Josh: I recently met a guy who is quite the traveler.

MUSIC

Josh: He’s been to Ancient Rome, Machu Picchu, even the Deep Ocean. He lives an adventurous life, and when we spoke, he had a hard time picking his all-time favorite destination.

Alex: That’s like asking a parent for their favorite children. I don’t think I’m supposed to say anything besides I love them all equally.

Elise: This is Alex Kipman. He’s a Technical Fellow at Microsoft, and he’s responsible for their mixed reality business.

Alex: Something I will forever remember is one of my favorites, which is the first time I walked on Mars.

Josh: So – No, Alex didn’t walk on the actual surface of Mars. But he did do the next best thing.

MUSIC OUT

Alex: They already had rovers on Mars. And there were no people on Mars, which means all the science that happened on Mars was done remotely with, with scientists that sat on earth that looked behind computer monitors, and had to look at, well, what is 3D data behind a 2D screen... And we said, great, give us all that data. We will rebuild it and we’ll rebuild Mars.

1:00

MUSIC

Elise: And that’s exactly what they did. Alex’s team at Microsoft got scans of Mars’ surface and sky from NASA’s Jet Propulsion Laboratory – and they used it to build a virtual Mars.

JOSH: And once it was time to virtually walk on Mars, Alex and a handful of world-renowned scientists were walking on a virtual replica that looked exactly how the real Mars looked only 40 hours before.

Alex: You know I was there with one of the scientists that had been studying Mars for over 20 years. And he’s, you know, excited, holding a Martian rock and, you know, telling me about the stratification of the rock. And I’m like, “what’s a stratification of a rock?” And, you know, a famous geologist was like geeking out and telling me all about it. And, you know, literally like, he was in tears. He had to sit on the floor and be in tears. And I was there with him over at that moment, like, look, um, we are actually walking on Mars.

MUSIC OUT
Alex: And we're just looking at each other. And you know, I hate to break it to you.

2:00

He wasn't in the same physical room as me. He was there as an avatar, sitting in a different physical room, having this same experience. Now think about that. I'm sitting in an office, he's sitting in an office and we're having a shared experience on Mars.

THEME MUSIC

Alex: That's got to be one of my favorite experiences.

Elise: Alex and his colleagues at Microsoft are charting new territory, reimagining where companies can flourish. This episode, we are taking you on a journey – to Mars, to the Deep Sea...

Josh: ...and to places that are really... nowhere at all. All to answer the question... where will the future of business happen?

Elise: I'm Elise Hu

Josh: And I'm Josh Klein

Elise: And this is Built for Change, a podcast from Accenture.

THEME

Elise: So where life is happening has changed so much, largely because of the pandemic. And then the quarantines. For example, I have been working from home the entire time. My kids did Zoom school from home for months and months. And a lot has just been totally upended in terms of how businesses interact with us.

Josh: Yeah. So one of the things that was a positive from the pandemic is that I'd always dreamed of living fully virtually, of like absconding from my local city and apartment. And working totally remotely.

And in the pandemic, we moved from New York City to a farm in Iceland.

Elise: Wow. What a dream!

Josh: Yeah.

Elise: That's the mark of a huge change that has happened. Right? So many of us are working in places that we never imagined instead of having to go into the office.

Josh: Absolutely. It's like my whole family was able to get up and move to Iceland because everything is online. Like, where life actually happens has changed dramatically from 18 months ago.

ELISE: And, like we've said many times in this series: the disruption creates opportunities to rethink things. Like – where – we do business.

JOSH: Right. So, whether consumers are spending more time in virtual spaces, or embedded in their local communities, there is an opportunity for companies to literally meet customers in new places, and that's what we're talking about today. So in this episode, we're looking towards the future of business to reimagine WHERE it happens.

THEME STING

ACT I

MUSIC

Josh: Before we get into specifics, we need to zoom out for a minute to see how we got here.

MUSIC

Annette Rippert: Over time, companies have managed themselves based on, you know, known dynamics in their business. And now suddenly the world looks incredibly different.

Annette Rippert: Certainly the scale of the disruption in the compressed timeframe that we saw last year, it created a whole number of changes. So at this time of really unprecedented change, we all need a way to be able to see what’s changing underneath us.

Josh: Annette says, a lot of new ideas have circulated in the business world to contend with the changes brought about by the pandemic. And that has created a lot of noise,

5:00

making it pretty hard for business leaders to make well-informed decisions about where to go next.

MUSIC OUT

Josh: So, in a new report called Business Futures, Annette’s team separates the signals from the proverbial noise, to make sense of the future of business. They analyzed feedback from thousands of executives worldwide, and filtered it through economic modeling — all to determine which “signals’ will be really essential to the future success of organizations.

Annette Rippert: Business Futures is designed to develop a response to the number of signals now that have changed in the business environment and really enable leaders to get a better handle on how they think about the challenges they face and how they’re thinking about tomorrow.

Josh: A handful of key trends emerged – including the one we’re focusing on here. Where business happens is shifting.

MUSIC

Annette Rippert: The world has disrupted its sense of “where,” hasn’t it? The advent of COVID has done something really unique because it’s taken the idea

6:00

of location out of product experience. The channel has become location independent,

you want to be virtually in all places that a customer might experience the presence of your product and be able to become acquainted with it. So I think it’s really changed the notion of location as being an important element of business strategy.

MUSIC OUT

Josh: So there’s a lot of things that have been really fantastic about this increasingly remote-friendly life.

Elise: Yeah. I mean, there’s a lot of ways that I would spend my time actually going to something in person that it turns out you can just do over the phone or do over Zoom, like getting a prescription renewed with my doctor.

Elise: I like doing, kind of, virtual visits there. That’s been awesome. And I love just being able to save time on a commute or not have a commute at all.

Josh: Yeah

Elise: And I co-host a podcast with you. Somebody I’ve never met, over in Iceland. And while I’m over here in California.

Josh: Yeah yeah. But it’s that feeling of being in the same space as somebody that’s missing from these virtual video chats.

07:00

Elise: Right.

Josh: So… what would it look like if businesses could capitalize on the convenience of virtual, but infuse it with the FEELING of being physically present?

MUSIC

Annette Rippert: I think that we have had a disruption that has significantly changed the way we choose to interact.

Josh: That’s Annette Rippert again.
Annette Rippert: Of course, people meeting people, doing business together, learning from each other. We’ll always have a very visceral in-person opportunity to connect, but importantly, the ability to be able to interact virtually has created an expectation to interact in that way and in fact, more ways in the future. In today's environment where borders don’t have to be crossed for you to have, like, an intimate connection, we see this sophisticated blending now that's taking place of, you know, the physical and the virtual.

MUSIC OUT

Josh: Accenture calls this trend “Real Virtualities”

8:00

and it refers to the way that companies are using virtual and augmented reality to redefine our sense of place.

Annette Rippert: When we think about today's notion of virtual reality or augmented reality, it engages us through this sense of vision and hearing kind of two of our senses at use in a virtual environment. But, you know, eventually we’ll see this engage many more of our senses, for example, the sense of smell or experience of touch that will create an even more immersive environment.

Josh: And these technologies won’t be confined to the entertainment sector... Annette says, there’s a real opportunity for the use of these virtual technologies in business - from manufacturing, to retail, scientific research, medicine, and even the workplace.

Annette Rippert: The pandemic encouraged us to experiment with all of these technologies, but now there's a much better way that we can think about how we work, how we live, blending that virtual experience together

9:00

with the physical world. And that has created big opportunities for how we can use these real virtualities to create growth in business.

MUSIC

Alex Kipman: I mean, for all that I love how technology has allowed the world to become a much smaller place in a sense, but, much shallower in a way in which we interact.

Josh: That’s Microsoft’s Alex Kipman again.

Alex: You still would rather have a conversation around the dinner table with your friends, than have one over a Teams call. And I think with Microsoft Mesh, we get that level of immersion, that level of social presence, that, that ability for you to feel like you're physically there. Even though, in our case, you may not be.

MUSIC OUT

Josh: Microsoft Mesh is Microsoft’s mixed reality platform that allows users to be physically present and interact with one another no matter where they are. But this is vastly different from traditional VR experiences - which are, typically, solitary -

10:00

one user having a virtual experience by themselves.

Alex Kipman: And I think the fundamental shift here is this shift from personal computing experiences into native collaborative computing experiences. Microsoft Mesh is the thing that enables that.

Josh: The technology is so advanced that it’s actually difficult to picture. So... imagine this: You’re a deep sea marine biologist, standing in your living room. You put on a pair of special glasses.

MUSIC

And all of a sudden, a 3-d hologram appears in front of you - of a giant squid being filmed in real-time by a deep sea submersible hundreds of miles off the coast. You can walk around it and see all its features. And your colleagues are there too – or, holograms of them, anyway. So you can talk to them, make eye contact, you can look at the giant squid.
Josh: And that’s where the fantastical meets real opportunity for the business world. For example, surgeons are using the HoloLens2 to virtually represent data from MRIs during surgeries. Microsoft is also finding success using mixed reality in manufacturing environments. Take, for example, the construction of an ORION spaceship. The HoloLens2 allowed builders to take an 8-hour task list, and accomplish it... in 45 minutes by representing construction diagrams in life-size holograms overlaid atop the actual spaceship.

Alex Kipman: Now all of a sudden, that scientist can teleport in and sit around the table, having a connected experience with the people around that table as a hologram.

Josh: Incredible, isn’t it? But – this partnership with OceanX is more than just cool tech for the sake of cool tech. It proves that mixed reality can have powerful applications in business.

MUSIC OUT

Josh: To jump into a Mesh-created reality, a user can join with a VR headset, a PC, a mobile device... OR a small headset called the HoloLens2 - it’s embedded with extremely sensitive and powerful sensors. They can detect your facial movements, your eye movements. And the microphones can process a whisper in extremely loud environments – which is important if Mesh is gonna be effective in factory settings or in manufacturing lines.

All of this is connected to Microsoft’s cloud computing platform, Azure, creating an even more powerful system.

12:00

The result is an intelligent cloud-connected platform that can truly understand its surroundings and project holograms into a user’s environment.

Alex Kipman: And it’s that “aha” moment of touching and feeling a hologram for the first time in manipulating it like you would in clay, in the real world. That makes these experiences significantly more immersive than they were, you know, six months ago, a year ago.

MUSIC

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Alex Kipman: Now that eight hour shift that had 85%

13:00

accuracy can now be done in 45 minutes with over 95% precision. So just think about the impact that that has for business worldwide when I can take something that took 8 hours and do it in 45 minutes and take something that was error prone, and, you know, do it in an error-free way.

Josh: But Alex says, Mesh even plans to move into the knowledge economy.

MUSIC OUT

Alex Kipman: Hybrid workspace is here to stay.

MUSIC

Here can be really anywhere. Headquarters are no longer bound to any one single physical location.

Josh: Accenture and Microsoft Mesh have already started experimenting with this. They created a digital twin of Accenture’s office headquarters in virtual space, and called it, the Nth floor. On the Nth floor, Accenture employees all over the world can gather in the same virtual space for social gatherings, employee onboarding, and so much more.

Alex Kipman: To be able to have a conversation where I’m making eye contact and we’re pointing to objects

14:00
and the pandemic created a need for agility and a lot of localization — agility across supply chains, agility across understanding local markets, supply demand in local markets.

Josh: As we all know, the pandemic intensified in different parts of the world at different times. Each country had a different approach to regulation. Each culture had a different attitude about risk. And all of this culminated in a very uneven operating environment for global companies.

16:00

So, Annette says, some businesses responded by flattening their organizational structure.

Annette Rippert: What looks tremendously different in many organizations today is, in fact, this idea of decentralizing key decisions so they can be made in the field, flattening the hierarchy of the organization so that decisions are made at the closest point to their customers.

Josh: This took a lot of different shapes. One example: Global retailers, who were able to give regional retail managers the autonomy to reroute inventory from brick and mortar stores to warehouses to fulfill the influx of online shopping orders during the pandemic.

Companies are also choosing manufacturers that are physically closer to the markets they serve. But beyond supply-chain management, allowing flexibility at the edges of an organization has also allowed local teams to experiment and try new things. It’s given companies the opportunity to customize, and to cater to local markets. It’s no longer enough to export the same products to customers all over the world.

17:00

MUSIC

Customers want their products to be sourced locally and they want the designs to be culturally considered, to be for them.

Annette Rippert: I think that in the past there was a period of economic time when there was so much focus on standardization, globalization,
Josh: In their Business Futures Report, Accenture calls this trend, “pushed to the edge.” It allows businesses to become more agile. They can better serve local customers’ needs and preferences, it frees up leadership’s bandwidth -- and-- it allows employees in the field to innovate faster. Annette describes this as going flatter to go faster.

MUSIC OUT

Annette Rippert: The innovation that can take place at the end points of the organization are exponential and being able to have that experience and then bring that back to the core, I think is, it’s going to change the pace of innovation if that’s possible any more than it is today, but it provides for even more innovation in the field.

MUSIC

Annette: There'll be a new kind of leader that'll emerge from these edge organizations and it needs to be one who really is comfortable enough to cede a level of control to their teams and really take on this notion of democratization of decision-making that's taking place across the organization. And one who's brave enough to sort of dismantle what's not working and be ready for organizational change. That's a very different leadership trait that comes along with an edge organization.

MUSIC OUT

Andy Cohen: You know, we're finding around the world that our clients are looking for a sense of place. They're looking for authenticity. They're looking for uniqueness. They're not looking for homogenized design.

Josh: This is Andy Cohen, the co-CEO of Gensler.

Andy Cohen: And so that's why we really believe in getting in with our clients locally and really understand their local goals, their local culture, their local mores, so that together, we can form a design that's really appropriate for that specific location.

Josh: Gensler is the largest design and architecture firm in the world. They have over 6,000 employees split between 50 global offices. They serve clients in over 100 countries. But for such a global business, they have very little hierarchy. Andy says Gensler is a flat organization - and that allows them to be hyper-tuned into the local.

Andy Cohen: We always say you can't be global if you're not local first.

Josh: For example, each region’s climate will require different engineering to maximize energy efficiency. But there’s also important cultural differences.

Andy Cohen: For example, in India, there are very specific cultural and religious needs in designs, or in the middle east, making sure that we're dealing with local cultural, religious factors.

Josh: Maybe a designer will evoke a traditional textile pattern in a building’s structural design, or incorporate traditional design cues from centuries-old local architecture,

or maybe a building will be a high-tech symbol of a country’s next frontier. Because, ultimately, Andy says that successful design must be embedded into a community. It can't just look pretty. It needs to be functional, culturally appropriate, even symbolically relevant to its city.

Andy Cohen: I think we are looking beyond the four walls of the space that we’re designing, because it truly is about the cities that we live in. And at the end of the day, if we’re successful, they feel like it's really part of their community.

Josh: Take, for example, the Shanghai tower.

MUSIC
Andy Cohen: The Chinese government wanted that building to be an icon for the country, but they wanted it to be localized. They wanted to make sure that it was dealing with local issues. What they told us is they wanted to create a vertical city where 10,000 people can come every day and you can live, work and play in it in one single structure.

Josh: So, the client held a design competition – bringing in firms from around the world to bid for the project. Andy says, the other firms worked on their designs at their local HQs in their home countries. But not Gensler.

Andy Cohen: Our design team was embedded in Shanghai. So we have local leaders on the ground understanding exactly what the Chinese government was looking for. And that gave us insight into ensuring that we were delivering what the locals were looking for.

Josh: After a 2-year design competition, Gensler presented a stunning proposal. The tower would be the second tallest building in the world. Its edges would rotate as it curved toward the sky. It was designed to look like a dragon tail – symbolizing strength and good fortune. It would have windmills on the top to drive its own energy source, and a smart skin around the building that could filter incoming light.

MUSIC OUT

Andy Cohen: When the clients saw the design compared to other designs, they knew right away that our design was the right design, because it captured the imagination of the people. It captured the emotion, the passion of the Chinese people. It also captured the idea that this building was about the future.

MUSIC

You put together that idea of enthusiasm around what the building looks like, what the functional nature of it.

And then the technological know-how and that created a win-win and the client just wanted that design for the building. And now on the skyline within China is this phenomenal building that really represents the true nature of China itself.

Josh: So let's get into the details of how a global flat organization operates.

Andy Cohen: We really believe we're the antithesis of most other firms in our field. Most firms in the architectural field are led by one or two people. And I'll say one to two egos. And usually all the work comes back to one location because they want control. In our organization, it's not about control. It's about delivering the best ideas to our clients and that's why we're flat. And that's been unique where we have local grown leaders and global leaders that are coming together, coalescing together with big ideas for our local clients.

Andy Cohen: You know, we have this philosophy that we're a constellation of stars. And you hire great people and you get the hell out of their way. You create a vision, but then you let them do their thing.

Josh: As a part of this flat approach, Gensler has no HQ. They have regional offices all around the globe which use a collaborative leadership model.

Andy Cohen: In most cases in our firm, we have two or three leaders in every single position.

MUSIC OUT

Josh: And the CEO position is not exempt. Andy and his co-CEO Diane Hoskins have been co-CEOs of Gensler for sixteen years.

Andy Cohen: Diane and I come from different perspectives. We're constantly building on one another's ideas to create better ideas of the future in design.

Josh: But there's a requirement when running a flat organization that empowers its edges. A company must balance flexibility of decision-making with control.
Elise: This is so important, Josh, because I don't think you can be a global company these days without regionalization. Every region of the world has what makes that part of the world unique, right? There's cultural tradition. There are ways of doing business. There are, kind of, understandings that are unique to a place.

Josh: Sure. Design elements, cultural elements. And I think one of the things that came out of the pandemic is people realize that, hey, my neighborhood, my city, my state, you know, there's elements of that that are unique that really matter to me.

Elise: Right. So our world is getting smaller every day through the power of technology. It allows us to connect no matter where we are to the point where it almost feels like borders are disappearing.

But it's still very true that as businesses operate in different regions, they have to respect the uniqueness of the places they're in - whether it be the regional market's needs, regulations, or the cultural authenticity of that place.

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But it's still very true that as businesses operate in different regions, they have to respect the uniqueness of the places they're in - whether it be the regional market's needs, regulations, or the cultural authenticity of that place.

Outro: The standardization of big global companies is yesterday’s strategy. Today, regionality matters and businesses can contend with that by decentralizing decision-making.

Elise: Right. The world has fundamentally changed, and so have traditional business dynamics. So businesses need to reevaluate where they operate and where they meet their customers.
Josh: So, to learn more about the trends in today’s episode, check out the Business Futures report at Accenture dot com slash Built For Change. It also talks about other trends—what Accenture calls signals of change—like leveraging AI and advanced analytics to better anticipate the future; creating value for all stakeholders, not just shareholders; creating responsive supply chains, new materials-driven science and more.

27:00

Elise: Thanks to Accenture’s Annette Rippert.

Josh: And to Alex Kipman and Andy Cohen for talking to us!

Elise: Built For Change is a podcast from Accenture.

Josh: More episodes are coming soon. Follow, subscribe, and if you like what you hear, leave us a review.

MUSIC OUT

27:16