

Business beyond 2020

 By [Danette Breitenbach](#)

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For manufacturers to stay ahead they need to think consciously about the next thing and come up with the next thing. "For manufacturers to stay ahead, they need to be innovative, creative, agile and never stop learning. They must reduce the digital divide and bring people who are not part of this new world of technology, into it."



This is according to Guy Lundy, senior client partner in Korn Ferry's Johannesburg office, leading the Consumer & Retail sector across Southern Africa, who has identified several trends that manufacturers need to take cognisance of if they are to be successful in the future.

Urbanisation

"Population growth and urbanisation are key trends as we continue to see populations moving into cities. By 2050 it is expected that Africa's population will have doubled," he says.

However, he points out that South Africa is an anomaly here as it is not expected to have a significant growth rate. "Over the last 20 years we have seen the country's growth rate collapse. This is because urbanisation, which leads to lower growth rates, continues unabated in South Africa."

The result is increased pressure on the country's cities as well as other areas, such as food supply, as people continue to move into urban areas. "People in cities do not grow food and cities destroy arable land."

Moving differently

Already there are many technologies underway, from air taxis to driverless cars, meaning that how we move in the future will be different to how we currently do.

"Already people no longer have to live and work in the same place and they don't need to be at work as much. Companies are moving out of traditional workplace strongholds and new areas of growth are springing up. Financial services companies are moving out of New York City to Salt Lake City in Utah. In South Africa, new cities such as George could emerge. Companies no longer need to be situated in cities such as Johannesburg," he says.



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How we work

How we work within this environment will also change – AI, robotics and automation will take over many of the tasks we do now, he adds. “It is not only automotive and manufacturers that will be affected – so will accountants and lawyers. There will be a shift in what people will do. Instead of becoming a lawyer, young people need to look at what else they should be doing to be productive members of society.”

Platform organisations

There is also a move from traditional organisations to platform organisations. “These are companies that do not own everything they run, for example Airbnb and Uber. Airbnb has 3,100 employees but it services 100 million guests. Amazon is also one of these, but it is massive and is the second biggest employer in the United States with 566,000 employees and 900,000 affiliates,” he explains.

He says manufacturing needs to ask itself how it can do this rather than owning everything it does.



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Consolidation

At the same time consolidation of the likes of the Anheuser-Busch InBev (AB InBev) and SABMiller merger, which now produces a third of the world's beer, will continue. “This is an irreversible trend and it means that certain roles will become redundant and the middle is going to increasingly disappear resulting in people starting their own businesses leaving us with very large organisations and very small ones,” he says.

Safer industries

Technology will make industries safer as dangerous tasks will require fewer people and people will become the monitors of the technology. “Heavy truck drivers will upskill to monitoring 10 to 15 trucks at time,” he says.

“People will also be monitored, and they will become used to that and productivity will increase. The gig economy will mean people are not employed for a lifetime but only for a few months, as long as the work is needed and then they will do something else,” he adds.



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How we play

It is important for manufacturing to look at how we will play so it knows what to make, as what we make can fundamentally

change how we play. He uses the invention of the lawnmower in 1834 as an example. "It replaced the scythe and allowed for smooth lawns which led to lawn games such as tennis and soccer."

Technology is changing how and what we play. Big wave surfing rise has been enabled by three technologies – the wetsuit, a life vest and the jet ski. "Without these three big wave surfing would not exist," he explains.

Sports is becoming more extreme and the technology driving this is the camera, he adds. "A wingsuit flyer always has a camera. There is growth in two types of sports one in which the heroes are real sportspeople and the other in which the heroes are esports people. E-sports is growing with 20,000 people watching other people play video games."

Lundy was a guest speaker at the recent Manufacturing Indaba. This is Part 2 of his presentation 'South Africa and the world beyond 2020'. [Read Part 1 here](#).

ABOUT DANETTE BREITENBACH

Danette Breitenbach is a marketing & media editor at Bizcommunity.com. Previously she freelanced in the marketing and media sector, including for Bizcommunity. She was editor and publisher of AdVantage, the publication that served the marketing, media and advertising industry in southern Africa. She has worked extensively in print media, mainly B2B. She has a Masters in Financial Journalism from Wits.

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