

BUSINESS SWEDEN

THE FUTURE, NOW

TRENDS AND TRANSFORMATIONS THAT WILL FUNDAMENTALLY
SHAPE SWEDISH BUSINESS IN THE NEXT DECADE

INTRODUCTION

THE REFRACTION POINT

The coronavirus pandemic marked the beginning of a new decade and will function as a refraction point that is set to transform the way we live, work, conduct business, and trade. Meeting up in public spaces, travelling for holidays or small talk in the office kitchen have all been replaced by concepts such as lockdown, social distancing and remote working.

The economic and social impact of the crisis cannot be overstated. While the short-term challenges are still sinking-in, the mid- to long-term effects will echo for years to come. This change of direction comes with opportunities for those who can successfully adapt to the new reality, and risks of losing for those who don't. Sweden, as a nation, is particularly reliant on, and exposed to international market shifts and geopolitical changes, since more than half of GDP comes from exports.

Against this background, Business Sweden launched a global initiative to understand the new business landscape, identify key trends, transformations and shifts that will occur over the next decade and understand the real and potential impact on Swedish business, and public stakeholders. Our global team conducted literature studies, carried out data analysis, and held virtual round-table discussions with representatives from Swedish companies from main regions and industries which led to the identification of several emerging trends and transformations.

The aim of this paper is to support managers to prepare for the next decade by providing insights from our initiative and outlining potential recovery scenarios and trends which are expected to impact Swedish businesses. The world is going to be everchanging post-pandemic, and further analysis will be published to continually update Swedish companies on *The New Business Landscape*.

BEFORE AND AFTER

The global economic and social systems which have emerged over the last two decades have seen international trade, capital transfer, exchange of information, and movement of goods and people expand. This has led to increased interdependency, complexity and inherent risk towards internal and external changes. Local problems could have the potential to become global issues, flowing through all parts of the system making the impact of a crisis greater than previously thought possible. The pre-coronavirus world saw certain characteristics and changes that were shaping the business landscape:



emissions continued to increase by 2.7% and 0.9% 2018 and 2019 respectively.

The unprecedented spread of coronavirus across the world has made the pandemic a global refraction point for trends and transformations that were developing before the crisis. Some pre-existing trends will accelerate; others will lose speed or go in a completely different direction. While it is key for managers to understand what long-term trends that will shape the next decade, it is the short- to mid-term recovery scenarios that must initially be monitored and navigated.

Uncertain global trade – as several nations started to drive a protectionist political agenda and the US and China’s trade war escalated. Global trade slowed down which negatively impacted one-third of all Swedish export companies.

Increased wealth and prosperity – middle-income countries’ share of the world economy grew from 17% to 35% during the last decade, positioning the demographic as an engine of future economic growth.

Increased global debt – partly spurred by favourable borrowing conditions, the world held its highest-ever debt-to-GDP ratio at 322%, with a majority coming from developed countries, causing a risk to the global economy.

Increased connectedness – the world’s internet usage grew by 8% annually during the last decade and one-third of the world was signed up to Facebook.

China and Asia take on bigger roles – China’s share of global GDP grew from 4% in 2000 to 17% in 2020. In 2019 they surpassed the US in number of patent filings.

Increased environmental awareness and increased CO₂ emissions – world leaders signed the Paris Agreement in 2016 and 61% of millennials said they would be willing to spend more for eco-friendly products. However, CO₂

RECOVERY SCENARIOS EXAMINED

The scale and impact of the coronavirus pandemic has no comparison in modern history: 214 countries, 10 million people infected (and counting), over half a million human lives lost so far, supply and demand reduced almost instantaneously with up to one third of the world on lockdown, and a potential loss of around 10% of the world’s GDP. Even though the world is still in the middle of the crisis and much remains uncertain, companies need to look ahead and plan for recovery and beyond. A couple of scenarios will have a significant impact on the direction of global trade. Therefore, Swedish businesses should, in addition to more company specific scenarios, evaluate the following questions and monitor their key determinants in order to be prepared for various outcomes:

WHAT IS THE SHAPE OF THE RECOVERY?

Will the pandemic evolve into a long and protracted economic crisis with new virus outbreaks over the coming two years or will the pandemic be contained during the second half of 2020 leading to a fast and optimistic recovery? Main determinants to follow will be the development of the pandemic itself, e.g. the R number and fatality rate, occurrence of second waves and virus mutation, completion of successful vaccine trials as well as the policy response, e.g. the size and target of fiscal support packages, consumer spending sentiment, and unemployment numbers.

WHAT IS THE FATE OF GLOBALISATION?

A prolonged pandemic, closed borders and increased prioritisation of domestic recovery could lead to further and more long-term protectionist policies impacting global trade. If instead, nations find a collaborative way to kick-start economies, develop a vaccine and recover from the crisis, the pandemic could also lead to greater global collaboration. The outcome will be dependent on the ability of supranational organisations to spur trade cooperation and the advantages of open markets. Countries removal of temporary national protectionist policies should also be followed as well as the direction of existing trade wars and potential escalations.

HOW WILL MAJOR REGIONS EMERGE FROM THE CRISIS?

All three of the largest economic regions in the world – the US, China and Europe, will be significantly impacted by the crisis and undergo central developments in the short- to mid-term. Starting with the US, a few factors will determine whether it will seal its role in global affairs or continue its “America First” policy, escalate trade conflicts and isolate following a burdensome domestic recovery and economic downturn. While containment of the virus is the most obvious factor, the continuation of civil unrest, polarisation, and the upcoming election will all play a role in the direction the US will take.

Europe was severely hit by the pandemic and could either weaken further due to increased division amongst member states or, stand united and use the stronger collective voice to speed up reco-

very. Determinants will be the commitment to the EU framework, the government spending versus debt levels, and the approval process of the new multiannual financial framework budget and fund allocation.

While China’s global role might be challenged given the risks of interconnectedness with the world and further division to major trade partners, China also has the potential for a rapid recovery and a head start economically. Main triggers to consider will be the outcome of the pandemic investigation, regional tensions and border disputes, and engagement with international institutions. Additionally, how China manages to keep its role as a global manufacturing hub, grow its FDI and keep investing in the Belt and Road Initiative.

These scenarios provide a foundation for companies to plan and prepare for the post-pandemic world.

TRENDS AND TRANSFORMATIONS SET TO SHAPE BUSINESS IN THE NEXT DECADE



I

Shifting points of gravity



II

A more policy-driven economy



III

Emerging data borders



IV

New competitive ecosystems



V

Regionalised & automated supply chains

Global trends

Industry trends



VI

Accelerated servitisation



VII

A conscious & connected consumer

Customer trends



A

A reinvention of innovation



B

Decade of sustainable action



C

A digital decade

Identified transformations

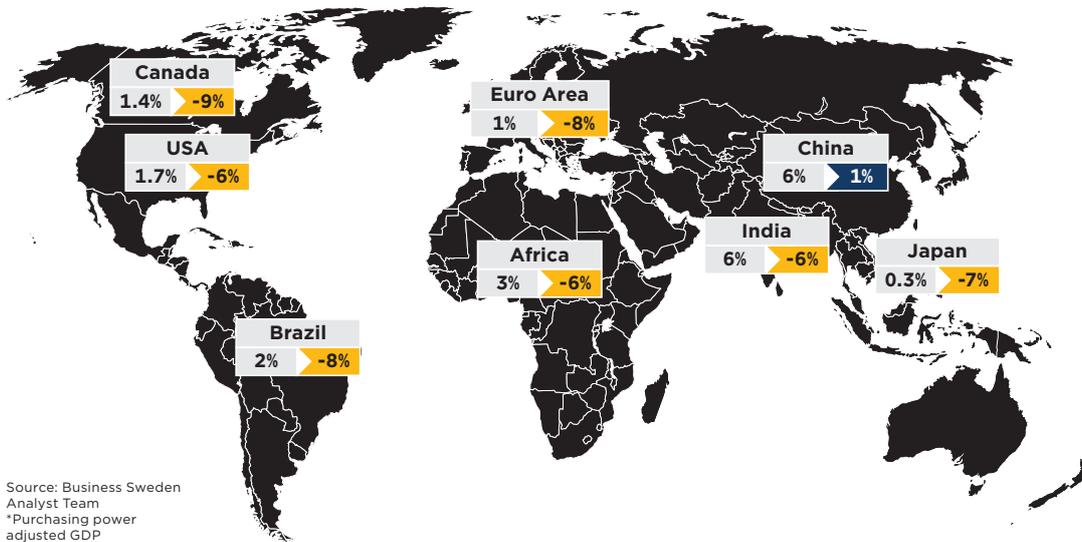
Understanding, adapting to and leveraging new trends will be vital for companies if they want to improve their odds of winning in the new business landscape. A set of seven key trends and three transformations have been identified. The trends were either accelerated by the pandemic or will emerge during the next decade. Each trend is not likely to revert to its pre-pandemic state and will have a substantial impact from a global, industrial, company, and/or societal perspective. Transformations have a wider reach and impact on all underlying trends. The transformations existed before the pandemic, but their direction will be slightly adjusted, and their impact will increase during the next decade.



I: SHIFTING POINTS OF GRAVITY

COVID-19 ECONOMIC IMPACT PER MARKET

Real GDP estimated growth rates 2020 excluding and including COVID-19 effects



The pandemic will advance changes in the world hierarchy of economic power and societal development in the next decade. Any market risks falling behind if the pandemic is not handled well. Regions and nations which manage to balance the societal and the financial damage of the pandemic, and are successful during the recovery phase, are likely to emerge as global economic winners and new points of gravity. Within these regions, new hubs of innovation, growth and production will appear which will attract global talent, capital, and tech at a high rate. The winners that emerge early in the decade will have a head-start in becoming global “standard-setters” and tech-development leaders. At the other end of the spectrum, some emerging markets are likely to fall behind during the next decade with health concerns, loss of FDI, and poverty halting their previous speed of development and status as growth markets.

In this environment with partially connected regions and nations, geopolitical relations will be crucial for business as countries strive for a higher level of self-sufficiency and diversify their trade partners. As a result, foreign direct investment and new market entries will increasingly take place between nations with favourable geopolitical relationships.

New points of gravity will emerge if major regions are hit during the COVID-19 crisis

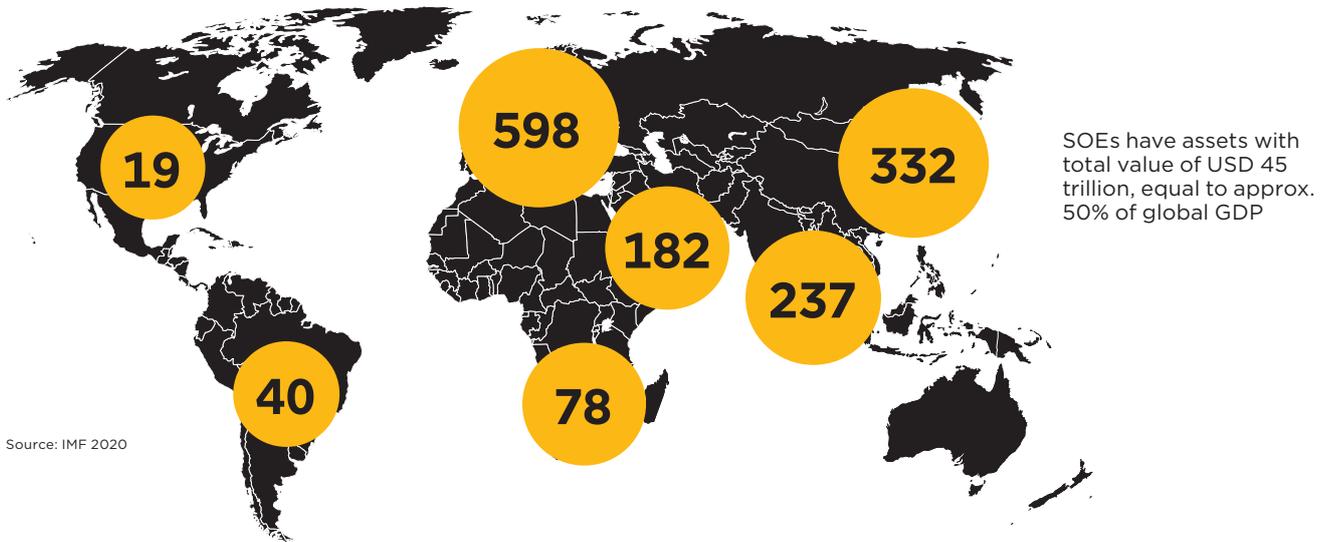
IMPLICATIONS: Swedish companies must prepare to leverage new markets as a source for growth. They need to adapt the sales, production, and supplier networks. In addition, firms will need to monitor new markets as trends and standards might arise from new regions in the future. For instance, they may need to accelerate expansion in emerging markets to diversify revenue streams. This could mean looking beyond Silicon Valley and China to emerging tech and production hubs in Vietnam and Mexico.



II: A MORE POLICY-DRIVEN ECONOMY

ROLE OF THE STATE IN BUSINESS

State-owned enterprises among top 2000 global companies in 2020



Source: IMF 2020

The decade will start with governments playing a crucial role in saving businesses and economies through various policies and measures. Changing ownership structures, even though implemented quickly for short-term purposes, might remain for the long-term. Some regions will see an increase in state-owned enterprises as governments gain significant ownership of companies through their rescue efforts. In other regions, there will be a decrease of state-owned enterprises as assets are sold off and sectors are privatised in a bid to stimulate and reform the economy in the long term. In 2020, state owned enterprises already hold assets worth close to 50% of the world's GDP, therefore any structural ownership changes will have a large impact on the business dynamics. It is also expected that governments will increasingly regulate business activities to ensure societal resilience and mitigate risks. Some regions and sectors will clearly be defined by the government's agenda, which will be executed through regulations and incentives such as influencing technology development through subsidies, increased nationalisation through tariffs and increased sustainability through setting CO₂ emission limits. Additionally, governments will increasingly push their agenda through policies and collaboration with businesses across industries through projects using the public private partnership (PPP) model.

Governments already play a major role in business, a trend that is expected to increase

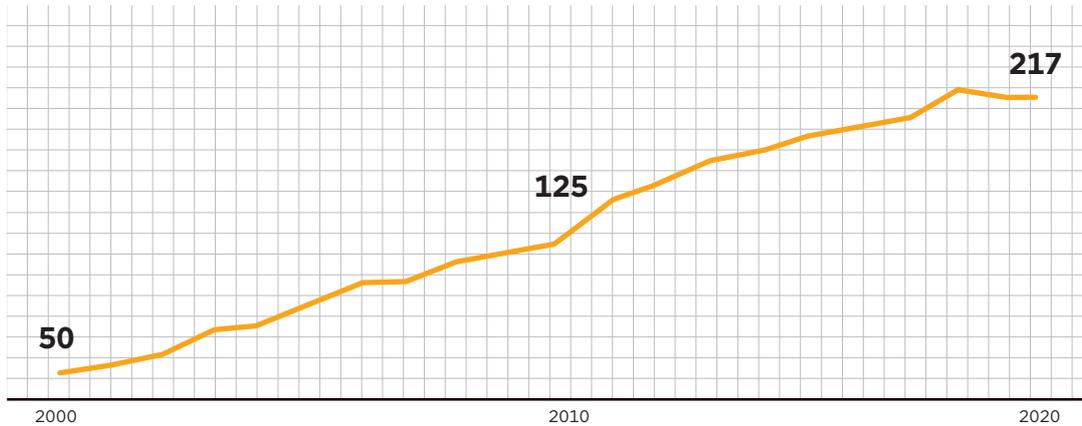
IMPLICATIONS: Industries and firms will have to navigate new regulations and policies mainly related to work force, financial security, and risk management. Some firms will need to adapt to government intervention in its own sector by building stronger business-to-government (B2G) capabilities, especially within how to influence policy makers, perform B2G sales and for delivering PPPs. Firms will also need to learn how to build the transparency and trust needed for critical sectors, such as infrastructure, technology, and artificial intelligence. By strengthening the relations to key stakeholders and closely monitoring government agendas, incentives and regulations in each market, companies will be able to identify and shape new business opportunities.



III: EMERGING DATA BORDERS

DATA PROTECTION LAWS

Increase of data regulations



Source: OECD

Include regulation relating to data transfers and local storage requirements. Numbers are affected by countries regulation structure; some countries may have a single regulation covering a wide range of measures; others will have several different regulations

The decade started with a leap of digital transformation and expansion. As data emerges as one of the most valuable commodities in the next decade, data protectionism is expected to increase. Nations and regions will expand their local data regulations which will lead to the emergence of “data borders”. These borders will primarily be defined by regulations related to data protection and data transfer. This trend has been on a steady rise with the number of data regulations growing by 74% globally between 2010 and 2020. Nations that can gather, store, and use the most data from the public and private sectors may have the biggest advantages over other nations. Political alliances may be formed through sharing data, and joint regulations related to data integrity and collection.

Geographical blocks of parallel “digital universes” are expected to emerge as a result of data protectionism. These digital universes will each have their own norms, language, and services. Examples of these can already be seen between the West and China, where China requires data to be stored locally. While Europe’s GDPR laws are likely to solidify the data border between the European region and the world. There is also potential for digital trade wars to evolve between different geographical blocks in a battle to take other regions and integrate them into their own digital universes or as a means for a political stand. India recently took one of the first major political stances when they decided to block 56 phone applications and online platforms with Chinese origin.

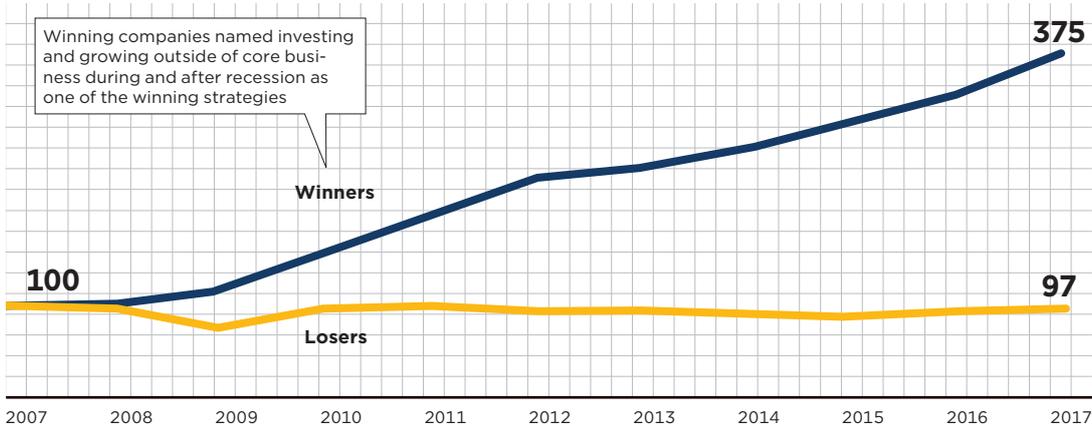
IMPLICATIONS: Swedish companies must understand both the current international data regulations, and what borders exist between nations and regions. In addition, companies must recognize the international digital landscape and the different digital “universes” that exist and what norms and type of services they hold in order to adapt their digital expansion strategies for each region and market.



IV: NEW COMPETITIVE ECOSYSTEMS

WINNING DURING CRISIS

Growth in nominal EBIT, 2007 = index 100



Source: Bain & Company (5000)

There are two primary reasons why businesses will experience another kind of competitiveness post-pandemic. First, the crisis is leading to a wave of consolidations, M&A activities, and insolvencies which will “shakeout” several players causing the remaining players to fiercely compete to fill the emerging whitespaces and secure business opportunities. Second, the rapidly changing market conditions which are set to follow the crisis will force companies to “adapt or exit”. As companies adapt their business models and offerings to the new reality, and identify new positionings and unique selling points, the competitive landscape will change. The expected post-crisis disruptions mean adaptability, resilience, speed, and digital capabilities will become the new key competitive advantages. The type of player that will have the upper hand will differ – in some industries and regions, the largest players will have an advantage, and in others, smaller agile entrants will have the best possibility to adapt.

As a result, ecosystems and company interconnections will change in parallel. In addition, cross-industry and ecosystem activities are likely to increase as companies seek new revenue streams which might deliver higher growth than revenue stemming from core business. Historically, companies that grow outside of their core business during a financial crisis perform better than their peers. This has already been demonstrated during the crisis by retailers and software providers who have found new ecosystems and sales channels within sectors such as logistics, entertainment platforms, EdTech, and health.

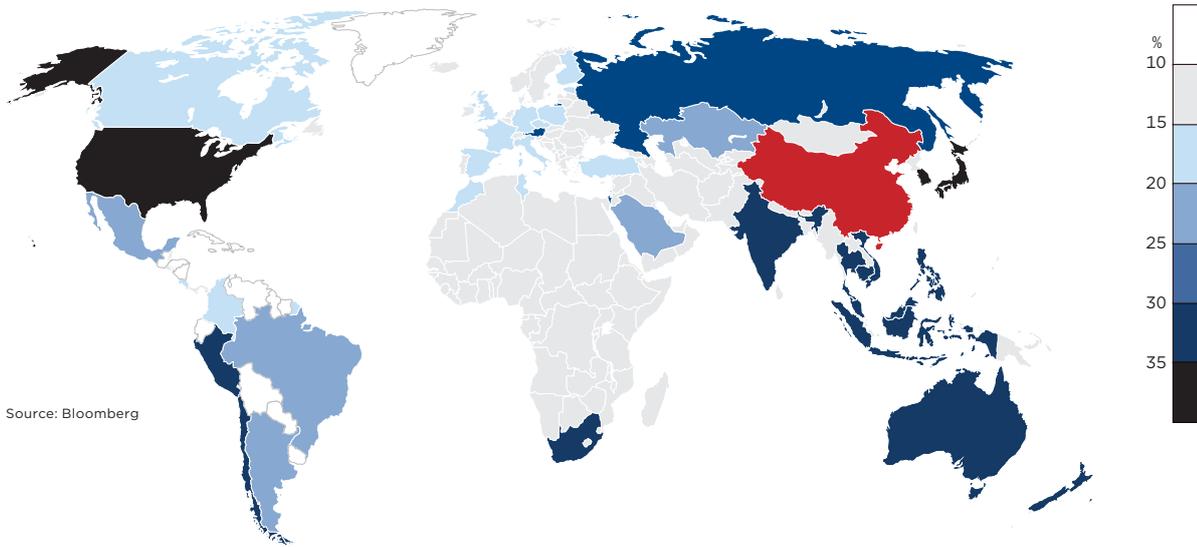
The new business landscape is also likely to see unexpected collaborations as traditional players look to strengthen their ties with startups to accelerate adaptation. Banks have set a precedent for this, where they have taken a clearer position within ecosystems such as e-commerce, digital payments, and InsurTech. This approach is also expected to happen in more traditional industries like mining, shipping, and transportation. In turn, startups will be interested in collaborating as they may find it harder to access funding at the beginning of the next decade.

IMPLICATIONS: To be successful, companies must build an ecosystem around themselves, clearly identifying their unique selling point, role, and position in one or several emerging networks of actors. They should also identify potential partners, establish strong collaborations with other actors across regions and sectors, co-create seamless offerings and learn to define terms and agreements for such partner collaborations. Companies should be ready to move up and down the supply chain and consider non-traditional collaborations to remain competitive. Companies can also look at expanding R&D activities to other sectors to identify new business opportunities.

V: REGIONALISED & AUTOMATED SUPPLY CHAINS

INTERCONNECTED SUPPLY CHAINS

Global share of imports of intermediate products from China



Supply chains developed over the past couple of decades were built to be global, just in time, with optimised cost structures, and not to withstand crisis. The past decade's slowdown of economic growth, trade wars, and protectionist trade reforms caused companies to question this structure. This issue accelerated rapidly when global supply chains faced serious disruptions during the pandemic. Unforeseen logistics issues and the world-wide dependence on China as a provider of intermediate products were highlighted and will undoubtedly cause a redesign and refocus of supply chains in the coming decade.

Global supply chains are expected to diversify from China, localising and regionalising to key markets as well as seeking opportunities in low-cost markets within APAC. Economies such as Vietnam, Taiwan, Thailand, and India might reap the benefits from this shift. There will be an increased focus on the domestic potential to further build resilience and capabilities to deal with low-probability risk scenarios. Removed complexity, shortened supply chains and vertical integration will be accelerated in order to cut costs, stay agile, and secure speed to market. If protectionism policies continue to be put in place, localisation of supply chains may also be motivated by market access factors as a way of avoiding import tariffs.

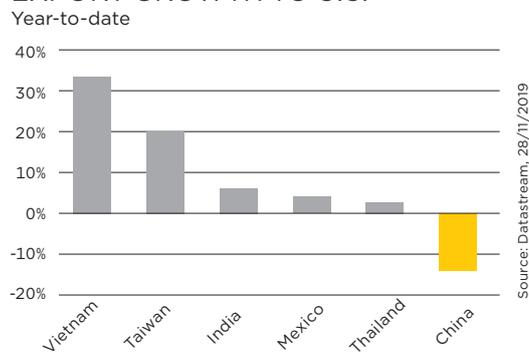
Digital collaboration across the whole supply chain will be crucial to ensure accurate supply and demand planning, and real-time network visibility will be essential for providing insights for well informed and quick decisions. Consolidation of instant supply chain information will be used for scenario analysis and risk mitigation.

To combat increased costs of relocating supply chains and gain cost savings, the development of Industry 4.0 and automation will increase. Manufacturing hubs in low-income mar-

kets such as Mexico, Eastern Europe, and South East Asia will also get increased access to and motivate the investment needed for automation, as these may be needed to attract additional FDI. Meanwhile, governments will intensify the discussion on the societal impact of automation which may give rise to regulations of machine-to-human-ratios, re-skilling, and other factors.

The crisis will see a decoupled supply chain aimed at limiting inter-dependencies

EXPORT GROWTH TO U.S.

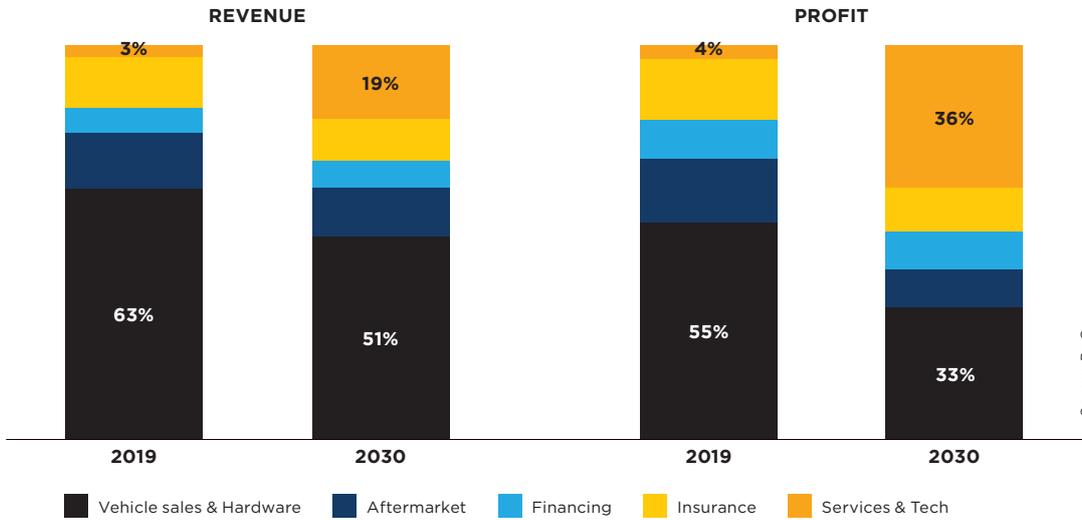


IMPLICATIONS: Companies will need to review, transform, and adapt supply chains, while also re-building their portfolio of suppliers and logistic providers. As an integral part of optimising supply chain operations, firms will need to engage in short- to long-term scenario planning and risk assessment tools. Firms might need to focus resources on building smart factories and capabilities in automation, and Internet of Things to gain long-term cost and quality advantages. It will also be important to navigate ethical policies as well as a need to focus efforts on building the local business and sales capabilities near new manufacturing locations.

VI: ACCELERATED SERVICITISATION

SERVICES ON THE RISE

Percentage share, revenue and profit split in automotive industry



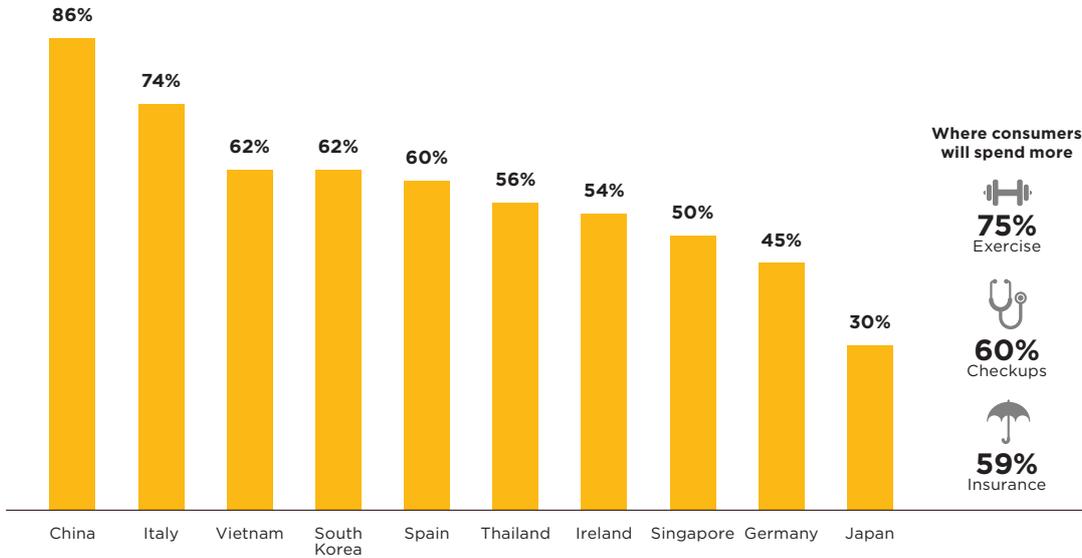
Prior to coronavirus, Swedish companies were already in the forefront of the servitisation concept, that is moving from product to service focused business models. However, many companies in more traditional geographical regions were not ready to subscribe, give up ownership of products, and consider new purchase parameters, such as life-time-value and cost-of-ownership. Except for the dip after the last financial crisis, services share of world trade has seen steady growth over the last two decades from 9% share of global GDP in 2000 to 13% in 2018. It is expected that the servitisation economy will accelerate during the next decade as companies will be left with limited liquidity and an increased need for flexibility and cost driver transparency following the crisis. In addition, the share of revenue generated from services will increase rapidly. For the automotive sector alone, profit generated from services is forecasted to make up 19% (3% 2019) of revenues and 36% (4% 2019) of profit by 2030. A shift from capital expenditures to operational expenditures is expected for entire industries as companies across sectors and regions will be less willing to finance larger investments in goods. Lower up-front cost due to servitisation will allow even traditional price sensitive markets to see an increase in opportunities for high quality and premium products which local players were not willing to invest in previously.

IMPLICATIONS: Internally, Swedish companies must speed up the servitisation of their offerings through building key capabilities, implementing sales performance measuring customer education, service innovation, and customer relationship management. Externally, Swedish companies must continuously build a network of cross-industry service partners in each market while also creating a process to educate customers and partners on topics such as lifetime value and the service economy. Companies should identify new business opportunities through turning local market insights into service innovation.

VII: A CONSCIOUS & CONNECTED CONSUMER

NEW CONSUMER HABITS

Percentage of populations that will cook more food at home post-crisis



Nielsen consumer study, March 2020

Consumers are being severely affected during the pandemic and this will continue through the subsequent recession. This is expected to have long-term consequences on lifestyle, preferences, and spending behaviour over the next decade.

Before the crisis, the increased wealth and prosperity from the growing middle classes was a growth engine for the consumer market. Awareness of sustainability and online shopping was mainly present in some geographical regions and customer segments; however, the crisis is expected to accelerate this across all segments and regions.

It is expected that consumer preferences will shift to become increasingly conscious of an offerings' quality, safety, affordability, and sustainability. Some consumer behaviours which have emerged in response to the pandemic are likely to stay in the long-term as consumers relationship towards their homes, public space, health and quality of life will have changed. All these factors are set to deliver an upswing for sectors such as health, insurance and finance.

While the digitally native generation will have the highest demands on accessibility, customer experience, and seamlessness between services and platforms, other generations will also increasingly turn towards digital solutions and online channels.

Many consumer habits will change during the next decade

IMPLICATIONS: Companies will need to understand the new micro-markets of consumer behaviours and preferences, and adapt their offering, marketing and sales channels accordingly. To stay competitive, companies must build advantages through experiences, digital, and data capabilities. To appeal to the conscious consumer, companies must truly become sustainable and communicate their efforts in a transparent and honest way - consumers are acutely aware of green washing. Swedish companies must learn to gain customer loyalty and trust and find a balance between integrity and customisation in a global context.

A: A REINVENTION OF INNOVATION

INNOVATION KEY BUT FEW SUCCEED

Survey results among global executives



Source: McKinsey, Accenture, PwC

The reinvention of innovation will touch and effect all trends in a variety of ways. The new decade will see innovation get a kick-start due to the fast emergence of new needs and disruption of traditional industries.

At a national level, innovation will become one of the most important tools for building long-term productivity and economic growth. Pre-pandemic research showed that 84% of managers recognise that their business success was extremely dependent on innovation. Yet only 6% were satisfied with the way their business innovated and performed. The way firms and industries innovate must be reinvented to ensure their competitiveness. Industries will see more experimentation and implementation of collaborative and open innovation within their ecosystem and across sectors, with an increased focus on obtaining new key capabilities, mainly within digital and services.

On a company level, new ideas and approaches will be one of the top priorities for both incumbents and emerging businesses. It has been shown that the 100 most innovative companies globally increase spending on R&D during recession to build long-term profitability. However, companies will increasingly recognise that the traditional organisational structures and development processes are not ideal for the next decade of innovation. This will result in a higher focus on building a creative culture, omniscience, cross-department and cross-generational collaboration, and flexibility and speed. In addition, firms are likely to reconstruct and de-centralise their R&D department to move closer to their end consumer, that is, they will enhance regional and local innovation.

In the next decade companies will be forced to change the way they innovate

IMPLICATIONS: Sweden has been one of the global leaders in innovation, but Swedish companies must reinvent the way they innovate in order to remain at the top. Building a structure and capabilities which spurs innovation and identify partners for co-innovation across sectors and regions will be key. It will also be important to build a global network of localised R&D organisations and turn local market insights into innovations and business opportunities.

B: DECADE OF SUSTAINABLE ACTION

GREEN RECOVERY

Countries and cities with coordinated response for sustainable recovery (to-date)



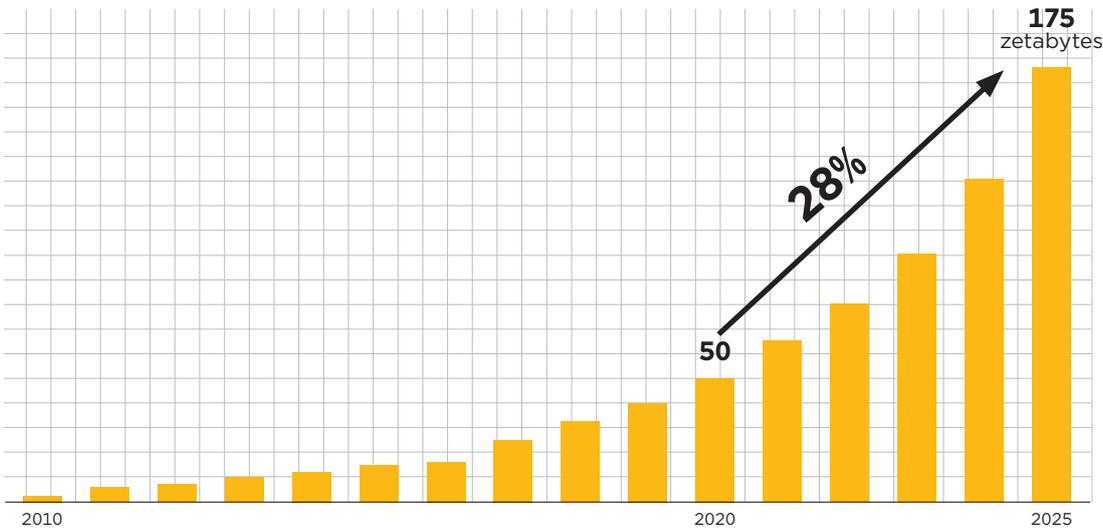
During the next decade, sustainability will play a role in transforming all other trends. Entering 2020, the UN called for a Decade of Action in order to meet the Agenda 2030 goals, but the pandemic served as a sharp wake-up-call for tackling environmental, social and governance (ESG) challenges, and many countries are now aiming for a green recovery. The sense of urgency and the need for concrete action will become increasingly evident over the course of the decade as the CO₂ budget for staying within the 1.5° global warming threshold is set to be used up year 2026 if the current rate of emissions continue.

In some regions, the transition will mainly be driven by governments using strict emission and environmental regulations or strong incentives. In other regions, private players will have a key role in taking responsibility for funding and providing solutions to societal and environmental problems. Increasingly, sustainability is expected to be fully integrated into the business as a core competitive advantage as one of the main drivers for the transition is consumer preferences shifting towards more sustainable solutions.

IMPLICATIONS: Sweden ranks as one of the most sustainable countries in the world with a strong edge within circular economy and sustainable solutions across a broad set of industries. This reputation and expertise have been gained through trust and successful partnerships. Companies should leverage Sweden's unique selling points and competitive advantages, and industry knowledge when doing business abroad. Companies must learn to build a triple bottom line – economic, social, environmental – and transition to more sustainable operations and processes to be profitable in the long term.

C: A DIGITAL DECADE

THE WORLD'S DATA
Global datasphere, zetabytes



Source: Global Data Sphere

During the pandemic, some companies saw years of digital development happen in only a couple of months. Aspects of digital transformation that were accelerated during the pandemic are expected to continue to rapidly advance and will affect all industries and trends. Gaps in digital infrastructure were identified and will be filled, which will stimulate the global internet population, 5G, AI, and machine learning. This is already in motion in China where USD 1.4 trillion will be spent over the next five years on new digital infrastructure, an investment that also aims to function as stimulus for the economy.

As businesses and consumers continue to mature, other digital developments will continue to fundamentally shape the new business landscape, including the digitalisation of traditional and increasingly complex products and services across industries and markets. The B2B industry is already leading the way as they continue to digitalise their offerings through remote services and systems as well as digitalising their sales and marketing processes.

For a wide spectrum of digitally based industries consumers and markets already have reached maturity, opening the door for emerging industries such as EdTech, e-health, and cloud services to accelerate at a rapid pace. This is already beginning, with Microsoft reporting a 775% increase use of cloud services in locked-down regions in April 2020.

Across sectors there will be an increasingly seamless and mature integration of physical and digital elements through digital systems such as augmented reality (AR) and virtual reality (VR). Data analysis and cyber security will become common in companies of all sizes and

across almost all industries. It is estimated that the world's data will grow with a 28% compound annual growth rate over the next five years, which in itself will enable the digital economy to develop and diversify into a multitude of new business models, industries, and solutions. These will primarily be engaged in specialised functions in terms of collection, storage, transport, analysis, integration, sales, and dissemination of data.

As the data economy grows it will enable more customised service offerings, however, it will also highlight issues related to consumer privacy and ethics.

IMPLICATIONS: Since Sweden ranks in the top five in both digital economy and connectedness indexes, Swedish companies have a prime opportunity to leverage the digital infrastructure to drive digital developments and digitalise their business and offering. Firms should build capabilities within data analysis and cyber security as well as integrating them with the overall business. Companies should also navigate customer integrity and ethics related to data accessibility and storage.

HOW COULD YOUR COMPANY GET READY FOR THE FUTURE, NOW?

Swedish companies are recommended to internally map out trends which will have an impact on their business. In a constantly evolving and changing world, Swedish companies need to be agile and flexible to adapt to external changes.

MOVE

Be ready to move market focus, manufacturing locations and R&D hubs

ADAPT BUSINESS MODEL

Stay competitive through leveraging emerging and accelerating trends, position against new competitors and become truly sustainable by adapting the business model

BUILD NEW CAPABILITIES

Be fast to build the capabilities to impact and benefit from political agendas, build excellent service offerings and customer experience, and learn to make use of emerging technology

PARTNER-UP

Build a strong partner network in new manufacturing clusters in order to co-create and co-innovate offerings within ecosystems. Be ready to build partnerships across sectors and regions

GO DIGITAL

Digitalise offering and processes while understanding the international digital landscape and protectionism. Be ready to set and execute one digital strategy per region



SUMMARY

WINNING IN THE NEW BUSINESS LANDSCAPE

In times of crisis, it is easy to get consumed in the day-to-day business challenges and operational hurdles. By identifying and describing trends and transformations which will shape the next decade of business, Business Sweden hope to support and challenge Swedish companies to look up, think more long-term, and be ready to adapt to win.

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SOURCES

Business Sweden, Center for Strategic and International Studies, World Economic Forum, World Bank, UN, IMF, Our world in data, World Health Organization, Asia Development Bank, Kommerskollegium, Bloomberg, OECD, Bain & Company, Datastream, PwC, Nielsen, McKinsey, Accenture, European Commission, Mercator Research Institute, C20, Huawei



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