We all know the world is rapidly changing as a result of developments in innovative areas such as artificial intelligence, augmented reality, connectivity, information sharing, Internet of Things/Everything, wearable devises and digital marketing technologies to name a few. These and other innovations will change our behavior, the way we think, live, work and interact. It will change our lifestyles; how we want to work, bring down geographic boundaries and dramatically further drive global connectivity.

The digital era is likely to be the biggest technology transition in history. Experts agrees it will dwarf the information era and the value of internet as we see it today. Ongoing connectivity with an estimated 500 billion devices to be interconnected in the next decade leading to business transformation and creating massive opportunities estimated to more than the size of the US economy, up to 20 trillion in economic value over the next 10 years alone according to McKinsey.

Due to the lower costs needed to build, launch and scale businesses, online companies can go digital with less financial resources than ever before. Development is cheap and access to 3 billion global Internet users (39% world population penetration) and 5.5 billion mobile phone users (73% world population penetration) are just one click away.

The combination of new technologies, lower development costs, the global potential of online businesses and more venture capital creates an unprecedented opportunity for entrepreneurs, investors and societies. Progressive governments around the world want to stimulate and reap the societal benefits of this opportunity by promoting and supporting innovation and startups. Around the world and in Australia we have seen measures such as new tax incentives, incubator support programs, National Technology Innovation funds, changes to legal structures such as Venture Capital Limited Partnerships and supporting innovations through visas etc.

Specifically web based Internet technologies and web-centric businesses offers opportunities the world has never seen - both opportunities of high growth and significant investors returns.  In the light of increased competition of investment opportunities and unrealistic and inflated valuations in Silicon Valley, other advanced and successful countries startup ecosystems like the Swedish, Israeli, Singaporean and to some extent Australian to name a few, are starting to look more attractive with its lower valuations. Savvy investors realise this fundamental shift and are looking to capitalise on this new business and investment landscape.

These web-based business models have a centralized technology platform, has no geographical boundaries, use digital web based marketing, have remote customer service and its data is cloud based. The global playing field is equalised giving well-managed and supported start-ups opportunities not seen before.

However, the complexity of navigating the online world is challenging. For those who can manage these challenges and truly understand the digital landscape and technical aspects of high performance programmatic digital marketing and customer conversion, has a clear and differentiated advantage.

As technologies and new innovations are reshaping the world very quickly every existing business needs to become a digital business and capture the digital angle of their products, services, and business models. Companies failing to adapt are just likely to fail all together.  It will also impact investor’s investment criteria’s. It will impact IT political environment, decisions and priorities, which need to embrace the opportunities of this dramatic change.  It will simply impact our whole society.

The digitalisation will completely turn western societies, economies and labor markets upside down. According to estimations, within only the next twenty years, more than half of the jobs in most western societies will have disappeared as a direct consequence of automation, robotics and digitalisation of societies, industries and businesses.

Countries, including Australia, are facing massive challenges in foreseeing and adjusting this new business paradigm and IT-political future in areas such as broad band initiatives, expansion of governments e-services as well as the impacts of digitalisation of industries and businesses.  How do Australia’s legislation, labor laws and a social insurance systems need to adjust to work at a time when sporadic employment and self-employment is increasingly the norm in for example the expanding sharing economy? Nobody really knows. However one thing is certain, the current innovation agenda and vision of the Australian government is a necessary start but needs to be updated, flexible and adaptive to face future challenges and demands.

The digital business world is already a reality and in great need of policy certainty and clear rules.  The speed is furious in start-ups with these new creative technological application, business models and cross boarder solutions, Uber being the classic example. Governments who are not flexible and responsive in putting forward clear rules and policy will certainly fall behind.  Its not an easy task as it’s a moving target but nevertheless, there is no alternative to agility.

Unfortunately, the digitalisation process does not stop to give political leaders, corporate directors and start up founders much time to think and prepare long term business plans or reports and start commissions. Collaboration and agility need to be the foundation. Corporates need to be innovative, startups supported, investors stimulated, educational institutions well-funded and governments visionary and bold, all in order to uphold a competitive, progressive and prosperous society. Australia is no exception. Mistakes will be made by all ‘players’ in this fast moving environment. We need to accept this.

Doers makes mistake. Believing, doing and learning make us achieving!

Author: Fredrik Orrenius CEO, G4S [G-Force] Ventures

[www.g4sventures.com](http://www.g4sventures.com/)fredrik.orrenius@g4sventures.com

+61 (0) 435 850 250.