

“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