PROGRESS-DRIVING FORCES

Operating Pressures

Businesses are under pressure to deliver growth, profit and innovation. Against this background they are undertaking sustaining (defensive), evolutionary (progressive) and disruptive transformations.

Low Growth
Innovation Demands
Return on Capital Targets
OPEX & CAPEX Pressure
Margin Challenges

Activist Investors

More than 903 companies were publically subjected to activist demands in 2021. In Q1 2022 it was already 348.

Environmental
Social
Governance
Financial/Return Cash
Divestiture/M&A/Ops

From Growth to Value

Market rotation from high growth to value. Rich equity valuations reflected the potential for future profits years down the line rather than 'jam today'. Now companies are highly sensitive to rising interest rates which make their future cash flows worth less today.

Convergence & Disintermediation

Digitisation has been a catalyst for uniting industries and business operations with competition increasingly coming from companies outside of a business' core sector. In addition this has been often been the impetus for disintermediation to blur boundaries and remove middlemen.

TRY TO ADDRESS...

Pricing Power Pressure

Growing market concern that big brand owners may struggle to raise prices without damaging demand, impacting share prices and belief that they have robust 'pricing power'.

Expectation Economy

Expectations when interacting with a company have never been higher. Consumers expect needs to be satisfied without waiting and by connecting flexibility and effortlessly.

Creativity
Convenience
Connectivity

Aggressive Online Targets

Most CPG brand have 20-30% targets, bu US eComm penetration peaked in Q2 2020 and is stagnant at ~16% of retail spend. A long-term asymptote of ~27% is estimated

Cost of Everthing Crisis

Inflation and suppressed wages have resulted in a cost of living crisis and consumers cutting back. Meanwhile disrupted supply chains and increasing COGS means stagflation looms.

Post-COVID Shop, Work & Play

Predictions that "everything will be different" have faded as ecomm, cinema audiences, Zoom shares & other pandemic graphs returned to long-term trend lines but many behaviours and needs like WFH & BOPIS have evolved.

63% OF MARKETERS UNDER EXTREME PRESSURE TO DELIVER

Profitable Growth vs. Sunk Cost

Marketing technology represents 26% of marketing expense budgets, yet brands utilize just 58% of their marketing technology stack's capabilities. Utilizing 70% of their martech stack's existing capabilities will achieve 20% better ROI than peers.

JUST 34% SCORE COLLABORATION BETWEEN MARKETING & TECH AT >8 OF 10

CTO Response

Realizing the impact of technology investments involves a web of interconnected systems and capabilities. There's a struggle to get on the front foot when it comes to improving customer experience for internal users or external business partners and customers.

Managing Legacy Systems
Automation & Cost Efficiency
Talent Shortage & Hybrid Work
Complexity in Tech Environments
Innovation Lead Politics

Supply Chain Resiliance

66% of businesses reported "some or major" supply chain disruptions due to COVID. Transportation, autos, construction, and general retail were hit particularly hard. Companies are future-proofing with transparency being key. They are building extra time into the buying cycle, managing cost inflation (freight, energy, raw materials cost), exploiring near sourcing and looking to address the inventory glut.

Supply chain in C-suite
Flexible contracts
Inventory reserves
Supply chain agility
Supply chain forecasting
Investing in analytics

PUSH OF NOW

The drive to make today better, solve known problems, address looming pain points

"How do we meet the pressure to scale existing product market fit?"

IMPACTING KEY ASPECTS OF

Customer Experience

91% of Senior Execs agree/strong agree the C-Suite recognises the importance of experience for growth. Great CX is distinctive, moving beyond service convenience and utility to a meaningful brand and human connection.

Effort
Emotion
Success

Data

Tech/IT and Marketing need to work together to provide the right data and use it in the right way, in real-time. Unified data is table stakes for agile operations.

Velocity
Variety
Volume

Media & Channels

Media fragmentation and audience behaviour changes have paved the way for multi-platform, integrated comms strategies. But more channels does not mean more effectiveness.

Content (AV, editorial, games etc)
Services (distribution, ad tech etc)
IoT, Streaming, Content Tech etc.
Social, Apps, Marketplaces etc.

Product

Product must satisfy the needs of customers with exchange value and differential and unique features. These features, functionalities, quality, offerings, technologies are evolving faster than ever, bringing together cross-functional teams, ensuring alignment between diverse functions.

Discovery, Delivery, & Maintenance
Product Vision & Strategy
Experimentation & Learning

Customer Insight

With businesses pursuing complex omnichannel strategies, higher performance comes from the translation of large volumes of data into actionable insight.

Drivers of Purchase
Journeys of New Customers
Drivers of Retention
Friction Points

INCREASINGLY INVOLVING

Direct-to-consumer

DTC can create new sources of revenue, build customer relationships through first-party data, haev quicker time-to-market with new products, and stronger brand share-of-voice. 6 archetypes blend direct & indirect revenue:

Knowledge Hub
Digital Store
Subscription
Personalised DTC
Touchpoint Commerce

Evolving GTM

Go-to-market is the plan of an organization to deliver their unique value proposition to customers and achieve competitive advantage. The end goal is to enhance the overall customer experience by offering a superior product and/or more competitive pricing.

Product-led
Sales-led

INFLUENCES

Halo Effect

Company performance, good or bad, creates an overall impression—a halo—that shapes how we perceive its strategy, leaders, employees, culture, and other elements. It can lead to copying of strategies, products, channels in a bid to achieve guaranteed success.

Market & Culture Lens

Technology Lens

NOW

Assess...
Competition
Environment
Category
Performance
Maturity

Innovation Waves & S-Curves

Technology adoption follows "learning curves" or S-Curves. Theses overlap to form "waves of innovation". The theory of innovation cycles was developed by Joseph Schumpeter who coined the term "creative destruction". He examined the role of innovation in relation to long-wave business cycles.

THE NATURAL ADVANTAGE OF NATIONS

First Wave 1785–1845

During the Industrial revolution the first factory emerged – cotton mill in Britain

Water power
Mechanisation
Textiles
Mail

Second Wave 1845–1900

As railways grew so did urban centres and population moved from the land

Steam power
Railroads
Steel
Telegraph

Third Wave 1900–1950

Henry Ford's Model T and the assembly line revolutionised maunfacturing

Fossil fuel power
Electricity
Cars/Aviation
Telephone/Radio

Fourth Wave 1950–1990

Aviation gains mass scale, providing a post-war driver of economic expansion.

Nuclear power
Electronics
Space travel
Television

Fifth Wave 1990–2019

The internet moves off-campus and into the mainstream. Phones become smart.

Information technology
Biotechnology
Internet
Mobile phones

Sixth Wave 2019– ????

Climate change, cultural polarisation, the battle for resources, rebalancing to China

Nanotechnology
Global systems & cloud computing
Sustainable technologies
AR, VR, Web3, IIoT etc.
Genomics

LESS EXCITING JUST AS IMPORTANT

Industry 4.0

The so-called 4th Industrial revolution means rapid change to technology, industries, and societal patterns and processes due to increasing interconnectivity and smart automation. From a technological perspective it rests on three pillars: the Internet of Things (IoT), cyber-physical systems (CPS) and smart factories.

Develop

Design Process Optimization
IoT Sensor driven Design Enhancement
Open innovation and Crowdsourcing
Rapid Prototyping
Virtual design simulation
Data as a product or service

Make

Operations Efficiency
AR Enabled Operation
Automated Production
Predictive Maintenance
Sensor-enabled Labour Monitoring

After Sales

After market Service Optimization
Predictive Aftermarket Maintenance
End-to-end Track and Trace
AR-enabled Customer support

Plan

Planning & Inventory Efficiency
Analytics Driven Demand Sensing
Dynamic Inventory Fulfillment
Pos Driven Auto Replenishment
Real Time Inventory Optimization
Iot Sensor Driven Demand Forecasting

Deliver

Logistics Optimization
Dynamic Predictive Routing
Driverless Trucks
Direct to user Delivery
AR-enhanced Logistics

Source

Risk Prevention & Mitigation
Proactive Quality Sensing
Track and Trace Solutions
Proactive Risk Sensing
Analytics-driven Sourcing
Smart Supplier Ecosystems

Sales & Marketing

Sales Optimization
Targeted Marketing
In-store Personalized Push Alerts
Sensor-driven replacement in store
Inventory-driven Dynamic Pricing

PAYMENTS AND GOVERNANCE INFRASTRUCTURE FOR PROPOSED

Metaverse™

Open, persistent, real-time, interoperable, virtual world that could be built using web3 technologies. The metaverse does not exist. VR apps like those accessed via Oculus headsets are neither persistent (because they reset when users quit them), nor interoperable (because they are siloed and it is not possible to move seamlessly between them).

HyperVerse
Decentraland
The Sandbox
Roblox

DAOs

Decentralized autonomous organizations are entities that operate through smart contracts. Financial transactions and rules are encoded on a blockchain, effectively removing the need for a central governing authority. The DAO handles code-appropriate tasks: bookkeeping, digital signature verification, on-chain asset management. But that's just a productivity tool. It's a slow, inflexible tool for executing straw polls.

Digital Identity

W3C's three pillars of Self-Sovereign Identity are the Verifiable Credentials protocol, the Decentralized Identifiers protocol and Blockchain to enable everyone in the network to have the same source of truth about which credentials are valid and who attested to the validity of the data inside the credential, without revealing the actual data.

Non-Fungible Tokens

NFTs are tokens that can use to represent ownership of items. The NFT token you bought either points to a URL or an IPFS hash. Usually it references an IPFS gateway run by the startup you bought the NFT from. That URL is not the item. It is a JSON metadata file or an IPFS hash...and it's still not the cool monkey that you spent money and gas on.

Cryptocurrency

A medium of exchange that uses encryption techniques to control the creation of monetary units and to verify the transfer of funds. Blockchain solves the double-spend problem of digital currency and acts as a ledger, a registry, of the transactions.

Bitcoin
Etherium
Solana (when it's up)

PULL OF NEXT

The potential of new situations, solutions, technologies & future valuable use cases

"How do we identify the new S-Curve and when will its change accelerate?"

Web 3.0

An idea for a new iteration of the Web based on blockchain technology, incorporating concepts such as decentralization and token-based economics.

Wallet as cross-app identity
Public APIs for user history
Broadcast txs vs simply POST
Security considerations on frontend

TRANSFORMATIONAL TECH TO NAVIGATE

What is the next wave?

With social, mobile, cloud etc reaching the middle/top of their curves, the pressure is on to find the next wave. Will it be a step change or incremental? Smartphones are everywhere so the scale may be different. Currently it has several facets, but no standard name; many misuse "Metaverse" or Web3 as short-hand for a combination of technologies but this ignores the true breadth of innovation and perhaps the potential winners.

Nanotech, Biotech, Cognotech, Infotech

The new machines, new life, new minds, new algorithms to be explored across hardware, software, atoms, genes, neurons and bits...

LEO satellites
Plant-based meat
ESG
Quantum computers
Robotics
ASICs
3D & 4D printing
Neural interfaces
Computational biology
Vertical farming
Nootropics
Nanobots

TODAY'S TECH BRO HYPE

Ubiquitous Sensing

Wide variety of omnipresent technical and human sensors and geo-sensor networks and their ability to probe geographic phenomena even in real time

Detection of intruders
Tracking of supply chains
Monitoring health & environments

Edge computing

As cost drops and ability to scale on-demand increases, advantage lies in lower latency nearer to the requests to improve response times & save bandwidth.

Connected cars
Smart cities
Industry 4.0

Statistics + AI

Predictive models using current & historical data to forecast activity, behavior, trends.

ML, DL, CV, NLP, etc.
AlphaFold2
DALL-E
GPT-3 Transformer

Distributed Ledgers

Infrastructure and protocols that allows simultaneous access, validation, and record updating in an immutable manner across a network spread across multiple entities.

Identity & Security Management
Data Management
Governance and DAOs

Smart Products

Recognition and processing of situational and community contexts via connectivity

IoT - in homes & offices
IIoT (bandwidth rising)

Digital Threads

The digitization and traceability throughout a product's lifespan.

Location
Provenance for everything

Digital Twins

Accurate virtual replica of physical objects, assets, and systems to boost productivity, streamline operations and increase profits

Product
Production
Performance

Overlays for everyone

Using digital layers and image recognition to create fully or partially immersing worlds & experiences for entertainment or utility

Augmented Reality
Virtual Reality
Mixed Reality

Could it work?

When could it work?

What could it be worth if it did work?

NEXT

SaaS-ifying the Enterprise

Traditionally, enterprise software and SaaS offerings were separate things—but in combination, enterprise SaaS pairs the functionality required for running a large business with the agility (and cost savings) of a cloud-based operation.

RESULTING IN A

SaaS

Software as a service is a software licensing and delivery model in which software is licensed on a subscription basis and is centrally hosted.

Cloud

On-demand availability of computer system resources, especially data storage (cloud storage) and computing power, without direct active management by the user.

MarTech Explosion

Over 9,000 platforms are listed in the latest martech lumascape, an overwhelming level of choice which most marketers and tech Ops struggle to navigate.

Advertising & Promotions

Driving reach and visibility to build mental availability and brand value.

Display & Programmatic
Mobile Marketing
Native/Content Advertising
PR
Search & Social Advertising
Video Advertising

Content & Experience

Publishing, managing and optimising the content that builds brands and sales.

Content Marketing
CMS & Experience Management
Digital Asset Management
Product Information Management
Interactive/Mobile Content
Automation & Lead Management
Optimisation & Personalisation
SEO

Social, Community & CRM

Managing the visibility of brands on social platforms and subsequent relationships.

Account Based Marketing
Influencer Management
CRM
Loyalty & Referrals
Community
Reviews
Events
Social Media Marketing

Commerce & Sales

Enabling omni-channel, direct or 3rd Party commerce to increase sales.

eCommerce Platforms & Carts
eCommerce Marketing
Marketplace Management
Affiliate Marketing
Live Chat & Chatbots
Customer Service
Retail, Proximity & IoT
Fulfilment

Data

The use of data and analytics to inform strategic and operational decisions.

Analytics & Attribution
Audience Data & Enhancement
Business Inteligence
Data Science
Compliance
DMP, CDP, etc

INERTIA OF NOW

The resistance of sunk cost, certainty, transformation plans, habit & digital culture

"How do we navigate & deploy all the great ideas from the last decade?"

ENABLING PLATFORMS

Back Office

Resources devoted to actually producing a product or service and all the other labour that is not seen by customers.

Finance
Information technology
Human Resources

Operations

Ensuring a company is efficient and using as few resources as needed and effective in meeting customer requirements.

Supply chain
Manufacturing
Distribution

Commercial

The "face" of the company and resources used to make sales and interact with customers and clients.

Marketing & Sales
Product design
After sales

INFLUENCING 'CONSUMER INTERACTION EXPECTATIONS

Data & Tech

As the business landscape becomes increasingly digital, organisations need the confidence in their technology infrastructure to mitigate risk and accelerate innovation and growth.

Data availability & use
Analytics & measurement
Tech infrastructure & enablers

Operating Model

How an organization delivers value to its customers and actually runs itself. Some matrix structured companies find it had to get traction for tech initiatives to drive commerce & always-on engagement etc.

Agile ways of working
Cross-functional alignment
Organizational structure

Value Creation

Building digital capabilities is crucial to value creation, with the right mix of strategy, product, experience, engineering and data.

Digital strategy & innovation
Customer-centricity
Governance

APPLIED TO

MATURITY DRIVEN BY PROGRESS IN...

Exisiting Digital Transformation

Digital business transformation is a holistic approach to changing the way an organization thinks, organises, operates, and behaves. It closes the gap between what consumers expect and what traditional business models can deliver.

Toys of digital culture

Innovations often come from consumer tech advancements that change expectations. "A lot of really important technologies started out looking like expensive, impractical toys." Benedict Evans

Beyond the screen

Consumer technologies are reshaping engagement with the world, entertainment & businesses. Today may be screen-obsessed with smartphones, laptops, tablets, etc but consumer experiences that aren't confined to a screen are being actively promoted with different levels of success.

Virtual Reality
Augmented Reality
Spatial Internet
Voice

DRAWING FROM

Current Gaming > Metaverse

2.960n gamers globally in 2022 growing at 5.6% YoY with >350m active 'core gamers'. These are the people in online virtual spaces coming together to achieve things. They have been around for decades and MAUs are already bigger than Snap & vastly larger than Oculus or Decentraland or hyped 'Metaverse' platform.

Roblox
Fortnite
Honor of Kings
League of Legends

BASED ON

Real-time Responsiveness

The live streaming industry is reached $70 billion in 2021. 54% is about gaming/esports with Twitch one of the biggest live streaming platforms with 30m daily visitors. Suspense, FOMO, and instantaneousness drives the appeal but also sets expectations.

Live Audio & Video
Text-to-speech
Tokens & Shout outs

GAVE RISE TO

Creator Economy

The livestreaming platform for gamers helped pioneer the patronage systems that prop up so much of the internet today. Now numerous businesses have been built by independent creators, from vloggers to influencers to writers, to monetize themselves, their skills, or their creations.

INFLUENCING EMPLOYEE EXPECTATIONS & EXPERIENCE

Turning Strategy & Tech Potential into Execution

Translating strategy and tech vision into plans that are simple and flexible enough to execute can be difficult. Describing a strategy favors complexity, but executing it requires simplicity. To influence day-to-day activities, strategies need to be simple for leaders at every level to understand, communicate, and remember.

Commit to a Strategic Plan
Align Jobs to Strategy
Communicate Clearly to Empower Employees
Measure and Monitor Performance
Balance Innovation and Control

Corporate Imposter Syndrome

The mercurial nature of marketing, technology and business drives the trade press and PR. We are constantly being told that everything is different now from how it once was. The pressure to keep up or the self-doubts that the noise can create is strong.

Tripping over Tools

The number of solutions in the latest Martech Super Graphic is now 9,932 – up 24% from 2020 and 6,521% growth in 11 years. This level of competing marketing and tech products is impossible to understand or navigate.

Proving Effectiveness of Now & Next

Quantifying the "value of digital", the case for transformation and how much uplift it can unlock or how much volume and revenue is at risk if you don't, can be hard. Aligning the investment behind technology and data capability isn't always so easy.

IN THE FACE OF

Disrupted Industries

What is the next platform for social, commerce and experience that can last for a decade not just fade like a hit game or channel? The internet broke apart old value chains and create new ones, moving from information arbitrage to changing not just workflows but economies.

Crowd Economy
Experience Economy
Surveillance Economy
Platform Economy

UNCERTAINTY CAUSING

The Long Growth Cycle Ends

Inflation is expected to remain high and growth low this year and well into the next as the economy slows and unemployment rises. Signs of financial stress are rising as the Quantitative Easing postponed reckoning from 2007-8 arrives.

CAUSING

End of Millennial Lifestyle Sponsorship

Cheap, on-demand, high expectations were set by consumer tech companies, that helped fund the daily habits of their disproportionately young and urban user base. It gave people a sense of affluence in a decade of stagnant wages.

Uber Rides
WeWork Side Hustles
Deliveroo Dinners

VC & Investor Subsidies Dry Up

The race for growth and network effects saw investments into companies with a high CAC but low LTV. $70 billion peak VC funding peaked in November 2021. Now the market ecology has a tough time adapting to the end of cheap (even free) money, with cash flow, rather than "valuation" being the central focus.

Y-Combinator Memo
Tiger Global Losses
Sequoia Capital "crucible moment"

THE STORY IS CHANGING

Great Resignation

More a story of workers seeking better-paid opportunities than leaving the workforce—a "Great Renegotiation" that has given workers more leverage and has been reflected in recent efforts to unionize.

Gig Economy Folds?

Amazon is running out of US workers to hire by 2024 due to burn out from employment practices and workplace policies. Meanwhile courts & regulators are reclassifying low-cost, insecure 'self-employed contractors' like Uber drivers or retail delivery people as employees to stop firms externalising costs and risk.

Employment Loopholes
Tax & Accountancy Schemes
Emerging Tech

ANXIETY OF NEXT

The uncertainty of new paths, needs outcomes, obstacles & expectations

"How do we avoid betting on empty hype rather than what's really next?"

Tarnished Halos

The corporate and start-up poster-children of the past decade have hit an inflection point. Sure bets and business models that were held up as examples to copy are now being reassessed.

Platform Fallacy

The idea that a platform business is inherently more profitable than any other kind of business is not true. There is a Silicon Valley myth that a model that has largely been successful in digital technology can be applied to any business, anywhere.

Theranos
WeWork
Uber

Post-Covid Pain

Lockdown sales boosts have not been sustained. Shoppers have enjoyed an explosion of choice, not only in the price and availability of everyday goods and services, but in consumer tech and innovation. That experience is in doubt now: if the golden age of the consumer is not yet dead, it looks quite poorly.

ASOS / BooHoo
NetFlix
Peleton

DTC Playbook

Promise of low overhead, no middlemen paired with pricing, style and accessibility.

Refreshing Insta-branding
Unboxing Experience
Founder Narratives
Influencer Partnerships
Quizzes & Guided Selling

DTC Pivots

>$800m market cap Direct To Consumer companies have seen revenue contraction and shrinking margins. Some face smaller than anticipated bases once the early adopters have churned. Returns and shipping pain means the path to profitability (or survival) lies in charging and retail sales.

Casper
Warby Parker
SitchFix
Allbirds

*40% OF MONEY RAISED BY DIGITALLY NATIVE CPG BRANDS WENT TO GOOGLE & META. IT IS NOW MUCH HARDER TO TRACK EFFECTIVENESS.

Platform & Social Exhaustion

The big platforms like Facebook & Instagram that drove the last 10 years are reaching the end of their S-curves. There is a feeling that "social media isn't a place where you can be as creative anymore; all the angles are figured out." But then comes TikTok...

Identity
Self-expression
Visibility

Not All Bets Pay Off

The world never changes in quite the way you expect. Innovation and the "Next Big Thing" can be an expensive graveyard even for the companies people "fast follow"

Chatbots & Voice
3D TV/Films
Google Glass

Privacy 1st Web

Data privacy has become an increasing concern to regulators and real people with poor business models and behaviour being exposed. Third Party Cookies will be blocked, third-party data sets will be less useful. Marketing and media performance will be difficult.

1st Party Data Rush
New Signals for Ad Serving
Server-side Tagging
Consent Mode

EVEN BIG PLAYERS NOT EXEMPT

Changing Assumptions & Business Models

Lockdown pulled forward future adoption in the worlds of eComm, retail, grocery and even automotive sales. It forced acceleration and experimentation. Now brand, retail and marketing are unbundling - the old model of manufacturing, distribution and retail scale is breaking apart at every step.

Music
Newspapers & Books
TV & Films
Retail, Fashion, CPG etc.

A 20 SECOND TALK CAN FLIP MULTIPLE CATEGORIES

App Tracking Transparency

In April 2021, Apple introduced ATT to moderate data collection and aggregation. 19 months later Meta announced a $10bn revenue shortfall, the largest but by no means only significant retrenchment in the online ad space. Google and Amazon have seen their share of digital advertising increase because what matters is linking an ad to a transaction. Apple has now positioned itself to have perfect knowledge of both, even as it denies others the same opportunity.

No IDFA
SKAdNetwork
Privacy Sandbox
GAID Deprecation

PROGRESS-HINDERING FORCES