



Oak Universe

Creating a
sustainable
planet with the
fourth industrial
revolution

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The fourth industrial revolution changes everything we know. It introduces new ways to create business models and added value processes. Altogether a lot of progress is happening on how humans interact with digital and physical work.

That's why we need improved leadership and upgraded expertise. We need to be more transparent so we can unleash new possibilities for sustainable approaches, or as we like to call it at Oak: create profit for the planet. The 4IR holds the power to bring together technology, companies, government and societies so that together they can bring resources into effective action.

Company leaders should adjust their visions and goals for the future to be on board with the revolution. As time is ripe for 4IR there is a lot on the line, including customers and the company. What are the changes – and what are the chances?

The rise of middle-class and gig economy

Today over 50% of the world's population belongs to the middle class – for the first time ever in history. Researcher Homi Kharas (2017) estimates that about 140 million people join the middle class annually, and the number could be even higher. Looking at Europe the rise of the class is estimated to be around 0.5% each year.

Another big change is the rise of the gig economy. More people choose freelancing as their preferred way to be employed. The gig economy is growing competitive. As demographics shift and new technologies emerge, gigs and independent contracts gain popularity. According to OECD (2018) freelancing seems to provide women more

opportunities to receive equal pay. And according to WEF closing up the gender pay gap could unlock \$12 trillion from the world's economy. Leaders who wish to succeed and move forward need a multistakeholder approach.

People continue to be at the center of economic prosperity. Experts are constantly developing innovative solutions, services and products that will help the communities they live in prosper. Companies will be better prepared for all types of future events, whether those would be good or bad, when employees are diverse, financially secure and well-trained.

How can business leaders prepare for the changes?

According to the World Economic Forum (2020) corporations should align their goals to serve the surrounding societies. The metrics that WEF recommends include transformative steps that can shift the world towards a more sustainable future. The metrics are organized into four pillars: the principles of governance, planet, people and prosperity.

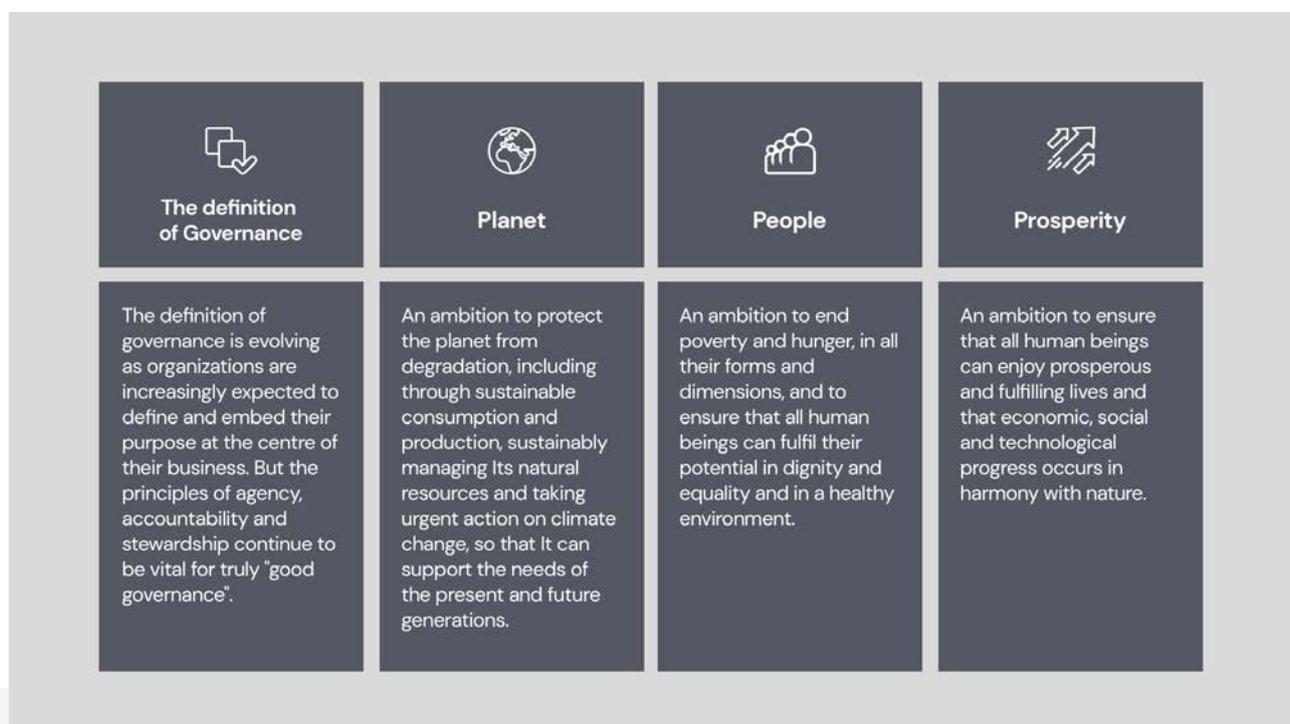


Image: The four pillars by The World Economic Forum (2020).

These pillars can generate sustainable value for any firm. Performing well in any one of the pillars is highly interdependent on the others. How corporate communities perform across all metrics has great influence on the speed that the society can advance towards its aspirations. None of these pillars should be looked at in isolation. For example, good governance supports all other metrics. If our oceans would be polluted then the animals would suffer, which would mean that fisheries would not be able to work, which would then lead to people not getting food. The planet, the people, and the ability to prosper are interconnected – and that's why organizations are expected to include accountability for society at the core of their business and values.

This means that tackling environmental issues is becoming increasingly important. Expertise in 4IR technologies can bring on competitive advantage in both saving the environment and being cost efficient. A skilled workforce is a source of value as it

can generate better solutions for tackling climate change by e.g. decreasing carbon emissions, improving recycling of resources, and utilizing otherwise wasted materials. A company that wishes to exist in future should place emphasis on long-term investments into 4IR technologies. Because with these technologies, we have a chance to enjoy a future that is less wasteful and less damaging to the Earth.

And what other concrete measures can business leaders take? Consider these: updated definition of work, providing support for the workforce, and constantly training the workforce. Retraining employees ensures that all company experts are agile and up to date with their skills and long-term goals. Employees should also be supported when they need guidance, especially when companies undergo big changes or define new strategies and visions. Redefining the meaning of "work" will help leaders to manage and understand their workforce better.

Where profit and planet meet: the fourth industrial revolution

4IR innovations and technologies like the IoT and 5G networks can help companies find better solutions for their supply chain, manufacturing, shipment and packaging. But utilizing 4IR solutions is no solo project, collaboration is crucial.

Working together across the workforce, investors and universities will help companies reach sustainable futures. With the right skills, the right knowledge and the right investments companies gain multiple benefits, so that people can create better services, better solutions and better knowledge – all of which helps save the planet.

Contributors

Our mission is to act as a catalyst for the 4th industrial revolution by investing capital and expertise in companies – that either benefit from 4th industrial revolution transformation – or enable it.



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