Global Megatrends

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Content

1. Introduction
2. Global Megatrends
3. Implications for Organisations
Introduction: What are Megatrends?

- Megatrends **shape future markets**
- Three characteristics in which megatrends differ from other trends:
  1. **Time Horizon:** Megatrends can be observed over decades. They can be projected at least 15 years into the future.
  2. **Reach:** Megatrends impact comprehensively on all regions and societal subsystems, whether in politics, society, or economy.
  3. **Intensity of impact:** Megatrends impact powerfully and extensively on all actors, whether it is governments, individuals and their consumption patterns, or corporations and their strategies.
- Megatrends are **long-term processes of transformation with a broad scope and a dramatic impact!**
Introduction: Megatrends of the future

Which Megatrends have the biggest influence on global development in the upcoming 20-40 years?

Publishers
- Fraunhofer Society (2010)
- Ernst and Young (2009)
- Credit Susisse (2009)
- Horx (Future Institute) (2009)
- Z_Punkt Foresight (2009)
- Roland Berger (2009)
- Allianz Dresdner Economic Research (2008)
- Gundlach Consulting (2008)
- Steria Mummert (2007)
Content

1. Introduction
2. **Global Megatrends**
   - Globalisation
   - Demography
   - Environment
   - Health
   - Technology
3. Implications for Organisations
Megatrend 1: Globalisation

- Driving forces behind globalisation:
  - Liberalisation of global trade and financial markets
  - Decreasing costs for communication and transportation (due to technical innovations)
- The BRIC states (Brazil, Russia, India & China) are still the major players concerning global growth
- Global spread of value creation: network economy, (utilization of local economies), increasing mobility and flow of goods
Megatrend 1: Globalisation

Shift to Asia: Shares in global economic output

Megatrend 2: Demography

- Global population is increasing dramatically
- up to 9 billion people in 2050
Megatrend 2: Demography

Strong regional differences: 
*Shrinking Society in the West and High Birth Rates in Developing Countries*

- 95% of the population growth until 2050 in developing and emerging countries
- In contrast, the population in industrialized and some developed countries will decrease
- As a consequence and because of shortage in commodities such as water, migration from poorer to richer countries will rise

*Growth in Mio. 2005-2015*
Megatrend 2: Demography

*Increase and Ageing of World Population*

**Challenges for companies:**

- Silver Markets: Main growth for consumer products and services in the field of health and leisure (“Best Agers”)

- Internal challenges: brain drain, health management and diversity management

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Share of the Population aged over 60

![Graph showing the share of the population aged over 60 in industrialized, emerging, and developing countries for 2005 and 2030.](image-url)
Megatrend 3: Environment

Changes in energy demand and energy mix 2000 - 2050

- Increasing energy consumption
- Fossil fuels are still important
- Use of Alternative Energy Sources and Renewable Fuels is increasing
- Solar power will become the most important energy source on the globe.

Source: Advisory Council of German Government (2009)
Megatrend 3: Environment

- Rising CO₂ Emissions and Temperatures
- Environmental Problems in Emerging and Developing Countries a Risk Factor
- More Investment in Clean Technology: Environmental technologies can become key drivers for economies
- Efficiency Revolution Continues: Scarce resources and increasing commodity prices lead to techniques that increase energy and resource productivity (incl. recycling)
Megatrend 4: Health

- Worldwide the level of medical care increases
- Rising Health Costs – especially in industrialized countries (financial deficits in welfare system); eldercare and chronic diseases
- Increasing personal responsibility (e.g. health prevention)
- From Keeping Well to Health Style – new markets: nutrition (novel food), pharmaceuticals, cosmetics
Megatrend 5: Technology

- NBIC-Paradigm: convergence of technologies and research fields (nano- und biotechnology, information technology and cognitive sciences)
  - Miniaturizing of technologies (nanotechnology)
  - Biotechnology
  - Robotic and Bionics
  - Ambient Intelligence
  - Cloud Computing
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Implications for Organisations

Organizations must consider megatrends within in the long-term strategic planning.

1. Selection
   relevant megatrends

2. Exploration
   challenges, opportunities (generally & branch)

3. Anticipation
   strategic topics, future markets

4. Transformation
   strategic initiatives, impulses for innovation

- How benchmarking can support this process?
- Are the current benchmarking tools appropriate?
- What are the future challenges and topics of benchmarking?

Note: for different industries – different megatrends are relevant!
6th International Benchmarking Conference
6-7th March 2012, Dubai

Thank you for your attention!