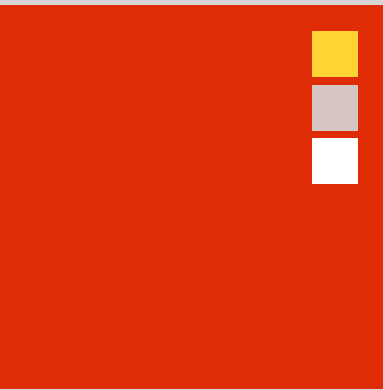




Where's the **Growth?**

Global Innovation Opportunities for the Long Term





Gloom has set in on global markets. Volatility rages. Some organizations have gone into a mode of “aggressive indecision,” deferring action while they try to figure out “what comes next.” A pretty lousy strategy that is doomed to fail in the longer term.

Future oriented leaders understand the reality of growth. They know that we live in a time in which opportunities for growth abound. They’ve aligned the mission of the organization so that they are capitalizing on real opportunity, not short term economic challenges.

Growth is everywhere

It’s easy during a time of economic volatility to lose sight of where the global economy is really headed. Yet while stock markets might rock, innovation thrives. New ideas continue to be explored, markets grow, and industries emerge. A variety of trends indicate that opportunities for growth continue to surround us.

- Global food production must double in the next twenty years to match population growth. There’s nothing but upside in agriculture!
- New industries and markets continue to emerge as advancements in the science behind energy, infrastructure, connectivity and health care drive fascinating new areas of growth.
- Many simple and obvious trends drive growth. Generational growth drives the rapid emergence of new markets: by 2020, 17% of the global population will be 65 years or older. Someone will sell a lot of phones with really big buttons!

Think growth. Think opportunity. Innovate for future, don’t stagnate with the past.





Transformational Growth

Several industries are in the midst of long term transformations that will lead to significant change, massive new market opportunities, and trillion-dollar industries. Understanding the concept of “transformational growth” is key to realizing the opportunity for innovative oriented leadership.

Rethinking transformation

Entire industries are being swept by fundamental, “transformational” change. Consider just two examples that are indicative of the significant market and industry growth that will occur:

- A fundamental and significant shift in healthcare philosophy and medical research is occurring – from a world in which we “react” to disease and illness after it has happened, to one in which we will be doing far more in advance to “prevent” specific health care problems. The driver for this massive change is the emergence of extremely specialized and highly personalized medical treatments based upon your own particular DNA.
- The global energy industry will be transformed as new concepts involving alternatives to oil continue to move forward; growth with bio-fuels, wind, solar and other developments will continue unabated. And with traditional energy exploration markets, growth comes from the implementation of next-stage extraction and refining concepts, which would increase the global recoverable oil supply by 50%.

Understanding the concept of “transformational growth” is key to realizing the opportunity for innovation oriented leadership.



Market Growth

Our era of hyper-innovation provides for a constant stream of growth. Name any industry, and there's growth that will occur as innovative new products are released, and as new markets are created.

Consider the entertainment industry. We're about to see the emergence of the next way of in-home entertainment devices. Sony's new flat-screen LED TV, for example, heralds the demise of plasma and LCD technology. This is a fast market – expect a major transition to new products to occur in as little as eighteen months. With such shifts come billion dollar opportunities. Companies that can quickly assess, approach and master a new market will reap the spoils.

Growth is all about agility: how quickly can an organization respond and react to the rapid emergence of new markets?





Green Growth

There is no doubt that a new environmental awareness is providing opportunities for growth with real, practical environmental initiatives.

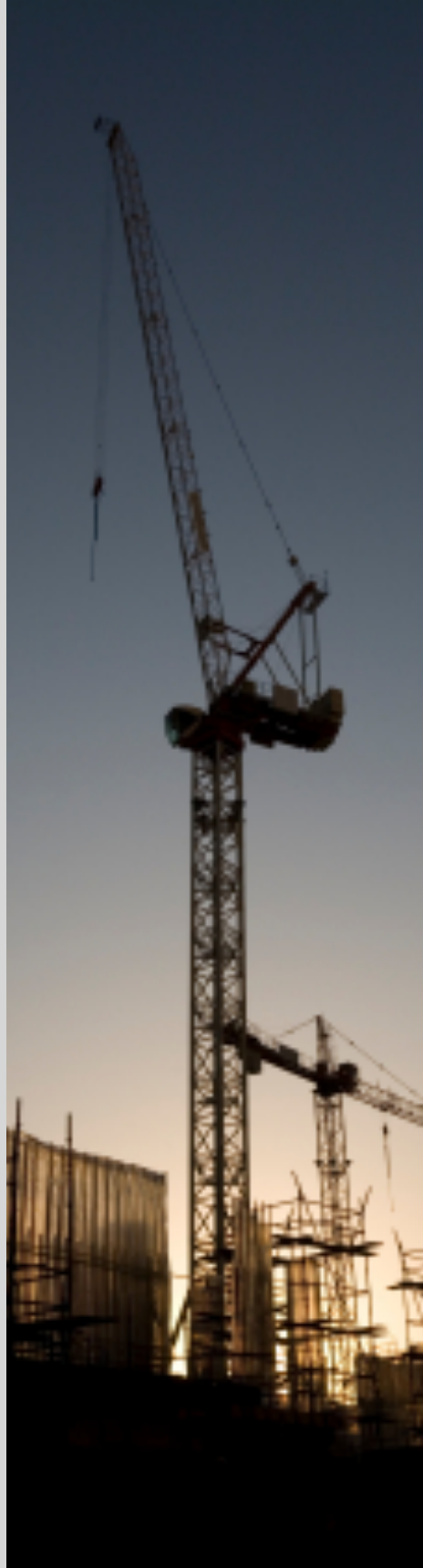
Consider one small concept that will provide for potentially massive growth: many organizations are taking a good hard look at innovating with building design concepts, in order to provide for potentially significant overall cost savings.

For example, a new Super Giant store in Maryland is aggressively energy efficient in terms of design, with new and innovative ideas such as a white-membrane roof that reflects, rather than absorbs solar energy; that helps to keep cooling costs low. In addition, computer sensors throughout the store monitor lighting conditions, turning down the lights when natural daylight is at its peak.

Ideas like this are sweeping the design industry. WalMart has the audacious goal of achieving a 25-30% improvement in energy efficiency for any store it builds from 2009 onwards and a goal of using 20% less energy in all existing stores by 2012.

There's a lot of momentum behind such revolutionary eco-friendly design concepts. Every new idea will help establish new careers and new products and services, as companies focus on these new opportunities for growth.



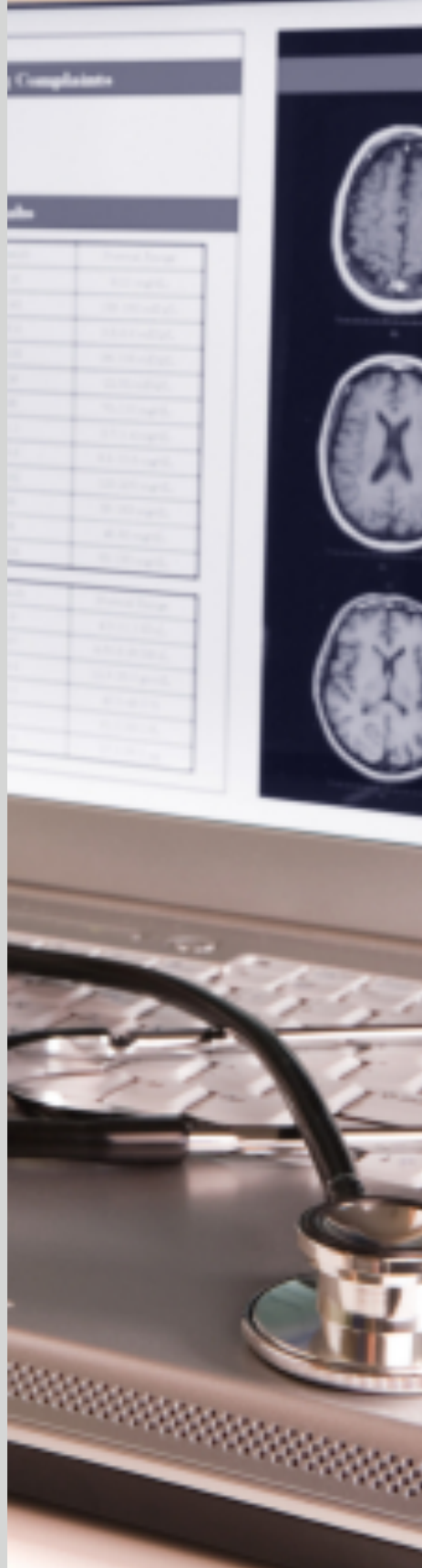


Infrastructure Growth

Infrastructure? Roads, highways, bridges, communication networks, water treatment plants, airports, transportation networks, shipping facilities, electrical grids, energy delivery systems, pipelines, water treatment plants. Much of the existing infrastructure in developed nations is crumbling and old and needs to be replaced. In emerging markets, infrastructure doesn't exist, and needs to be put in place.

Despite economic challenges in the US, Caterpillar expects to *grow* its revenue by **30%** to 2010 as it capitalizes on global infrastructure spending. Other organizations in the "infrastructure" business are witnessing similarly surging opportunities. Merrill Lynch suggests that global infrastructure spending could reach \$1 trillion in just 3 years.

A lot of infrastructure spending involves knowledge-heavy design work, as well as skilled labor. Engineers, architects, crane operators, and other experts – and the construction companies they work for – will face massive growth in the demand for their skills and capabilities.



Knowledge Growth

We're in the era of rapid knowledge discovery. With new knowledge comes new markets, industries, products, careers and inventions. Not to forget growth in the field of new knowledge delivery!

Consider this: medical knowledge is now doubling every eight years; this is expected to drop to every two years in the near future. Leading edge research now results in new methodologies, treatments and drugs, faster than ever before. There's growth in all of these new markets, as new sources of revenue emerge.

Then there's the growth that occurs as knowledge requirements change. For medical professionals, the future is all about "keeping up," and developing the ability to keep up with all the new developments.

We're increasingly moving to a world of "continuous education" and "just-in-time knowledge delivery." Growth will occur as substantial new opportunities continue to emerge with new methods of knowledge delivery.



Career Growth

New careers are emerging at a rapid pace – a trend that involves substantial growth.

Consider the concept of a “location-intelligence professional.” Today, this involves someone working within the insurance industry, learning how to link the extensive data-sets of geographic oriented information – think Google Maps – with existing insurance underwriting information, and with other statistical databases.

They are coming up with new ways of assessing insurance risk, establishing new sources of revenue through new products, and are helping to minimize overall insurance risk.

That’s but one example. We live in a time that involves the rapid emergence of new careers – and with that comes growth.





Connectivity Growth

Today, most of the things in your daily life are unplugged from the global network that is the Internet. Tomorrow, they won't be. We're entering the era of pervasive connectivity, and as it unfolds, there are unprecedented opportunities for growth with new products, markets, industries, and skills.

Consider the issue of energy control: we're entering a new era in which something as simple as a thermostat is gaining a degree of intelligence and interactivity that has never existed before.

Look at the industrial strength Internet-enabled thermostats from Proliphix: it's a thermostat with its own Web page! Companies like Arby's are implementing thousands of such devices, as part of an aggressive plan to better manage energy usage in their stores. That's certainly involves a lot of growth!

When devices gain connectivity and intelligence, their value and role changes. That drives growth, because new market opportunities emerge at blinding speed. What happens when everything plugs in? Growth!

April 2, 20

48.5°F

48.5°F

45.0°F

Off

Unoccupied / Day

45.0°F

Off

Heat

Off

Auto

OK

OK

OK

Refresh



Generational Growth

There is a lot of growth involving new products and services that will occur as our global society ages. 17% of the global population will be older than 65 by 2020, compared to 6% today. With that simple reality comes fascinating new opportunities in health care, lifestyle management, product redefinition, leisure travel, pharmaceuticals, and other industries.

This age-wave is a tsunami that will have dramatic impact. By the time you reach the age of 72, you might find that up to 10% of your bone structure is made up of composite carbon fiber structures. Growth? Think “bio-materials” as the science of golf-clubs comes to personal body structure re-engineering.





Local Growth

Conventional wisdom suggests that in a downturn, everyone suffers the same fate. Innovative leaders prove this isn't true. DoitBest, one of the largest US hardware retailer, has managed to grow its profit at the same time that it had a dramatic revenue decline as a result of the US housing market downturn. How? By following a strategy of "local growth through innovation." Some of their strategies might seem obvious and simple, but they work!

- **Rapidly transition the product mix:** Lumber sales saw price declines of 25%, and panel prices dropped 60% with the downturn. DoitBest stores responded by focusing on new product and market opportunities such as home-decor.
- **Focus on "micro-branding":** DoitBest rolled out three new store formats, responding to unique local market needs. They're innovating with their brand image in order to stay relevant within their customer base.
- **Be relentless on customer service:** They've maintained a relentless focus on having the right inventory at the right time, avoiding stock-outs that can infuriate a customer in a big-box chain store.
- **When markets commoditize, specialize:** Everywhere you look, you can see some of their stores learning about and experimenting with new premium markets and service opportunities.



Growth Through Innovation with **Jim Carroll**

Jim Carroll is a strategic thinker and "thought leader" with deep insight into trends, the future, creativity, and innovation.

Jim was recently named by *Business Week* as one of four leading sources for insight on innovation and creativity, and was a featured expert on the prime time *CNBC* series, "*The Business of Innovation*." His clients include Nestle, Motorola, Caterpillar, Verizon, the British Broadcasting Corporation, the Sporting Goods Manufacturers Association, Blue Cross Blue Shield, the World Congress on Quality, and the Swiss Innovation Forum.

