



2021 Outlook

Radical Transformation

Trend Report 2021

Radical Transformation

The Next Organization provides you with yearly overview of the most important trends and developments that can impact your organization in the upcoming year.

For this year's special issue, we were especially inspired by the famous existential philosopher Søren Kierkegaard who states:

“

Life can only be understood backwards; but it must be lived forwards.

As such, we draw lessons from last year in order to look ahead at 2021.

2020...

The entire world looks back at a year that could be best characterised as turbulent, to say the least. Due to the COVID-19 pandemic, the world turned at another pace. Economies got to a standstill, health systems have been put under extreme pressure and human interaction drastically changed. Just to name some of the conditions that we were all subject to. 2020 played a crucial role in what count and what does not count in 2021.

2021...

A year that will be in the theme of *Radical transformation*. Whether we think about the future of the environment and nature, society and individuals, or businesses and institutions, each one is pushed drastically think about how they should transform to remain successful or to but it more bluntly, to survive. In doing so, one must consider the dominant movements in terms of trends and developments.

Each of these trends and developments will be thoroughly discussed in terms of its content and its significance for 2021. Moreover, they are provided with the 'Corona impact meter' that shows for each trend the extent to which it is impacted by COVID-19 pandemic. Finally, some trends are highlighted through cases, in which the trends are applied to examples from practice, and 'just imagines' to give a look and feel to specific trends.

Are you triggered by certain trends or do you have any questions how they impact your business? Please do not hesitate to reach out.

Best and successful wishes for 2021 on behalf of the entire team of The Next Organization.



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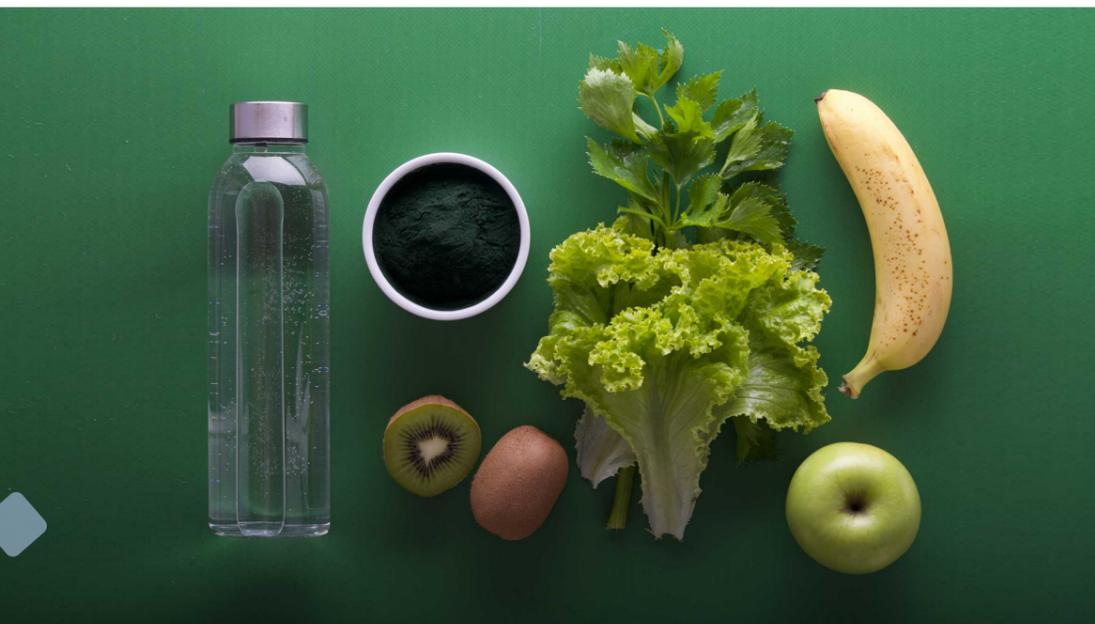
A.

Future of
environment and nature

01

Responsible consumerism

Consumers start to understand that the current impact of human beings on the world needs to be changed. This means that people not only start to live healthier (nutrition), or stimulate the local economy, but also want to have more insights in the origin of food and goods towards a more sustainable planet. Consumers are becoming increasingly aware of what they consume and its impact.



First of all, consumers become more aware of their impact on the nature. From eating a more plant-based diet to searching the supermarket for plastic-free produce, a growing number of consumers are trying to live a more ethical lifestyle. This is because they are more concerned about the impact we have on the environment. As a result, consumers have started buying products with more ethical or sustainable practices and the demand for sustainable goods is increasing.

Second, consumers become more aware of their own (healthy) lifestyle. They are becoming more concerned about their vitality and what nutrients they need. For example, they are searching for an active way to zoom-out from technology, eating less meat (for both health and sustainability) and drinking less alcohol. As a result, consumers are buying healthier and sustainable products and on top of that they want (more) transparency about the components and the origin or the products they purchase.

And last but not least, consumers become more aware of the global impact on their local economy. As a result, there is an increasing demand for simplicity, transparency and accessibility of goods/services and communication as a result of the continuously growing complexity in many organizations. As a result of, among other factors, the global competition, adding complexity became almost a condition for the success of organizations. In addition, the crisis has shown consumers the detrimental consequences of a global value chain. As a result, consumers not only see the benefits of local production, but also want to stimulate the local economy (local organizations hire local employees).

Not only are consumers becoming increasingly aware of the impact of consumption on the world and their own health, but they are also becoming aware of the power they have and may therefore look at organizations in a different way.

CASE

A healthy, sustainable and waste-free meat sector; Grutto shows how it's done



Grutto (formerly known as Koopeenkoe or Crowdbutching) is on a mission to transform the meat industry. Their vision is a healthy, sustainable and waste-free meat sector, providing quality, grass-fed meat direct from the farmer, in contrast to the hormone-pumped factory-farmed mass meat industry that has become so prevalent today. Grutto wants to change this, by going back to natural, ethical and sustainable ways of producing meat.

Grutto has responded well to the changing needs of consumers. They increasingly want to know where their food comes from. They are also more aware of the impact of meat consumption on nature and want to avoid waste. In the case of Grutto, these wishes all come together, tackling the four topics.

Transparency

Grutto makes sure you know exactly where your meat is sourced from. This means that your meat package has a number (e.g., ear tag of cow) and information about the breed of the animal and from which farmer you are buying. You can also trace their butchers and processors via their website. Also after placing your order with Grutto, they will keep you informed every step of the way. From slaughter to delivery.

Animal welfare

Grutto guarantees that all of their animals have a good life with minimal stress. By working with farmers, they know personally, they can be assured that they care for their animals with love. Their farmers don't use preventive antibiotics and work with nature to restore its soil life and bring back biodiversity to our environment



Did you know that you can easily defrost your meat by placing your vacuum packed portion in a bowl with cold tap water.

No waste

By only selling nose-to-tail (which means that each box has a bit of everything), they uphold their zero-waste policy. In addition to that, they fully sell the animal before it gets sent for slaughter, 100% means 0% waste. Grutto also packages the meat in convenient vacuum-packed portions, easy to freeze and store at home and without losing its quality. Lastly, when raising their stock farmers feed them a surplus from the agricultural and food industry that would otherwise go to waste.

Transition

Looking at the future. Grutto believes in the transition of agriculture restoring biodiversity in order to restore the function of CO2 and nitrogen storage. That is why they work with regenerative farmers who cooperate with nature. To make this all possible, Grutto pays a fair price to the farmers and brings farmers into contact with Wij.land to accelerate the transition to regenerative agriculture.

Impact COVID-19





02

Urban vs. rural innovation; 'smart' escapism in a public-private playground

According to the UN, 70% of the world's population will live in urban regions by 2030 - 1.5 billion more than in 2010. Urban regions make up roughly half of the territory. All these people need energy, healthcare, water, mobility, housing and community areas. This booming urbanization and consequent stretched infrastructures cause environmental, logistical and social challenges threatening the quality of city life and therefore the well-being of citizens.

Technology forms the fundament to overcome these challenges and defines a new way of living together. As cities are becoming smarter, we see a change in how people do business, organize their lives and (inter)connect with 'others' and 'things'. In 'cities of the future' smart technology, governmental institutions, commercial parties and citizens collaborate to make the city more liveable, sustainable and safe; a playground for public-private initiatives.

Interesting here is that the playground for companies and industries worldwide is determined by the ecosystems that can be developed there: places for cooperation between partners, knowledge institutions nearby, a robust economy and with access to the labour market. Our current thinking and boundaries must make way for these new, facilitating ecosystems. This should create a city that is good for everyone, even if you do not live or work there.

Where cities become smarter and dense, there is also a trend towards the rural, countryside areas. Escapism

from the 'busy' city-life has been a concept around for ages and again is seeing growth due to the challenges listed before. While you can think of 'future cities' with Blade Runner-esque streets and shiny, high-tech buildings, it is the countryside that is on the front lines of change according to worldwide renowned architect Rem Koolhaas. Technology makes isolated areas accessible and attractive for e.g. data centres or solar fields. Areas where drones deliver packages and meanwhile monitor meadows.

Technology will strengthen the kaleidoscope of functions and eliminate rural isolation. Modern agriculture can become more closely connected with nature. Although the countryside remains the main supplier of food, lab-grown food and processing are coming to the city. Technology, therefore, becomes an integral part of nature and vice versa. And this requires a mental change, especially for governments that interconnect spatial planning, investments, the labour market, nature, agriculture and technology.

Project The Good Life (DuraVermeer): Reclaiming the human factor in increasingly smart urban and rural areas



Dura Vermeer is one of the companies committed to ensuring and increasing the liveability of the city, now and in the future. Founded in 1856, the company has over 165 years of knowledge and experience in the development, realisation, preservation and renovation of construction and infrastructure projects. With continuity as its foundation, Dura Vermeer's ambition is to be one of the top three innovators in the construction industry by focusing on sustainability, digitisation and innovation.



Dura Vermeer uses 100% green electricity



In 2030 every solution must attribute to a greener and healthier Netherlands.

Dura Vermeer responds to the trends and developments in urban areas with her project The Good Life. In this housing and living concept, it is no longer the 'stones', policies and technology, but the people and their happiness and health that are central.

In consultation with various parties who are normally not involved in regular building projects, the concept focuses on four pillars:

1. Building
2. Environment
3. Services
4. Behaviour

Emphasis is mainly on 'soft' factors such as social interaction, calm and safety and always in line with the principles; affordability, multi-disciplinarity and experimentation.

The various trends that are to make the city more liveable in the future are magnified by the arrival of

Corona. The recognition of greenery, quality outdoor spaces and public areas where people can relax, meet and exercise is growing exponentially. Although migration to the cities will continue to increase, rural areas appear to become more popular under the influence of corona.

The focus on human health, both physical and social, is a growing theme in several industries. Bringing together different parties with different expertise, as was done in The Good Life, ensures that the needs of the end consumer or user are viewed and covered from different angles and industries. This way of working leads to surprising and effective concepts and could also be used in the pharmaceutical industry, for example. By putting together a development team consisting of various stakeholders such as patients, doctors, distributors, developers and pharmacists, different needs are met making medicines more successful, while risk can be distributed.

Impact COVID-19



03

Autonomous mobility as a service; towards an interconnected ecosystem

Technological and social developments have made the car the ultimate means of transport; increasingly faster, more personal, more luxurious and more flexible. Motorways and public transport getting fuller and fuller. This must and will change in the years to come. The 2030 ambitions for the European government are the greenest ever, with a minimum CO2 reduction of 40% as the main goal. These targets have major consequences for the current mobility ecosystem. Smart roads, interconnected self-driving vehicles, car- or ridesharing and productive travel time are all future opportunities.

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If you spend 1% of the money spent on public transport on shared transport, you can change the world.

Tarik Fawzi (co-founder of Hely)

The coming period will focus on three movements

The emission-free future

The electric car is changing from an exception to the new standard. Technological improvements in battery life, lower electricity costs, maintenance and total cost of ownership will ensure that we see electric cars increasingly on the streets in the years to come.

Freedom in mobility

There is a shift from car ownership to car use. Mobility concepts for sharing means of transport are increasing in popularity. There is a shift from car ownership to car use. Mobility concepts for sharing means of transport are becoming increasingly popular. These concepts have the advantage that you can let your means of transport depend on the traffic on the road, the planned appointments or the weather forecast.

Connected car

The 'traditional' car manufacturer will continue the current model of producing ever better hardware, the car itself. In addition to the electronic transformation, cars are becoming 'smarter' and 'more autonomous'. Essential for the autonomy of cars is the interconnectedness. More and different systems will be interconnected, changing from reactive to proactive systems offering personalised services, and eventually evolving into so-called 'virtual drivers'.

The way we see and perceive mobility today - individual vehicles, petrol stations, traffic jams and driving licences - is going to change dramatically in the years to come. Various developments and innovations taking place now will change the game and the players. New partnerships and business models will emerge. Yet, future success of new business models will only be achieved by exceptional collaboration between different markets and players, both private and public.



04

Biotech; at the forefront of superhumans?

People are getting more and more aware of their health and the methods they can implement in order to prevent or overcome diseases and disabilities. Technology embedded with biology reshapes the playing field of medical institutions, key in this; accessibility and scalability. From biohackers to CRISPR/cas9 gene editing, this 'new' industry is at the forefront of rapid growth and discussion.



Whether it is in food, medicines, sports or life sciences; the simplicity and low costs of digital fabrication make it possible to build own lab equipment and apply biotechnology outside laboratories or research institutions. Hold your horses; gene doping of athletes' DNA will be a topic during the upcoming Summer Olympics in Tokyo. That is 'just' sports, but have you ever thought of the fact that within a few years, it will be possible for premature babies and embryos to (further) develop in an artificial womb?

Ethical discussions on the above-mentioned topics will start, but in the meantime people also start with 'biohacking' their body. This basically involves controlling external stimuli leading to the creation of the optimal self. It is about 'hacking' the body using natural or technological resources to maximise physical and mental performance. And as number of people are consciously wanting to improve their health, things as

'biohacking' will turn into practice. Biohacking involves things we eat, drink, smell, touch, hear, and see. The difference however between biohacking and a general healthy and conscious lifestyle is to think of our biology as a physical system, which can be enhanced by conducting measurements, monitoring and feedback.

Imagine the impact biohacking will have on society once people see the effect of it. It will influence the working world as the level of productivity and cognitive function increases. Next to that, social relationships for example, will improve with people having better moods and more energy. Companies and brands can adjust to this movement and seize new opportunities that develop over time. Keep in mind: the sharing and availability of open-source knowledge enables everyone to get involved in biotechnological developments.

Just imagine ...

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It is Monday morning and even before the alarm clock has gone off, Joost has woken up. Today is an exciting day, where Joost and his girlfriend Miranda have their first appointment in hospital for their yet unborn baby Anna. For months they have been preparing to find out all the genetic diseases within their families so that they can discuss these with the doctor and possibly exclude them from Anna's DNA.

When Joost comes downstairs, the coffee is ready, and the bread rolls still need to go into the oven for two more minutes. Just enough time to bring a cup of coffee to Miranda in bed. As soon as he comes back in the kitchen, he lets the fridge scan his hand, which indicates exactly which nutrients his body needs and which products from the fridge are most suitable to put on his bread today. His sugar level is normal for the first time in a couple of weeks, this promises to be a good day!

Miranda wanted to run for an hour before going to the hospital, this gives Joost just enough time to visit his father. He tries to visit his father Floris three to four times a week. His father has gone through a very difficult time and can use some good company. Last summer he lost his second wife. Despite a successful organ transplant with a genetically modified pig's heart, luck was not on her side. In addition, Floris himself suffers from the chronic illness of cancer, wherefore Joost finds it very important to check whether his father takes his medication every day.

Floris is very excited by the arrival of Joost. Together they drink a cup of coffee and chat for an hour. Time has flown by and Joost has to hurry to get to the hospital on time. The appointment goes well, and they have received positive news. As soon as Anna's DNA is fully grown, it will be possible to examine it and to repair it if the selected genetic diseases are present. With peace of mind Joost and Miranda plop down on the sofa at home in front of the 3d television and can now fully enjoy the pregnancy, what a wonderful day!



B.

**Future of
society and individuals**

05

Real deep fake; the age of information has quickly become age of disinformation

In recent years, the term 'fake news' has become increasingly commonplace. Here, fake news mainly refers to text messages that have been taken out of context. With the speed at which deep fake technology is developing, it is becoming increasingly easy to manipulate audio and video. Technological developments make films more realistic than ever. Generative Artificial Intelligence (AI) technology is used to create fake information. In short, this generative AI

“ If AI is reaching the point where it will be virtually impossible to detect audio and video representations of people saying things they never said ..., seeing will no longer be believing.”

William A. Galston

software can create synthetic media such as faces, voices, texts, images, moving people and sounds. Good to know: deep fake is based on negative intentions.

In the last year, we have been introduced apps such as FaceApp, ZAO and Avatarify, in which you can replace existing images into new versions of yourself. These can create a lot of laughter and on the positive side, the creative sector can get a boost from all the possibilities of generative Artificial Intelligence. People become

Every single day we consult photos, videos, sounds, human voices, written texts and reviews to live our digital lives, but... What if they all can be faked? This so-called 'infocalypse', based on deep fake technology, is on its way at fast speed and puts us in front of a new era of information consumption. Is it real, is it fake, or is it real fake?

their own filmstar or admire 'fake' models like Shudu with thousands of Instagram followers already. It is already here at our fingertips.

However, the downsides seem to have a far more fundamental impact to think about. A majority of Europe is based on democracy and the foundation of a democratic state is, after all, a shared perception of reality and a corresponding agreement on the facts. It

could be a serious strategy of one country to sow discord in another (adversary) country. By polarizing with fake news there is less sense of community, thus making it more difficult to steer politics.

The great danger is not so much that a lie is turned into truth or vice versa, but that the credibility of the truth is affected. If we face a future in which everything and everyone can be imitated, then nothing is real anymore, because it is dismissed as a lie or fake news. Who or what are we going to trust then?

CASE

New Steps to Combat Disinformation

Microsoft developed the tool 'Video Authenticator'. Video Authenticator can analyse a still photo or video to provide a percentage chance, or confidence score, that the media is artificially manipulated. In the case of a video, it can provide this percentage in real-time on each frame as the video plays. It works by detecting the blending boundary of the deepfake and subtle fading or greyscale elements that might not be detectable by the human eye.



06

The increasing continuous friction between trust and distrust

Building trust among citizens has always been of crucial importance for both businesses and governmental institutions. For the former, trust is a key to long-term profitable business while for the latter, trust is important for societal stability.

The role of trust amplifies even more in times of turbulence where the role of businesses and governments are put to the test by each individual citizen as well as political movements. This can especially be noticed in the current COVID-19 pandemic.

There is a generic trend that shows that the private sector has decreased in terms of 'trust performance' while governments have performed well. Citizens' opinions show that governments are key in providing economic relief, 'going back to normal again', containing the corona virus and providing information.

Despite the value that governments offer citizens and the increased trust among the general public, their relation is currently under a lot of tension. Small groups within society experience a growing sense of inequity and unfairness in the system. They perceive that governmental institutions only serve the interest of a few, instead of the general public. Especially groups with less education and fewer monetary resources are facing challenges, risk of illness and thereby higher chances to suffer from external influences such as the

COVID-19 pandemic. This shows the increasing and continuous friction between trust and distrust.

In the relationship between the general public and governmental institutions, there is a mechanism at play. Media and NGOs play a key role in shaping people's opinion about what goes on in society and how this is dealt with by the government. Since media is not just 'one entity' but consist of multiple parties that are implicitly scattered along the political spectrum, people's opinions are formed in different ways. This reflects well in what some groups call 'main-stream media', that supposedly partly uncover information or do not convey the truth. This phenomenon shows well how other parties have a crucial influence in people's opinion, fuelling trust or distrust among citizens.

The trend where 'middlemen' have immense power on the thin line between trust and distrust, sparks not only today's but also future's debate. The power of the ones that convey a message nearly becomes as impactful as the one making the message. This continuously fuels the battle between trust and distrust among people.

Who do you trust more? How conspiracy theories about government and NGO's spread faster than the virus, increasing the people's friction of trust and distrust



During the pandemic of 2020, worldwide governments have been implementing restrictions and measurements trying to prevent and manage the spread of the COVID19 virus. Nongovernmental organisations and foundations are on the contrary less bound by bureaucratic processes and therefore are more flexible and quick in responding to the crisis.



The Gates foundation, founded and run by Bill and Melinda Gates are involved in the public health sector since a long time. They have invested a lot of money in the research and production of a vaccine. The Gates foundation was able to act quicker than the government, like in Seattle for example where the foundation handed out test kits way before the state started their testing plan.



The Bill and Melinda Gates Foundation has committed \$300m (£240m) to combat Covid-19

Despite the big number of visible efforts to fight the virus, Bill Gates became the face of many conspiracy theories. A video of a TED talk in 2015, where Bill warns the public for a killer virus is trending again in 2020. People connect his engagement in the public health sector with digital innovations like putting microchips in human bodies to monitor their health. Gates ought to be behind the COVID19 virus and that it is all part of his plan.

So some people rather trust their government and some prefer the approaches and values of NGO's who have proven to be effective. And then there are also people who are convinced that organisations like the Gates foundation are cooperating with the government and that therefore neither can be trusted.

The different theories are spread faster than the virus itself and it is hard to track the sources and truth in the maze called the internet. So, this friction between trust and distrust keeps increasing.

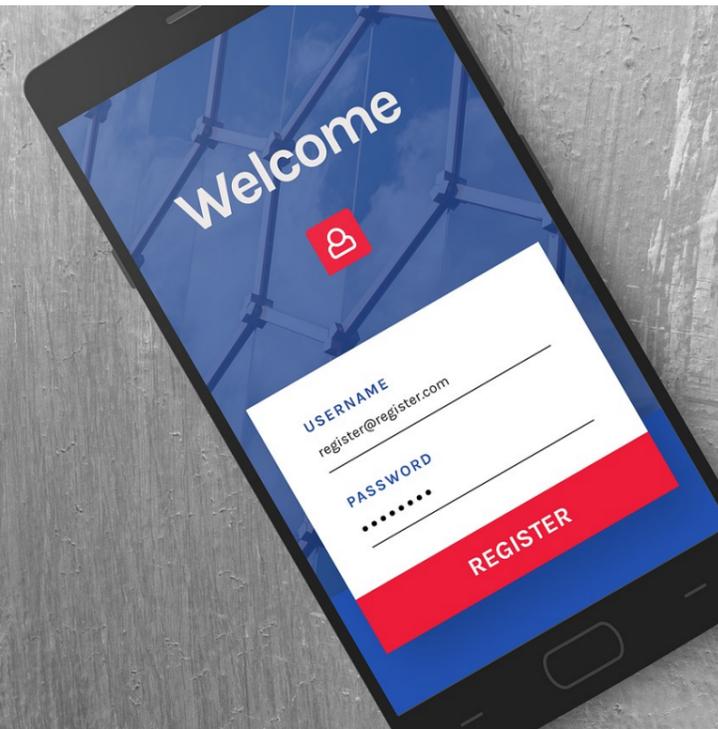


The video of the TED talk has been viewed more than 64 million times



More than a quarter of all Americans and 44% of Republicans believe that Bill Gates wants to use a Covid-19 vaccine to implant microchips under people's skin, according to a survey from Yahoo News and YouGov





07

Anything as a service; a shift from online to offline back to online

The experience economy has already been introduced two decennia ago. In this view, organizations fulfil a different role in society and serve customers differently. Namely, they do not merely provide customers with product and services, but they focus on providing customers with personal and memorable experiences. An economy based on quality rather than quantity. This has led to a shift from online to offline.

What we see today is that consumer preferences are changing faster and more often. In addition, today's consumers are looking for convenience. Organizations are responding to this by offering more and more products in subscription form. If you subscribe to toothbrushes (Yumaki), razors (Boldking), toilet paper (The Good Roll), clothing, books, olive oil, meals,

want, through maintaining and creating continuous dialogue, they are more likely to succeed and differentiate from competitors.

In the coming years, we will see more and more subscription models. The introduction of subscription models accelerated during the corona crisis last year.

“ In 2025, the global market for meal box services will be worth €7.83 billion. The services cost between €8 and €12 per meal (excluding delivery charges).

www.pcmag.com

coffee (Wakuli), perfume (Parfumado), flowers (Bloomon), art or toys, you don't have to look at anything for a fixed monthly fee! And this has led to a shift from offline back to online.

For consumers who want to consume more consciously and healthily, this revenue model continues to offer a solution. This model also responds to a new 'corona-persona'; the consumer who wants to avoid public (retail) places as much as possible. By using data (orders, returns and reviews), companies can make better choices for customers. And who knows in which sectors we will see the application of subscription models even more! This could also be an interesting revenue model for theatres, film houses and museums that aims for long-term customer relationships and recurring revenues.

Providing experiences is important because people are more demanding than ever. They are not just asking for good products and excellent 'one-off' services, but they look for entire experiences. They demand extraordinary experience along their entire journey, starting already in their 'orientation' phase. If organizations smartly think about what their customers

Nespresso: enabling digital innovation and new business models



We all know Nespresso, founded by Nestlé in 1986, from the ground coffee in small aluminium capsules that fit into the corresponding coffee systems. It was only in 1991 that Nespresso achieved success following a marketing campaign and from 1995 onwards the company became profitable. Over the years we have been drinking better and better coffee at home. In 2019, with a turnover of €105 million, Nespresso was ranked 19/100 in the list of the largest retail web shop in the Netherlands.

In 2012 the patents on the machines and the cup system expired. The arrival of competing capsules is putting pressure on Nespresso. Competitors not only sell similar capsules at a lower price or with other flavours; some also offer them in subscription form. A

coffee subscription offers customers a lot of convenience; you get good and fresh coffee every month based on the amount of coffee you drink without having to go to a specialty coffee shop!



95% of Nespresso's coffee is sourced via the AAA Sustainable Quality™ Program

Over the past few years, more and more coffee roasting companies have been established. The Netherlands alone counts more than 80. One can buy a coffee subscription at about 20 roasting houses - in most cases a subscription for coffee beans. However, there are also players who offer a subscription to coffee cups. Think of the Coffee Boys and Jones Brothers coffee.

market where the subscription model is increasingly becoming the standard, and comes with its own subscription formula. This subscription which runs for at least 12 months, includes a device (for which you pay €1) and a 'monthly credit' for which you can buy capsules, accessories and sweets online. Based on the number of cups of coffee a subscriber drinks per day, Nespresso prepares a personalised coffee plan. Contrary to the subscription models that already exist, subscribers still have to place orders (on a monthly basis).

Nespresso anticipates to the needs of customers looking for convenience and the movements in the



Every cup of Nespresso coffee should have a positive impact

Nespresso's subscription model boosts retention by rewarding loyalty and gives subscribers the ability to tailor purchasing plans, trial limited edition coffees and connect via Nespresso's IoT-enabled machines. The subscription model is becoming more and more

common in various industries. The combination Nespresso makes between a coffee machine and coffee can be further developed in for example the sports sector; think of the purchase of a tennis racket with a subscription for tennis balls.





C.

**Future of
businesses and institutions**

08

Privacy is becoming the next USP

Privacy is nothing new. Instead, it is increasingly incorporated in organizations' daily practices. The emergence of General Data Protection Regulation (GDPR) in 2016 as a key principle in sharing and storing data is a good example. However, instead of just complying with the rules, the current trend is that privacy become a key tenet in products and services of businesses. Hence, a new 'gold standard' that creates competitive advantage.



Admittedly, products and services are often at the heart of propositions. Making them more technologically developed and attractive can convince customers in buying them. Customers use it in their daily life to make them better off. Thus, organizations facilitate the customers with value through their products and services. Nothing new so to say. What happens when privacy, a usual 'burden' for organizations, become a competitive advantage?

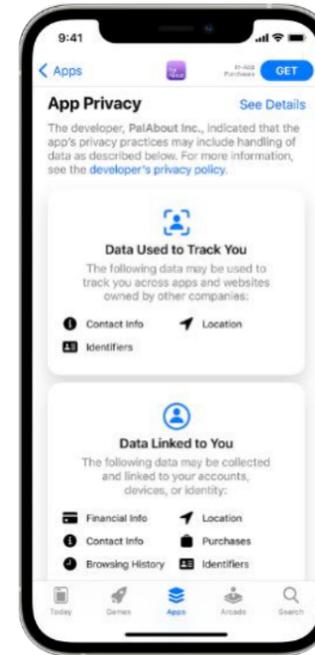
Nowadays, in our digital society, people are always connected with each other. Everybody is keen to know everything about each other. The booming big-tech industry is facilitating this enormously. Basically, their business model is based on the things they know about you. The public privacy debate got heated when big-tech enterprises like Facebook, Google or Apple, got heavily questioned on their data safeguarding and

transparency policies. This has caused that all organizations should be 'compliant'.

Privacy is now moving from compliancy to a USP. Instead of a background aspect, it is now at the forefront and positioned as such to convince customers. Take Apple as an example. Apple has positioned itself as the privacy safeguard in the tech industry. They created a commercial, called "Privacy. That's iPhone.", that shows the value of privacy in people's daily lives. Through spreading the message on digitally as well as immense billboards in metropolises, they want to show that people do not 'just' buy an iPhone. Instead, they buy privacy.

This example clearly shows that privacy is moving from an 'unpleasant must' to a 'must-have' in gaining a competitive position and staying relevant. As such, privacy is the new gold standard.

Apple smartly uses privacy as a USP



Apple is always present on the leaderboard in the tech industry. It stands for quality, convenience and impeccable designs. Apple has introduced groundbreaking products in the last two decades. One of the most known are the iPod and iPhone, products that we cannot live without, transformed the way we live and interact with each other. Besides their products and unique eco-system of applications, Apple now involves privacy as a key point for creating competitive advantage.



Brand value of Apple: 352 billion USD



Apple's annual revenue 2020: 274.52 billion USD

Nowadays, customers do not only search for high-tech solutions. They want to products and services safeguards their personal life, in essence, take care of their privacy. Instead of only complying with the GDPR regulations, Apple has turned such regulations into its own benefits by positioning themselves as the privacy safeguard for their customers. They do this through two things. First, they embed privacy into products making them fully secure. This would nowadays be seen as 'the norm'. Besides this, Apple uses privacy in their market approach and communication strategies to convince customers that they not solely buy an iPhone, they buy privacy.

Another concrete way of positioning privacy as a USP is how Apple introduced mandatory 'privacy labels' for applications. In essence, these labels, just like nutrition facts, shows exactly in detail how each app collects data and with what purpose.

Governmental institutions will put more weight on privacy regulations. Also, and more importantly in Apple's strategy, people increasingly value the security of their personal lives. Therefore, Apple will most likely continue and further position themselves as the 'Privacy safeguard'. As a result, there are high chances that Apple does not only distinguishes itself from its competitors through its well-thought through designs, but also with ensuring the security people's personal lives.

Besides Apple, many other players in the bigtech industry will follow in adopting privacy as a USP. However, the bigtech industry will not be the lonely. In a society where privacy becomes increasingly important, industries where privacy is already important are more likely to follow. Examples are the financial, insurance and health industries. Eventually, it is very likely that other industries will follow this trend.



09

Human brands over product brands

Experiences and opinions of peers are becoming increasingly important for consumers in buying products or services. Before even purchasing something, people first have the tendency to search experiences and opinions of peers. This is a development that has been going on since the rise of a 360-degree consumer feedback culture that contributed to the 'review economy'.

Taking a closer look why consumers find it so important to have access to information from peers uncovers an interesting development. Nowadays, consumers expect to transparency and honesty in information on products and services. Instead of only information from a provider's point of view, consumers look for 'uncoloured'/unbiased information that guides them in making the right choices. Such information not only provides opinions from an honest view, it also comes from peers, who in generally look for the same things. This development has evolved in such a way that organizations use consumers' reviews as a key selling point in convincing potential customers.

Further down the road, consumers' voices are becoming even more powerful. Besides the importance of consumer reviews on customers' purchasing behaviour, consumers are now becoming 'co-architects' of brands. Oftentimes, organizations build

valuable propositions and communicate their brand in such a way that it fits the message they want to convey. On top of this, consumers' voices are so impactful that they directly build to brands of organizations. This is based on their experiences and opinions with the brand, but also on the customer base that are associated with the brand. For example, being a consumer, you have a higher chance to look for brands that have a customer base in which individuals have a similar mindset. Consequently, consumers tend to contribute to 'human brands' and not 'product brands' only.

The power of consumers in building brands, can of course be a good thing. However, it can be disadvantageous when things turn ugly. Therefore, it is paramount for organizations to carefully treat customers, be aware of their social networks and take into account their drivers in life.



10

Reinforcing business pressure

Dynamic conditions today, providing a challenge for organizations to be able to compete with how to respond to rapid reaction, to the challenges and opportunities that come up which causes pressure on the business. This pressure may come from the market, technological development or society and today, the primary pressure is on green and sustainability, transparency and real purpose. The market demands an increasing corporate social responsibility of the organizations.



Consumers are increasingly caring about transparency, authenticity and that companies take positive changes regarding social and environmental issues. However, these changes are no longer a nice to have, but a need to have. The changes won't only bring benefits, they can also avoid collateral damage. Because consumers don't just walk away anymore. They can use their social networks reach and power to explain why they walked away. And this power comes from the ability to easily post controversial comments on social media and the freedom to organize and participate in boycotts, actions that might affect the reputation and credibility of an organization. On the positive side, these changes also ensure that an organization create a higher trust, increase brand loyalty and leave consumers more willing to pay higher prices and to try out new products.

Organizations need to understand and accept that they have a new challenge, discover their higher purpose, communicate it well and commit the best they can with their customers and other stakeholders. Instead of being afraid of what change might bring, see it as an opportunity to differentiate, innovate the business and create more authentic relationships.

Oatly is an example of cancel culture. Cancel culture is a phenomenon in which brands or public figures are boycotted because they disagree with the actions or behaviour of this person or brand. This usually happens after a storm of criticism on social media. This may lead to pressure or 'cancellation' from stakeholders such as investors, advertisers or suppliers, who don't want to be associated with the brand or person.

Oatly: an example of cancel culture



In 1990 Oatly wanted to offer a sustainable alternative to dairy for people with lactose intolerance in Sweden. Years later it is one of the most fast-growing companies in the world. In the beginning of 2020 it has a sales increase of 270%. Oatly offers alt-milk products (alternative products for dairy) and it claims to be 73% more sustainable than normal milk. Also, it says to be more sustainable than other alt-milk products like soy or almond. Due to clever marketing Oatly has a huge customer base existing mostly of environmentally conscious people and vegans.

However, since September 2020, Oatly is under pressure after closing a deal with Blackstone, a private equity firm headed by Trump donor Stephen Schwartzman. Customers are boycotting Oatly because Blackstone is linked to a Brazilian infrastructure investment that contributed to the deforestation in the Amazon. Although Blackstone is refusing this accusation, many people respond negative on social media.

Laura Young, a climate activist who started the boycott wrote: *"I don't want my money going to the destruction of the planet, and putting peoples lives and land at risk just so that I can have a creamy coffee in the morning!"*

Another user added: *"For crying out loud. Were you guys that short of offers for investment that you went with Blackstone group? I'll be voting with my purse I'm afraid. Recommended you to literally tens of people. That comes to an end too. Why sell your soul? Not everything is money!"*. Oatly defended itself saying that it: *"will help us expand our sustainable mission and create more plant-based products"*.

Blackstone now owns 10% of Oatly in shares which is worth about 2b\$. Since the boycott the brand is facing protests by climate and political activists which results in serious damage of the brand.



11

Meaningful business models; the agility and social responsibility to fit into the world of the day after tomorrow

The world is changing rapidly. In order to remain relevant in the rapidly changing world, organizations need to adapt to the developments taking place. Digitisation and new technologies provide more opportunities and transparency, which means that organizations have to move fast in order to survive in today's world. Together with the organization, the entire business model will have to shift along to the demand of the market. The business model cannot longer be about profit and turnover, but about being sustainable in the broadest sense. Where flexibility, creativity and engagement touch every part of the organization. Customers expect this already, are you there yet?



The future resilience of a business model lies in the flexibility and creativity of an organization in order to respond to market demand. In this way, an organization can react quickly to a situation or easily switch between situations in order to remain relevant and gain or retain a competitive advantage. However, the flexibility of the business model needs to flow through the entire organization, for example the way of continuous step-by-step innovation and the multifunctional employability of employees.

Also, engagement in the broadest sense of an organization is essential for a sustainable business

model. On the one hand you have the sustainability and social responsibility of your organization and on the other hand you have the involvement of your internal and external stakeholders, such as your employees and consumers. Involvement in what they need, what is good for them or where their needs lie.

To underpin the above-mentioned movements; there has been a strong growth in Certified 'B Corporations', known as businesses, that meet the highest standards of verified social and environmental performance, public transparency, and legal accountability to balance profit and purpose. Have you started yet?

CASE

Be like Ben & Jerry's; be economically sustainable and create positive social change!



Ben & Jerry's produces a wide variety of super-premium ice cream and ice cream novelties, using high-quality ingredients including milk and cream from family farmers who do not treat their cows with the synthetic hormone rBGH. Ben and Jerry's products are distributed nationwide and in selected foreign countries in supermarkets, grocery stores, convenience stores, franchise Ben & Jerry's Scoop Shops, restaurants and other venues.



1989 – Ben & Jerry's speaks out against artificial growth hormones



B - Impact score of 110.0



2006 fairtrade certificering

Ben & Jerry's overall mission is to make the best product they can, be economically sustainable, and at the same time, create positive social change – specifically to advance new models of economic justice that are both sustainable and replicable.

Since 2012 Ben & Jerry's has been a certified B-corporation. In order to carry this certification, they are legally required to consider the impact of their decisions on their workers, customers, suppliers, community, and the environment.

Ben and Jerry's are constantly trying to reduce their impact, to use green energy, and what they cannot reduce we compensate by investing in reforestation projects and as one of the few companies they charge an internal CO2 tax. They pioneered a few years ago with the first HFC-free freezers. They opened a new window, and with their bio-digester they opened a new window in Hellendoorn. By 2025 they want to reduce 40% of our energy consumption - not only in our own factories, but also on behalf of our suppliers and consumers, measured from cow to horn.

Impact COVID-19



12

Next generation user-centric and high-value platforms

Similar to earlier development stages of the internet, new dimensions of innovative solutions continuously arise. The first generation of internet was all about broadcasting information. It took several years before we discovered how to use the internet to support transactions and use it for logistical purposes.

More recently, platforms have been used as a new connection between demand and supply, thereby accommodating the exchange of information and commercial transactions.

The focus of next generation networks lies on the revival of true value. In essence, it connects and engages people and organizations, centred around values and personal relevance and facilitation of value exchange.

Leveraging existing platform characteristics like:

- ◆ **Connecting people**
Platforms have the ability to connect people. Once people have the same interest and want to contribute in a certain way, they are enabled to find each other, to connect and to collaborate.
- ◆ **Commercial transactions**
Commercial platforms, aggregating products and services and push them towards the market.
- ◆ **Cross border and in an easy way**
Platforms make traditional thresholds, like for example regions, organizations, disciplines, disappear. Furthermore, it makes it more convenient to find and connect to people, knowledge and services.

We live in a world where technology enables us to connect to each other, all over the globe. The next step is to leverage the untapped potential of true engagement and making valuable connections. This means it is time for a next generation of high touch and high-tech value chains based on network and platform thinking principles and technology.

Society becomes more and more organised using networks. Networks facilitate to come together, get connected, exchange goods, socialise and work. The success of platforms has been proved by organizations like LinkedIn, Facebook, Instagram, Amazon, and Uber.

Next generation user-centric and high-value platforms accommodate people further:

- ◆ **Engagement**
Making valuable connections through common interests and common values.
- ◆ **Corresponding the personal situation**
Facilitating people according to their personal situations like living area, convictions, life stages, lifestyle.
- ◆ **Leveraging the wisdom of the crowd**
Enabling and stimulating collaboration, co-creation and innovation.
- ◆ **Value exchange between people, between organizations, and between people and organizations**
The connecting platform facilitates all kind of value exchange, between individual people, between organizations and between people and organizations.
- ◆ **Redundant and nonlinear value chains**
Enabling peer to peer connections between users and providers, finding each other thanks to smart matchmaking through the network.

Next-generation platforms will be successful by re-using a combination of innovative technologies:

- ◆ Platform principles and technologies including functions like magnet, toolbox and matchmaking
- ◆ Blockchain principles and technologies including the management of powerful distributed peer to peer connections.

Just imagine ...

“

Next generation user centric and high-value platforms

Irene and her partner Michael are at home with their dog Spikey. While she pets Spikey, she notices Spikey can use a good bath. She opens her 'super app' to order a cleaning and grooming service for the dog. Within two hours, the cleaner, named Joey is at her doorstep to give Spikey the attention he deserves. After 20 minutes Spikey is as clean as can be. After paying Joey using the app, Irene snaps a photo of Spikey, tags Joey's business in the photo and shares it with her friends.

Irene hasn't left the 'super app'.

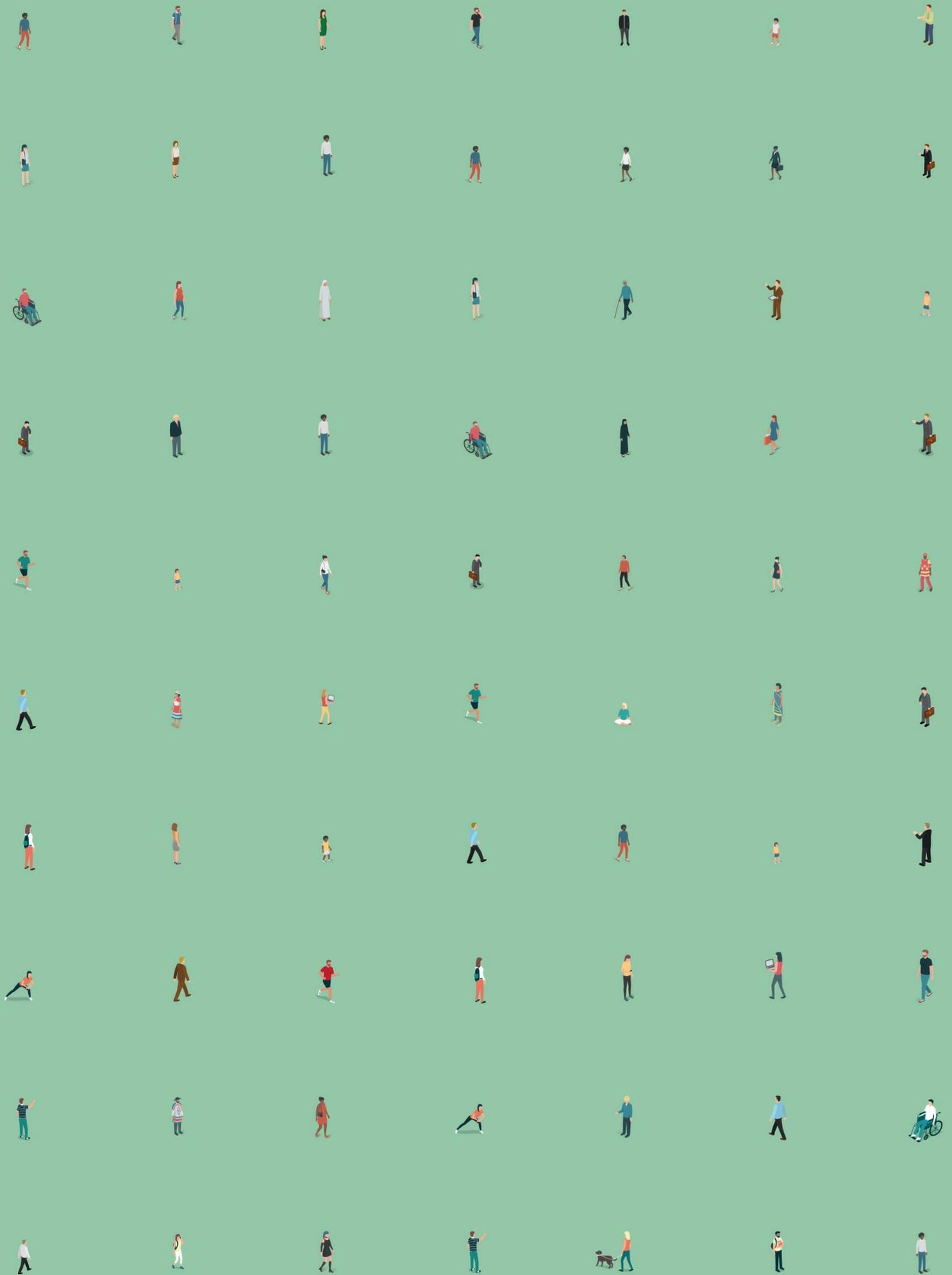
Sarah, a good friend of Irene, sees the photo of clean Spikey while browsing through her friend's updates in the 'super app' while working from home. Because her dog can use a good cleaning too, she clicks the tag of Joey's business, books an appointment and before she knows it, Joey is on his way to Sarah. After booking the appointment, Sarah uses the app to message Irene to thank her for sharing the photo and Joey's company. After chatting for a bit, Sarah tells Irene about new sushi place she recently discovered and shares the company's details in the chat. Irene is interested and clicks the link, checks the menu and decides to go have some food at the sushi place. She orders a taxi for Michael and herself to go there. Joey, who just received payment from both Irene and Sarah, decides to invest some of his profits in a new real estate project.

Irene, Sarah and Joey still haven't left the 'super app'.

When entering the restaurant, a TV screen shows Irene's photo to let her new they know she just arrived. Irene and Michael sit down, check the menu in their app, order food and directly pay for it, in the same app. After talking for a while, Irene remembers she owes Sarah some money and decides to transfer her the money she was due. After receiving their food, Sarah and Michael aren't blown away by their food since it's a bit dry. Irene snaps a photo of the food and leaves the restaurant a score including her review.

Irene, Sarah, Joey and the sushi place haven't left their 'super app'.

A 'super app' serving as a user-centred platform connecting individuals and business like described above appears to be something you only see in science fiction movies, right? Guess again. In China, WeChat already serves as a 'super app' like this for more than 3 years! All the convenience and high-value available for the user under just one single app.



The team of The Next Organization formulated this Outlook by consulting various sources. List of references is available upon request.

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