

Are we attuned to the speed of change?

We live in a world that continues to evolve. The speed of change is faster than it has ever been before. This year's contributors accepted this as the reality they face today. The fresh next best thing is coming faster than it has ever done before.

Given change has become a constant in our private and professional lives, we set out to explore for this year's Agenda whether organisations in New Zealand's primary sector are attuned to change and capitalising on the opportunities it can create.


An averagely connected person is likely to be able to detect disruption occurring that will directly impact on their business. Regardless of this many organisations struggle on how to realise the value inherent in the insights they have collected. If relevant disruption occurs outside of the markets they regularly compete in, there is a lower likelihood that a relevant disruption will be detected, analysed and interpreted by many New Zealand organisations.

At the core of the fourth industrial revolution is the fusion of digital solutions with physical attributes and biological technologies. This fusion means that innovations introduced in a business are rapidly being copied and translated in completely different markets. The most obvious area that this morphing is currently occurring is in the access or sharing models. Concepts such as Uber and AirBnB are emerging in sectors as diverse food distribution, clothing and healthcare.

The need to scan the broad horizon for ideas that could be relevant to your business is greater than it has ever been.

If you are making profits, others have an incentive to work out how they can do things quicker, cheaper or better to secure a share (or take all) of the profit you are making. Information is becoming exponentially more available, enabling organisations to react and move faster. This creates greater volatility in markets with a larger peaks and troughs than at any time in history.

Despite this, many of New Zealand's primary sector organisations are either not scanning the environment at all; or they lack the breadth and frequency of scan to detect change in a sufficiently responsive manner.



Is this a consequence of complacency?

The curse of complacency came up during a number of our discussions. Some leaders felt that while the New Zealand primary sector has a track record of success, things are not looking so great when viewed in the cold, hard light of 2016.

Our analysis in the 2015 *Agenda* indicated that much of the value growth in the primary sector over the last decade had come from commodity price shifts and productivity improvements, rather than real innovation in market-facing initiatives or deep customer understanding. This left some leaders questioning how any organisation can feel comfortable about its future in 2016.

Others argue that as 'people always need to eat', we will always have customers for the food we produce. This world view largely assumes status quo in markets. It assumes they can largely carry on as they have for many decades, immune from the disruption occurring around them. The reality is that both our customers and competitors are continuously changing, as are their needs and responses. So while it is true there will always be a market for our produce, it may not be in the premium markets that we have been used to over the years.

Doing nothing is shaping our future

There were many reasons offered as to why many organisations are not as closely connected to the speed of change as they need to be. Some contributors suggested it is in part a generational issue. Many of the current leaders in the primary sector have grown up in an analogue system and are from a demographic that struggles to come to terms with how their business might integrate and evolve in a world where digital technologies are fusing with traditional physical products. Potentially, it is a lack of confidence in what the future of a business looks like that is causing leaders to select a course of relative inactivity.

Doing nothing appears to be becoming embedded within New Zealand culture. The country is not known for taking revolutionary or counter-intuitive positions on many issues. This may be partly due to the impact that failure can have on the reputation of an individual or organisation in a small country. Given that an insular culture can encourage group think, it is critical that organisations welcome and embrace diversity. The contribution of women, millennials and minority groups will introduce new thinking and shape strategies more attuned to the future than current leaders and governors may shape on their own.

One contributor even suggested that the primary sector is potentially the second most conservative community within our society, after the clergy. Too many in the sector are comfortable to continue with strategies that have delivered in the past, and rely on past successes as their primary predictor of the future. Too many companies are doing too little to react to the changes being observed in global markets, and simply basing their assumptions on historic data. The reality is that as the world changes, the past becomes an irrelevant indicator of the future.

Plant and Food Research have recognised this need for deeper insights about markets and consumers, and their work in this area is explored in the following case study.
