

## **The Big Shift Business Leaders Need to Prepare For**

Tossing aside 2020 as a non-starter due to COVID, 2021 starts a new decade where the world seems to be making a significant shift toward decentralization, primarily driven by advances in technology. What that means is that resources like food, currency, energy, consumerism, etc. will become more democratized and available to everyone.

A simple example of decentralization is to look at the path that data availability has taken. Prior to the year 2000, most of the available data was locked up in databases that lived in a central location and could only be accessed by specially-trained data experts. Over the next several years, new tools were created that provided access to trained business analysts who would provide reports to the business. Today, data is available everywhere to everyone, including the general public. It's become decentralized.

Agricultural farming has been a way of life for thousands of years. However, as increasing population requires more food from farming and, things like climate change impact the world's ability to farm due to droughts and the available harvestable land decreases, scientists have been working to produce genetically modified seeds that require less water.

Using new technology, scientists have found and altered the genes of corn seeds that relate to the tolerance of drought, cold, and salinity. Having genetically engineered corn seeds is beginning to solve the sociopolitical impacts of needing to farm dry lands, bringing food to countries unfortunate enough to lack the resources to have harvestable land.

Currency, or money, has been around since before history was written. And, since that time, there have been issues with bribery, corruption, and fraud surrounding the management of money by banks and governments, often impacting the middle and lower classes. Cryptocurrency, like Bitcoin, uses blockchain technology which is a decentralized, peer-to-peer system that allows users to exchange these digital units that are not controlled by any central entity. It has been praised as a game-changer for society to provide banking for those with no access to banks while eliminating corruption around the management of money.

Oil has become a critical energy resource worldwide following the industrial revolution. For many years, the Middle East controlled the majority of oil resources. Having such a vital resource controlled by a single area was risky and untenable. Over the past 25 years, oil production has spread to Russia and the U.S., however true energy decentralization is coming in the form of different types of energy, such as solar and wind farms. Over the next decade, renewable energy will become more widely used across the globe, helping to democratize energy across the world.

The decentralization of retail is probably the most impactful to everyday consumers. Big department stores, like Macy's, with several floors of clothing and household items are falling out of favor. In their place, are hundreds of thousands of online stores, the biggest of them is Amazon. Shoppers can order anytime from anywhere. Amazon shoppers can even get their purchases delivered on the same day from warehouses spread around the world. While most department stores also offer online shopping, they often still ship from a central warehouse with product delivery occurring about a week later.

Even Amazon's delivery service is becoming decentralized. In 2019, Amazon offered its employees up to \$10,000 to leave their jobs and start a delivery business for them, including leasing branded delivery

vans. This last-mile delivery service created a very distributed distribution system and cuts their ties and their dependencies with traditional logistics companies like UPS and the postal service.

[Homo Deus book quote?]

[We are moving from nature to god to humanity being the authority. Now moving toward data becoming the authority/religion. Communist vs capitalism = centralized vs distributed. Democratic environment can deliver distributed and capitalism is a good friend of democracy. Whereas communism knows your needs and I will provide for you so just go work. Communism model did not work very well and had its own limitations.]

For years, civilizations have gone back and forth between centralized and decentralized. Progress has not been a straight line forward. In Roman history, when systems were more centralized, there was a dictator in charge and things got done quicker but it also [why it didn't work]. Over time, it shifted back to a more democratic style. As society moves forward, systems will continue to swing back and forth between centralized and decentralized. Becoming truly decentralized is tricky to get right, but, if it's done right, it's a much better system than a centralized system.

So what does all of this mean? Decentralized systems provide greater access to resources to more people around the world, not just to a few or those of privilege. Distributed and decentralized systems make the world a fairer and better place. Over the next ten years, there will continue to be more and more systems moving toward a decentralized model and this has already been kick started by the COVID pandemic.

Business leaders need to look at where their company sits on the centralization spectrum today and to see what it would take to move toward a more decentralized model. That might be to hire more globally and let employees work remotely. It may mean taking a look at [Logistics? Consumer preferences?]. The decentralization train has left the station. It's best to get on board quickly or risk being left behind.