Europe is bound by an enormous number of outdated regulations and systems. New environmental, economic, social and political developments have challenged these systems forcing Europe to rethink strategies for the future. With the new growth strategy ‘Europe 2020’ the European Union is re-enforcing its commitment to becoming a smart, sustainable and inclusive economy. This insight examines these developments along with other external factors through a Mega Trend lens and also highlights macro to micro implications on businesses and the society.

60 PERCENT OF COMPANIES WILL NOT SEE A TEN YEAR ANNIVERSARY

Our clients understand that effective Mega Trend planning supports long term sustainable growth and drives a culture of innovation.

This acts as a form of insurance policy against future disruptive events that could impact growth both positively and negatively.

TAKE ACTION TODAY IF

- YOU ARE HAVING DIFFICULTY FINDING WHITE SPACE GROWTH IN EUROPE
- YOUR INDUSTRY IS FUNDAMENTALLY CHANGING DUE TO CONVERGENCES IN EUROPE
- NEW BUSINESS MODELS EVADE YOU BUT NOT OTHERS
- YOU HAVE NO EUROPE SPECIFIC PLAN BEYOND 3 OR 5 YEARS
- YOU HAVE A SUB OPTIMAL INNOVATION PIPELINE
- YOU HAVE NO PLAN FOR THE CHANGING FACE OF EUROPE
TOP 10 FACTS ON FUTURE OF EUROPE

Key trends span across the financial services sector, social forces, data and technology shifts, global economic policies, and business models.

1. **EUROPE WILL ENTER THE COGNITIVE ERA**
   European cities such as Berlin and London could become the Mecca for AI hubs.

2. **EUROPE WILL SPARK THE FIRST FINTECH REVOLUTION**
   Nearly 30% of total transactions will be cashless by 2020.

3. **BLOCKCHAIN**
   This will become Europe’s ledger for Machine-to-Machine (M2M) transactions.

4. **DIGITAL SINGLE MARKET**
   Up to $464.8 billion (€415 billion) additional GDP will be availed.

5. **FUTURE CLASH OF DATA POLICIES: UNITED STATES VS. EUROPE**
   Streamlined approach to data policies in Europe could disrupt data value.

6. **WORLD AGREES WITH EUROPE**
   The TTIP deal will result in a GDP increase of $240.8 billion (€215 billion) in 2027.

7. **EUROPE TO CATALYSE INDUSTRY 4.0**
   Europe will reindustrialise with smart factories and intelligent systems.

8. **B2B NEXT FRONTIER IN SHARING ECONOMY**
   $18 billion sharing economy for grabs in peer-to-peer enterprise sharing.

9. **WOMEN STRATEGISE BUSINESSES**
   Over 40% representation in European boards expected by 2025.

10. **SMART CITIES**
    Europe will have the largest number of smart city project investments.
### Key Trends

<table>
<thead>
<tr>
<th>Physical Assets</th>
<th>Operations</th>
<th>Work Space</th>
<th>Personnel Resources</th>
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<tbody>
<tr>
<td>Heavy up-front CAPEX expenditures can be avoided and turned into OPEX costs.</td>
<td>Outsourced expertise can be integrated as needed for faster go-to-market capabilities.</td>
<td>Lower cost and flexible workspaces provide scalability and accessibility.</td>
<td>Employee numbers can be scaled up and down as needed to meet fluctuating demand.</td>
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#### Education
Women gaining majority of higher education awards

#### Leadership
A third of decision making roles and rising

#### Earnings
Rise in seniority driving pay levels up

#### Entrepreneurship
Female business owners growing faster than men

#### Affluence
Women control 60% of global wealth

#### Political Representation
Greater respect and power

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#### Smart Cities, Europe, 2025

- By 2018, Europe is expected to witness five-fold growth in installed base of smart meters. Europe will experience a growth rate of 20%-25% in the smart grid market in the next 3 years.

- Smart technology is set to fuel double-digit growth in the European HEMS and BEMS markets by 2018. Smart Building Technology segment is expected to have the highest growth rate with spending reaching around $17.4 billion.

- European Commission to invest €200m in Smart Cities in the next two years. According to ERDF regulation around $16 billion funds is to be invested annually towards development of smart city through 2014-2020.

- New wireless network and automation technologies like Z-Wave, Insteon, and many more are expected to be the emerging technological trends in the smart cities market.
ONE SINGLE DIGITAL EUROPE

NON-CASH TRANSACTIONS, EUROPE (IN BILLIONS), 2012-2020

CAGR 7.6%

SHARE OF NON-CASH TRANSACTIONS, EUROPE

Alternate Payment Methods
Debit and Credit Cards
Cheques
Credit transfers and direct debits

£250 BILLION GROWTH
Digital Single Market for Goods and Services
- Reducing VAT
- Cross-border Logistics
- Single law for economic trading across EU
- Tax planning by corporates will be minimised

£415 BILLION GROWTH
Digital Market Infrastructure
- Strong European data protection rules
- Rolling out fast broadband for all

100,000 JOBS
Digital Single Economy and Society
- Digital Cloud for all
- Digital by default
- Extensive use of Big Data analytics
- Faster online boarding for payments and transactions with universal IDs

Alternate Payment Methods
Cheques
Credit transfers and direct debits

Share of cash transactions in retail

76%
69%
62%
European negotiators are aiming to finalize a trade pact with the United States by end of 2016.

Launched in November 2011, by the end of October 2015, negotiators from the EU and US concluded the 11th round of discussions.

The TTIP agreement will bring significant economic gains for the EU $134.4 billion (€120 billion) and the United States $106.4 billion (€95 billion).

EU exports to the United States will increase by 28%, valued at $209.4 billion (€187 billion). EU imports from the United States will also increase by $178.08 billion (€159 billion).

The agreement will result in an increase of $112 billion (€100 billion). OECD countries will gain $40.32 billion (€36 billion) collectively, while developing nation partners will gain approximately $2.68 billion (€2.4 billion).

### Status of TTIP

The TTIP agreement will result in an increase of $112 billion (€100 billion). OECD countries will gain $40.32 billion (€36 billion) collectively, while developing nation partners will gain approximately $2.68 billion (€2.4 billion).
Schedule a Growth Strategy Dialog with our Global Team to discuss your strategic growth development, learn from the companies performing best practices and discover growth opportunities impacting your company.

Our Growth Partnership programme integrates everything we do into a continuous and renewable flow of research, vision, strategy, implementation and learning that will help your company develop actionable transformational growth strategies that allow you to survive and thrive in an unpredictable future.

Integrate our Growth Consulting team into your growth pipeline projects, using our proprietary tools and expertise support clients through all five phases of the growth cycle: From developing a pipeline of growth opportunities to evaluating and prioritizing those opportunities to formulating and implementing go-to-market strategies to ongoing monitoring.

Participate at a Growth, Innovation and Leadership Event near you: speak, sponsor, participate... Our GIL events offer a powerful learning environment that integrates collaborative think tanks, networking, visionary innovation, and inspirational leadership. Each event is designed to help our clients be fully prepared for a future of disruption, collapse and transformational growth. Learn more about our Events participation here.

GAIN A COMPETITIVE EDGE AND IMPROVE YOUR ROI

NEXT STEPS

GET INVOLVED

SURVIVE AND THRIVE IN AN UNPREDICTABLE FUTURE

GROWTH STRATEGY DIALOG

UPCOMING ANALYSIS TO BE INCLUDED IN THE SUBSCRIPTION IN 2016

UNBUNDLING OF SUPPLY CHAIN
FINTECH REVOLUTION
WOMEN TO DRIVE THE BUSINESS WORLD
FUTURE OF EUROPE
FUTURE OF WORK
“Interesting to see Frost & Sullivan’s view on upcoming Mega Trends and how they got there, finally someone who has a solid idea where we need to go.”

“Real and tangible trends with a logical story backing them up, brilliant presentation.”

“Really value the thought leadership and insights on socioeconomic macro trends to assess the implications for business and technology. I will be connecting with Frost & Sullivan again.”

“Frost & Sullivan ran a one-day strategy workshop with Procter & Gamble to help our New Business Creation teams to understand the developing personal mobility market. The workshop consisted of Frost & Sullivan professionals presenting and informing us of the evolving opportunities across the industry value chain and then facilitating group plenary sessions to explore potential opportunities in this market. We found the information provided very insightful, strategic and tailored to our needs and appreciated the facilitation skills and tools used in the workshop, which helped us achieve our goals. We plan to be engaging with Frost & Sullivan in the future on other areas of interest.”
About Frost & Sullivan

Frost & Sullivan, the Growth Partnership Company, works in collaboration with clients to leverage visionary innovation that addresses the global challenges and related growth opportunities that will make or break today’s market participants. For more than 50 years, we have been developing growth strategies for the Global 1000, emerging businesses, the public sector and the investment community. Is your organisation prepared for the next profound wave of industry convergence, disruptive technologies, increasing competitive intensity, Mega Trends, breakthrough best practices, changing customer dynamics and emerging economies?

Contact us to start a discussion.