# the assembly

A ONE NORTH EVENT

# Kalev Peekna

MANAGING DIRECTOR, CHIEF STRATEGIST, ONE NORTH

# Beyond Transformation

When and Why the Long View Matters

SPEAKER:  KALEV PEEKNA

one north A TEKsystems Company

# I'm turning 50, y'all.

It's a whole moment.

The weirdest part of turning 50 is the sudden expectation from others that you've spent those years gathering ~~retirement savings~~ **wisdom**.

hair is not as important as you think

knees are more important than you think

nice is not the same as good

never date the drummer

family really is everything

<u>we all</u> get to choose our family

presence is a power

perspective is a super-power

crises **never** end

trends **always** end

And we could use some perspective.

# Aren't you exhausted?

"Ask not what the crisis can do for you, but what you can do for the crisis."

A stream of macro-crises have commandeered our focus and demanded we prioritize our most recent challenges.

# Disruption fatigue

**The disrupters are in trouble.**
Profits, anyone? Anyone?

**The disrupted remain.**
Still using email? Cute.

**There doesn't seem to be a way out.**
Sick of disruption? The solution is easy –
disrupt more!
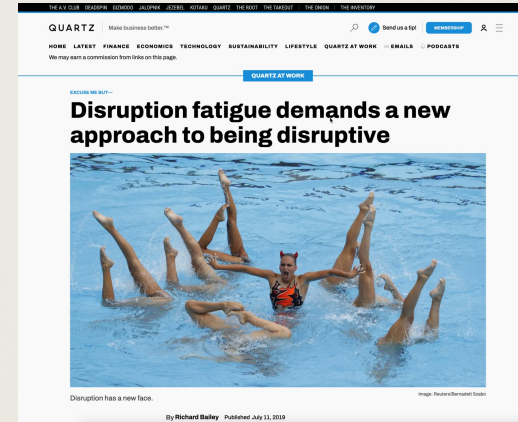
# New economic realities

High inflation, threat of recession, decent profits, layoffs, *and* a tight labor market? The rules of classical micro-economics—which also govern classical business strategy—no longer apply.

inflation

recession

**+**

profits

layoffs

**+**

tight labor market

**=**
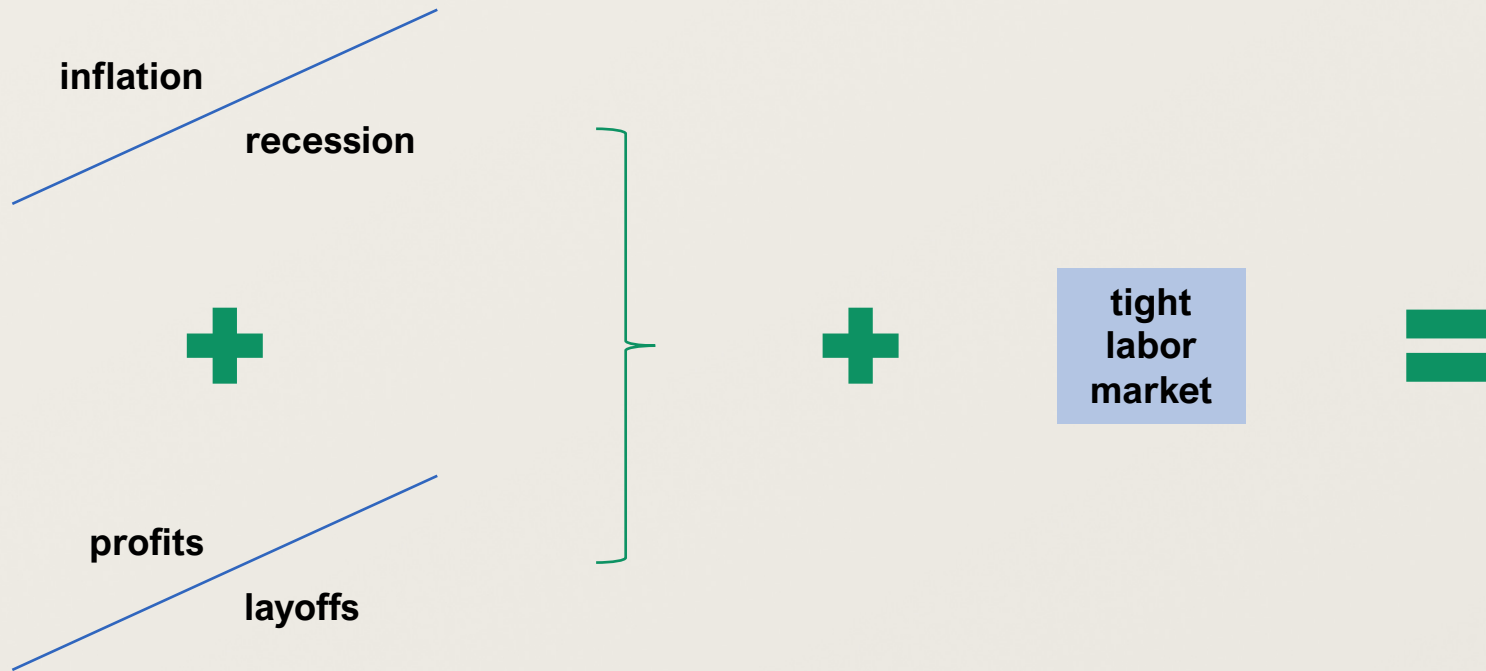


\* Order muppet, unibrow thirst trap, LBGTQ+ icon, and patron saint of confused exasperation

# Tricky Gutenberg moments

Most technologies are developed incrementally; their effects roll out over decades. Every once in a rare while, a new technology arrives as a clear, immediate, historical inflection point.

✔️ **PRINTING PRESS**
✔️ **STEAM ENGINE**
✔️ **NUCLEAR FISSION**
😳 **GENERATIVE AI**



I, for one, welcome our new robot overlords and am eager to demonstrate how much their happiness could be increased by allowing me to live.

# And Tay-tay is single, again!

# And again!

We'll get back to Taylor at the end. I promise it will sound relevant.

When s*&! keeps happening, the **most recent thing** quickly becomes the **most important thing**.

# The big trends are coming to an end?

A lot of common stories in technology, marketing and design are
playing themselves off-stage.

# Digital Transformation is going (surprisingly?) well.

By now, most major enterprises have been pursuing Digital Transformation efforts for a while. According to the latest TEKsystems DX report, even the laggards are catching up.

**Digital Transformation is a core business strategy for our organization.**
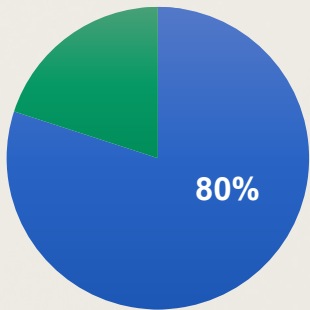


DX Leaders — 80%
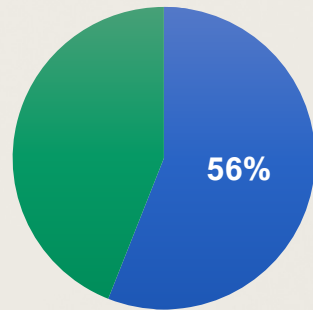
DX Laggards — 56%

**We are satisfied with the progress of our Digital Transformation efforts.**



DX Leaders — 72%
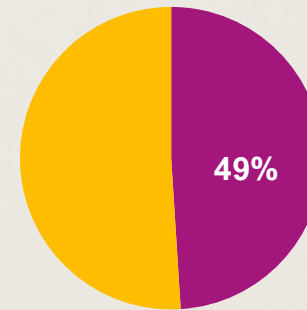
DX Laggards — 49%
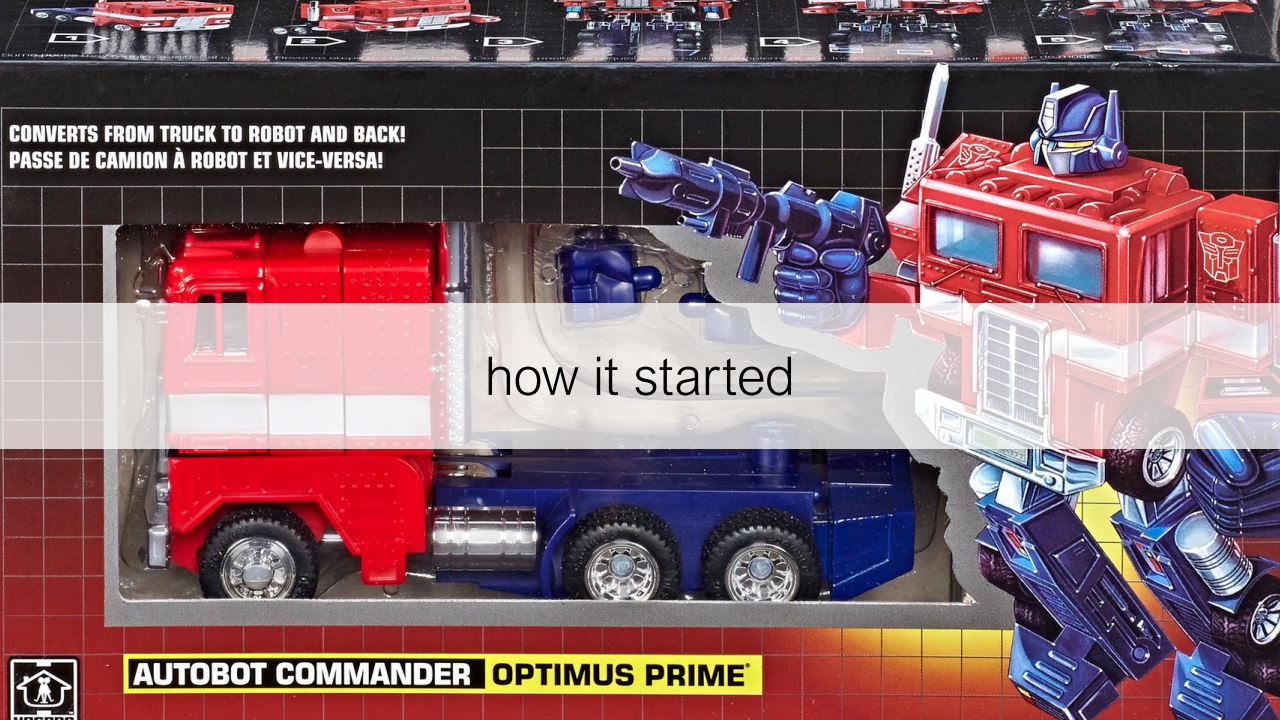
how it started

how it's going

**TRANSFORMERS**
RISE OF THE BEASTS
TEASER TRAILER
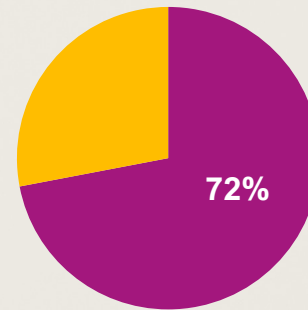© 2022 PARAMOUNT PICTURES

# What's left to transform?

Technology teams have gathered almost __all__ their core priorities under the banner of "Digital Transformation:"

| | | | |
|---|---|---|---|
| **43%** | Improve CX & engagement | **38%** | Reduce inefficiency |
| **38%** | Transform existing processes | **35%** | Replace legacy systems |
| **31%** | Increase/achieve innovation | **29%** | Bolster cybersecurity |
| **24%** | Improve EX | **23%** | Introduce new revenue streams |
| **22%** | Increase speed-to-market | **21%** | Introduce new products/services |

Like any framework, concept, or movie franchise, transformation loses its force when it becomes inescapable.

# "Omnichannel is table stakes."

Thus spake McKinsey—and they are not wrong.

The omnichannel imperative started as a novelty, as marketers were inundated with new contexts in which to engage customers. Almost all these new channels were digital, and many **didn't exist in a mature form before 2005-10**.

As each new form of engagement arises—AR/VR, IoT, AI chat—the omnichannel framework continues to expand.

# (Marketing) everything, everywhere, all at once

**Organic (Nonpaid) Platforms B2B Marketers Used to Distribute Content in Last 12 Months**



**Paid Content Distribution Channels B2B Marketers Used in Last 12 Months**
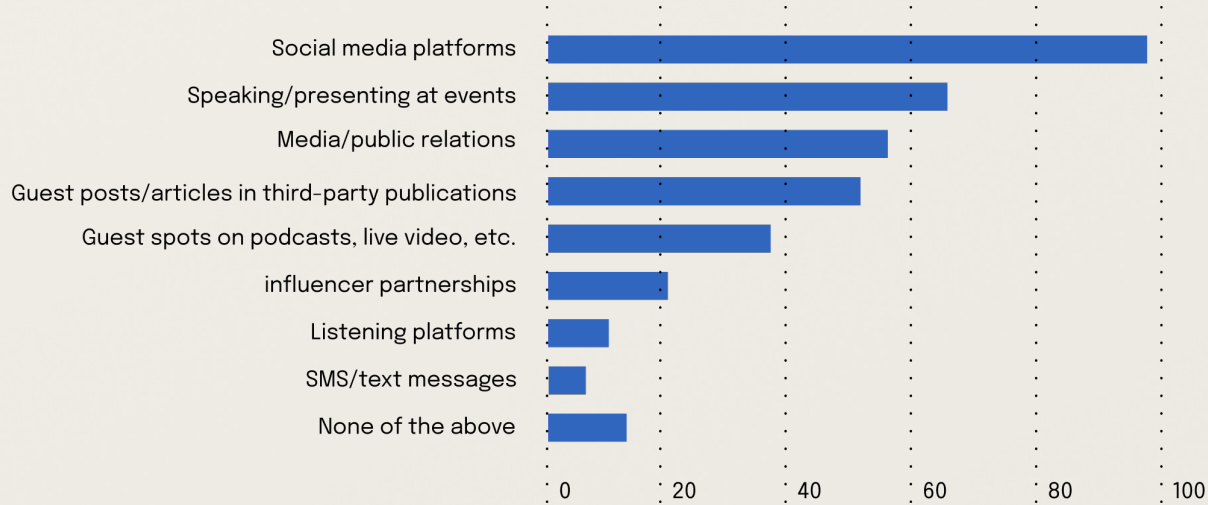


**Everyone**, from small businesses to Fortune 500 organizations, now has some kind of omnichannel strategy at the heart of their marketing plan.

Even B2B firms, who tend to leverage content over advertising, are active across a robust mix of paid and nonpaid channels. And the challenge of connecting them all continues to occupy a significant amount of effort.

# Is there a Post-Omnichannel Era coming?

**Don't worry, the thought-leaders are <u>on it</u>.**

So far, there's broad agreement that in the post-omnichannel era, people should:

- Focus on ROI

- Provide an integrated experience

- Stay relevant by sticking to what customers need / want

- Differentiate themselves to enhance brand awareness

Which sounds a lot like….. **Marketing?**

---

**What Comes After Omnichannel?**

Written by KOVA Corp

https://www.kovacorp.com/what-comes-after-omnichannel

**Post-Omnichannel Marketing: An Introduction**

by Jennifer Barron | May 10, 2023

https://infillion.com/blog/post-omnichannel-marketing-introduction/

**Gartner Research**

# How to Prepare for the Post-Omnichannel Marketing Era

**Published:** 01 February 2023

https://www.gartner.com/en/documents/4043399

# It's Time for Brands to Rethink Their Omnichannel Strategies

3 minute read | April 2021    Share

https://www.nielsen.com/insights/2021/its-time-for-brands-to-rethink-their-omnichannel-strategies/

# You're agile. We're agile. Yay.

It's weird to remember that "Agile" started as a humble project management methodology, narrowly focused on complex software development efforts.
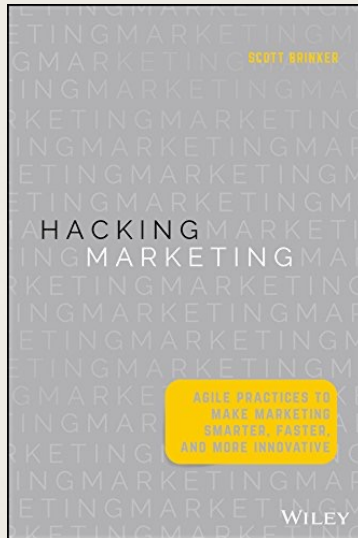
**AGILE MARKETING**
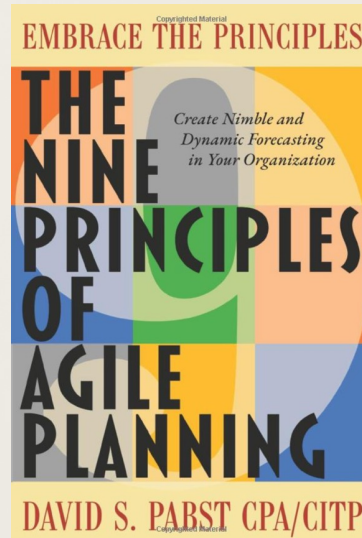
**AGILE FINANCE**
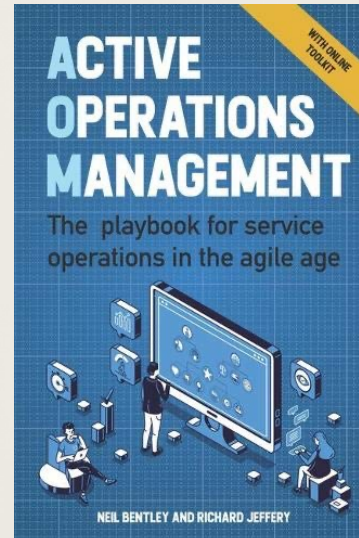
**AGILE OPERATIONS**

**AGILE HR**
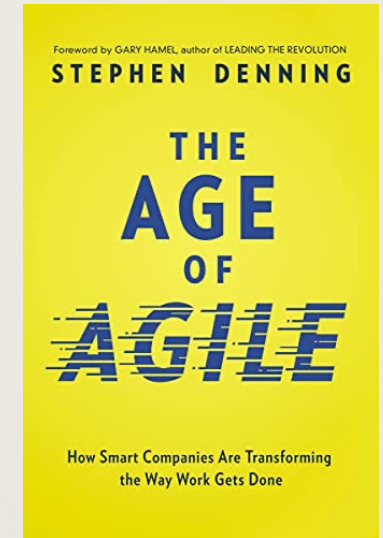
**AGILE EVERYTHING!**

# The Age of Infinite Agile

The habit of "failing fast" and always staying ready for the next pivot can lead you into an almost obsessively responsive state. You get so focused on the next fork in the road that you forget where you wanted to end up.

At One North, we call this problem **Infinite Agile**.



DIGITAL STRATEGY / 3 MIN

## Infinite Agile: Don't let a good thing grind you down

by Ryan Horner, Kalev Peekna / March 10, 2021

We love agile. It's an extremely powerful methodology for producing work and solving problems. But is too much agile a bad thing? It can be. Without realizing it, organizations can slip into Infinite Agile—a state of producing lots of work that's not always in service of a larger strategy.

RELATED CAPABILITIES

**Digital Experience**

**Optimization & Insights**

**Technology & Infrastructure**

Infinite Agile can be hard to detect. After all, progress often feels like success, and activity fuels momentum. As long as actual work is being produced, it's hard to notice any problems. But it's important to ensure you're consistently headed in the right direction. If you chart the right course, and correct when necessary, you'll ensure what you're executing continues to align with your overall business goals and objectives.

The first step in preventing Infinite Agile is recognizing the warning signs.

As we complete major shifts in what we're doing and how we're doing it, we naturally turn to what's next.

# The Wisdom of the Long View

Some truths only become apparent when you take a broader perspective.

# Some things only show up when you step back.

To illustrate the importance of a longer perspective, let's examine three questions that *seem* to have simple answers:

01

Why do superpowers develop in some regions and not others?

02

Is our society getting more violent?

03

Are income inequality and the wealth gap growing worse?

# Truth #1: Geography creates superpowers

**What makes a superpower?**

Superpowers themselves routinely credit the virtues of their culture or their social and political arrangements. But by opening the geographical scope and timeline, Jared Diamond identified more important factors:

- Presence of high-carb plant species

- Herbivores that can be domesticated

- Dense population arrangements

- Literal <u>shape</u> of continents
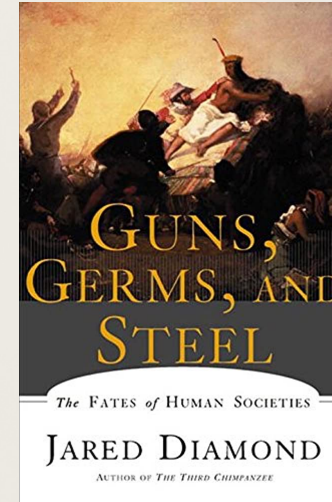
The accident of where one lives strongly influences the chance of developing into a superpower.

"Horizontal" societies enjoy consistent climates, stronger infrastructure, more productive agriculture, and easier migration patterns. This lets them grow faster economically and politically.
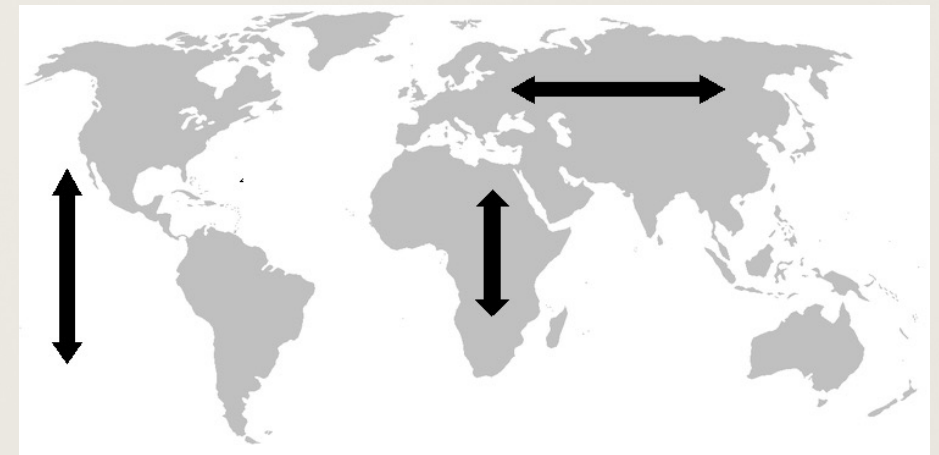
# Truth #2: We are becoming <u>less</u> violent.

**Are we getting more violent?**

Steven Pinker shows how developed nations are becoming <u>less violent</u>, particularly if you open the timeline up before 1900.* The causes he cites include:

- Centralized nation-state

- Commerce

- Increased equality for women

- Literacy, mobility, and mass media that portray alternate perspectives

\* Pinker's arguments have been controversial. His biggest critics have identified a strong tendency to elide important racial differences in the experience of violence. For example, he gives as much space in his analysis to the persecution of witchcraft as he does to human slavery, despite glaring differences in scale and impact.
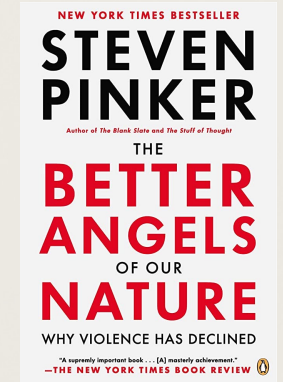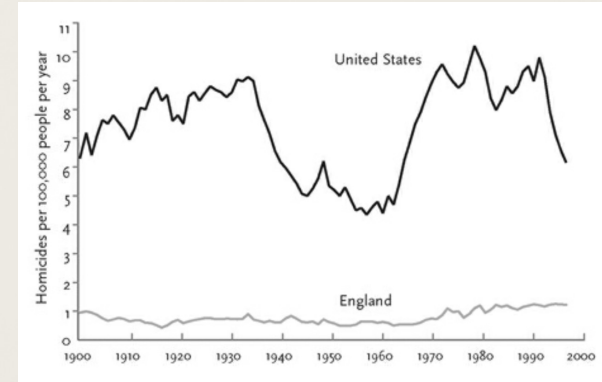
# Truth #3: We are becoming <u>more</u> equal.

**Is inequality getting worse?**

Thomas Piketty, a famous critic of modern capitalism, shocked both the political left and right with a very simple observation: while it's true that both income and wealth inequality has grown in the last few decades, it's <u>fallen</u> pretty steadily over the last few centuries.

He points out many causes, but the closest correlation is to taxation policy. When it's progressive, inequality diminishes. When it's flatter, inequality grows.

### Income Inequality: Europe and the United States, 1900-2020

- Share of the richest 10% (United States)
- Share of the richest 10% (Europe)
- Share of the poorest 50% (United States)
- Share of the poorest 50% (Europe)

*Share of each group in national income*

**Interpretation.** In Europe, income inequality has started to rise again since 1980, although remaining at levels clearly lower than those of 1900-1910. The increase in inequality has been much greater in the United States. In both cases, inequality has remained high: the richest 10%, though five times fewer, still receive a share of total income much larger than the poorest 50% receive. **Note**: "Europe"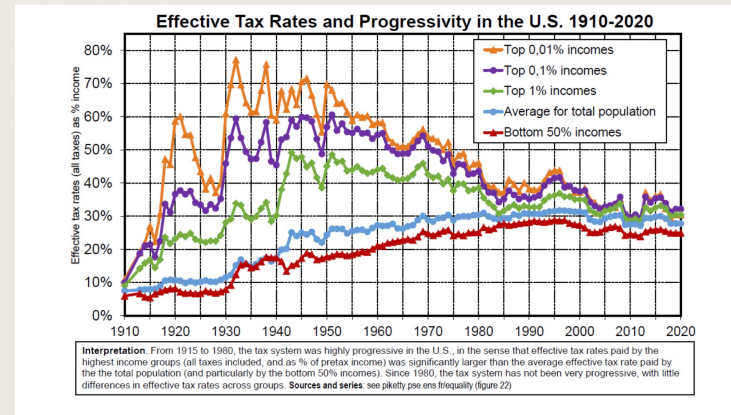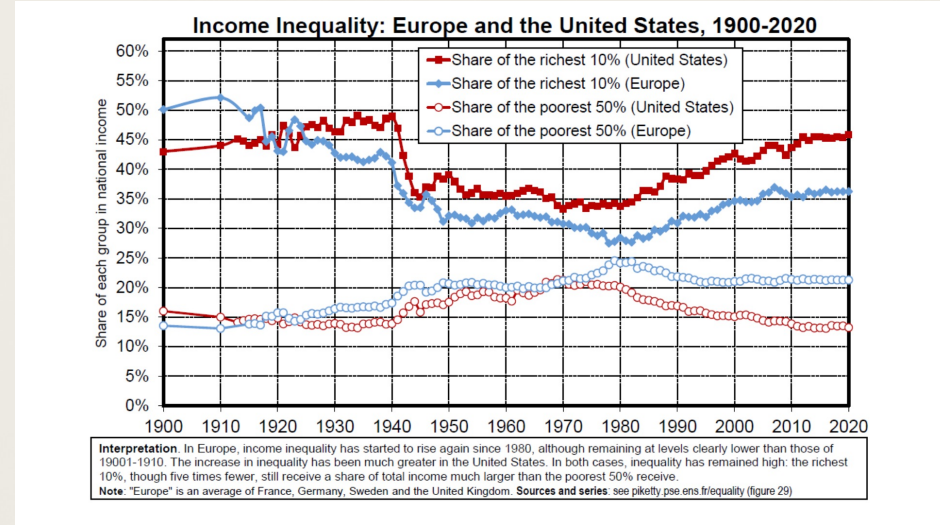 is an average of France, Germany, Sweden and the United Kingdom. **Sources and series**: see piketty.pse.ens.fr/equality (figure 29)

### Effective Tax Rates and Progressivity in the U.S. 1910-2020

- Top 0,01% incomes
- Top 0,1% incomes
- Top 1% incomes
- Average for total population
- Bottom 50% incomes

*Effective tax rates (all taxes) as % income*

**Interpretation.** From 1915 to 1980, the tax system was highly progressive in the U.S., in the sense that effective tax rates paid by the highest income groups (all taxes included, and as % of pretax income) was significantly larger than the average effective tax rate paid by the the total population (and particularly by the bottom 50% incomes). Since 1980, the tax system has not been very progressive, with little differences in effective tax rates across groups. **Sources and series**: see piketty.pse.ens.fr/equality (figure 22)

The "effective tax rate" measures all taxes (not just on income) that people pay as a percentage of their income.

Not since 1910 have the rich and poor been so close to having the same effective tax rate.

# Long View Pros

**Identifies bigger trends and contexts**
Allows you to see the forest *and* the trees.

**Credits the power of culture & institutions**
Norms, structures, and the material world take central stage.

**Reduces the influence of present biases**
Tests our assumptions of what is "obvious."

# Long View Cons

**De-emphasizes individuals & decisions**
Sometimes small moments *do* matter.

**Prone to a sense of "inevitability"**
Leads to deterministic, "it had to be" opinions.

**Emphasizes continuity over change**
Can lead to a classically conservative stance, i.e., change is a threat.

The long view is powerful, but not perfect.

The important thing to remember is that your choice of perspective changes the story you tell.

# A confession.

😮

My name is Kalev, and I am a recovering academic.

# How the Story Changes in the Long View

With a perfectly anodyne, non-controversial example

Psst: There's only one answer.

What caused the Civil War?

Even when explaining the same truth, the kind of story you tell changes depending on where you begin.

And end.

# Starting with Lincoln

Most agree that the election of Abraham Lincoln was the final trigger of hostilities. He hadn't even had time to enact his promised limits on the growth of slavery before the Southern states seceded.

Told this way, the story of the Civil War centers on decisions of Lincoln, his cabinet, and his (often contentious) generals. It is a narrative of opposing military and political strategies between Washington and Richmond, with its apex at the Emancipation Proclamation and its finale not at Appomattox, but at Ford's Theater.
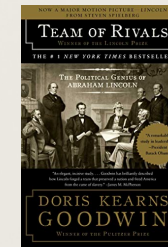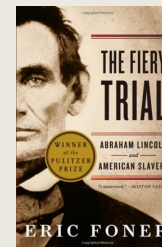
# Starting with Law & Politics

The "textbook" version of the Civil War—i.e., the story you probably heard in high school or college—reaches further back into the legal and political disputes over slavery among the states.

This narrative usually starts with the framing of the Constitution. It then flows through political struggles like the Missouri Compromise, the Dred Scott decision, John Brown's rebellion, and the creation of the Republican party. It typically ends with the passage of the 14th, 15th, and 16th amendments.
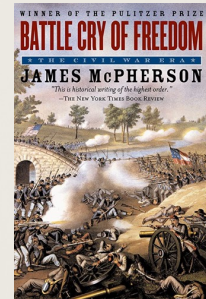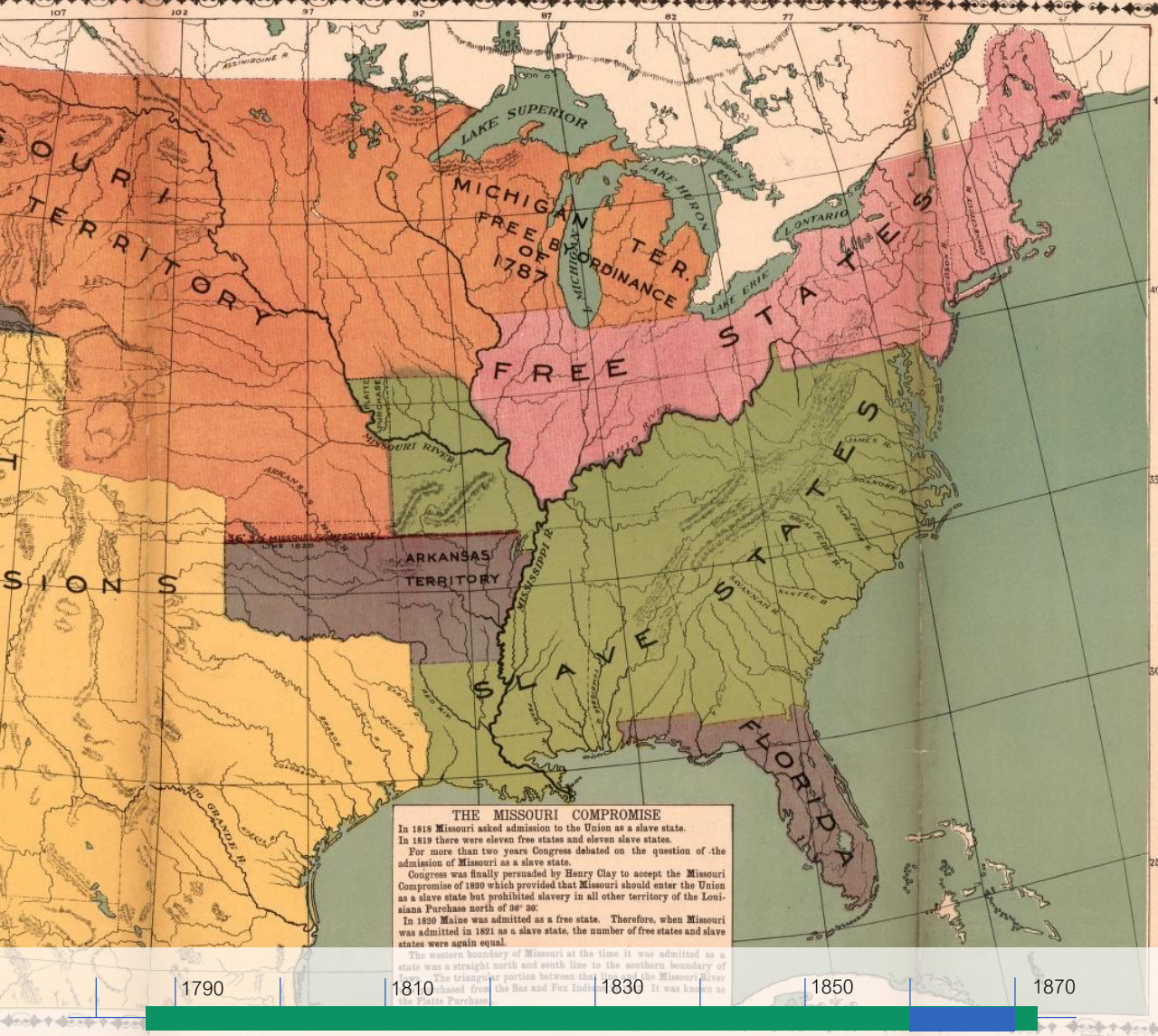
# Starting with Society & Economics

Slavery is, at its core, an economic institution. So, some historians focus on questions about how it was established, why it flourished where it did, and how economic differences created a cultural divide significant enough to make war seem inevitable.

This story usually starts before the American Revolution and doesn't finish until after the legal and economic realignment called Reconstruction.
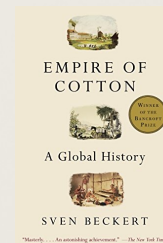


1650    1700    1750    1800    1850    1900

# Starting (Ending?) with Race

Focusing on race and racism changes the Civil War into a global story about culture, imperialism, and the difference between "believing in" and *acting on* the ideal of universal equality.

To tell this story, you need to start before the first Black slaves arrived in Virginia in 1619. And you will find parts of the story still happening today.
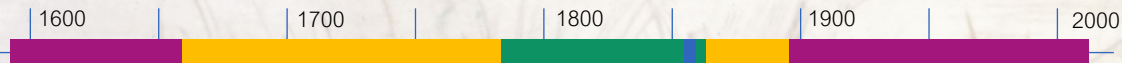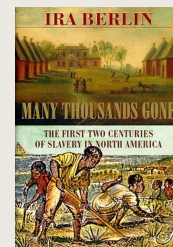
None of these stories are wrong.

All of them are about slavery.

The authors of most agree with and cite each other.

Certain kinds of questions, goals, and strategies demand a long view.

Taking the long view will naturally point you to certain kinds of questions, goals, and strategies.

# Back to business

Imagine someone asks you, "What's the outlook for your marketing/product/technology strategy?"

How would your answer change depending on whether you thought of:

**3-6 Months?**

**1-3 Years?**

**5-10 Years?**

**Present Performance**

**Growth Opportunities**
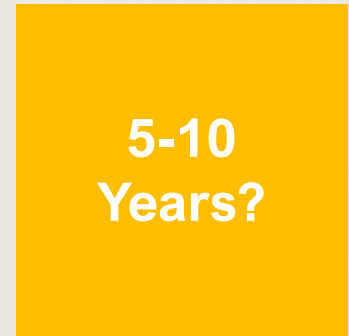
**Long-term Strategy**

"

I believe I was promised Taylor Swift?

— you, right now

# The Opportunities in the Long View

Where does the long view in strategy, design, and technology lead us?

# The Long View from multiple dimensions

Today is about using the Long View to extract insights and suggest strategies from different viewpoints. Here are just some of the questions that arise when we take a broader view from the perspective of:

**BRAND** · **DESIGN** · **UX** · **CX** · **DATA** · **TECH**

# Brand

**What kind of payoff are we really expecting?**

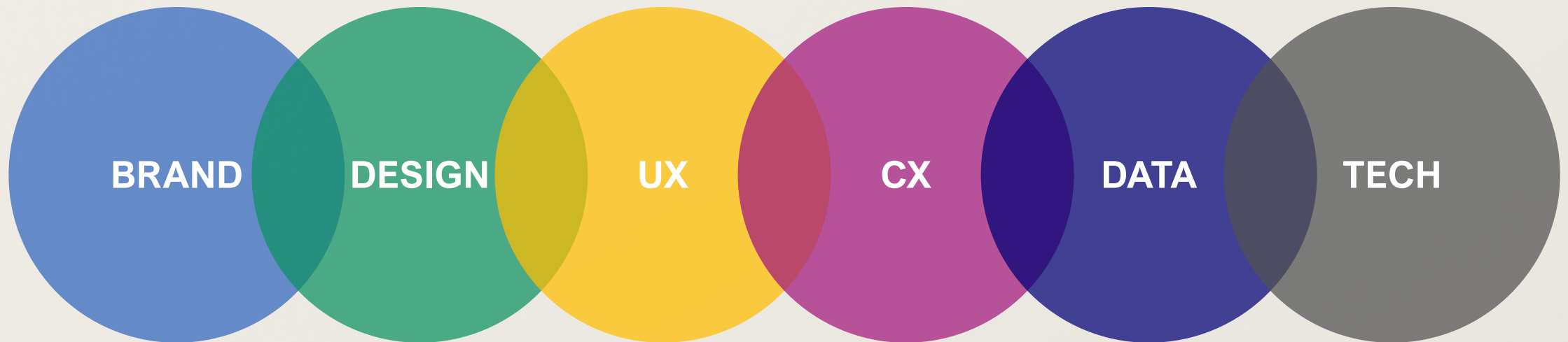Though brand strategy has built-in mechanisms for longer-term thinking, the ROI is often only measured on the short-term. The typical "brand campaign," though effective as a tactic, can distract from the ways brand adds value across the enterprise over longer periods of time.

- What are the right long-term measurements for brand strength? Pricing power? Share-of-market/voice? Acquisition of talent?

- What's the right relationship between the brand of our company and the brand of our products/services?

- When is the right time to make significant investments? Is it cyclical, or counter-cyclical?

# Design

**Design has a job to do; Art doesn't.**

**Now... what was that job again?**

Years of research has shown the power of good design. It increases value, it increases use—in our daily lives, it can even increase happiness. But in our professional lives, it's still often treated as something immediate, something superficial, even something "nice to have."

- Are we taking full advantage of ==context== in our designs? Are we leveraging the dynamism of digital? The physicality and tactility of analog?

- What's the role and expected ROI of design in our ==product strategy==? Good design can amplify a good product, but it cannot save a bad one.

- As new technologies like generative AI leapfrog us from *personalized* design to ==individualized== design, how do we maintain product/brand identity?

- Are we taking ==enough risks==?

# UX

**Can you really optimize your way to innovation?**

UX can look very tactical in practice. It's hard to see the "strategy" in the finer points of a single button or menu design. But good user experience is (or should be) a core pillar of our product and service strategy.

- How do we apply the human-centricity of good UX to the processes and services that support our digital products?

- How do we create room for breakthrough innovations in a context of financial and corporate discipline?

- What is required to move the focus of UX from interactions to long-term relationships?

# CX

**Are happy customers enough?**

We now have UX, CX, EX, RX, PX… What started as a simple observation—the experience drives market decisions—has evolved into a broader realization that even the most transactional businesses are built on a wide range of human relationships. How do we turn that into competitive advantage?

- Is modernizing everything the same thing as ==digitizing everything==?

- What does a ==hybrid digital/human== experience really look and feel like?

- How much ==automation== is a good thing? What's the right balance between efficiency and control?

# Data

**Data, data everywhere and not a drop to think.**

For decades, the most popular data strategy was "track everything and figure out what we need later."

We have more data than ever before, and yet the gap between what we have and what we need—the insight gap—has never seemed greater.

- Do we need smarter tech to close the insight gap? Or must we close the gap to get to smarter tech?

- Will issues of privacy and security ultimately get reduced to an IP battle? In the world of data, who owns what?

- The days of tracking everything are limited; how can we be more selective and protective without giving up too much?

# Technology

**We're all technologists now.**

Technology is now across the enterprise. Nearly every major corporate function—marketing, HR, finance, product—has both its own "stack" and a dedicated set of experts. So what's the purpose of the Technology function now?

- New AI models are better at generating code than images or prose. What happens to the engineers and developers?

- How do technologists continue to drive and support innovation when technology decisions are no longer centralized?

- Technology now finds itself in the center of unexpected conversations: inclusion, employee safety, sustainability, etc. How can/should technology teams lead culture?

- How do technology leaders successfully chart a path between utopic (tech saves us all) and dystopic (tech ruins us all) assumptions?

# Epilogue

Back to Taylor

She charges $1200+ per ticket.

She's routinely called the most powerful person in the music business.

*Why*?

Taylor Swift gives you the clue in her tour name: <mark>Eras</mark>

It's axiomatic that major pop stars must reinvent themselves to stay relevant.

But there are two ways to do it.

# Two Ways to Reinvent

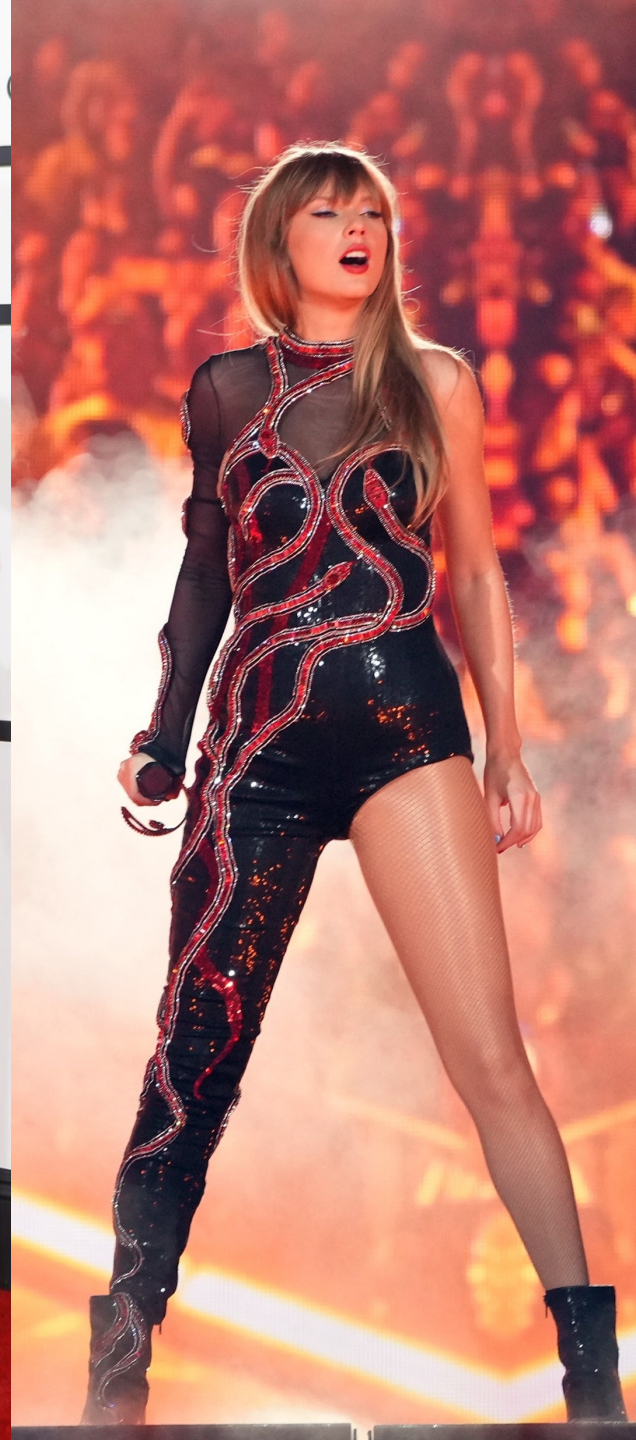## Variations on a Core Theme

## Blank Page Innovation

Taylor Swift's "Eras" are <mark>not pivots</mark>. They are episodes of a single story that is still on the upswing.

# Thank you.

One North is a full-service digital agency helping businesses solve complex problems in creative ways. We're makers, technologists and relationship builders guiding you toward what's next.

Unlike traditional agencies, we stitch together a deep level of expertise across disciplines so that we can do the work of multiple teams. With capabilities in brand and communications, digital experience, technology and infrastructure, and optimization and insights, we can take on any challenge.

One North is a TEKsystems company. For more information visit **onenorth.com.**

## the assembly

A ONE NORTH EVENT
JUNE 14–16, 2023 | SUNDANCE, UT

# Thank you.

the assembly