Reconcilling strategic drift in the exponential AI age

How will organisations reconcille strategic drift in the exponential AI age?

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Recognition

The rapid growth of AI and technology is leading us into what is termed the Exponential Age which suggests that, by 2030, the rate of advancement is such that traditional societal, workforce and economic frameworks will be outpaced and no longer be applicable.

Given these factors, it's important to define the concept of the economic singularity as the point rapidly upon us where such technological advances, particularly in artificial intelligence (AI) and automation, lead to such rapid and profound changes in the economy that entire traditional economic structures and models become entirely obsolete. Attention to Strategic drift, for organisations therefore, is no longer about charting trajectory to reconcille to or get ahead of evolving external environments, but a matter of recognising the need for a fundamental adaption or reimagination of the 'organisation' to fit in an entirely different or new environment; or face rapid and self induced cancellation.

Why economic singularity?

An economic singularity is upon us as the automation of Jobs, AI in financial markets, healthcare and education, legal services, transportation, agriculture, content creation, Government and policy, consumer behaviour analysis, production creation and provision, as well as AI's role in Digital strategy, research and organisational intelligence, are a small array of illustrations on how AI will affect economies.
Given this, even the contemporary notion of strategic drift and activities organisations conduct to achieve strategic fit, to an environment, is challenged as the environment itself may longer exist in it's normative form.
For these reasons, where organisational evolution is certainly the about recognising the exponential age and driving changes in required skill sets, with a growing emphasis on AI, data science, and machine learning, it is also about understanding the role of crypto as the bridge between today's idea obselete economic structures and caving out a pasture or the new environment itself in tomorrow's exponential age.

Thus, where traditional jobs and industries, and economic models are fundamentally transformed, adapted &\or will no longer exist, this immediate period ahead of us will be increasingly littered with stories of institutions failing to embrace these changes and rapidly becoming irrelevant through inward-centred thinking.
Conversely, there will also incredible and profound stories of those emergent organisation success stories, detailing transformative adaption and AI enabled self-empowerment; along with those new, start again or reborn organisations creating a haven of new environment opportunity.

Where to from here?

The balance of this paper sets out some areas already undergoing transformation and then puts forward notions for rethinking strategic drift.

Automation

The pace and scale of these changes is leading to unprecedented economic and social challenges, requiring new approaches to policy, regulation, and societal adaptation.

As an example, a 2023 report by McKinsey predicts that automation will displace 400 to 800 million jobs globally by 2030. The World Economic Forum also estimate that AI and robotics will create 97 million new jobs by 2025, while displacing 85 million.
Given rapid adoption of AI in industries like manufacturing and customer service indicates job displacement is accelerating, if current trends continue, we will see widespread automation, and the associated upheaval this will bring, through and by the early 2030s.

AI in Financial Markets

Compounding such upheaval, when it comes to the validity of financial markets, algorithmic trading now accounts for approximately **60**-**70**% of all trading volume in the U.S. equity markets. Indeed, AI-driven hedge funds have seen annual returns **2**-**3**% higher than traditional fund management over the last decade.
These factors are such that the dominance of AI in financial markets is already evident, and as these systems become more sophisticated, they will significantly reshape global markets by 2030.

AI in Healthcare

AI in healthcare is projected to grow at a CAGR of **46.2**%, reaching $**45.2** billion by 2026.

In terms of notable use-case examples for this, AI systems like IBM's Watson are reported to diagnose cancer with up to 93% accuracy, compared to 91% for human doctors.

Given these factors, it's clear thatThe rapid growth of AI in healthcare, coupled with its increasing accuracy in diagnostics, suggests a major transformation in healthcare delivery within the next 5-10 years.

AI In Education

The global AI in education market is expected to grow at a CAGR of **40**% from 2021 to 2027. Adaptive learning technologies, delivered through a major pivot for societies (who seek to adapt), from the wastage and societal degeneration effects of Victorian revolution mass-delivery into experiential learning (viaTriple Loop Learning), will increase student outcomes by **30**% according to a report by the Bill & Melinda Gates Foundation.

To that extent, New Zealand has an edge with NCEA, a transformative education framework that justifies experiential learning enabled by AI technologies. However, urgent eco-system development and connectivity - between all actor-entities in the system, with industry-involvement in learning-constructs and rapid modernisation of educator training, incentives and funding are to required to realise the potential of NCEA.

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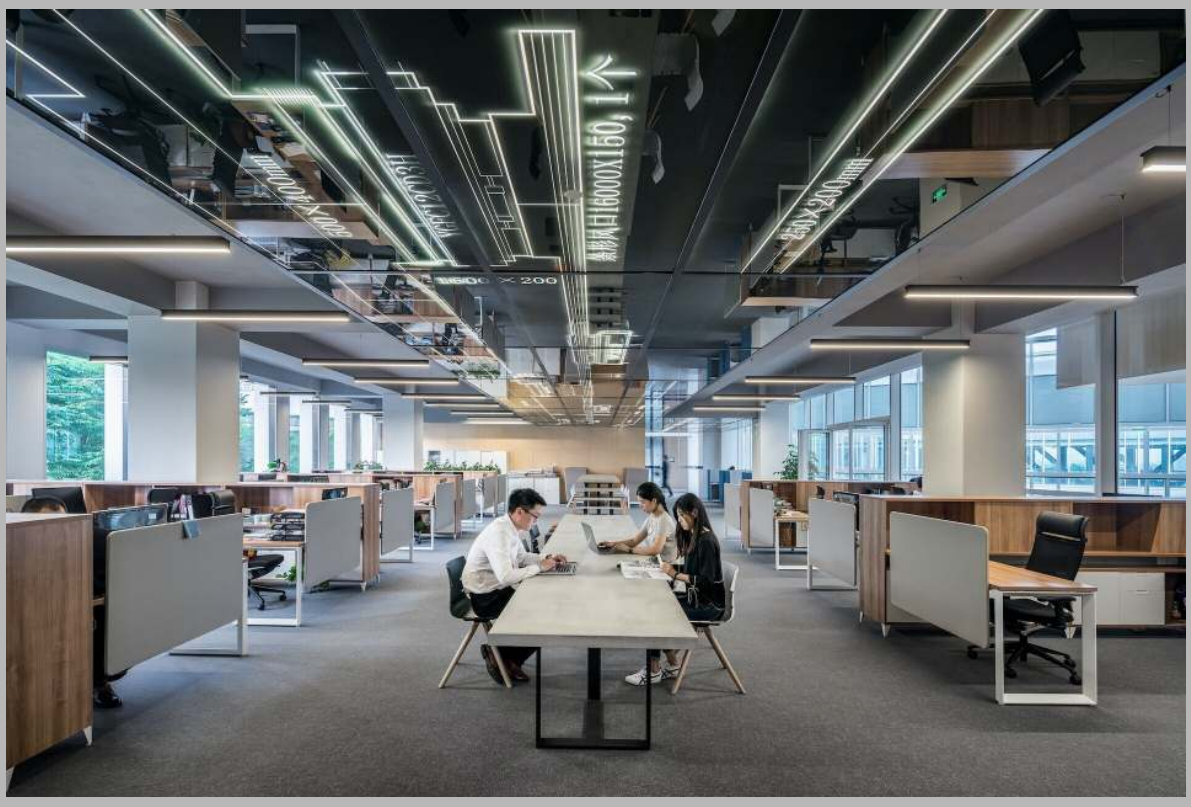
Thus, the incentivised and fast-paced adoption of AI in education, where success will be deprived from how education directly occurs to connect to and regenerate communities and societies, will lead to significant changes in how education is delivered; yet only by those societies seeking to adapt in the exponential age - and by 2030 (particularly in developing countries not constrained by legacy education paradigms and defenders of the status quo).

AI in Legal Services

When we look at AI in the legal market, growth is expected to reach **$1.89** billion by 2028, growing at a CAGR of **29.9**%. Indeed, even today's AI-driven legal tools, can analyse documents 100 times faster than humans with **95**% accuracy. This disruption by AI, particularly in as-a-service legal advice, document review and self-service litigation prediction, will lead to widespread societal and commercial impacts expected by the late 2020s.



AI in Transportation

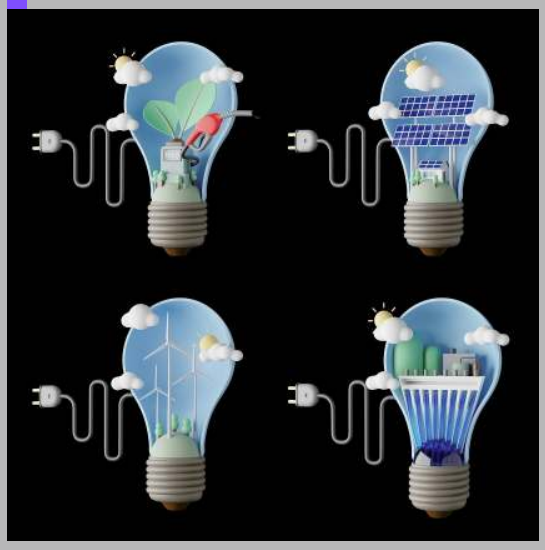
The global market for autonomous vehicles is projected to reach $**556.67** billion by 2026, growing at a CAGR of **39.47**%. Autonomous trucks could reduce operational costs by **45**% in the logistics industry where, with a shift towards de-centralised societies and deglobalisation, represents a major shift in transportation and logistics expected by the mid-2030s.

AI in Agriculture

Simmilarly, in drawing on the de-centralised societies approach, AI in agriculture is expected to grow at a CAGR of **25.5**%, reaching $**4.5** billion by 2026. Precision farming techniques can increase crop yields, and anticipated to represent major transformations by 2030, by **30**% and reduce input costs by **20**% that feed and service smaller decentralised communities as opposed to mass-market provision with the same margin-bands.

AI in Content Creation

The global market for AI in content creation is projected to reach $**1.5** billion by 2025, growing at a CAGR of **27**%. This is Where the credibility of legacy media has been questioned and expiry date well and truly passed, the growth of AI content creation and automated journalism systems can produce news articles 10 times faster than human journalists – fundamentally disrupting design and creative industries even further by by the early 2030s.



AI in Energy Management

The global smart grid market is expected to reach $92.97 billion by 2027, growing at a CAGR of 19.8%. In that regard, decentralised AI-driven energy management systems can reduce energy consumption by up to 30% and is increasingly integrated into energy management, and de-centralised widespread adoption are likely lead to significant changes in energy infrastructure by 2030 (unless governments persist with centralisation approaches will).

AI in Government, Policy, Public Sector Workforce & Modern Union-ism

AI in government is expected to grow at a CAGR of 35.7%, reaching $6.5 billion by 2025.
Part of this is because AI-driven tools (inc. Policy tools) can transform and analyse data 100 times faster than traditional methods. In the context of AI and the exponential age, the public sector workforce is, accordingly, experiencing profound changes, marked by the need for new thinking traits, skill sets and the reshaping of job roles.

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As AI automates routine and repetitive tasks, public sector employees are increasingly required to focus on more complex, analytical, and creative work.
This shift necessitates continuous and rapid upskilling and reskilling, and the manner in which this is consumed or provided, with a growing emphasis on as-a-service digital literacy, data analysis, and AI credentialling or qualifications; delivered at desk, on-demand, with consumption IT affordability and waving good bye to those ineffective, hard to arrange, risky, costly, no mass-delivery instructional courses.

Public sector roles are, rapidly, evolving to include greater collaboration with AI systems, where human workers leverage AI tools to enhance sense and decision-making, to improve service delivery, and address societal challenges with greater efficiency, investment-precision and impact (thereby reducing the wastage and societal impact of large-spend up programmes devoid of rationale or evidence).

In response to these changes, Unions supporting the public sector workforce are also adapting to the realities of the exponential age. Unions are playing a critical role in advocating for fair labour practices in an AI-driven environment, ensuring that the benefits of automation are shared to transform workers lives, therefore enabled by priority agreements not solely on pay or conditions, but inclusive of as-a-service new-skill development programmes. This is re-shaping the purpose and perception of Unions as an enabling body; increasingly focused on co-construction with enterprises in aligning the negotiated the terms of AI integration, such as job security, retraining programs, and ethical AI use to the enterprise outcomes to ensure exponential age participation; in avoidance of demise.

This transformation of Unionism, and the role they play, means Unions are helping to shape enterprise policies that protect the enterprise as much as the workers' rights in a rapidly changing landscape, emphasising the need for a balanced approach that promotes enterprise and workforce innovation while safeguarding the welfare of public sector employees. As the public sector workforce navigates the challenges and opportunities of the exponential age, Unions cave out their own future, remaining essential in ensuring that this transition is both modern, yet just and inclusive.

AI in Consumer Behavior Analysis

The global AI in retail market is projected to reach $**24.1** billion by 2028, growing at a CAGR of **29.9**%. Predictive analytics will, barring increase sales by **20**% and reduce customer churn by **15**%. The rapid adoption of AI in retail and consumer behavior analysis suggests significant changes in consumer markets by the late 2020s.

AI in Research and Developmen

AI in R&D is expected to grow at a CAGR of **32.7**%, reaching $22.6 billion by 2026.

This is important as where AI systems can dramatically reduce R&D timelines by **50**%, accelerating innovation cycles, the integration of AI in research and development will foster faster innovation and shorter product lifecycles - where by the early 2030 this will have a fundamental impact on societal and economic trajectories.

AI in Digital Strategy

Thus, in order to discuss strategic drift in context of helping organisations adapt to organisations the exponential age, the role of AI in next-generation Digital Strategy defines itself by fundamental differences to the traditional Digital Strategy over last decades.

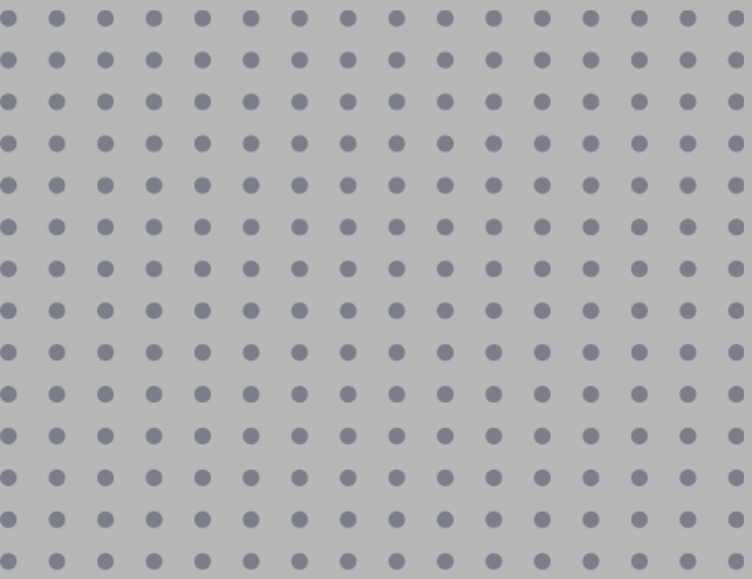
Thus, the integration of AI in digital strategy and IT (including managed support) is transforming industry & organisation responsiveness from reactive to proactive and counter-anticipatory standpoint; with AI-driven predictive analytics establishing front line and personalised digital services on demand; also reducing speed-to market or utilisation, downtime and enhancing system reliability.

Automation and AI are centralising routine tasks, allowing human resources to focus on strategic innovation and operational transformation. Additionally, AI enables real-time, data-driven decision-making, personalised use or customer experiences, and advanced cybersecurity measures, all of which contribute to more agile, scalable, AI-fixed and flexible IT solutions with little human intervention.

This evolution is also driving changes in required skill sets, with a growing emphasis on soft-skills needs analysis, engagement through to AI, data science, and machine learning.

Given this, the concept of IT managed support is becoming increasingly de-centralised, de-globalised and remote, thanks to AI and cloud technologies

In shifting issue resolution to software and AI, human-outcomes and ethical AI use are offering that elusive value and importance in now human-anchored digital strategies; finally displacing the myth that Digital and IT is primarily about technology.
Overall, AI is enabling organisations and managed support providers to shift from "break fix" into innovating, contributing to new forms of organisational and business growth, often through the productisation of assets and IP - adding new strengths to organisation services and value to customers/end users; essential remain relevant in the rapidly advancing exponential age.



Recognising a new strategic drift

The data indicates that AI is rapidly advancing across multiple sectors, with significant economic and societal impacts expected within the next 10-15 years. The impacts are such that all bets are off as we have a 20th century economy running on a crippled system with defective assets in comparison.

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This is occurring because developed countries are experiencing a decline in population growth, which poses challenges in maintaining productivity growth.
Technology plays a crucial role in driving productivity, compensating for the slowing population growth. For instance, the US has seen its GDP trend rate fall from 4% to 1.75% due to degenerative social and economic policy meeting rapidly declining population growth. Illegal immigration has also contributed to social upheaval and a sense of unsafety in USA society.

China's population decline also began in 2022. In changing the face of available exportable markets, their aging population, low birth rates due to decades of the one-child policy and control, and economic factors are contributing factors.
Thus, Global population decline, particularly in countries like US, China, Japan, Russia, and parts of Europe, where fertility rates have fallen significantly below replacement levels, is rapidly reshaping economic dynamics worldwide. Neither the Military nor Medical industrial complex will fill the void.

As populations age and workforce numbers dwindle, nations are facing slower economic growth, increased pressure on social services, and potential shifts in global power structures. This demographic trend is accelerating the push toward an economic singularity—a point where technological advancements, particularly in artificial intelligence (AI), become the primary drivers of organisational relevance, productivity, social license and economic value.
With fewer workers available, and systems built on legacy education models, AI and automation are increasingly being leveraged to maintain, mask-over and even boost economic output, leading to a deeper integration of AI into every aspect of society. This linkage between population decline and AI adoption is a critical contributing factor for all environmental and, consequently, all organisational affairs;
A failure or lack of attention to these infused charecteristics, approaching the economic singularity, is a guarentee of absolute strategic drift (demise). Or, if attended to and alternately, the emergent feedback loop, where the need to offset labor shortages accelerates adaption to AI development, further embedding technology as the cornerstone of future proofed organisations, workforces, communities, societies and economies. It's that simple.

Debt Growth and Economic Challenges

Thus, from an economic standpoint, since 2008, debt growth has stalled, leading to significant economic challenges worldwide and lots of fool hardy money printing.
With an alarm bell ringing, raising concerns on the future or deterioration of Fiat money system, continuous bad policy and currency debasement is the often the silent, yet problematic response used to ignore deteriorating affects of inflation applied upon a degrading population-based GDP. Such system degradation is occurring to pay and manage debt payments, highlighting the need for transformative and innovative economic strategies, yet, are only being responded to with even worse approaches; visa vie digital substitutes through CDBC's and the deepening social disadvantage this entrenches. It is notable, savvy nations are looking in the crypto direction.

Indeed, with **8**% debasement rate per year, plus a **3**% compounding annual inflation rate (the invisible tax on top of numerous other consumption-taxes), resulting in an **11**%+ hurdle rate on investments – the worth of people's time, efforts and contribution to society continues to devalue human existence. It is unsurprising that birth rates decline even further. Enter stage right crypto currencies!

As a result of these factors, we transitioning into a world where AI and robotics are increasingly replace human labour, broadening significant changes in the job market and economic structures. This shift necessitates adaptation and investment in new technologies to stay competitive and relevant.
To service the sheer volume of technological compute and processing, in this new world, renewable energy is essential in reducing electricity costs and driving productivity. Europe and China are leading the charge in adopting renewable energy sources, setting an example for the rest of the world.

Where the proposition for renewable is strong and where cost of renewable energy has decreased by **99**% over the last 20 years, making it a viable option for driving productivity, the political, often ideological, fear-based penalisation and control methods to educating the masses on the value proposition is totally wrong; many will get washed up and left by the wayside in failing to recognise to this deficit. This is because fear does not drive adoption and renewable technologies, at present, do not scale.

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Thus, to achieve scale and adoption, instead of cornering reducing population societies into centralised areas, around mass or dense renewable energy centres, distributing societies into and around decentralised smaller renewable hubs; indeed providing innovation around more off grid provision for businesses, organisations and homes is the key to adoption, dispersed innovation, societal betterment, inclusion and reduced energy consumption cost. Control and centralisation doesn't fit with the exponential age.

Emergent environment

Automation and AI, without adaption, will render large portions of the workforce obsolete or needing to adapt, but outpaced by the latency to do so. This will lead to significant economic and social challenges. AI will accelerate innovation to the point where traditional organisational paradigms and business models cannot keep up, leading to constant disruption and the need for new workforce, strategic, operational and economic paradigms.

Drawing on references to Orwell and 1984, AI-driven efficiencies, without checks and balances, can concentrate wealth in the hands of those who control the technology, exacerbating economic inequalities and control paradigms. COVID, and the approach to this, is barely a trailor for what this could lead to if not managed
This transition will be less over time, more of a fast and siemic shift in workforce and labour market construction. Indeed, the infusion of mass transformation and convergence of these technologies will lead to an economic singularity as early as the mid-2030s, where traditional economic models, job structures, and industries may no longer be recognisable or viable.

The Crypto Conduit

Cryptocurrency, therefore, plays a pivotal role as a conduit between today's society and a society in the exponential age by acting as a bridge to a decentralised, transparent, and highly efficient financial ecosystem.

In today's world, traditional 20th century financial systems are often seen as slow, opaque, and restricted by intermediaries. Cryptocurrencies, with their decentralised nature, challenge these norms by enabling peer-to-peer transactions, reducing the need for interference and intermediaries, and providing faster, more cost-effective financial services. This shift not only democratises access to financial tools, but also bridges paradigms and paves the way for a more inclusive global economy, where individuals and organisations have greater control over their assets and transactions.

As we move further into the exponential age, characterised by rapid technological advancements and digital transformation, cryptocurrency is poised to become an integral part of this new era - as the bridging mechanism between paradigms. Its underlying blockchain technology offers unprecedented transparency, security, and scalability, making it ideal for a wide range of applications today and beyond just finance, such as supply chain management, digital identity verification, and smart contracts. By fostering innovation and enabling new economic models, cryptocurrency is helping to reshape societal structures, driving us towards a future where digital assets and decentralised systems play a central role in the global economy

Reconcilling is recognising

Avoidance of strategic drift no longer is about adaption to traditional external environment constructs. To reconcile strategic drift means adaption to the exponential age and the approaching economic singularity itself – this means the need to navigate the re-imaginged organisating into an uncharted external environment.
To achieve this, and plot a course, traditional organisations must undergo significant phases of “recognition” in order to realise the construct for transformation.
First, they must embrace culture change to recognise and apply the context for digital transformation, often abruptly and in a sizable way, by integrating advanced technologies such as artificial intelligence (AI), automation, and big data analytics into their core operations to enhance efficiency, sense and decision-making.
Organizations must also prioritise benchmarking and upskilling their workforce, focusing on developing digital literacy and AI-related competencies, at the least, to ensure employees can embrace and work alongside new technologies – in order to change the construct of the organisation to operate in an evolving external environment.

Traditional planning cycles (annual or otherwise) are as redundant as the often retrospective strategic "intelligence" control and operations systems calcified around them. Agile, Kanban and flexible business models are essential.

Investment in enabling organisations to be geared to quickly respond to rapid technological advancements and market changes – are vital. Additionally, fostering a culture of innovation and continuous learning, with the basic-adaptive methodologies, will help those organisations stay relevant, competitive and adaptable in a rapidly evolving landscape. Finally, organisations must break and rethink traditional hierarchies (even toss them in the bin) and adopt decentralised structures, front-line geared, to empower a throughput of decision-making at all levels, ensuring they can see and keep pace with the accelerated demands of the exponential age.

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