



THE NEW INSIDERS EPISODE 7

VIDEO/PODCAST TRANSCRIPT

FJORD TRENDS 2021: MAPPING OUT NEW TERRITORY

Tom Jessen (00:00):

Hi, there. This is the New Insider' episode seven. My name is Tom Jessen and then each other week we will discuss trends and other stuff. In this show, we will ask global leaders and local heroes to discuss the subjects. This episode, we have two great main guests. Susan Schakenraad from Essent. Hi, Susan, how are you doing?

Suzan Schakenraad (00:35):

Hello? Very well. Thank you.

Tom Jessen (00:37):

Nice to have you. And we have also a Mark Curtis from Accenture. Hi Mark.

Mark Curtis (00:43):

Hi Tom. Hi Suzan. Good to see you.

Tom Jessen (00:46):

Okay. Let's start Mark with the first subject because we will discuss the Fjord Trends. That's an annual report from Accenture interactive. Can you tell us something about the Fjord Trends? What is it?

Mark Curtis (01:00):

We've been doing fuel trends now for 14 years, what we try to do is we look into the next one to three years of the things which are happening, which are going to we think profoundly affect the way in which we designed products and services and experiences for customers and employees. As a design agency were designed part of Accenture interactive that matters to us a lot, and we think it matters to our clients a lot as well. What's the context which shapes the way you should think about developing new products and services. Really. We have a pretty unique way of doing it. And so far as we gather together input from pretty much all our designers worldwide, and we take quite a lot of effort over this. It's a big, it's a big deal. We've got about 2000 people across 35 cities. And what I like about it is it's, it gives us a form of crowdsourcing and what people are seeing, what our designers are seeing on the ground from Johannesburg through Amsterdam to New York. And see, we've got seven of those. Should I just dive in and start talking through what those trends are now?

Tom Jessen (02:10):

Before you do that, I would like to ask Suzanne, do you know the Fjord trends already?

Suzan Schakenraad (02:15):

Well, for this year, I do. I actually read the full report.



And I really liked reading it and I think it it's like Mark says it has a unique approach and you can also read that from the report. So a lot of the trends that you that's your read about, they, they immediately bring up experiences. I have myself a scene with the company and what I like as well is that they bring a perspective.

It's not just about everything we've experienced because of the pandemic, but also what is our way out of it? The routes we could take. So, I definitely liked it a lot. Nice.

Tom Jessen (02:55):

We have only 30 minutes Mark, maybe you can us a quick outline of the different Fjord Trends of this year.

Mark Curtis (03:04):

For sure. Okay. So, **the first trend is called 'Collective displacement'**. And what we're talking about here is the way in which people are literally doing different things in different times in different spaces. So it's fundamentally, when you think about it shifted everything about the human experience of life, actually, and that's important because what it means that if you're a commercial organization, the customer you thought you knew has become somewhat invisible. And just as it's dangerous, that you may well have become more, less visible to them. If you think my favorite way to describe this is, think about, you know, the average person on their way to work in an office, say up until, you know, a year ago, now they're not in the subway or the bus seeing adverts, they're not walking past shop windows and picking up cues from them. They're not literally seeing other people at anything like the volume that they were before or conversing with them in the same way. I don't know what the styles are now.

I don't know whether people are wearing trousers full-stop, so all those cues have disappeared. And so, our information gathering is very different and collective displacement is all about that.

The second trend: 'Do it yourself innovation' is really about a shift. We've spent a lot of the last 30 years, since digital really began in the mid-nineties, wrapping our lives around this technology, which has sort of bust its way into, into our daily being, particularly with the rise of smartphones. Now what we're seeing, and this has been really accelerated by COVID whereas collective displacement was totally the result of COVID. The second one is happening, happening already busy, accelerated by is the people in that are beginning to hack the technology around their lives, rather than the other way around. Where are we going with this? We think is that a lot of innovation in the future will be about not so much giving something to people on a plate and saying, this is it. This is the service that we've innovated for you but giving people the ability to then do the things they want to do with that innovation. If you like suggestive innovation, it's creating, it's allowing co-creation to happen once you've got the products, rather than the happening, you know, early in the design phase.

The third trend is 'Sweet teams are made of this'. It's about the shift in reciprocity between employer and employee. And this has been hugely accelerated. If not, as a result of COVID what's happened is we've suddenly discovered working remotely and working remotely is something about which we have some feelings of tension. We both really want to get back to work, but where we know that we're going to work more from home in the future and every worker, or am I aggregate every worker we're talking to is saying actually about half of my time, I expect to be doing that.



You know, if my work can be done remotely, then again, you've got businesses saying, well, we know we want people to come back to work. Reed Hastings of Netflix is saying it's a pure negative not to creatively, but on the other hand, CFOs are looking at this and going, wow, this is an amazing opportunity to save money and we want to save that money. So how that reciprocity shifts in this new world, when a lot of the peripheral value of work has been lost for that simply just the pleasure and knowledge, gaining knowledge gain, you get out of seeing other people and interacting with them and that's gone. But the cost of work has shifted dramatically to the worker because I'm sitting at home, heat it by my own heating lit by my own lights, sitting at my own desk, et cetera, et cetera. So that's causing this big shift in, in this relationship to an employer and employee. And what we think is there'll be a lot of prototyping around this over the next year to three years, as we all try to figure out what the future of work looks like. I have to say probably the biggest single question I'm asking here in a lot of our clients' organizations.

The fourth one: 'Interaction wanderlust' is about a big shift in the way in which our interactions are happening and bluntly. This is because we're spending so much more time looking at screens. I mean, vastly more than what we're seeing on screens increasingly is undifferentiated. Lot of it is driven by tramlines of design that we've got very used to like iOS and Android, for example. But what we're beginning to see is a creative movement to bust out of that. Particularly using games platforms. If you look at some of the things that people are doing with platforms like Fortnite or Roblox, there's some interesting hints and tips there. Particularly what's happening with things like Amazon, which is a mixture of health and entertainment and social media and content all in one.

An interesting kind of blend of hardware and software expect to see a lot more innovation around that direction in the next three years.

The fifth one: 'Liquid infrastructure' is quite simple. It's a flip side of collective displacement. If your customer is in different places at different times, then how are you going to get things to them? And so, we're seeing big shifts in supply chain and probably the biggest shift in supply chain, not just supply chain, but all the fiscal assets you have and how they're used.

The sixth one: 'Empathy challenge'. It's driven by the tensions. We see particularly driven by social media, between competing narratives of what the truth is. And the problem for organizations is we want to be empathetic to everybody. And over the last year we've seen the rise of we've seen exacerbation of old inner courses and the rise of new ones. But what we're going to discover is it's impossible to be truly empathetic to everybody all the time. There just isn't enough bandwidth in the same way as I can't as an individual much though, I might like to be, I only have 16 hours a day when I can be empathetic. Then the same is true for organizations.

The very last one: 'Rituals lost and found', which I love, is all about the way in which we've lost rituals, or we've had them misplaced, or we haven't been able to engage with them over the last year. And if you think about it, rituals are so profound to human marriages that they great coffee used to get on the way to work, but they've all kind of been displaced in one way or another. This is all about the huge opportunity space for organizations to find new rituals for people or help them rebuild old ones over the, over the coming year to two years ahead and winners in the experience space. We'll definitely focus on this, both for their employees and their customers.



So that was as quick as I can reasonably go through the trends.

Tom Jessen (09:31):

Yeah. That's beautiful. Thank you. Thank you very much for that, for that short keynote, about to Fjord Trends this year. Suzan, what trends appeal you the most.

Suzan Schakenraad (09:43):

I think in essence, all of them are relevant for me as they describe a lot about employee experience and behavior, as well as customer behavior, but I was really triggered by the, do it yourself innovation because I think there are so many ways to look at innovation and to look at customers being part of that process as, as co-creators. So not just providing input providing feedback that really co-creation and look at your own products and services as being not finished yet. And that being a good thing. So, opening up room for, for this joint creativity, that for me, it was really inspiring and it opened already a lot of new maps, at least in my head all kinds of ideas, how to use that that trend for myself, for the business.

Tom Jessen (10:32):

And how are you and Essent planning to act on these strengths?

Suzan Schakenraad (10:37):

Yeah, we'd like to highlight a few. First of all, I think collective displacement, a smart set, this, this applies to all of us. This is, I think, by far the most transformative trend and we've experienced because customers went through the same process we all have, and that's what makes it so impactful. And as a result of it, customers have changed the way they view their house. It is yeah, it's, it's where you do, not only where you work and where you enjoy your family life. There's also when you do sports and meet friends and do everything at the same time.

And as a result of that this sort of reevaluation of the house also led to a lot of more traffic for us as a center, being responsible for your yeah. You're confident your house is being nice and warm and light, et cetera. So, we saw not only a lot of more traffic online, but also a lot of more calls actually. Also, people really want to have personal context even. So, this was definitely something.

What we also saw with collective displacement, at least we changed a bit of our loyalty programs. So, before we would, for example, give people the, to do things outdoors, like some kind of events or things like that. And now we, we moved it to our houses. So, people could pick up eBooks for example, you send a nice message via the radio to someone they love or so completely different things that they could all experience at their house. So that's, I mean, for collective displacement, I think that's above all the most relevant trends.

And the two trends I want to highlight. The first one I already did quickly was do it yourself innovation. For a sense, we are in the midst of the biggest energy transition to deal with climate change. As, as I think many other companies are as well and poorly does so many different options being investigated, but that has no decision yet, basically not one, one silver bullet that solves every problem. And I see the tendency to deal with this problem or with this challenge of it top down, and also a big black and white between what is good and what is not good. And I think this trend for me, opens up the debate around, you know, let's co-create and see what kind of solutions we can all tap into that are affordable, that are acceptable to customers. And they can participate in, so then not part of, yeah, they become part of the solution and only the problem. So that's the second one for me.



And the third one is on Sweet teams and you immediately hear the song in your head when you talk about. The title is Sweet teams are made of this. At Essent, we have actually been working from home for more than 10 years. We have quite some experience with it. Online, for a principal, all that stuff already works, but you didn't do it like full-time, full-stop everyone, but it was around one to two days a week where people worked from home. And in that sense, yeh, we were all a bit used to it and we also experienced why you still need the office. I hear a lot of people saying, well, we might not need it anymore. It's just like a meeting space or, but we've experienced, that's a lot of people actually thrive really well when they are in the office when they meet people, when they connect, when they can use more senses than just their ears and their eyes. And also, it has a different kind of need in that sense that it fulfills. So, in that sense, I think that will change a bit, but, but it, to some extent, I think we will always have a balance a bit between, you know, working more from home as, as well as going to the office.

And it's not just the employees, but also for the leaders, if it's different, right. Steering, such a team, balancing the coaching, the trust, the things you can actually measure these days, but not be explicit about what you use and what you don't use. And also, in terms of compliance and ethics, it's very important that you articulate that. And for example, we send things to people's houses are our policy, that people are all aware because you hear a lot about fishing meals, but also online environment. It opens up all new kinds of threats. You, you don't want to think about, but you should be prepared for. These three were for me the most addressable to my context.

Tom Jessen (15:28):

Very interesting. Do you agree, Mark?

Mark Curtis (15:32):

I do. And it's interesting that she's singled out three teams, for example, because pretty much all of our clients are grappling with that. There, it sounds like Suzanne's organization now further down the road than many, because they'd been doing this for some time, but I think an awful lot of organizations. I'll go back to this word I use prototyping what work looks like, and that won't, that will affect of course your organization, Suzanne as well. I think because you'll see different experiments taking place. I think we're still, we're still working with a, a poor combination of software and hardware when it comes to the remote working situation, you know, it's called a laptop for a reason, which is that it sits on someone's lap. You know, and the microphone, isn't very good as we discovered at the beginning of this call and, you know, the speakers aren't very good and probably it needs two cameras or maybe more, you know, the whole set up there will be an iPod moment in the next, you know, two to three years as somebody actually cracks the code on better remote working.

Tom Jessen (16:30):

Each episode, we have also some questions from our audience, and today we have an incoming video question from Valeria. Let's take a look.

Valeria Paris (16:42):

Hi, Susan, I'm Valeria from the Services Design team at Accenture interactive Amsterdam. I was very curious to understand how the collective displacement trend has affected the supply and demand in the energy industry.

I have two questions for you. The first one is, has the energy consumption become more predictable because in the last year we developed new behaviors and new routine reactions, or as it actually become more unpredictable. And secondly, how are these new behaviors affecting the business model at Essent? Thank you very much.

Suzan Schakenraad (17:17):

Of course, consumption levels changed because of the pandemic. People were more at their houses. And as a result of that, you saw that particularly in the consumer segment, the volumes of the usage increased and in business segments, particularly those that were hit hard because of the pandemic, obviously it decreased. So, it wasn't mixed. And in that sense, it became a bit more at first it was very unpredictable of course, because nobody really knew what was going on or what was going to happen. But after that, it became more predictable. However, I have to say that the, by far, the biggest uncertainty is weather and whether it's sunny, rainy, cloudy, windy, hot, cold, that has so much more impact on our energy consumption. And last year was very hot and sunny, at least it wasn't in Netherlands. And I think it more places in Europe, and that led to a lot lower consumption levels in general. So, predicting the weather would be even more important than the trends from the pandemic.

Tom Jessen (18:20):

And what is different on the business models?

Suzan Schakenraad (18:24):

Well, what you see is that with more and more consumers having, for example, solar panels on the roof so we see up to 20% of our customers have solar panels on the roof. So that's quite significant.

And you also see more and more air conditionings in houses. This also fits to the trend of your house being comfortable, but also adding to a place where you, what you try to do, everything will also add to preventing climate change and things like that. What will be very important is that we balance this production, this local decentral production. For that, we have to partner up close with the grid operators in the Netherlands that is completely separate. The grid operators on regulatory segments and the suppliers are not. So, we will have to balance that very well together. So that will be key. And I think, other than that, what will be important is more and more, for example, also the installation of solar panels and things to come. But apart from that, I think this is, this is just something we've already been working on. For us, it, it doesn't seem to have a major impact, I would say.

Mark Curtis (19:38):

I was really interested to hear that the weather actually is more important than the pandemic. I thought that was very interesting. And Suzanne, Suzanne runs the facility or runs an energy company. I don't, so her answer is better. It's going to be better, more authoritative than mine. However, what I would say is I think there's something else more important than the pandemic as well. And I think that will come into sites over the next year as the vaccine. Hopefully if the vaccine doesn't work, then all bets are off, but let's assume that it does. It looks like it does right now. I think sustainability is going to rise up the agenda incredibly fast over the next two years. And I think that what the world will realize, particularly after the COP26 summit in Glasgow, this autumn is the appetite to tackle. I think the narrative that is emerging is it tackling sustainability and bill Gates actually said it this week.



The challenge of tackling sustainability is much greater than the challenge of COVID. And if we could rise to the COVID challenge, we've now got to rise to the codes of the sustainability one. I think that narrative will take hold in people's heads. I think it's very compelling.

And so, I think a lot of the next five for Suzanne's team will increasingly be about behavior change, both as an organization, but also at the customer level as well. And that's not, that's not saying that Suzanne's company needs to change obviously, but I, but I think behavior change at the enterprise level you know, we're working with an oil China around exactly that is very difficult. And we also know that behavior change at a customer level is very difficult as well. How do they, you know, simply use more how they get more mindful, et cetera. So that's a long-winded way of saying, I think yes, once the pandemic begins to smooth over sustainability is kind of become the thing, which will dominate our thinking around this entire area. That, I think, is very important.

Tom Jessen (21:34):

Okay. Suzanne, quite some trends are also related to the pandemic. If that part is solved, what do you expect to stay?

Suzan Schakenraad (21:45):

Well, first of all, definitely what Mark is saying. So on the sustainability part, so I was answering my question, but in a, in a, in a context of, of the changes directly related to the pandemic, but obviously the energy transition, like I said, it is huge and it's so impactful. And that will definitely challenge us all to the max, including also being an energy company and coming up with solutions, people can afford solutions that don't disrupt lives too much.

Like what you hear, for example, with some of the like windmills causing noise or other kinds of effects. We will need to take that into account, to be able to also have enough support from everyone. But this is definitely momentum. So, I completely relate to that. And as far as the specific trends go, I think in that sense, some of the trends might be specifically impacted more than others because of the pandemic. But I think everything all together and what has happened, is so massive that we will see all the trends still to come. In that sense, there's none specific I would pick out. I think all of them, we will see also after the pandemic.

Tom Jessen (23:06):

Okay. Let's bring in the question from my previous guests that was Tracey Countryman, also from Accenture, your colleague, ark, he asked this question, let's take a look.

Tracey Countryman (23:19):

I had the pleasure of reading our Fjord seven trends and what was interesting to me is I thought that's all customer, consumer stuff. But when I read each trend, actually there's a total industrial inside of that. So my favorite one, and the question I have for your next Insider is related to, I think it's trend number three, where it's called Sweet teams are made of this. And what that means is they used to quote in there in the study said, it's Not just about office workers, it's about where all work gets done. And I think we've been talking about remote operations enablement, remote monitoring centers around manufacturing for decades, particularly in upstream mining and utilities, but it's been a light contemplation for the rest of manufacturing and kind of downstream companies. So my question to Fjord and the team is: How does that trend number three manifest itself in an industrial work environment?



Tom Jessen (24:14):

Thank you, Tracey. Let's start with you, Suzan.

Suzan Schakenraad (24:18):

Any of the trends obviously have impact on like more of the digital and home experiences. So within Essent, for example, we don't have factories or we don't produce energy ourselves only de-central with the solar panels we install but we do have a network of 12 medium-sized businesses. That's installed solar panels as well as heat pumps and boilers and installation and things like that. And they come to the people's houses. And I think particularly in that domain and they also go to housing corporations and businesses for which they need to make their houses and locations more sustainable.

So, what we see there, what has become much more important, I would say to an effort before is everything about health and safety. And I mean, I know it's, it is already on top of agenda for a lot of industries, but I think particularly what you saw with this with this pandemic to be able to work safe and go to people's houses where customers might be afraid where the technicians might be afraid, but you have to fix things anyway, because Ellison becomes freezing cold, or other kinds of things you need to do for that customer. So there, it particularly impacted us. And we participated in writing protocols, for example, together with the government, how to do that appropriately. So, we took an active role in that. I think that, hopefully, answers the question.

Tom Jessen (25:55):

Okay. What is your opinion, Mark?

Mark Curtis (25:56):

Yeah, so two things, firstly, I think every business becomes a health business, which is what's. His answer has been saying that health is important to every single aspect of a business and in some surprising cases as well. For example, one of the reasons why banks are having to think quite hard is because ATMs, you know, cash machines are going to a death because no one wants to touch them. So funnily enough, all of a sudden banks are in the health business as well. So, look out for the unexpected around health, which is what Suzanne was pointing at. I think the second thing is that are those sweet teams on the face of it feels like it's very pointed to office workers when office workers do make up a substantial part of the working population.

If we're going to see big changes with them, that has a radial effect because look at all the people who service office workers, so that people supplying power to their buildings, it's a pharmacy at the corner. It's the coffee shop nearby. It's the restaurants and bars at night. It's the mass transit workers who are, you know, laying on the transport for them to get to work. So, although on the face of it, it looks like an office trend. It's not, it's actually a trend about anybody that can do anything remotely.

And I think then, you know, what we will see, we had to shift offices away from their usual format to remote working. But I think some of the thinking that's come out of that, some of the new tools that we will see emerge will also affect businesses in non-office places where they will begin to think, hang on a moment. These people did typically go to the same place to work, but maybe they could work remotely more often. I think remote working will actually affect way more than just people who are used to going to a one building and working there.



Tom Jessen (27:42):

That's very clear, very clear. Thank you, Mark. Our next episode of The New Insiders is on March 18 and we will talk then about the Accelerate Need for Innovation. Suzan what would be your question to our next speakers?

Suzan Schakenraad (28:04):

Yeah, well, obviously I've thought long and hard about a difficult question to answer, but also someone and I'm really curious about, and this is that yeah. Innovation that will be more and more driven by details. You see? And how do you balance the, the ethics with it? Technical possibilities of data? And a bit of the context of my question is that a lot of the data is considered very private and personal, obviously on one side and on the other hand side, there's a lot of exposure for customers themselves n, on their own data and on their own information. So what are you sort of allowed to use and whatnot to increase your products and services to its customers and how do you balance that?

Tom Jessen (28:51):

Okay. That's beautiful. Thank you very much. It's done. I would like to thank you both for joining us in this episode of The New Insiders.

Suzan Schakenraad (28:59):

Thank you for having me. It was fun.

Mark Curtis (29:01):

Thank you.

Tom Jessen (29:02):

And thanks again for watching this episode, episode seven, about the Fjord trends. Have a nice day and I hope to see you next time. Bye bye.

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