



## 7 Trends on the Horizon

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I enjoy watching sunrises, and sunsets. With every passing moment, the sky is lit with brilliant colours dancing majestically in various shapes. The shift of scenery is gradual yet sudden. Similarly, interspersed with major events that sometimes accelerate change, industry trends morph from one year to another. Some changes are gradual, and some abrupt. 2021 brought with it some new trends, and accelerated some existing ones. Here are 7 that stand out:

**1. Digital Dexterity : Agility through digitisation** – While digitisation has been a corporate theme for many years, recent years have widened the lead for organisations that leverage technology to operate at scale and differentiate their offerings.

- As start / stop economic cycles became more prevalent over the past year, companies that are digitally dexterous were more responsive to their customer needs. Everything as a Service (XaaS), and “pay as you consume” business models are gaining adoption in place of traditional ones which cost more upfront, can take longer to build, and, in many cases, are unable to cope with the increasing volatility of workloads that is experienced in many businesses nowadays e.g. retail trading, marketplaces etc.
- Many corporations are redesigning their operational workflows to be digital, collaborative, and distributed to support new ways of working. Tools like Digital Filing Cabinets which enable convenient access in a secure manner, and even extend to business partners outside the enterprise network (e.g. customers, suppliers, logistics partners etc..) are becoming a necessity and are no longer a “nice to have”.

**2. Blockchain at scale** – Blockchain-enabled solutions for enterprises are seeing unprecedented adoption. It is increasingly common to see these solutions deployed at scale in targeted corridors (e.g. trade flows between certain regions / countries), product categories, and use cases (e.g. Import / Export digitisation, or track and trace for raw materials). Many progressive organisations have successfully run “proof of value” projects, and are now confident to scale Blockchain solutions as a core component of their web 3.0 strategy.

**3. Supply Chain Resilience, and Risk Management** – Events from recent years have elevated supply chain into the most strategic conversations within many corporations. Decade’s long focus on “Just in Time” has brought great efficiency but also created some vulnerabilities.

As supply chains evolve from “Just in Time” to “Just in Case”, corporations are recognizing the need to build resilience by leveraging technology.

While near-shoring has gained momentum, need to be nimble is trumping as geo-political uncertainty is here to stay. With the result, companies are heavily investing in technology to build their own “Digital Supply Chain Networks for the Future”.

Leveraging smart contracts in a distributed mode is enabling many companies to build resilience, and agility in their operations.

With growing legal recognition of electronic transactions in many jurisdictions this secular trend is only going to accelerate.



**4. Re-imagining Customer, and Partner Experience** - To gain a greater share of customer wallet, and to keep new entrants at bay, companies are re-focusing on their customer and business partner experience. These firms recognise that they cannot build strategic engagement with partners over paper forms, manual processes or emails. Traditional measures of customer service do not suffice. Re-imagining the end to end experience (from discovery to order to fulfilment) is an existential necessity for many of them.

Building digital intimacy with customers, and partners is critical.

There are many enablers to make this paradigm shift a reality. Cloud-based software solutions that empower corporates to design their own private permissioned networks are gaining traction, while Open APIs are reducing entry barriers and making integration with legacy systems a reality.

**5. Renewed focus on Working Capital Management** - With interest rates expected to rise, companies will increase their focus on optimising their working capital cycle. Any day saved can have material impact on company's bottom-line. Technology again is a great enabler.

Improved end-to-end visibility of Order to Cash, and Procure to Pay processes is helping many enterprises to build superior planning, fulfilment, and working capital management capabilities.

**6. Buy, Partner, or Build** - With prior-year baseline affect waning, productivity gains will be scrutinised more closely in the coming year. As the world moves into a new steady-state equilibrium, organisations are looking for creative ways to fulfil demand and create new revenue streams.

With advances in technology, growing adoption of industry standards, and desire to reduce time to market, "Build vs Buy vs Partner" decisions will increasingly go in favour of Partner or Buy rather than Build.

**7. Sustainability** – Focus on sustainability has been unprecedented in the past year. COP26 was a significant milestone and, hopefully, 2021 will be an inflection point for us to meaningfully progress to real action on UN's Sustainable Development Goals. While the pace of change so far has been slow, it is encouraging to see more corporates committing to sustainability in a meaningful way.

With consumers becoming more discerning, regulators becoming more data / technology enabled, employees becoming more purpose-lead, and rise of shareholder activism, organisations have no choice but to commit to tangible action for sustainability.

Just as the Sun sets in one part of the world, the Sunrise in another part marks the dawn of a new day. The harmonious transitions make for beautiful viewing. Progressive companies will do well to embrace these emerging trends on the horizon to lead them into the future.