



# AMCHAM YOUNG PROFESSIONALS AWARD 2015

- CASES -

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## EMBRACING BIG DATA

The enormous amount of data that is generated because almost every move, transaction or choice people make is being digitized, is a revolution in the business environment. What really is Big Data and how can companies and organizations make use of it? What are the most important Big Data developments and what are the most important technological developments that enable Big Data?

This case is about identifying and naming of these trends and developments but also looking into how organizations can start adopting Big Data and start making use of it.

When an organization develops an appropriate Big Data strategy it can obviously use it as a competitive advantage. And governments can benefit from Big Data when dealing with e.g. climate change.

How far will this development of Big Data go knowing that there are challenges like analysis, capture, data curation, search, sharing, storage, transfer, visualization, and information privacy? What are the implications? Where do you see a great opportunity? Please elaborate on your idea, and how it could work.

## FUTURE OF FINANCE (option 1) – THE BANK OF THE FUTURE

The financial sector has changed hugely since the financial crisis. And also the next decade will be a period of rapid change in the financial services industry. Increased regulatory pressures and competition from new and existing competitors will change the industry's playing field. Technology will drive innovation and create new efficiencies and ways to interact with customers and business models. Demographic shifts and the growth of small businesses will create opportunities for financial institutions to develop strong, personal relationships with customers.

A few examples:

- **Regulatory Changes and Complexity:** regulatory pressures have increased the cost of capital and – together with other developments – put pressure on traditional operating structures.
- **Digitalization and Technological Advances:** Customers are engaging online, through smart phones. New entrants are disrupting the financial playing field through digital platforms, which have slashed costs and are more in line with modern customer behavior.
- **A new customer connection** is on the rise and reshapes the way the financial services industry designs and delivers value-added products and services to customers and corporates.
- **Changes in Investment and Capital Sources and Returns:** Non-bank financial institution bring fresh capital into the sector by offering payment services (Google/eBay/Apple/ PsP's)
- **Demographic and Behavioral Changes:** Today's customers are very different from yesterday's customers. Millennials have their own expectations; older customers are increasing in number, are working longer and putting further pressure on pension funds. The growing role of women is an important component in the Gen Y'ers generation.

What will the future bank look like? How will the banking sector and the new entrants adopt the above mentioned changes? How will innovation and technology shape the new customer connection?

## FUTURE OF FINANCE (option 2) – ACCESS TO CAPITAL

Advances in information technology are profoundly impacting financial markets. The advent of Bitcoin is eroding the concept of physical currency, and innovations in payment systems and financial services threaten the status quo. At the same time, electronic and online platforms are decentralizing and democratizing investment opportunities and access to capital. Data science, too, increasingly challenges traditional strategies and approaches to risk assessment.

How much of a threat does FinTech pose to traditional financial intermediaries? What are the most valuable benefits and salient risks that come with this innovation, and how would regulators respond? What are the key barriers to adoption, and how might they be overcome?

Dramatic disruption from innovative financial technology is likely to occur within two to five years. Key words seem Bitcoin, mobile payments, credit cards, regulation, and security. Deep distrust in banks and other hurdles are just barriers: money will find ways around these.

Mobile payments have become the de facto solution in emerging markets which have no fundamental payment structure in place. Google, Apple and others could be the next front-runners due to the “frequent user login, frequent transactions,” and low costs that their platforms provide.

Plastic credit cards will remain in people's wallets for the foreseeable future. However, the emergence of peer-to-peer platforms, such as Prosper, could be the next stage in innovative lending. Facebook is moving into banking because of the relationships Facebook has established with its users. The addition of the social component to banking and payment systems could transform how people are scrutinized in their loan applications. Peer-to-peer lending has slashed the time it takes to obtain a loan, and the addition of a “social graph” to existing credit check models has the potential to pare default rates.

Please work out how Fintech developments may change the way companies and enterprises find capital and financial infrastructure to run their businesses.

## THE DIGITAL TRANSFORMATION OF THE RETAIL LANDSCAPE

In 1984 the world's first online consumer shopping system was launched by Tesco. In 1994 Yahoo started, followed by Google. More and more retailers are in the process of (further) developing their online strategy. Going from one-channel, to multi-channel to omni-channel: a customer can buy online, and pick up in store, or use mobile devices in-store to research or make a purchase, or buy in-store and arrange for at home delivery. There are no boundaries between Brick & Click!

Some of the retailers are early adopters, and others are adjusting slowly to the new retailing landscape. Consumers are now connected to the internet 24/7, everywhere. And consumers use internet to do their research on price, quality and availability before every purchase. While the amount of in-store visits reduce, the modern customer still requires a personalized shopping experience.

Some experts predict that the number of brick stores will continue to decline. Retailers will still have 'brick' stores, but these will function as a flagship store. When entering such a store, the customer will be scanned, which enables them to view online on a tablet how certain clothing will fit them and which size of shoes will fit best. Also the payment processes will change, become more mobile. Will customers pay with their bank ID which does not require an actual payment transaction in-store?

What does a retail store look like in 2025? And what is needed for retailers to remain competitive and offer the best possible customer experience? How does a retailer adjust successfully to a real omni-channel environment? Some other important considerations for retailers are:

- What is required to meet the inventory and stock needs that fit an omni-channel store;
- Adjusting their business model to the 'same-day-delivery' environment;
- Optimizing the stream of information gathered from their customers;
- Keeping ahead of competitors in a world where international boundaries are fading.

## TRANSATLANTIC OPPORTUNITIES

An HBR article by Ben Hecht in 2013 was titled 'Collaboration Is The New Competition'. In the article we read that 'leaders and organizations are acknowledging that even their best individual efforts can't stack up against today's complex and interconnected problems. They are putting aside self-interests and collaborating to build a new civic infrastructure to advance their shared objectives. It's called collective impact and it's a growing trend...'

This is indeed an interesting development that we see happening within countries. How does this relate to international collaboration? How much should the Netherlands do on its own to distinguish itself from other countries, and to what extent should it work together with other countries in partnership? If partnerships are made, to what extent do you see those being within the EU and to what extent do you see the benefit of expanding ties with the US?

For this case, choose a country and a megatrend, analyze what makes this country distinctive and present your prediction of what will bring growth and success. Determine how you would work with politicians, business leaders and educational institutions to create change and best prepare the population to achieve success and deal with competition and threats.

## SKILLS & COMPETENCIES FOR THE FUTURE

Megatrends are not unique to one city, to one country, to one continent. They are global issues that in one way or another affect us all. How they affect our country's economic outlook, prosperity, decisions on investment and populations differs however. In this case, we request that you choose one country and focus on what you believe is most relevant to that country's future. For example, in China the government is moving people out of pastoral communities and into cities. There is a direct tie to the megatrend of urbanization. But what will this action mean for the future, for agriculture and food production, for these nomads' way of life? On the outside such a change seems rather simple, but the ramifications and knock on effects are endless.

What will the Netherlands (or another country of your choice) be famous for from an economic perspective 50 years from now? What will be the source of the majority of its GDP?

Based on your prediction for future economic success, what can the government, schools and educational institutions do today to invest in developing future generations to be the entrepreneurs, scientists, experts and business leaders of the future that will make this dream come true? How should investments be made that will set the country up for success and make it distinctive from other countries?

## KEY COMMUNICATORS

Social Media vs Dark Social – how to use?

The fact that our personal online behavior can and is continually monitored offers many companies insight into our lives, allowing for targeted and relevant content placement. Taking this a step further, the cracking of the online algorithms on networks such as Twitter and Facebook, brings to market a whole new level of consumer behavior and buying patterns. In the not too distant future, smartphones will be able to trace your (online) behavior through social networks and send you anticipatory suggestions to enhance your life (e.g. hotels, clothing, food suggestion etc.) without you having to actually place a search on Google or ask Siri.

The rapid growth of online powerful media seems to have taken many companies by surprise and it is only now that they are catching up (or in some cases still lagging behind). But while they are gaining their momentum, the pushback by customers and the fear of 'big brother' are also a fact. A staggering 144 million people are currently using Ad-blockers online, which grew 70% from 2013 to 2014 (Forbes.com – July 31<sup>st</sup>, 2015), preventing companies to collect data.

Also, there is a tremendous growth of 'dark social traffic' (up to 60% of all traffic). Dark social traffic comes from links shared via emails, messaging apps, some mobile applications and doesn't seem to have a specific source which creates a challenge for companies that are trying to monitor website referrals and social media activity.

Data protection is on most agendas, both corporate as well as private. And yet there are major opportunities attached to e.g. Dark Social. The big challenge with dark social is figuring out how to shine light into the darkness, but once this is done – and it is being done – marketers will get access to data that is estimated to be three times larger, by volume, than standard social media traffic. If that seems hard to believe, just think about how often your friends and relatives send you links over email. But it's the quality of dark social traffic as much as the quantity that has so many marketers paying close attention. By using Dark Social data companies can create new methods of harnessing their return on investment of social media, unfortunately very few companies are fully utilizing these opportunities.

What role will/can Social Media and Dark Social data play in the future of companies? Does this go beyond marketing and image building? (How) will Social media strategies change for companies when they start utilizing the power of Dark Social? Do you see issues with long-term vs short-term planning, and data protection?



## (R)EVOLUTION IN HEALTH

Developments in health and healthcare are taking place at an unprecedented pace and at different levels. This brings up new, but elementary questions with respect to how we can make sure that good healthcare is available for everybody who needs it, around the world.

The average age people reach is increasing, which means that more people need healthcare. This also leads to an increase in the average age of the whole population. As the costs of healthcare are typically paid by the working part of the population, it is unclear whether and, if so, how this can still be financed at the longer term. Another development is that more and better research leads to breakthrough therapies and medications for many diseases that could not be cured before, also for (extremely) rare diseases. This research and the therapies are (very) expensive.

Healthcare will be connected to everybody's daily life through the internet and mobile devices. How will this affect our current healthcare system, which is still very much based on physical examinations with general practitioners or hospitals? MHealth (which stands for Mobile Health: a term used for the practice of medicine and public health supported by mobile devices), may make good quality healthcare available for a larger group of people at a lower cost. MHealth may reduce healthcare expenses as patients would no longer have to actually visit a general practitioner or hospital, but could be treated through a mobile device. In addition it opens up good quality healthcare for patients living in areas where there are no hospitals. It may also allow people to monitor their health on a daily basis, so that they may be able to prevent becoming ill, instead of having to find a doctor to treat the illness, at a later stage.

Another development is the increasing research into genetic materials of plants, animals and humans. Research in human DNA may reveal whether a person would have an increased risk to catch a certain disease sometime in the future. By knowing this in advance, the illness may be prevented (or anticipated).

This case is about how we should deal with these developments in order to make sure that good healthcare is available.

## RESOURCES AND OWNERSHIP

The world's economies are built on natural resources like water, forests, minerals, and fossil fuels. But these resources - and the businesses and communities that rely on them - now face physical and ecological limits. With global human population growth amounting to around 75 million annually, or 1.1% per year, resource scarcity is only becoming more pressing. The global population has grown from 1 billion in 1800 to 7.3 billion in 2015. It is expected to keep growing, where estimates have put the total population at 8.4 billion by mid-2030, and 9.6 billion by mid-2050.

Leaders at the 2013 World Economic Forum named climate change and water supply as two of the top five risks facing companies. Meanwhile, greenhouse gas emissions, deforestation, loss of natural resources, and other environmental problems cost the global economy \$4.7 trillion annually.

Leading companies are realizing that effective management of resources is smart business and that it can help minimize current and future risks, such as water scarcity and energy price volatility. It is not on the margin of what these companies do but at the center. Business strategies that maximize opportunities by integrating environmental and social sustainability across their operations, products, and services may give rise to the next major transformation of business thinking.

On a global and country level, we can enable large-scale systems to change towards a new regenerative economy. On a company level, we may need a fundamental rethink of the purpose of the business. This case is about visualizing how an integrative approach could look.

Consider that a strategy for change calls for a clear vision of the future and a roadmap for how we can get there. Which qualities should such a strategy contain? How could the roadmap look? Which tools do we have at our disposal to get there? What is the narrative and purpose? How can we focus on co-benefits and opportunities while at the same time making it actionable and clear?

## TIMELINE

- October 7, 2015 > **Registration deadline YP Award 2015: 9am**  
Deadline for signing up your team and choosing the case you wish to work on.  
Register your team online or by email to [elke.roelant@amcham.nl](mailto:elke.roelant@amcham.nl).
- November 6, 2015 > **Deadline hand-in cases: 9am**  
Deadline for handing in your contribution.
- November 10, 2015 > **Jury Deliberation**  
From all contributions, the Jury will select a shortlist of nominees.
- November 13, 2015 > **Announcement of Nominations**  
Selected teams will be announced and will be invited to prepare for their pitch.
- November 27, 2015 > **Grand Finale & Award Ceremony at the Heineken Experience in Amsterdam from 3:30pm onwards**

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Award info online: <http://www.amcham.nl/amcham-young-professionals-award-2015>