

## **Special Report: The Windsor Debates**

### **From 'Smart' to 'Smarter' Business – How businesses are changing their business practises and strategies to compete successfully in a globalised world.**

*(Sponsored by IBM, Polycom and Shell Gas Direct)*

The seventh in the "Windsor Debates" series of interactive knowledge-conferences took place at Windsor Castle on Friday 18<sup>th</sup> April, when Business Alliance guests of the Chamber assembled over a 24-hour period under the Chatham House Rule to determine the way businesses need to respond to a changed and more competitive business environment.

Within the format of an "unconference" and with moderator, Roy Sheppard, steering the proceedings with a light touch, the debate ranged back and forth across the gamut of smarter ways of thinking, living and working, inspired by presentations from individuals, inventors, innovative businesses, social media experts and academics.

**Bill Payne**, in his global role with **IBM**, painted a colourful picture of a world experiencing dramatic technological change, unleashing a blitzkrieg of statistical bombs with a bang-up-to-date "Shift Happens" video at <http://www.youtube.com/watch?v=hyZRS0BnpAI>. The over-arching trends are clear: consumer power is growing, geographical boundaries are disappearing and product lifecycles are shrinking. Whilst hungry developing countries are accelerating change, politicians in developed countries are looking to apply the brakes through regulation: an exercise in futility. Mr Payne focused on three ways for businesses to grasp opportunities and his message was clear: keep up with the change or don't; but if you don't others will, so jump on board.

**Dr Andy Stanford-Clark, Master Inventor** with **IBM** gave an inspiring talk about the ways smarter technology can improve lives, many of which have potential commercial application. His personal life has long been a test-bed for professional work. For years he has relied on sensors to monitor the energy consumption of his house: a once quirky idea which is now commercially available through 'current cost.' His house 'tweets' him if it detects any unusual patterns of consumption, such as a serious leak (from a garden tap) on one occasion and an energy spike (malfunctioning fridge) on another. Units are monitored remotely, and lights and sprinklers turned on or off. For his own benefit, Stanford-Clark put sensors on the Portsmouth/Isle of White ferries to monitor arrivals and departures, but it was not long before the ferry company incorporated his twitter feed on their own website, thus improving their service to customers.

**Joanna Brace, Marketing Director, Skype** shone a torch on the secrets behind Skype's rapid growth. Skype has 560 million users, is adding 400,000 new users a day and aims to have a billion people using Skype every day within a year. Many of its services are free but their business model is sound: their 2009 profits equate to \$1 million for every employee. Skype is dissolving the barriers between work and business: helping companies to be more efficient whilst giving their employees more flexibility.

**Nigel Morgan** from **Morgan PR** explored the impact of social media on corporate reputation: positive for those in the know, negative for those who are not. Companies have suffered a sharp drop in sales after poor customer service was exposed on blogs, allegations of plagiarism were circulated on Twitter, and criticism of a chairman appeared on Facebook. Successful companies are turning social media to their advantage: Starbucks proactively encourages discussion forums on Facebook; Dell pays commissions to those who promote its computers online; Zappos.com is an online business which bases its success on "word of mouse" recommendations. At an individual level, unwise postings can make the difference between being hired, or not.

10% of Facebook users are aged over 50, of which half use the medium every day. There were over 600,000 tweets during the first leaders' election debate.

**Tim Beadle** from **Atrium (UK)** talked about the importance of interpreting and manipulating web generated data in order to correctly identify and focus on a target market: this is what John F Kennedy did (before the internet revolution) in the 1960 Presidential Election, by focusing on the 'floating voters'. It is possible to understand the motivations and behaviours of people who have opened emails by using sophisticated analytical tools, rather than just seeing whether they opened them or not. This type of information is key to the success of an email marketing campaign and to a robust online strategy.

**Professor Peter Grindrod** from **Reading University** took a look at the wider societal implications. The digital economy provides risks as well as opportunities: risks to security, through cyber terrorism; risks to personal safety, through web paedophiles; risks to civil liberties, with valuable personal information increasingly being stored on the web. The true potential of all this will only be grasped if we are able to intelligently analyse the masses of information becoming available. Fascinating national trends can be observed, but these are only of real use if they can be properly interpreted and turned into predictions. Past experience suggests this is where we fall down: for all the available information, who saw the recent crash and economic downturn coming?

In discussion during and after the day, a number of thoughts and ideas were raised.

Many considered smarter ways of working in their own organisation, e.g.

- Sharing information, using wiki type sites along the lines of those established by Pfizer;
- Engaging consumers by encouraging them to actively shape their products (PepsiCo invites customers to suggest new, wacky flavours for Walkers' Crisps); and
- Developing marketing strategies (Vegemite's recent rebranding was largely based on research from social media channels).

It was agreed that the main barrier to getting stuck into social media was fear. It was fear that was the barrier to e-banking ten years ago. We got over it.

A range of practical concerns were raised, including:

- How to engage CEOs and get them to use social media instead of delegating duties down the organisation;

- What kinds of social media strategies or guidelines are needed (a set of guidelines might suggest e.g. don't be offensive; don't spend more than half an hour a day on social media); and
- Whether cyber relationships can replace ordinary personal relationships (technology is a good way of keeping relationships going, but not an effective way of beginning new relationships).

Some more personal thoughts were also raised, including:

- the security issues of having energy tracking information online: burglars could tell when a house was empty.
- Social media is an effective way to complain, with some companies responding more quickly to complaints made on Twitter than to complaints made by telephone!

**Bill Payne** wrapped up with a call to think beyond the bounds of possibility. Way back in 1967 Star Trek heralded the unthinkable, and now many of the innovations that were found on the Starship Enterprise are commonplace: mobile communications, flat screens, voice recognition technology, non-invasive surgery, automatic translations. We should think big and think bold.

The Evening Programme, sponsored by *PricewaterhouseCoopers*, featured a series of winning ideas to combat the threat of man-made climate change from companies HiMag Solutions, Trendform, Global Energy Systems and Aeristech. Roy Sheppard's semi-structured "conversations" with our panel of businesses clearly demonstrated that the market is growing for technologies, products and services that generate carbon savings. The race to capture the Carbon Pound could make a significant contribution to "UK Competitiveness". UK global competitiveness will be the theme of the next in the series of "Windsor Debates" on September 3rd.