

**Deloitte.**



Digital Humanism,  
The Guiding Star of Recovery  
Innovation Summit 2020



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# The support of innovation to the disruptive effects of the Covid19 crisis

**Sudden, unprecedented, global:** The Coronavirus pandemic has swept the world, rewriting governments' priorities to deal with a health crisis that has had important and profound effects on the economy. In this context, technology and innovation played a crucial role in responding to the situation and preparing to relaunch the economy.

To explore the impact that innovation has had in dealing with the current health emergency and in order to analyze the opportunities for recovery, Deloitte conducted a **demographic study** on a sample of more than 6,000 European citizens<sup>1</sup>.

In addition to the vast **economic consequences**, the survey has also surfaced the significant repercussions on **people's emotional state** and **habits** due to the health emergency.

Numerous studies commissioned in Europe exhibit that the pandemic caused a growing level of anxiety and dissatisfaction in the population<sup>2</sup>. This has been further confirmed by data collected in several European countries. For example:

- In the **UK**, since the introduction of the lockdown, more than 25 million people experienced increasing levels of anxiety<sup>3</sup>.
- In **Belgium**, depressive disorders increased by six percentage points compared to 2018 (16% vs 10%) with a higher incidence among young people (16-24 years old)<sup>4</sup>.
- In **Italy**, in recent months, about 14 million people (23.2%) suffered from anxiety disorders and about 25 million people (42.4%) from sleep disorders<sup>5</sup>.
- In **France**, 18% of those who worked remotely showed symptoms of anxiety and depression<sup>6</sup>.

<sup>1</sup> The countries included in the survey are: Belgium, France, Germany, Greece, Italy, the Netherlands, the Scandinavian Countries, Switzerland, UK

<sup>2</sup> European Commission, 2020, COVID-19 and counter-measures both detrimental to mental health

<sup>3</sup> United Nations, 2020, Concerns are raised over the threat of COVID-19 to mental health in Europe

<sup>4</sup> Ibid.

<sup>5</sup> AGI, 2020, Sintomi di ansia e depressione per un italiano su quattro

<sup>6</sup> United Nations, 2020, Concerns are raised over the threat of COVID-19 to mental health in Europe

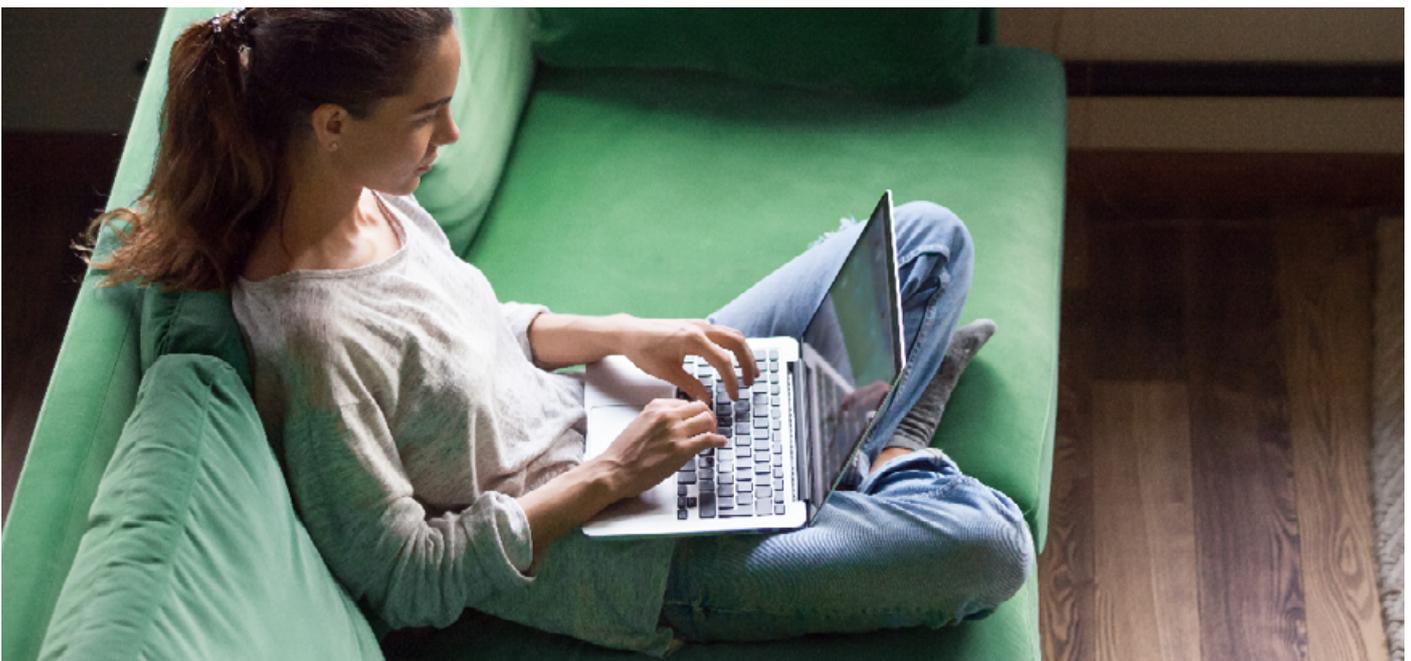
The prolonged restrictions adopted to contain the pandemic imposed a considerable push towards the **digitalization** processes. Moreover, the changing consumer behavior accelerated the already initiated **transformations** that would have otherwise taken years to establish under normal circumstances.

**30%** of consumers discovered online shopping and used e-banking for the first time. **35%** of respondents think they will use digital sales channels in the future as well

In a context of substantial limitations, **innovation** has allowed companies to respond to people's existing needs and new demands. Even in population groups usually considered unlikely to adopt such technologies, there has been a rise in appreciation of digital **solutions and new technologies**, fostering advancement both in terms of maturity and use.

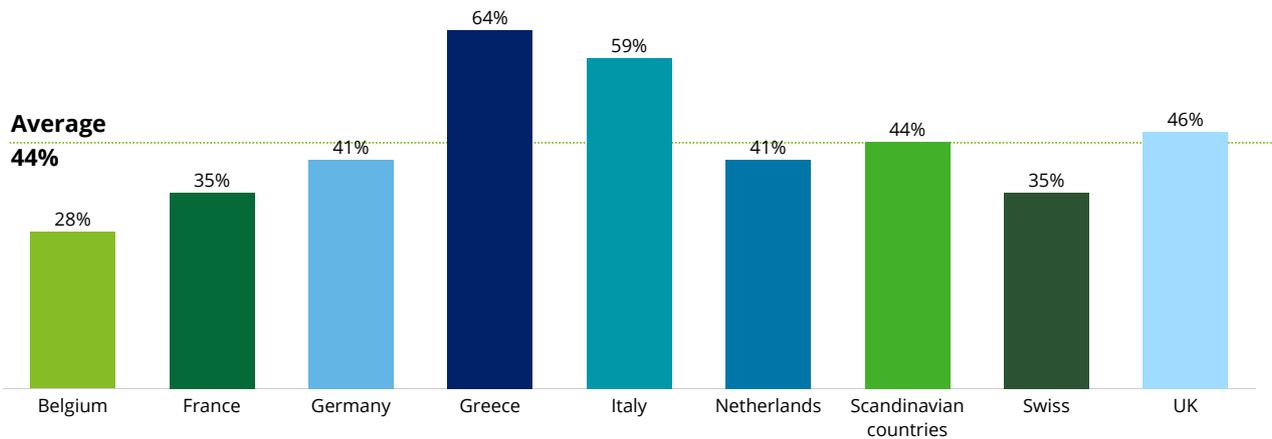
During the health emergency

 **44%** OF RETIREES realized that **DIGITAL INNOVATIONS** are not challenging to use





**TABLE 1 |** Retirees who have realized during the health emergency that digital innovations are not challenging to use (% values)

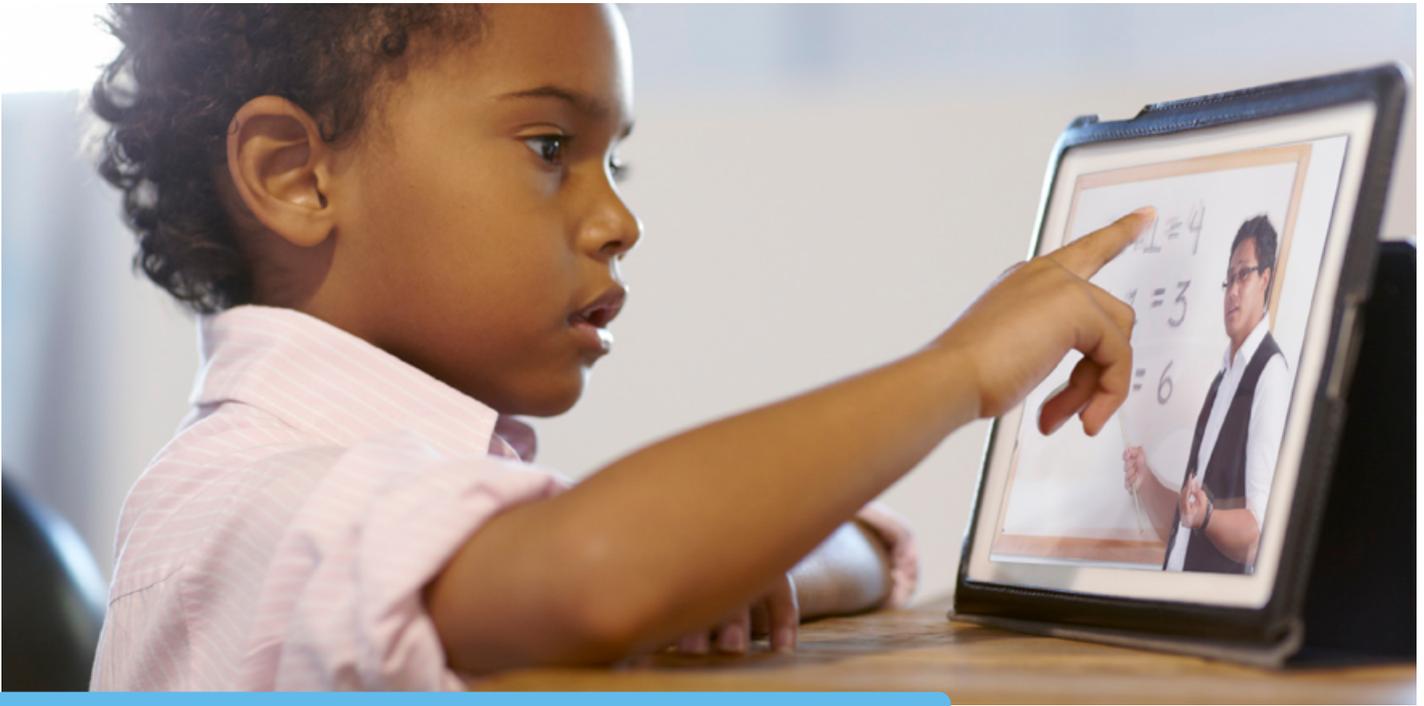


**38%** of respondents say that it was thanks to technological innovation that they were able to perform their activities regularly during the lockdown

At the same time, **companies** also benefited from the support of innovation, which has made business continuity possible thanks to the introduction of new **business models and methods** and enabled the adaptation of production processes, accelerating the **digital transformation** that was already underway.



**23%** of the sample **tried REMOTE WORK** for the first time



# The response to the crisis highlighted gaps in innovation

The health emergency constituted a large-scale "stress test" that has highlighted some of the **limits of innovation** itself. On the one hand, some infrastructural gaps have emerged that hinder available technologies from functioning correctly. About **2 out of 5 respondents** complained about the difficulty of accessing school services provided through e-learning platforms and the lack of data sharing between health facilities e.g hospitals, clinics, doctors. Additionally, more than **1 out of 3 respondents** reported the lack of effective contagion monitoring systems and limited access to fast connectivity.

On the other hand, innovation is less effective if the **digital** and **physical dimensions** are not adequately **integrated**.

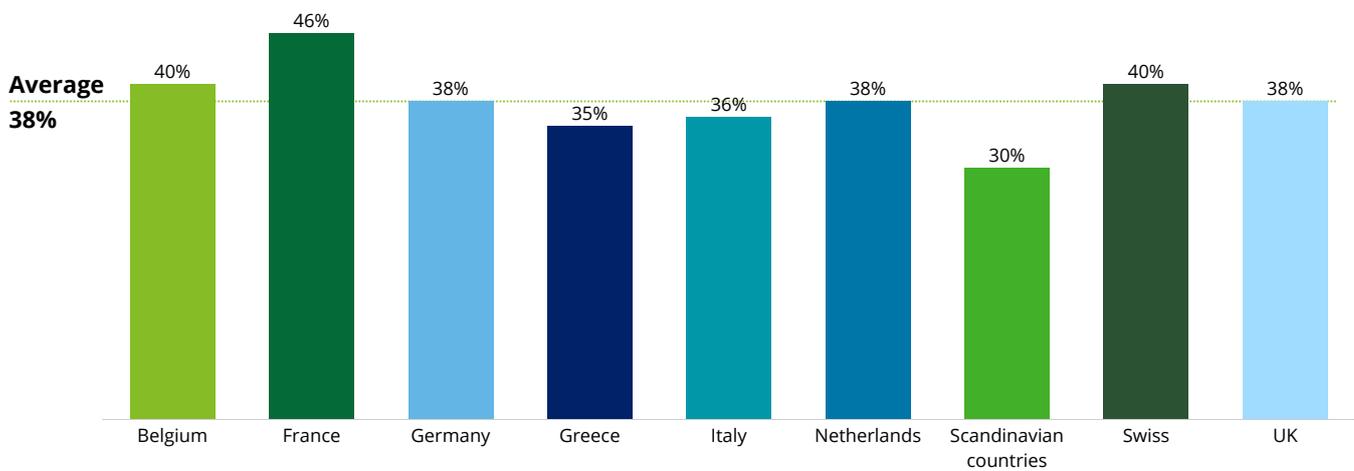


**41%** of shoppers say that they prefer a **A MIX BETWEEN PHYSICAL AND DIGITAL** channels

This also applies to new working habits. Those who worked solely from remote during the lockdown expressed the need for more human contact (55%) compared to those who worked onsite or in a hybrid mode (50%).

## 38% believe that the digitalization process does not take sufficient account of the human aspect

**TABLE 2 |** The digitalization process does not take sufficient account of the human aspect (% values)



The development and availability of the most advanced technologies is however not sufficient to address people's new problems. For innovation to be effective, it is necessary to adapt it in an **organizational context** that combines the human and technological aspects in both the operational and decision-making processes. An example of this is the creation of Covid-19 contact tracing tools. In Europe, each country has responded independently, some creating its tools from an external source code and developing decentralized systems, as in the case of Germany, Italy, or Switzerland; whilst others have opted for the internal development of a centralized system. Both approaches have shown a limited recourse to a clear and well-defined organizational structure,

focusing mainly on technological aspects and technical features. The absence of a unique tool and the lack of data sharing among all countries has represented - and still represents - a void that can be filled by combining decision-making processes with the best available technologies and a convergence of national intents.

Finally, further limitations can be ascertained in the excessive and improper use of technology that leads the latter to potentially become even a harmful element for people. For example, the **ease of access to a multitude of uncontrolled information** has favored the evolution of various phenomena, such as an **infodemic**, which has generated a

greater sense of **confusion, anxiety**, and inability to understand the real extent of the epidemiological phenomenon. In fact, between December 2019 and April 2020, there were approximately 800 deaths and six thousand hospitalizations recorded globally due to misinformation<sup>7</sup>.

Innovation has been able to **help us** in the **emergency response phase** and to **evolve our behaviors**, but it is now evident that an **approach** to innovation based on **full awareness** and at the same time **independent from the tendency towards exponential innovation** is clearly required, i.e. from innovation driven by trends and technology performance.

<sup>7</sup>Md Saiful Islam et al., COVID-19-Related Infodemic and Its Impact on Public Health: A Global Social Media Analysis, The American Society of Tropical Medicine and Hygiene, Vol. 103, n. 4, 2020, 1621 - 1629 (DOI: doi.org/10.4269/ajtmh.20-0812)



# The next step: anthropocentric innovation

The research results show that it is necessary to **examine innovation** through a new lens to adequately exploit its potential and the solutions it may provide. Therefore, it is essential to apply a new anthropocentric innovation model, which **puts people at the center of all dimensions**: consumer, worker, and a central player in the Country System.

The concept of anthropocentric innovation has to be included in all of the following **phases**:

1. **Availability** to consumers - it requires a focus on the real needs of the individual, be they **expressed or latent**. 54% of respondents think that innovation should provide practical solutions to real needs in everyday life rather than aiming for revolutionary change.
2. **Management** - it is essential to combine the online and offline dimensions to enhance their interaction, even in **organizational and operational processes**.
3. **Formulation** - the context must enable the enhancement of the **stakeholders** and **assets in the Country System**, as well as the **prioritization** of the areas of intervention.

The **anthropocentric innovation** model represents a **change of approach**, made even more necessary by the transformations brought about by Covid-19, both for companies and the public sector as a whole.

The new paradigm confirms the validity of the **innovation value** («V(i)») formula, expressed by Deloitte as follows...

... which must be integrated as needed and read through a **human lens**, namely, the «u» factor.

$$V(i) = (A * P)^e \quad V(i)_u = (A_u * P_u)^{e_u}$$

V (i) = Innovation value  
A = Asset  
P = Industrial Policies

e = Ecosystem  
u = Human factor



The human factor can be considered as a **cross-component present in all the elements** of the formula. It is a value amplification factor that influences the **Assets** («A») and **Industrial Policies** («P»). Whilst the latter, the former enhances a Country's human capital, traditions, and know-how, the latter aims to stimulate creativity and entrepreneurship through incentives as well as comparison and collaboration between different players. Moreover, it influences the **Ecosystem** («e») by strengthening the relationships between the various players and by promoting cooperation between them, also based on a bottom-up and «open» logic, mainly thanks to activities such as the **technology transfer**.

The inclusion of the element «u» in the formula allows an increase of the value («V») that innovation can generate. It means associating to innovation the ability to create **economic and social benefits**, contributing in a decisive way to the achievement of **human sustainability**. Ultimately, innovation can stimulate innovative processes as well as the technological, economic, and social progress.

$$V(i)_u > V(i)$$



# Jimmy Wales

Brilliant entrepreneur, inventor, and author.

Defined as one of the web's most influential people he has transformed the way we get information.

Nominated among the leading individuals whose use of digital technology improves the lives of others, and that have made significant contributions to art, culture, and society.

During the Deloitte Innovation Summit 2020, Jimmy Wales' keynote emphasized his vision for Wikipedia and a more human internet.

Founded on the principle of collaboration and democratization of information, Wikipedia is based on a community of individuals who share purpose, values and the need to do something useful for others. This cooperative spirit and its mission have allowed this organization to consistently be in the top 10 most visited websites in the world and keep its community continually engaged. Wikipedia's not-for-profit model and lack of advertising also generate trust among many of its users.

“ Our model is very human-centric, is not about algorithms, is about the best people in the community, who are in dialogue, in conversation, who are on chewing on ideas and are looking for quality.

“ Imagine a world in which every single person on the planet is given free access to the Sum of all Human knowledge.

“ We have to focus on teaching our children on how you evaluate the information that you are receiving.



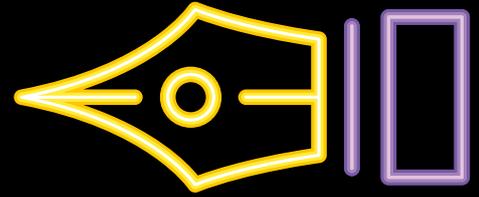
# Conclusions

The socio-economic crisis has profoundly transformed consumer habits and business methods, forcing us to rethink the very concept of innovation. In the **new paradigm**, the human element becomes the pivot of the actions taken to develop innovative models that can balance the **physical** and **virtual dimensions**, making them coexist in a **hybrid** environment.

The elements needed to create innovation-enabled value - assets, industrial policies, and the ecosystem - must include the **«u» factor**, i.e., enhance the **human capital**, encourage **creativity** and **entrepreneurship** but also support the technology transfer between the various players in the innovation value chain.

In this way, the **value** generated by innovation will be **sustainable** over time and respectful of **people's needs**. Today we need a new **Digital Humanism** that, like a guiding star, will show the way to recover from the crisis and a new era of prosperity.

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