



FJORD TRENDS 2021 WITH MARK CURTIS

VIDEO TRANSCRIPT

Liquid infrastructure

So if everything has been collectively displaced in terms of people then there's a flip side to that which is a displacement of the way in which companies do things and that is why this trend is called Liquid infrastructure because it's the flipside of collective displacement.

If you have new demands and new patterns of demand, you have tremendous stresses, and we saw this play out earlier this year in business models. And where we think this is going is increasingly companies are going to start focusing on not so much efficiency or that they're having to do that hard at the moment, but also how do we use our assets for delight as much as efficiency.

So what's going on here? Well how we get things literally get our hands on things products and services has changed, so how companies ship, store, deliver that's had to change as well. But also as we've become a bit displaced our experience expectations have changed. We call these liquid expectations. And where we're taking expectations we might have had for example in shops and I'm wanting to see those delivered at the point of delivery when we unbox. All of that has meant that the shift, digital in particular, around infrastructure is meant that cost to serve has gone up dramatically, whether that's cost to serve of online delivery or whether it's costs because you're running a retailer and you've had to reconfigure your establishment around health and safety. Some companies are experimenting with direct to consumer and some of that may pay off, but it's difficult to see how that scales either for the organization or actually for the custom of themselves.

Fundamentally this is about rethinking the tradeoffs between experience and cost. We can have all the experience we want. We don't have unlimited ability to absorb costs. So what's next?

Well really it's simple. It's rethinking the supply chain. But not only is supply chain, but all physical assets, so space as well and how to use those physical assets. We'll see a lot more business to business sharing. We've seen that with dark stores, with dark restaurants as well. We'll see new business models. There has been dramatic growth in subscriptions over the last year, exhilarating what was happening already. We'll see supply chain models beginning to shift and talk about how we measure for growth and experience as much as we measure for efficiency. And we'll see a lot of experimentation in how you manage that last 10 feet, something so well work something we knew how to do in retail establishments, but we need to get a hell of a lot better doing it when it comes to the delivery of the you know the bland cardboard box into your house. How can we make that a much more inviting experience?

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However as we've said noted on a couple of the other trends, there is a sustainability caveat to this as well. All of this will increasingly be done with something that is more than a footnote on sustainability, but sustainability actually applied right at the heart of it of how you rethink the use of the assets. So this is not a trend that can be done just by simply thinking about end user. We also have to think systemically about the effects of supply chain on the planet.

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