



Driving a trusted future in a radically changing world

Living and leading in the UK today

shaping tomorrow with you

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This survey of 2,000 consumers and 600 business decision makers in the UK was conducted by Censuswide in May and June 2019.

The business decision makers came from organisations in the retail, manufacturing, financial services, transport, utilities and public sectors. Consumers were aged between 18 and 64.

Foreword

At times it seems the world is on the verge of chaos. Leaders in both the private and public sectors find themselves pulled in many different directions as their organisations are swept up in a tsunami of disruption brought about by the new technologies that are challenging existing structures, stretching skills and resources and forcing new conversations about what the future might hold.

Change – driven by technology – causes conflicting emotions; on one hand, excitement about the possibilities it presents to do things differently, but on the other hand, immense challenges as we seek to find a balance.

There is a growing tension between the advances being made in business thanks to technology, and the people it is designed to serve. On one hand consumers see technology as a positive force but on the other, they are nervous about how it is used, and set a clear expectation that business leaders will implement it with trust and responsibility in mind.

To explore this tension further we asked over 600 business leaders and 2,000 consumers in the UK how they feel about the pace and nature of change in the country today and their aspirations for the future.

Citizens and consumers told us that they weren't prepared for the level of change they are experiencing today. They value the positive change technology has made to their everyday lives, but they feel concerned about the future and don't fully understand the role it will play, and they don't know who carries the responsibility to keep their digital footprints safe.

Business leaders are acutely aware of the burden of expectation placed upon them by the people they serve; so great is the fear of losing public trust that they are being held back from adopting some

technologies and planning radically enough. One thing is certain; technology will be central to our futures – and how it's planned for and implemented will separate the winners from the losers.

So how do business leaders harness the potential of information and technology as a source of competitive advantage and a means of growing their organisations, yet maintain the trust of customers and citizens?

In this new complex world, standard approaches to planning simply won't cut it – a more radical approach is needed to meet the challenges of tomorrow. Digital transformation, which has gained momentum in the last five years, is now a genuine business imperative, with all industries acutely aware that they need to take a more holistic approach, co-creating solutions that will allow them to blend the old world with the new.

In this report we explore what's holding us back from true digital transformation so that – with a greater understanding of the public's experiences and expectations – leaders can truly understand their hopes and fears and accelerate their organisations' progress while holding on to the precious commodity that is trust.



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The public vs. business leaders

A view from the public

Technology has been a key part of the changes the public has experienced in recent years. However, the public has a complicated and nuanced view on its role. Technology is perceived to have been the most positive development in the UK (39%), benefitting their education, relationships with family and friends and their personal finances. In fact, one-in-three people (33%) couldn't live without tech for more than three days!

For consumers and citizens, digital connections are replacing personal connections and the abstract is replacing the physical, with people increasingly accustomed to 'digital experiences', which they have come to expect in equal measure in their personal and professional lives.

While there's a general sense that the public feels positive about the changes brought about by technology, people are concerned about many of the impacts of technological change – the risks of data sharing and over-reliance on tech in particular. But nonetheless, technology has had a positive influence and is seen as vital to the future.

There are signs, however, that the public simply doesn't understand a number of emerging technologies, such as quantum computing and artificial intelligence, and can't fully see the role they will play in national life. There are some technologies that some citizens would never trust, including driverless vehicles (31%), drone technology (31%) and cryptocurrency (30%).

The public believes that the primary purpose of an organisation should be to have a positive impact on life in the UK (41%), and yet nearly half think that

companies do not truly care about their impact on the world (43%). To secure success in the years ahead, organisations will need to build greater trust amongst the public – their customers and employees – by putting responsibility at the heart of their transformation.

48% believe large organisations don't truly care about their impact on the world.

Looking to the future, people are acutely aware of the importance of navigating this period of change successfully; the majority believe it will be critical to the health and success of future generations (46%). However, there are serious doubts about the readiness of businesses and government to lead the public through it.

Indeed, many members of the public have lost trust in public and private sector companies, citing issues with leaders and data breaches and only a quarter believe organisations have prepared themselves for the radical changes ahead.

And when citizens look to the future, just one-in-four feel positive about what lies ahead – a sense that stands in sharp contrast to the views of business leaders, who are eager to accelerate the scale, breadth and depth of transformation for fear of being left behind.

A view from the country's business leaders

In contrast to the general public, most leaders in the private and public sectors felt well-prepared for the change that has taken place in the last five years (57%), with solid plans in place for their overarching business strategy, operations and product innovation and development. Perhaps as a result, the term that most leaders felt summed up the nature of change in the UK was 'positive progress' (42%).

Technology has been a significant and positive driving force for change in many organisations (79%) and the majority feel that technology will continue to be vital to their future success (73%), with 5G being the development believed to hold the greatest potential to accelerate transformation in the years ahead (38%).

Yet beneath all this positivity lurks an undercurrent of doubt – with 58% of leaders stating that consumer nervousness has stopped them from adopting certain technologies – corresponding with the public's general sense of scepticism about data security and discomfort with technologies such as Artificial Intelligence (AI) and Quantum Computing.

73% of business leaders believe technology will be vital to their future success.

Perhaps the Achilles heel of business leaders facing rapid change is the sheer challenge of attempting to plan for it. 44% of leaders say they are concerned about missing out on the benefits of innovation due to inadequate planning, and clearly feel somewhat frustrated by progress on their digital journeys. Looking to the future, the majority of leaders are positive about what's to come (79%). However, they recognise that there is an issue with public trust,

with a quarter admitting that people trust their organisation less today than they did five years ago. As a result, leaders are increasingly recognising the responsibility they carry for contributing to society outside of their organisations, with over half (53%) stating that they are seeking to consciously drive positive change.

Organisations know that, in this changing world, they themselves must evolve. They must adapt their approaches to serving their customers and employees, delivering products, services and connected experiences. Moreover, they must make a positive contribution to the economy and society at large.



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Industry trends

Every industry has faced disruption in recent years, as both public and private sector leaders grapple with the immense pressures they face to satisfy demand from their consumers and citizens.

Financial services

Financial services leaders are the most likely to say that their organisation has experienced radical change in the last five years (61%), but that change has also been the most beneficial of any sector – with more than half describing it as ‘very positive’ (55%). Leaders in financial services are also proud of their position as technology innovators (35%), with an impressive 37% already using blockchain. In the future, these organisations see their biggest challenge as lacking the operational infrastructure to take advantage of – or even cope with – the change ahead (40%), indicating that digital has only got so far to this point, and that true transformation is yet to occur.

In the future, the Financial Services industry sees its biggest challenge as lacking the operational infrastructure to cope with the changes ahead (40%).

Manufacturing

Manufacturing business leaders are particularly pleased about the changes that have taken place over the last five years, with over half saying that they have been very positive for the business (54%). Technology has had a positive impact on 80% of organisations; manufacturers are already using robotics (26%), 3D printing (24%) and artificial intelligence (22%). But despite a positive view of the future, manufacturers are most concerned that employee acceptance of change could hinder their success (34%), alluding to the ageing workforce and the need to attract new talent that is at ease with technology into the industry.

Manufacturers are most concerned that employee acceptance of change could hinder their success (34%).

Retail & hospitality

The retail sector has been the least prepared for the changes of the last five years – and with the challenges faced by the high street in recent times, this is perhaps unsurprising. Disruption is intense and competition from online retailers fiercer than ever, with the added dimension that consumers are increasingly favouring experiences over physical things. In every area of the business, including revenue generation, product development and competitor analysis, retailers were the least likely to have a clear plan in place. They have also invested the least in technology over the last five years; this is something that consumers have noticed, as most believe high street retailers have been slow to make the most of technology innovations (40%). With only 42% of retailers agreeing that their business is ready for further change, significant transformation – and a radical approach to planning – is needed more than ever.

Public sector

Leaders of public sector organisations are amongst those most likely to describe the changes of recent years as ‘radical’ (57%), with a quarter seeing that change as negative (26%). As expected, political upheaval is cited as having the most negative impact (60%). As far as technology is concerned, public sector leaders are the least likely to have felt the impact of technological advances, with a quarter reporting no benefit at all (26%), which would appear to point to a lack of genuine transformation in public sector. Yet the opportunity for the public sector to embrace technology is immense, with citizen demand driving pace and expectations for a change to mirror their consumer experiences.

Political upheaval is cited as having the most negative impact (60%).

Transport

Leaders in the transport sector are the most likely to report that technology has had a positive impact on the organisation (84%) with service delivery, communication with customers and the actual jobs done within the organisation undergoing the greatest change. Two thirds agree that technology is vital to their future success (67%), and many plan to invest in 5G (44%), augmented reality (26%) and electric vehicles (26%) in the year ahead.

Two thirds believe technology is vital to their future success.

Energy & utilities

Utility companies are the second most likely to point to radical change in the business over the last five years (58%). A large part of that transformation has come from new technologies, and utilities have invested in areas such as blockchain (34%), artificial intelligence (34%) and robotics (34%). Looking to the future, 85% of leaders in utilities feel positive about the changes ahead, but they acknowledge that customer acceptance of any changes could be a key stumbling block in their ability to cope with change (39%), once again pointing to public nervousness as a factor that’s slowing down digital transformation.

85% of leaders in utilities feel positive about the changes ahead, but they acknowledge that customer acceptance of any changes could be a key stumbling block in their ability to cope in future.

Radical change

At work and at home, people's lives have changed radically in just a handful of years. And while businesses felt prepared for this change, the public has been left surprised, if not bewildered. Leaders must recognise this tension if they're to plan for the future effectively and stay rooted to the needs of their employees and customers.

Ready or not?

Clearly, there is no doubt amongst business leaders and the general public about the extent of change; 93% of leaders and 78% of the public say that life has changed significantly in the past five years.

Yet the sheer extent of the changes experienced in the last five years has been unexpected with only 19% of citizens interviewed feeling that the UK public was prepared.

By contrast, the majority of the business community feels confident that it was prepared for the change in the UK (57%) but 44% said they had not planned radically enough. This gulf between the public and leaders' feelings towards change is clear from the fact that while 87% of leaders feel positive, most citizens say that it has been 'very negative' (33%).

But even leaders are feeling unsettled. Nearly half admit that they have struggled to adapt (48%) – and say the pace and scale of change in the UK has led them to consider moving their operations to another country (44%).

40% of leaders have reduced their planning cycles to contend with the pace of change.

Coping with change

Change certainly isn't expected to slow down. Over the next five years, the public expects that life in the UK will change much more noticeably because of political upheaval (34%), economic uncertainty (30%) and technological innovation (28%).

To contend with the greater pace of change, many organisations have already evolved their approach to planning, with the majority admitting that their planning cycle has shortened (40%). However, most admit that they cannot predict what their customers will want (46%) – or even what their sector will look like (48%) – in five years' time. It's evident that what is needed here is a more holistic and radical approach to planning in the coming years.

Perhaps notably though, the areas where leaders would like to see the most change are different; training and reskilling of employees (37%) and corporate social responsibility measures (35%) come out on top.

Could it be that leaders are coming to the conclusion that the winners in the digital world will be those who put people and purpose at the top of their agendas for change? In a world where technology can fulfil many of the routine tasks previously carried out by people, upskilling people whilst focusing on reputation and trust could make the difference.

Held back by nerves

Importantly, organisations are being held back from transformation by concerns about the response of employees and consumers to technology. A third of leaders are worried how employees (33%) and customers (30%) will deal with future change. And although business leaders want to accelerate their digital programmes, 58% are held back by public nervousness around emerging technologies.

There is clearly tension between the need to drive technology-enabled change, but to tune-in to the concerns of consumers and citizens. And perhaps this is the reason that adoption of technologies such as automation, artificial intelligence and quantum computing are not yet gaining traction at scale.

What if public nervousness was not an issue, simply because those technologies could be trusted? Finding the balance between respect for customers' feelings towards technology and accelerating technology adoption is a critical dilemma for today's business leaders.



The trouble with tech

Technology is a pivotal driving force, impacting and underpinning much of the wider change in the UK. But the public has a complicated and nuanced view on technological change, where they value its impact on everyday life, but are wary of trusting the 'black box' technologies that will drive deeper change in future.

People are naturally wary of data breaches, unsure about who should regulate technology and sceptical about emerging technologies.

The majority of UK citizens admit that they have less trust in organisations now than they did five years ago (39%) – with 15% saying they trust organisations a lot less.

Getting to grips with tomorrow's tech

In general, the public and leaders are in agreement that technology has been a good thing for the UK.

Three quarters of business leaders say that technology has positively impacted their organisation (73%). The success of digital projects has been mixed, but most are deemed successful by leaders (67%). What's now on the agenda for business and government is to address the deeper layers of digital that will allow them to tackle their legacy and blend the legacy world with the new, to allow them to truly transform.

Tomorrow's tech is the area where business leaders can drive innovation faster, yet this is the area where 58% of leaders said they felt the pressure of public nervousness and their digital wings clipped. But with increasing competition and disruption in all industries, this is perhaps the biggest hurdle to overcome to allow UK plc to compete on a global stage.

Don't know – or don't care?

However, there are signs that the public doesn't fully understand new technologies and their future role in the UK, including quantum computing (57%) and virtual reality (45%).

Interestingly, there are some technologies that citizens are not prepared to use – ever. Almost a third say they will never adopt driverless vehicles (31%), drone technology (31%) and cryptocurrencies (30%).

These attitudes underline the fact that excitement about technology is one thing, but educating consumers and building trust in specific emerging technologies is quite another.

48% of leaders admit they have no idea what their industry will look like in five years' time.

The human touch

The public has high expectations of organisations in these unsettling times. But their trust has been eroded by the rapid change and misguided priorities of recent years.

When it comes to what an organisation should prioritise, there's a gap between the beliefs of the public and those who lead them. There's a need for leaders to rebuild relationships with the public and drive positive change for the country.

When asked what they believe the primary purpose of an organisation should be, the majority of UK citizens say it's to make a positive impact on life in the UK (41%). This is in stark contrast to the view of leaders, the majority of whom consider their organisation's primary purpose to be revenue generation and making money.

Overall, the majority of leaders agree that as an organisation, they are responsible for driving positive change in the UK (53%) and in recent years they have redoubled their efforts in this area, recognising the increasing role of trust and social purpose.

A crisis of trust?

Changes in the public's expectations of organisations in recent years are contributing to an overall dip in the level of trust they feel confident placing in large organisations.

The majority of UK citizens admit that they have less trust in organisations now than they did five years ago (39%) – with 15% saying that they trust organisations a lot less. The majority of citizens believe that central government holds the greatest responsibility (32%) for guiding the country through change.

There is a range of reasons behind this loss of trust, depending on the organisation in question, but the personal trustworthiness of leaders and use and sharing of data figure highly.

The majority of citizens believe those organisations gathering and using personal data should be regulated more closely by the government (54%). Across the board, most UK citizens agree that technology developments aren't being governed well enough at all (45%).

54% of citizens believe the use of personal data should be regulated by the government.

The public's loss of trust is clearly being felt by some leaders on the ground. Over a quarter admit the public trusts their organisation less than it did five years ago (26%).

Organisations are trying to respond to the public's rising expectations. Almost two thirds of leaders feel their organisation has become more responsible over the last five years (62%), while the majority is confident that their organisation is taking sustainability seriously (38%). But despite this, most UK citizens believe organisations do not truly care about their impact on the world around them (43%). A further third disagree that organisations always have the best interests of the customer at heart (32%).

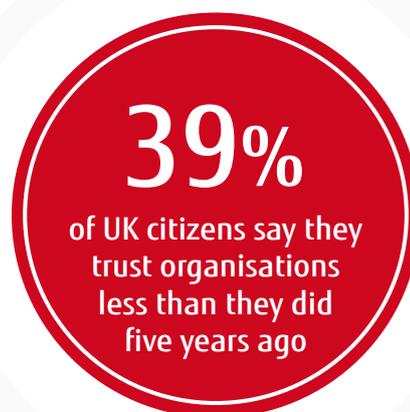
Public and private sector leaders are also coming to acknowledge the responsibility of their organisations to make a positive contribution to society.

Private sector organisations are perceived to be the most responsible (28%), followed by central government (25%) and technology providers (24%).

Yet despite this acknowledgment, some leaders believe that the public's demands are simply too high. A third say that organisations are being put under too much pressure to drive change in society (35%) and over a quarter of leaders don't feel that their organisation will ever be able to fully satisfy the public's expectations (27%).

Overall, the majority of leaders agree that as an organisation, they are responsible for driving positive change in the UK (53%).

Social responsibility is about much more than an organisation's reputation. Consumers are increasingly factoring social purpose into purchasing and employment decisions – and this is more important to millennial and Gen Z consumers than any others.



From chaos to clarity

Digital transformation is now a genuine business imperative. The key to success lies in radical planning to blending the old world with the new to achieve true transformation, whilst holding on to that precious commodity - trust.

One thing is for sure – the pace of change will not relent, so the challenge for government and business is to navigate through the chaos. Because the winners and losers of the future will, in many ways, be separated by the ways in which they plan for change and adopt technology to drive that change forward.

With 44% of leaders fearing they will miss out on the benefits of technology innovation because they haven't planned radically enough for them, it's time to look holistically at the technology that will be required to truly transform.

And this means tackling the really difficult elements of digital – not just seeing the potential of new technologies at the front-end, but also modernising the legacy that's been inhibiting progress to date.

Citizens and consumers told us that they are deeply concerned about the trustworthiness of technology, the ethics around the use of personal data, and of leaders as the guardians of that technology.

Out of the seemingly chaotic world, business leaders can choose to gain control – by choosing co-creation approaches that are by definition ethical and trustworthy, and by putting people at the very centre of their strategy.

Just imagine if we could eradicate the crisis of trust amongst consumers and citizens, and reassure them that the technology deployed is grounded in ethics. Would it mean that business leaders could drive forward their adoption of technology and accelerate the UK's progress as a digital economy?

Out of the seemingly chaotic world business leaders can choose to gain control – by choosing to work with partners, ecosystems, technologies and co-creation approaches that are by definition ethical and trustworthy, and by put people at the very centre.

There's so much to consider. We hope this report has stimulated your thinking around the pace and nature of change in the UK today.

To see more analysis of the findings in this report, and Fujitsu's response to them, please visit uk.fujitsu.com/trustedfuture

And to find out more about Fujitsu's global technology and services vision, which has trust at its heart, visit <https://www.fujitsu.com/global/vision>.

44%

of leaders fear they will miss out on the benefits of technology innovation



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