

Koen De Leus

DE WINNAARS ECONOMIE

Uitdagingen en kansen
van de digitale revolutie



Koen De Leus

L'ÉCONOMIE DES GAGNANTS

Défis et opportunités
de la révolution digitale



rld

Racine

Exbo - book presentation 24/05/2017

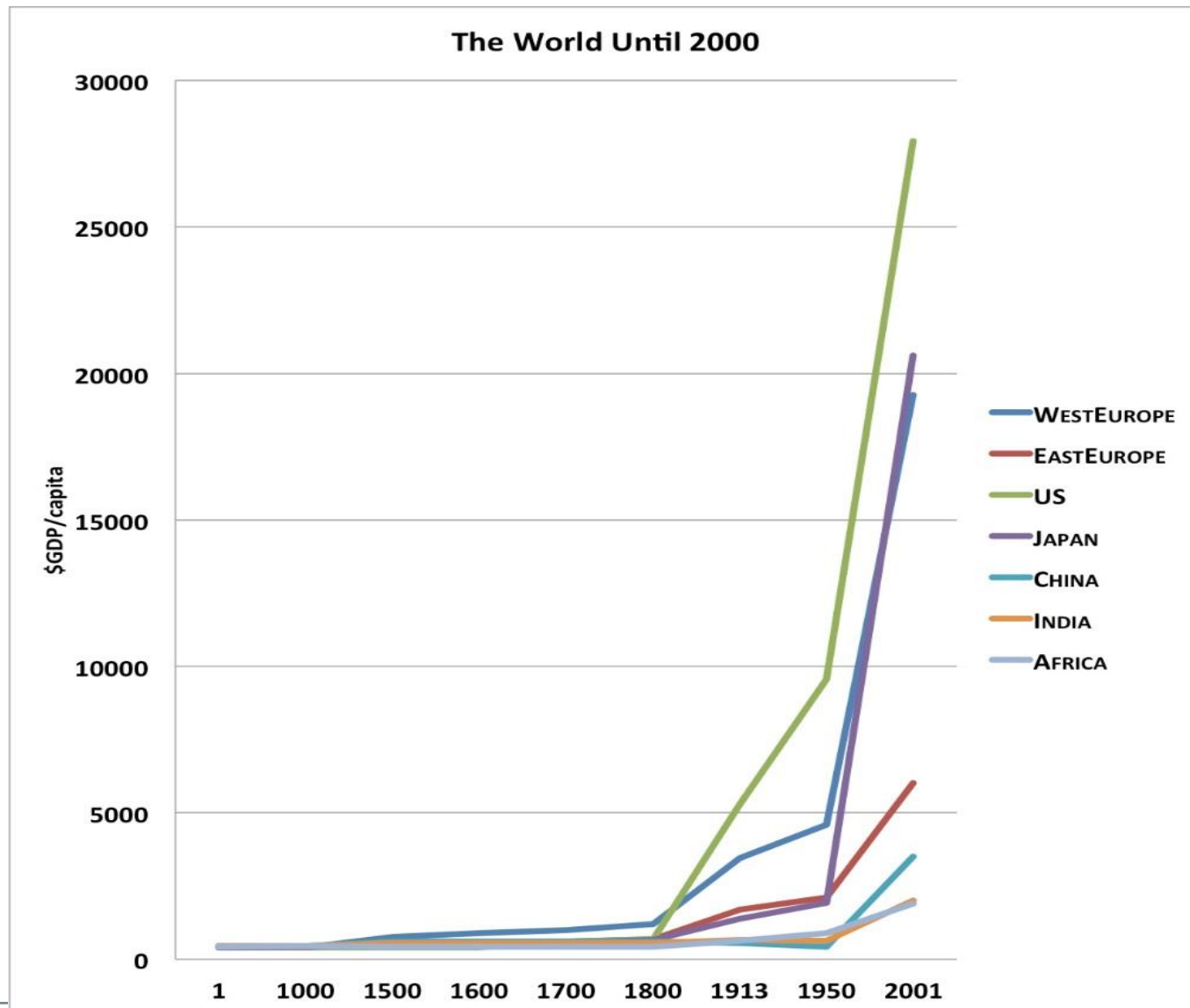
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- 1. PRODUCTIVITY GROWTH SLOWS DOWN**
- 2. READY FOR THE COMING DISRUPTION?**
- 3. INVESTING 4.0**
- 4. HIGHER INEQUALITY: WHAT TO DO?**



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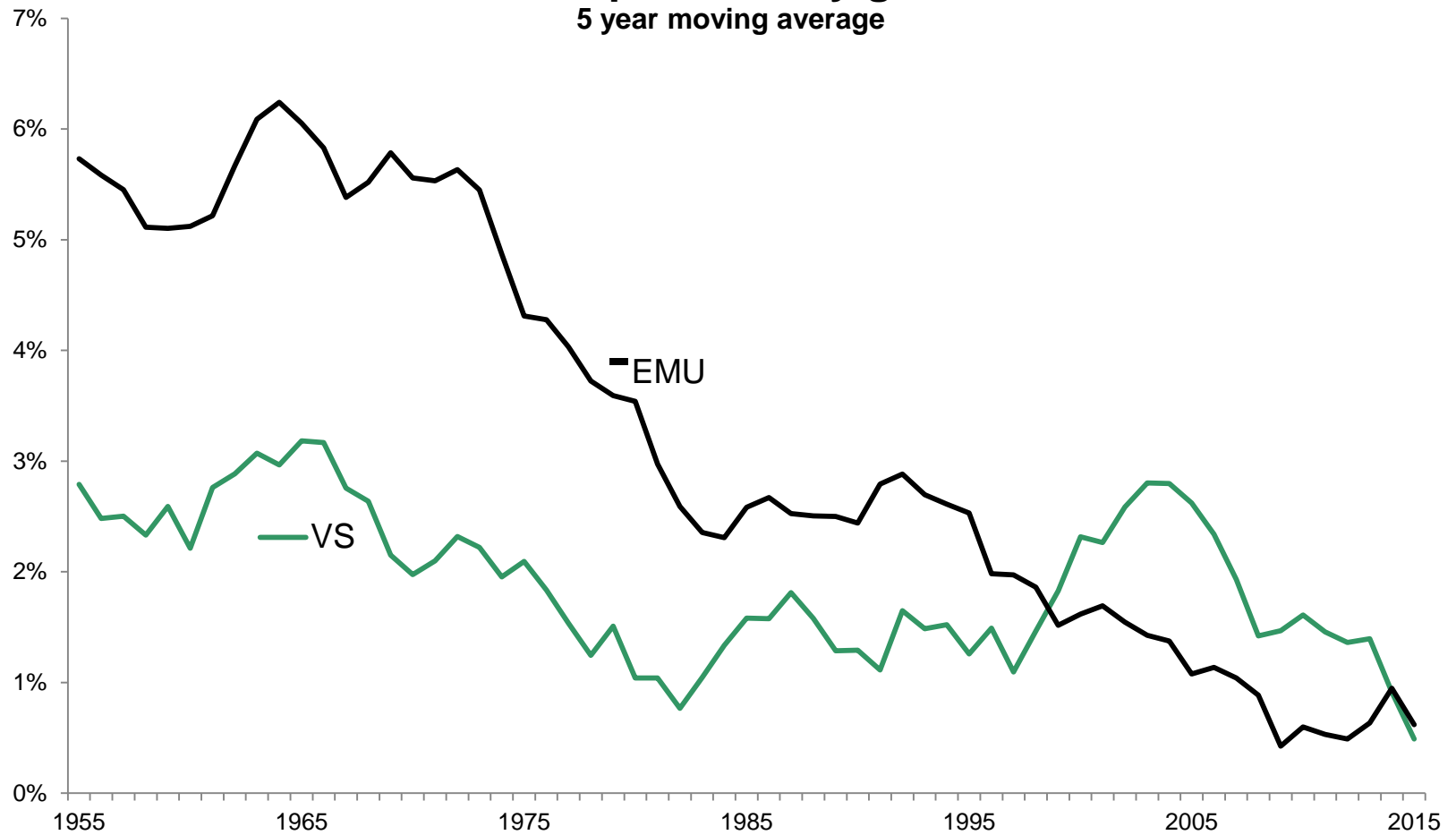
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Labour productivity growth 5 year moving average



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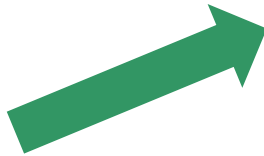
Process Innovation



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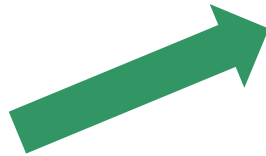
Process
Innovation



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Process
Innovation

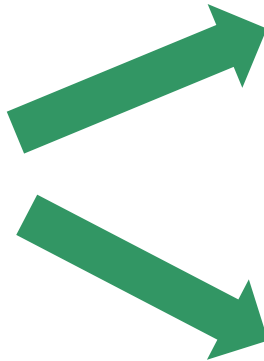


Product
Innovation



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Product Innovation



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INNOVATIVE



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INNOVATIVE

 **BlackBerry**

CASIO



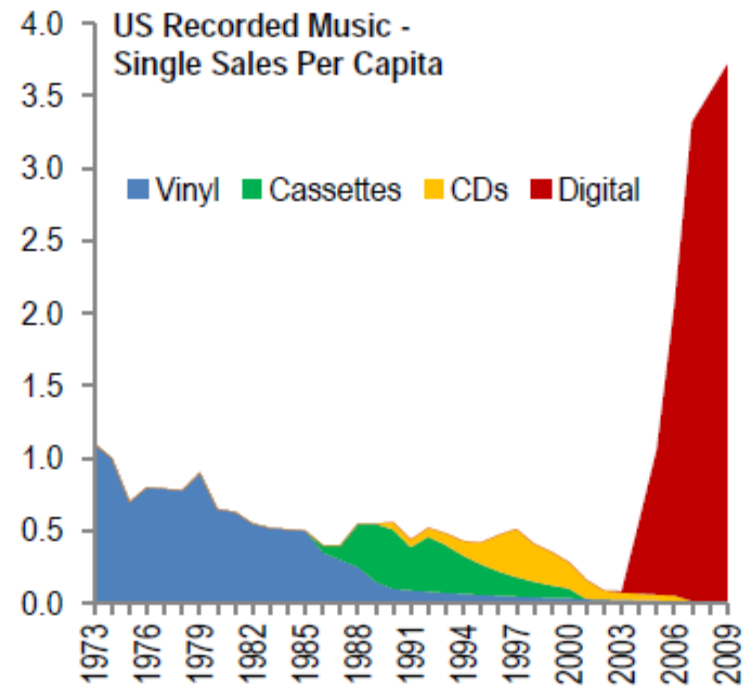
DEAD



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Chart 3: Music sales since 1973



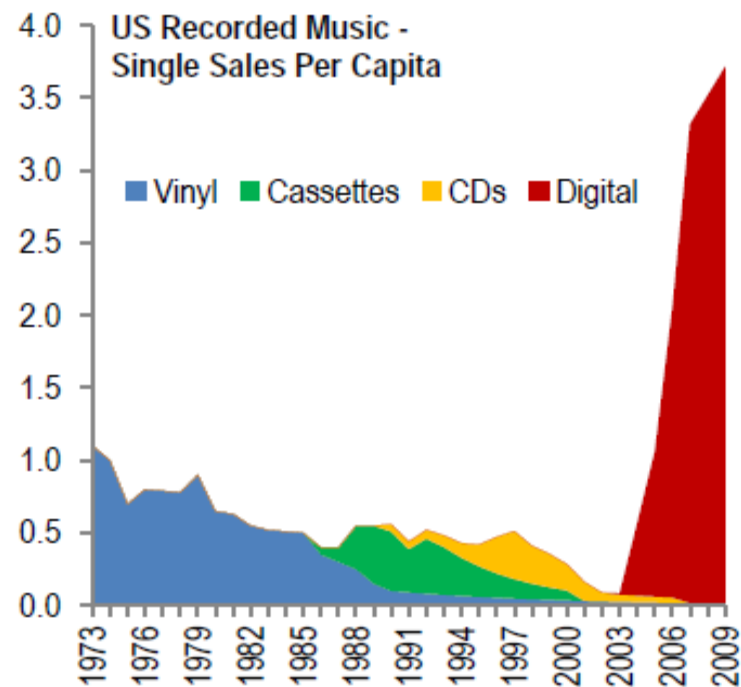
Source: BofA Merrill Lynch Global Investment Strategy, Recording Industry Association of America



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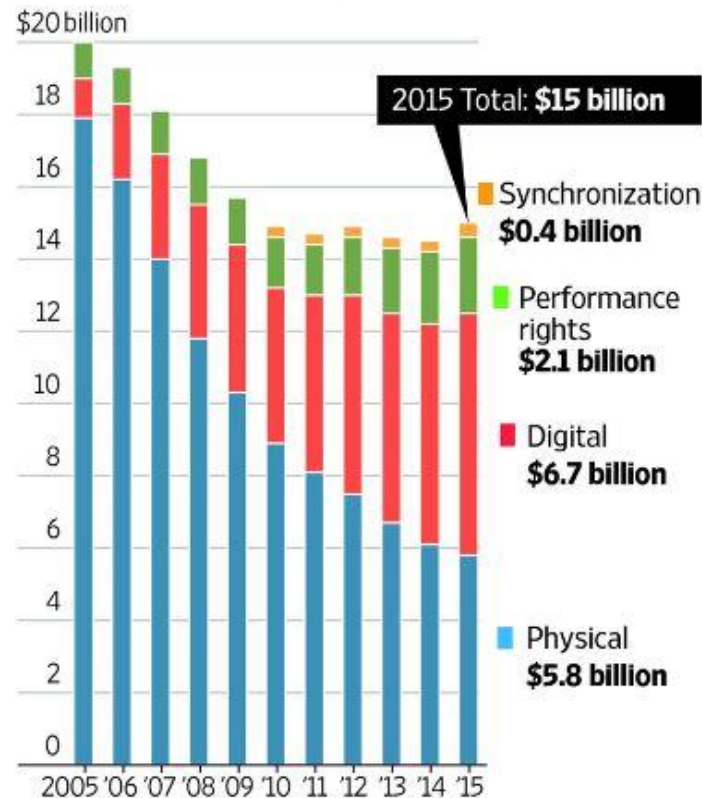
Chart 3: Music sales since 1973



Source: BofA Merrill Lynch Global Investment Strategy, Recording Industry Association of America

Total Revenue Is Down

Overall revenue in the music industry has fallen, led by declining sales of physical products such as CDs



Source: International Federation of the Phonographic Industry

THE WALL STREET JOURNAL.



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1. PRODUCTIVITY GROWTH SLOWS DOWN



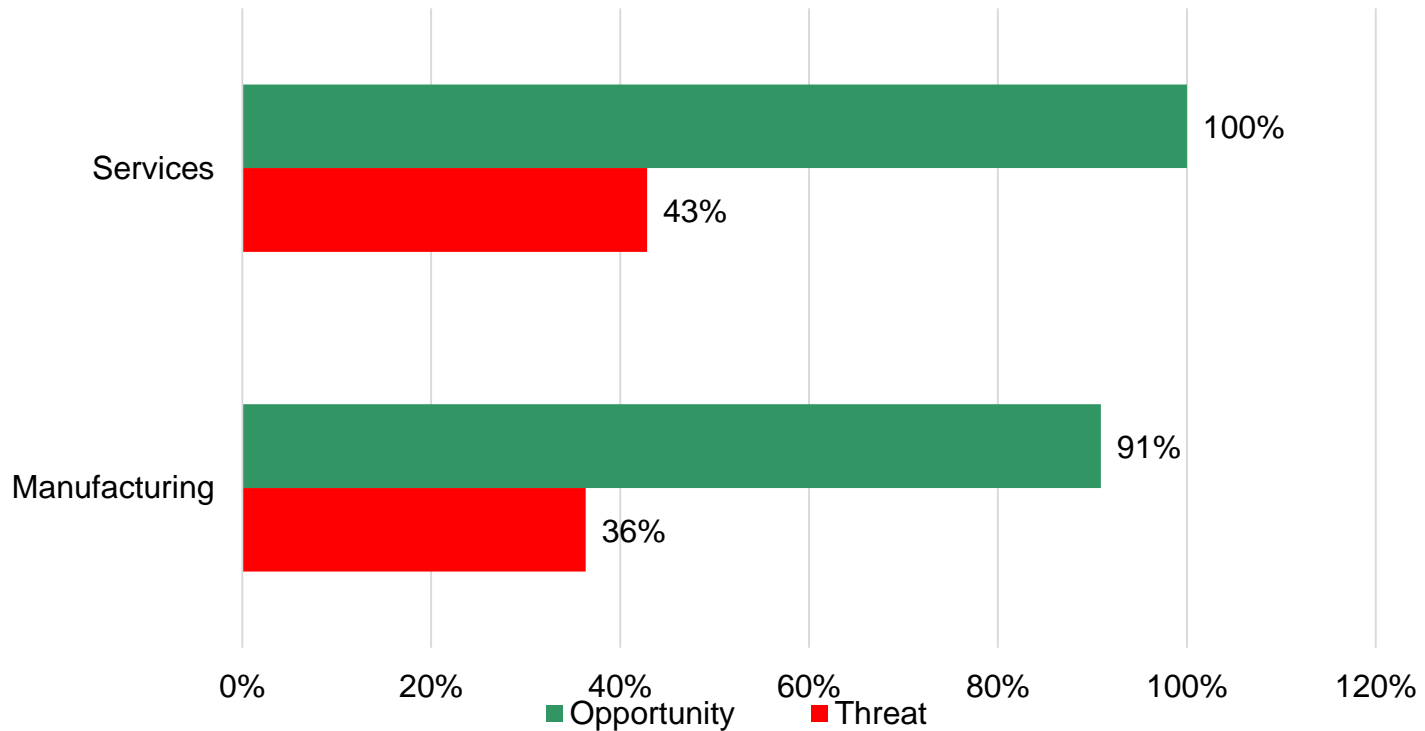
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- 1. PRODUCTIVITY GROWTH SLOWS DOWN**
- 2. READY FOR THE COMING DISRUPTION?**



Is digital revolution an opportunity or a threat ?



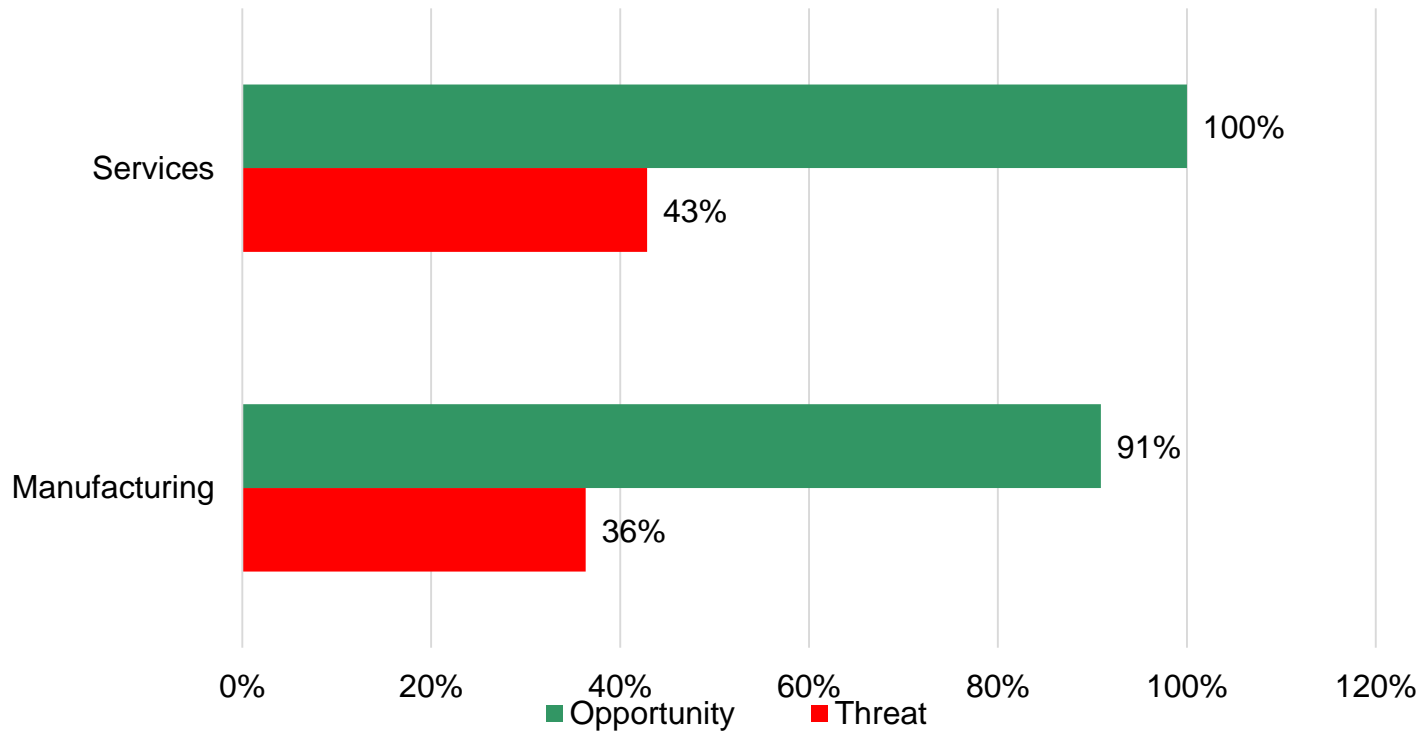
KBC (bank): *“Move too early you lose older clients. Move too late and you will lose your young clients.”*



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Is digital revolution an opportunity or a threat ?



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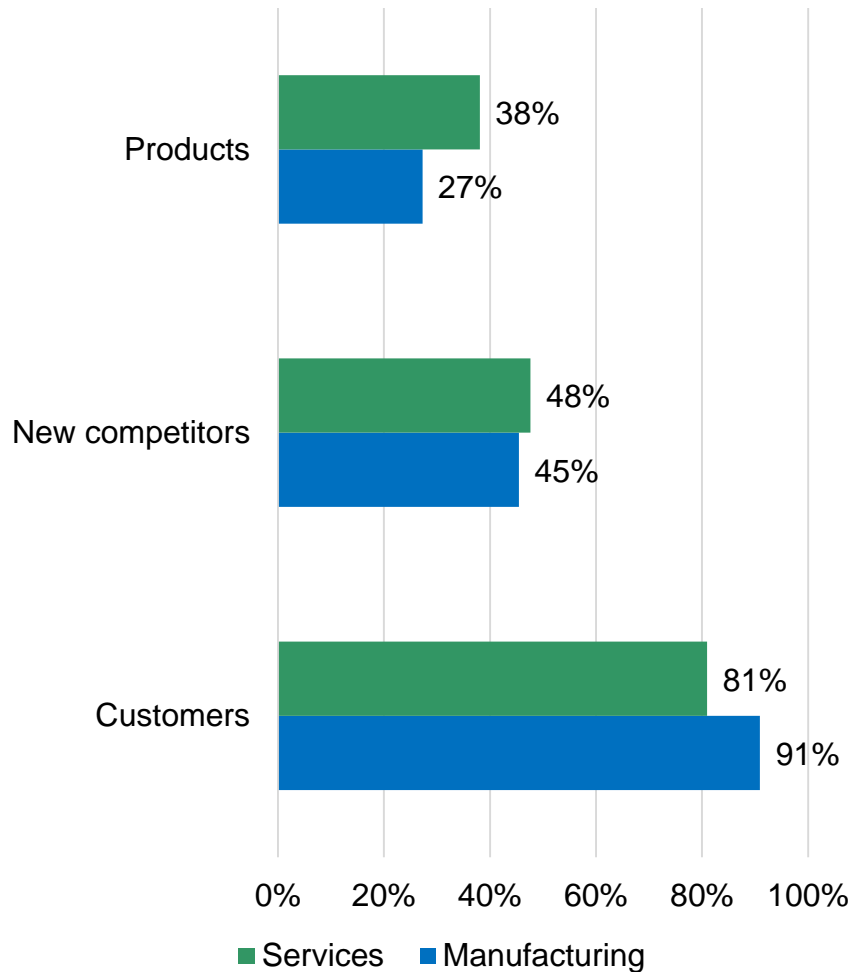
Delhaize (Food Lion): *“E-commerce is not profitable yet. So, if you don’t offer the service, you might lose customers, but if you do, you lose money. A dilemma...”*



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Where do you expect the biggest changes?



Kinepolis (movie theater):

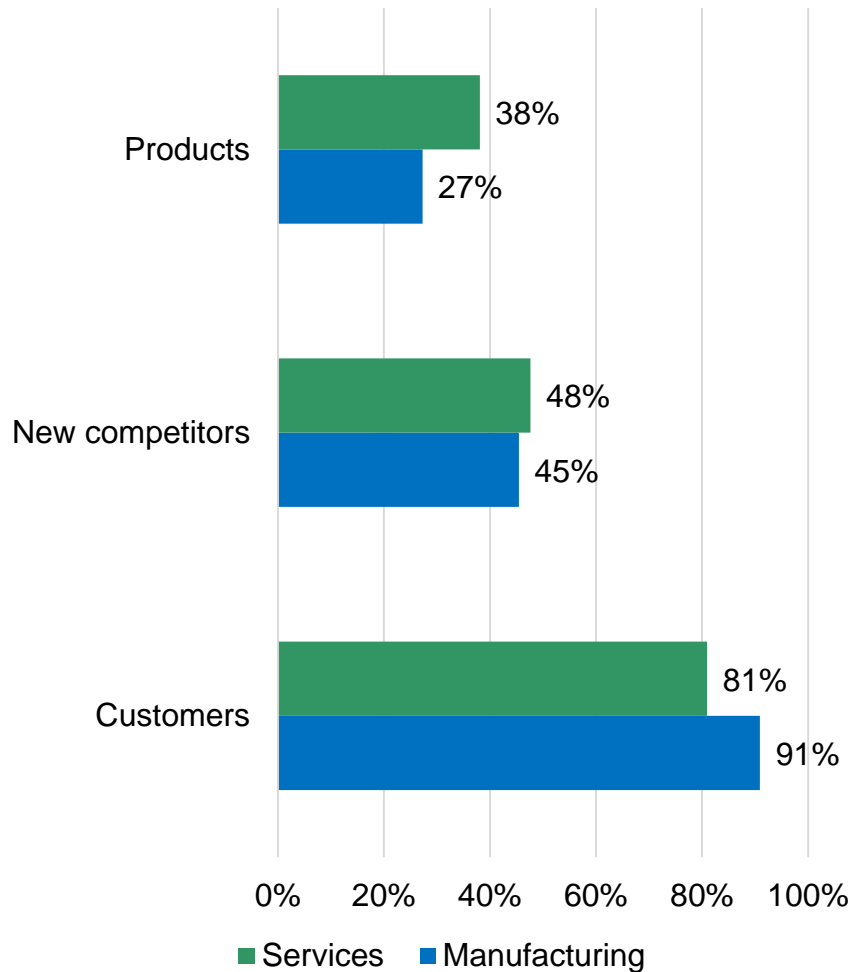
1. *Quick feedback*
2. *Tailored communication (individualized)*
3. *New competitors (Netflix)*



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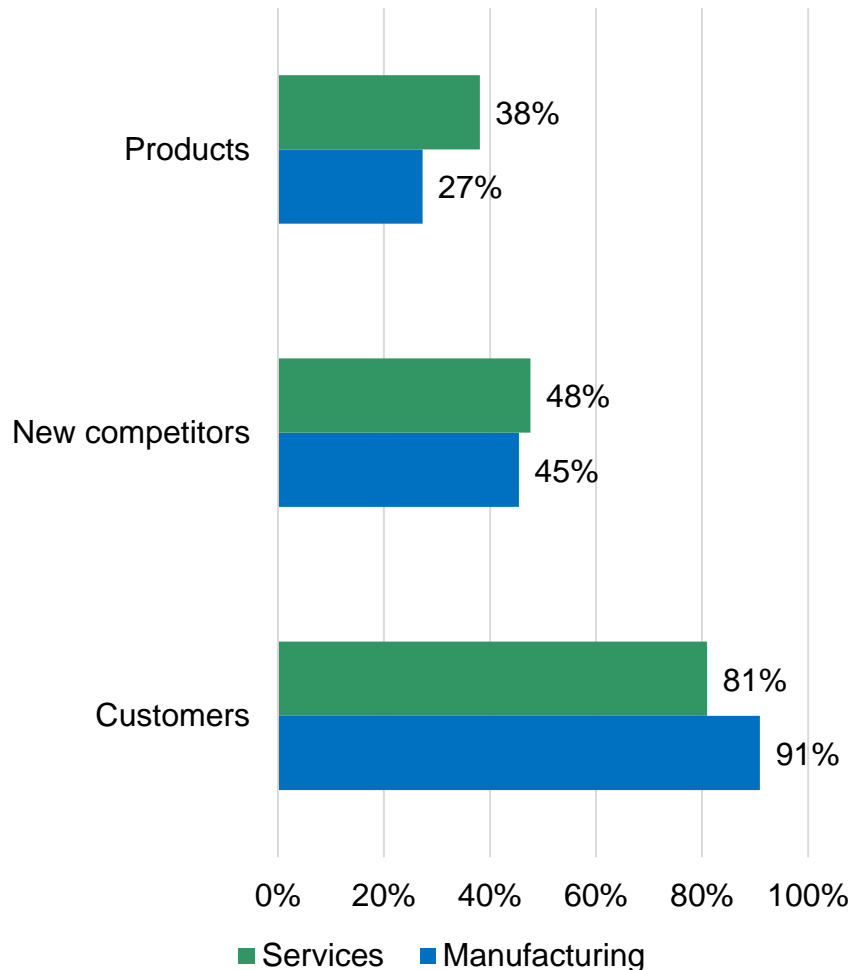
Zetes (People ID) : “*The new competition is the biggest risk*”



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Kinepolis (movie theater):

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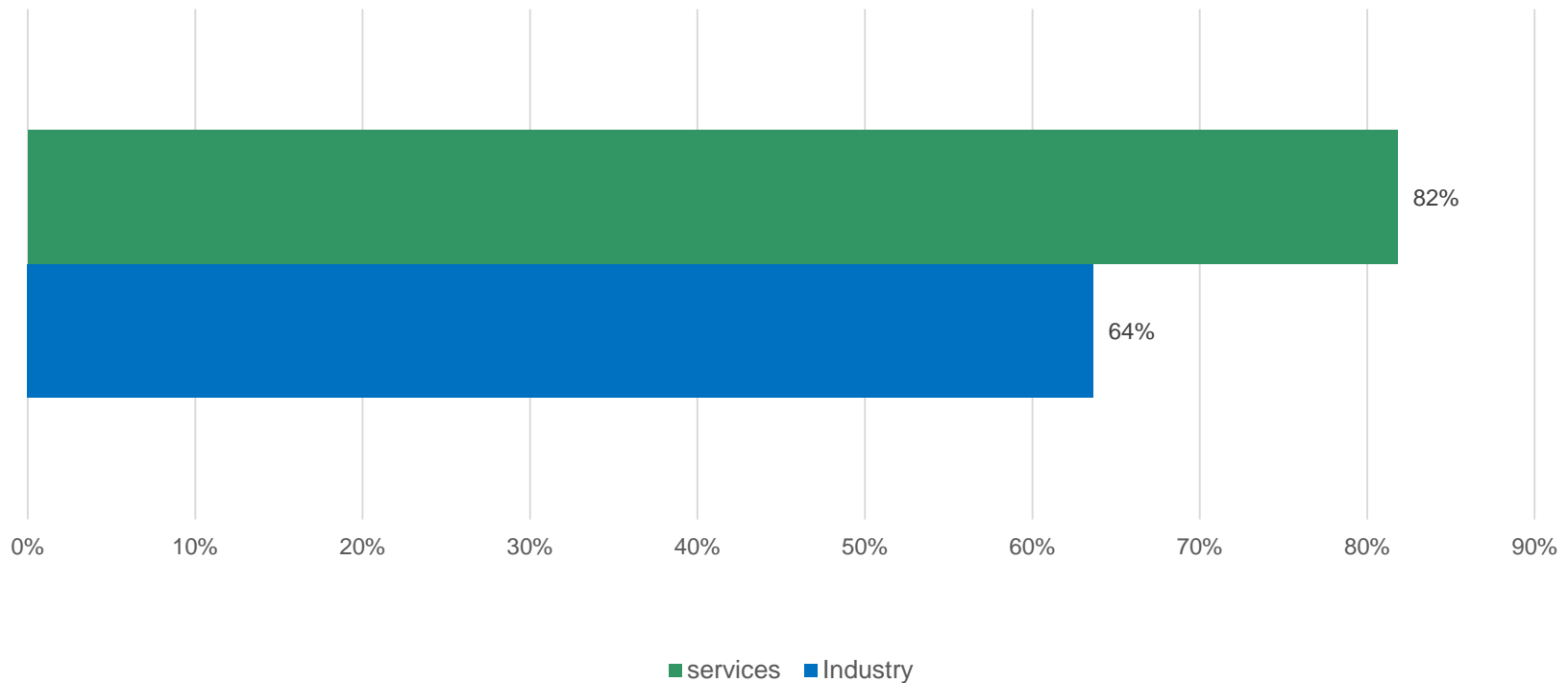
Jensen (Industrial Washing Machines): “... a strong impact on the **recruitment and personal development of the employees.**”



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Will vertical business model change?



Montea (warehousing): ***“Different collaborations for each project, the one with the best network wins”***

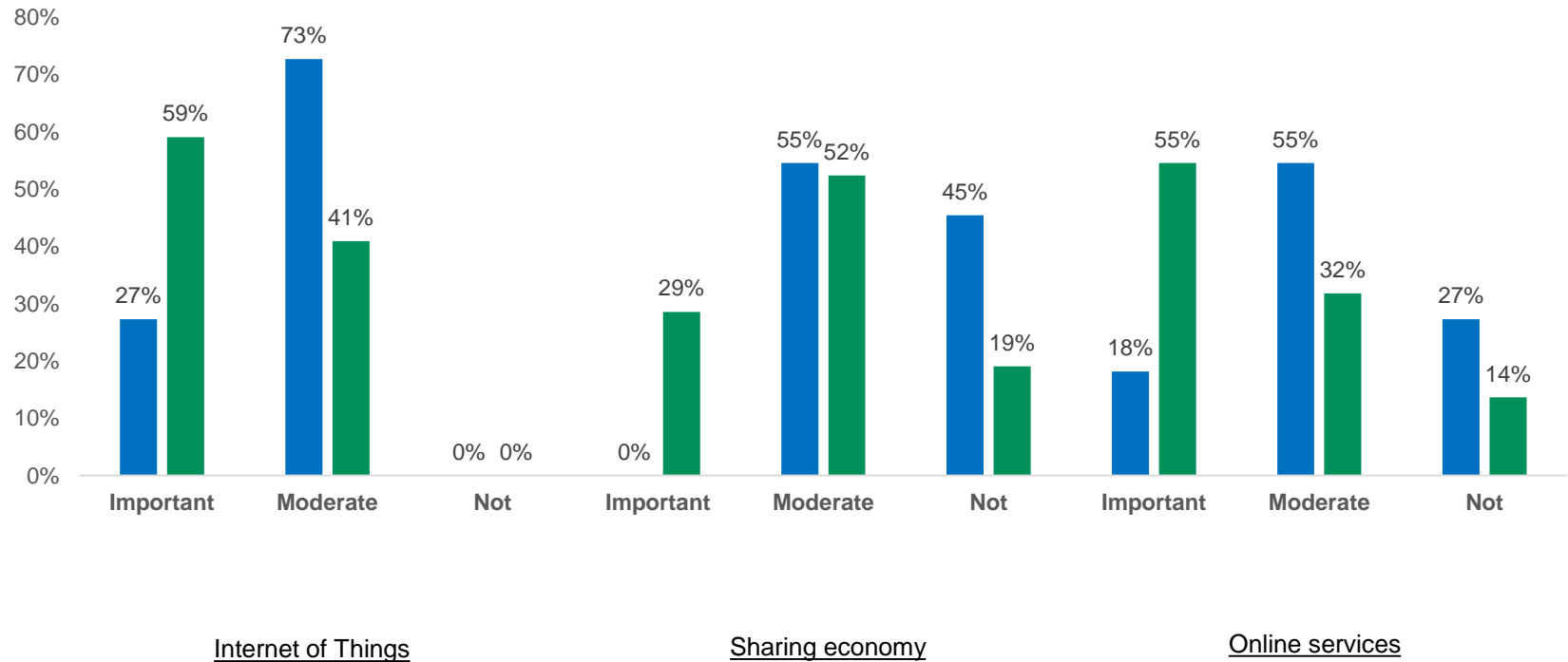


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From what ecosystem do you expect biggest impact?

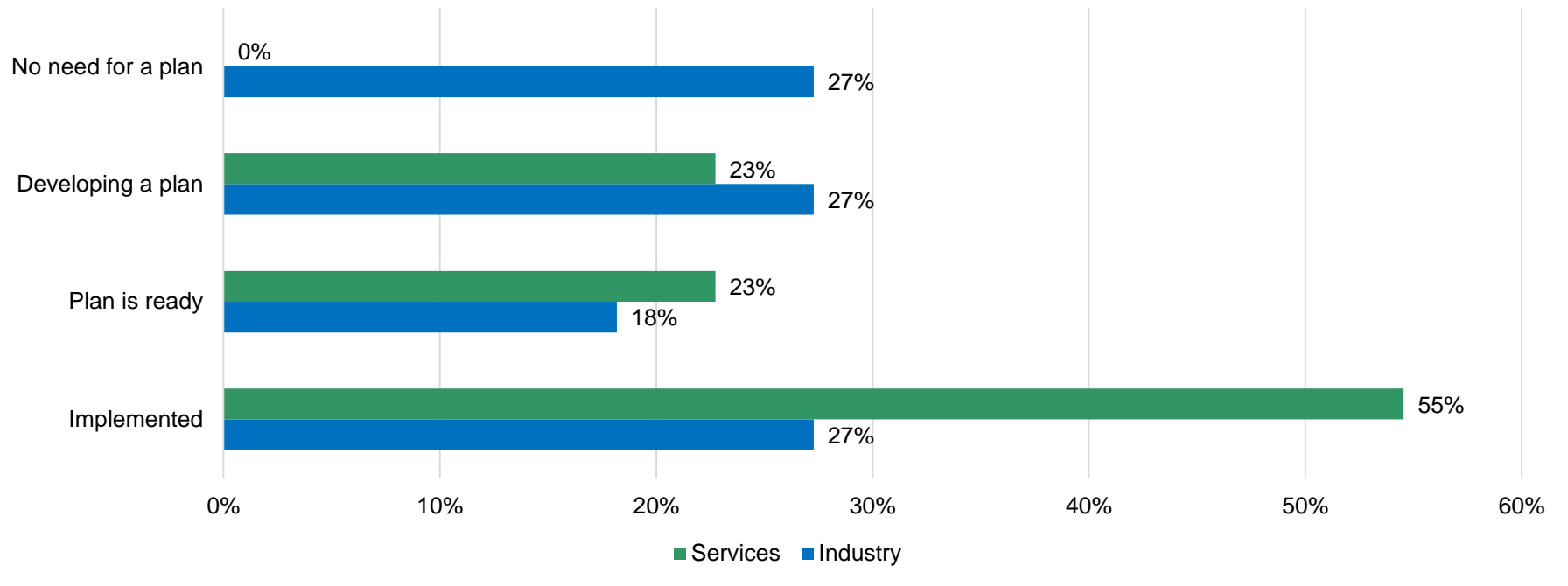
■ Industry ■ Services



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Do you have a strategy for digitalisation?



Carglass (D'leteren Auto): “***the digital conviction*** in our organization will take some effort and time.”



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Investing 4.0

Where (not) to invest?

- Investment budget
- CEO

Which sectors are being affected?



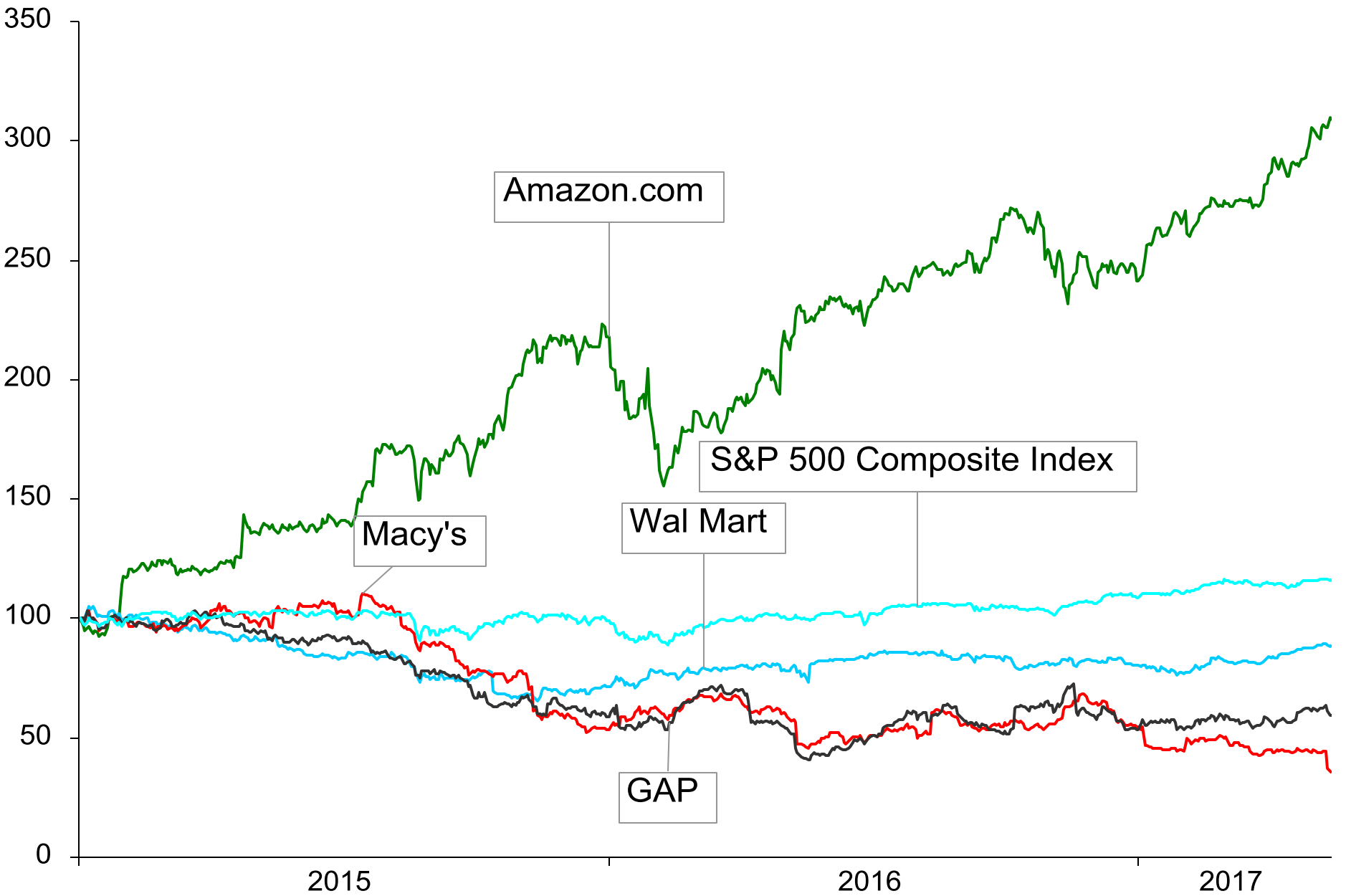
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(01/01/2015 = index 100)

Performance US retailers

(01/01/2015 = index 100)



Investing 4.0

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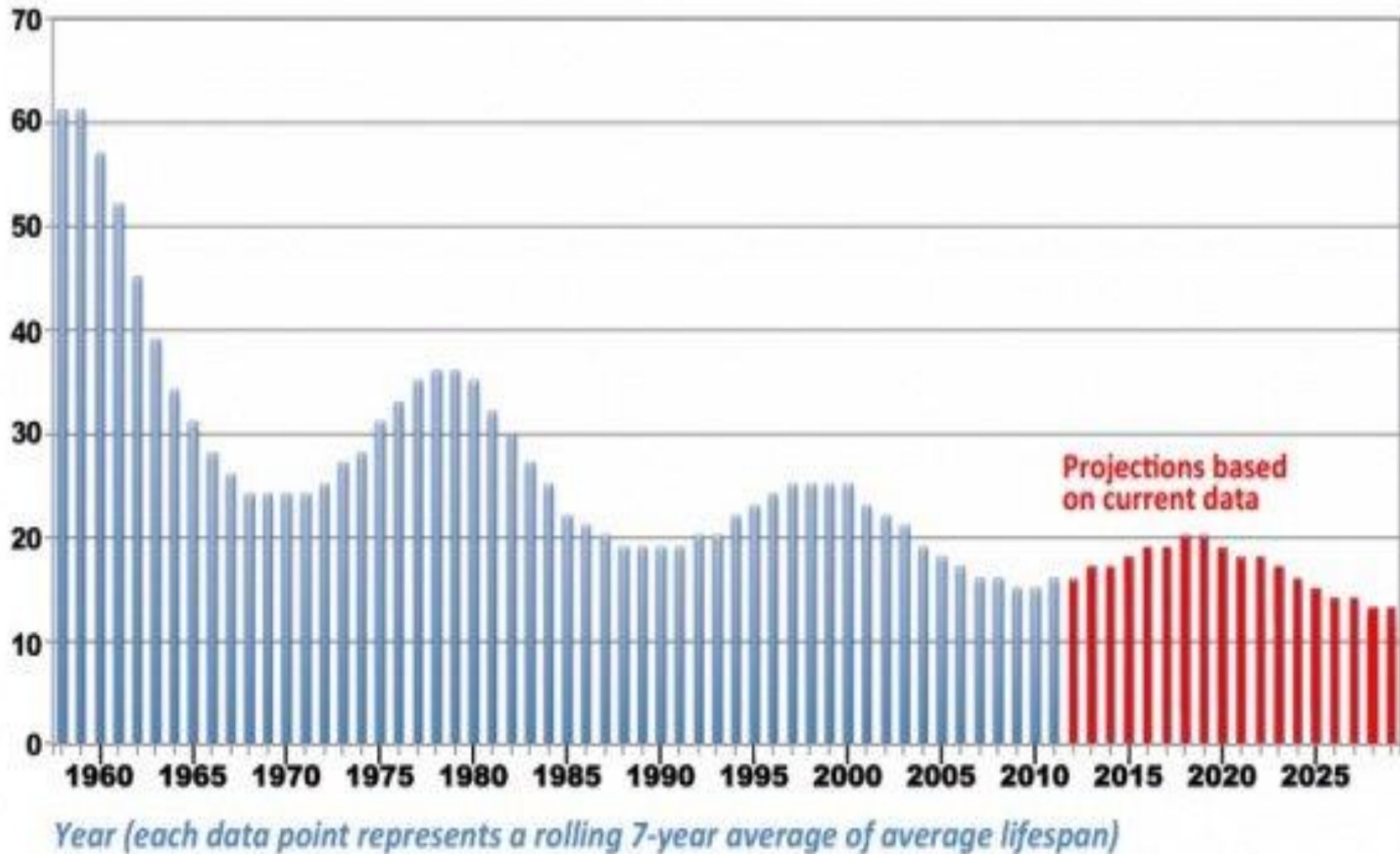
Which products / services become obsolete?



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Average company lifespan on S&P 500 Index (in years)



DATA: INNOSIGHT/Richard N. Foster/Standard & Poor's



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IS BUY AND HOLD STOCK INVESTING DEAD?



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S&P 500 Churn Over the Past Decade

Sample companies that have entered and exited the index since 2002

Entered the index:



Exited the index:



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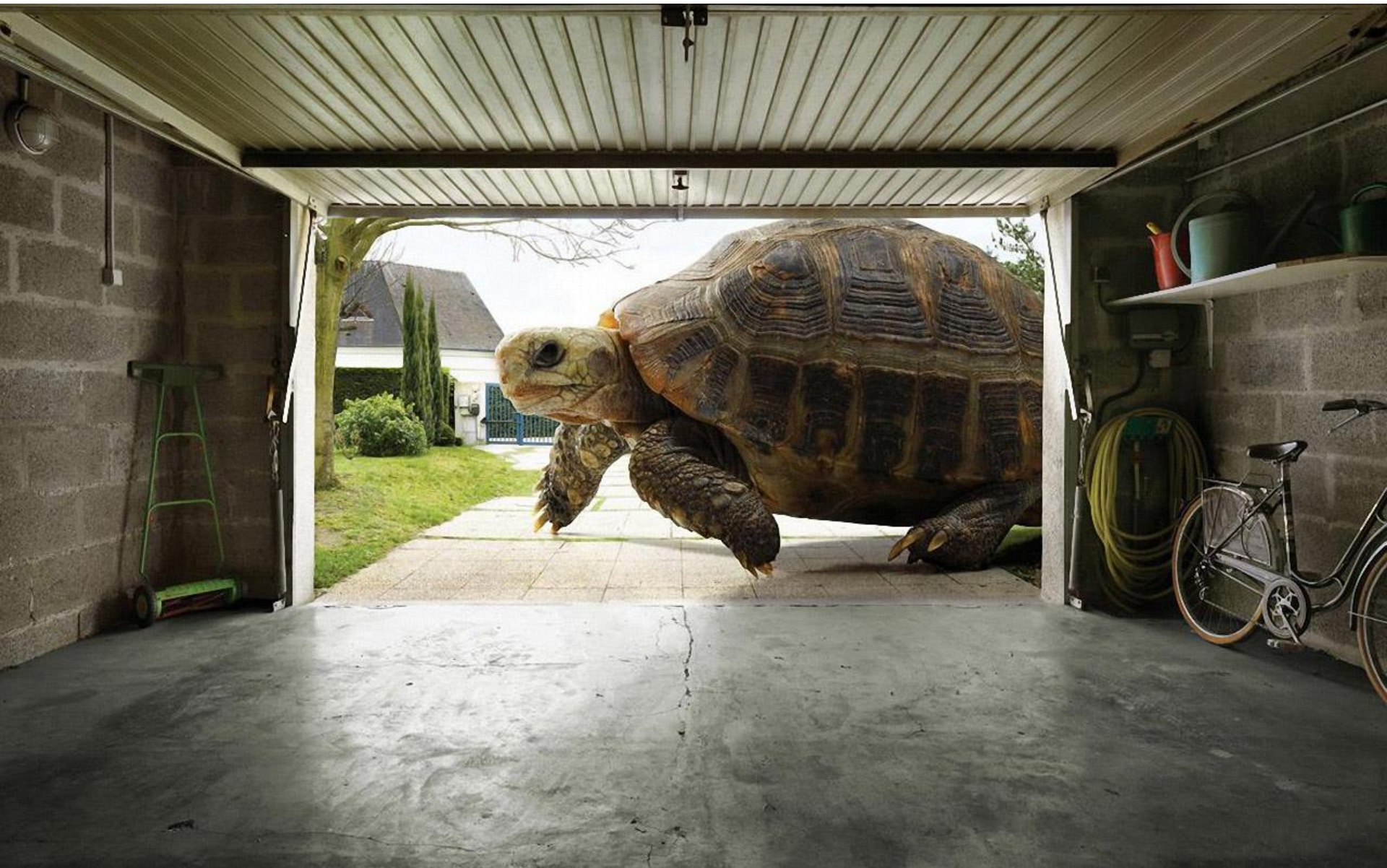
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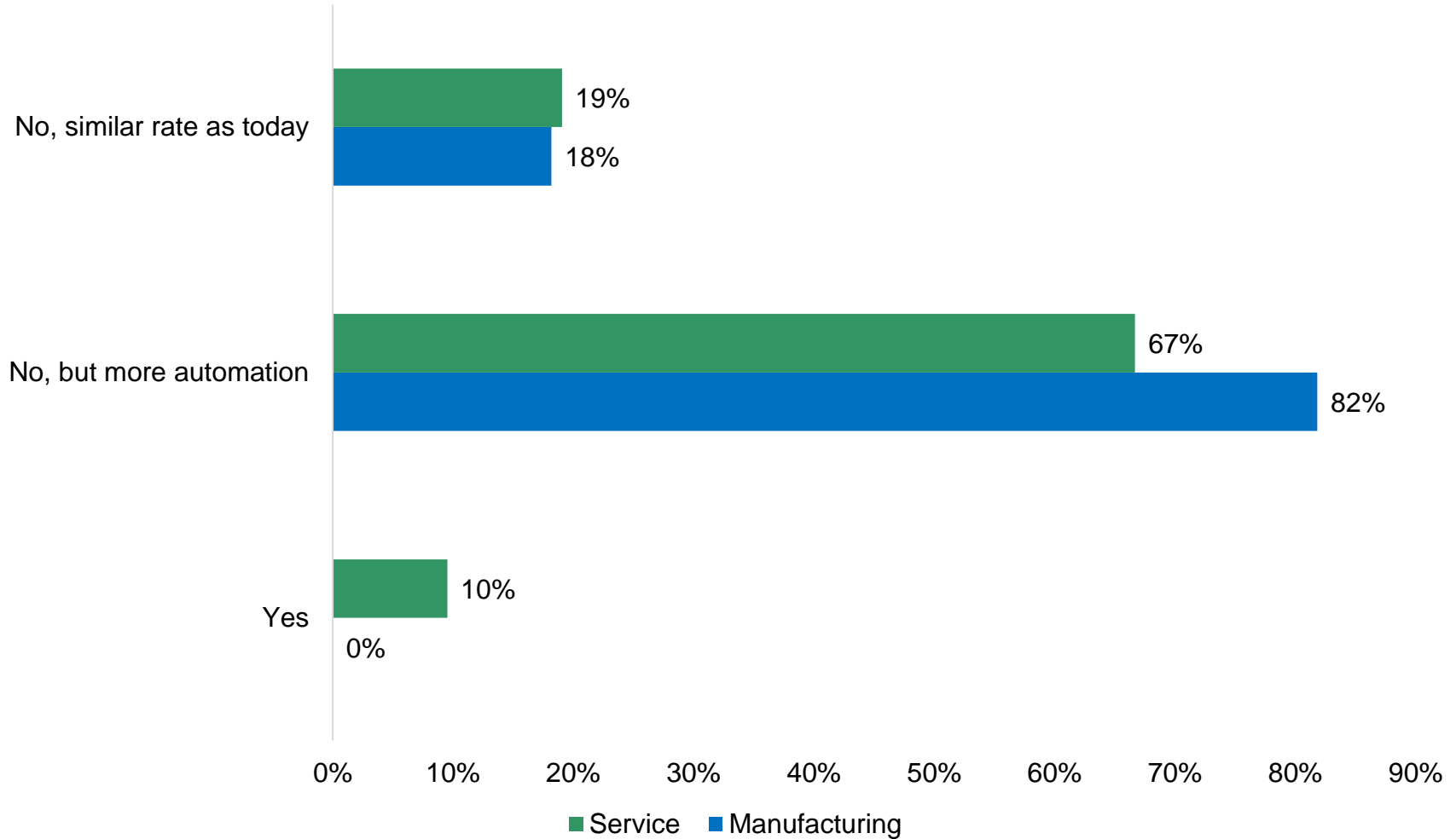
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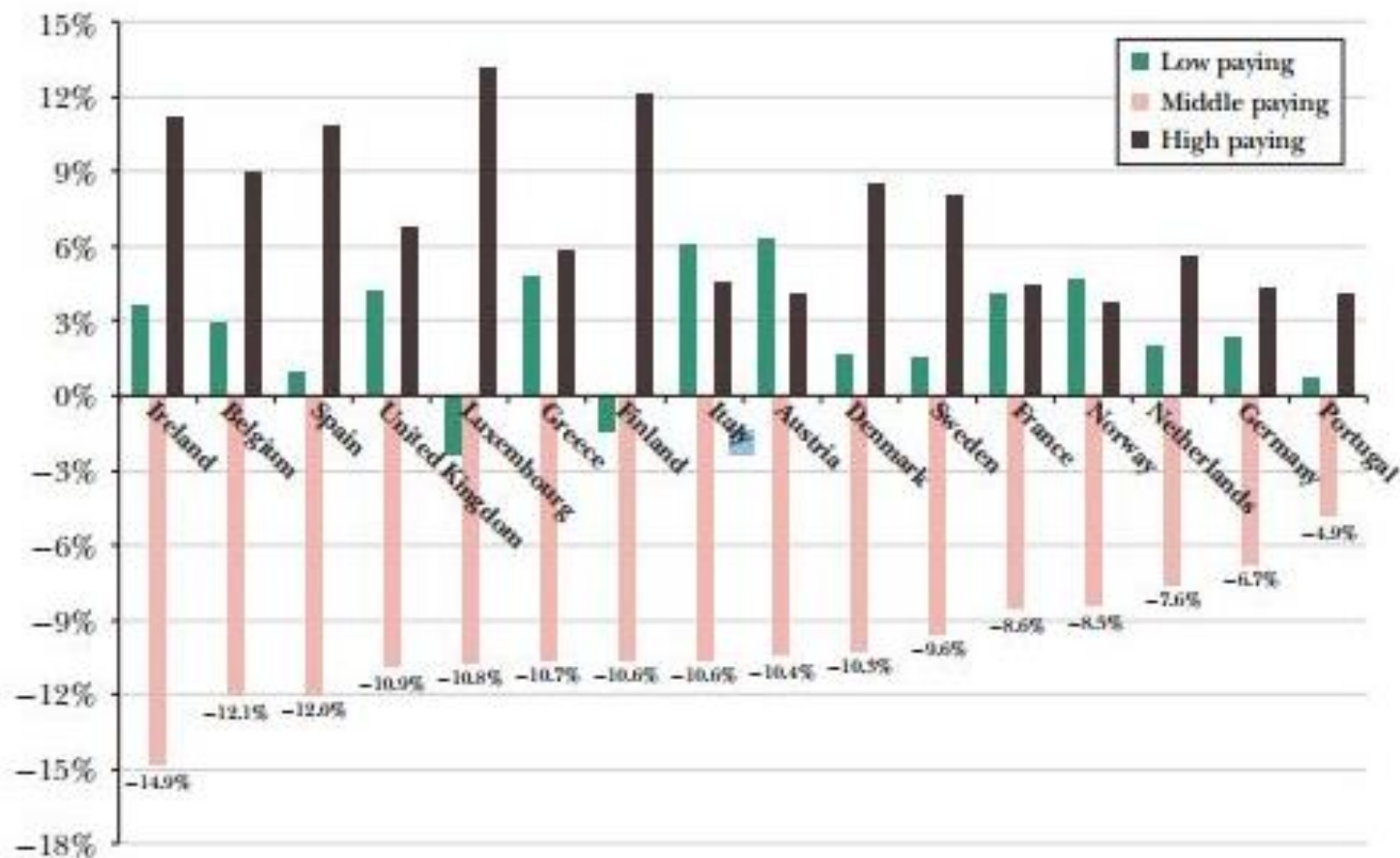
47% of all jobs could be automated by 2025. As well in your company?



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Change in Occupational Employment Shares in Low, Middle, and High-Wage Occupations in 16 EU Countries, 1993–2010

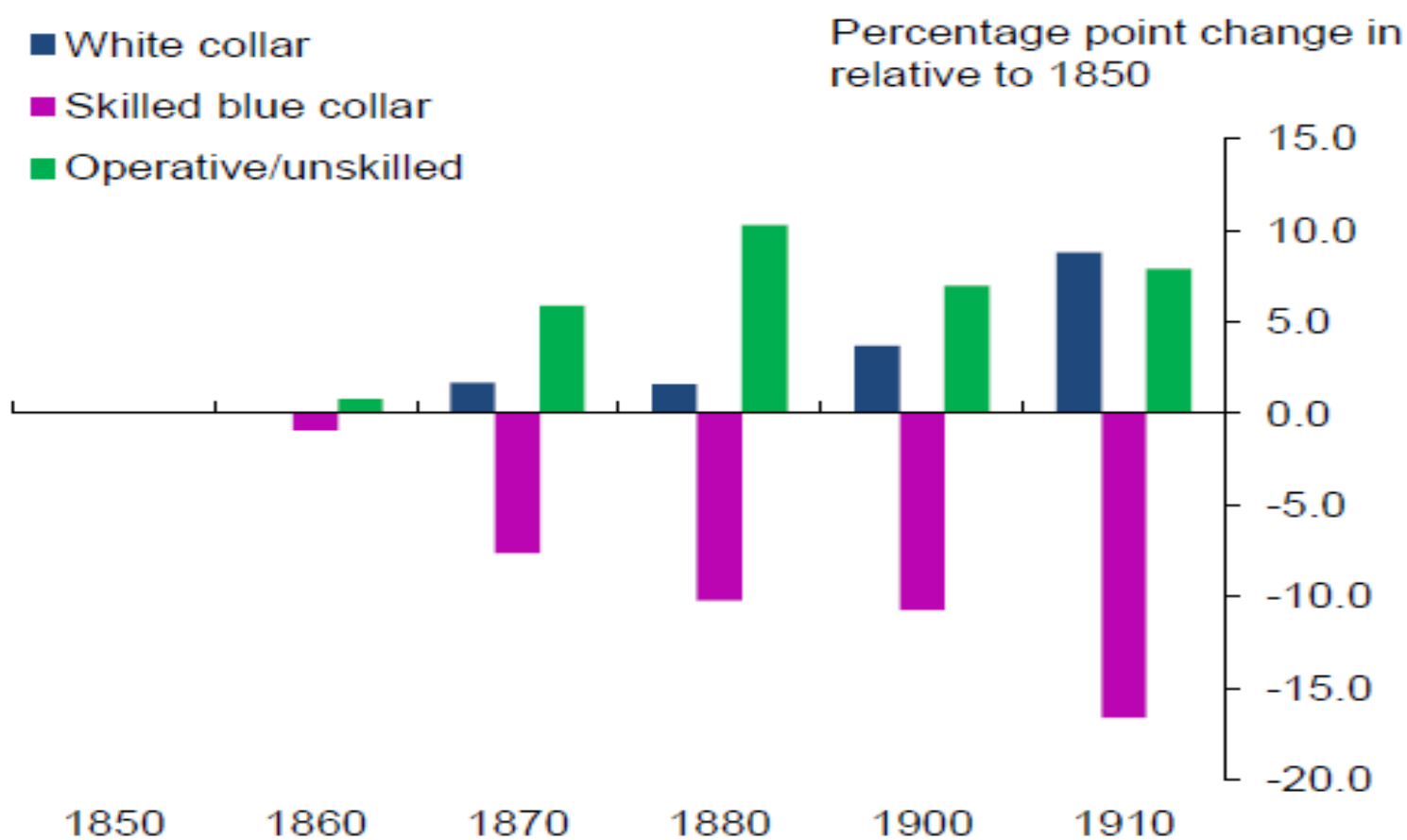


Source: Goos, Manning and Salomons, 2014



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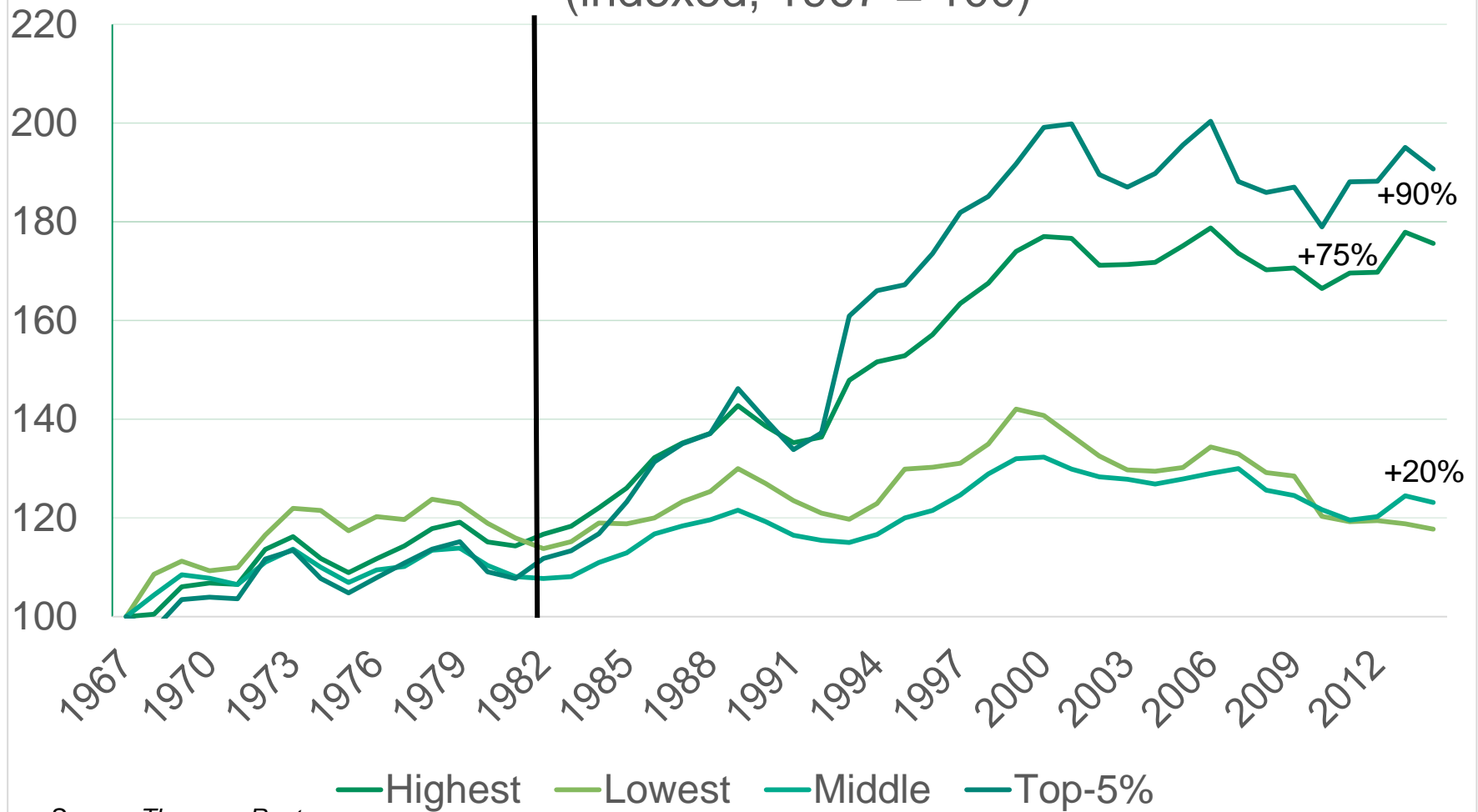
Source: Katz and Margo (2013)



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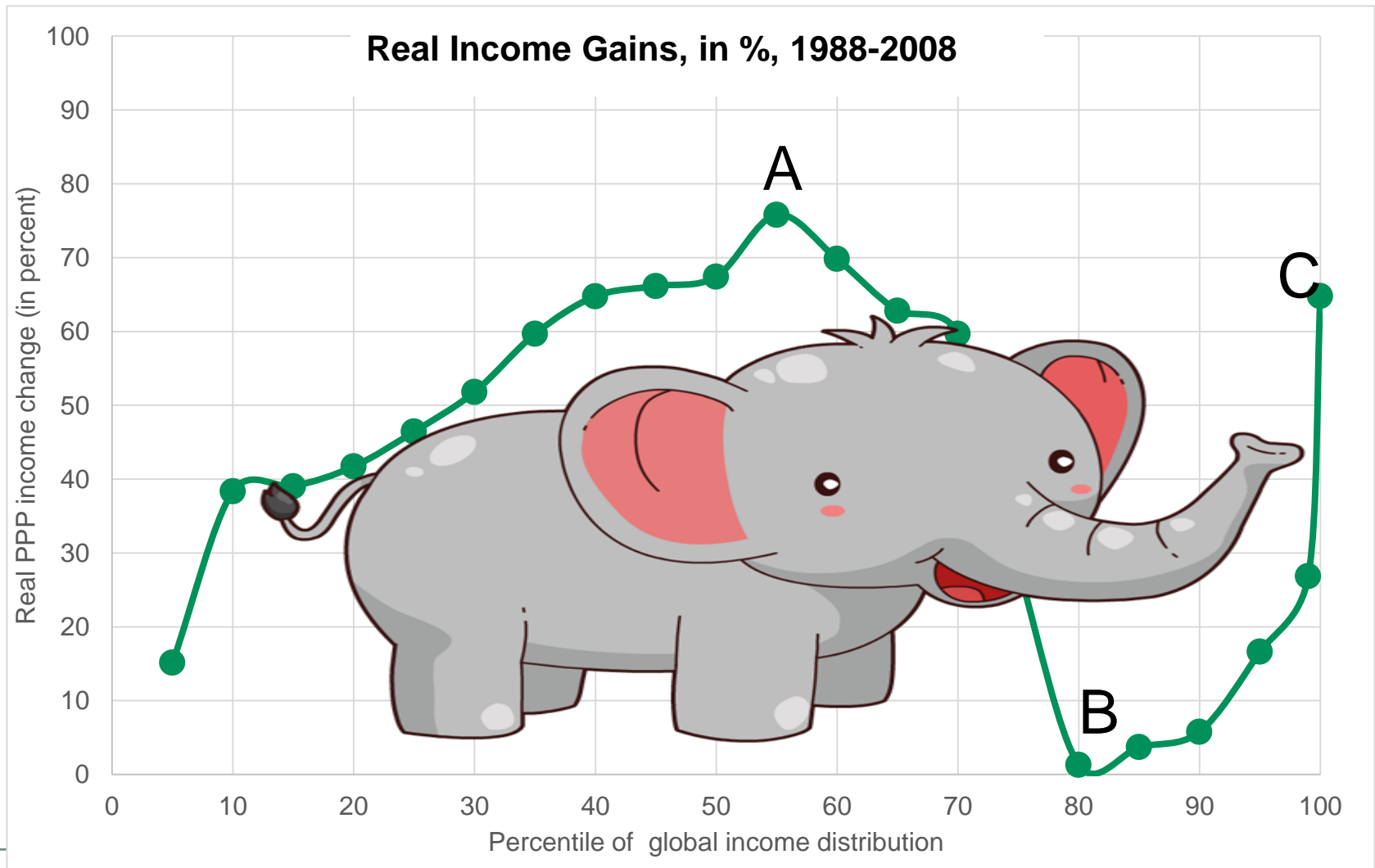
Evolution income US, per quintile (indexed, 1967 = 100)



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The elephant chart

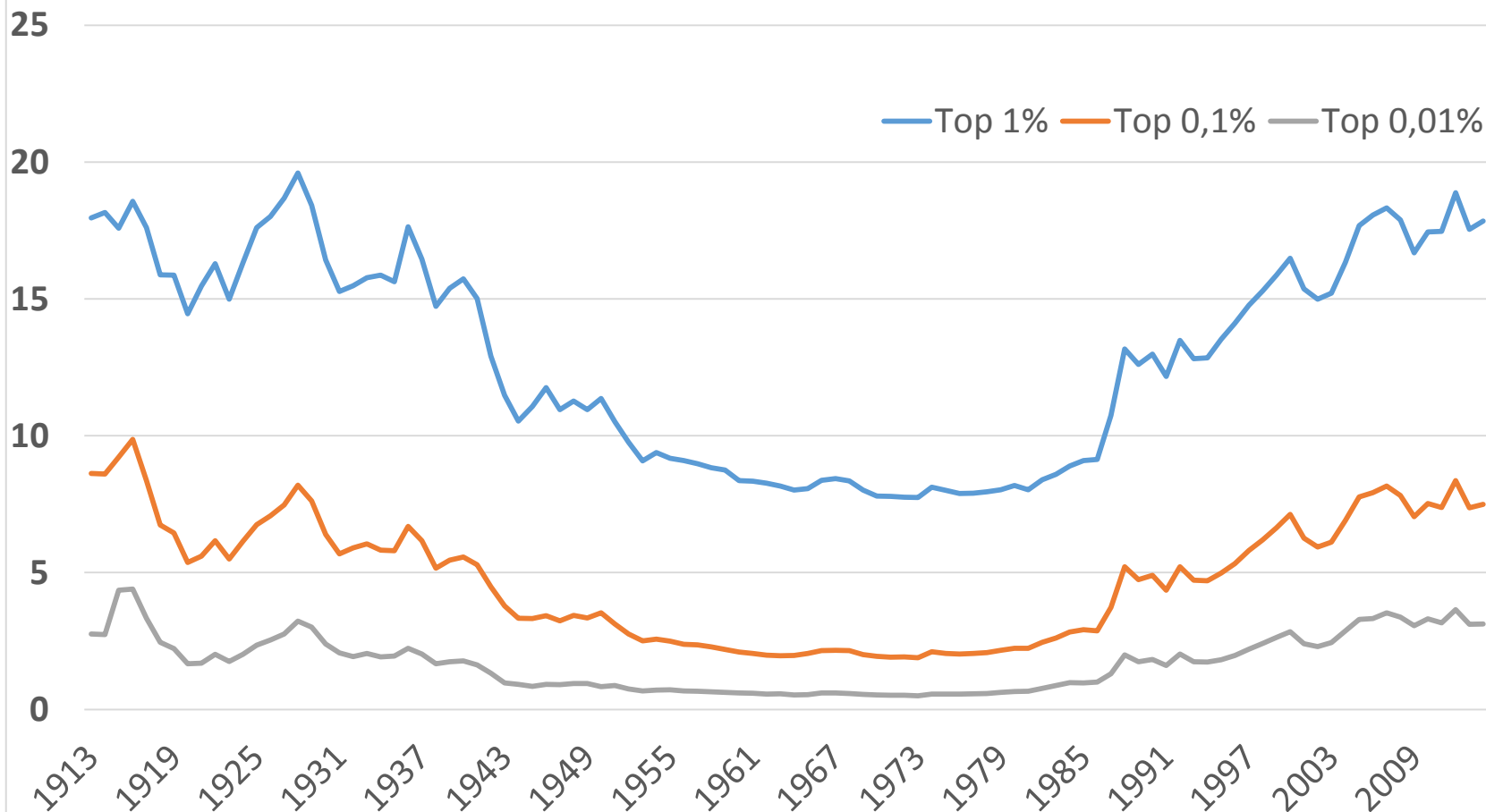


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Source: Branko Milanovic

US: Income top-1%, top-0,1% and top-0,01%



Source: The World Wealth and Income database

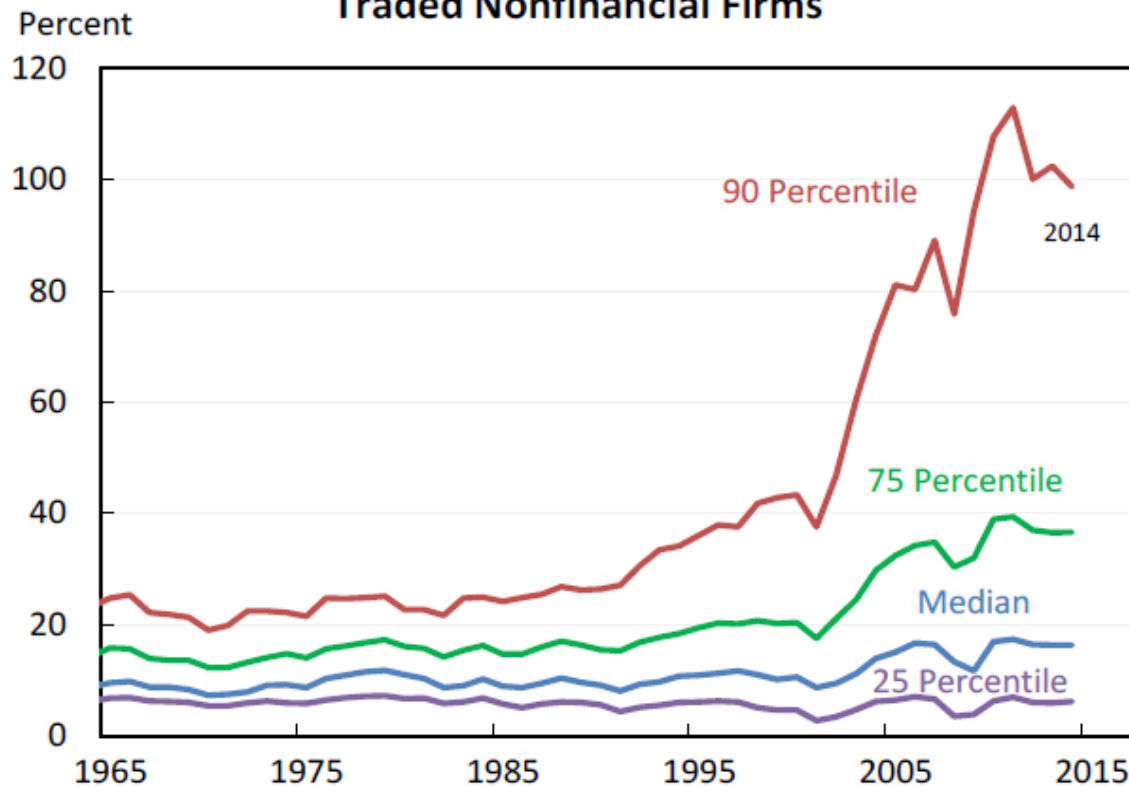


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Also “winner-take-all”

Return on Invested Capital Excluding Goodwill, U.S. Publicly-Traded Nonfinancial Firms



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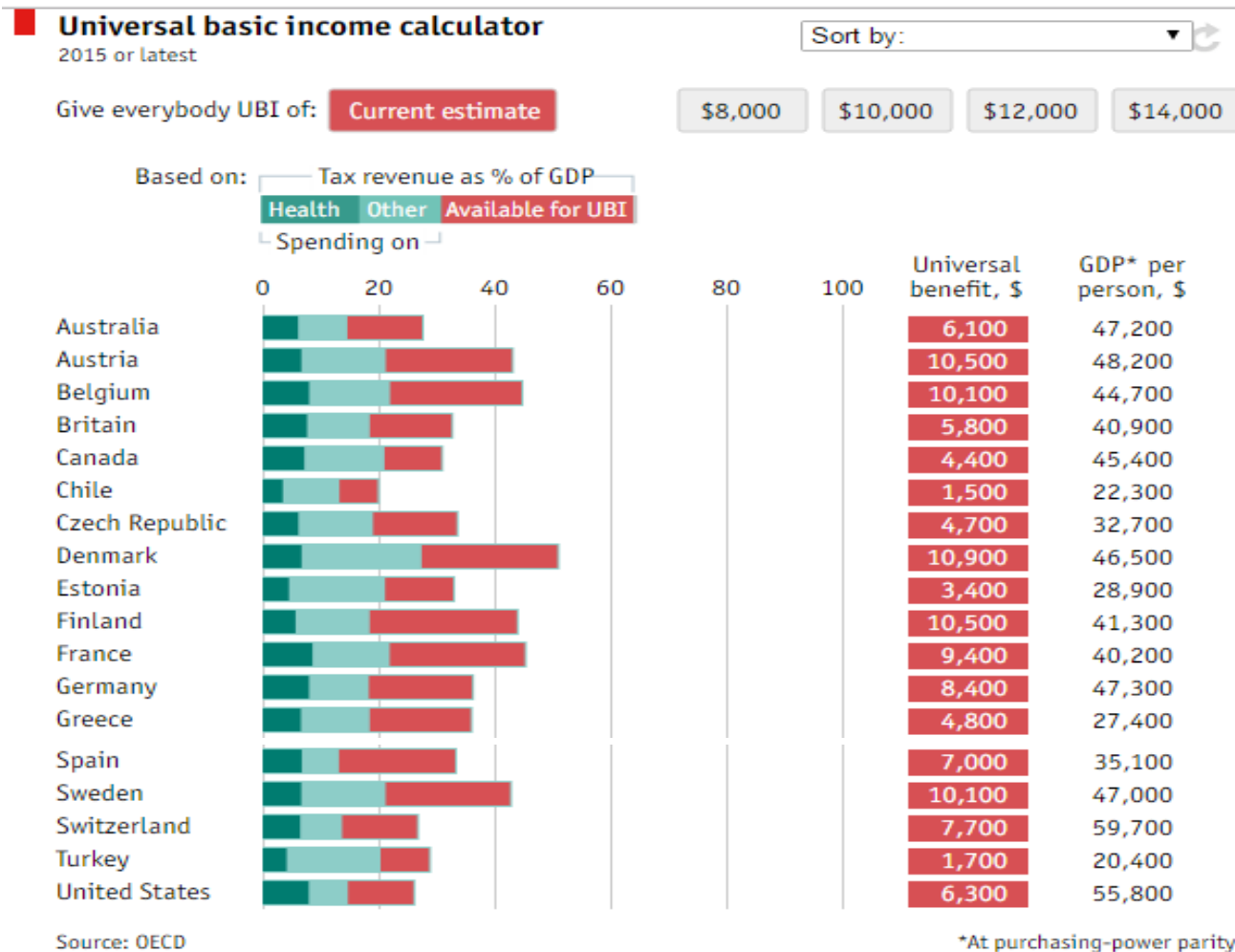
**FREE
SOUP COFFEE & DOUGHNUTS
FOR THE UNEMPLOYED**

**FREE SOUP
&**

**HORAN
BAILIFF**

PARKING 25

Basic income



Source: *The Economist*



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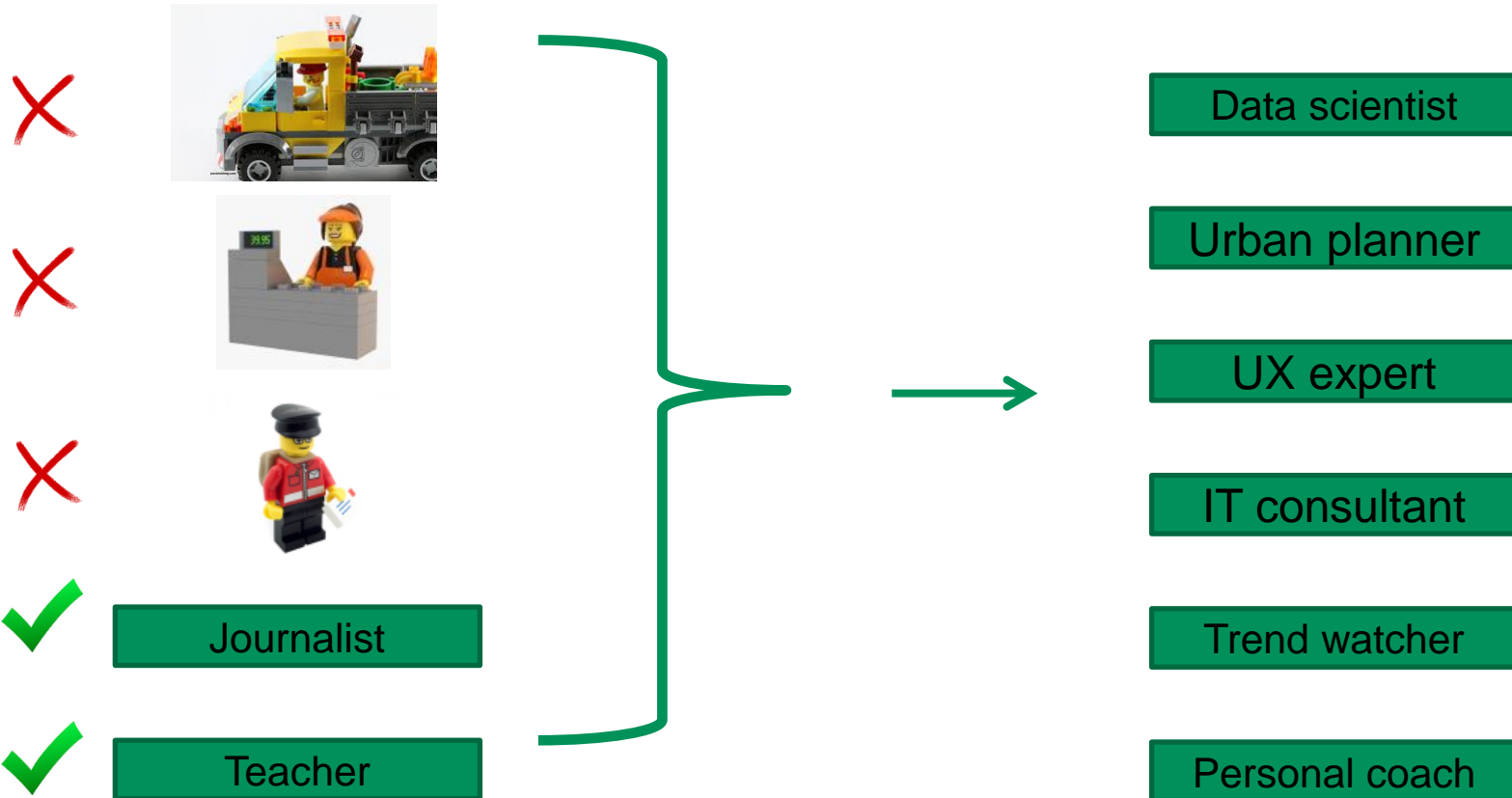


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Transformation map as a best practise

Current jobs

Future jobs



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