

# Leadership

## New Adventurous Leadership | 2 Business Modernism

By  
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**Amrop**

Leaders For What's Next



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## New Adventurous Leadership | 2

### Business Modernism

The coronavirus crisis has brought us closer to 'Business Modernism', showing us that organizations need a new breed of adventurous leader who can develop a new interface between people and technology.

Precisely a year ago, I wrote a report in collaboration with Amrop. 'New Adventurous Leadership' investigated how incumbent businesses could make a transition into a new fast-changing future and create sustainable growth. We outlined five global mega trends and analyzed the qualities needed for the next generation of leadership teams to get time on their side.

Today, June 2019 seems like a century away. We are in the middle of the biggest global setback in 75 years and much has changed since we wrote the report. Companies have been locked down for several months, people sent home and the economy has slowed while unemployment has accelerated. And we still don't know what the final outcome of COVID-19 will be.

As a futurist you are constantly making predictions and after a time you often wish that your reports could be mislaid and forgotten. I'm not sure this is the case with New Adventurous Leadership. The coronavirus crisis may just have pushed us even closer to the future state than we were before, and I think we are on the brink of a new post-digital age: Business Modernism.

But let's start with the predictions from June 2019 and the five mega trends we think will dominate the global business scenario.



# 5 Megatrends That Will (Still) Drive The Future

1

**Three Technologies** will be dominant from a business model perspective

That's *blockchain*, *artificial intelligence* and *internet-of-things*. Each technology will have a huge impact on most business processes but, brought together, they will multiply each other and create formidable new opportunities, which are beyond the imagination of most executives.

2

**Ecosystem Economy** will wipe out the 20<sup>th</sup> century's business models

We are already experiencing the enormous power of *transaction platforms* such as Alibaba or Amazon, or *technology platforms* such as Apple that enable businesses to change and expand at the speed of thought. Next step will be network-driven *social commerce platforms* such as those that we are beginning to see in China.

3

**Power of the Crowd** will give business direct access to funding and talent

We see more and more businesses being backed financially by communities and individuals via crowdfunding sites, and we see corporations of all sizes finding and collaborating with an expanding network of people and companies.

4

**Economies of Unscale** challenges the industrial ideology that bigger is better

Soon, any entrepreneur with a bright idea will be able to buy all the business processes he or she needs as a service in the cloud. While incumbents have old technology legacy systems that are hard to change, challengers can focus on entirely new business models based on the latest technology.

5

**New Globalism** will eventually replace 30 years of centralized hyper-globalization

This is no longer environmentally or socially sustainable. New technologies will make it possible to manufacture goods and services close to the future consumers, in sync with the needs of the community.



Looking at what has happened to the world since our last report, I don't think these trends are close to their expiry date. Actually, they are even fresher than they were a year ago. But let's investigate what has happened and how our view on the future may have changed.

## Of Chains and Pyramids

One thing springs immediately to mind: we have stretched our supply chains too far. As French president Emmanuel Macron expressed it: "At the start of the pandemic we needed simple face masks worth maybe just 40 centimes, but we couldn't get them, and people's lives were at risk. And the main reason for that is that profit counts more than people." The same is the case with the global food supply chain. Farmers had to destroy their crops and pour milk in the sewer because of highly specialized but rather inflexible systems. Almost every industry has tales to tell about broken logistics.

People's values have changed. The coronavirus crisis has taken us on an escalator trip down Maslow's pyramid of needs. The *self-actualization* that was of great concern for most modern people before COVID-19 now seems irrelevant in a closed-down world. So is *esteem*. Who cares about how successful you are when hundreds of thousands of people are at risk because of a virus?

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So, we land on the middle layer: *love and belonging*. We have missed that for a long time, haven't we? In our quest for success and individuality, we have forgotten that we all need to belong to a community. The funny thing is that the crisis has actually brought love and belonging back to us. We are in this together. For the first time for as long as we can remember, the entire planet has had the same agenda. Eight billion people struggled to fight the same disease and for a short moment humanity seemed united. How it approached any kind of a solution is another matter, as we'll see in a moment.

Taking the next step down the pyramid, we find *safety*, which we, not least young people, have typically taken for granted, but the coronavirus is teaching us differently. Safety can only be created if we all contribute.

Finally, at the bottom are *physiological* needs, such as food, drink and medicine. Billions of people fear that the future may prevent them from covering these basic needs — now they have first priority. The crisis has turned our value system upside-down.

And now people have become more fearful. Most of us have realized that we cannot take anything for granted; we have realized that anyone can lose her job, and we are thinking more carefully about how we spend our money. Luxury items are low on our shopping lists at the moment.

We will get through this. We may even forget — humans tend to have short memories. But I don't think we'll suffer from amnesia this time. Our old values from the 20th century have been measured and found wanting. People no longer want growth at any cost. The crisis revealed blue sky over formerly polluted cities, Venetians experienced clear water and even fish in their once dirty canals, and we have felt the joy of belonging to communities we thought didn't matter.

## Digital is a Positive Virus

During the crisis, we have been using social media in new and constructive ways. It's no longer (just) about promoting ourselves — it's about practical communication. We have learned to travel in spirit, zooming in on e-meetings around the world.

Industries have been re-configured. Some have been hit hard — airline and travel, for example. And some have almost been obliterated, think of cruise tourism. Others — particularly digital substitutes - have prospered during the pandemic. By mid April, Netflix had acquired 16 million subscribers <sup>[1]</sup>. And there was a 248% surge in buy online/pick up in store orders <sup>[2]</sup>

Zoom, in particular, has blossomed: its stock has more than tripled in price so far this year, and it is worth more than the four largest US airlines <sup>[3]</sup>. And this actually makes sense. Instead of taking a plane we take a Zoom meeting into the future. This digitization of physical communication will have a lasting impact on how businesses operate going forward, and bring people together in new ways.

As more people than before have been taught by necessity to shop online and do digital banking, they will not go back to normal. They will go into a 'new normal', one which is still rather blurred.



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## Re-thinking Globalization

For 25 years we have talked globalization, and we will continue to do so in a sense, but the discussion will be about globalism, rather than globalization.

Globalization has meant that fewer companies have gained increased global power, whereas globalism will lead to increased decentralization in global communications.

The notion of a global community was already flawed when the Corona went viral. The clearest indicator of this is that we did not solve the new problem as one big global community. When the disease spread, each nation took over and did as it thought best. The lockdown of Europe never became an EU-initiative. Suddenly the residents of the global village sought shelter behind their old walls.

This is not necessarily the beginning of national isolation, it's rather a scale-down of global operations. The UK's Secretary of State Dominic Raab has declared that relations with China will never be the same and Emmanuel Macron has suggested that Europe should increase its co-operation and start to develop its manufacturing industry. These are examples of what we coined "new globalism" a year ago.

We have seen a tech-globalization with its pros and cons connecting billions of people digitally. But the operating system is obsolete. The leaders of two of the greatest nations are at odds with each other — and their people. We have seen riots in Paris and Hong Kong. Riots in the USA spread to major cities in other countries.

Going for profit and growth at almost any cost is no longer sustainable and acceptable. Lest we forget, the planet still has a climate crisis to attend to! It won't go away because of COVID-19.

*So, what's wrong?*

## Business Modernism: Re-defining the New.

I believe there is an urgent need for a new operating system that can handle people and technology at the same time. We have developed wonderful technologies that can solve most practical problems almost without people — but we don't know how to keep people satisfied with meaningful lives.

The political and business operating systems aren't there yet; we still have to find the right people who can develop future organizations that are driven by dazzling new technology with a solid interface with humans. Our conclusion a year ago was that future organizations needed "adventurous leaders" because they have to lead their organizations in extremely uncertain times where old business rules and tricks no longer work.



I don't think the coronavirus crisis has changed any of that. We still need adventurers at the helm. It's remarkable that when businesses were paralyzed by the coronavirus lockdown, Elon Musk's aerospace company, SpaceX, successfully launched its first two people into orbit. He still had his adventure to tend to.

But I think we need to take our prediction one step further after the crisis, as mentioned in the beginning of this article. I believe we are at the beginning of *Business Modernism* in the post-digital era.

Everybody has been talking about digitization and technology for the last 10 years, but hardly anyone has talked about people. The pandemic has pointed that out to us. And to understand the term *modernism* we need to go back a hundred years. Modernism was a philosophic and artistic revolt that grew out of the horrors of the First World War. The rationale was that if a world that believed in enlightenment (read: technology) in 1914 could create a Ragnarök battle beyond imagination, then that world needed new thinking. One of the key figures in the modernist movement was the poet and critic Ezra Pound, mentor to literary geniuses such as Ernest Hemingway, T.S. Eliot, James Joyce and Robert Frost. Pound's war cry was "Make It New"; whenever you have an opportunity to change something, do it. Which is why Picasso painted as he did, and Hemingway wrote as no one had done before.

It was modernism that formed the 20th century, and business had its modernists too. Henry Ford was one of them. They all broke with the past and Made It New. To me, Elon Musk, more than anyone, and despite his flaws, is a 21st century *Business Modernist*.

Here, he sums up his viewpoint: "you want to do projects that are inspiring and make people excited about the future. Life's got to be about more than just solving problems. You want to get up in the morning and say, "yes, I'm looking forward to that thing happening."

And now I'm getting closer to my point. When Ezra Pound said, "Make It New", everything wasn't new. The "It" was the old. It was the "It" that was to be made new. For Hemingway the "It" was not the book; the book was the same, the "New" was how he wrote in short modern sentences fit for the advent of the industrialized age, for people who had a constant eye on the clock.

For the last two decades we have seen a lot of successful companies that Made it New, such as Amazon, Alibaba, Huawei, Microsoft and Netflix. They have done this with regard to technology and business models — but they have not been sustainable, they have done it within the old 20th century setting. They have turned jobs into software, successfully automating the global service- and manufacturing industries. Business Modernism has taken a lot of people out of its equation. But the people still exist in the world, and many feel scared and excluded.

*Aye, there's the rub*



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## Sustainable Technology

We will never be able to create a sustainable business future until we Make the It of relationships between technology and people New. So if we look at our conclusion from a year ago, that businesses need ‘adventurous leaders’ to steer them into a chaotic, technology-driven world, we can confirm it’s still true. But we should add that the coronavirus crisis is teaching us that the adventurous leaders of the future also need to be adventurous about finding new ways of integrating people with technology and new business processes.

This will be adding a whole new dimension to the qualities that modern leadership must possess in order to create sustainable growth within the new modern business paradigm.

A recent Amrop article<sup>[4]</sup> invites digital leaders to ask themselves: *To what extent do I emphasize an ethical, responsible and sustainable approach to digitization?*

As Amrop argues, wise leaders are not just commercially accomplished or cognitively smart, they make responsible decisions and skillfully resolve ethical dilemmas, addressing socio-ecological challenges in a holistic way. Significant evidence supports the argument for wise leadership, and by association, the wise CIO, one who stands at the epicenter of the adventure.

The digital era has raised a host of new dilemmas for its leaders. In creating more profitable relationships with consumers, to what extent should consumer data be used to predict (and influence) individual choice? In accessing data, should organizations just comply with the letter of the law? Or aim for the spirit of the law, restricting data access more than is legally necessary? Given advances in AI and robotics and their potential to replace humans, how to strike a balance between profit and people?

Amrop’s Wise Decision-Making Model (2018)<sup>[5]</sup> addresses factors within a leader’s scope of control according to 3 axes: *Self Leadership* (moral compass, cognitive and affective intelligence, bias and risk management), *Motivational Drivers* (leadership and career choices) and *Hygienes* (mindfulness and feedback-seeking practices). Together, these address the leader’s propensity to make ethical, responsible and sustainable decisions.

The ‘Adventurous CIO’ occupies a central position in modern business. So she needs to exemplify wise decision-making, transmitting its principles and behaviors into the digitization culture. Seeing beyond the technical boundaries of digitization, to its wider, and profound, implications.





# References

<sup>1</sup> Netflix gets 16 million new sign-ups thanks to lockdown. 22 April 2020, [bbc.com](https://www.bbc.com/news/technology-55811111).

<sup>2</sup> Shoppers buy more online compared with before the pandemic, June 8, 2020, [digitalcommerce360.com](https://www.digitalcommerce360.com).

<sup>3</sup> Associated Press/The Guardian, June 3, 2020.

<sup>4</sup> What Really Counts In Digital Leadership? Chapter 3, Culture. By Job Voorhoeve, Amrop.

<sup>5</sup> Wise Decision-Making: Stepping Up to Sustainable Performance, 2018, Amrop.



## About Amrop

Established in 1977, Amrop operates through Asia, EMEA and the Americas through 76 offices in 49 countries. It is one of the largest global executive search partnerships.

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