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Building Business as a Force for Good

Winning the 2020s

FIVE IMPERATIVES FOR SUCCESS

February 2020

Pioneering Business, as a Force for Good

TomorrowToday Consulting (TTC) is a specialist consultancy partnering with middle market and progressive big business to do well, by doing good. We co-develop purpose, roadmaps, strategies and the innovation culture that delivers growth and a better future for all stakeholders. At the heart of everything we do is the optimisation of both social and business impact.

Our customised approach combines deep insights into the dynamics of disruptive forces and megatrends transforming the world of work, with close collaboration at all levels of the client organisation.

We excel in the business of releasing human potential, this is where true strategic and competitive advantage exists.

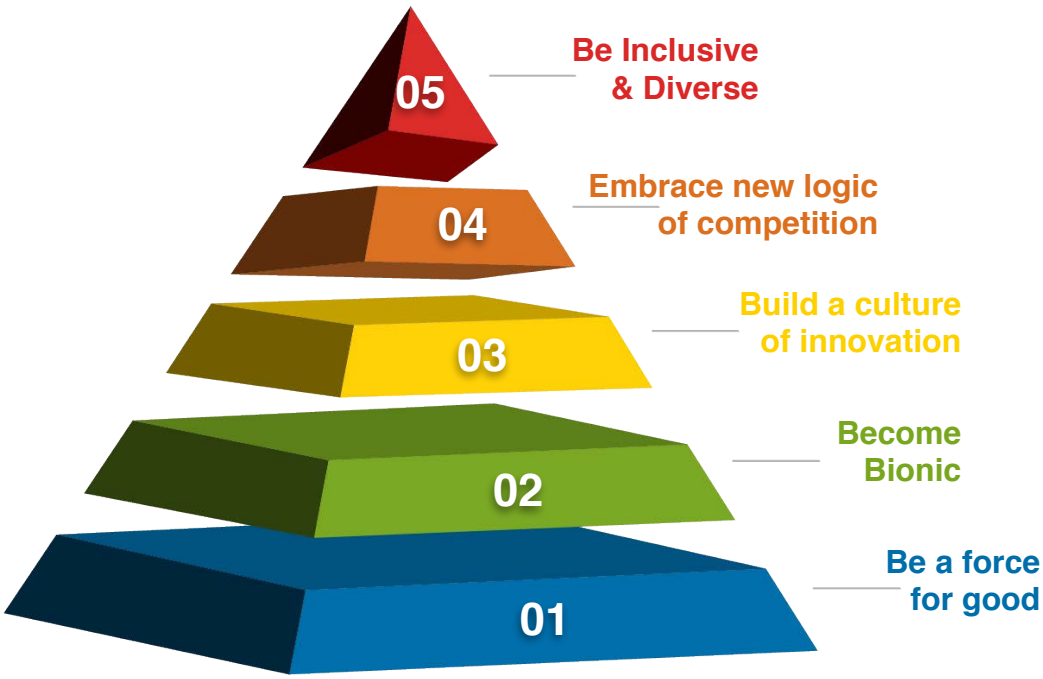
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THE FIVE IMPERATIVES FOR COMPETITIVE ADVANTAGE IN THE 2020s

Every hundred fifty to two hundred years, forces of progress collide and something remarkable has emerged. The Ancient Greeks named these epochs: Kairos — times of dramatic peril where leaders who are tuned to change seize opportunity to shape the future. The 2020s will be a period of Kairos. Here are five steps to building an organisation that will thrive in the 2020s:



Five Imperatives Driving Success

01 — Be a force for good

The 2020s will witness a massive paradigm shift in terms of what makes companies competitive as well as contributors to society.

93% of people who say business should have a positive impact in society



77% of people who wouldn't care if brands disappeared



65% of millennials that would take a pay-cut to work for a company with a meaningful purpose



Since 2016 impact investments have grown

34% worldwide to total over

$30 trillion

$12 trillion Annual economic value, in US dollars, if business achieve the UN's SDGs

181 CEOs of leading companies with more than 15 million employees and $7 trillion in annual revenues signed the Business Roundtable purpose statement committing them to lead their companies for the benefit of all stakeholders





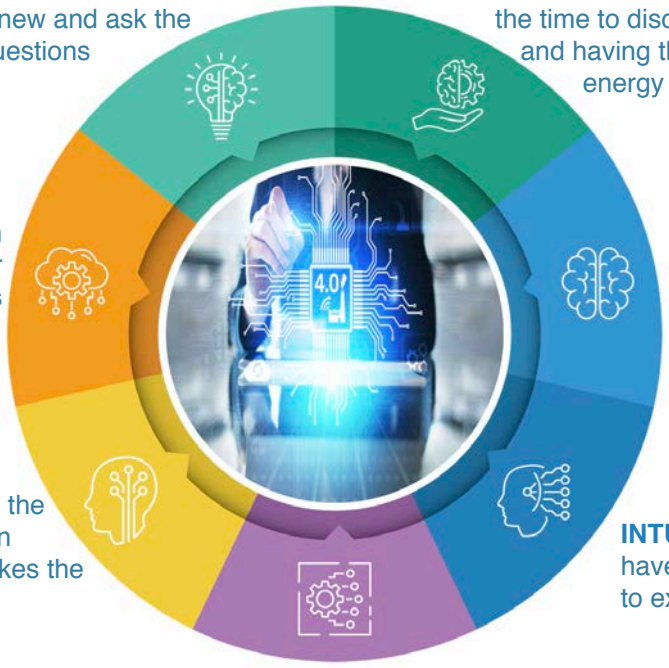


Doing well, by doing good has gone mainstream. By the end of this decade companies that are not positive contributor to society will loose advantage. Leaders have a choice, continue to perpetuate the old paradigm of shareholder capitalism or become part of the new stakeholder capitalism movement creating sustainable competitive advantage, economic value and wealth that delivers meaningful benefits across society. The very role of business in society is being reinvented and Peter Drucker may have captured it best: *"Every single pressing social and global issue of our time is a business opportunity."*

02 — BECOME BIONIC

Studies by Oxford University predict robotics and automation will replace up to 47% of jobs over the next decade. So, the important question is: What can humans do that intelligent machines can not? The answer lies in seven very human skills

Organisations need to unite humans and machines. This can be achieved by blending people and technology capabilities through the upskilling of the workforce with seven higher level human skills that technology can not provide.



CURIOSITY: The confidence to explore the new and ask the important questions

EMPATHY: Caring enough to take the time to discover what is wrong and having the compassion and energy to find a better way

RESILIENCE: Learning from failure and the ability to recover quickly from setbacks

CREATIVITY: The skill of finding exciting new solutions

INSPIRATION: Enhancing the skill of getting others to join a crazy adventure that makes the impossible possible

INTUITION: Knowing when you have it wrong and the willingness to experiment to find new routes

COLLABORATE: Developing the skills to work with people and machines flexibility and in large numbers

People have been trained to operate and manage processes. In the 20s the focus will be on designing processes that are digitally automated and driven by AI. Understanding pain points in complex systems and creatively forging innovative solutions will be the domain of humans with the delivery of process increasingly automated. Being bionic requires upskilling the workforce to master these seven skills whilst augmenting process with data analytics and machine capabilities.

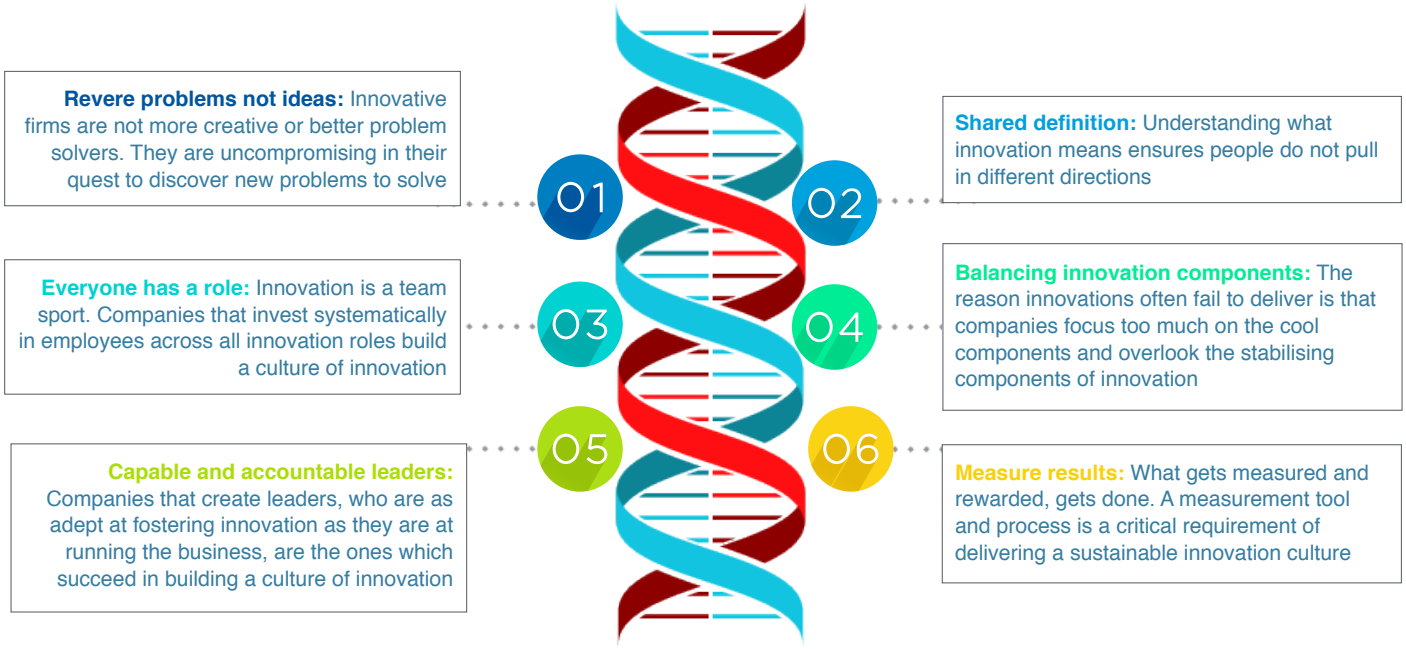
03 — BUILD A CULTURE OF INNOVATION

Steve Jobs said “Innovation has nothing to do with how many R&D dollars you have. When Apple came up with the Mac, IBM was spending at least 100 times more on R&D. It’s not about money. It’s about the people you have, how you’re led, and how much you get it.” –

Successful leaders recognise that innovation is not a thing, but rather part of their DNA and how their people do things. The leaders enable innovation to become embedded and sustainable by focusing on six areas that strengthen the evolution towards a culture of exploration and innovation:

1. Revere problems over ideas
2. Shared definition
3. Everyone has a role
4. Balancing innovation components
5. Capable and accountable leaders
6. Measure results

EMBEDDING INNOVATION INTO ORGANISATIONAL DNA



Too often, organisations seek out a single magical innovation formula and say: “This is how we innovate.” They mobilise resources and for a while it works. But eventually, the returns diminish. Innovation is not, however, a thing or a strategy. The most innovative firms are geniuses at building a culture around seeking and discovering problems that nobody else realised existed. Innovation is sustained in a systematic approach and building culture of innovation which becomes is embedded as part of the organisation’s DNA.

04 — EMBRACE THE NEW DYNAMICS OF COMPETITION

The nature of work and competitive advantage changed over the last decade and it stands to reason that leaders will have to adjust again as new competitor dynamics emerge. Eight trends are disrupting the future of work, they are listed below.



These trends confront leaders with fundamentally new challenges. Organisations must focus less on forecasting, planning, and direct control and more on creating the organisational DNA, that provides the capabilities necessary to evolve and grow sustainably.

05 — BE DIVERSE AND INCLUSIVE

While most companies profess to have D&I programmes, only 25% of diverse employees believe they have benefitted. The growth of women in senior and board levels of leadership has stagnated and there has been little progress in gender diversity over the past ten years. The average share of women in leadership roles in big companies increasing only 1% from 26% to 27% between 2009 and 2018

But studies demonstrate a clear correlation between the diversity of management teams and an organisation's degree of innovation. In addition those companies have higher EBIT and profit margins than companies with below-average diversity in their leadership teams.

+9% EBIT at companies with above average diversity in their leadership teams



+6% net profit margin at companies in which 30% of leadership roles are held by women

+19% innovation at companies with above average diversity in their leadership teams

Achieving agility, innovation and resilience through diversity is crucial for succeeding in the 2020s. However D&I remains an under leveraged opportunity. D&I must become a business imperative. Leaders need to establish the workplace that allows people to embrace and support diversity initiatives. Like innovation needs to be part of an organisations' DNA, so to must D&I.

Build a 21st-Century Enterprise

The 2020s will be a decade of disruption as technology, geopolitical and social trends collide to create new organisational and societal realities. The leaders who are tuned to change will seize opportunity.

Inspiring a strong sense of purpose and delivering meaningful benefits to all stakeholders will be vital. Leaders must amplify distinct human capabilities and discover synergies inherent in human–machine collaboration. That means fashioning a bionic enterprise, one that augments technology and people in ways that bring out the best in each.

Investing in a culture of innovation and embedding this within the organisation's DNA as a natural manifestation of how things are done will build a strong foundation. Embracing diversity especially cognitive and gender, will speed-up and strengthen results.

None of this is easy, but the result will be organisations that are able to learn, unlearn and relearn faster than their rivals, thrive in the face of uncertainty, and continually evolve to deliver remarkable results.

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