Think like a Futurist:
The key to ensuring organisational success in an uncertain future
Part 1: Ten Global Megatrends
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Why has it become so important to imagine the future?

Most people would agree that it is more difficult to make sense of the future in today’s rapidly changing and unpredictable world, compared to the more clear-cut and binary world of the past.

We live in a world of ever faster technology cycles, hyperconnected individuals, nervously flickering financial markets, and post-factual politics. It is no wonder that the gentle art of perceiving the future has become an increasingly complex yet critical skill when far-ranging decisions need to be taken. Research has shown that business productivity has not kept pace with technological progress, and at the same time, companies are being disrupted more quickly. Deloitte research shows that only 12% of the Fortune 500 companies from 1955 are still in business, and last year alone, 26% fell off the list. What could these companies have done to prevent being disrupted, and rather become the disruptors themselves?

This phenomenon has created a heightened need for organisations to improve their agility and responsiveness to these changes. Proactively imagining potential futures with some degree of accuracy and the ability to respond quickly to take advantage of the opportunities will enable organisations to protect and defend during turbulent times. Imagining these futures through scenarios creates the ability to identify robust strategic choices that are applicable to a number of plausible futures. The key to doing this, is to start thinking like a futurist.

In this series, we explore the fact that in order for organisations to not only survive in the increasingly competitive business environment, but to thrive, there is an intensifying need for them to be able to imagine the future through divergent scenarios. Doing so provides the ability for organisations to make robust strategic choices which are more likely to withstand an exponentially more competitive future, and to keep strategies more adaptable to unforeseen scenarios. In this first part, we unpack the ten megatrends that we believe will influence our future.
Ten Megatrends that could influence the future

There are a number of drivers and uncertainties that could influence the future. Below, we briefly describe ten global megatrends that we believe should be considered when making strategic decisions.

These megatrends have been developed through the many encounters we have in our daily work at the Center for the Long View, Monitor Deloitte’s Global Center of Excellence for Scenario Planning and Scenario-based Consulting. We have chosen specific social, technology-related, environment-related, economic, or political examples to demonstrate the trend in action. A more detailed description of these megatrends, potential implications, as well as their underlying drivers, is available in our recently published book called Beyond the Noise – The Megatrends of Tomorrow’s World.

Through more than 40 scenario exercises, across 15 different industries, in 12 different countries, there is one striking insight we have discovered: the set of drivers that form the general background to the scenarios we draw are surprisingly stable. They change slowly over time, and vary insignificantly across industries, geographies and sectors. However, the ways in which these drivers coincide and interact with each other is never the same, and is extremely specific to the focus of the scenario at hand.

Through linking and connecting these drivers in a number of ways, we have found that ten global megatrends emerge. These megatrends have a longer-term view and provide a better understanding of the business world and its future. When trying to solve a problem in any business environment, we recommend looking at the problem through the lens of these megatrends, to ensure the solutions are adequately preparing you, and your organisation, for an uncertain future.
Empowerment: The growth and re-invigoration of ideas and self-worth
In South Africa, one of the biggest impacts of this trend was the recent #FeesMustFall campaign, a student-led movement in which students across many of the largest universities in the country protested against the announcement of fee increases for 2017. Of concern to business, the students were also able to make vital connections between the movement and the impact of outsourcing on the cost of education, which ultimately initiated a general debate about the ethics and (un)fairness of outsourcing by all businesses.

Polarisation: The rise of divisiveness and divergence
This can be seen through the increasing levels of institutionalised radicalism. In one example, we have the rise of ISIS as a pervasive threat in the Middle East that has now infiltrated global corridors with their terrorism. We also see a different kind of radicalism emerge in the United States, the rise of untraditional political players who capitalise on general dissatisfaction with the status quo to galvanise a new tier of supporters with more money, influence, and power.

Hyperconnectivity: The emphasis on interconnectedness and collective behaviour
In a more digital world, we are able to create beautiful “smart cities” which integrate ICT networks and leverage the Internet of Things to create a positive, interconnected, and hyperconnected world for its inhabitants. There is a negative side to this of course in terms of the cyber security measures required to protect both systems and individuals.

Disengagement: The evolution of ways in which we communicate and interact
On the one hand, new friendships and relationships are explored through the rise of networking and social platforms. Connections are made where previously serendipity was the medium of choice. On the other hand, interpersonal disintegration seems to prevail. Instead of discourse at a dinner table, the glow of smartphones illuminates diners’ faces as they sit down to eat. More screen time does, however, present an opportunity for organisations to change the way they engage with current and future customers. The key is the ability of marketers to capture the attention of users and convert that screen time into a value driven experience, or even a new purchase.

Aging: The changes in values, cultures, and priorities across generations
As the Baby Boomer generation prepares to retire, organisations will have to shift their business models and strategies to recruit and retain a digital native millennial workforce. This creates a fundamental change in the way our labour market will operate as employers compete for talent and seek to replace the loyalty, skillsets, and networks lost. While it can’t be claimed that Millennials are specifically more demanding than Baby Boomers, what can be said is that they are more vocal about their views and needs, and more likely to leave an organisation which doesn’t satisfactorily address those needs.
Dematerialisation: The shift in the value structure from physical to intellectual

While the world was once pre-occupied with an Industrial Revolution and placed emphasis on a manufacturing-based economy, our world is now characterised by the rise of a service economy. The production of goods has given way to the production of services, with knowledge becoming a form of capital, and information and ideas becoming commoditised. This phenomenon is highly evident through the examples of Uber and AirBnb, which are highly exponential service-based businesses with extremely low capital intensity compared to their more traditional competitors.

Scarcity: The unsustainable consumption of our natural resources

Scarcity is a tale often told which results in negative consequences, but in the case of technology for example, the scarcity of resources is prompting new, innovative and disruptive ways of managing, saving, and in some cases creating new resources to mitigate growing challenges. On the other hand, the limitation of natural resources has led to a significant focus on environmental sustainability, resulting in the rise of new markets, an active lobbyist and political base, and renewed efforts in social responsibility.

Blurring Boundaries: The emergence of business ecosystems across traditional silos

As boundaries have blurred, the line between the traditional sectors and shadow markets is no longer clear, creating market complexity. In the healthcare sector with the blurring of boundaries between physical and digital, a range of self-service websites have become popular where consumers can enter symptoms and be diagnosed online for a nominal fee, as opposed to participating in the formalised healthcare sector.

Erosion of Governance: The decline of the traditional world order

As political tensions increase, the old models of global governance are being tested and challenged. New and alternative primarily non-state actors – regional institutions, activist movements, coalitions, transnational professional networks – are calling into question whether the global governance bodies of today (e.g., the World Bank and the International Monetary Fund) are in need of reform.

Displacement: The movement of people, ideas, and challenges across the globe

While mass migration due to terrorism is a major social issue, urbanisation is also a leading factor affecting the displacement of particular socioeconomic groups. As cities grow in size, gentrification pushes out key sectors of the economy resulting in a massive suburbanisation of poverty. Today’s migration issues are thus a critical social challenge that must be addressed to prevent further disintegration of our society.
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The megatrends and stories highlighted in this first edition of the series should help you to start thinking about the factors which will shape the future of your organisation, or your future as an individual within the organisation. They are indicative, non-exhaustive examples which attempt to reimagine the future and should not be confused with predictions. You should use these examples as a point of departure in determining scenarios specific to your organisation’s circumstances.

The drivers that have given rise to these megatrends will interact in many unpredictable ways in the future. This interaction will produce distinct scenarios. It is precisely these scenarios that will determine your organisation’s position in the future – how the future feels to you and which strategic options you will have to make. The ideas presented are thus only the starting point of your particular story, the next step is to explore how your journey might play out – scenario thinking and design is an excellent way to do this. We will further unpack our views on scenario thinking and design in the next edition of Think like a Futurist.

Using Scenario Thinking and Design to enhance decision-making under conditions of uncertainty

How will each of these megatrends and underlying drivers influence and impact your organisation’s business model, customers, employees, markets, networks and longevity?

Furthermore, how will they impact the future demands on the leaders of an organisation?

And, what additional skills are required for leading effectively through the complexity the megatrends introduce?
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