and more widely spread digitization will be a daunting prospect. But it is probably also a wise investment to enable more rapid progress from “recovering” to “thriving.” And they should not stop there. As business leaders rebuild markets, they should also seek ways to reshape them. If they don't, others will. If change seemed too fast before the pandemic, it will be much faster after it. The lockdown triggered a tsunami of innovations in work, collaboration, distribution, service

For many of us, reclaiming share of old markets should be accompanied by an equal focus on making new markets.

delivery—and shifted customer behaviors, habits, and expectations. For many of us, reclaiming share of old markets should be accompanied by an equal focus on making new markets.

Many industries today are populated by two sets of players. Long-established “incumbents” are typically focused on winning share of relatively traditional markets

- Authors' foreword
- Introduction
- Help rebuild civic and global trust and coherence
- **Accelerate digitization, focus on making New markets, and future-proof business models**
- Create the next, more human-centric economy
- Align growth strategies with opportunities to resolve urgent societal challenges
- Closing thoughts



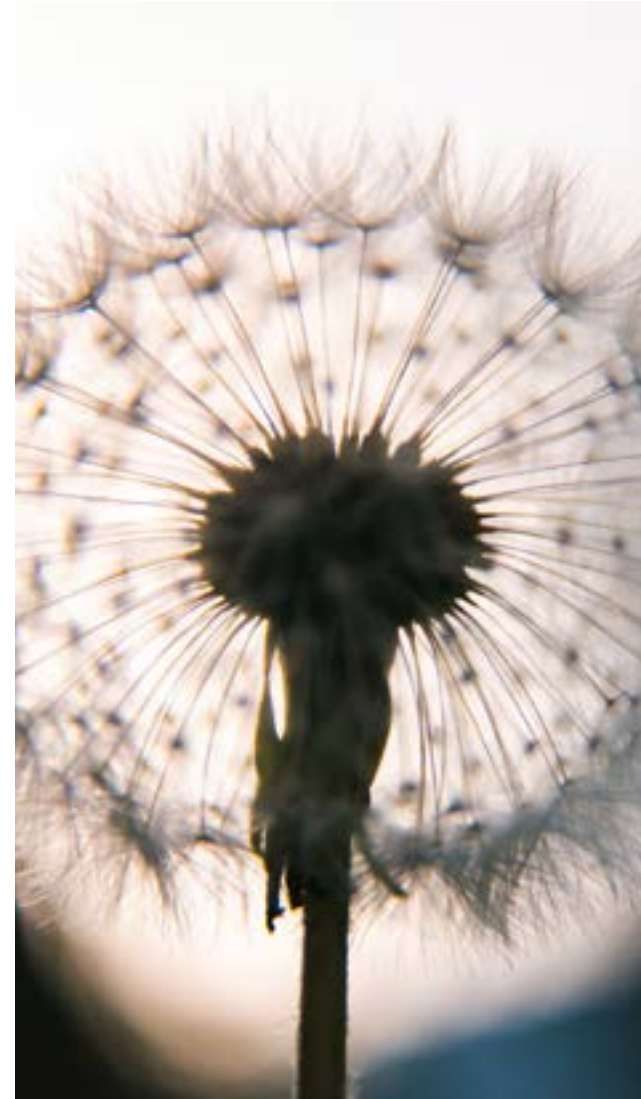
Accelerate digitization, focus on making new markets, and future-proof business models

in which they are advantaged by, for example, brand positioning, critical assets, intellectual property, scarce expertise, established relationships, and outstanding operational playbooks. But across growing swathes of the economy, they have been joined, and often challenged, by “disruptors”—startups, new entrants from other industries, and major digital platform companies. They have been actively making and reshaping markets historically “owned” by more traditional players by innovating very new value creation systems and business models. These are often light in physical assets; laser-focused on customer experience and utility; platform-based to capture the capabilities and resources of others; and powered by newly available and smartly interpreted data.

The pandemic has disturbed the delicate status-quo balance of competitive advantage—primarily in favor of disruptors. To secure sustainable future growth, many incumbents

should focus on, and build the capabilities to capture, new market making opportunities. This will be a marathon, not a sprint—requiring, over time, redesigned investment, risk and innovation systems, different skill and talent models, new customer engagement approaches, and greatly increased emphasis on creativity, learning, and foresight.

Many disruptors, equipped with strong digital capabilities and highly agile, will have the wind at their backs—changes in how people have become accustomed to buy, work, live, and play during the pandemic will largely play to their strengths. But they should also prepare for new challenges ahead. Some of their business practices have until now been viewed and regulated, mainly benignly, through the prism of the old technological and societal order. After the pandemic, in a different and probably more sensitive civic and socioeconomic environment,



- Authors' foreword
- Introduction
- Help rebuild civic and global trust and coherence
- **Accelerate digitization, focus on making New markets, and future-proof business models**
- Create the next, more human-centric economy
- Align growth strategies with opportunities to resolve urgent societal challenges
- Closing thoughts



Accelerate digitization, focus on making new markets, and future-proof business models

their perceived legitimacy might be newly questioned. “Gig”-based employment arrangements might come under greater scrutiny after the dramatic loss of security and employment for millions during the pandemic. Recently rising concerns regarding “tech ethics” could easily mushroom. The continued extension and scaling of extremely powerful platforms across the economy is likely to trigger new concerns. Corporate ownership and monetization of data largely

created by citizens going about their lives might be brought under a new spotlight—alongside existing security issues.

Incumbents and disruptors may face new opportunities and new challenges. As they rise to meet these, they will often find that the differing characteristics that have previously distinguished them blur rapidly in the years ahead. Many should actively embrace this and form new collaborative

and co-creative partnerships and alliances. Hugely increased connectivity, interaction, and codependence between organizations has been a key business trend for many decades and pre-pandemic had been gradually restructuring the old industries into new ecosystems in any case. This truly transformative process will be boosted after the pandemic and is explored in the next section.



Authors' foreword

Introduction

Help rebuild civic and global trust and coherence

Accelerate digitization, focus on making New markets, and future-proof business models

Create the next, more human-centric economy

Align growth strategies with opportunities to resolve urgent societal challenges

Closing thoughts



Create the next, more human-centric economy

- Authors' foreword
- Introduction
- Help rebuild civic and global trust and coherence
- Accelerate digitization, focus on making New markets, and future-proof business models
- **Create the next, more human-centric economy**
- Align growth strategies with opportunities to resolve urgent societal challenges
- Closing thoughts



Create the next, more human-centric economy

Economies, from the most primitive to the most advanced, are basically systems for identifying and satisfying human needs and wants. For millennia, new technologies and capabilities, coupled with human ingenuity and growing prosperity, have been shaping new economic structures. This is how “the invisible hand” has always worked—and it has recently been scribbling furiously. But today, our mental models remain too firmly anchored on the familiar but decaying structures launched 250 years ago by the industrial revolution. The industrial economy was itself poorly understood and ill-defined until the 1930’s, when (alarmed by the Great Depression) US economists systematically analyzed key transactional input and output flows. They established classification systems and economic measurements (including GDP)

that were brilliant, powerful, and extremely enduring. But they are now outdated and decreasingly relevant. The next economy is unfolding, and at a faster pace than our current ability to track, measure, and fully understand it.

Today’s **macroeconomic** shifts reflect more established **microeconomic** shifts toward greatly increased customer-centricity. The producer-centric industrial era (encapsulated by Henry Ford’s declaration that customers could have a car in any color they wanted, so long as it was black) has been in retreat since the advent of TV and advertising. It has been rendered increasingly anachronistic as mass customization, digitization, and datafication have increased alongside heightened customer expectations and empowerment.

“The Customer” has moved from being a relatively passive recipient of goods and services to becoming the vital beating heart of almost every enterprise.

Inevitably, this shifting focus for individual businesses has resulted in a larger but less obvious shift across the entire economy—which is now steadily reorganizing around “human-centric ecosystems.”

Inevitably, this shifting focus for individual businesses has resulted in a larger but less obvious shift across the entire economy—which is now steadily reorganizing around “human-centric ecosystems.”

- Authors’ foreword
- Introduction
- Help rebuild civic and global trust and coherence
- Accelerate digitization, focus on making New markets, and future-proof business models
- Create the next, more human-centric economy
- Align growth strategies with opportunities to resolve urgent societal challenges
- Closing thoughts



Create the next, more human-centric economy

These radically blur old sectorial boundaries, connecting multiple actors in sophisticated, interdependent relationships that are simultaneously competitive, collaborative, and co-creative. Viewed through our traditional lenses, these are, put plainly, weird. We have a lot to learn about developing shared visions and strategies, connecting our assets differently to create new value,

and innovating new ways to share equitably the economic capture of that value. But businesses that proactively lead the charge in the evolution toward our next economy will be better placed for sustained growth and profitability than those who adopt a more passive or defensive stance. This will require new forms and levels of engagement and collaboration with many other actors,

including governments and policymakers, businesses from other industries, academic institutions, philanthropic foundations and many civic sector actors.

While this profound economic shift is happening simultaneously across the entire economy, we believe the most immediate changes are occurring in four key areas...

Four human-centric ecosystems likely to be accelerated by the pandemic

1. Personal mobility

The ability to travel safely, conveniently, quickly, and affordably is fundamental to human progress, providing access to work, education, wellness and community. An increasing range of mobility modes have been evolving to enable this. But multiple environmental and demographic forces are rapidly straining legacy systems, especially in urban centers. New, more efficient, more sustainable, and more accessible solutions are being developed around the world, less heavily dependent on the private ownership of automobiles.



COVID-19 will over time reinforce the disruption of a century old model of transportation. While many will be wary of public transit for a while, persistent increases in remote working and communication will likely further diminish car ownership as the default solution.

Government stimulus funding will probably include smart infrastructure investments. On a city-by-city basis, the movement of people will keep moving toward more effective and equitable, less polluting, and more sustainable mobility systems.

Authors' foreword

Introduction

Help rebuild civic and global trust and coherence

Accelerate digitization, focus on making New markets, and future-proof business models

Create the next, more human-centric economy

Align growth strategies with opportunities to resolve urgent societal challenges

Closing thoughts



Create the next, more human-centric economy

2. Health and wellness

Physical and mental well-being are fundamental human desires and have been the focus of discovery, innovation, and huge investment for centuries. Digital, bio-, and nanotechnologies are now generating abundant new data and insights and forging substantial new opportunities for deep change. The scope for much more predictive, preventative, precise, and personalized wellness solutions is extraordinary, and important progress is being made. But the effective activation of these technologies, and the holistic alignment of new players with the traditional health care industry, remains patchy and relatively slow.

COVID-19 will likely stimulate telemedicine and remote care, heighten focus on renewal of our healthcare systems, and perhaps highlight the collective imperative of public health availability and accessibility.



3. Education and learning

Education and learning are increasingly critical to society and individuals in our complex and dynamic world. Technological advancements are continuously creating new opportunities for radical improvement in delivery, accessibility, customization, and effectiveness—and this will be substantially boosted by the advent of VR and AR, AI, and affective computing. While many new entrants are innovating and advancing the field, many established players continue to deploy very traditional and expensive models.

COVID-19 has triggered countless thousands of institutions around the world to close physical campuses and activate remote learning approaches, causing an explosion of experimentation and innovation that could create substantial energy for and commitment to permanent transformation, along with new ways to satisfy the community and networking needs so well served by conventional arrangements.



Authors' foreword

Introduction

Help rebuild civic and global trust and coherence

Accelerate digitization, focus on making New markets, and future-proof business models

Create the next, more human-centric economy

Align growth strategies with opportunities to resolve urgent societal challenges

Closing thoughts



Create the next, more human-centric economy

4. Energy

Energy literally powers our societies, economies, and lives and has long been a core and essential driver of most human progress to date. But existing energy systems, still largely fossil fuel—based and contributing to climate change and pollution, are also susceptible to disruptive shocks, shortages, and outages. Large-scale investments in distributed renewables generation, new storage technologies, and smarter and micro-grids have resulted in significant change already – but the transition might need to go faster.



COVID-19 will likely result in a stronger desire for societal and infrastructural resilience, more localization of economic activity, growing concern about future climate-related disruptions and sustainability more generally, and renewed government commitments to make large infrastructural investments. Together these could create new opportunities to accelerate the inevitable scaled transitions ahead.

Business leaders can help accelerate progress toward these critical human-centric ecosystems and at the same time should consider the following societal challenges and opportunities that influence the formation of these ecosystems.



- Authors' foreword
- Introduction
- Help rebuild civic and global trust and coherence
- Accelerate digitization, focus on making New markets, and future-proof business models
- **Create the next, more human-centric economy**
- Align growth strategies with opportunities to resolve urgent societal challenges
- Closing thoughts



Align growth strategies with opportunities to resolve urgent societal challenges

- Authors' foreword
- Introduction
- Help rebuild civic and global trust and coherence
- Accelerate digitization, focus on making New markets, and future-proof business models
- Create the next, more human-centric economy
- **Align growth strategies with opportunities to resolve urgent societal challenges**
- Closing thoughts



Align growth strategies with opportunities to resolve urgent societal challenges

Over the last 40 years, extraordinary advances have improved human life. The proportion of people living in extreme poverty has dramatically declined. The gaps in life expectancy between rich and poorer countries has narrowed very significantly. The roles of and respect and opportunities for women have generally improved in many parts of the world. Loss of life to violent conflict has declined. Businesses and the spread of enterprise have played a central

role in all these achievements. But human challenges are forever evolving, and today, four are profoundly threatening to a healthy society and economy. In each of these areas, there are clear opportunities for business leaders to deepen thinking and action about the contributions business can make to their resolution, in deep collaboration with governments and other civic agencies—and by doing so, identify new opportunities for sustained business growth.

But human challenges are forever evolving, and today, four are profoundly threatening to a healthy society and economy. In each of these areas, there are clear opportunities for business leaders to deepen thinking and action about the contributions business can make to their resolution—and by doing so, identify new opportunities for sustained business growth.



- Authors' foreword
- Introduction
- Help rebuild civic and global trust and coherence
- Accelerate digitization, focus on making New markets, and future-proof business models
- Create the next, more human-centric economy
- **Align growth strategies with opportunities to resolve urgent societal challenges**
- Closing thoughts



Align growth strategies with opportunities to resolve urgent societal challenges



Work

The nature of work has been changing for centuries—but never faster and more profoundly than now. Automation has long resulted in the loss of old, and the creation of new, employment. Artificial intelligence is the next (and by far the most powerful) wave and is now starting to reach shore. Lifelong jobs with one employer have been declining across much of the economy. More flexible business models and an increasingly “gig”-based economy are accelerating loss of security and permanence. Increased specialization of work and the growing value and disproportionate compensation of skilled knowledge work have created mounting schisms between categories of workers. Digitization is accelerating this process, with an increasing proportion of work requiring

advanced education and skills currently beyond the reach of many. Together, these dynamics are limiting meaningful and well-compensated opportunity for a growing number of citizens.

This poses very serious challenges.

Work plays two foundational roles in our society—the creation and distribution of wealth; and provision of personal identity, meaning, growth, and self-actualization for individuals. These are in danger of eroding rapidly, with severe consequences. Business has multiple roles that it can play to help address these challenges. For example, historically, technological change has driven loss of human work in the short term but created more work over the longer term. Business can help accelerate this process by actively seeking and promoting new work opportunities. And while some technologies

are threatening work, others, such as virtual and augmented reality, can boost and alter it, making it more accessible and flexible for many. These can also transform training and learning, which is key to expanding inclusion in our economy. Business leaders—who create most of the work opportunities in society—should now prioritize these challenges in new and more determined ways.

COVID-19 has intensified and highlighted the changing dynamics of work—where it is located, how it is conducted, the value of essential but previously regarded as “menial” employment, to whom it is readily available, and the skills required to secure and retain it over time. The pressures to develop new solutions to the growing challenges will continue to mount significantly in the post-pandemic world.

Authors' foreword

Introduction

Help rebuild civic and global trust and coherence

Accelerate digitization, focus on making New markets, and future-proof business models

Create the next, more human-centric economy

Align growth strategies with opportunities to resolve urgent societal challenges

Closing thoughts



Align growth strategies with opportunities to resolve urgent societal challenges



The changing nature of work, especially the elimination of considerable numbers of manual jobs, has also contributed directly to a rise in inequality in many developed economies. Racial injustice continues to deepen the divides. Many millions of people in very wealthy countries exist dangerously close to, and in many cases a single paycheck away from, destitution. Too many have severely restricted access to health services, livable housing conditions, food, and other necessities of life. Access to important educational opportunities

is very unevenly distributed. Many areas have witnessed steady erosion of economic opportunity as well. The resulting stresses create unacceptable misery for many fellow citizens—and also often impose high societal costs. And over time, social order, security, and safety are likely to come under increased threat.

COVID-19 has highlighted and exacerbated the individual and collective costs of inequality, and made more apparent our mutual codependency. Business leaders should proactively engage with, shape, and help adapt to fast-evolving civic expectations for a more equitable and just future.



- Authors' foreword
- Introduction
- Help rebuild civic and global trust and coherence
- Accelerate digitization, focus on making New markets, and future-proof business models
- Create the next, more human-centric economy
- **Align growth strategies with opportunities to resolve urgent societal challenges**
- Closing thoughts



Align growth strategies with opportunities to resolve urgent societal challenges



Human activity is increasingly altering our climate. The effects are now manifesting in predicted and unpredicted ways—and are expected to worsen. This will likely, over time, pose existential challenges to our ways of life. Already, civic awareness of the threats to our climate has risen (though some skepticism remains). Awareness of profound challenges is typically followed by new anxiety and growing urgency. And overall, businesses are not yet ready to respond and lead in identifying and executing the radical changes that are needed. Many of the required responses—from developing (much more quickly) effective approaches to carbon capture and sequestration to developing smarter and more resilient infrastructure—will provide future growth opportunities

for those best prepared to seize them. And large-scale investments—especially in infrastructural renewal—will undoubtedly become available to support the massive efforts ahead. Business should explore the many ways in which it can help address this extraordinary challenge. The need for serious and committed action will come—and perhaps sooner than many think. The opportunities are considerable.

The lockdowns caused by COVID-19 are obviously not a simple “dress rehearsal” for the coming life-altering impacts of climate change. But they are hopefully as close as humanity will come to catching a glimpse of what could lie ahead. We should prepare for much stronger calls for action in the post-pandemic world—with confidence that, as we are currently proving, our collective ingenuity can deliver faster, more radical, and positive changes than we previously imagined.



- Authors' foreword
- Introduction
- Help rebuild civic and global trust and coherence
- Accelerate digitization, focus on making New markets, and future-proof business models
- Create the next, more human-centric economy
- **Align growth strategies with opportunities to resolve urgent societal challenges**
- Closing thoughts



Align growth strategies with opportunities to resolve urgent societal challenges



Manufacturing

Climate change will also drive increased attention to today's economic system, which is heavily dependent on global supply chains and manufacturing production many thousands of miles from where the goods are ultimately consumed. The clear economic advantages coupled with the huge scale of the investment in this manufacturing system have rendered this model extremely sticky and hard to change. However, a variety of powerful forces are now converging to challenge the status quo. Geopolitical tensions, populism, and protectionism all threaten the current arrangements. There are growing concerns about the large carbon footprint associated with current manufacturing processes and transportation over vast distances. Advances

in, and convergences across, digital, bio-, and nanotechnologies and materials sciences offer the promise of a faster, less fragile, less damaging, less wasteful, and ultimately less costly alternative manufacturing system.

This will be highly **distributed**, taking production back much closer to consumption. It will be fully **digitized**, enabling much more efficient real-time, on-demand marketplaces. And it will be based on **additive** technologies such as 3D printing. The transition to this next economy manufacturing system is inevitable, but it will take many years. The process can be significantly accelerated, however, through collective commitment, intense collaboration, and coordinated action of the many public and private actors who must come together to build it.

The longer-term logic for business leaders to embrace and participate in this shift is already clear. But the disruption of production facilities and global supply chains by COVID-19 increases the urgency of developing a much more resilient, sustainable, and efficient alternative to the current arrangements.



Authors' foreword

Introduction

Help rebuild civic and global trust and coherence

Accelerate digitization, focus on making New markets, and future-proof business models

Create the next, more human-centric economy

Align growth strategies with opportunities to resolve urgent societal challenges

Closing thoughts



Closing thoughts



- Authors' foreword
- Introduction
- Help rebuild civic and global trust and coherence
- Accelerate digitization, focus on making New markets, and future-proof business models
- Create the next, more human-centric economy
- Align growth strategies with opportunities to resolve urgent societal challenges
- Closing thoughts



Closing thoughts

As business leaders reflect on and discuss the challenging issues summarized in this perspective, we hope the thinking shared here might be helpful to the continued dialogue about the future role of business and that it serves to validate, and maybe help inform, your thinking and debate.

We also recognize that some readers will find our aspirations for the evolving roles of business leaders challenging. However, for several decades now, and across

We have already profoundly shaped the present. We now have an extraordinary opportunity to also shape a better future. Because we can. Because we should. And because we care.

Visit [Deloitte.com](https://www.deloitte.com) to get the latest insights on the business impact of COVID-19 on the US.

most of the world, businesses have been increasingly empowered to lead, to grow, to accumulate and invest wealth, and to make a phenomenal positive difference to human life on planet Earth. Empowered further by extraordinary scientific and technological advances, businesses have for the most part risen to the occasion. We have already profoundly shaped the present. We now have an extraordinary opportunity to also shape a better future. Because we can. Because we should. And because we care.



- Authors' foreword
- Introduction
- Help rebuild civic and global trust and coherence
- Accelerate digitization, focus on making New markets, and future-proof business models
- Create the next, more human-centric economy
- Align growth strategies with opportunities to resolve urgent societal challenges
- Closing thoughts



About Deloitte

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee (“DTTL”), its network of member firms, and their related entities. DTTL and each of its member firms are legally separate and independent entities. DTTL (also referred to as “Deloitte Global”) does not provide services to clients. In the United States, Deloitte refers to one or more of the US member firms of DTTL, their related entities that operate using the “Deloitte” name in the United States and their respective affiliates. Certain services may not be available to attest clients under the rules and regulations of public accounting. Please see www.deloitte.com/about to learn more about our global network of member firms.