

Iteto: Digital Disruption Accelerates in the Nordics

Written by Marco Attard
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Nordics executives expect more radical digital disruption in the future, the Future Perspectives study reveals-- 7 out of 10 believe their current business model will be obsolete in the next 5 years, if not earlier.



Conducted by Kairos Future on behalf of Tieto, the study involves 500 executives from a wide range of industries across Finland, Sweden and Norway. It shows 69% of Nordic leaders estimate the rate of disruption will accelerate in the next 5 years, with 74% foreseeing disruption coming from outside their industry. The main driver of such disruption? Tech startups.

The survey respondents point out financial services, media, and retail and wholesale industries as the most heavily disrupted by tech players. Sweden sees the most disruption (at least according to 51% of execs), followed by Norway (38%) and Finland (34%). Media, retail and healthcare are anticipated to have the shortest business model lifespans, with a life of 3 years before becoming obsolete.

"Across the board, executives agree on one prediction: current business models now have shorter lifespans," Tieto says. "Accordingly, the majority-- more than 80%-- believe their value chain will change drastically, and seven out of ten believe that their current business model will be obsolete in just a few years. As digital disruption is the new normal, Nordic executives should focus on what business opportunities emerging technologies present."

Tieto identifies a so-called "Valley of Opportunity-- under-utilised opportunity domains with huge potential, especially as businesses and industries continue to digitalise. These include virtual reality, real-time retail, e-learning and smart health monitoring. For instance, only 18% of execs interested in health monitoring actually show high interest in investing in the area.

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Additionally, a greater amount of Finnish execs (24%) pursue competitive advantages from selected opportunity, at least compared to their Norwegian (18%) and Swedish (17%) colleagues.

"Nordic executives appear to strongly emphasize the importance of people and how they are led in achieving success in new business opportunities," Tieto concludes. "Indeed, around half of executives consider culture and leadership as the most important factors supporting these changes-- a number considerably higher than, for example, the little over one fifth of executives considering technology and processes as the most important."

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