

## Global Megatrends shaping our future



There's so much change happening around us these days that it's easy to forget the speed at which things are changing.

We now have more computing power in our pocket than all of [NASA had in 1969](#) to put the first man on the moon. India sent a spacecraft to Mars for less money than it took Hollywood to make the movie *Gravity*. It took Uber a mere four years to hit [\\$10 billion in gross revenue](#). And Artificial Intelligence took just [42 hours to solve the 100-year-old mystery](#) of how flatworms regenerate body parts.

This pace of change will continue to accelerate at warp speed, with more change expected in the next 15 years than in all of human history to date.

Fueled by faster technology advancements, our rapidly changing world finds us more connected and reliant on digital technologies, altering how we live, work, and socialize with one another. Uber and Airbnb are clear examples of new business models enabled by the always-connected, on-demand economy. Their success signals the beginning of the social and consumer phase of digitalization. As

more businesses emerge to serve customers through digital offerings, new technologies will rapidly transfer from the enterprise to the individual.

So how do companies stay ahead of all this change, to innovate, adapt, reinvent and engineer experiences for a future that promises to look very different from today?

While we can't know what the future will hold, we can look to the major socio-economic, demographic and technological trends occurring across the globe to help guide us: Megatrends that we believe will have a sustained, transformative impact on the world in the years ahead—on businesses, societies, economies, cultures and our personal lives.

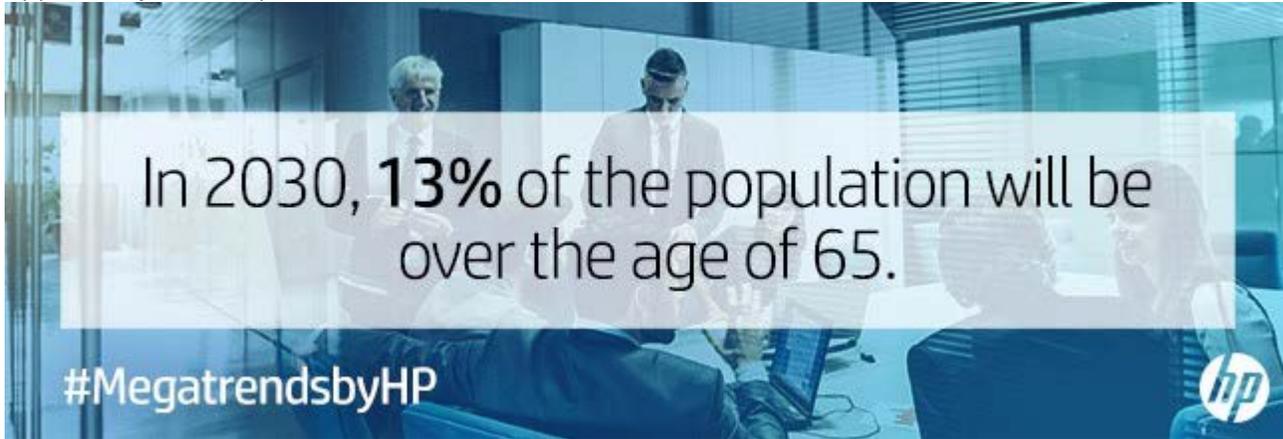
At HP, we've identified four major megatrends: Rapid Urbanization, Changing Demographics, Hyper Globalization, and Accelerated Innovation.

**Rapid Urbanization:** By 2030 there will be [8.5 billion people](#) walking the earth. They will be drawn to cities in massive numbers for the promise of a better life. Cities will become larger creating megacities. With bigger cities come major economic growth, particularly in emerging markets. According to McKinsey, by 2025, urbanization will welcome an additional [1.8 billion consumers](#) to the world economy, 95% of them in emerging markets. It will also change how we buy and consume products and services, propelling the sharing economy and convenience-based services. But such rapid urbanization will also take a toll on the environment, requiring us to find ways to reduce the strain on our natural resources and infrastructure.



**Changing Demographics:** On one hand, we have a new generation that is beginning to enter the workforce. Numbering 2.6 billion globally, Gen Z is about a quarter of the US population and will account for 40% of all consumers by 2020. According to the Department of Labor, by 2020 Gen Z will make up 36% of the global workforce. This generation has never known a world without the Internet and was raised on using five screens—a smartphone, tablet, laptop, desktop and TV—to communicate and digest information instantaneously, but are equally easily distracted. Having never

spent a day of their lives offline, they are acutely aware of the issues and global challenges happening in the world around them. Yet at the same time more countries are becoming super-aged, which means more than 20 percent of their population is over the age of 65. By 2030, we'll have twice as many people over age 65—[nearly one billion](#). This is leading to a shrinking and aging workforce and putting a strain on economies and government spending and healthcare. But an aging population also means a significant market opportunity. 'Silver spenders' as they are known have a greater purchasing power than their younger counterparts, and could represent a significant untapped opportunity for companies in the future.



**Hyper Globalization:** arguably began 2,000 years ago with the 6,000 km Silk Road that connected Eurasia. However, no one could argue that the “flattening” of the world truly sky-rocketed when the Internet was born. How and where we design, sell and manufacture products will become both hyper-global and hyper-local thanks to us now living in a globally connected world with a diverse set of local requirements. It's now easier than ever for start-ups to scale globally, and for emerging market companies to become real challengers to established multinationals, disrupting markets and business models. However, with the speed of global technology adoption also comes an increase in the supply and demand for cyber-attacks. There will be an increased emphasis on technology companies to innovate and achieve much higher degrees of trust and resilience. We need to arm our customers to navigate constant disruption, intelligently and securely in an increasingly globalized world.



**Accelerated Innovation:** The pace and breadth of innovation continues to accelerate. As new technology components mature and become commoditized, they transform into the building blocks for new breakthroughs. Emerging technology trends like Hypermobility, 3D Transformation, Internet of ALL Things, and Smart Machines will harness advancements in computing power, connectivity and immersive computing to deliver richer experiences. We will see a shift from power to intelligence-enhancing capabilities offering virtually limitless opportunities for expansion. Increasingly, material science, machine interfaces, analytics, immersive computing, efficiency and accessibility, rather than just the cost or power of components, will define the innovative products of tomorrow. This will lead to massive automation of tasks, manufacturing and our workforce. And it's not just manual tasks that are being automated—artificial intelligence and robotics are being put to work performing high-level cognitive jobs from healthcare diagnosis, to publishing and advertising, and even making investment decisions in the boardroom.



While Megatrends won't give us all the answers, they can be a beacon for where the world is headed, giving us the opportunity to adapt, chart, and reinvent our own future.

The opportunity is ours.

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