

BUSINESS SWEDEN

POWERED UP!

GLOBAL IT FOR TODAY, TOMORROW AND THE FUTURE

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Digitalisation is the backbone of today's society. IT is powering industry transformation, smart cities and everyday connectivity, and the industry itself is heavily reliant on robust infrastructure, innovation and investment. But while the change feels swift and all encompassing, the reality is that we are just at the tipping point of a full 'revolution'.

Mirroring the manufacturing industry's progression towards mass-production, the IT sector's technology and infrastructure preconditions are in place for an imminent revolution. A key market indicator is that IT factories, owned by the global IT giants, still only have a modest market share but are growing at a ferocious pace in an otherwise mature and established part of the IT market. These factories show signs of standardisation, volume and production processes comparable to the mass-production factories of the second industrial revolution.

On the eve of an imminent global digital revolution, we explore what opportunities, challenges and growth opportunities lie ahead. Swedish solutions are already playing a critical role and are projected to play a defining role in the future for individuals, industry and society.

INNOVATE TO SURVIVE

STRATEGIC DIGITAL INNOVATION

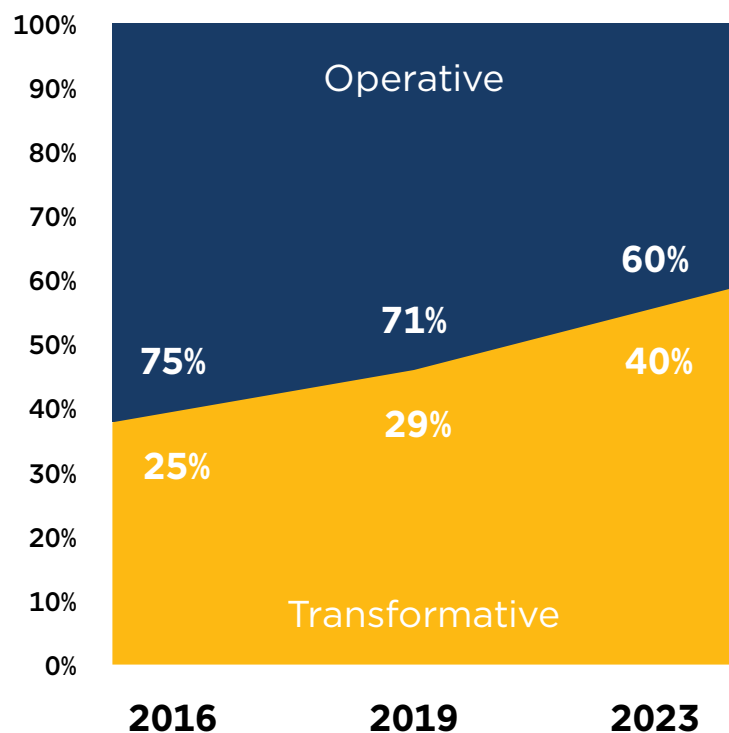
Innovation is more than a buzz word, it's a reality that companies across all sectors and industries are facing. Digitalisation continues its rapid advance across all business and social interactions. From core business processes to complete new market segments and industries, digitalisation touches every aspect of our world. Innovative approaches and solutions are rapidly advanced if they work, and quickly discarded if not.

A new world order means a new approach to financing innovation and Swedish companies have been some of the first to shift budget spend to transformative development.

THE FUTURE: Spend on transformative IT will increase, supporting swift development and testing of new ideas and platforms while operative IT will need to become more efficient and more agile to keep up with evolving business needs.*

*According to a recent study by IT analyst firm Radar, Internet of Things (IoT), blockchain and artificial intelligence will be the key drivers of disruption in the next five years.

SWEDISH IT BUDGET DISTRIBUTION



CREATE THE FUTURE

INDUSTRY GROWTH POTENTIAL

Projected growth across all parts of Swedish public and private sectors will demand future-proof IT innovation. As a digitally open society, with steady growth and a stable economy, Sweden is seen as the perfect test-bed for future global solutions. From data warehousing and big data to preventative medicine and intelligent automisation, Swedish industry is the forerunner in new ways of working.

Sweden will be able to support the sustainable growth of data volumes and internet traffic thanks to 97% carbon-free energy and state-of-the-art data centres.

THE FUTURE: Industry growth will be realised by innovation and investment in sustainable, future-proof solutions. Bringing CIOs into the boardroom will shift mindsets and propel change. IT investment will directly impact the future of individual industries and market segments.

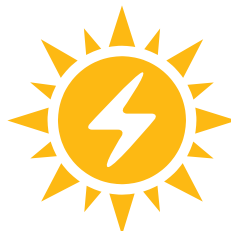
ESTIMATED MARKET VALUE OF FUTURE DIGITAL INVESTMENTS IN SWEDISH INDUSTRY (2017)



Local and Central Government
SEK 33.5B



Healthcare
SEK 22.8B



Energy, Utilities and Natural Resources
SEK 9B



Manufacturing and Automotive
SEK 21.1B



Communications and Technology
SEK 16.5B

OUT WITH THE OLD

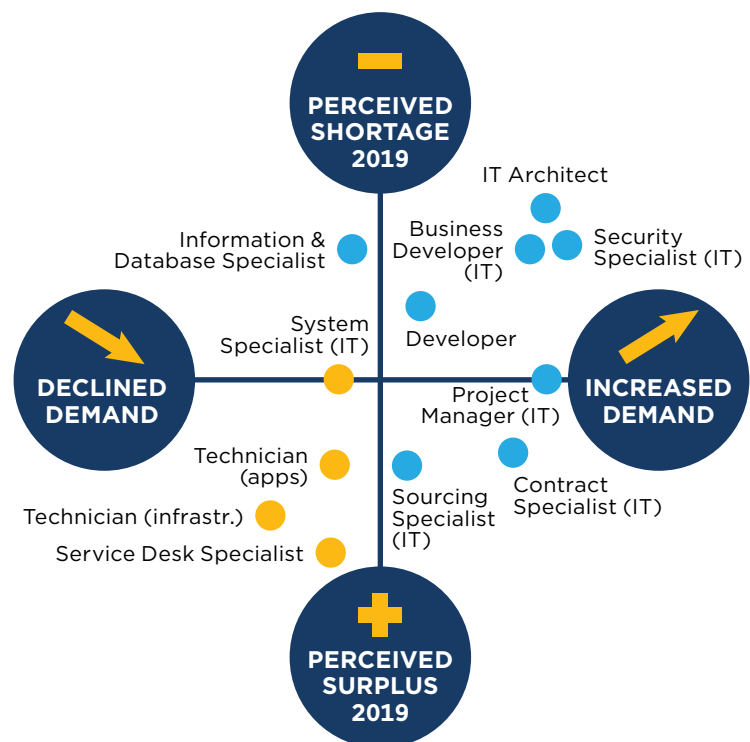
RATIONALISING BUSINESS PROCESSES

Investment and development of new technologies will continue to have a significant impact on the IT industry, particularly with the shift in focus towards transformative IT. Rationalising investment and skills is pivotal in ensuring the gap between developing technology and customer implementation is closed. Technical knowledge alone is not enough, understanding customers' business processes to add real value is how companies will guarantee long-term growth and market share. New technology for business rationalisation is only valuable if skilled resources are available to implement it.

Running in parallel is the need to plan for phasing out legacy systems and consolidating global operational systems to reduce costs and increase information transparency and speed of access.

THE FUTURE: Modern business systems and cloud solutions will enable companies to capture opportunities in the digital world and unlock new revenue streams but need rational investment and business buy-in.

MARKET STRUCTURE FOR COMPETENCE & EXPERTISE DEMAND



Increased demand for external competence in IT and more technical and information-oriented expertise

DISRUPT FOR IMPACT

WHY STANDARDISED DISRUPTION?

Innovation alone will not bring change. With so many companies playing a part in the innovation process, for it to work at scale, standardisation must become the industry norm. Collaborative initiatives are gaining traction with the technologies that present the greatest disruptive potential.

The global shift towards a platform economy has seen a dramatic change in the way industries have traditionally been organised. With seven of the 10 most valuable companies globally operating on a platform business model which creates digital communities and market places that allow different groups to interact, scope to leverage platforms is still vast. But a standardised approach to creating new platforms or at the least, join existing ecosystems is essential.

LARGEST GLOBAL COMPANIES IN 2008 VS 2018:
SEVEN OUT OF TEN ARE NOW BASED ON
PLATFORM BUSINESS MODELS

2008	2018
 PetroChina	
 EXXON	
	
 中国移动 China Mobile	
 ICBC	

THE FUTURE: Dedicated strategic, business-driven disruption units will sit outside of the core corporate structures with a wider view of creating sustainable, scalable platforms or integrating ecosystems across sectors.

UNICORN PLAYGROUND

SWEDEN'S ROLE

Hosting one of Europe's largest and best-known tech-ecosystems, Sweden continues to produce innovative new services and deliver them to the global market. As early adopters of tech and a hot-bed for innovation, Sweden punches above its weight and is only second to Silicon Valley in producing billion-dollar companies.

Sweden consistently ranks among the top three in the Global Connectivity Index and continually invests in infrastructure to provide a solid foundation for the development of local and global digital solutions.

THE FUTURE: By 2025, 98% of businesses and households across Sweden will have high-speed, 1 Gbit/s internet connection thanks to decades-long investment in digital infrastructure.

HIGHEST UNICORNS IN THE WORLD
PER CAPITA AFTER SILICON VALLEY



SUMMARY

As Sweden is a small export-orientated economy, Swedish companies have always adopted a global mindset and have been quick to adapt to change. As a leading digital economy and one of Europe's most mature markets for mobile solutions, data analytics, 5G and Internet of Things, Sweden is an invaluable test-bed for global tech companies and start-ups.

Sweden boasts a top talent pool with IT and telecommunications expertise ranked among the best in the world.

Business Sweden can help international companies become a part of the digital disruption that take place across all industries in Sweden and the Nordics.

Business Sweden helps international companies invest and expand in Sweden. We ensure that international companies access our knowledge, experience and extensive network to identify new business opportunities and accelerate return on investment with neutral and trustworthy backing for a successful long-term presence in Sweden.

Our market insights in logistics, retail and e-commerce provide a fast-track to identifying a suitable location and set-up for your fulfilment centre in Sweden.

Business Sweden is owned by the Swedish Government and the industry, a partnership that offers access to contacts and networks at all levels.



Would you like to learn more about how we can help grow your business in Sweden and set you on the path to being logistically ready for the future?

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We help Swedish companies grow global sales and international companies invest and expand in Sweden.

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