

# Inform **Better** Decisions: **Global Trends to Consider in 2023.**

The state of business has been profoundly changed by the events of the past 3 years. Everything from how we work, where we work and the ways in which we work together have been affected by global events like the pandemic, the war in Ukraine, growing evidence of a coming recession and the effects of climate change.

Faced with these increasingly frequent challenges, businesses are being called upon to re-evaluate the ways in which they plan for the future.

These are the global trends that we think you need to consider in 2023 in order to set your business up for success and feel confident that you are making sound decisions for what lies ahead.

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They should also lean into their strengths—their connection to their communities and the great experiences they can provide customers. Bigger brands may have bigger budgets and more exposure, but they can't offer the same inventory, customer service, or experience that a small business can.

— DAVE CHAREST, DIRECTOR OF  
SMALL BUSINESS SUCCESS,  
CONSTANT CONTACT

# Executive Summary

In these turbulent times, identifying business trends and understanding how they will impact business decisions is becoming a source of competitive advantage.

Several business reports from leading research organizations and consulting firms identified a series of trends that will impact businesses in all economic sectors and geographies.

Among those trends, the ones below consistently appear as the most impactful for 2023 and the coming years.



[Political & economic challenges](#)



[Sustainability /ESG](#)



[Accelerated digital transformation](#)



[Augmented customer experience](#)



[Talent scarcity](#)



[Supply chain challenges](#)

We anticipate that inflation concerns, sustainability and digital transformation will be at the top of the business agenda in 2023. This paper will examine these trends and provide insights into what companies can do about them.



# Political & Economic Challenges

According to the Global Risks Report 2023 18th edition from the World Economic Forum<sup>[1]</sup>, the world faces a series of risks that only some of the current generation of business leaders have experienced. We can mention pervasive inflation, natural disasters, extreme weather events, geopolitical confrontation, trade wars and widespread social unrest among them.

CEOs ranked inflation and price volatility as the most concerning for short to medium term<sup>[2]</sup>.

The high levels of inflation that we are suffering can be attributed to the effects of COVID -19 and the war in Ukraine. In addition, the rapid normalization of monetary policies that governments around the world implemented to combat inflation started a low-growth era.

Even if the economies experience a soft landing, the end of low-interest rates times will significantly impact businesses and individuals, with the effects being felt the most by vulnerable communities and negatively impacting the gains made by middle-income sectors of society.

In a recent report, Morgan Stanley<sup>[3]</sup> expects less inflation and the end of rate hikes with a global economic growth of 2.2% in 2023, which suggests that a soft landing and tepid economic rebound is the most likely scenario.



## WHAT CAN YOUR BUSINESS DO?

- Anticipate risks and preparedness by including foresight/scenario planning in strategy formulation exercises.
- Focus on improving efficiencies, leveraging established and emerging technologies.
- Companies with a solid financial position can consider M&A opportunities as part of their growth strategy.

[1] Source: Global Risks Report 2023 | World Economic Forum | World Economic Forum (weforum.org)

[2] Source: UNGC-Accenture CEO Study 2023 Infographic

[3] Source: Global Macroeconomic Outlook 2023 | Morgan Stanley



# Sustainability/ ESG

Environmental and social themes are among the main topics on the business agenda for 2023. Sustainability is mainly driven by tightening regulations, the need to meet sustainability goals, and the rapid increase in environmentally conscious customers .

In addition to growing scrutiny and demands for accountability surrounding Environmental, Social, and Governance (ESG) criteria, customers also have been increasingly changing their purchasing habits to favour companies with good environmental and social records<sup>[1]</sup>.

To help meet this requirement, companies must be more transparent about their initiatives by including environmental and social considerations in their core business strategies and operations and clearly communicating these efforts and results to their stakeholders.



## WHAT CAN YOUR BUSINESS DO?

- Identify opportunities for value creation using a sustainability lens and integrate them into the core business strategy and operations. This starts with the question of what social or environmental problem the organization can contribute to solving while improving its business and the value generated for the company's stakeholders.
- Develop/improve ESG reporting.

[1] Source: Stay Ahead in 2023: Top Three Business Trends to Follow | Industry Leaders Magazine (industryleadersmagazine.com)



# Accelerated Digital Transformation

Even before the pandemic, digital transformation was rapidly accelerating. Some trends that started to emerge in the pre-pandemic era dramatically accelerated. During the pandemic, we have witnessed changes that, in normal times, would have required months to happen in a matter of weeks<sup>[1]</sup>.

Even though enormous progress has been made, organizations are still just scratching the surface of the potential value creation enabled by technology.

Technology can help companies address challenges like the economic instability described previously by, for instance, improving organizations' efficiencies or productivity through automation. They can also help organizations uncover new business opportunities and reinvent businesses.

The most important technology trends identified for the coming years are<sup>[2][3]</sup>:

- Application of artificial intelligence (AI) and machine learning (ML): for example, to better understand consumer preferences and personalized products or automate routine tasks to free-up staff time for more value-added assignments.



## WHAT CAN YOUR BUSINESS DO?

- Understand what AI is and how it could be used in the organization.
- Conduct periodic environmental scans to stay up to date with respect to applications of new technology.
- Leadership teams in both technology and non-technology domains need to remain abreast of technological innovation when developing strategy.

[1] Source: 2 Years of Digital Transformation in 2 Months | Microsoft (microsoft.com)

[2] Source: McKinsey Technology Trends Outlook 2022 | McKinsey Digital (mckinsey.com)

[3] Source: The 5 Biggest Business Trends In 2023 Everyone Must Get Ready For Now | Forbes (forbes.com)

- Internet of Things (IoT): for example, wearables to monitor health data or remote operation of facilities.
- Virtual and augmented reality: for example, to create a virtual showroom where retailers create a virtual experience for customers, allowing them to surf the assortment of products and even virtually try them on.
- Advanced connectivity (5G/6G): for example, to deploy automated guided vehicles (AGVs) or robots in a manufacturing setting.

In addition to the above, Cybersecurity and Cloud Platform migration are two topics that we'll continue to see at the top of the tech agendas.



## WHAT CAN YOUR BUSINESS DO?

- Identify opportunities to improve efficiency and quality leading to quick wins. For instance: process improvement, automation, business intelligence, customer service, and supply chain efficiency, to mention a few.
- Develop capabilities to tap into the opportunities that digital presents.
- Put structures in place to support to migration to the Cloud: e.g., privacy security, data governance, vendor contracting practices, etc.
- Implement measures to address cybersecurity risks, many of which are people-related and not tech related: e.g., implement processes and procedures and train employees working from home on detecting and mitigating cybersecurity threats.



# Augmented Customer Experience

An emerging trend, especially with younger consumers, is the shift from focusing on the product or the service to the experience. Providing products with attributes that meet clients' expectations and deliver excellent service is not enough. Customers expect to have a great experience. The “journey” is becoming as important as the “destination.”

This behaviour change has profound implications, such as the change of ownership paradigm. It is becoming less relevant who owns the product and more valuable to have it available when, how and where required.

The way customers interact with companies, especially in B2C but also B2B has dramatically changed. This change, accelerated by the pandemic, requires organizations to rethink the customer journey and redesign every touch point and interaction with the customer to provide a seamless experience on and offline. For example, let's think of the exponential growth of e-commerce and how customers expect to have the ability to “try on” virtual representations of the products<sup>[1]</sup>.

The metaverse and augmented reality appear as the two most promising trends that can transform the customer experience<sup>[3]</sup>.



## WHAT CAN YOUR BUSINESS DO?

- Understand the customer journey
- Re-think and redesign the customer experience by leveraging technology
- Develop/enhance the omnichannel experience.

[1] Source: The 5 Biggest Business Trends In 2023 Everyone Must Get Ready For Now | Forbes (forbes.com)

[2] Source: McKinsey Technology Trends Outlook 2022 | McKinsey Digital (McKinsey.com)



# Talent Scarcity

Digital transformation and the changes required to implement and sustain the shift require new competencies in the workforce. Especially in the technology field, companies are facing challenges in recruiting talent.

Moreover, new business models require competencies typically unavailable in the organizations. Therefore, companies must recruit new talent and retrain/upskill their workforce to work with the new technologies and processes.

At the same time, in the last few years and exacerbated by the pandemic, we have seen a significant movement in the workforce that culminated in what was called “The Great Resignation.” A record number of people left their jobs seeking better work-life balance or retiring early, presumably due to the long period working from home<sup>[1]</sup>.



## WHAT CAN YOUR BUSINESS DO?

- Address employees' expectations related to work/life balance.
- Provide flexible work arrangements.
- Provide training and development opportunities.
- Improve employee value proposition.

[1] Source: Great Resignation Not Over: 20% of workers will quit in 2022 | World Economic Forum (weforum.org)



# Supply Chain Challenges

The fragility of supply chains that became apparent during the pandemic suffered another blow in 2022 from geopolitical conflicts like the war in Ukraine. In addition, new geopolitics conflicts, economic volatility, climate change weather events or other issues yet to emerge are expected to continue to negatively impact the traffic of goods around the world.

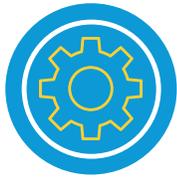
Disruptions in supply chains are likely to continue in 2023 as these "once in a lifetime" events become increasingly common.

The key lesson learned from the events that have occurred in the last few years is that companies need to improve the resilience of their supply chains by factoring in rare but disrupting events into long-term supply chain strategies and planning.



## WHAT CAN YOUR BUSINESS DO?

- Improve planning capabilities, agility and end-to-end visibility of the supply chain.
- Supply chain management technologies are readily available; however, attention must be paid to well-designed implementations to yield the intended benefits.
- Supply chain reconfiguration: new suppliers, geographies, near-shoring.
- Adopt sustainable supply chain models.



# Sources

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# How Can We Help?

"Stratford's team mix was excellent, they brought in the strengths we needed at the right time."

—JEFFREY DALE, CEO, EORLA

Feel confident with your plans and strategies to grow and scale your organization in 2023. Drive results and accountability with a strategic plan that leverages trends and best practices cultivated from years of experience.

We can support you to operationalize and implement recommendations, develop strategies to leverage these trends, and create and develop a clear road map that aligns the organization with clear steps and milestones to achieve your objective.

Leveraging our business expertise, Stratford has helped organizations like yours successfully navigate times of growth, reorganization, and transformation.

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At Stratford, we believe better is possible, and it's our mission to help clients get there with better strategies, better processes, better technology, better intellectual property protection and better leadership. Our teams have years of practical business experience, and deliver customized solutions that help clients realize value, achieve results and build enduring capabilities. Capabilities that leave our clients in better positions to thrive and contribute to the prosperity and vibrancy of their organizations, their teams and their communities.

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