SASKIA VAN UFFELEN

DARE FOR TOMORROW

LEADING, WORKING, LEARNING AND LIVING IN A DIGITAL WORLD

LANNOO CAMPUS

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LannooCampus Publishers
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www.lannoocampus.com

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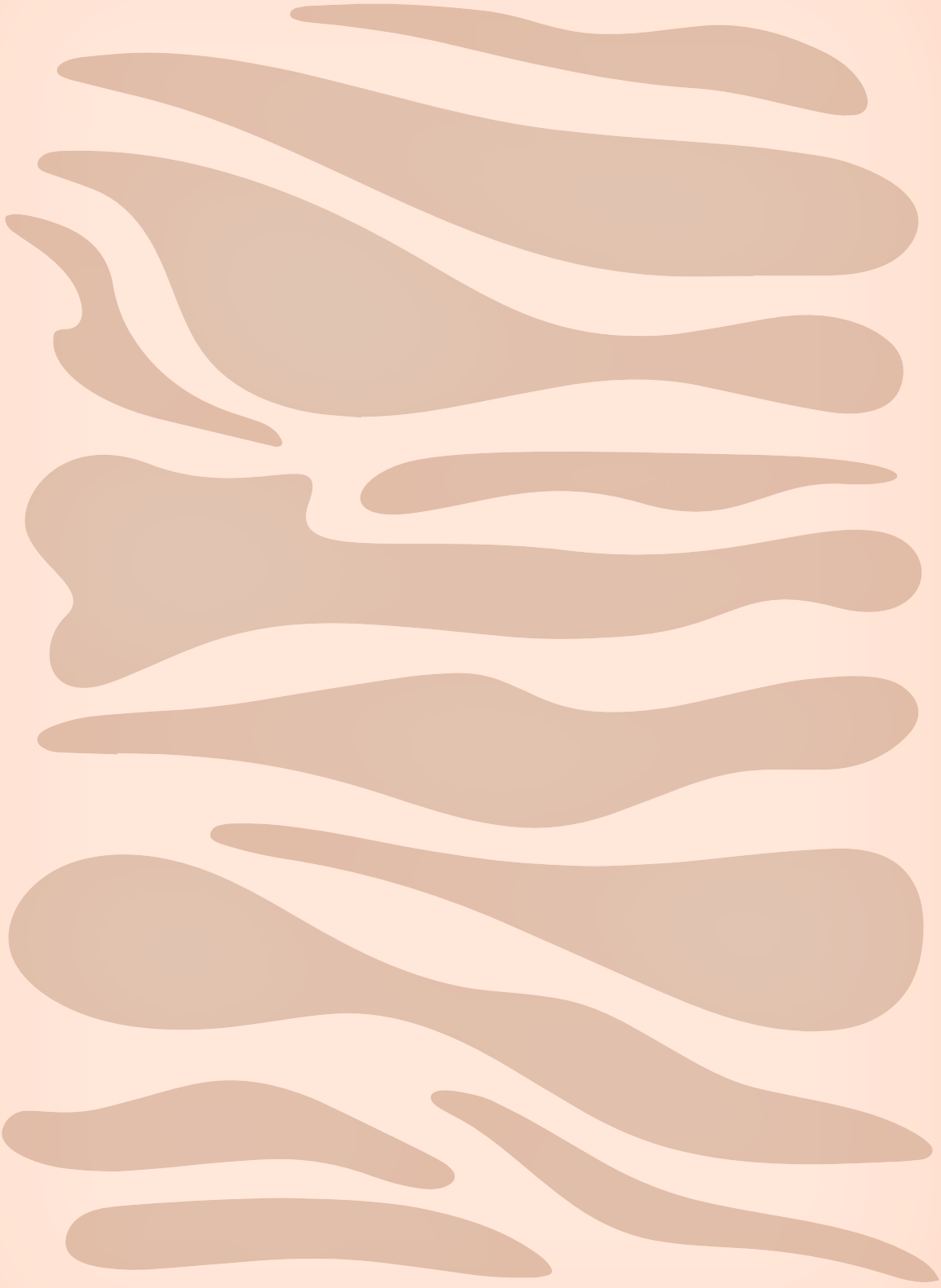
DARE TODAY!



How long do you want to stretch it out? How long can you keep managing your organization, your team or your life without making some fundamental changes? And above all, before others overtake you, because you are sticking to your comfort zone, your method, your *as is*. The world, our society, is changing and is screaming for a new model. We are living in a digital age, where everyone and everything is connected, where competition is no longer from the sector, and customers, users and citizens are in the driver's seat. Data is gold and sharing is the new possessing. Dare to help build a new business world, with a balance between results in the short and long term. But dare just as much to help to build another society through personal life choices – a society that is ready for the next generation.

In 2014, in his new year's address, Philip, King of the Belgians, spoke about a maximum of prosperity *and* well-being. The combination of the two is the key to a successful business, a precious life and an honourable society.

- If you focus only on prosperity, money and corporate profit, you will never look beyond the quarter and your bonus. You are happy when the bookkeeper or financial analysts are happy. 'How am I going to repeat this the next quarter?' then surfaces on the list of frequently asked questions of every business leader or manager. On an individual level, this comes down to: how do I make the end of this month?
- If you focus only on well-being, then you are committed more than others to society or your own well-being, but that is difficult to combine with profit margins or an income. And yet an NGO too needs revenues to achieve its ideals.

Well-being and prosperity do not need to be opposites. Happy employees work with more commitment and positive business results and contribute to the economy, employment and steady income. You can do far more with corporate profit than simply keep current shareholders satisfied. A change was recently introduced in Belgian legislation for sound business policy. The standard for corporate policy is now more open. Some think that this is a problem. I think it is an opportunity. Business leaders can determine themselves which other, less conventional aims they want to add to their mission.

Today, people, companies and governments are bumping up against the limits of prosperity and well-being. The pillars of our society, such as social security, mobility and climate, are also reaching their limits. The solution is a transition: a structural change or transformation of our models. Such a structural change is holistic. A transaction touches upon all areas, such as the economy, culture, regulations, technology and sustainability. Furthermore, these areas are strengthen one another. Because this change affects all components of our society and is nonetheless bound to occur, we are facing a daunting task. I am not going to ask you to tackle everything with this book. Pick a profession and individual area that enthralls you and work on it with my proposed dare plan. If everyone does that, we will pool forces to see the transition through.

Every business leader, manager and individual employee can help to build on the UN Sustainable Development Goals for 2030. I have been a very passionate Digital Champion for Belgium since 2012. The Belgian federal government and the European Union have tasked me to roll out the digital agenda for Belgium rapidly and safely. Why am I taking up the challenge? In addition to the gap between rich and poor, there is now an impending threat of a gap between those who are part of the digital world and those outside it. Some people may wind up in digital isolation, something that will be more radical in future and possibly even less conspicuous than social isolation.

Diminishing the digital divide is only one of the challenges we face nowadays. Our new, digital world, in which we have nonetheless already been living for more than fifteen years, requires a fundamentally different approach, another society, a fundamental shift in behavior and thinking. For you, the new world that I describe in this book may sound like science fiction, but for young people the digital world is self-evident – a reality. My younger daughter is sixteen and she finds it strange that we are still working with models predating the digital age. How long can we keep plodding this way? When will we adapt our models to the new reality? When will we embark on the transition?

I cannot force anyone to contribute to the transition we face. Perhaps you want to get a few more quarters under your belt so staying in your comfort zone is an attractive idea. But can our (grand) children still keep at it with our old models? I fear for their future if we do not do something now. The climate youth movement has proven as much: young people are ready for a more dynamic environmental policy and have no intention of waiting. Are we going to let them solve everything? Or will we dare to be part of the solution and not of the problem?

I can hear many people thinking: that's all fine for you, Saskia, you are a CEO, it's easy for you, you can really change something in a company or in society. However, I was not born as a CEO, but as a human being. Everyone can be a driving force for the transition. If we have a choice, we will keep doing things the way we've always done them. It makes no difference how high or low you are on the ladder. Even if we know that what we are doing can be done differently, the question marks that arise for the possible positive outcomes of the slightest change are more frightening than the known negative consequences of our actions. We keep dragging things out. But for how much longer? The breaking point has now been reached, in my view.

At the same time, I am well aware that not everyone has the time and means to help to build another society, another life or another company. Anyone in the middle of a divorce, on the verge of burnout, or facing an impending bankruptcy, will probably find it more difficult to apply directly what I am on about in this book. 'Saskia, I am just glad if there is something left over at the end of the month, what are you asking of me now? I have no time for change.' Even if the short term asks a lot of you, it pays to think and reflect on what these new models mean for you. What is lifelong learning? How do I acquire the right skills? Why can automation be positive? How do I protect my data? Anyone who faces these and many other questions today is investing heavily in the prosperity and well-being of tomorrow.

Asians are fond of saying: don't buy an umbrella when it's raining, but when the sun is shining. Even without heavy storms, you must have the strength to build a safety net for yourself and for others. Will we continue using the old models? Are we waiting until the limit of all these models has been reached? Are we waiting until the problems completely explode? It is clearly preferable to implement each change proactively. We have a responsibility, we must assume accountability now for the new society we are going to lead, work, learn and live in. The slogan, 'Young people will deal with it,' is a little too easy for me.

The current digital world requires another approach. And most of all, we must implement the transition now. But where do you begin? How do you build on new models for your company, your team and your own life? We already have so much on our to-do list today. How do we find the time needed for the far-reaching transformation, so that we can function optimally in the digital world? There is no need to panic. I try to help you in this book by giving you a number of tips.

Are you ready for a change that pervades all facets of our society, from health to the labor market? Are you ready to switch over together to a society that is not a burden for future generations and workers? I start this book with a trip through our current digital world and then explore the boundaries of the models of yesterday. I will then reflect together with you on how we can lead, work, learn and live in the new, digital world. In the practical section, we are going to hammer out the dare plan.

Before we start, I would like to clarify a few more things. This book comprises reflections and exercises for companies on the one hand and for individuals on the other.

1. In companies, I focus on three target groups:

- Business leaders: the Chief Executive Officer (CEO) or managing director of a company is the highest in rank for the implementation of policy. His or her mission is to achieve the business goal. Because prosperity and well-being go hand in hand for me, every school principal, party leader, NGO boss, chairman of management committees of the federal and other governmental services, etc. falls under this heading. Every organization requires a business-oriented approach. Start-ups and persons with one-man businesses are the CEO of their company.
- Managers: I use this term to refer to team leaders at every level. They manage a team or department, of which they are the CEO.
- Individual employees: all other employees of a company, including freelancers. They are also the CEO of their professional responsibilities, individually or as part of a (virtual) team.

  I call on all three target groups to reflect on the current and future situation of the company and/or the team. I indicate matters that require more guts with a special icon for the daring.

2. In addition, I stimulate everyone to proceed with individual reflections and exercises. These reflections and exercises are in separate boxes.

If, as you read this book, you work on a sustainable dare plan for your professional activities (leading, working, learning) and think critically on how you can live in a digital world, we will have the cornerstones for a new society.

Welcome to the digital age

When I talk about the current digital world, I am talking about far more than laptops, WiFi and 5G. Technology is a driving force behind our new, digital world, but the impact reaches far beyond hardware, software and data access. The consequences of technology are not technological but social! An example? In 2005, when Pope Benedict XVI was elected to succeed John Paul II, we saw a crowd of onlookers on St. Peter's Square in Vatican City. In 2013, not yet a decade later, an even bigger crowd on that same square was taking photos of the new Pope, Francis I, with their phones. In 2017, photos of the election of the American president surfaced. Except, this time, the public turned its back *en masse* on the prominent figure in front. This was a first, for who would have thought that we would ever turn our back on the most important person in the room? Is such behavior rude and outrageous? Not in the least: all the enthusiasts wanted to take a selfie with the American icon. This sort of social change constitutes the core of the digital transformation.

In the digital age, we are living in an ultraconnected world, with more of a say for citizens, customers and users, data as the new gold, competition transcending sectors, and the transformation of our Western economy driven by purchasing power to a sharing society. All these elements of our new reality are likewise interconnected and have an incisive impact on your company, your team and your life.

And yet, I often hear people say: 'What nonsense. You see and want this new reality because you work in the technology sector,' or 'We won't get to that point.' Such statements are often made by people in blue suits and brown shoes in top positions. Any similarity is pure coincidence. My answer: one, I am not sketching a picture of the future; the new digital world is already here – open your eyes! And two, this digital world is changing faster than ever.

Do you want to stick your head in the sand and pretend that we are still living in the world of yesterday? That's fine by me. But don't come complaining that things are getting more and more difficult with such cutthroat competition, outspoken customers and new challenges.

If, on the other hand, you recognize that social changes are unleashed by technological developments, you can adapt to the new reality in optimal fashion.

1 Everything and everyone is connected

Our ultraconnected world is a first in our history and we managed do that in record time. Just imagine: it took us one hundred years to connect one billion places with telephone landlines, but just fifteen years to connect sixty billion things. By things I mean: your car, fridge, computer, pacemaker and everything that human creativity allows. Naturally, companies, teams and we ourselves are also instantly connected with the other side of the world.

Don't you think it is strange that we are still debating over provinces, regions and communities in the digital world? I certainly do. We are no longer operating between the boundaries of a city, region, country or continent. Working in Silicon Valley looks nice on your business card, but since everyone is connected, you can achieve excellent results from Brussels. And who says that all companies are actually located there? Start-ups at times create a postal address as a home base, but work from every corner of the world, including in their slippers or at afterwork cocktails. Critical mass and ecosystems are more decisive than your location.

If everything and everyone is interconnected, organizations and teams have no more boundaries – nor does the competition, which is popping up unexpectedly from every corner of the world nowadays.

2 Customers, citizens and users in the driver's seat

In a world where everything and everyone is connected, everyone gets access to data. As a result, customers no longer accept that you dictate options and visions. If the customer wants a white chair with three legs, that customer will get a white chair with three legs, through you or the competition. The point is that you have no retort anymore. You cannot impose your vision on the customer, you no longer determine what the

customer wants or buys. If you do, you are guaranteed to lose him or her. You have already noticed the purchasing behavior of the younger generations: young people have no loyalty to companies, but go on the basis of the offer. If they are disappointed in the offer, or find a better one elsewhere, they change without further ado.

How do you draw up a business plan in our digital, assertive world? At the very least, by listening to your customers. Long live customer centricity. The customer is in the driver's seat and determines what you do. Agile companies are therefore the most successful nowadays. Being able to adjust to the demands of the customer or market anytime, anywhere, and rapidly is particularly a challenge for large, unwieldy companies. That is why small start-ups all too often make the life of established companies difficult. Admittedly, some start-ups do not have a strong financial plan, but they are very agile, close to the user, know perfectly what he or she needs and provide an out-of-the-box response. These responses are usually simple and transcend the prevailing visions and rules of play.

Citizens and users are also in the driver's seat. Everyone today feels, albeit not always with substantiated arguments, that he or she is the best politician, the best CEO, the best doctor, the best teacher... in the country. Pamphlets are a thing of the past. We post everything on social media. The range is usually inversely proportional to the (social) control. You can be sure that your company, team or personality will at times be fodder for such online discussions. When Marco and Maria can prevent major decisions with one vote, we have even reached the boundaries of democracy and our current political models.

3 Competition no longer comes from the sector

Successful start-ups do not necessarily invent complex things. They usually shake up the sector because they emerge unexpectedly and seldom think in terms of sectors. Their product or service usually transcends sectors and you cannot easily put your finger on what they are precisely. They are one example of how the competition today seldom still stems from the same sector. Every company and every individual can be a competitor in another sector. A player from outside the sector who listens to the customer and provides added value can surface at any time.

Lamp makers can for instance become competitors of the telecom sector if they make smart street lighting which comprises light, image and communication technology. They then hit two birds with one stone for the customer: networks are stronger than ever thanks to the number of integrated pylons in the street lighting system, plus fewer disturbing pylons pop up in your backyard. And if automotive companies combine data on the driving style of drivers with artificial intelligence, they can become competitors of the insurance sector.

Furthermore, there is little room for discussion as to who is at fault in case of an accident. Both parties know the consequences instantly without any paperwork.

Now that is added value! Or do you really think that customers like to complete an accident report with a ballpoint that nine times out of ten does not work in the cold, wet open air?

If the competition does not come from the same sector, then the success of your business plan depends on more than market share alone. The automotive sector is still cruising at the pace of market shares. We all know that fewer and fewer cars will be sold, and yet they keep uncorking the champagne at the motor show because cars are still being sold. Working with sector-transcendent business models seems a far better idea to me than rejoicing because you outpaced the figures of the competition. Direct competition is the least of your concerns nowadays. You know who they are! But how will you arm yourself against unforeseeable competitors who do not come from the sector? How do you continue to innovate? How can you be sure that you can take on all competition, even players who tread unexpectedly on your territory?

Accepting that the competition no longer comes from within a specific sector is a challenge for sector-oriented countries such as Belgium. We have a plethora of sector federations and regulators, preferably one for each of the three regions. The management of infrastructure and regulators seldom guarantees your competitive position, however. Everything is possible in the digital age. Roughly fifteen years ago, it was impossible to get a new bank or haulage company off the ground overnight. ‘Only we can offer financial solutions for moves,’ banks used to boast. Today, digital giants such as Google can apply for a bank licence and electric scooters are suddenly popping up in the streets.

How can we adjust or mindsets? How do we make sure that every company and every individual thinks less in terms of sectors? How do we put less energy into defending sectoral interests and into keeping a dying sector alive? How do we put more energy into the horizontal integration of different sectors? How do you expand a new ecosystem? I am already giving the matter thought. Care to join me?

4 Data is gold

Why can young and innovative companies shake up an established sector in less than 24 hours? The answer has a lot to do with the fact that data is the new gold. Whoever has the right data and can use it in an efficient, innovative manner to create new, added value for the customer, is onto a gold mine.

An initial important insight is knowing that 60 billion connected things in our connected world are all creating data now. Depending on the carrier, you automatically get a whole lot of easily available data, structured in the form of audio or video. Data on your energy consumption, the weather, road traffic, your coffee consumption, your surfing behavior, your heart rate – you name it. A second important insight is knowing how to use such data. Every sector can use such data to create added value, for example, an application for planning hospital beds. If you put a chip in that bed, you know whether a patient is occupying it. Or you perform maintenance on gardens and buildings only as and when needed. You can detect such needs automatically, thanks to data.

Keeping all data or knowledge stubbornly for yourself makes no sense. How you use such data is, however, the core of your business secret. And yet, too few companies make sufficiently creative use of such data. We have so much data and yet continue to do the same things with it as we did yesterday. Instead of giving such data predictive value through algorithms, we all too often enter it into spreadsheets which tells us something about the past. But why do we still need data today that validate what we did yesterday? Very little, because today's world is unpredictable and fast.

My motto is: use no new data for old spreadsheets! The way some companies deal with the data of their customer relations management system is a sterling illustration. Rather than coming up with new insights, these tools make the available data more extensive and more accessible. Great, but what are you going to do with such data? What fascinates me is using such data for our actions of tomorrow, improving a service, providing more customer insight, prompting more innovation.

It is clear that our current legislation is still insufficiently applied to the data world. In 2019, we are still working with an overdose of repetitive administrative processes. Innovative players make smart use of data. They consider data not as a means for reporting on yesterday, but as a business opportunity for tomorrow. They use the available data to tread outside the ingrained sectors and processes.

5 Sharing is the new possessing

Today, we share everything, from bikes, cars and houses to food leftovers, energy contracts (group purchasing) and art. The sharing society is a generation-driven story for me. Unlike the Baby Boomers, the younger generations must make do with fewer financial means than their parents. They cannot earn more than what they now earn, and are not really keen to save for years on end for everything that will make them happy. They want to enjoy life here and now – by sharing and buying less, many young people are adapting perfectly to a world with finite resources. For others, sharing is a sustainable, anti-materialistic reflex.

Sharing moreover has a fundamental impact on old economic success models. If people buy less and owing something is no longer the holy grail, they are looking for different added value. What is the value of white goods? How do you organize insurance? How do you turn your product into something that can be shared? Consider the sharing society and the corresponding mentality more as an opportunity than a threat. Airbnb exists, so does car sharing. Don't waste any energy trying to oppose such initiatives, but learn from them instead.

The sharing company also means that you must perhaps accept that your employees work concurrently for two competitors. Or that you as a large company must share the knowledge with a start-up through an incubator program, without buying up and integrating/absorbing that start-up. Other options: you can share your business plan with your network or post your knowledge on an open-source platform. All these things used to be inconceivable, as business secrets were sacred.

Yesterday's boundaries

You now know more about the digital world in which we live today. You also know what drives me as a human being for structural change: I do not want to burden my (grand)children with an deplorable legacy because we did not dare to adapt to the new, digital reality. I am also particularly motivated for change as a CEO or as a director. When I embarked on my career, we enjoyed royal margins, plenty of time and unlimited growth forecasts. Now business leaders, managers and employees have a gun held to their head. Do you dare put your hand in the fire, believing that you will still achieve your quarterly figures without change? Are you certain that the fatigue among your employees will not take its toll? You might be able to plod on for another quarter, perhaps another year, but it will then all be over, as the old method has been exhausted.

There is no single argument in favor of maintaining the status quo on the commercial and financial front. For instance, according to the current business models, people are a burden, they are too expensive. If you make people redundant because you automate or outsource, the financial markets react in positive terms and the bonus is secure. How perverse can it get? Is there really no place for an ethical choice? If we do not retrain or revalue people, we will reach the limits of human capital. At the same time, disruptive companies, outspoken customers and different generations ensure that expanding a business plan has become far more difficult. They are the ones who make the decisions, not you, from now on! Which other old models have also reached their limits? Let's take a look together.

1 Automation or disruption?

Many managers and CEOs confuse automation with disruption. Many companies are very good at automation: they are automating the current processes to cut costs, increase efficiency and boost profits. The central issue in automation is: what does it cost and how much will it yield (preferably this quarter)? In other words, you are stretching the cost-down elastic for the utmost efficiency and optimization – a logical approach because we always have to do more with fewer people and fewer resources.

We therefore continue to prolong the age-old model of the Industrial Revolution, except that we now do so digitally and beyond the boundaries of our continents.

There is a great deal of elasticity on efficiency gains at the outset. Automation produces fantastic figures, certainly in the short term, and seems like the holy grail for positive quarterly results. The downside is that automation is a finite model. You can make efficiency gains only once by automating a process. Once made, such gains cannot be repeated. You cannot continue to book positive results by reducing costs. Who knows, you might find yet another process that you can automate this quarter. But what if you conduct 97% of your business offshore (or nearshore) for instance? How will you be able to secure you next dividend? If the very last process has been fully automated, this cosmetic trick has run its course for your profit margin.

No wonder you read in the newspapers: 'We have to cut jobs as a result of digitization and automation.' The scenarios are always similar. In the first phase, companies use technology for automation. As a result, the company makes employees redundant and sets up a matrix organizational structure, with middle managers to check the spreadsheets, because there is not all that much confidence in automation.

In the second phase, when the automation has been completed, it is the turn of middle management. They are too expensive, they seldom have added value, and are issued an employment termination form. Right. We have made people redundant in two phases. What are you going to do now? What is your strategy at this point? Are you still going to do more with even fewer people? You have little concern for prosperity or for well-being, in that case.

Another negative side effect of automation is that creativity and innovation are seldom in the picture. Furthermore, indexing makes things quite difficult for you. Just a few years ago, you could offset the indexing with efficiency gains. The figures continued to be in the black, and everyone was satisfied (at the expense of the employees made redundant). The costs now go up, while the customer expects service at a lower price.