



PREPARING FOR THE FOURTH INDUSTRIAL REVOLUTION

The “Fourth Industrial Revolution,” a term coined by Klaus Schwab at the World Economic Forum, marks the next phase in human progress. It represents a technology shift that will alter how we live, work, and relate to one another. Building on the connectivity and automation that characterized the Digital—or Third—Industrial Revolution the arrival of the Fourth Industrial Revolution differs greatly in terms of scope, velocity, and systems impact.

Velocity: The Fourth Industrial Revolution is evolving at an exponential rather than a linear pace.

Scope: Disruption is taking place in almost every industry worldwide.

Systems impact: The breadth and depth of these changes herald the transformation of entire systems of production, management, and governance.

What does this mean for the businesses of today and tomorrow? Already, the mobile device has amplified the interconnection brought about by the internet, enabling global and instant communication, as well as rapid processing, access to information, and dissemination of knowledge. At the same time, the interaction between digital and biological systems has brought unprecedented advancements in areas from energy and robotics to the Internet of Things (IoT), helping us to produce for example, 3D-printed tissue and biological weapons.

As technology evolves, the skills needed to be a successful corporate leader and employee are changing as well. Where once success hinged on



learned skillsets, today it is increasingly important to be skilled in managing change. Agility, flexibility, and responsiveness have become the mantras of the technology world. As innovation continues to improve exponentially, these factors will continue to determine the success of organizations as they manage and also leverage the coming breakthroughs of the Fourth Industrial Revolution.

THE CUSTOMER EXPERIENCE

The traditional barriers between customer and company have fallen in recent years, as customers are increasingly connected to and invested in the products they use. The internet has opened up the global marketplace, driving down prices and increasing competition. Instant access to massive quantities of information has made customers better informed and has raised the bar for rapid delivery of excellent products and service. While technology also allows companies to provide customers with a more engaging experience, managing expectations continues to be a challenge. As artificial intelligence, robotics, and machine learning become integrated across all business processes, navigating the interplay between customers and technology will become even more important and complex.



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THE CHANGING ORGANIZATION

From remote working to flexible hours, the modern business environment has changed dramatically from the cube offices that characterized the 1990s. With increased interconnection, employees can work from anywhere and are expected to do so at any time. As the IoT and virtual reality continue to improve our interconnection, maintaining a work/life balance will become increasingly challenging. Additionally, the hierarchical management structure and the associated chain of command will likely become obsolete. As employees with less defined roles move laterally between projects, collaboration within and between organizations will enable a better response to the fast-paced, highly competitive business environment. As a result, cooperation not just between employees, but also businesses, universities, and research communities will continue to proliferate.

The Fourth Industrial Revolution has already brought about profound change and is forcing companies to scrutinize how they will navigate the advancements in the market. Going forward, the ability of leaders and employees to, not only understand the evolving environment, but also foresee and make strategic decisions based upon these changes will be imperative.

EFFICIENCY AND PRODUCTIVITY

Just as customer expectations have changed as a result of technology, so has the accountability of the workforce. Innovation and interconnectivity have improved employee efficiency, time management, and productivity. Consequently, employees are expected to deliver smarter ideas quickly. As faster communication between and among humans and machines becomes the norm, not only will efficiency and effectiveness continue to become a competitive advantage, so will adaptability and specialized skillsets. Big data processing and machine learning are already automating rudimentary tasks. As machines get smarter, their ability to analyze results, make complex decisions, and adapt conclusions to the changing environment could dramatically alter the workplace. The need for repetitive labor-intensive tasks and routine medium-skilled jobs will be overridden by intelligent software or robotics. However, as businesses grapple with the agility and pace of the marketplace, high-skilled and adaptable workers will continue to be sought after.

Sources:

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