Thinc is turning 25 and celebrate, we looking to the future and thinking about what it might hold for our clients and society as a whole. Our team at Thinc Beyond identifies the megatrends that have the potential to be game-changers and disrupt business – for good and bad. Knowing about these trends allows us to help our clients plan for the future, position their projects for success, unlock new possibilities and transform their business. During our anniversary year, we'll focus on one megatrend each month. **This month we're looking at networking.**

understanding the THINC 25 megatrends

networked

The clock is ticking. Any day now the world's seven-billionth baby will be born. There's no denying that the world is almost unimaginably populous. Despite this, most of us feel it's getting smaller, not larger. The internet – and everything it enables – is the force that makes us feel like the world is shrinking.

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The internet has transformed the way we live, bringing the world into close range. It connects us with a seemingly infinite volume of information. It also connects us with a seemingly endless number of people. The internet, as its name suggests, has always enabled the creation of networks. And in recent years the internet's potential to help us access or create social networks – not just information networks – has taken off.

Of course, it's not the internet alone that's effected this change. The internet itself has already lived through several iterations. It's increasingly difficult to remember the internet before platforms like Facebook and Twitter, so profound has their impact been. New tools for networking now sit alongside them. Smartphones equipped with location-based apps like Tumblr, Blendr, Roamz and Foursquare take social networking to a new level. Users describe these apps as the equivalent of 'x-ray vision:' they allow them to enter a room and 'see' other users of these apps, instantly learning who else is within their virtual network.

Of course, there's much more to networking than socialising. This decade may well be remembered as the one in which networking forever changed the face of politics. The 'Occupy' movement exemplifies this. It began with an individual – and potentially isolated – act. On July 13 2011 a blog post by activist group Adbusters urged people to 'occupy Wall Street.' Social Flow, a social media marketing company who analysed the way the 'Occupy' movement spread, report that this call was subsequently re-issued in a Twitter feed by a man in Costa Rica. Weeks passed with limited circulation of the 'Occupy' message. Then, in mid-September, a New Yorker with a large local Twitter following mentioned the 'Occupy' movement and promoted the associated protests. Within days, the rate of exchange of information about the movement increased exponentially, spreading out of the blogosphere/Twittersphere and into the international media. A global movement was born.

This phenomenon perfectly captures the potential power of networking. None of

the tools used in the 'Occupy' movement were designed to be used for political purposes; not the internet, nor Twitter, nor the computers, nor the phones. They've all been 'repurposed' to allow people with common political commitments to form highly mobile, strategic alliances around a shared goal. The power of networking of this kind is immense; just ask any of the former Middle Eastern leaders who've fallen from power as a result of the use of social networking platforms for political purposes in the past year.

What then, are the implications of networking within the business arena? Clearly, there are a huge opportunities – and huge risks – associated with the rise of networking. There are numerous examples of how networking can be utilised in the professional domain, LinkedIn.com being one of the simplest. A virtual business network that has many of the hallmarks of a social networking site, LinkedIn.com's membership increased from 20 million to 100 million in the last three years. As this growth indicates, people are increasingly aware that much of their professional 'value' lies in the networks they're in and – by extension – the knowledge they can access.

While it's a truism to say that we're all participants in the knowledge economy, many businesses are lagging when it comes to recognising how large the ramifications of this are. It's believed that three million white-collar jobs will shift from the USA to India, Asia and Russia by 2015. As this statistic indicates, the world is competing for access to the best knowledge at the best price. Businesses are facing growing pressure to defend their knowledge – along with the employees who have access to it. The need to proactively manage internal networks is on the rise; employees will be harder to hold onto as professional networks become more fluid and transparent. The same issues arise in relation to client relationships; why would a client stay with a business that fails to deliver the same level of service provided by another in their network? It's something of a cliché, but there's no doubt 'emotional intelligence' (EQ) is becoming a more important quality, if not commodity. Communication skills, the ability to build relationships, make considered decisions and negotiate will increasingly make the difference between keeping and losing employees and clients.

While the rise of networking throws up some difficult issues, some companies have made real progress when it comes to harnessing its potential. The Mondragon Corporation is a notable example. Founded in Spain in 1956 with a staff of 25 people, it's grown to become a major international business with a workforce of over 83,000 employed in 256 companies working in four major areas of activity (Finance, Industry, Retail and Knowledge). As this fact suggests, Mondragon is no ordinary corporation, but rather a network of individual companies working together for mutual benefit. And the benefits of this approach have been substantial; despite the fact that Europe has experienced a sustained economic downturn in recent years, Mondragon saw its workforce grow in 2010. In this period it turned over 15 billion euro in 2010, ending the year with a profit of 178 million euro.

There are lessons for everyone in the Mondragon example. Moreover, businesses need not be locked in to a formal, fixed network in the manner of Mondragon to benefit from the potential of networking. Many businesses could potentially profit by forming short-term, strategic networks that are intended to work on a specific business problem and then disband once its completed. Notably, Toyota, Cisco and Li & Fung

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have all embraced networking of this kind in various degrees. There's growing recognition among business leaders that collaboration – with the right partners – is the key to gaining a competitive advantage.

The benefits of harnessing the power of networking are clear, particularly given that change is no longer episodic, but continuous. By forming and utilising the knowledge that can be harnessed in a 'special purpose' network, businesses can adapt to change and take advantage of opportunities in a way that traditional businesses cannot. Already, we're seeing a growing population of skilled employees – a pool of freelance networkers – who neither want nor need to have a fixed role in a single business.

While the creation of networks – whether short or long-term – clearly promises big rewards, there's no doubt that the risks associated with it are real. Given their potential to drive anti-competitive practices, businesses applying networking techniques can expect to face some level of increased regulatory scrutiny. But above all, the chief risk associated networking is almost identical to its chief advantage: businesses operating in enlarged networks will see their reputation greatly expanded, for better or for worse. And when a business makes a poor decision there will be stakeholders – active in their own networks – poised to respond. The implications of this are especially acute for those who are active in the construction and resources sector. Type 'Catherine Hill Bay' in your search engine and you'll see this phenomenon exemplified. Networking, like everything else in business, has to be handled with care.

To find out more about how you can leverage trends to help your business or project, contact the Thinc Beyond team at thincbeyond@thincprojects.com

Thinc Beyond

The time has come to provoke a new way of thinking and to challenge organisations to ask "What if?"

Thinc Beyond is the vehicle to help organisations to open their minds to the potential of new strategic opportunities. Thinc Beyond provides advice on trends and how organisations can take steps to turn this advice into action – and in turn adopt the trends that are right for you.

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