

WEBINAR

The Low Touch Economy



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board of innovation

**Future
Exploration**

**Growth
Strategy**

**Opportunity
Identification**

Go-to-market

**Entrepreneur-
in-residence**

**Business
Design**

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PHARMACEUTICALS

TD Bank



DANONE

LIBERTY GLOBAL

KLM

ENGIE

Roche

BNP PARIBAS

LafargeHolcim

ESTÉE LAUDER

proximus

Volkswagen

TOTAL

NOVARTIS

ING

Valmet

LVMH
MOÏT HENNESSY - LOUIS VUITTON

orange



adidas

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NN

AlzoNobel
Trocenol/Amesol Today

Nestlé

telenor

BRITISH AIRWAYS

PHILIPS

Board of Innovation is a **strategy and business design firm**.

We partner with the world's largest organizations to solve their biggest challenges through meaningful innovation. Relentlessly focused on impact.

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Our life time mission is to inspire 100 million people to innovate for a better tomorrow.



What's in store for the next 30-minutes?

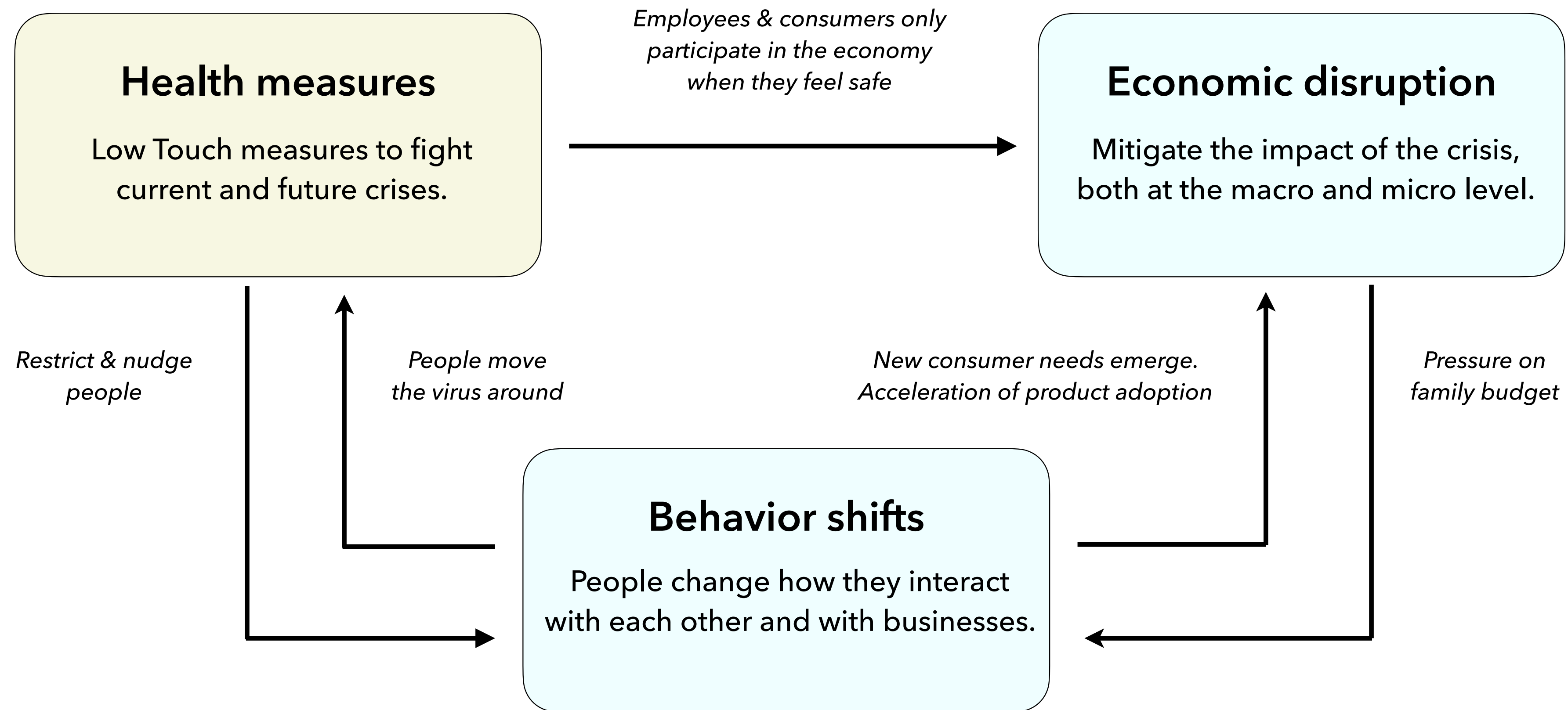
01 Intro to the Low Touch Economy

02 Winners of this new era

03 New opportunities

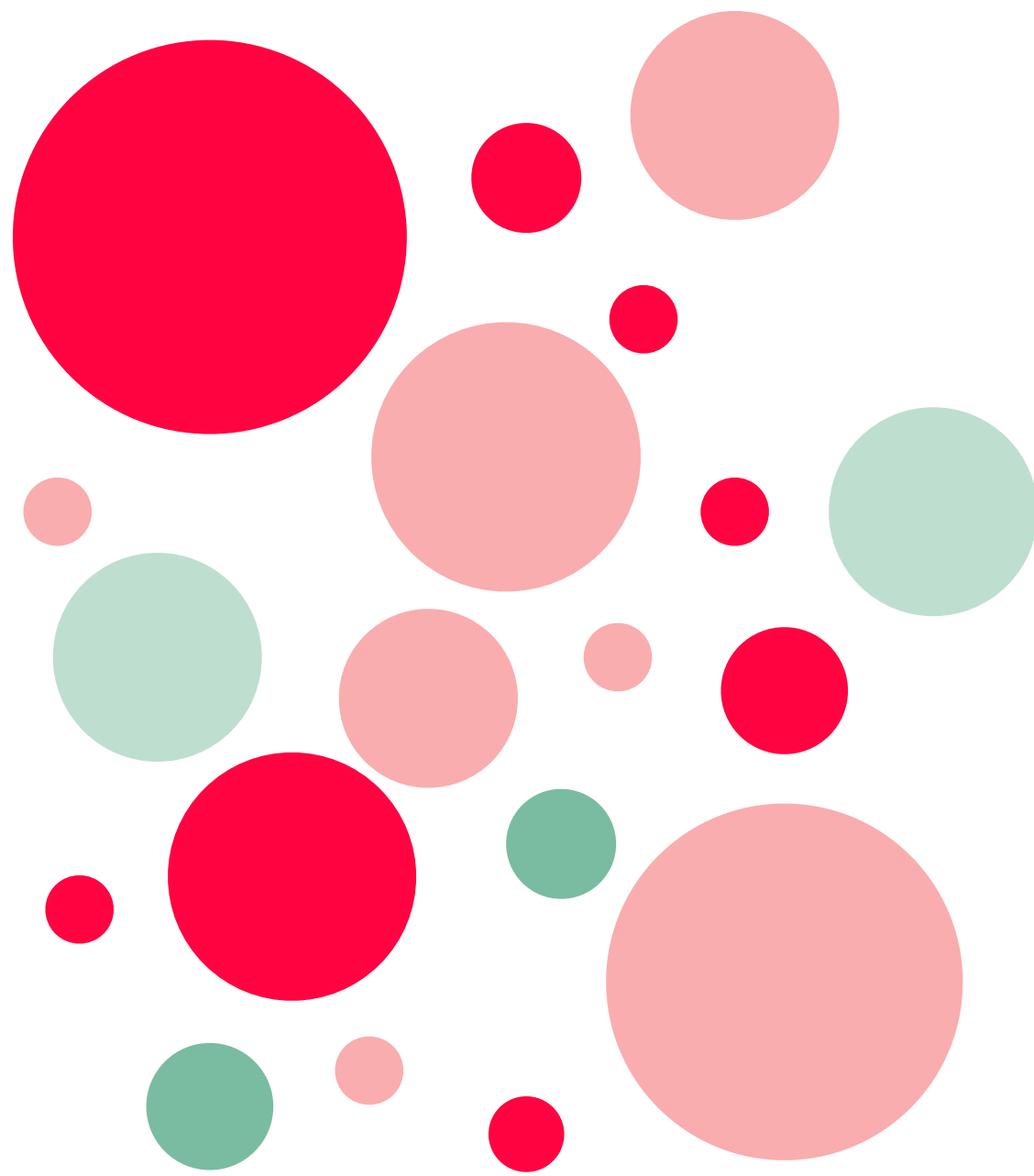
04 Q&A

The feedback loop of the Low Touch Economy



A slow, bumpy recovery

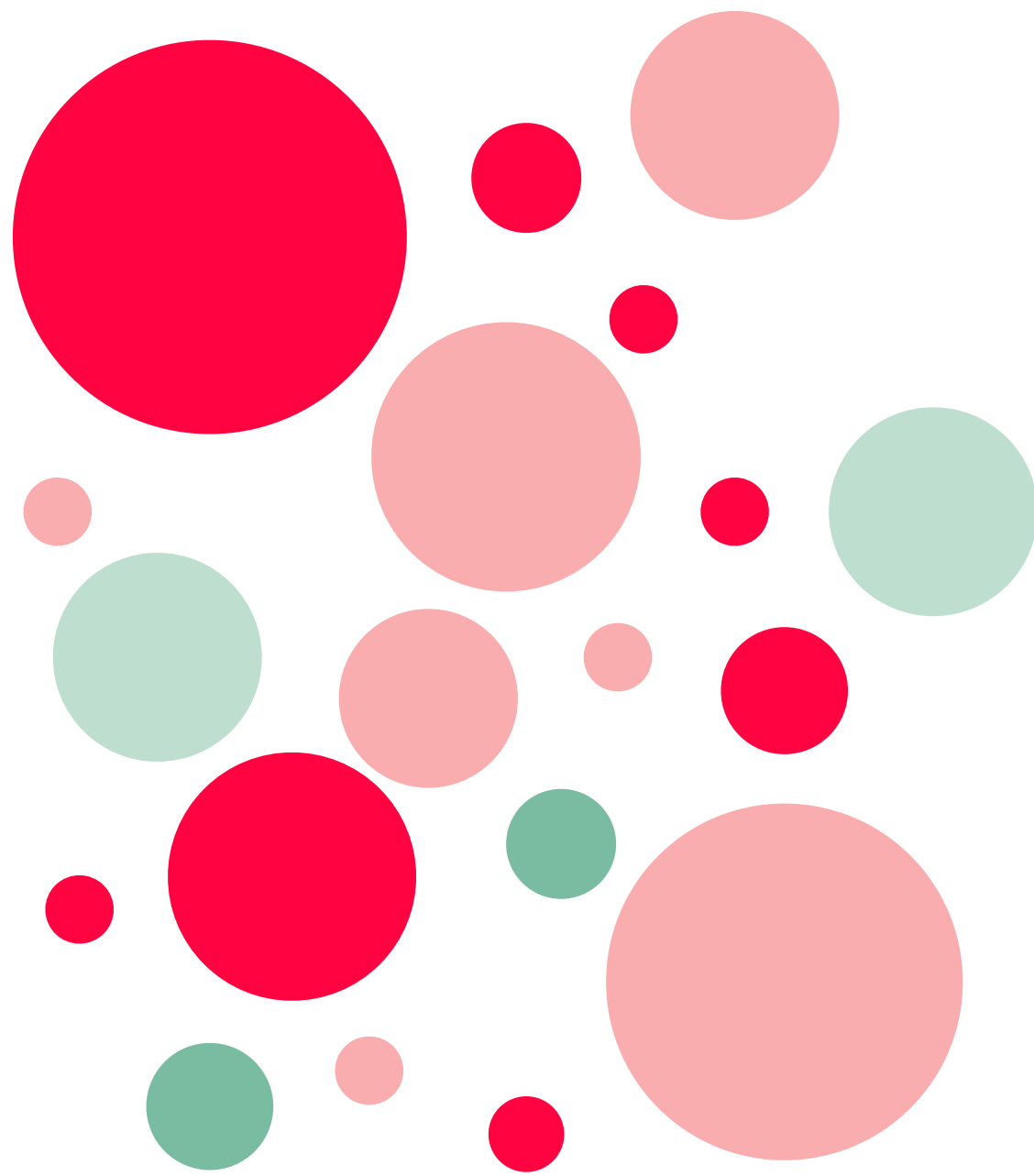
Industries impact Covid-19
TODAY



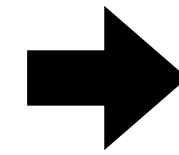
*Only 15% of companies
seem to have a positive impact*

A slow, bumpy recovery

Industries impact Covid-19
TODAY

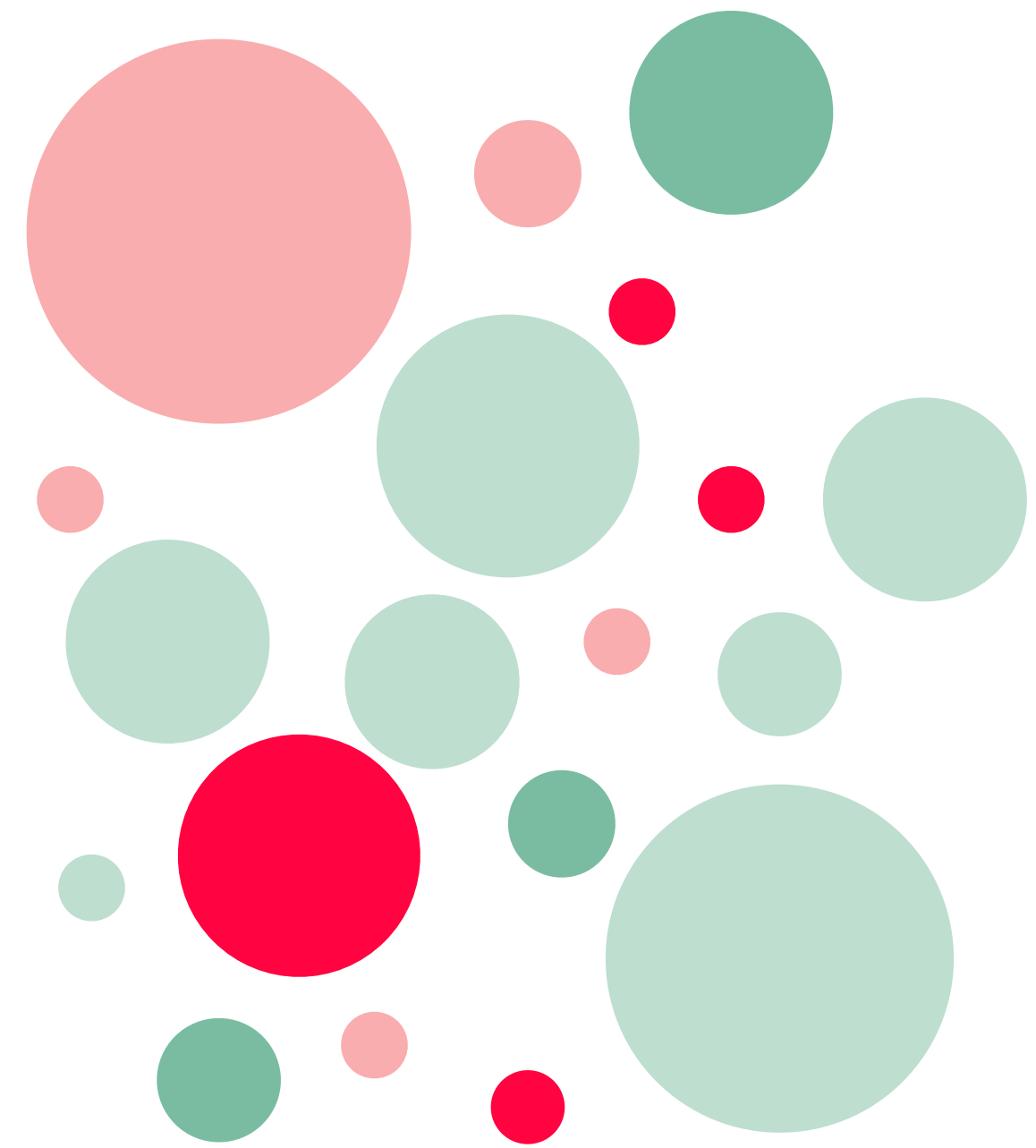


*Only 15% of companies
seem to have a positive impact*



**Many things will bounce
back to "normal", but not everything**

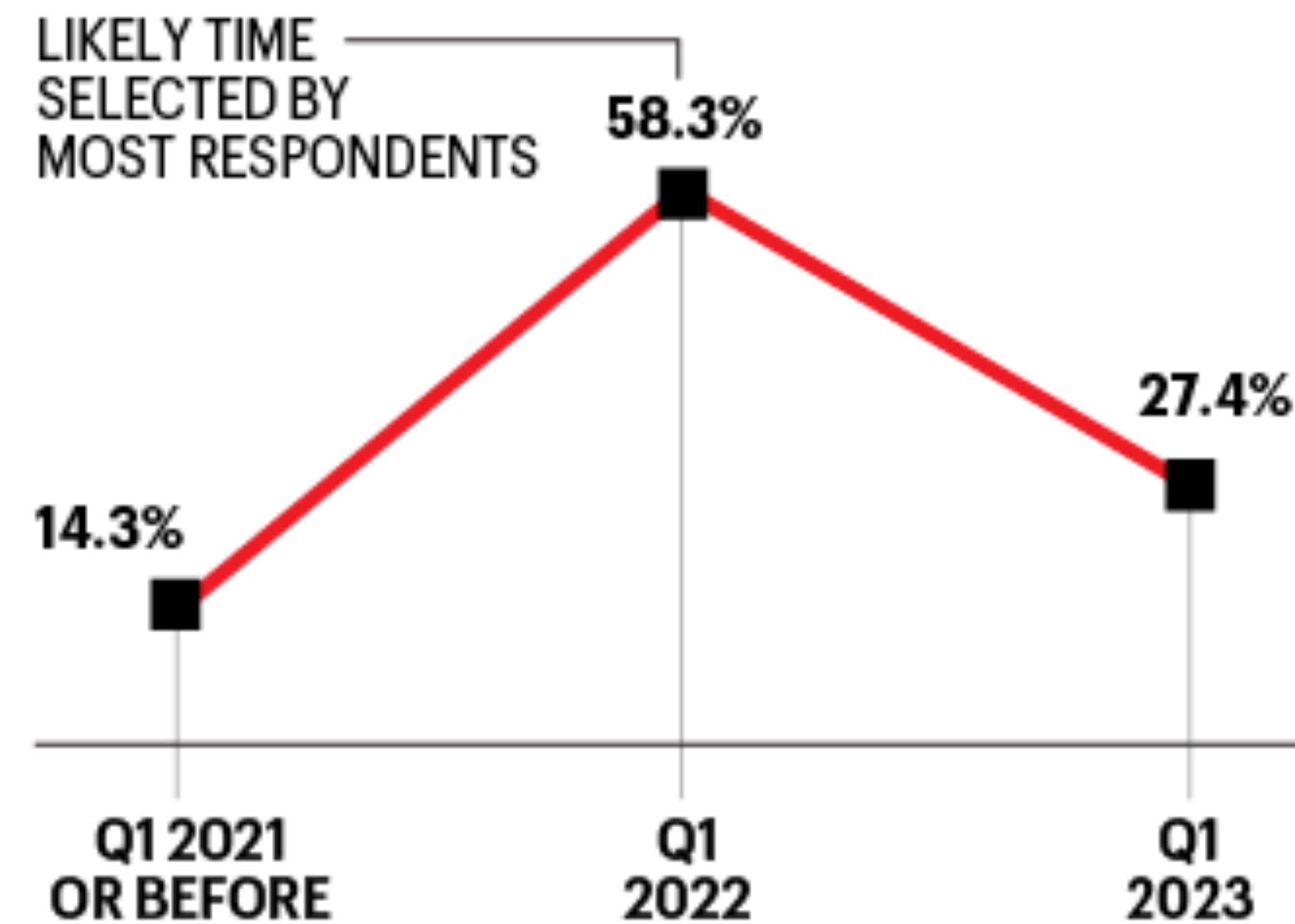
Industries impact by Covid-19
NEXT YEAR ?



*Many will recover, but those who don't,
will still impact the overall state of the economy*

Here to stay?

TIME BY WHICH ECONOMIC ACTIVITY WILL RETURN TO PRE-PANDEMIC LEVEL



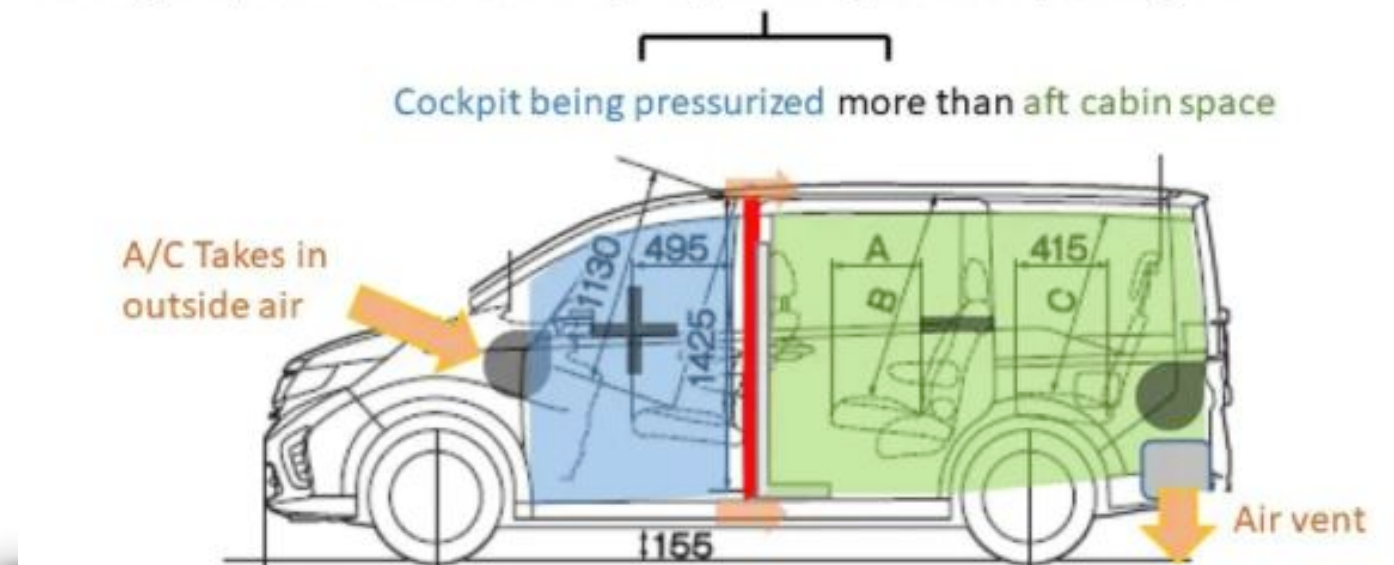
Source: Fortune, CEO survey May 2020

The Low Touch Economy is here to stay



Hong Kong: booths to disinfect airline personnel when entering airports

Leverage the pressure difference to prevent the driver from becoming infected through exposure to infected droplets passed by backseat passengers.



Modified Honda with a pressurised air compartment to keep the driver safe.



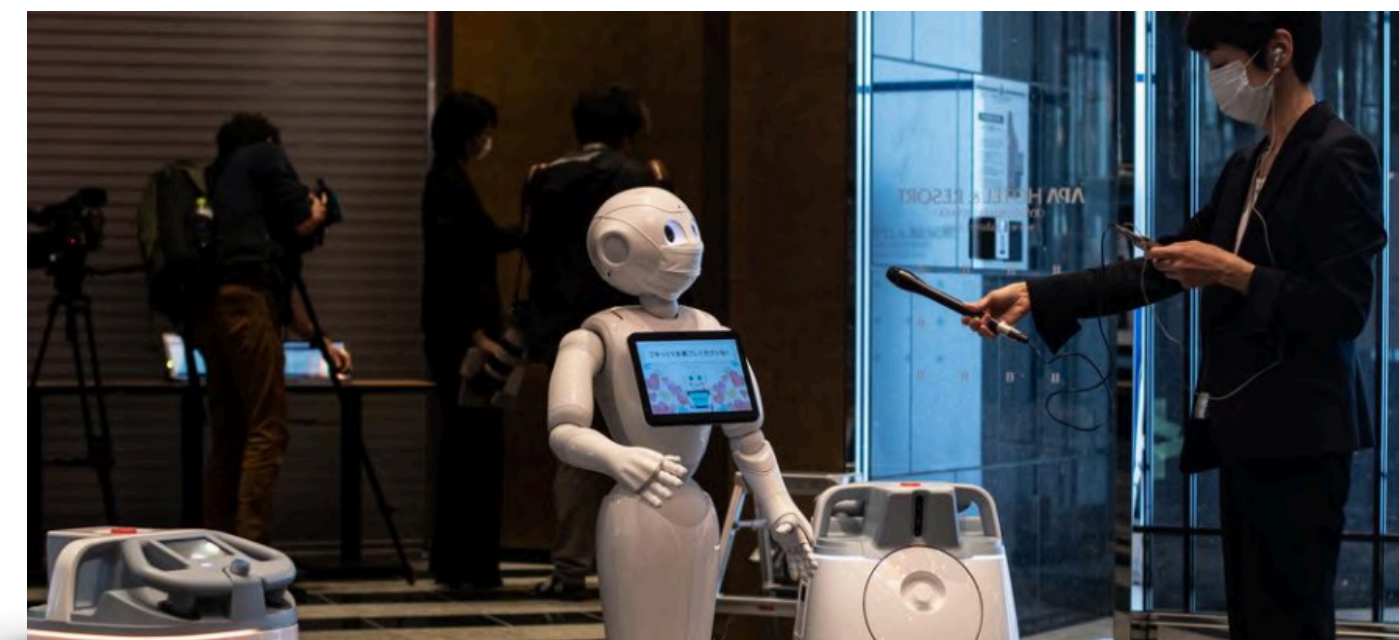
VRT, The Belgian national broadcaster, experiments with distance-detecting bracelets to protect actors while recording shows.



South Korea Sports leagues resume games - without spectators. They expect to allow spectators and larger gatherings again soon.



Milan and many other cities are adding "temporary" bike lanes. Many city redesigns will become permanent.



Robots replacing high-risk human interactions in service businesses.

Example ripple effect: Micro-mobility is booming



It's not a *Plexiconomy* ;)

BIOVYZR by VYZR Tech



PlexEat by Gernigon Studio



Sunglass face shield by Joe Doucet



Knuffelscherm by STAS & FARO

This didn't arrive either (will it ever?)

Future of e-health?



Future of remote work?



**Many changes are happening,
but less eye catching.**

“We’ve seen two year's worth of digital transformation in two months.”

- Satya Nadella, CEO Microsoft

In the chat:

Which innovations & experiments have you spotted recently?



01 Intro to the Low Touch Economy

02 Winners of this new era

03 New opportunities

04 Q&A

Adapt your strategic response

		IMPACT ON YOUR ORGANISATION			
		Direct impact of Covid-19 / Indirect impact of economic recession / Ability to adapt fast			
		Positive	Mildly negative	Severe	Catastrophic
		Revenue growth through demand surge <i>e.g. E-commerce</i>	Sustained revenue loss of 0-15% in Q2-4 2020 <i>e.g. Consumer Goods</i>	Sustained revenue loss of 15-50% in Q2-4 2020 <i>e.g. Oil and gas</i>	Sustained revenue loss of +50% in Q2-4 2020 <i>e.g. Tourism</i>
SEVERITY AND DURATION OF ECONOMIC IMPACT GDP forecast / Pandemic evolution / Economic policy	0.5 year impact V-curve rebound; Effective pandemic control and economic stimulus	Ride the wave: boost supply to keep up with demand surge	Push through and prepare for fast back-to-normal upswing	Survive and prepare for relatively slow back-to-normal recovery	Mothball large part of the business and prepare for re-start
	1.5 year impact U-curve recovery; Social distance measurements prolonged, economic stimulus eases damage	Push for growth and market share	Defend, improve competitive position, and find new growth	Pivot through organic innovation and inorganic growth, or divest	Pivot through organic innovation and inorganic growth, or divest
	3 year impact L-curve recovery; Failed pandemic control, and wide-spread bankruptcies and credit defaults	Aggressive push for growth and market share	Defend, improve competitive position, and find new growth	Prepare for aggressive new entrants. Reinvent and create totally new position, or abandon	Last survivor strategy or abandon market

POLL

What do you think the impact of the pandemic will be on your business in Q3 - Q4 2020?

- 1. Positive** (revenue growth)
- 2. Mildly negative** (0 to -15%)
- 3. Severe** (-15 to -50%)
- 4. Catastrophic** (over -50%)

Adapt your strategic response

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

















Adapt your strategic response

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Top 40 “winners” + 10 Extra to watch

Some companies are able to navigate the crisis better than others. Keep an eye on new startups and entrants in new markets.

<https://www.boardofinnovation.com/low-touch-economy/winners/>

01		AMAZON ★★★★★	A tech company based in Seattle that focuses on e-commerce, cloud computing, digital streaming, and artificial intelligence. wikipedia profile	16		SALESFORCE ★★★★★1	An American cloud-relationship manage
02		OCADO ★★★★★	A British online supermarket that describes itself as ‘the world’s largest dedicated online grocery retailer’. wikipedia profile	17		HEXAGON ★★★★★	A global technology used in autonomou
03		ADYEN ★★★★★1	A Dutch payment company that allows businesses to accept e-commerce, mobile, and point-of-sale payments. wikipedia profile	18		CARMAX ★★★★★	America’s largest us ecommerce platform
04		DOCUSIGN ★★★★★1	An American company headquartered in San Francisco that allows organizations to manage electronic agreements. wikipedia profile	19		ROCKWELL AUTOMATION ★★★★★	An American prov technology for life industries wikiped
05		PAYPAL ★★★★★1	An American company operating a worldwide online payments system that supports online money transfers. wikipedia profile	20		FORTINET ★★★★★	A multinational dev services wikipedia p
06		TWILIO ★★★★★1	A cloud communications platform, headquartered in San Francisco to programmatically facilitate phone calls and text messages. wikipedia profile	21		ASML ★★★★★	The largest supplie semiconductor indu
07		ZOOM ★★★★★1	An American Tech company headquartered in San Jose and is mainly used for teleconferencing and online chat services. wikipedia profile	22		NETFLIX ★★★★★	An American media known for its stream
08		DELIVERY HERO ★★★★★1	A European multinational online delivery service for food, groceries and pharmaceuticals wikipedia profile	23		NVIDIA ★★★★★	A technology comp on a chip units. wiki
09		SHOPIFY ★★★★★1	A fast growing Canadian e-commerce platform for online stores and retail point-of-sale systems. wikipedia profile	24		UBISOFT ★★★★★	A technology comp on a chip units. wiki
10		T-MOBILE ★★★★★1	An American network operator who provides wireless voice and data services wikipedia profile	25		BEYOND MEAT ★★★★★	A producer of plant to simulate chicken,
11		ONE PELOTON ★★★★★1	An American company that operates a grocery delivery and pick-up service wikipedia profile	26		SERVICE NOW ★★★★★	A software company companies manage
12		INSTACART ★★★★★1	An American company that operates a grocery delivery and pick-up service wikipedia profile	27		HALMA ★★★★★	A global group of li for hazard detection
13		VEEVA ★★★★★1	An American cloud-computing company focused on pharmaceutical and life sciences industry applications wikipedia profile	28		WOLTERS KLUWER ★★★★★	An information serv finance, audit, risk, c
14		AUTODESK ★★★★★1	An American corporation that makes software services for the architecture, engineering, manufacturing and media. wikipedia profile	29		PROGRESSIVE ★★★★★	An American insura commercial vehicles
15		JUST EAT TAKEAWAY ★★★★★1	A Dutch dot-com company specialized in online food ordering and home delivery of restaurant meals. wikipedia profile	30		LOGITECH ★★★★★	One of the world’s l personal computers

A couple of highlights

Life sciences & Pharma

Digital infrastructure

cloud, cybersecurity, automation,
communications

Virtual Creativity

Digital creation, graphics & 3D,
scanning, (ML), ...

Low Touch Living

E-commerce, safer living &
working, facility mgmt,...

Investing in yourself

Healthier lifestyle, make-up,
personal treats,...

Disconnect from reality

Entertainment, gaming,
gambling,...

Who is (more) prepared for the Low Touch Economy?

What value you provide

Offering

The value or service you provide.

Audience

The customers and end-users of your offering.

Engagement

The way in which customers and end-users interact with your business.

How you deliver value

Location

The place in which customers and end-users go to purchase or interact with your business.

Employees

The workforce you employ to build, operate, and distribute your offering.

Workplace

The place in which your employees are located to fulfill their roles.

Supply Chain

The ecosystem of partners and markets in which you operate.

How you capture value

Revenue Stream

The way in which you capture the value you provide.

Peloton

Offering	At home fitness and spin classes
Audience	Luxury consumers
Engagement	Riders purchase their own personal equipment (no sharing)
Location	Exercise within your own home
Employees	Instructors are expected to be of exceptional health
Workplace	Virtual/remote gym instructors
Supply Chain	Acquired Taiwan based bike-manufacturing company
Revenue Stream	Purchase of equipment (bike) + Monthly Subscription



- ▶ Exercise equipment and media
- ▶ 1,800+ employees
- ▶ Worldwide (HQ: New York)
- ▶ Revenue (2020 expected): \$1.6bn

PIVOT!

Peloton

Offering	At home fitness and spin classes
Audience	Luxury consumers + Going Mass (cheaper bikes)
Engagement	Riders purchase their own personal equipment (no sharing)
Location	Exercise within your own home
Employees	Instructors are expected to be of exceptional health
Workplace	Virtual/remote gym instructors
Supply Chain	Introduction of Apple TV app with 1,000s of workouts
Revenue Stream	Purchase of equipment (bike) + Monthly Subscription



- ▶ Exercise equipment and media
- ▶ 1,800+ employees
- ▶ Worldwide (HQ: New York)
- ▶ Revenue (2020 expected): \$1.6bn

Panera Bread

Offering	Good 'clean' meals served fast-casual
Audience	American families during lunch time
Engagement	Customers order from employee or App
Location	In-store dining + pick-up
Employees	Kitchen and register staff (no wait staff)
Workplace	Kitchen and counter area of fast casual stores
Supply Chain	Ingredients and pre-prepped food delivered daily (fresh bread each night) or frozen
Revenue Stream	Pay per meal/item + opportunity to collect points for rewards



- Bakery cafe/casual restaurant chain
- 50,000 employees
- 2000 locations (US, CA)
- Revenue (2019): \$5.7bn

PIVOT!

Panera Bread

Offering	Good 'clean' meals served fast-casual + Panera Pantry
Audience	American families during lunch time + Feeding those in need
Engagement	Customers order from employee or App + Curb-site pick ups, Contactless 1h delivery
Location	In-store dining + pick-up + Restaurant redesigns
Employees	Kitchen and register staff (no wait staff)
Workplace	Kitchen and counter area of fast casual stores + Health checks for employees
Supply Chain	Ingredients and pre-prepped food delivered daily (fresh bread each night) or frozen
Revenue Stream	Pay per meal/item + opportunity to collect points for rewards



- Bakery cafe/casual restaurant chain
- 50,000 employees
- 2000 locations (US, CA)
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Beyond Meat

Offering	Plant-based meat substitutes
Audience	Health conscious, Sustainable, and/or Vegan consumers
Engagement	Restaurant + fast-food dining, as well as some grocery stores
Location	Enjoy products at a restaurant or in your home
Employees	Factory and lab workers
Workplace	Factory and labs
Supply Chain	Self controlled manufacturing and distribution
Revenue Stream	Pay per product



- Vegan food products Worldwide (HQ: El Sugundo, US)
- 400 Employees
- Revenue (2019): \$298M)

PIVOT!

Beyond Meat

Offering	Plant-based meat substitutes
Audience	Health conscious, Sustainable, and/or Vegan consumers
Engagement	Restaurant + (even more) fast-food dining, as well as some grocery stores
Location	Enjoy products at a restaurant or in your home
Employees	Factory and lab workers
Workplace	Factory and labs + staggered shifts, distance protocols, personal safety equipment
Supply Chain	Self controlled manufacturing and distribution
Revenue Stream	Pay per product + Aggressive pricing strategies against meat (bulk value buys)



- Vegan food products Worldwide (HQ: El Sugundo, US)
- 400 Employees
- Revenue (2019): \$298M)

CHECKLIST 1

Rate your readiness level for the Low Touch Economy

Offering	Does your the current value you offer decrease during times of crisis?
Audience	Are your customers or end-users made up of particularly vulnerable groups?
Engagement	Is physical contact a part of how customers / end-users engage with your offering? (Employee to Customer, End-Users to End-Users, etc).
Location	Do you require customers to travel long-distances to acquire your offering?
Employees	Are your employees made up of particularly vulnerable groups?
Workplace	Is physical contact needed between employees to conduct business?
Supply Chain	Does your business depend on a local or international supply chain / partner?
Revenue Stream	Is the way in which you collect revenue impacted by the financial wellbeing of your customers / end-users?

1

2

3

4

5

Results: Lower scores are better

1 = Not At All

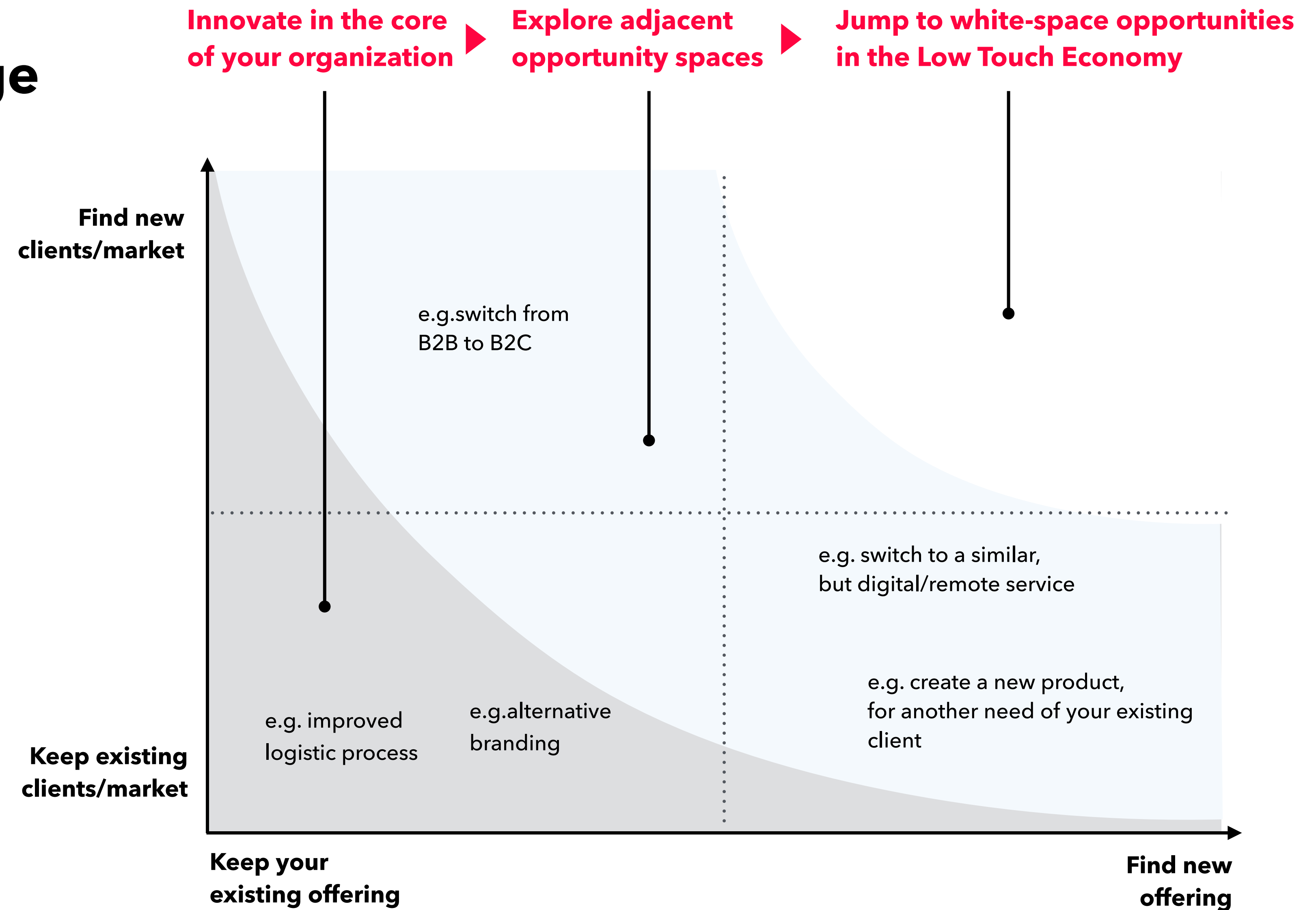
5 = Absolutely

- Score 1 or 2 at all sections?
You should be able to adapt your organization with minor tweaks to the Low Touch Economy
- Any score 3, 4 or 5 needs to be addressed. This could reflect a significant hurdle to grow in the Low Touch Economy
- A total score above 25? You will need to redesign a large part of your business model and/or operating model to play any role in the Low Touch Economy.**
- The higher the score, the more agile your organization needs to be. You must prepare for potential aftershocks in the market.

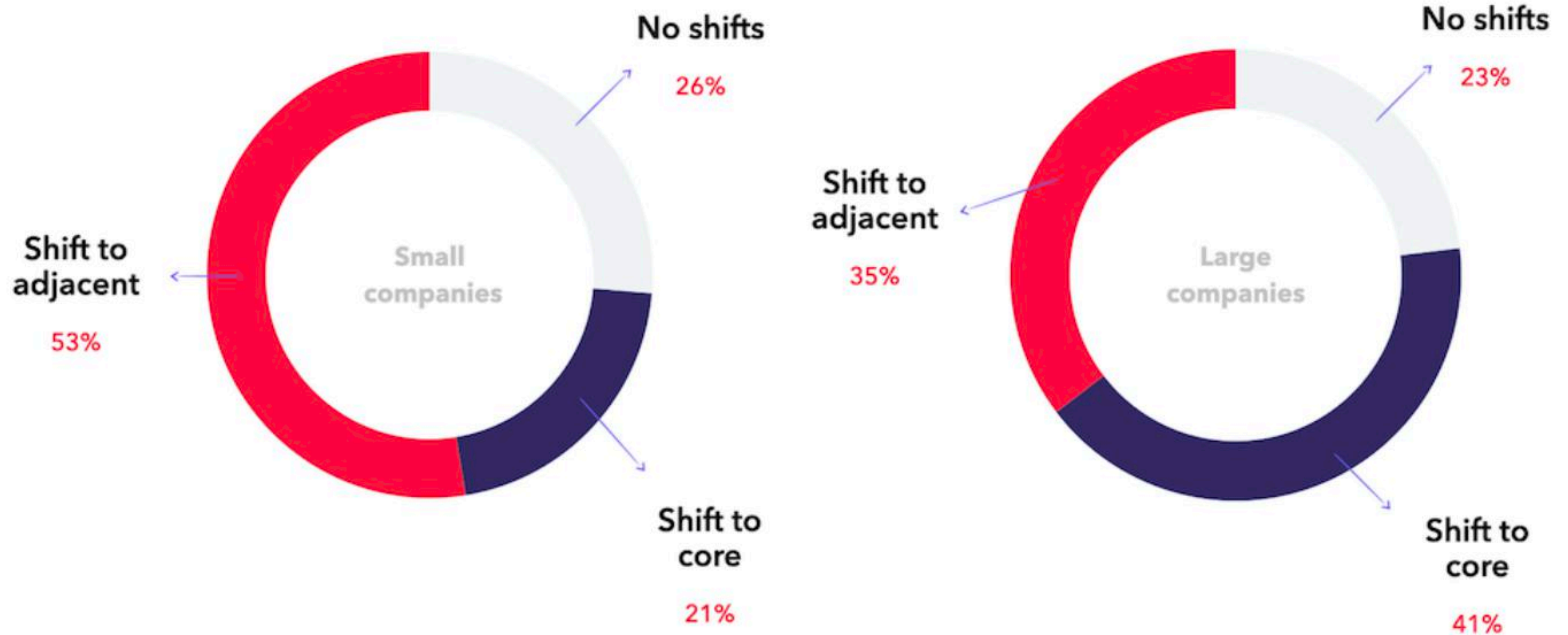
A group of four business professionals are gathered around a table in a modern office setting. One man is standing and pointing at a large whiteboard with a marker, while three others are seated, looking at the board and taking notes. The whiteboard contains a complex diagram with various colored squares and lines, likely representing a business strategy or process flow. The text 'Companies are adapting their strategy to safely restart.' is overlaid in the center of the image.

**Companies are adapting their strategy
to safely restart.**

3 ways to approach your strategy challenge







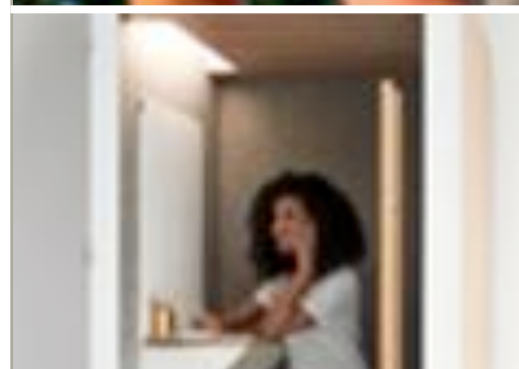


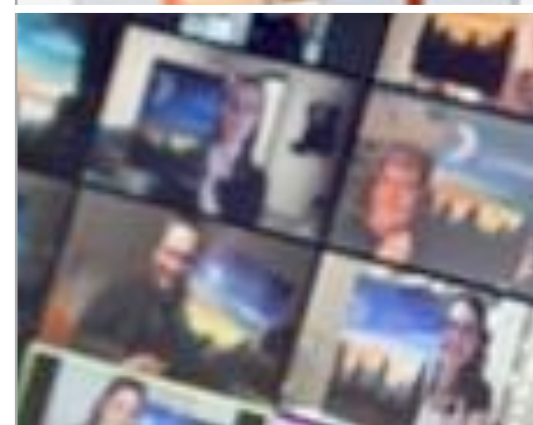


Companies are adapting their strategy.



Business Model Pivots

50 examples on lowtoucheconomy.com

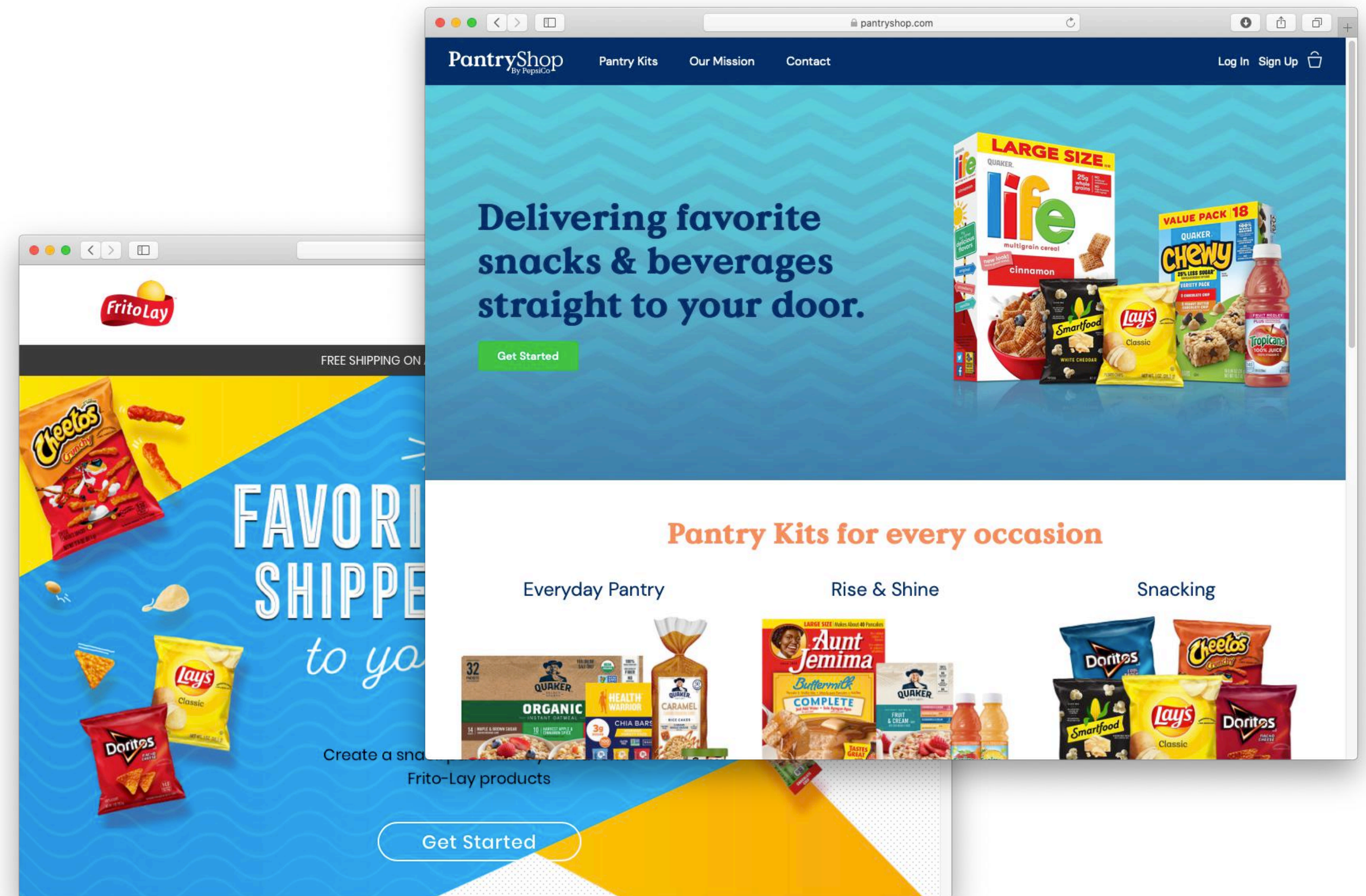
From (old business)		Pivot to (new business)		Channel	Market	Offering	
	Their snow canon business line was set to see a long drop in demand so EmiControls had to find new growth areas.	▶		They were able to modify their current product to tap into a new demand: disinfection of large open spaces.	SIMILAR	NEW	REDESIGN
	Intelligence Industrielle normally offers industrial IoT sensors and dashboards to track machines at industrial sites.	▶		Today they offer interactive signage and crowd control solutions for pharmacists and retailers.	NEW	NEW	SIMILAR
	A drop in tourism and fashion pushed swimwear brand Granadilla in a new direction.	▶		Granadilla is now putting most of their marketing towards new business lines: selling healthy food boxes via e-commerce.	SIMILAR	SIMILAR	NEW
	There will be less demand for private phone booths for open offices as people continue to work from home.	▶		Room.com is exploring new markets with a full redesign of their product. Safe- testing booths for medical personal is one of their growth options.	REDESIGN	NEW	NEW
	Offline art workshops and team-building sessions will take a while to recover.	▶		ArtNight went all in and switched to online art courses.	NEW	REDESIGN	SIMILAR

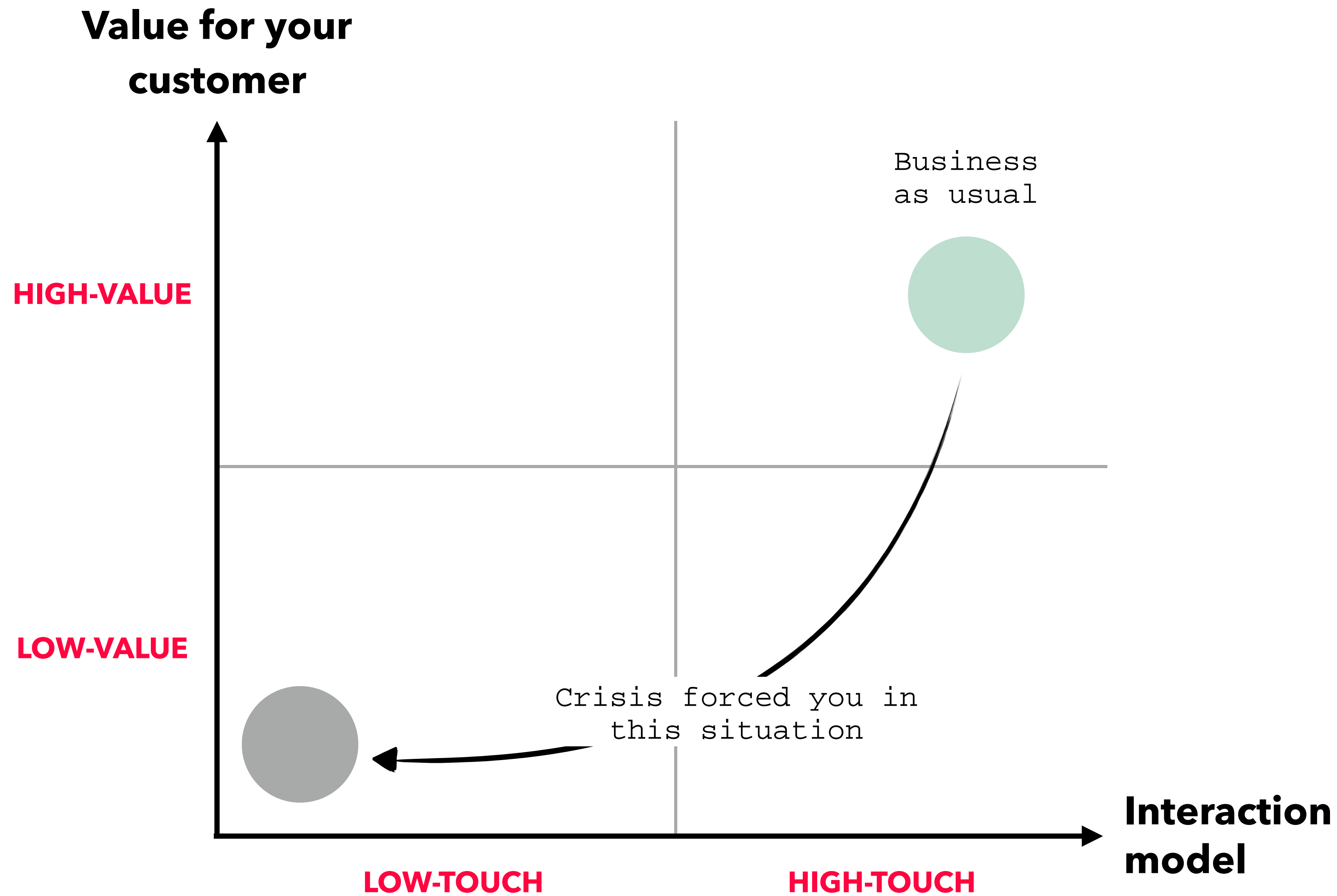
Case: PepsiCo

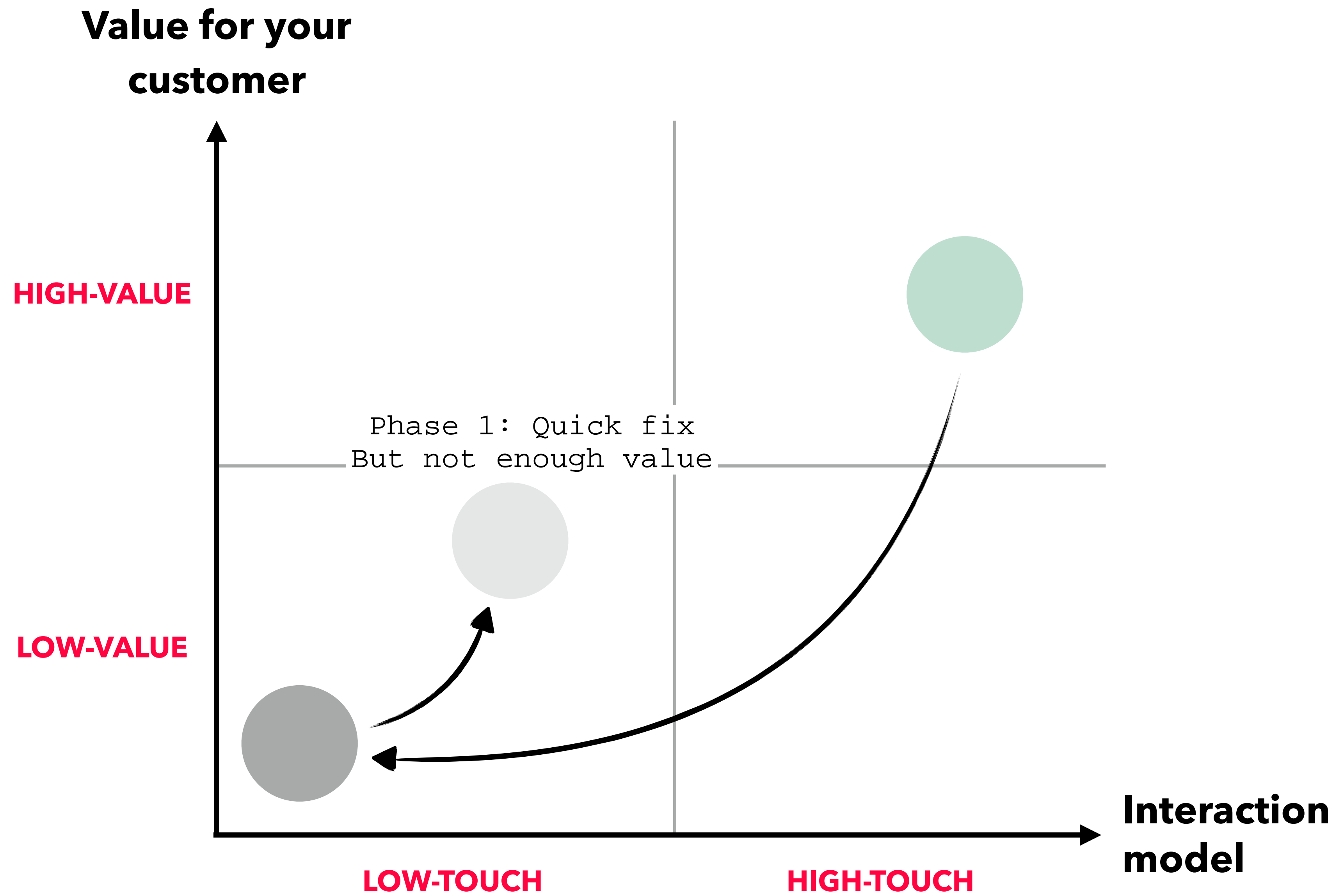
Larger corporates rarely do a full pivot, but adapt.

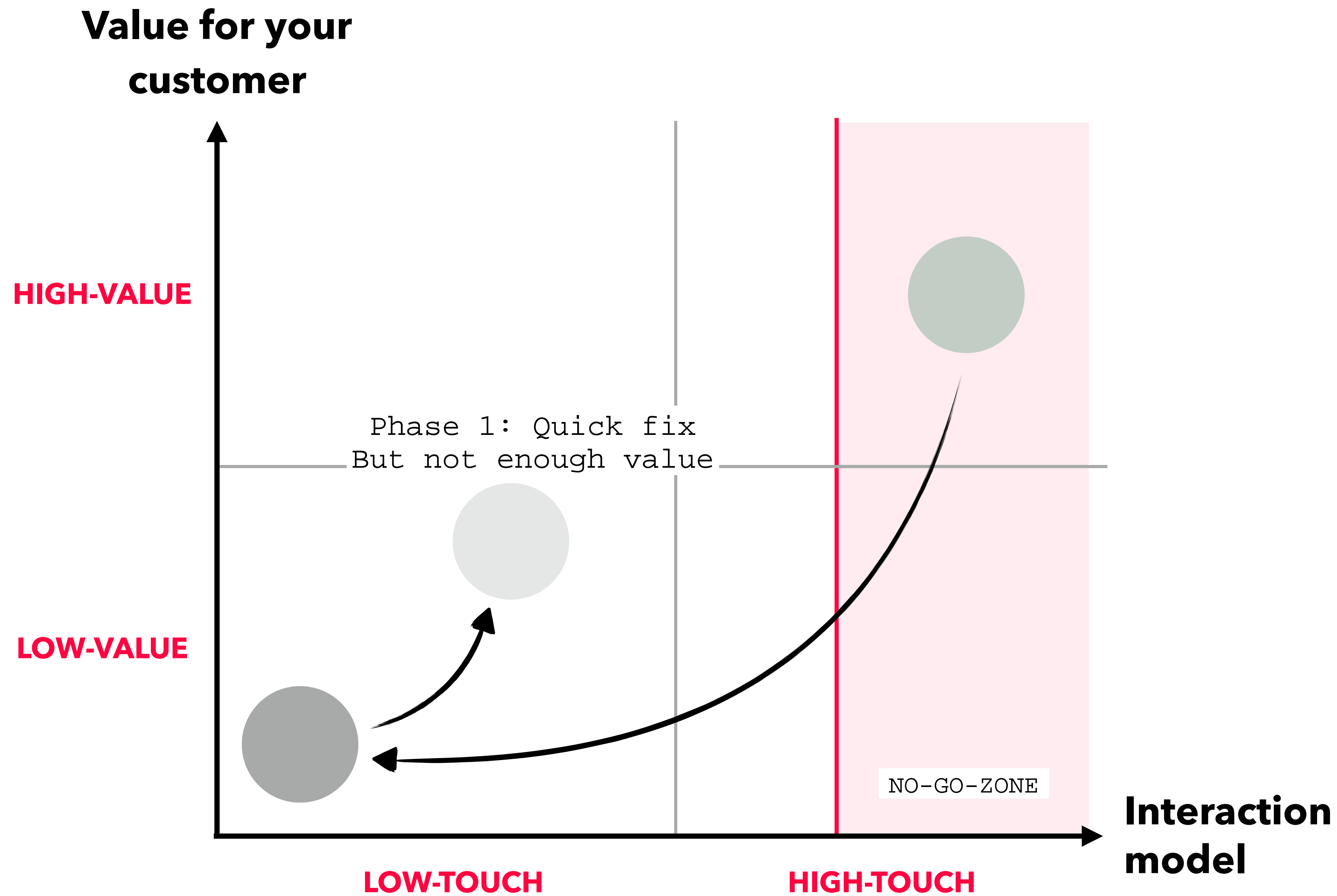
So in less than 30 days, they developed two new direct-to-consumer platforms: [Pantryshop.com](https://pantryshop.com) and [Snacks.com](https://snacks.com).

- ▶ Setting up a webportal is easy
- ▶ The real challenges: Supply chains, internal politics, leverage in the value chain,...









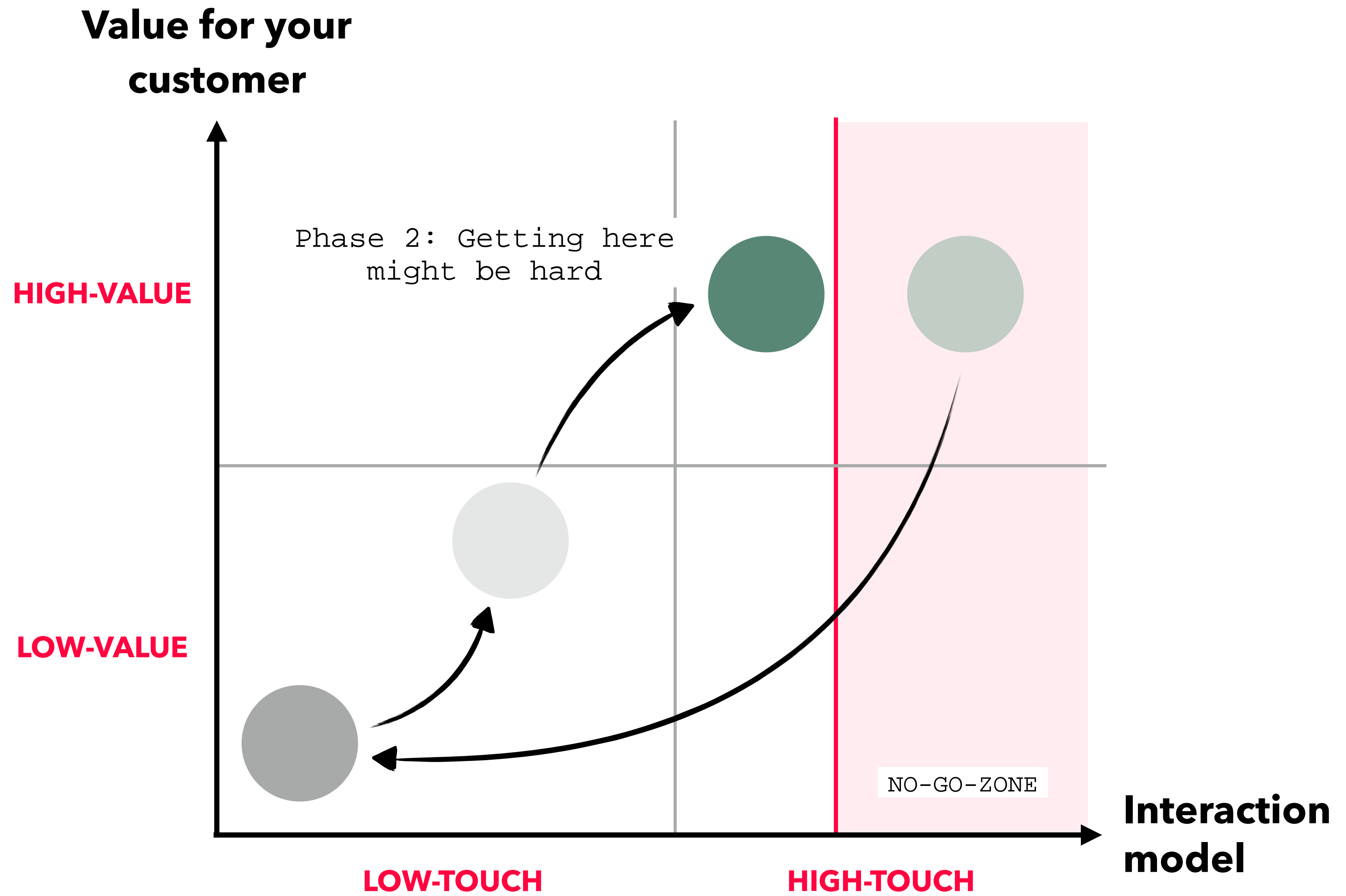


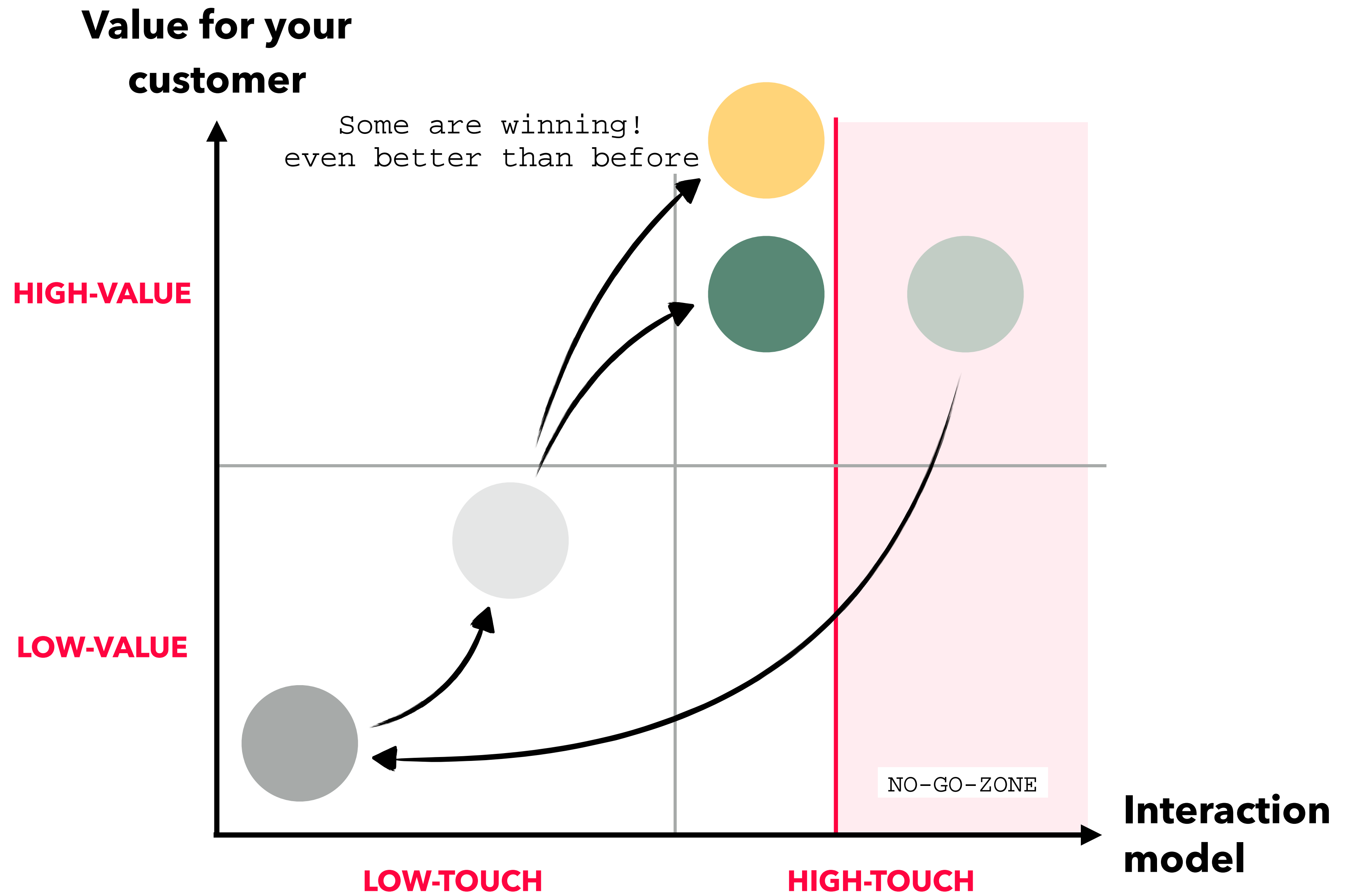


TOMORROWLAND
AROUND THE WORLD

TOMORROWLAND 2020 VIRTUAL







Changing operating models



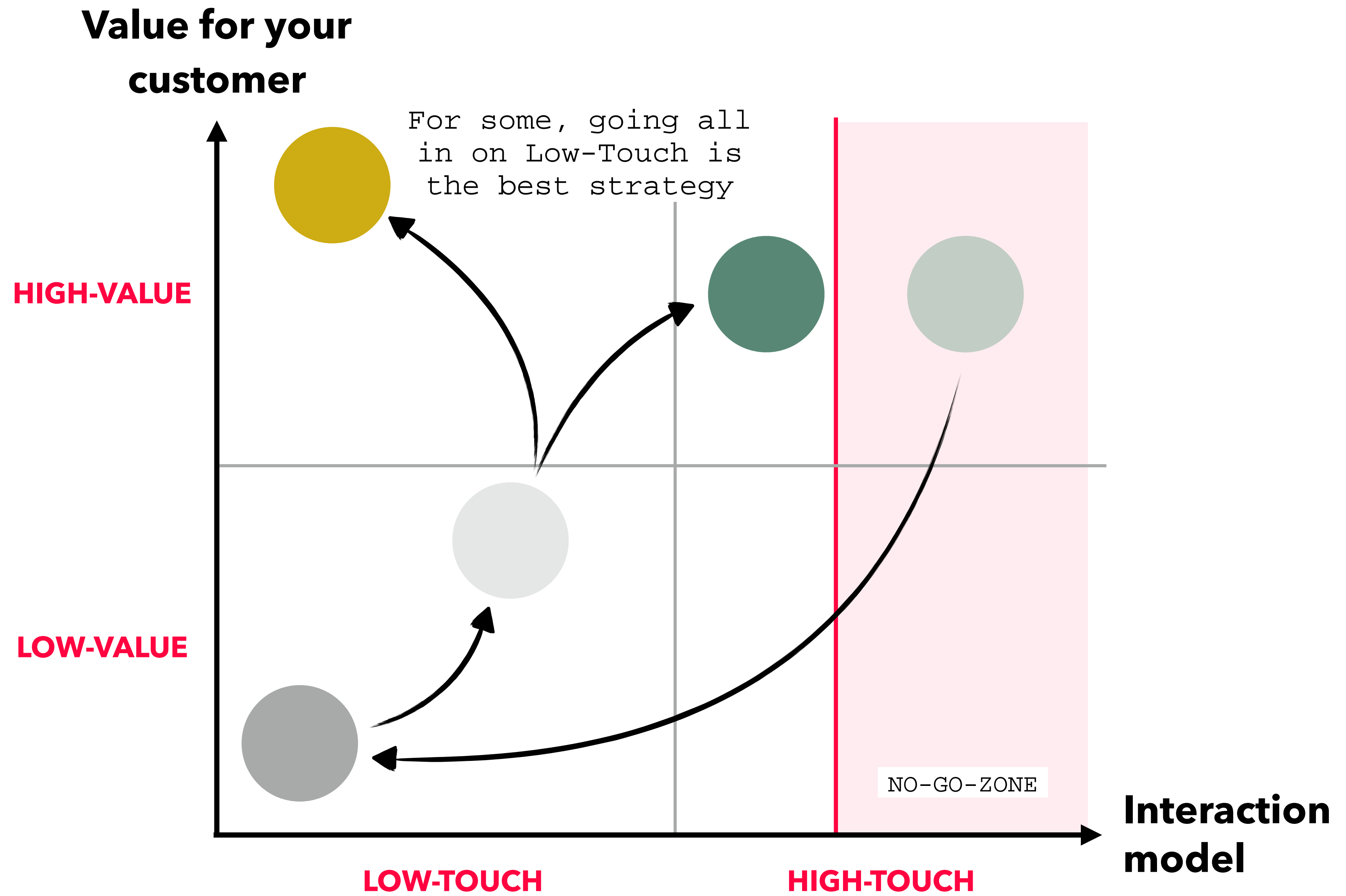
Cloud Kitchens

White label shared kitchens for online food delivery in non-restaurant areas.

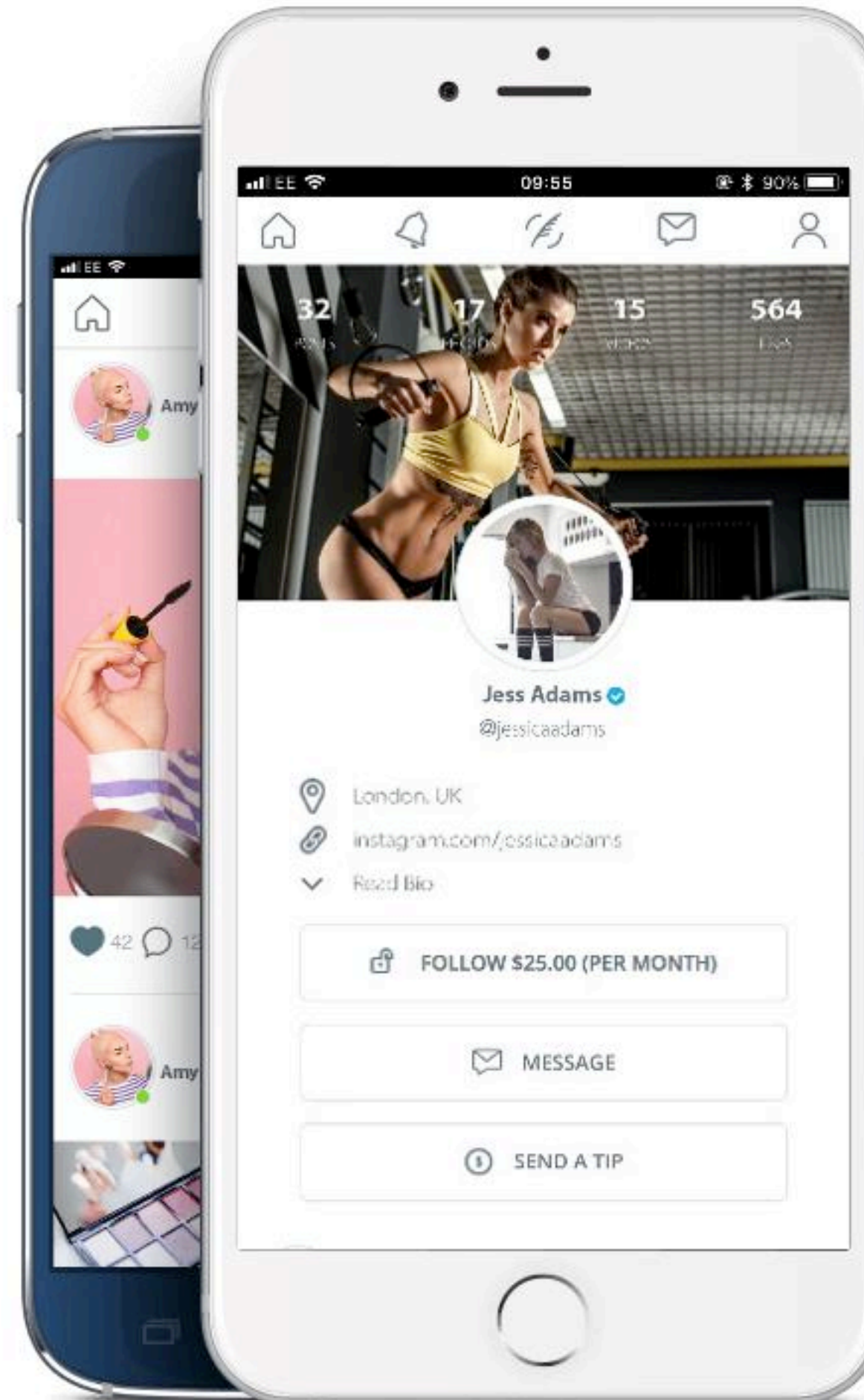
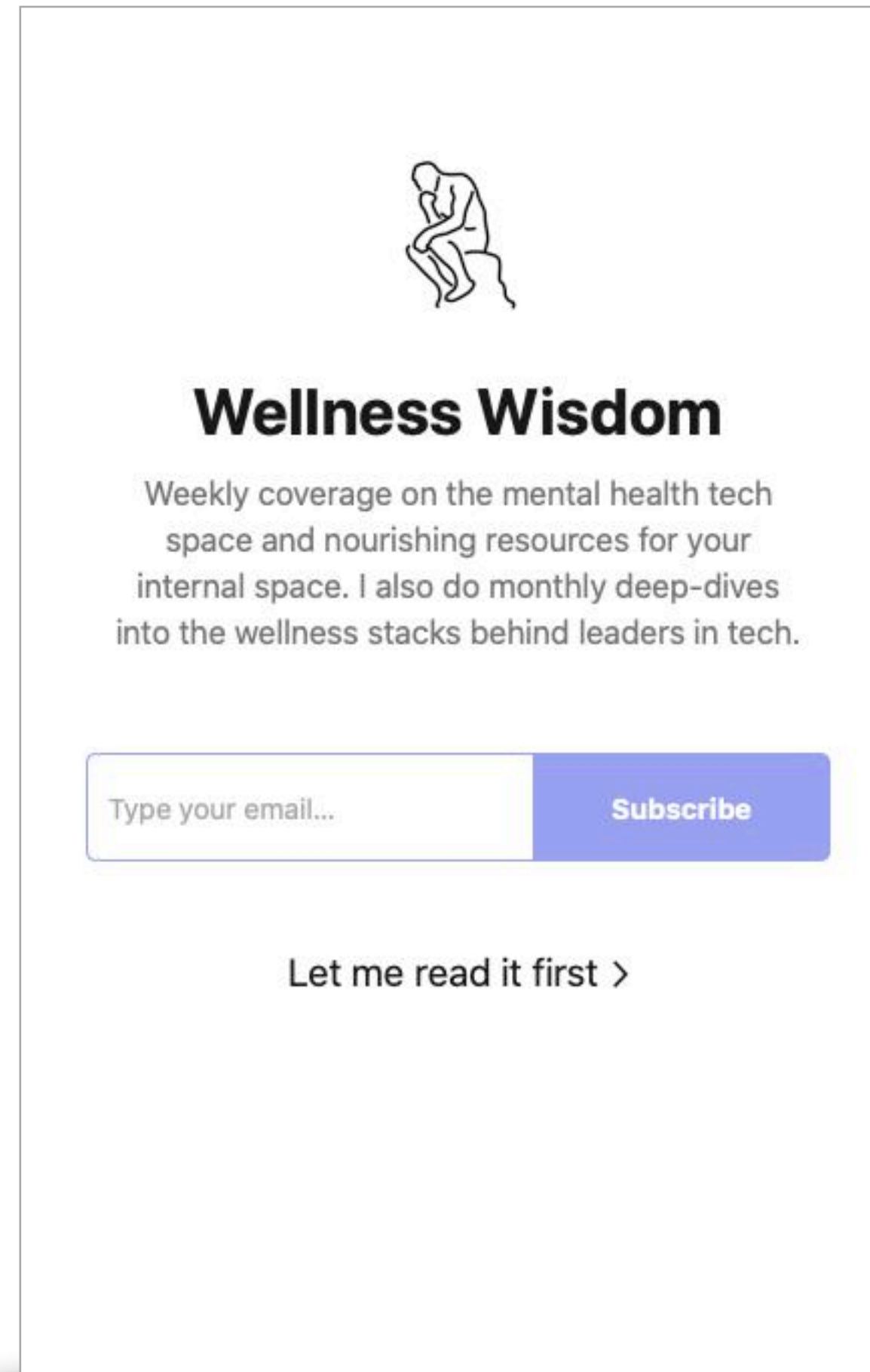


Virtual Kitchens

Other brands use space in existing restaurants to serve clients.



e.g. Direct to Customer tools (e.g. monetisation)

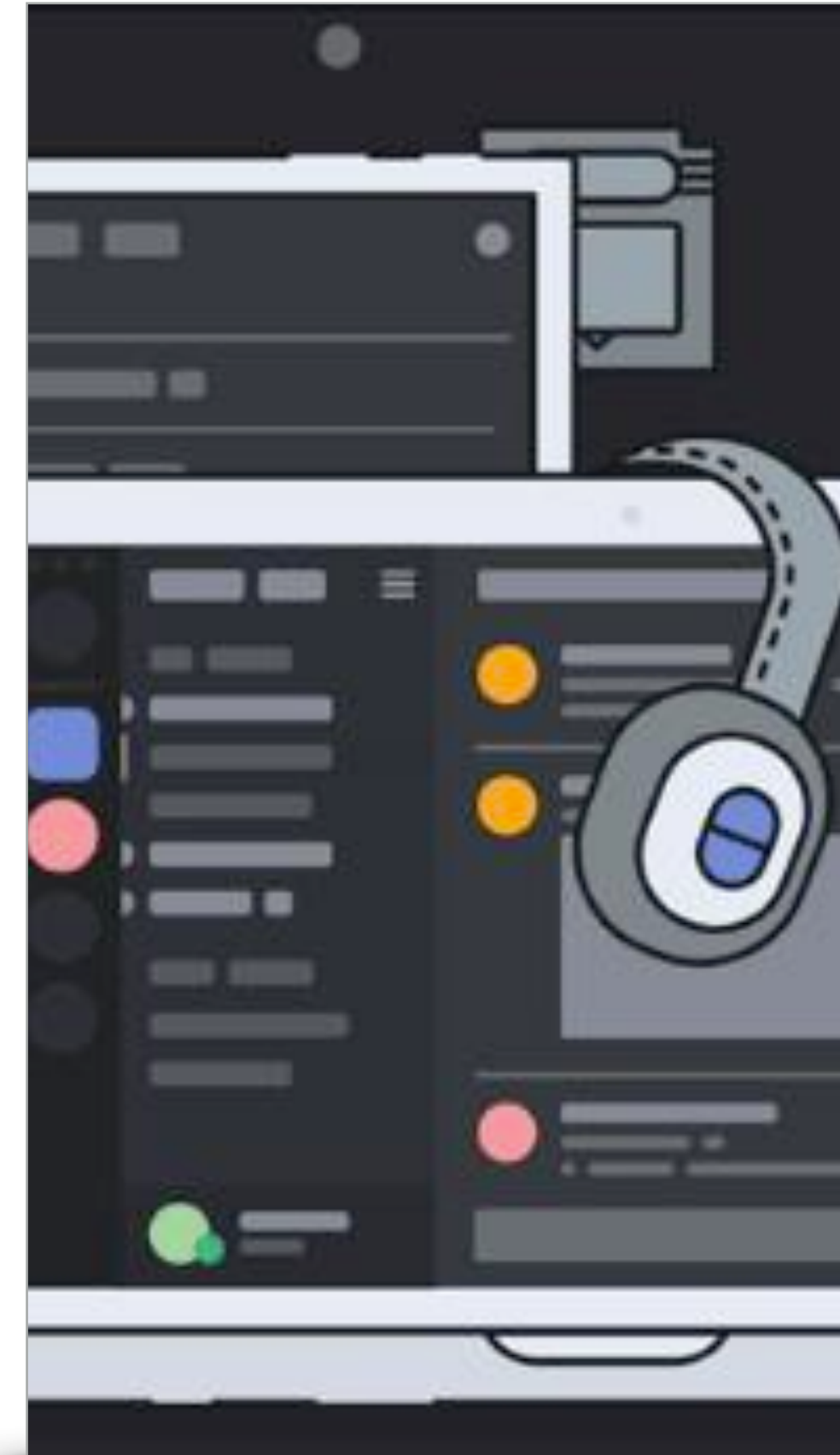


e.g. Sense of belonging (fighting loneliness)

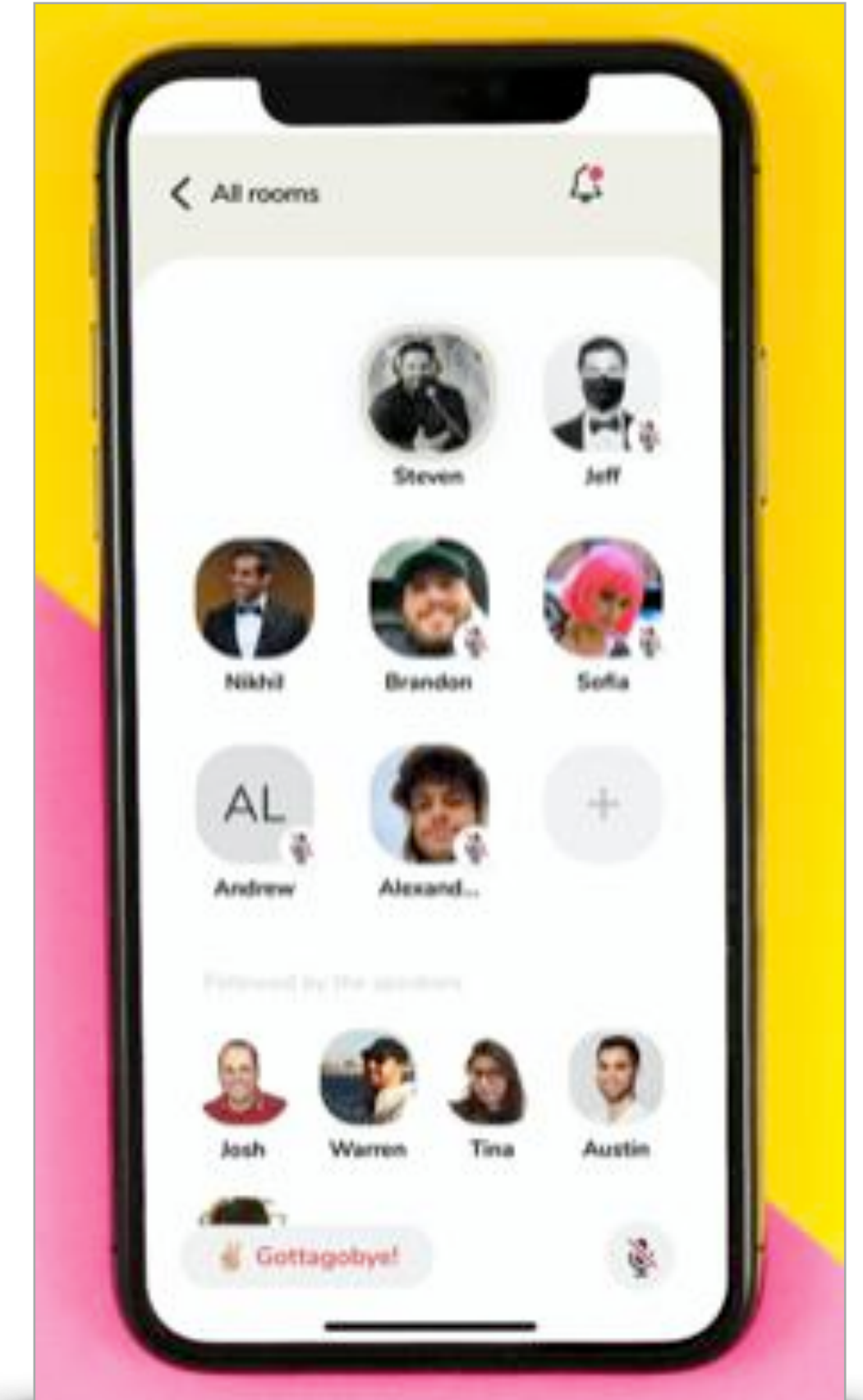
First steps: Connect X-gen



New wave of tools/services coming...



e.g. Discord



e.g. Clubhouse

In the chat:

Which experiments or innovation have you spotted recently?



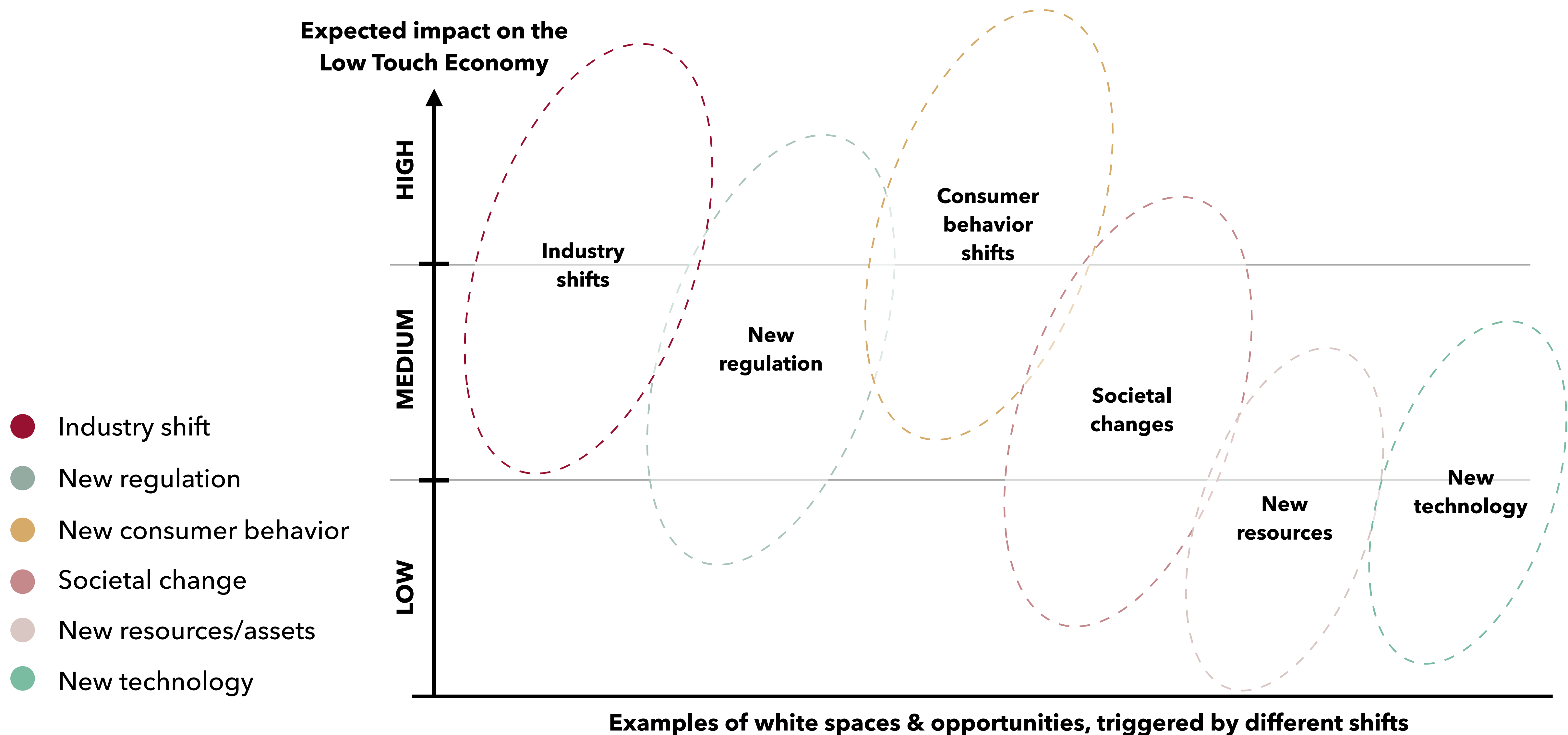
01 Intro to the Low Touch Economy

02 Winners of this new era

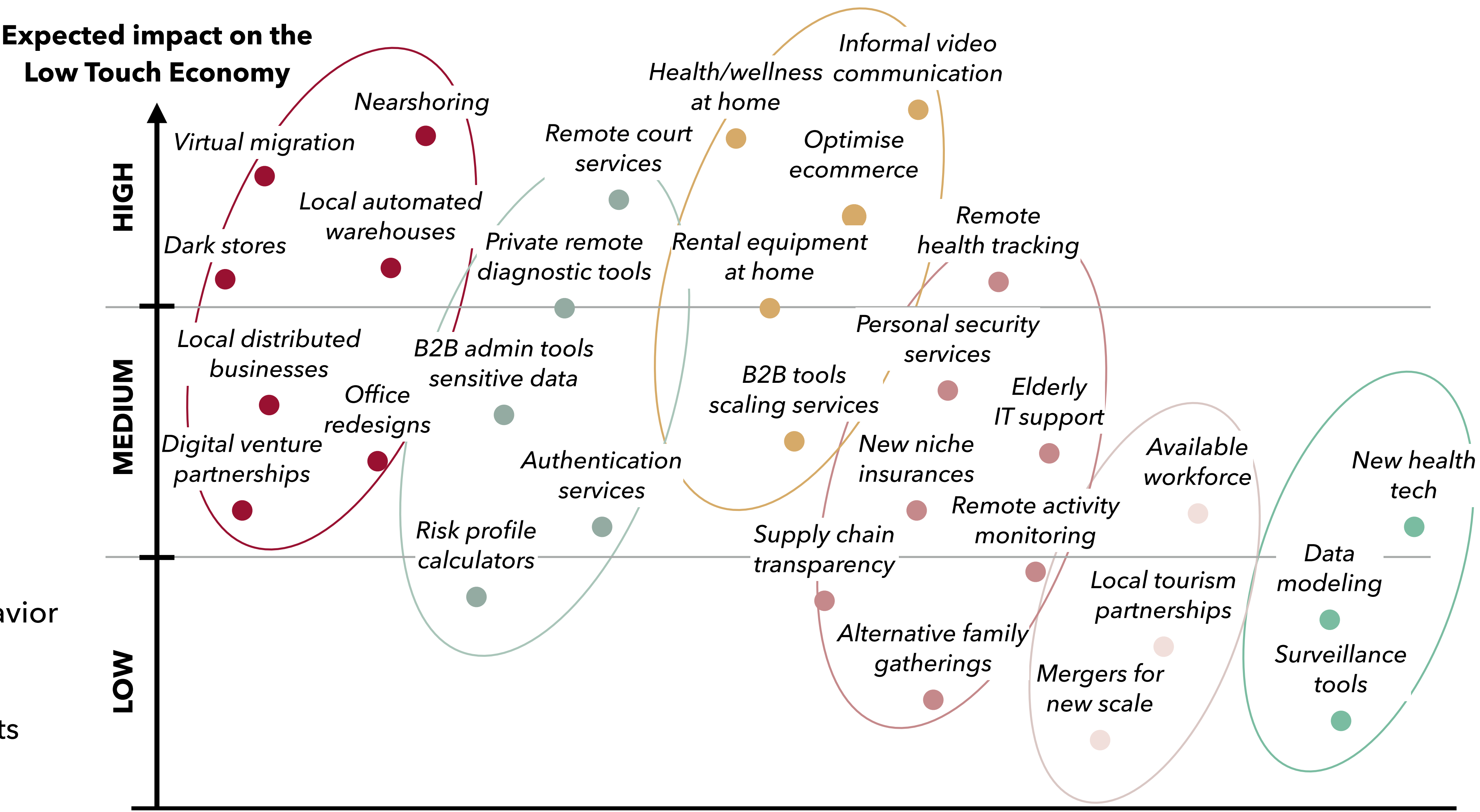
03 New opportunities

04 Q&A

6 TRIGGERS TO FIND WHITE-SPACE OPPORTUNITIES



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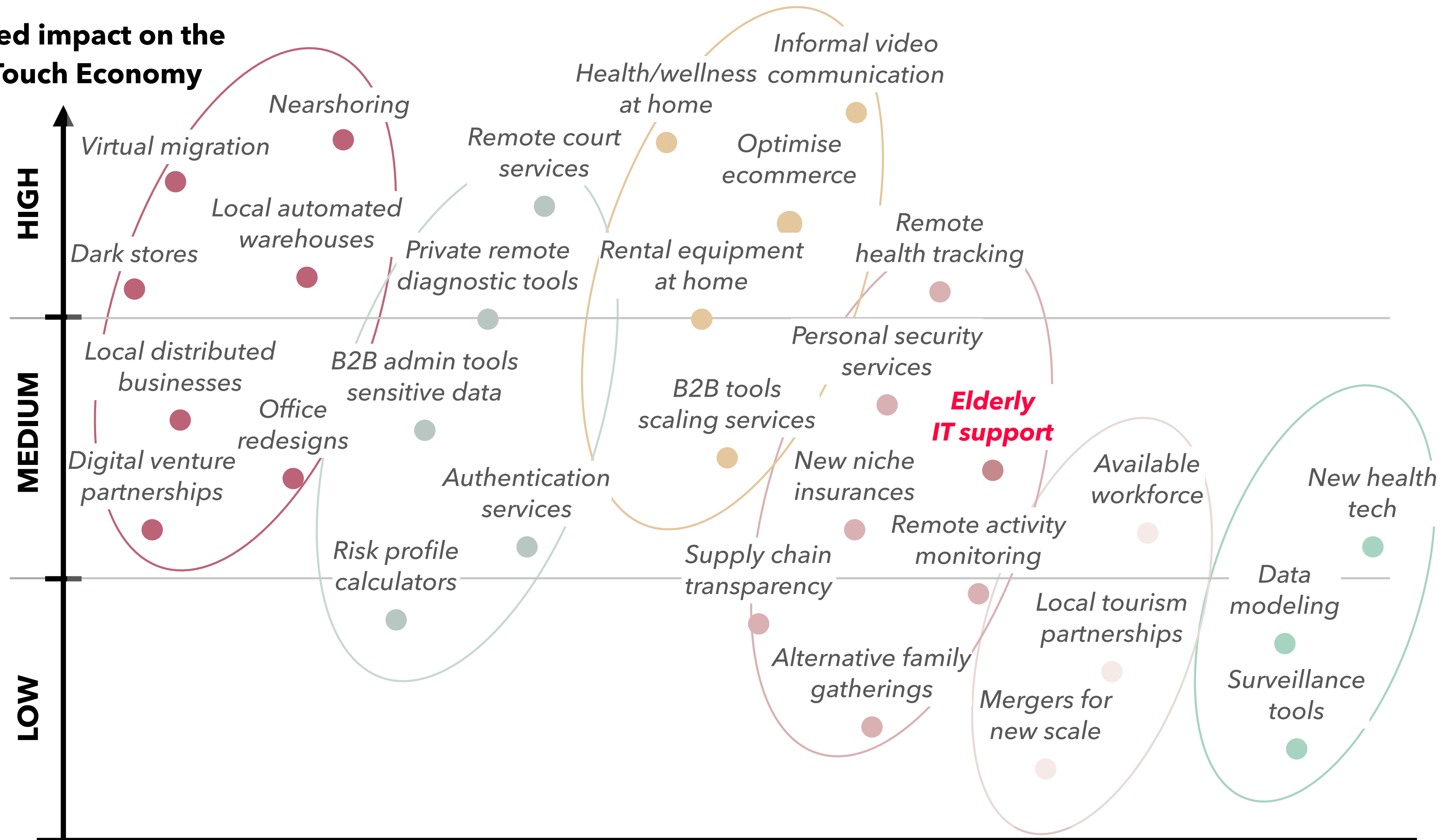


Examples of white spaces & opportunities, triggered by different shifts

Expected impact on the Low Touch Economy

6 triggers for white spaces

- Industry shift
- New regulation
- New consumer behavior
- Societal change
- New resources/assets
- New technology



Examples of white spaces & opportunities, triggered by different shifts

Example: candootech.com



*Help **elderly** with personal/ digital tech.
Remote support & guidance.
"Reversed Parenting"*

New family gatherings?

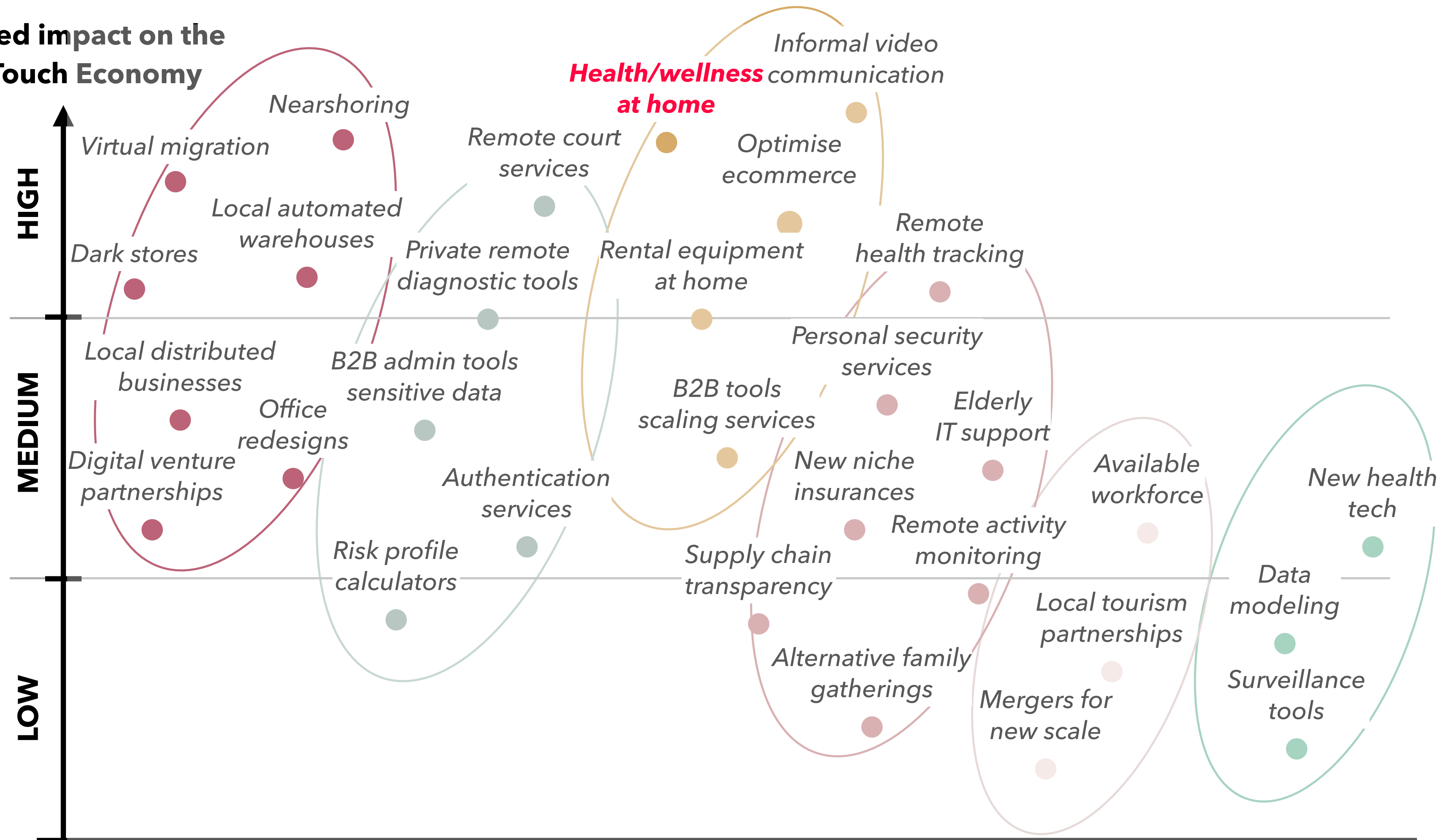


*Protection **elderly**, introduce new family/
social rituals.*

Expected impact on the Low Touch Economy

6 triggers for white spaces

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Examples of white spaces & opportunities, triggered by different shifts

From digital wellbeing to remote treatments



Lululemon acquires in-home fitness service Mirror



Kaiser Permanente makes Calm Meditation app free to members



Key take-aways:

- I. The Low Touch Economy is here to stay
- II. Spot new behaviour & understand shifts
- III. There have never been more opportunities



Q & A