

Office of CEO+CSO

In today's world, characterised by Disruption, Volatility, Uncertainty, Complexity, Ambiguity and Diversity (DVUCAD), megatrends are shaping the global landscape.

Climate change is driving a shift towards sustainability, transforming industries, policies and consumer behaviour. Meanwhile, technological advancements are rapidly redefining the nature of work, communication and innovation. Geopolitical developments, including shifting alliances, trade wars and regional conflicts, are creating a dynamic and unpredictable global order. This is further compounded by demographic and societal shifts, such as ageing populations, urbanisation and evolving cultural norms. To successfully navigate these interconnected trends, businesses, governments and organisations must embrace scenario planning as a critical strategic tool.

Scenario planning helps stakeholders anticipate possible futures, adapt to rapid changes and build resilience by exploring a range of potential outcomes. It fosters proactive decision-making, allowing leaders to align strategies with emerging realities. This allows them to seize opportunities while mitigating risks in a complex and interconnected world.

Key themes

- **Megatrends and their importance in the current scenario**

In addition to the key growth levers, the following four key megatrends CEOs/CSOs should closely monitor:

- Climate change and sustainability
- Technological advancements
- Geopolitical developments
- Demographic and societal shifts

- **Scenario planning for the future and the evolving importance of megatrends**

Four potential scenarios for India's future were identified based on how various megatrends, themes and uncertainties play out. The analysis was based on two key parameters: global dynamics and ease of doing business in India.

- Resilient vanguard (current scenario)
India focuses on self-reliance and regional collaborations rather than full globalisation. However, it maintains a highly competitive and business-friendly environment internally. Policies are designed to strengthen domestic industries, reduce dependency on imports and promote domestic innovation.
- Global champion
The country is part of a highly integrated global economy where trade and investments flow freely across borders. It offers a highly business-friendly environment with streamlined regulations, minimal red tape and strong protections for investors.
- Isolated stagnation
India becomes inward-looking and adopts protectionist policies while having a challenging business environment. Domestic businesses are shielded from global competition, but the country suffers from bureaucratic inefficiency, restrictive regulations and a lack of innovation.

- Passive globalism

The country is integrated into the global economy, but internally, it struggles with regulatory inefficiencies and a challenging business environment. Complex laws, bureaucratic delays and inconsistent regulatory policies hinder businesses. While trade and investment continue globally, India fails to capitalise fully due to domestic hurdles.

Key outcomes and insights

- The current landscape of megatrends

- Amid evolving business environments, the group emphasized the importance of understanding and adapting to megatrends.
- Technological advancements and demographic and societal shifts emerged as two pivotal trends for shaping business strategies. Within these, drivers such as GenAI/ML, cloud and edge computing, women's empowerment and an ageing population were identified as having immediate and transformative implications for innovation, workforce dynamics and customer engagement.
- Geopolitical developments and climate change and sustainability were recognised as critical factors, highlighting the intricate interplay of challenges businesses must navigate. The insights underscore the need for organisations to proactively adapt their strategies, prioritise resilience and seize opportunities emerging from these shifts to maintain relevance and competitive advantage.

priorities for near-term action:

- o Evolving mobility and energy transitions (reflecting innovation in infrastructure and resources).
- o Environmental awareness and a borderless world (pointing to interconnected challenges and opportunities).
- o Systems thinking and a materials revolution (indicating a shift towards holistic and innovative solutions).

- Evolving priorities across scenarios

Scenario planning can translate insights

- Leaders also pointed out the following as

into actionable strategies. A nuanced, industry-agnostic perspective emerged on the varied impacts of megatrends across different scenarios. A design-thinking approach fostered a collective appreciation of how priorities shift based on external environments and how to effectively track signposts to anticipate emerging scenarios early. A brief summary of the key insights across different scenarios is mentioned below:

- Regardless of the scenario, technological innovation emerged as the most critical megatrend, highlighting its leading role in shaping the future of industries and economies.
- In scenarios characterised by isolated stagnation—defined by regional economies and a decline in the ease of doing business—geopolitical developments gained heightened importance as organisations sought stability and adaptability in fragmented markets.
- These trends saw a relative decline in importance in scenarios leaning towards increased globalisation, where the focus

shifted to using interconnected markets and technological convergence.



Preferences for mega trends amongst business leaders across four scenarios

Current Scenario

- Generative AI is transforming India's **digital landscape**, **driving automation**, **innovation**, and accelerating startup growth.
- **Resource scarcity and price volatility** are reshaping industries, as demand, environmental issues, and geopolitical factors create competition and supply chain instability.
- Countries and communities are becoming more **inward-focused and polarized**, with increasing divergence in opinions and perspectives.
- With greater financial independence, education, and career opportunities, **women are now more influential** in consumer spending, shaping demand for products that align with their values and needs

Global Champion

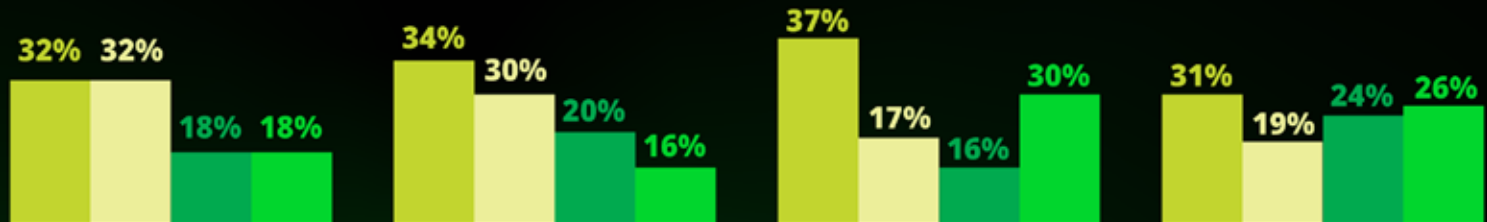
- **Cloud and Edge Computing** are growing rapidly as organizations adopt a pay-per-use model, distributing workloads across hyperscale data centers, regional centers, and local nodes to optimize latency and data transfer costs
- **The rise of electric vehicles (EVs)** and energy storage solutions is driving sustainability by improving energy efficiency and grid reliability, reshaping the clean energy future.
- With rising demand in India, **global brands are adapting** to meet local preferences, needs, and market dynamics
- **The borderless world** is enabling seamless global trade by removing geographic barriers, allowing faster movement of goods and services and more efficient distribution via global supply chains, reducing costs

Isolated Stagnation

- **Automation is driving efficiency** across industries by using technology and machinery to perform tasks with minimal human intervention, boosting productivity, reducing errors, and conserving resources.
- With **growing sustainability and climate awareness**, industries are shifting from conventional energy sources to electrification, moving towards a low-carbon future.
- **As nations prioritize energy security**, businesses in energy-dependent industries may face new regulations and trade restrictions.
- **The rise of a young, tech-savvy population** is driving demand for convenience and digital solutions in urban markets, pushing businesses to innovate and meet the needs of a connected, efficiency-driven consumer base.

Passive Globalism

- **Faster technologies** like Wi-Fi 6, 5G, 6G, affordable satellite launches, and higher smartphone penetration are driving ubiquitous connectivity.
- The **shift to renewable energy and biofuels** will lower costs, reduce carbon footprints, and offer a competitive edge to sustainable businesses.
- **Geopolitical tensions and micro-conflicts** will disrupt supply chains, requiring contingency plans and market diversification to reduce risks.
- **Intense talent competition and rising costs** are prompting Indian employers to refine benefits to attract and retain skilled workers



- Technological Advancement
- Demographic & Societal Shifts
- Geo-Political Development
- Climate Change & Sustainability

Disclaimer: Chart outputs are basis inputs received from business leaders during the session; Sample Size: Current Scenario - N = 17, Global Champion - N = 5, Isolated Stagnation - N = 3, Passive Globalism - N = 7

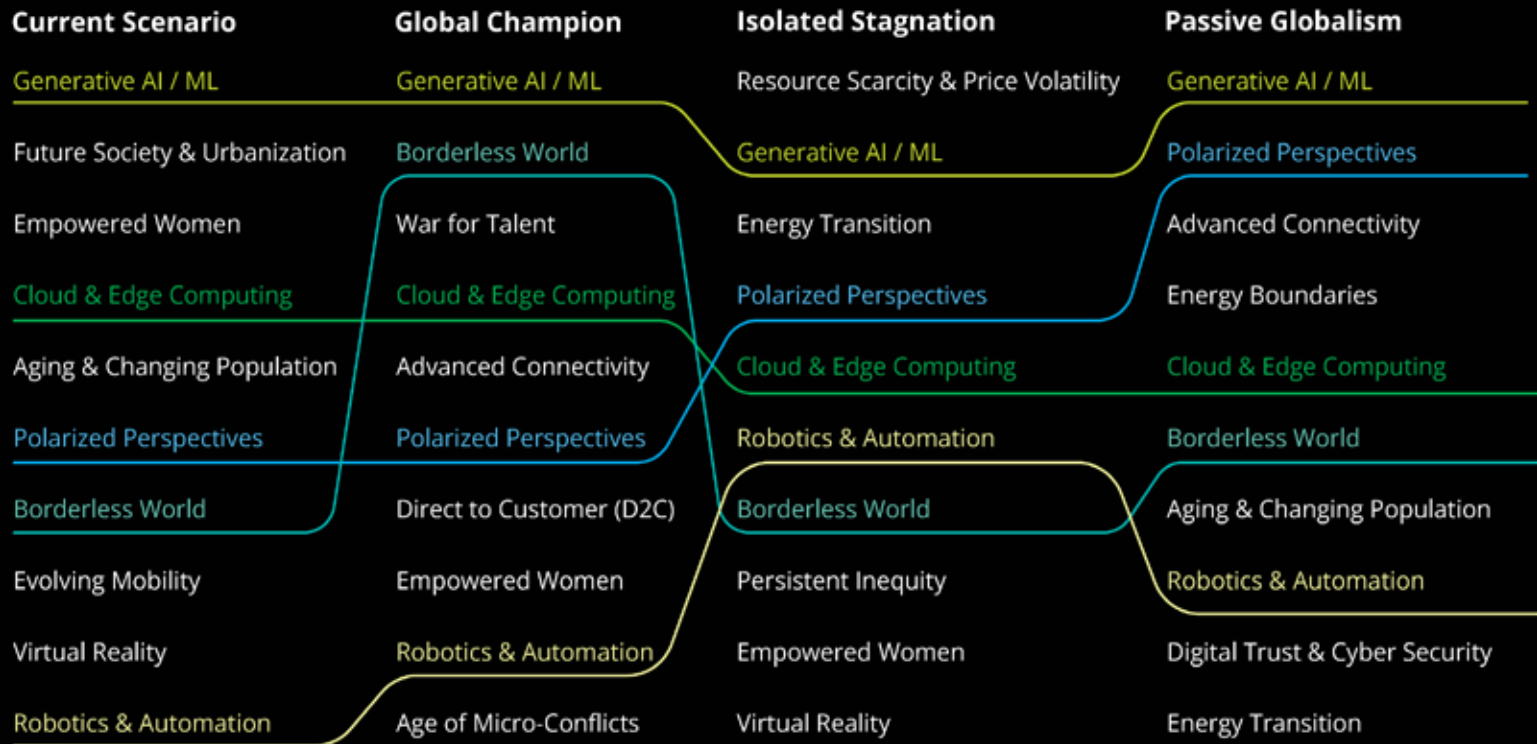
The shifting priorities within each megatrend showed how context influenced their importance. Despite differences across the four scenarios, five trends consistently stood out as top priorities.

- AI and ML will become central to operations, from automating processes to creating personalised customer experiences. Businesses will need to invest in AI-driven solutions to enhance efficiency, improve decision-making and deliver innovative products and services.
- The shift to cloud and edge computing will enable businesses to process data more efficiently, reduce costs and scale operations. As companies migrate their infrastructure to the cloud, agile IT strategies will be needed to use cloud-native technologies and edge capabilities.
- Political and social polarisation may lead to shifts in consumer behaviour and brand expectations. Businesses will need to carefully manage their political and social stances while balancing global expansion with local market preferences.

- The growing fluidity of borders, driven by globalisation and digital connectivity, will create opportunities and risks for businesses. Companies will need to navigate complex trade agreements and supply chains while remaining agile to respond to rapid changes in international regulations.
- Robotics and automation will revolutionise manufacturing, logistics and customer service, driving efficiencies, reducing human error and reducing labour costs. Companies will need to adapt their workforce strategies and invest in automation technologies.

These common trends reflect enduring themes that CEOs and CSOs believe will remain relevant, regardless of how the future unfolds.

Top 10 Themes Across Scenarios



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Key takeaways



- Collaborate with clients to use Deloitte's scenario planning and megatrend analysis frameworks, enabling them to align growth strategies with key trends for innovation and diversification.



- Conduct workshops for senior leadership teams to enhance their understanding of scenario planning, focusing on integrating trends and uncertainties into actionable strategies for future contexts.

"Legacy is not just about systems—it is also about culture. Breaking cultural debt is as important as addressing technology or process inefficiencies."

**– Sumeet Salwan,
Partner, Offering Portfolio
Leader - Operate - T&T,
Deloitte India**

"ESG is not just about meeting regulatory expectations; it is about creating new growth opportunities and building trust with your stakeholders"

**– Amishi Kapadia,
Partner, Strategy, Risk &
Transactions, Deloitte India**

"The future of work is not just about technology; it is about balancing human emotional intelligence with cutting-edge innovation, such as AI and Gen X workforces."

**– Saurabh Dwivedi,
Partner, Offering Leader -
Organisation Transformation
Technology & Transformation,
Deloitte India**