

“Don’t be so in love with your past that you impede your future. Innovation is not a light switch you can flip. It’s scary. It has a high failure rate. But refusal to innovate will yield a much worse failure.”

– Dan Reardon, CEO, North Highland

## TOP TREND INNOVATIVE CHANGE

Carries businesses forward, keeps them relevant

Less risky when coupled with predictive modeling to measure success potential

### CHALLENGE

Leverage the value of your core teams’ knowledge, relationships, experience

### CHALLENGE

Match people to the right change stage (Envision/Design/ Build/Operate)

## TOP TREND THE VARIABLE WORKFORCE

Delivers greater flexibility

Offsets risks associated with investing in business function advances

Enables more focused investment into truly strategic business functions

U.S.-centric now; expected to trend worldwide in the future

“Get influenced by teens and people in their 20s; new ways of doing things are second nature for them. It’s hard to be in a constant learning mode. But if you want to get your best ideas off the ground, you have to embrace it.”

– Dan Reardon, CEO, North Highland

## TOP TREND AGILITY, DIS-INTERMEDIATION & CONSTANT LEARNING

Quickly replacing complex processes and middlemen with simpler automation

Delivers a more immediate, less complicated customer experience

Increases efficiency dramatically

## BY THE NUMBERS

60  
MILLION

the number of people expected to be U.S. contract or contingent workers by 2020 (40% of total workforce)

Source: Intuit 2020 Research Study, Emergent Research, 2010

Trends in

## HEALTHCARE

Value-based Care  
Cost Reduction  
Better use of Data  
Physician Engagement

LEARN MORE

Trends in

## I.T. AND DIGITAL

Market Speed  
Efficiency Imperatives  
The Rise of the CDO  
Customer Relationship Imperative

LEARN MORE

Trends in

## FINANCIAL SERVICES

Prioritized Compliance and Revenue Growth  
Better Use of Big Data  
Online and Mobile Capabilities  
Omnichannel and Customer Experience

LEARN MORE

Trends in

## RETAIL

Evolution of In-Store Experience  
BOPIS Traction  
Convenience-driven Shopping Frequency  
Social Commerce

LEARN MORE

# 2015 HEALTHCARE OUTLOOK

## SUPERTRENDS | 1. INNOVATIVE CHANGE 2. AGILITY, DIS-INTERMEDIATION & CONSTANT LEARNING

SUPERTREND

### COST REDUCTION AMIDST FALLING REIMBURSEMENTS

Meaningful cost reductions are critical to ensure margins

Reimbursements will shrink with greater patient payment responsibility

Reimbursements will continue to fall as ICD-10 delays end and staff must use new codes

**CHALLENGE**

Better recognize what and where your costs are to better match resources to patient needs

**OPPORTUNITY**

Define Codes That Matter, identifying most common admissions and procedures

### UNIQUE POPULATIONS REQUIRE NEW APPROACH

Between 2014 and 2060 both the Asian and Hispanic populations will more than double at growth rates of 129% and 115% respectively in the U.S.

**CHALLENGE**

Population health calls for new requirements and approaches

**CHALLENGE**

Requires cultural competencies and new thinking

**OPPORTUNITY**

Requires looking at all patients served rather than individuals only to better manage utilization and outcomes

**OPPORTUNITY**

Geographic footprint increasingly makes a difference in performance

### VALUE-BASED CARE

Shift toward value-based care will continue

Revenue influx from people getting insured for the first time was a one-time event

Providers will continue to become more payer-like (as ACOs, other integrated groups) and payers will become more provider-like

**CHALLENGE**

Increased transparency for prices and outcomes will drive changes in consumer behavior

### DEEPER PHYSICIAN ENGAGEMENT

Physicians must be willing to support new owners to thrive amidst merger/acquisition

Physicians must be active, informed participants in cost cutting measures

Physicians must be well-trained in new documentation standards to ensure payment

Physicians must be involved in new initiatives to better use, learn from data

**CHALLENGE**

Engage physicians to make them part of new processes and innovation

### BETTER USE OF DATA

More healthcare data exists right now than ever before (clinical + patient-generated)

Patient data provided directly and via wearable devices (FitBit, Nike, Google, Apple, etc.)

**CHALLENGE**

Better collect, analyze and use data to inform care and operational decisions

**CHALLENGE**

Balance better use of data with patient privacy concerns

**CHALLENGE**

Seek cross-industry expertise; same challenges in retail, finance and others

**OPPORTUNITY**

Contract out data collection, analytics and use tasks to get most innovative, up-to-date processes

# 2015 I.T. & DIGITAL OUTLOOK

## SUPERTRENDS | 1. INNOVATIVE CHANGE 2. AGILITY, DIS-INTERMEDIATION & CONSTANT LEARNING

### MARKET SPEED

Speed of market accelerated by digital systems, software, applications

Market leads are now measured in days, not months or years

Responsibilities integrate multiple corporate areas affected by digital innovation

#### CHALLENGE

Respond with greater agility to turn market speed into speed-to-market

#### OPPORTUNITY

The rise of the Chief Digital Office to help find that extra gear when other functions have too much inertia to keep up with the rapid pace of the market

### CHANGING HOW WE THINK ABOUT CHANGE

The "waterfall" model – discrete steps generating a completed result -- no longer works

Change must be a continual, incremental activity that never stops

#### CHALLENGE

The default for IT will be built to change rather than built to last

#### CHALLENGE

Roll out daily small changes rather than more substantial monthly or quarterly changes

#### OPPORTUNITY

Easier path to backtrack and fix errors

#### OPPORTUNITY

Potentially better security because a moving target is harder to hit

### CUSTOMER RELATIONSHIP ORIENTATION/TRANSITION OF PRODUCTS TO SERVICES

**BIG DATA IS YESTERDAY'S NEWS.** Today's is what can and must be done with all that data

Systems are changing to develop deeper, multi-faceted customer relationships

#### CHALLENGE

Collect, analyze and use sales, social media and interaction pattern data

#### CHALLENGE

Continually update and optimize based on customer data and feedback

#### CHALLENGE

Become a service-based organization to inspire and improve customer loyalty

#### OPPORTUNITY

Make it easier for customers to want to spend money with the business

#### OPPORTUNITY

Drive faster decisions, new improvements, better customer interactions

### COMPETITIVE EFFICIENCY IMPERATIVES

To weather Market Speed and Market Disruption, organizations must improve efficiency

#### CHALLENGE

Remove/automate unnecessary human elements from processes

#### CHALLENGE

Implement Lean approach to optimize processes

#### OPPORTUNITY

Achieve greater efficiency, better pricing and higher profit margins

# 2015 FINANCIAL SERVICES OUTLOOK

## SUPERTRENDS | 1. INNOVATIVE CHANGE 2. AGILITY, DIS-INTERMEDIATION & CONSTANT LEARNING

### BETTER USE OF BIG DATA

The cost of data is going down and analytics are becoming increasingly sophisticated

Data collection and investment in better customer experiences are on the rise

#### CHALLENGE

Identify the "right" data and synthesize data across lines of business and operational silos

#### OPPORTUNITY

Turn data into real-time, actionable drivers

### PRIORITIZED COMPLIANCE, EFFICIENCY AND REVENUE GROWTH

Regulatory changes may ebb and flow but will not go away

#### CHALLENGE

Make compliance the top priority

#### CHALLENGE

Improving operating efficiency is the next priority

#### CHALLENGE

Drive paths for new revenue

#### CHALLENGE

Creation of enterprise platforms to drive consistency, systemic controls and operating efficiencies

#### OPPORTUNITY

Maximize revenues by better understanding customer needs and align banking products and services to those needs

### OMNICHANNEL AND THE CUSTOMER EXPERIENCE

Customers will increasingly expect omnichannel access to services and capabilities along with convenience, personalization, and flexibility

#### CHALLENGE

Create and enhance a seamless, enjoyable customer experience

#### CHALLENGE

Functional alignment among internal stakeholders (product, technology, LOB's, etc.)

#### OPPORTUNITY

Designate Chief Customer Officers or Customer Experience Officers to drive the process

#### OPPORTUNITY

Deepen customer interaction, satisfaction and loyalty

#### OPPORTUNITY

Use analytics and social media to provide better insights into customer needs, preferences, perceptions, etc.

### ONLINE AND MOBILE CAPABILITIES

100%: Rate at which mobile channel use is growing annually. Other channels are comparatively flat

Mobile can enhance elements of the customer experience (via location-based services and apps)

Mobile payment acceptance (ApplePay, GoogleWallet) will rise

#### CHALLENGE

Embrace mobile channel technology, innovations, and capabilities

#### CHALLENGE

Increased focus on security (cybersecurity, authentication, etc.)

#### OPPORTUNITY

Maintain and strengthen connection to customers

### SHIFTING DEMOGRAPHICS

With 80 million Millennials entering the workforce, their preferences will have a huge impact on retail banking

#### CHALLENGE

Financial Advisors may not understand the needs of younger clientele and the ranks of qualified FA's is thinning

#### OPPORTUNITY

Define the next generation advisor and train future FA's

#### OPPORTUNITY

Adapt offerings, marketing, and customer experience to meet the needs and preferences of Millennials

## SUPERTRENDS | 1. INNOVATIVE CHANGE 2. AGILITY, DIS-INTERMEDIATION & CONSTANT LEARNING

### SOCIAL COMMERCE MAKES A SPLASH

High potential for clear revenue stream driven by branded, strategic, innovative social media

Commerce stemming from social network reviews and referrals expected to hit \$15 billion by 2015

#### CHALLENGE

Invest in data security

#### CHALLENGE

Get beyond the website "buy" button. It isn't enough.

#### CHALLENGE

Build social integration into existing shopping platforms

#### OPPORTUNITY

Achieve more, and more meaningful, sales with seamless shopping experiences

### INSISTENCE ON GREATER CONVENIENCE DRIVES MORE FREQUENT SHOPPING

Customers are buying less, but purchasing more often  
40% of U.S. shoppers say they would use same-day delivery if they didn't have time to go to the store

#### CHALLENGE

Understand and respond to customer needs – what do they value? What annoys them?

#### OPPORTUNITY

Turn loyal customers into enthusiastic advocates

### BUY ONLINE, PICK-UP IN- STORE (BOPIS) TRACTION

63% of shoppers BOPIS multiple times per year

Nearly 75% favor a local store if the retailer also provides online inventory information

#### CHALLENGE

Aggressively drive BOPIS; both your digital and B&M competitors will

#### CHALLENGE

Provide the right incentives for shoppers to modify behavior

#### OPPORTUNITY

Achieve a competitive advantage

#### OPPORTUNITY

Drive loyalty with deeper understanding of, and response to, customers' online behavior

### EVOLUTION OF THE OMNICHANNEL EXPERIENCE

Retail is leading the way on omnichannel, while other industries catch-up

#### CHALLENGE

Continually pursue, update and ensure online and mobile presence and experience

#### CHALLENGE

Evolve with the changing role of the physical store

#### OPPORTUNITY

Rethink product distribution; understand what consumers must "touch and feel"

#### OPPORTUNITY

Ease pain points, entertain and provide in-store engagement with WiFi technology