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Williams Nicolson Trend Index 2023:
Evolution, Not Revolution

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What will 2023 bring?



Slow news days are over. ‘Being busy’ culture and rapid change has left our world in a spin. As the drama and trauma of the 2020s persists, we predict 2023 will be about evolution, not revolution.

Global recession and double-digit inflation² are here. Supply chain woes impact most businesses: not due to any single government or policy, but the result of the 10-year recession cycle, pandemic, and war. A pandemic that revealed our vulnerabilities, refocused our intention, and reset our systems; a war over the land we rely on for food and fuel.³



Permacrisis¹

Noun An extended period of instability and insecurity, especially one resulting from a series of catastrophic events



We need constant, we need comfort.

The way we communicate digitally has exponentially accelerated. Post-pandemic we are still feeling our way through the restructured workplace. Our internal communications and how we interact with our communities, clients, and consumers has changed forever.

As we get new information, we must change our approach rather than reinvent the wheel.

As the world speeds up, business leaders need to slow down.

Strap yourself in. Prepare for ongoing economic and social change. Socio-political tensions will cause economic uncertainty across markets and global economies. Consider how you can position your business to maintain efficiency and empathy amid a turbulent global market and demonstrate tangible value at home.

We will see themes that surfaced in 2022, continue to evolve. Newer technologies are gaining momentum. Take time and listen to counsel. Think before you speak as we learn what's next. Public statements in a tense socio-economic climate, preserved through social media, are not easily forgotten. Reputation and values are more transparent and more fragile than ever.

Brands are the new intermediaries



Welcome to the new corporate activism. Brands have seized responsibility to inform socio-political conversations, change consumers and move employees in the name of organisational values.⁴

Take a position and shape moral expectations. Societal and stakeholder expectations shape a credible corporate response.⁵

Should an ice cream inform voters on their next president? This debate is over. It is happening already.

Should mayonnaise have a purpose? Too late. Consumers have attributed one. Board and brand are interchangeable.



Be wary of the brand bandwagon

Before making any public statements, before promising aid and action, consider how far your business will go to defend your commitments. There is a delicate balance between providing value without holding all responsibility. Companies that operate in the United States have started paying for gender-affirming and reproductive healthcare unavailable locally.⁶ This has sparked legal challenges and corporate change.

In the wake of the Supreme Court overturning *Roe v Wade*, Lyft pledged to support women's healthcare and protect drivers from legal implications if the home state restricts these services.⁷

In response, CEO of Lyft Logan Green received a letter from Texas legislators⁸ warning they are in violation of legal sanctions if these benefits continue to exist.⁹

Action must simultaneously align company values, the needs of customers and communities, with the pragmatism of real change. Brand posture and empty promises fail all involved.

Practice progress over perfection. As businesses with the resources to improve their community, grandiose promises are tempting. With clear intention, integrate business values into rational intervention. Scale the potential consequences of your actions and proceed without undermining the viability of your business.



Words count, actions matter

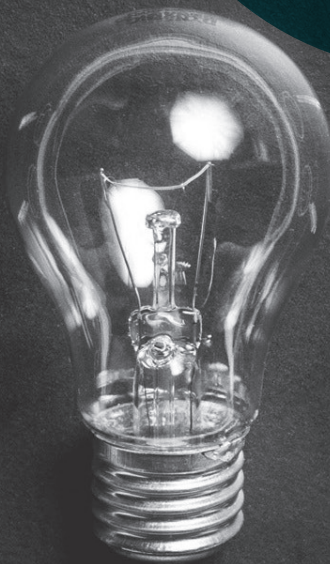
The war in Ukraine is revealing the shortcomings of a social media post or corporate statement that does not quickly outline concrete action. The moral expectations of your communities grow amid the brutality of war.¹⁰

“I would like my company to express not just dismay, but a clear position,” wrote one Ukrainian web content editor working for Nestlé. Another brand manager asked, regarding the city of Kharkiv, “what does Nestlé do to assure that their home city is a safe place tomorrow?”¹¹

To show solidarity with Ukraine, thousands of brands have taken action by exiting the Russian market.¹² But concerns lie with the safety of employees still residing in Russia.¹³

Airbnb has bridged the core values of the brand with clear action. Co-founder and CEO, Brian Chesky has pledged to host 100,000 refugees in Ukraine’s bordering countries for free.¹⁴

To successfully implement integrated value creation, first understand the messy, uncertain needs of your community. How can your business fill this gap with integrity?



There's no place like home



In the wake of compromised globalisation and spikes in inflation, supply chain vulnerabilities are revealed. How can your company utilise local resources and re-invest in your home team?

The pandemic put pressure on supply chains; logistic disruptions, and soaring energy prices have contributed to shortages and spiralling transport costs. Against this backdrop, the Russian invasion of Ukraine has exacerbated the situation adding additional pressure to the already unpredictable global trade landscape.

Globally, Russia and Ukraine together account for more than a quarter of wheat exports, 19 per cent of corn exports, and 80 per cent of sunflower oil exports. Food prices are at their highest levels for more than 10 years and are predicted to climb higher.¹⁵

The International Chamber of Shipping (ICS) recently warned supply chain disruptions could be exacerbated by a shortage of shipping crews from Russia and Ukraine. According to the ICS, Ukrainian and Russian seafarers make up 14.5 per cent of the global shipping workforce.¹⁵ Many important shipping routes have been cut off, forcing transport companies to suspend service. Sea, air and rail freight rates are expected to rise further due to the negative effects of the conflict.¹⁶

The supply chain does not just consist of manufacturers and suppliers, but also transportation, warehouses, retailers and customers. Each different product and service will form and exist in different supply chains creating a delicate ecosystem with known and unknown vulnerabilities.



The end of globalisation

Globalisation and deglobalisation trends have fluctuated for decades. Protectionist measures and the relocation of production are part of a process that is called deglobalisation – a reduction in export growth that is compensated by increased consumption of the domestic market to defend national interests.¹⁷

Globalisation, as we know it, is over. The frequency and severity of climate events persist and demand a survival strategy focused on autonomy, resiliency, and risk management. A joined-up plan to cool a hot planet would benefit everyone, but leaders are more focused on their domestic territory right now.

We must not forget, as the impacts of climate change become more frequent, particularly in developing countries close to the equator, going local will not always be possible.

Being local still requires global responsibility and systems thinking.

Look local

In moments like these, businesses are reminded to nurture the network and environment that enable a sustainable future. Think about how your company can utilise local resources. Terms like relocalisation or backshoring, signal how production is ‘coming home’.¹⁸

Use local resources to ensure longevity and resilience in a turbulent landscape.

Consider an example from West Africa. Prior to the war, post-pandemic recovery was predicted to continue in 2022 and 2023 with sustained global vaccine efforts and supportive macroeconomic policies. But war created cascading negative effects on the economy, affecting food, energy, and other commodities. This has only escalated inflation and provoked triggered a food crisis.

In Ghana, the annual inflation rate accelerated for the 16th straight month to 37.2 per cent in September 2022.¹⁹ Primarily driven by rising prices for transport, housing, utilities and food, this was the highest recorded since July of 2001.

Ghanaian businesses have found success in response to sudden spikes in prices and a depreciating Ghana Cedis²⁰ by utilising the abundance of local resources. Restaurant chain and creative hub, Palm Moments, owned and operated by Tasia Cobbinah has proven resiliency. Known for its eclectic menu of both traditional and western dishes, readjustments were necessary in July 2022 to withstand heightened inflation and food shortages. Imported items were removed from the menu and in turn, contemporary spins on classic Ghanaian dishes took their place. Using indigenous ingredients as their staples, one can now find pizzas with a tatalle base, plantain boats, stuffed bofrot with mango drizzle and groundnut desserts. A creative solution that invested in local vendors, as well as conjuring an influx of interest from their community.

Consider how your business can sustain success amidst a turbulent economy. Social impact encompasses long-term solutions and the overall longevity of your business. It's not necessary to reinvent the wheel, but a reassessment in production is needed as inflation and supply chain disruptions are expected to continue to rise.



The new humility; embracing change in an evolving virtual landscape

Our brains have evolved through centuries of 'machine learning'. We learn from experience as new connections in our grey matter are made consciously and subconsciously. We have not forgotten our hunter gatherer instincts, but simply built on them and evolved as new opportunities and dangers have emerged. We've trained ourselves to be adept in our own expertise. But you still don't know what you don't know..²¹

Reshaping our ecosystems takes awareness, discomfort, and a period of relearning. We often prefer the ease of hanging on to old systems over the difficulty of grappling with new ones. In an ever-changing hybrid world, there's another set of cognitive skills that might matter more than traditional intelligence or expertise: nurture the ability to rethink and unlearn.

This does not mean failure. This is starting again with more insight.

"Progress is impossible without change, and those who cannot change their minds cannot change anything"

- **George Bernard Shaw**

Strategy should always be provisional. Dedicate a healthy proportion of focus and resources to explore the new. Even when early evidence remains unclear, commit yourself to intellectual flexibility by seeking out marginal gains for insight that might set you on a different strategic path.

The world's most infamous business leaders are ok with changing their minds.

Having a healthy bias for action, Jeff Bezos knows that to make quick decisions, you need to identify what can be reversed. He describes these as 'two-way doors'. You can back out later if you don't like what you see, so you can move fast. An essential strategy to surviving fast-paced, competitive industries. Having an agile approach to decision-making is key when change is constant.²²

Tesla gained a competitive advantage when the world's biggest car manufacturers suffered from the global chip shortage. Tesla was able to overcome the supply chain issue by using an alternative semiconductor and quickly rewriting the car's software. Their output is expected to grow in 2023 whilst other car makers are struggling to meet demand with long waiting lists and crucially losing market share.²³

We have been warned the next two years will be painful. We need to all play our part to make it a little less painful for each other.

There will be no big revolution of technology. The big techs have fallen from grace in the financial markets and there is serious talent in the market to aid your organisation.

You don't know what you don't know. So, ask the question. Share the answer. Stay curious, and look after each other.



Authors

Williams Nicolson is a strategic communications and change management consultancy which delivers the very best strategic advice and data led resources to equip leaders operating amid technological change, global competition and market volatility.

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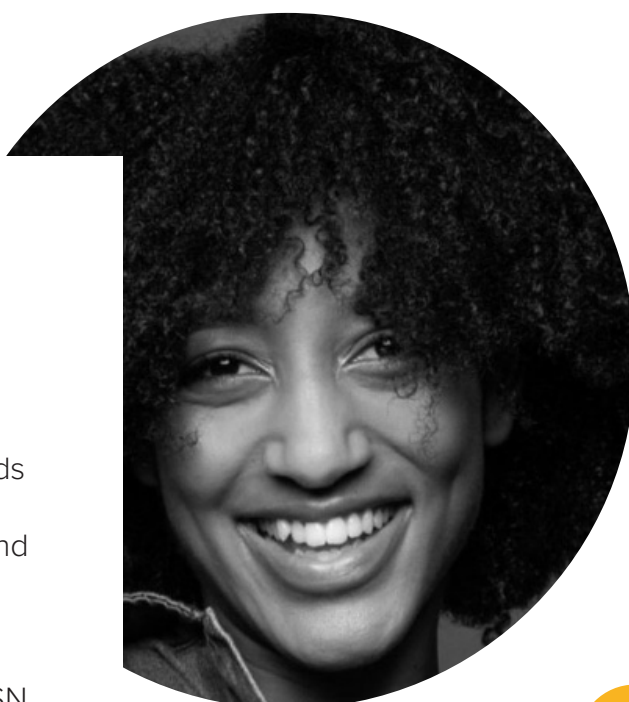


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