

## Four Key Trends for the Next Decade of Business

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One of the first critical steps for our Leeds 2035 strategic planning was to conduct an external environment analysis. This work was initiated in the Fall of 2023 with data collection and analysis concluding in Spring 2024. The goal of this analysis was collecting and analyzing data on the **Future of Business, CU, and Colorado in the next decade**. Understanding the external environment and how it will evolve in the coming years is a critical step in strategic planning. Particularly given the volatile economic environment, evolving social norms, and rapidly changing perceptions of higher education, we felt it was critical to understand the opportunities, and challenges, the Leeds School faces in the next decade.

The method for the analysis was to engage in qualitative interviews with representatives from each of Leeds' stakeholder groups. We began each conversation with a set interview protocol, and then entered open conversations. The interview data were triangulated with various whitepapers and reports and analyzed utilizing NVivo qualitative software. In addition, we presented ongoing versions in multiple meetings across Leeds School to garner feedback and innovative ideas.

To be clear, what is presented here is not our strategic foci, nor suggestions for strategic action. It is not meant to be prescriptive. Rather, the goal of this analysis is to present an impartial view of where we believe business will evolve in the coming decade.

This report focuses on business trends that will affect future business careers and Leeds' strategic directions. By definition, such an analysis will be incomplete. It does not include, for example, education demand trends (e.g., enrollment cliff, drop in MBA (Master in Business Administration) enrollments), education delivery (or teaching and learning) trends (e.g., hybrid delivery models, gamification, etc.), or education (student) services trends (e.g., mental health support services). However, we hope to provide a strong starting point for strategic planning.

Based on conversations with our Leeds Advisory Board, the Burrridge Center Advisory Board, CESR (Center for Ethics and Social Responsibility) Advisory Board, the Boulder Chamber of Commerce, our new YPO Advisory Board, staff members, faculty, students and dozens of individual conversations with business, academic, and government leaders, we list four key trends that will affect the future of business in the next decade. For each, we include hyperlinks to more information, illustrative quotes from our interviews, and a few of the many implications for Leeds are offered.

### 1. Digital Transformation

**Opportunities.** Gartner [reports](#) that 91% of businesses are actively pursuing various digital initiatives, underscoring a strong commitment to digital transformation. The global digital transformation market is expected to soar to \$1 trillion by 2025, up from \$469.8 billion in 2020, with a Compound Annual Growth Rate (CAGR) of 16.5%. Additionally, Statista [forecasts](#) that worldwide spending on digital transformation will reach \$3.4 trillion by 2026.

According to our external stakeholders, businesses will be changed by a [digital transformation](#) as AI, quantum computing, advancing robotics, and many other tools enable enhanced efficiency, mass customization, and [problem solving](#). For business, AI offers the potential for increased efficiency and cost savings by harnessing generative AI's potential to perform many of the tasks now performed by entry level, or even advanced, employees. For larger corporations, this change will enable significant cost-cutting for repetitive tasks and enable [small businesses to scale and grow](#) with far less investment in human capital. AI has been proposed to create societal benefits as well, automating and accelerating research in solving intractable problems such as climate change, disease detection, and poverty alleviation.

While much of the current focus is on the potential of AI, digital transformation will also be driven by the potential advent of [quantum computing](#) and [advanced robotics](#). Quantum computing, while developing on an unclear timeline for commercialization, potentially unlocks advantages in the speed of business processes and research. By using quantum physics to perform complex calculations at tremendous speed, quantum capabilities, coupled with AI, offer [multiple use cases](#) for creating cost savings and innovation for business.

Similarly, advanced robotics coupled with AI can lead to autonomous decision making and automation. As AI's capabilities are translated into the physical world, as has already happened many logistical tasks such as [warehouse picking](#), [manufacturing](#), and [fast food restaurants](#) costs will be driven much lower across the value chain.

**Challenges.** However, the opportunities of these technologies are complemented by growing cybersecurity threats, the challenge of lagging competitiveness, and the [potential loss of control](#). The broader economic implication of digital transformation is that many [jobs](#) performed today by white and blue-collar workers will become automated soon.

**Hypotheses:** The forces of digital transformation implies that Leeds will need to train our students to understand how to use these tools for increasingly complex analyses. By doing so, we can position students to fill essential gaps in the workforce through the “churn” of the coming decade. The [jobs of the future](#) will also require increased skill in intuitive leadership, communication, and the ability to work under uncertainty, which will be increased partially due to the next trend.

**Key trends for the next decade:**

- *Artificial Intelligence (AI) and Machine Learning (ML):* AI and ML will continue to evolve, becoming integral to various business processes. Companies are leveraging these technologies for everything from product creation to efficiency improvements. For example, AI is used in generative design to optimize materials and design structures, and in augmented reality tools for quality checks in manufacturing.
- *Everything as a Service (XaaS):* The [XaaS model](#) extends the Software as a Service (SaaS) approach to various business functions, providing scalable and flexible solutions on-demand. This trend allows businesses to focus on core competencies while outsourcing specialized services, improving efficiency and cost-effectiveness.
- *Edge Computing:* By processing data closer to its source, [edge computing](#) reduces latency and enhances real-time capabilities. This is particularly important for applications like the Internet of Things (IoT), manufacturing systems, and remote monitoring.

- **Cybersecurity:** As digital transformation advances, cybersecurity is still a critical concern. Organizations must adopt robust security measures to protect against data breaches, ransomware attacks, and other threats. This includes implementing strong access controls, regular updates, employee training, and data encryption.

## 2. Sustainability

**Opportunities.** Our external stakeholders contend that addressing environmental and social sustainability will be a [major business trend over the next ten years](#). Climate change [impacts](#), including increased frequency and strength of [weather events](#), will present challenges and opportunities for business. By creating [new products, markets, and services](#) incumbent firms, entrepreneurs, and investors can simultaneously generate economic wealth and address sustainability challenges. For example, growth in the [renewable energy sector](#) will likely boom as we evolve to a carbon free economy. Similar growth is likely in the [green building sector](#) for both new construction and renovation of existing buildings. Across consumer products, [new regulations to reduce toxins and plastics usage](#) will create new roles to align individual and environmental benefits as new markets are created. The advent of action on climate change by businesses will create new roles and positions across the value chain for every type of position as all jobs become climate focused.

**Challenges.** If organizations are not attuned to the need to embrace both social and environmental sustainability in products and practices, they face the threat of [regulatory and reputational sanction](#), as well as the [loss of markets](#). Further, political polarization, particularly on climate change, could impede progress in both policy and business practices.

**Hypotheses:** Leeds has an opportunity to bring a unique and pragmatic voice to this trend, by emphasizing how businesses can create a competitive advantage in addressing sustainability. As one board member said, "It seems like sustainability is a no brainer as a focus for Leeds." The one research theme we found that crosses every division and discipline within Leeds was sustainability. Through infusing a multi-disciplinary perspective into our curriculum, we can enable the next generation of business leaders to help address pressing environmental and societal issues.

### **Key trends in the next decade:**

- **Adaptation and Resilience:** Climate hazards are expected to worsen, with [up to 4.4% of the world's GDP potentially lost annually](#) without adequate adaptation. This impact will be disproportionately felt by developing economies. Companies are increasingly focusing on climate adaptation strategies to mitigate these risks, and new disclosure standards are likely to accelerate progress in understanding and managing climate-related impacts.<sup>6</sup>
- **Circular Economy:** The circular economy, which aims to minimize waste and maximize resource use, is gaining momentum. It is projected to generate [USD \\$4.5 trillion in economic benefits by 2030](#). Businesses are redesigning products to be more durable and recyclable, promoting recycling and reuse programs, particularly in the fashion industry.
- **Biodiversity and Nature-Positive Initiatives:** Biodiversity loss is one of the top threats facing humanity, with over half of the world's GDP highly dependent on nature. Efforts to preserve biodiversity gained momentum at the [UN COP15 summit](#). The goal is to create a "nature-

positive" world by 2030, taking actionable steps to stop, avoid, and reverse environmental destruction.<sup>8</sup>

- *AI and Sustainable Technology:* Artificial intelligence and other advanced technologies are playing a crucial role in sustainability. AI can improve energy consumption, reduce emissions, and support decision-making processes in sustainability strategies. AI-driven software is particularly useful for managing supply chain emissions, which are often the largest part of a company's carbon footprint.
- *Regulation and Reporting:* There is a significant increase in regulations aimed at reducing greenwashing and enhancing corporate transparency. The EU's Corporate Sustainability Reporting Directive (CSRD) and similar laws in the US, such as [California's Climate Corporate Data Accountability Act](#), are pushing companies to improve their sustainability reporting and accountability.

### 3. Economic Shifts

There are other major economic shifts our interviews revealed to be impactful to business over the next decade. Because of the geographic shifts in trade dynamics and a realignment of manufacturing, there will be a careful focus on **supply chain reliability**. With the proportion of older adults growing rapidly, this demographic shift poses significant challenges for **healthcare** systems, such as increasing demand for age-related healthcare services and economic strain on resources. **Regulatory scrutiny** is intensifying in areas like liquidity, solvency, and capital adequacy due to recent economic fluctuations and financial instability. We highlight opportunities and risks for each below.

- Supply Chain Reliability:** As we witnessed in the wake of COVID-19 restrictions and the [ensuing inflationary period](#), supply chain reliability is a major issue for all businesses according to our external stakeholders. This trend is particularly acute in the U.S. where our supply chains are reliant upon foreign powers for [critical products](#). Supply chain reliability, and domestication, will likely present another [source of competitive advantage](#) to firms in the coming decade, due to disruptions because of weather disasters, political instability, and trade wars. For Leeds, this implies that our research and teaching can help leaders in all disciplines to understand, and effectuate, effective supply chain management. Further, we can help efforts [here in Colorado](#) by offering a global perspective to address local challenges.
- Healthcare:** Another global trend with very local impacts will be the growing opportunities for the nexus of business and healthcare. Like the digital wave, there will likely be revolutionary advances in [preventative healthcare, telemedicine](#), and [synthetic biology](#). Compounded with an aging population, [increased rates of chronic illness](#), and ongoing [mental health crises](#), such technologies offer new hope in addressing multiple societal challenges. This implies that Leeds could play a role through engaging in partnerships with industry and Anschutz to help provide leadership for fostering greater societal welfare through enabling leadership in healthcare.
- Regulatory scrutiny** is increasing in areas like liquidity, solvency, and capital [adequacy](#) for financial institutions. There will be a renewed emphasis on supporting [strong risk management](#) frameworks to handle economic fluctuations. Regulators are increasingly

focused on ensuring financial institutions maintain adequate liquidity reserves to weather market downturns. This means maintaining high-quality liquid assets and contingency funding plans to reduce reliance on short-term borrowing. New guidelines emphasize stronger capital buffers and stress testing. Financial institutions are expected to prove their resilience in adverse economic scenarios, thereby keeping confidence in their ability to absorb shocks. Regulators are encouraging institutions to develop internal models that better reflect their risk profiles and to conduct comprehensive scenario analysis. For Leeds, this trend implies an opportunity to train our students to go beyond compliance in their roles and look to innovatively ensure the financial resilience of organizations.

- d) **Income Inequality** is a potential externality of innovation. For example, the rise of automation and robotics in manufacturing has significantly increased productivity but has also [displaced](#) many low-skilled workers. During the COVID-19 pandemic, the shift to online learning highlighted significant disparities in access to technology, known as the [digital divide](#). Companies like Amazon, Google, and Facebook have generated enormous wealth for their founders and shareholders; however, this wealth is highly concentrated with the [top 1% of US households controlling 26% of wealth](#). Further, in regions such as Boulder that have experienced great economic gains during the tech-boom, the cost of living has spiraled upward, creating regional disparities. Platforms like Uber and TaskRabbit have created flexible job opportunities but often [lack the stability, benefits, and wages](#) associated with traditional employment. For Leeds, these challenges suggest a continued and heightened focus on training future business leaders in ethics, empathy, and understanding how to address the problem through business. Potential topics include digital inclusion, fair wages, job security, healthcare access, collaborative regulation and oversight, and regional development (outside major tech hubs to promote balanced economic growth).

**Key trends in the next decade:**

- *Digitalization of the Supply Chain:* The adoption of advanced technologies such as AI, IoT, blockchain, and data analytics is transforming supply chains into connected, intelligent ecosystems. By 2024, [almost 50% of supply chain organizations are expected to invest in AI and advanced analytics](#). These technologies enhance visibility, predict disruptions, optimize inventory management, and improve decision-making processes across the supply chain.
- *Increased Visibility and Traceability:* Real-time visibility into supply chain operations is crucial for proactive problem-solving and decision-making. Technologies like RFID, GPS, and IoT devices offer granular insights, helping businesses track shipments, monitor inventory levels, and refine transportation routes. Enhanced visibility helps show potential bottlenecks, mitigate disruptions, and improve overall supply chain efficiency.
- *Risk Resilience and Regionalization of Supply Chains:* Building resilient supply chains is a top priority, especially in the face of global disruptions. Companies are increasingly opting for regional supply chains to reduce dependency on distant suppliers, which helps in quicker response to changes and minimizes risks. This trend also supports sustainability goals by [reducing carbon emissions from long-distance transportation](#).

- *Healthcare Delivery and Navigation*: There is a notable shift towards [non-traditional healthcare delivery methods](#). Digital tools and virtual care options are enabling patients to access healthcare services more conveniently, which is crucial given that a third of Americans lack a primary care physician. This shift aims to reduce healthcare fragmentation and improve patient navigation through the system, enhancing overall patient outcomes and reducing costs.
- *Integrated Care Systems*: The push towards [integrated care systems continues](#), aiming to provide coordinated and efficient care across various healthcare settings. This involves the integration of primary, specialty, and acute care services, facilitated by advancements in healthcare IT and data sharing.
- *Stress Testing and Capital Adequacy*: Stress testing will become more sophisticated, incorporating a [broader range of scenarios to evaluate banks' resilience against economic shocks](#). Regulators are likely to expand the scope to include non-bank financial institutions, which will also face rigorous assessments of their capital adequacy.
- *Global Coordination and Harmonization*: There will be a push for greater harmonization of regulatory standards across regions to manage systemic risks effectively. This includes cooperation among international regulatory bodies to align capital adequacy frameworks and liquidity requirements.
- *Focus on Social Impact*: Businesses are adopting a more systemic focus on creating social impact. This involves not only addressing income disparities but also considering the broader societal implications of their operations. For example, companies are aligning their strategies with global initiatives like the [United Nations Sustainable Development Goals \(SDGs\)](#) to drive comprehensive social and economic benefits.

#### 4. Future of Work

**Opportunities.** Due to the trends described above, the career path and expectations of the incoming workforce will be radically different than earlier generations. Leeds graduates will enter a business environment that will require greater efficiency and creativity; they will also face less redundant tasks, spend less time on simple problems, and could help businesses address environmental, social and health challenges. While the coming decade will be one of great uncertainty and churn in the job market, there will also be new positions and career opportunities created. For example, accountants will be charged with not only tracking dollars, but emissions. Entrepreneurs can influence the evolution of new industries, policies, and institutions. Marketers will help to explain the benefits of innovative technologies for individuals' health and well-being. Operations managers will enable the supply chain reliability businesses will all be looking for. Financial analysts will help to ensure the strength and reliability of the institutions they work for. And managers of all kinds will need to take a more empathetic approach to creating meaning in jobs for their employees.

**Challenges.** The new generation entering the workforce could face multiple unprecedented [career challenges](#). The incoming workforce will be expected to move seamlessly between digital and in person collaboration and perform with greater efficiency due to the advent of digital transformation. At the same time, many of them will work remotely, and not have access to mentoring and tacit knowledge

that in-person workers take for granted. They will have not just many jobs and roles but multiple careers, perhaps even at the same time.

**Hypotheses.** Leeds could take a leadership role to provide lifelong learning and mentoring to help our students evolve their career beyond their time with us. Our opportunity is to help them learn not only to manage businesses, but to manage the “business of life” in a decade of radical change. To address this will require a careful evaluation of our current curriculum and looking to explicitly increase [the most desired](#), and most lacking, skills for the current workforce: critical thinking and analysis, problem-solving, and skills in self-management such as active learning, resilience, stress tolerance and flexibility. If there was one theme that emerged across all our discussions with managers and employers, it was that differentiating our students’ ability to be innovative, resilient, and effective communicators would not only set our students on a path to success, but also greatly enhance Leeds’ reputation and service to the business community.

**Key trends in the next decade:**

- *Hybrid Work Models:* The [hybrid work model](#), combining remote and in-person work, is becoming the norm. This model offers flexibility and work-life balance, which are increasingly important to employees. However, it also presents challenges such as supporting effective communication and collaboration, ensuring employee engagement, and investing in robust technology infrastructure.
- *AI and Automation:* AI and automation will continue to transform the workplace. By 2030, the number of global digital jobs is expected to rise to [around 92 million](#), offering higher-paid roles and helping balance skill shortages. AI can improve energy consumption, reduce emissions, and enhance productivity. However, it also necessitates significant upskilling and reskilling efforts to ensure workers can adapt to new technologies.
- *Reskilling and Upskilling:* As many as [23% of jobs](#) are expected to change in the next five years. This highlights the critical need for continuous learning and development programs. Companies will need to invest in reskilling and upskilling their workforce to bridge skills gaps and prepare for future job requirements.
- *Rise of Digital Jobs:* The [demand for digital skills is increasing](#), with digital jobs offering opportunities for economic growth and addressing skill shortages. These jobs are particularly important in higher-income countries and provide pathways for younger workers in lower-income countries.
- *Employee Well-being and Mental Health:* As the lines between work and personal life blur, especially in remote work settings, [companies are prioritizing mental health and well-being](#). Strategies include promoting work-life balance, providing mental health resources, and encouraging self-care practices to prevent burnout.
- *Corporate Social Responsibility (CSR):* Companies are increasingly expected to go beyond profit-making and contribute to societal and environmental causes. This includes engaging in sustainability efforts, community involvement, and philanthropic endeavors, [which can enhance corporate reputation and employee motivation](#)



**Next Steps**

The above represent multiple intersections where the business trends of the next decade represent opportunities and challenges for Leeds.

In the coming months, we will engage faculty, students, and staff to evaluate our current strengths and weaknesses in research, teaching, and processes given these trends. When we can identify how our current strengths match the opportunities outlined above, as well as those that appear in the future, we can refine and evolve our strategic direction. We appreciate all the engagement and help of those we've spoken with so far and look forward to an exciting conversation in the coming year.