



**WE CONDENSE INNOVATION**

# DIFT

**DIGITAL INTRAPRENEURS FAST TRACK**

**EXPLORE**



SESSION 01 – CONTEXT

# Black Swans & Grey Rhinos

**Let's have a look at the  
macro environment...  
What are the trends?  
What are the factors that  
may impact our business?**



# 1. Understand the context

## BLACK SWANS & GREY RHINOS

Understanding the impact of Black Swans and Grey Rhinos events and the urgency of becoming an anti-fragile organization and think exponentially.

## MACRO-TRENDS

Understanding the relevant macro trends, their impact on our business and need to think exponentially.

## TREND WATCHING & TREND-DRIVEN INNOVATION

Applying the trend watching methodology to identify and the relevant change drivers for your project.

## MAPPING THE BUSINESS LANDSCAPE

Applying the PESTEL framework to map the Political, Economic, Social, Technological, Environmental and Legal context.



# Session 1: goals & outputs

## Learning goal

To be able to make sense of the context, chase opportunities and weight risks.

## Topics

Learn why, when, and how to scan the business context for TRENDS and relevant CONTEXTUAL FACTORS

## Output

- PESTEL Analysis to identify threats and opportunities in the business environment
- TRENDS, to inspire a future-proof project

# Problem framing

## EXPLORATORY RESEARCH METHODS

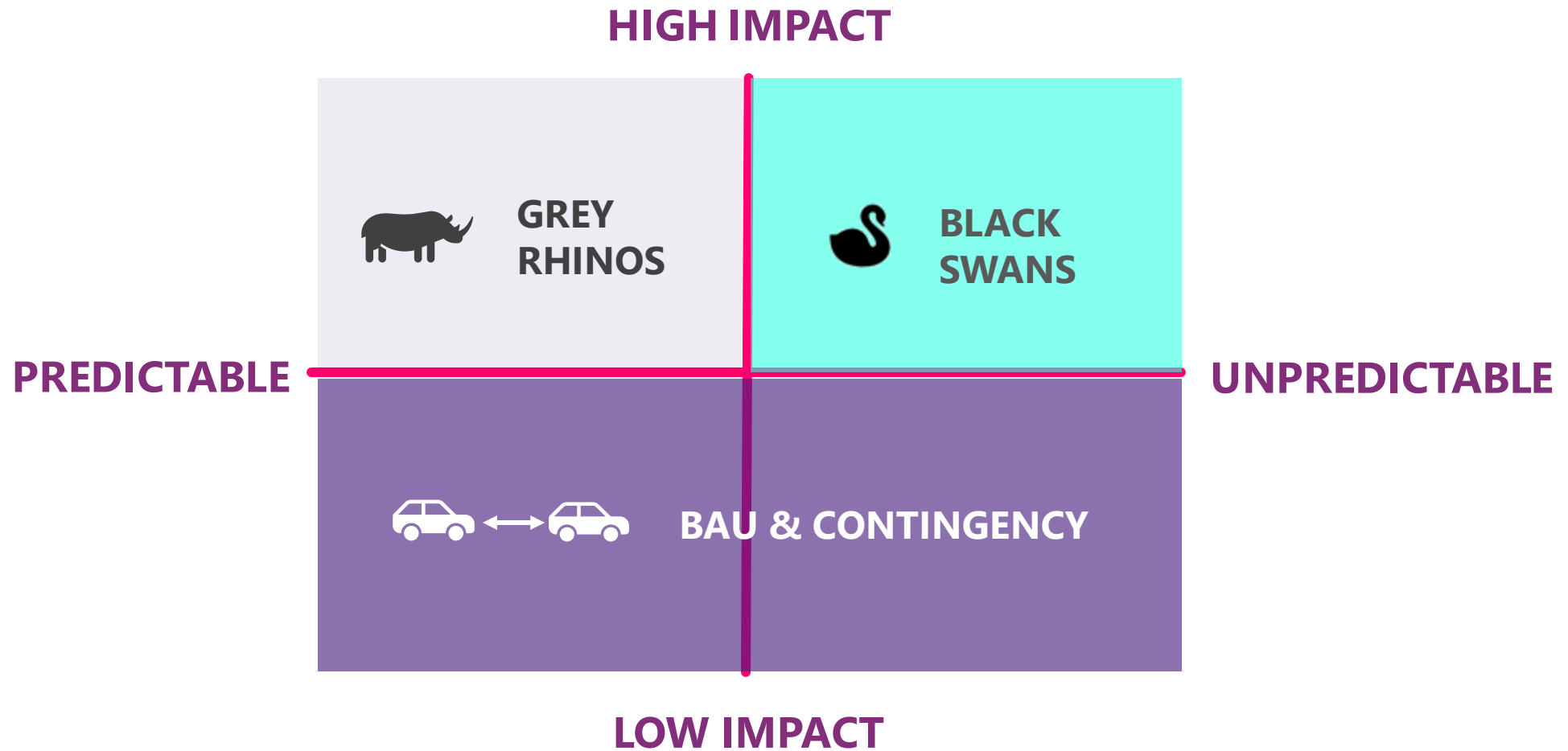


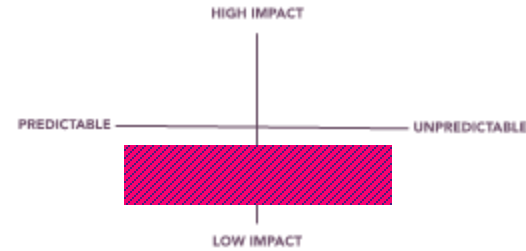
Object of analysis	Sources	Methods	Tools for analysis
<b>Assets</b>	<ul style="list-style-type: none"> <li>Internal stakeholders</li> <li>Business reports</li> </ul>	<ul style="list-style-type: none"> <li>Stakeholders interviews</li> <li>Content analysis</li> </ul>	<ul style="list-style-type: none"> <li>Asset map</li> </ul>
<b>Constraints</b>	<ul style="list-style-type: none"> <li>Internal stakeholders</li> <li>Experts</li> <li>Media</li> </ul>	<ul style="list-style-type: none"> <li>Stakeholder interview</li> <li>Content analysis</li> </ul>	<ul style="list-style-type: none"> <li>PESTEL</li> </ul>
<b>Trends</b>	<ul style="list-style-type: none"> <li>Internal stakeholders</li> <li>Experts</li> <li>Media</li> </ul>	<ul style="list-style-type: none"> <li>Stakeholder interview</li> <li>Content analysis</li> </ul>	<ul style="list-style-type: none"> <li>Trend Canvas</li> <li>PESTEL</li> </ul>
<b>Competitive landscape</b>	<ul style="list-style-type: none"> <li>Competitors</li> <li>Experts</li> <li>Databases</li> <li>Media</li> </ul>	<ul style="list-style-type: none"> <li>Observation</li> <li>Content analysis</li> </ul>	<ul style="list-style-type: none"> <li>Competitive landscape</li> </ul>
<b>Users</b>	<ul style="list-style-type: none"> <li>Users</li> <li>Front end people</li> <li>Experts</li> <li>Media</li> </ul>	<ul style="list-style-type: none"> <li>Interviews</li> <li>Focus Groups</li> <li>Observation</li> <li>Content analysis</li> </ul>	<ul style="list-style-type: none"> <li>Personas</li> <li>Value Proposition Canvas (Customer side)</li> </ul>

# Is it possible to forecast the future?

**Not really, but you can get ready for it!**

# Future events that matter





## Business as usual & Contingency

Some aspects of the future of our business are predictable and come with a low impact. Also some unexpected events may happen that cause a small impact to your business.

The strategy is to accept these events for what they are and take them into account as part of the business as usual, being prepared by allowing some contingency to your plans.

## **Business as usual & contingency**

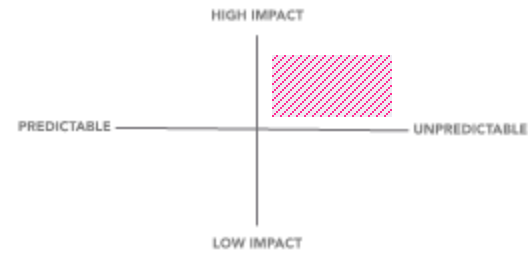
### **RAIN'S IMPACT ON RETAIL**

In certain latitudes, spring and summer can be more or less rainy from year to year. Up to a certain level, the variability in the amount of rain is physiological and so it is its effect on consumer behaviour in certain retail categories.

If your retail business is somehow influenced by the weather, you can entail some contingency in your planning. You can also build competitive advantage by making your operations and marketing more flexible.

Note that in other businesses, the impact of the weather can be much heavier: think of open air activities or agriculture. In those cases, specific insurance products exist to protect the business.





## Black Swans

The *black swan theory* was developed by **Nassim Nicholas Taleb** is a metaphor that describes an event that

- comes as a surprise
- has a major impact
- is often inappropriately rationalised after the fact with the benefit of hindsight.

Such events, considered extreme outliers, collectively play vastly larger roles than regular occurrences.

## Black Swan

### 9/11 TERRORIST ATTACK

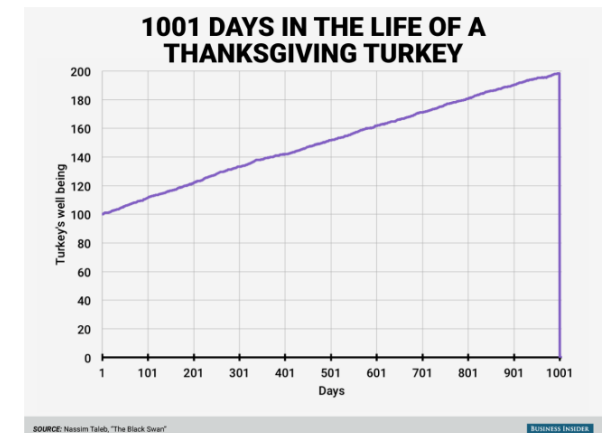
Even though terrorist attacks – unfortunately – happen on a daily basis globally, the attack at the World Trade Center came as a surprise in terms of the technique adopted (hijacking planes and using them as weapons), the target and the size.



## To prepare for a black swan, don't be like a turkey!

"Every morning at 9AM a turkey is fed. After many observations, the turkey assumes that every morning at 9AM it will be fed. Until Thanksgiving day comes."

This short story, first told by the philosopher Bertrand Russel, shows the fallacy about trying to predict the future based the past events. History is made mostly by "outliers". It is not possible to predict Black Swans, but you can focus on the consequences.





## Antifragility

“Some things benefit from shocks; they thrive and grow when exposed to volatility, randomness, disorder, and stressors and love adventure, risk, and uncertainty. Yet, in spite of the ubiquity of the phenomenon, there is no word for the exact opposite of fragile. Let us call it antifragile. Antifragility is beyond resilience or robustness. The resilient resists shocks and stays the same; the antifragile gets better”.

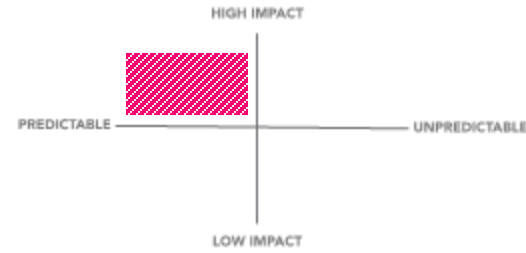
Nassim Nicholas Taleb, *Antifragile*



# Antifragility

## HOW TO BECOME ANTIFRAGILE

- Put your skin in the game (be entrepreneurial)
- Aim for long term outcomes
- Experiment and learn
- Keep options open
- Build a flexible, decentralized organization
- Identify the critical aspects of your business and organizational model and build alternatives



## Gray Rhinos

A “gray rhino” is the metaphor created by **Michele Wucker** to describe a highly probable, high impact yet neglected threat. They are not random surprises, they come after a series of warnings and visible evidence.

The first psychological reactions to negative events are denial and transfer of responsibility. Then there are groupthink (wrong collective decisions based on the principle of consensus) and wrong incentive systems.

A gray rhino can be avoided by taking courageous initiatives.

# Gray Rhino

## EXTREME WEATHER

Global warming is a fact and the consequences include extreme weathers conditions, such as

- ▶ Hurricanes becoming more frequent and widespread
- ▶ Desertification
- ▶ Floods.

The risk of these events taking place is generally predictable: we do not know when and how but we know that weather will create severe damages.

However, sudden atmospheric events seem to always take us by surprise. In addition, there are no systemic actions being implemented, particularly in those regions that are new to these phenomena.

# Is COVID-19 a black swan?

## COVID-19 is a Gray Rhino!

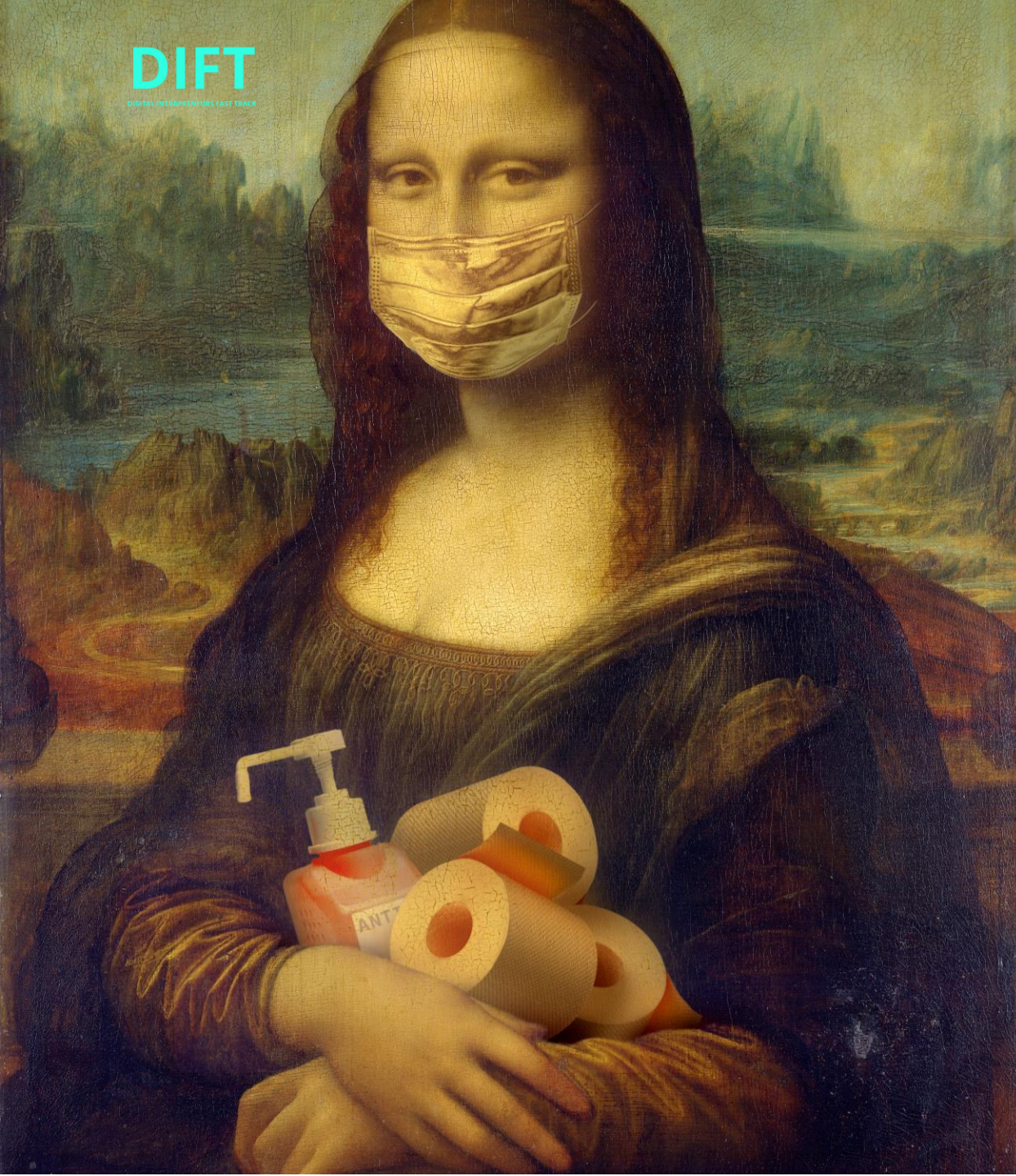
- **2002: SARS-CoV (SARS)**
- **2012: MERS-CoV (MERS)**
- **2019: SARS-CoV-2 (COVID-19)**

The most dangerous viruses causing recent epidemics are zoonotic RNA viruses, which

- Mutate frequently
- Are able to jump from animals to humans.

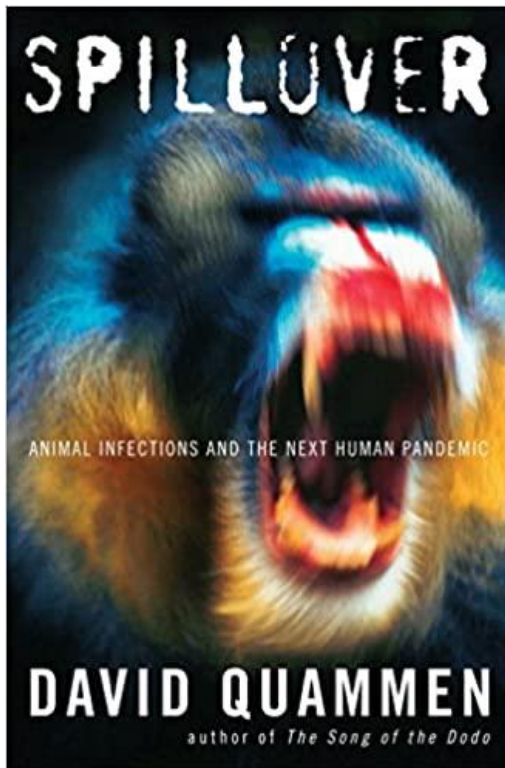
Several interconnected factors make the risk of another pandemic so obvious:

- Economic inequalities
- Global warming
- People eating and trading bushmeat which may be contaminated
- Intensive livestock
- Demographics



# Gray Rhinos can be identified looking at the early signals


2012



2015

**Blueprint for R&D preparedness and response to public health emergencies due to highly infectious pathogens**

WORKSHOP ON PRIORITIZATION OF PATHOGENS

 World Health Organization

8-9 December 2015

**Executive summary**

On 8-9 December, a group of experts met in Geneva to prepare a process for prioritization of pathogens under the Blueprint for accelerated R&D for severe emerging diseases with potential to generate a public health emergency, and for which no, or insufficient, preventive and curative solutions exist. The group included experts in virology, microbiology, immunology, public health, clinical medicine, mathematical and computational modelling, product development, and respiratory and severe emerging infections.

An initial list of seven diseases requiring urgent R&D was agreed. This comprised: (1) Crimean-Congo haemorrhagic fever; (2) Filovirus diseases (i.e. EVD & Marburg); (3) Highly pathogenic emerging Coronaviruses relevant to humans (MERS Co-V & SARS); (4) Lassa Fever; (5) Nipah; (6) Rift Valley Fever, and (7) R&D preparedness for a new disease. Also listed were three further diseases determined to be serious, necessitating further action as soon as possible: chikungunya, severe fever with thrombocytopenia syndrome, and zika.

Many other diseases were considered. Given the focus on improving current capacity, some disease (such as HIV or influenza) were set aside where there are major disease control initiatives, an extensive R&D pipeline, existing funding streams, and established regulatory pathways. Others (such as dengue) were deemed important for inclusion in future reviews. The importance of reviewing diseases in light of new findings was also highlighted (such as for information emerging into the public domain for zika and congenital abnormalities at the time of the meeting).

2016



# How can you prepare for such a Grey Rhino?

# You can build competitive advantage and anti-fragility by being up-to-date with the trends

## DIGITALIZATION OF CUSTOMER-FACING PROCESSES

- Remote onboarding
- Remote Know Your Customer procedures
- Strong identity and e-signatures
- Tokenization

## SMART WORKING

- Platforms
- Cybersecurity
- Policies
- Skills
- Mindset & culture

## OMNICHANNEL EXPERIENCES

- E-Commerce
- Home delivery
- AR/VR

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