

Deloitte.

Center for the edge

A stylized graphic of a wave in shades of blue and white. The wave is composed of several curved, overlapping shapes that create a sense of movement and depth. The top of the wave is a dark blue, while the body is a lighter blue, and the bottom is a very light blue. The wave is set against a dark blue background.



“We are shifting from a world where the key source of strategic advantage was in protecting and extracting value from a given set of knowledge stocks [...] into a world in which the focus of value creation is effective participation in knowledge *flows*, which are constantly being renewed”

Thomas L. Friedman in review of “The Shift Index” January 19, 2010, NY Times



What should be keeping you up at night?

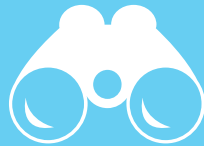
That is what we bring to the table.

What is created on the edge of technology, markets, geographies and demographics strikes at the very heart of a business.

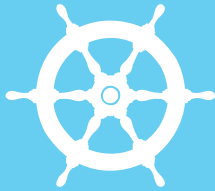
Our mission is to identify and explore emerging opportunities related to shifts that aren't yet on your management agenda, but ought to be.



What's really driving intensifying competitive pressures?



What long-term opportunities are available?



What needs to be done today to change course?

Businesses are exposed to more disruptions and competitive threats than ever before.

But we have good news — within great change is great opportunity.

Deloitte Center for the Edge helps leaders understand the fundamental changes shaping the world, navigate the short-term challenges and identify long-term opportunities to mobilize for exceptional performance.

Based in Silicon Valley, Australia and the Netherlands, we conduct original research and provide perspectives to help senior executives capitalize on emerging opportunities from the edges of business and technology.

The Big Shift & Power of Pull



The Big Shift

Advances in core to digital technology continue to shift power from institutions to individuals. We tend to focus on short-term challenges, but what happens if we miss long-term changes and opportunities?

Access, Attract and Achieve

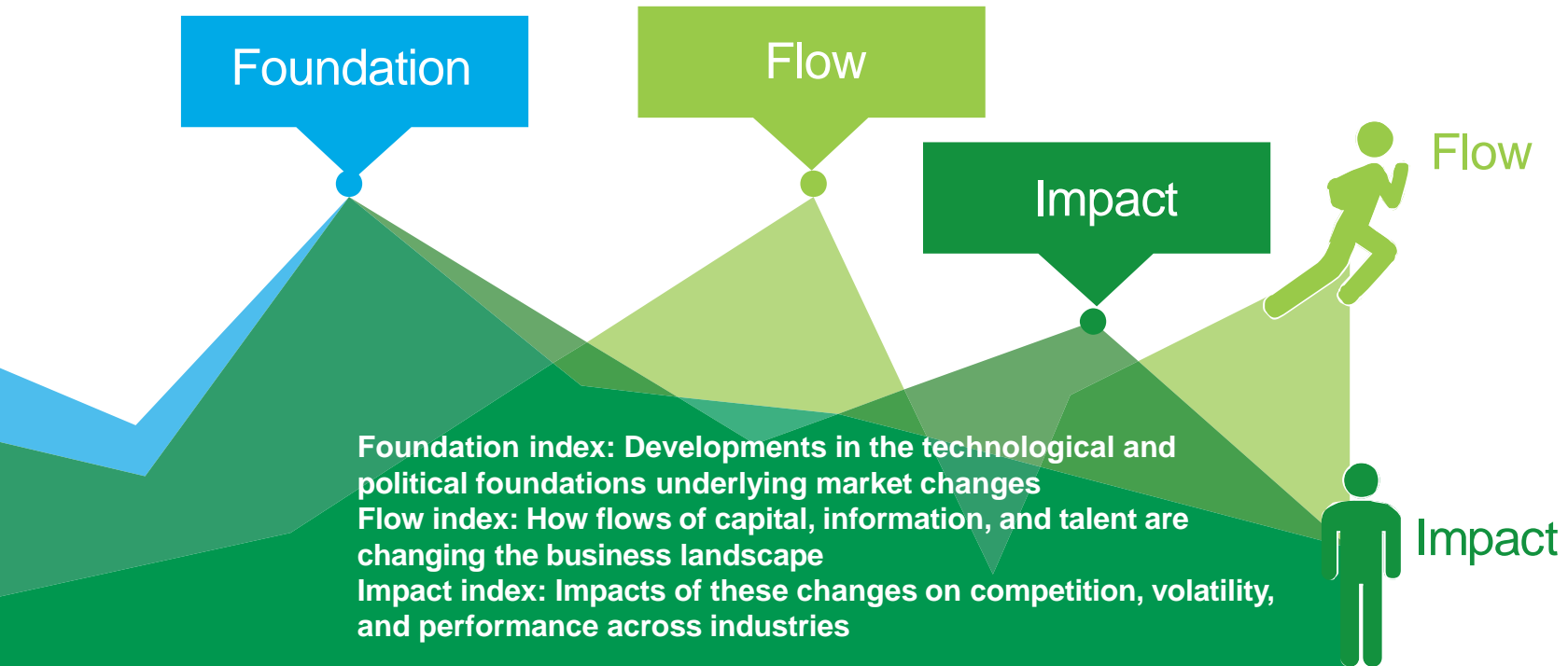
Pull enables us to access information, attract the people and resources most relevant to our efforts, and achieve concrete goals that realize our greater potential – it's how we see ourselves navigating the Big Shift and taking advantage of long-term opportunities.

“In The Power of Pull John Hagel and John Seely Brown highlight fascinating new ways in which passionate thinking, creative solutions and committed action can—and will—make it possible for us to seize opportunities and remain in step with change.”

Bill Clinton, 42nd President of the United States of America

The Shift Index

How do you measure the Big Shift?



The Shift Index tracks 25 metrics across the past four decades to help executives understand the nature of technological change in a globalized world. Our work enables organizations to evolve and effectively harness new capabilities to better align with the underlying currents of the Big Shift.

Future of the business landscape

How do you navigate the changing environment and make hard decisions that will help position your company for the role it chooses to play in the future?

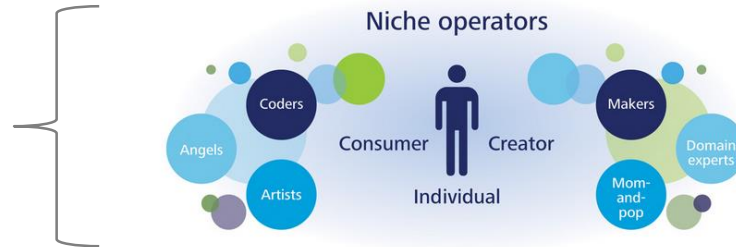
How is the landscape changing?

A new economic landscape is beginning to emerge where large and small players coexist and reinforce each other

Fragmentation

Individual and small business ventures are emerging to address highly differentiated industry and consumer needs. These players will **continue to stay niche, nimble, and small.**

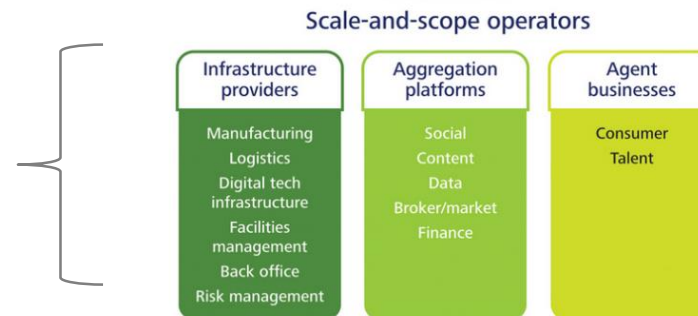
Fragmentation will occur in areas focused on product innovation and commercialization.



Concentration

Large-scale players, such as online marketplaces and cloud services, are emerging to provide information and platforms to **connect fragmented players with resources.**

Concentration will occur where scale and scope provide an advantage.



Patterns of Disruption

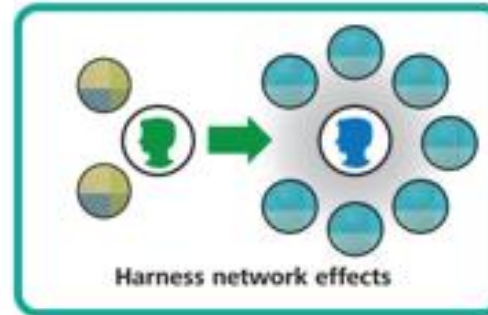
Is there a framework for anticipating the “unexpected” threats to your business?

New technologies, changing consumer expectations, powerful platforms. Disruptive threats can be difficult to recognize in a noisy world. They open the door to new competition and increasing market disruption. These disruptive patterns are hard for incumbents to emulate. Worse, many companies don't recognize them until it's too late.

By understanding patterns, you can start asking the right questions of your business and the world around you to make the "unexpected" expected and **see the opportunity on the flip side of the threat.**

9 Patterns

How does disruption manifest?



Expand Marketplace Reach

Connecting fragmented buyers and sellers – whenever, wherever

Unlock Adjacent Assets

Cultivating opportunities on the edge

Turn Products into Product Platforms

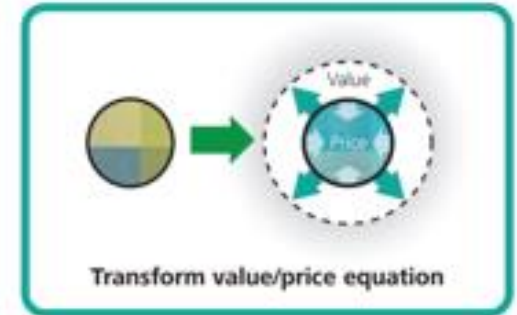
Providing a foundation for others to build upon

Connect Peers

Fostering direct, peer-to-peer connections

Distribute Product Development

Mobilizing many to create one



Align Price With Use

Reducing upfront barriers to use

Unbundle Products and Services

Giving you just what you want, nothing more

Shorten the Value Chain

Removing participants to redefine value creation

Converge Products and Services

Making $1 + 1 > 2$

Is your market next?



In a fast-moving world, playing on the edge is the best way to get an edge

To thrive in the Big Shift, today's companies must move from innovating at a product or service level to innovating across their entire institutions – and they often come with obstacles. The Scaling Edges methodology helps businesses focus on low-investment, high-growth-potential opportunities—“edges”—with fundamentally different business practices that can ultimately transform the core of the organization.

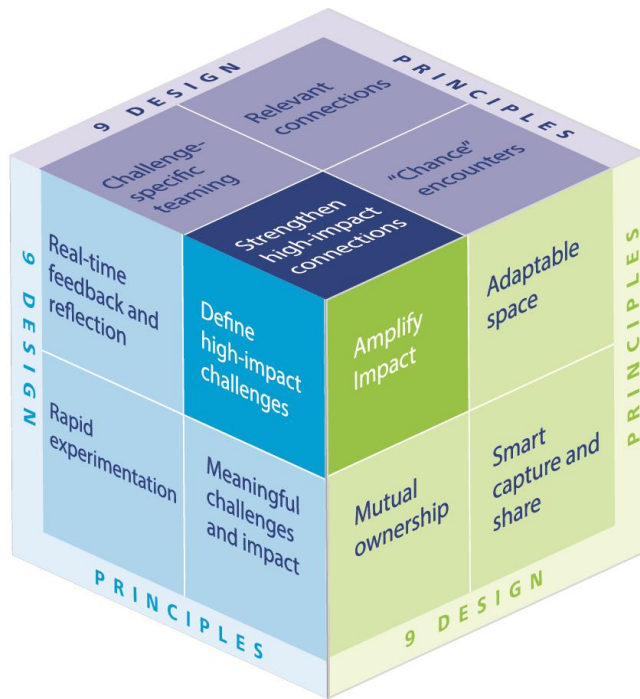
By focusing on the edges a company can better identify projects that align with the deeper forces of the Big Shift. In the long run, such edges are most likely to show the greatest sustainable returns.

By forcing the edges to leverage external resources rather than internal support, they can avoid the organizational resistance that often attacks new efforts.

Instead of focusing solely on short-term outcomes, edges help companies tap into the opportunities of tomorrow. In this way, edges become conduits of transformation and institutional innovation.

<p>Focus Focus on edges rather than the core</p> <p>Leverage Leverage external resources</p> <p>Accelerate Accelerate learning through rapid iteration</p>

Work Environment Redesign



Talent management is more than hiring or training.

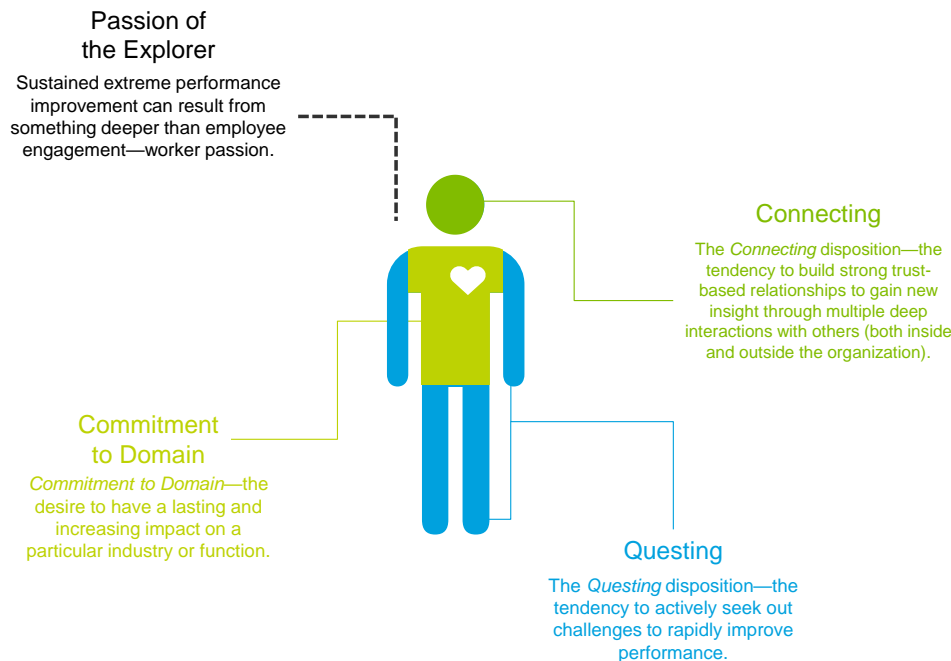
Executives understand the importance of cultivating talent but it's not enough to hire the right people. Companies must create work environments that are designed to foster employee development and performance.

The workplace can have a significant impact on an employee's ability to learn, engage, and excel. Our study on Work Environment Redesign draws from more than 75 organizations to explore this interaction. We outline the goals and design principles that will help you redesign your work environment for higher performance. With these tools, executives can attract and retain talent, amplify learning and productivity, shape the perception of the brand, and, ultimately, grow a more dynamic and competitive work-force.

Worker Passion

In a world of constant change, sustained extreme performance improvement can result from something deeper than employee engagement – worker passion.

Organizations today are squeezed from both sides: consumers are more powerful and less loyal, and so are the best workers. At the same time, the useful life of many skills is declining, creating a constant need for new talent to address skill gaps. In this environment, individuals and organizations need to develop the capabilities to constantly learn and improve performance.




The potential for worker passion—the Passion of the Explorer—exists in your organization, from management to the front line.

Left unexamined, our work environments may squelch passion. The mounting pressures of constant change combined with institutions designed for the twentieth century will likely continue to create stress, limit performance improvement, and leave workers uninspired to navigate the challenges faced by twenty-first-century organizations.



Well-executed Shaping Strategies redefine the nature of competition.



In times of turbulence and disruption, most companies fall into reactive strategies.

However, through proactive innovation some companies may be able to re-shape their industries.

Shaping Strategies are intentional efforts to transform an industry toward an outcome that benefits all participants. By demonstrating a compelling vision — and a commitment to that vision — a company may be able to mobilize a mass of players to support the organization's strategic objectives.

There are three main components of a successful shaping strategy:

- **Shaping View:** Articulate a compelling vision that aligns with the big picture and identifies clear opportunities for all participants.
- **Shaping Platform:** Provide a set of clear standards, practices, and support structures that organize the activities of participants while making it more cost-effective to be in the platform.
- **Actions and Assets:** Demonstrate your commitment with actions that build trust in the intentions of the organizer and assets that incentivize participation in the platform.

Transformation Catalyst

Small moves start with a six-part journey, tailored to your needs, to set big things in motion.

Structure

Three modules over six days

Maybe you're ...

- Observing disruption in your industry...
- Unsure which trends will be most impactful...
- Experimenting with emerging trends...

The result? You'll have:

- A deeper understanding of the drivers of disruption
- A sense of focus and direction around the most attractive long-term opportunities
- Specific steps to take in order to generate significant near-term impact



Why Us?

The Deloitte Center for the Edge provides a deep perspective that helps leaders navigate the many challenges of the present while surfacing and capitalizing on the opportunities of tomorrow.

We conduct original research across a broad array of industries and businesses in order to present thought-provoking and pragmatic frameworks that are immediately valuable to your needs.

Please visit www.deloitte.com/centerforedge for more information on how we can help.

My challenge is...	The Center's Perspective
Growth	<ul style="list-style-type: none">• Leveraged Growth• Performance Ecosystems
Strategy	<ul style="list-style-type: none">• Shaping Strategies• FAST Strategy and Learning
Talent	<ul style="list-style-type: none">• Work Environment Redesign• Worker Passion
Innovation	<ul style="list-style-type: none">• Institutional Innovation• Scaling Edges• Pragmatic Pathways
Performance	<ul style="list-style-type: none">• Metrics that Matter• Exponential Learning
Technology	<ul style="list-style-type: none">• Socialytic Disruption• Cloud-based Economic Disruption

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John Hagel has nearly 35 years' experience as a management consultant, author, speaker, and entrepreneur and has effectively used IT strategies to reshape businesses. He has authored several best-selling books including *Net Gain*, *Net Worth*, and *The Power of Pull*.

John Seely Brown (JSB) serves on numerous public and private boards of directors (Amazon, Corning, Varian Medical Systems), and had a long tenure as chief scientist at Xerox PARC's Research Center. JSB has published more than 100 papers and several books, including *The Social Life of Information*, *The Only Sustainable Edge*, *The Power of Pull*, and *A New Culture of Learning*.

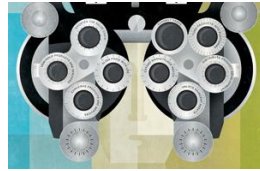
For more information about the Center's unique perspective, visit us at: www.deloitte.com/centerforedge

Reports



Navigating a shifting landscape:

Capturing value in the evolving mobility ecosystem



Patterns of disruption:

Anticipating disruptive strategies in a world of unicorns, black swans, and exponentials



The hero's journey through the landscape of the future



The retail transformation:

Cultivating experience, choice, and trust



The Power of Platforms:

An article in the S&O Business Trends series



Minimum Viable Transformation:

An article in the S&O Business Trends series



The Future of Manufacturing:

Making things in a changing world



A consumer driven culture of health



The lifetime learner:

A journey through the future of postsecondary education



Passion at Work:

Cultivating Worker Passion as a Cornerstone for Talent Development

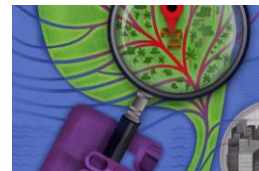


2010 Shift Index:

Passion and Performance



Impact of the Maker Movement



Lessons from the Edge:

What companies can learn from a tribe in the Amazon



A Movement in the Making



Coherency in Contradiction

Reports



2013 Shift Index metrics:
The burdens of the past



Success or struggle:
ROA as a true measure of
business performance



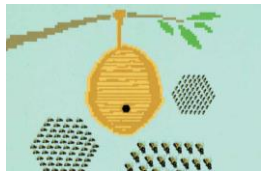
**From Exponential
Technology to Exponential
Innovation**



**Unlocking the Passion of
the Explorer**



Work environment redesign:
Accelerating talent
development and performance
improvement



Institutional Innovation



Pragmatic Pathways



**Performance
Ecosystems**



Scaling Edges



Metrics that Matter



Power of Pull

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